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EDITORIAL

As We See It

Not only because the President is making a special plea to him, and not only because he, after all, is a citizen of this country of ours, the business man, as business men, like the rest of us is face to face with some of the consequences of our racial minority problems made more acute by professional troublemakers as well as perfectly sincere reformers. And the problems which face the business man in this connection are not nearly so simple, or the decisions he must make so open and shut, as many of those who shout at him appear to suppose. It is not merely a matter of being willing to employ whites and negroes indiscriminately or to serve the public without regard to the color of the skin of the individuals who collectively are the public. Even in the matter of so-called desegregation of public schools the real difficulty is not the willingness or the unwillingness of local public officials to proceed as demanded by those who seem to suppose that a condition such as that existing in this country can be legislated out of existence or stared out of countenance.

To clear the atmosphere, and to prevent misunderstanding, let it be bluntly asserted that the status of the negro in this country is utterly inconsistent with the spirit of our declaration of independence and, for that matter, with some of the express provisions of the constitution—and always has been. When these revered documents were drafted, at least in their original form, the negro was in servitude and the authors of such documents as these seemed never to have considered them or else somehow regarded them as something other than human beings. A constitutional amendment after the Civil War undertook to correct this situation but, in respect of many of the facets of (Continued on page 24)

Managing the Government Portfolio In the Face of Advanced Refunding

By Robert S. Damerjian, *New York City, Former Lecturer in Finance, Temple University, Philadelphia, Pa.*

U. S. Treasury advanced refundings pose advantages and pitfalls for the managers of Government portfolios. Compendium of useful advice written with a bank's special requirements in mind contains considerable information for the non-banker as well. The writer, experienced in portfolio management, offers an over-all guide where liquidity needs must be weighed against income-maximization and tax considerations. Pointers made vary from whether it pays to lengthen maturities for additional income to shortening them to maintain the same average life with income unchanged.

With the advance refunding technique being employed, portfolio managers are to some extent faced with some new problems in the management of their government portfolios. To date, seven advance refundings have been effected, each placing the portfolio manager in a position different from that of the routine refunding operation. In order to appreciate the problems, below are listed some of the underlying factors which should be overall guides to such portfolio management.

Robert S. Damerjian

The main thesis of any portfolio management should also be the following:

(1) Liquidity in conjunction with banks overall resources in mind, including various ratios and compositions.

(2) Maximizing income without taking undue risks in terms of maturity.

(3) Using to the best leverage tax advantages.

A brief summary is in order concerning the above three factors before examining the factors that advance refunding could pose to the portfolio manager.

Without a doubt liquidity should be the prime and guiding factor. On the other hand, over-liquidity is almost as bad as under-liquidity, because this will tend to place other sectors of the bank under undue earning pressure and possibly the undertaking of unnecessary risks. Liquidity in the portfolio can be measured only relative to why the liquidity is needed. At this juncture the following items need examination and analysis.

(1) Deposit composition—time and demand and the relative growth of one to another, and the problems of "hot" monies.

(2) Cash and due from banks to deposits.

(3) Loans to deposits and the outlook for loan demand.

(4) The overall break down of asset allocation.

(5) The level and liquidity of the municipal portfolio in terms of quality, maturity and book profit or loss.

(6) Deposit to capital ratio.

(7) Risk assets to capital.

(8) Mortgages as a percent of total loans.

(9) Call loans as a percent of total loans and as a percent of total resources.

(10) Profit or loss position in the government portfolio.

(11) Current monetary policy and its effects on the portfolio and loan demand.

Other minor factors could be cited, but the above appear to cover the most significant points.

The greater the liquidity in the various ratios mentioned, the less important the liquidity factor becomes in the govern- (Continued on page 22)

PUBLIC UTILITY ISSUE NEXT WEEK—Current and prospective economic trends in the public utility industry will be featured in our issue of June 13.

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.

BEN GAYNES, JR.
Director of Research, Sartorius & Co., New York City
Members New York Stock Exchange

Burndy Corporation

The 39-year-old Burndy Corporation is an important producer of electrical connectors. 1962 marked the end of a three-year period of extensive expansion and sophistication of product lines, consolidation of marketing efforts, and internal reorganization. The first benefits of these efforts are beginning to be felt this year. Burndy seems to be standing on the threshhold of an era of accelerated earnings. The next five years could see a definite upward trend of sales accompanied by a considerable widening of profit margins.

Burndy has an established position in the electrical connector industry. Of all the electronic components, connectors perhaps are the easiest to understand. Just visualize an electrical circuit as an arrangement of a path for electron flow. There must be a direct highway for current between each successive point within the circuit. This can be provided for by connectors. These devices, therefore, join electrical conductors mechanically and electrically either to other conductors or to apparatus terminals.

The connector industry is essence is a prime supplier of basic circuitry components utilized by both the electric utility and electronics industries. Before the development of connectors that could mechanically grip electrical conductors, most connectors were made by the soldering method. Today solderless connectors allow for high-speed, low-labor cost production techniques. Because of the increasing acceptances of its products total sales of the electrical connector industry are expected to grow at a faster rate than those of the industries serviced.

The importance of connectors in electrical and electronics applications can be illustrated by the fact that there are over 30,000 connectors in an average airliner and 45,000 connectors in a missile launching installation. A large electric utility uses about four million connectors each year. This is a high unit volume, low unit cost business. Burndy produces over a quarter of a billion connectors annually, filling some 135,000 separate orders, and maintains an inventory of 60 million units. Engineering and new products are dictated by technological innovations of the company's customers. The electronics industry has moved into micro-miniaturization and, therefore, miniature multiple contact connectors is Burndy's major area of new product development.

One historical and ironic feature of the electronics world is that oftentime products are developed to serve one purpose and end up doing the opposite. A main drive behind the trend to an integrated circuitry was to increase component reliability by cutting down on the number of needed electrical connections. However, the development of minute components enabled the design of much more complex electronic systems which in turn makes for the use of increased numbers of connectors.

The key to the investment opportunity in Burndy stock lies in the area of profit margins. Net earnings as a percent of sales have been well below the average for the major companies in the connector industry. While Burndy has been bringing in slightly over 3% of sales to net, AMP and Thomas & Betts have been operating in the 10% range. All indications point to the probability that the period of low profit margins is coming to a close. The company is relying less and less on small profit public utility work and more on military and industrial electronics. Most of the problems of integrating acquired facilities seem to have been solved. In addition Burndy is increasing its emphasis on direct selling. This not only affords better coverage of potential accounts, but to some extent, lowers costs. Initially a shift of this nature makes for duplication of both effort and expense. Overseas, both sales and earnings are in an upward trend.

This year net profit margins could approximate 4% on sales of over $40 million thus bringing earnings up to $1.36-40 a share. This would compare with 1962's net profit margin of slightly over 3% and earnings of $1.10 a share before a special charge estimated at 5 to 10 cents a share. Net earnings were equal to $0.22 in the first quarter as compared with $0.17 in the similar 1962 quarter. This 30% increase in net profits was derived from a sales increase of less than 4%.

Burndy's long term debt stood at $4,805,352. The common share issue consists of 1,184,343 shares and is listed on the New York Stock Exchange. The annual dividend rate is $0.60 a share.

JAMES B. STARR
Manager, Corporate Dept., R. J. Edwards, Inc., Oklahoma City, Okla.

The Liberty National Bank & Trust Company of Oklahoma City

The economic climate of Oklahoma City is particularly well suited for growth of a sound, well-managed bank. Oklahoma City is the capitol and largest city in Oklahoma and is strategically located in the geographic center of the State. It is the center of extensive activities in agricultural distribution, oil production, stockyards, large manufacturing plants, and cultural affairs. Population of the Metropolitan Area (being Oklahoma County, of which Oklahoma City is the County Seat) has advanced steadily upward as shown by United States Census Bureau figures:

1930	221,738
1940	244,159
1950	325,352
1960	439,506
1962	*550,000

*Estimated

Oklahoma City banks serve an area which is experiencing its greatest surge in industrial development. Aerospace industries which chose Oklahoma City for new developments last year included General Electric with a plant to build equipment for missiles, satellites, and space vehicles on a 1,000-acre tract; Ling-Temco-Vought with 100,000 square foot plant on a 71-acre tract; and Melpar, Inc., an electronics firm with a space-oriented facility on another large tract.

Predictions are that incoming new industry already announced will give Oklahoma City 25,000 new jobs and an estimated population increase of 100,000 within the next two years.

The Liberty National Bank & Trust Company is headed by aggressive Harvey P. Everest who became President and Chief Executive Officer on December 1, 1955. At the last bank call date, March 28, 1963, it was revealed that deposits had grown to a record level of $271,941,786, and for the first time, Liberty led all Oklahoma City banks in this respect. The transfer of funds by the State Treasurer was instrumental in this change, but during 1962, even with a temporary loss of several million by the removal of this deposit by the previous State Treasurer, a deposit growth of $14,500,000 was accomplished. In the following pertinent data, attention is called especially to the prime growth criteria—growth of deposits.

Year	Net Earn. Per Sh.	Deposits at Year End (000s omitted)	Book Value
1958	$1.37	$151,365	$21.90
1959	2.12	165,511	23.69
1960	2.62	184,988	25.41
1961	3.50	199,056	27.50
1962	3.28	213,533	30.06
1963	3.60*		

*Estimated

(The above figures are adjusted for stock dividends.)

The slight decline in earnings for 1962 reflected a decrease in security profits, whereas operating earnings continued their upward trend. Although net operating earnings may present a better basis for year-to-year comparisons, the Liberty feels that total net earnings represent the fairest basis of evaluation over a period of time.

The Trust Department represents Liberty's most rapidly expanding department. The general trend of growth in the economy, the fact that many Oklahoma estates are now maturing and requiring trust management, and the efforts of the Trust Department personnel to keep their services up to date with changing conditions—all are factors contributing to the growth in Liberty's trust business. Trust assets have increased from $22 million in 1958 to $56 million by the end of 1962.

A wholly-owned subsidiary, the Liberty Building Corporation holds title to the Liberty's 33-story bank building, and the 15-

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

This Week's Forum Participants and Their Selections

Present Economic Score Is Seven to Four in Our Favor

By Dr. Arthur R. Upgren,* *Director of the Bureau of Economic Studies, Macalester College, St. Paul, Minn.*

Our economy is depicted in baseball terminology as having scored, so far, seven runs in its favor compared to four scored against it. Dr. Upgren is encouraged by the favorable lead but advises "we must and shall do better." Found to be favorable are what has been happening to: price inflation, Federal debt, credit and liquidity, wage policy, economic understanding, balance of payments and economic growth. Unfavorable factors are said to be: the unemployment problem, the "rate" of economic growth, labor's opposition to productivity, and low rate of profits. The economist is convinced that much of our unemployment, lack of labor productivity and disappointing growth rate stem from lack of educational training. A promising future lies ahead, Dr. Upgren concludes, if we keep at educating and retraining our unemployed.

The American economy is doing better than we think. As I reckon it, in baseball terminology, the score is 7 to 4 in our favor.

Dr. A. R. Upgren

By this I mean that we have made excellent progress in satisfactorily resolving and solving 7 economic issues and problems. Against these "runs" in our favor I count 4 runs against us. These are the issues with which we have not contended with our entire satisfaction. We are not doing badly with them. But we are just not doing as well as our great, powerful, and wealthy nation should do.

In this winning game of economics, since the end of World War II, we have the following points (or runs) in our favor.

Price Inflation Under Control

(1) Inflation has been brought under satisfactory control. The Index for the prices of crude materials and crude foodstuffs **is down 20% from the 1947 level.** (in the case of coffee, this has meant a harsh economic blow to such countries as Colombia and Brazil). **The wholesale price index has been stable, and in recent years very stable.**

The important cost of living index has increased less than 1% a year in the last five years. This extremely small rate of rise is much more than offset by the improvement in qualities of the goods we have available. The American people would not buy the older qualities of goods at completely non-inflated prices. They prefer to upgrade their standard of living with their constantly rising incomes. Especially is this true in the case of medical care. In this area drug store prescriptions which today are considerably more costly save lives and greatly reduce the length of hospital stays for those who must be hospitalized.

The rise in prices has been only one-sixth in the past 15 years the rate of rise from 1940 to 1948. In the past five years the price rise has been only one-tenth of the rate of inflation from 1940 to 1948. Taking an equally longer look ahead deflation, not inflation, is much more likely to be our problem.

U. S. Debt Under Control

(2) The national debt is under completely satisfactory control. While this is not a satisfactory pronouncement to many, especially in light of Congressional fussiness about increasing the debt limit, the facts certainly bear out this statement to the full.

The national debt has increased less than 1% a year in the 18 years since the end of the war in 1945. The actual increase has been about 16%. In amazing contrast all other forms of debt in the United States have increased: 216% for all corporate debt, 266% for farm debt, 516% for all mortgage debt, and 816% for consumer debt.

Of still more significance to the national debt increase has been the increase in our total national production or the Gross National Product (GNP). Here we have the following comparisons.

	1945	1963
	(Billions)	
National debt	$260	$305
GNP	214	572
Debt as a burden to GNP	125%	54%

Here we see that the national debt, when viewed as a burden to a year's production,, has been more than cut in two. In the days of Secretary of the Treasury Andrew W. Mellon interest on the national debt required 25% of the budget. Today the requirement is almost down to 10% and on a net basis—after the return of one billion dollars of interest to the Treasury from the Federal Reserve banks and after allowing for the tax upon Federal debt

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OBSERVATIONS...

BY A. WILFRED MAY

"GOVERNMENTAL" PURIFICATION OF THE CASINO

We have on occasion depicted the SEC's regulatory attitude as "cleaning up the casino," with overemphasis on the market player's getting a "fair shake"—and with "the government" unwittingly portraying a role of assuring *safety* to speculative activities that must remain risky.

This tendency has now carried over to the Commission's a-borning Special Study. Along with the government-guaranty illusion apparent sanctification of the widespread aim of beating-the-market is strongly highlighted in the Study's voluminous and varied discussion of advisers in all categories.

The impression of following the community's over-concentration on capital gains via short-term market swings was, for example, authoritatively exhibited in SEC Commissioner Jack M. Whitney's address before the Annual Convention of the Financial Analysts Federation★ Commissioner Whitney in correlating the growth of the analyst community with the public's booming interest in common stocks, assumes the premise that the adviser's services are properly centered in market profits—in lieu of investment counsel and trust officer type of attention to all-over long-term portfolio, and even income (!) considerations.

Timing vs. Disclosure

Overlooked also "on high" is the realistic fact that while the statute's disclosure provisions, existing and proposed, are the prerequisite to constructive *investment* analysis, they do not furnish a key to the *timing of market* fluctuations.

The use by Commission officials of the terms "right" and "wrong" as applied to the analyst denotes the ability to time the market—or at least gives authoritative encouragement thereto. Of these quotations approvingly offered Commissioner Whitney:

"Admitting errors is an important part of this business. There never has been a market theory in all history that was 100% right [!] all of the time.

"If you are right [!] 60% of the time you'll have a big following."

"It is important to the investor that the analyst promptly admit when he's wrong [!]"

Actually, at what point is an analysis wrong [!]? This is strictly a $64 question, excepting in the case of a timetabled merger or other precisely measurable exchange deal.

A Hazy Criterion

The quality of "recklessness" applied to advice as proposed by the SEC's Special Study, is the criterion that should subject an adviser to civil liability. Whatever may be the dictionary definitions of *reckless* ("rash," "lacking due caution," etc.), the test of liability would surely be centered on the security's subsequent market performance—examined with hindsight.

Hence the courts, along with the regulatory authorities, would become further involved with destructive speculative, in lieu of constructive investment, criteria.

* * *

REFORM CEILING

The action of the House Ways and Means Committee in tentatively approving a number of major provisions substantially changing the existing treatment of stock options, is typical of its attitude toward the entire reform segment of the pending tax legislation. It represents a compromise from President Kennedy's original proposals to the maximum of what Chairman Wilbur Mills has decided he can get through the House.

The Committee now has supplied the indispensable proposal to ban the widespread *Resetting* privilege, namely the unconscionable practice of lowering the option price to the holder, ex post facto, if and after the stock's market price has declined instead of advanced as a result of his managerial efforts—a flagrant heads-I-win tails-you-lose arrangement. (New options would not be issuable covering the same period to the same individual.)

Likewise salutary are the Committee's tentative provisions reducing the permissible period for an option to be outstanding from the present ten years to five; for extending the required period for holding stock acquired pursuant to an option from the present six months to three years; requiring that options be issued at 100% of the market price of the stock in lieu of the present 95% floor, (any differential below 100% would be included in ordinary income 1½ times for tax purposes, at the time of exercise).

Also constructively proposed are the elimination of variable pricing provisions, and denial of stock options' favored tax treatment to "substantial" shareholders of the corporation—with a 5% or more shareholder being so termed in the case of a major corporation, with further Committee exploration of developing a more liberal rule for smaller corporations the dilution drawback, (it is difficult in addition to see why more incentive is required by those already holding stock).

A High Ceiling

While the above cited action does not meet the President's basic proposal that the profit, (namely the difference between the price paid and the stock's market value), be taxed as compensation at ordinary income rates, some of the abusive provisions of stock market play would be reduced, as by the proposed requirement that the optioned stock be retained for three years instead of six months.

But the Basic Fallacy Remains

At the same time, the fundamental fault is not removed that—in contrast to stock bonus plans which fulfill the professed incentive motivation and are more favorable to the company taxwise—the option technique makes for an advance of the tax on ordinary compensation, via validating a shift to a wholly irrelevant market-playing stake. In lieu of incentive reward being geared to earnings results, it is based on changes in the *market's changing capitalization* of those earnings, namely the price-earnings ratios which have fluctuated between 7 and 23† since mid-century.

Proposes a Maximum

The Ways and Means Committee proposed provisions constitute quite a high reform ceiling, probably unsatisfactory to many interests in both directions. The great danger is the vulnerability of the ceiling as a maximum subject to emasculation, which lowering might still leave the illusion of the much needed reform in this area.

★ Chicago, Ill., May 15, 1963.

† On Moody's 125 Industrials.

Telling the Corporate Story

Companies listed on the New York Stock Exchange communicate with a vast audience—their stockholders, their employees, and a general public ranging from customers and security analysts to school students.

As an aid to these corporations in this large and diverse undertaking, the Exchange has issued the fifth edition of its editorial guide, "Telling Your Corporate Story."

The 28-page booklet cites some 200 outstanding examples of how Big Board companies have maintained and improved the flow of information to the diverse groups with which they communicate. The examples include annual reports, analytical supplements, meeting reports, stockholder letters, special educational articles and other materials. Samples of the literature are made available by the Exchange to company officials receiving the new booklet.

The Guide and samples are part of a program conducted for the past several years in which the Exchange acts as an "editorial clearinghouse," spotting and recommending to listed companies in general the techniques individual companies have used successfully to communicate information about themselves, investing and the economic system.

The Exchange noted that the growth in shareownership in all publicly owned corporations in the U. S.—from 6.5 million to more than 17 million in a decade—has been accompanied by an increase in the sophistication and informational needs of stockholders and the public.

Among the booklet's illustrations of ways individual companies have met this challenge are:

(1) Interstate Power Co. told its annual report story by quoting reactions of individual shareowners on a plant tour; Koppers Co. recounted the year's events through the pen of a noted economist who interviewed company executives.

(2) Pfizer used its employee magazine to explain the general significance of the European Common Market and how its affects the company's operations; FMC Corporation's employee publication detailed the capital needed to create one job.

(3) American Telephone & Telegraph explained to employees how the tax-writing House Ways and Means Committee operates.

(4) Companies like Texas Eastern Transmission, Atlantic Refining, Riegel Paper and Union Carbide expanded in special reports on statistical, analytical and operating information available in their annual reports. Their special reports were designed for stockholders, analysts and members of the public who may wish to study their companies in greater detail.

The Guide also explains briefly the Exchange's requirements for prompt release of corporate news that may affect securities values on an immediate release basis.

Some 12,000 copies of "Telling Your Corporate Story," are now being distributed to listed company officers, stockholder relations directors, public relations executives and publications editors.

British Ford Company Wins Fight With Trade Unions

By Paul Einzig

British Ford merits high praise according to Dr. Einzig for taking the lone and brave stand it did in dismissing a hard core of "trouble-makers." The reporter sums up the significance of the protracted bargaining stand against 22 unions as a victory for the U. K.'s economy and an invaluable lesson for other industrialists who have been taking the easy way out. The economist notes that the Government's official featherbedding study — "National Redundancy Scheme" — is about to be released and he trusts that financial assistance provisions will not be recommended for those who are not genuine victims of technological progress.

LONDON, Eng. — Tle long-drawn out battle between the British Ford Company of Dagenham and the trade unions over the dismissal of "trouble-makers" has ended in the victory of the Ford Company. In the course of the prolonged negotiations with the 22 trade unions concerned, the company consented to a reduction of the number of dismissals from its original figure of 70 to 17. Having given way to that extent, the executive decided to make a firm stand against further concessions and they struck to their guns in face of a threat of an official strike.

This firm attitude is all the more remarkable as, after last year's recession in the automobile industry, Fords and the other automobile producers are now fully occupied and there is an increasing trend in the output and in sales. It was therefore tempting to take the line of least resistance and to give way for the sake of avoiding a major stoppage. The bargaining position of the unions is very strong, owing to the demand for additional labor by Ford's rivals.

Praise Ford for Taking A Firm Stand

It is to the credit of the executive of Fords that it was prepared to risk a heavy financial loss rather than give way on a matter of principle that is of the utmost importance. Even if the number of dismissals was drastically reduced, what matters is that an example was made of at least some of the trouble-makers. Had the 17 men been re-engaged it would have been interpreted as an indication that it is possible for Communists and others to make trouble and disorganize production with impunity, and that trouble-makers could continue their subversive activities in the certain knowledge that they are protected by the full might of the trade union movement. As it is, the lesson of the fate that awaits the 17 dismissed men will provide a useful reminder for the rest. It is understood that some of the dismissed men are entirely unable to find jobs and have to now live on unemployment relief, even though they will get some subsidy from their union for a limited period. In several known instances they were refused jobs by other firms the moment they disclosed that they had been dismissed by Fords.

So far so good. If other employers followed Fords example it might go a long way towards restoring industrial discipline. That some action to that end was badly needed is indicated by the all-too-frequent instances of unofficial strikes over dismissals for shoddy workmanship. It seems that members of trade unions feel entitled to waste valuable material and to reduce the quality of the finished products, in the certain knowledge that the management would not dare to risk an unofficial strike by dismissing them. If only other employers adopted Ford's attitude this spirit would soon change.

There has been lately an epidemic of unofficial strikes in the automobile industry where men are particularly trigger-happy because of their strong bargaining position. But they seem to be trigger-happy even when their bargaining position is not so strong. In Scotland, where unemployment is well above the average, there was recently a strike at Rootes' motor works, because workers demanded the same pay as workers of the same firm's factory receive in the South of England. The reason for the high pay given to the latter was their scarcity value in a district where unemployment is low. Labor spokesmen emphasized their right to take full advantage of their higher bargaining power. This fact did not prevent the men in Scotland from demanding the same pay even though under the application of their own principle they were not entitled to it, since their bargaining power was low.

Awaiting Featherbedding Study

The publication of details of the government's national redundancy scheme is awaited with considerable concern. Even those of us who are in favor of compensating victims of automation are worried about the possibility that the scheme might be applied indiscriminately to all dismissals regardless of the cause of the dismissals. Under such an ill-advised scheme even the 17 trouble-makers of Fords would be entitled to a "golden handshake" in the form of compensation for redundancy. If the bank rate is raised and credit is restricted in order to damp down inflation, the resulting reductions of labor force might entail compensation payment to those responsible for inflation by their excessive wage demands.

Should the redundancy scheme be operated in that sense, we monetary experts might as well retire or change our profession, because we would become utterly useless. No matter what measure the government might take to resist inflation, its deterrent effect on excessive wage demands would be negligible. Up to now it has at least been possible to argue that unless the unions moderate their demands the authorities might be impelled to take measures which would cause unemployment. "It would hurt you more than it would hurt us" will be the reply to such warnings.

Unfortunately there is more than a possibility that the new redundancy scheme will not be confined to genuine victims of progress. For the government is in a very generous mood, because business recovery is not proceeding at a satisfactory rate so the official policy aims at stepping it up regardless of costs.

F. I. du Pont to Admit Partner

Francis I. du Pont & Co., 1 Wall Street, New York City, members of the New York Stock Exchange, on June 6 will admit Louis V. Henston, member of the Exchange, to partnership.

Treves & Co. Will Admit Partner

Treves & Co., 1501 Broadway, New York City, members of the New York Stock Exchange, on June 13 will admit Charles M. Lewis to partnership.

Clough Joins Laidlaw & Co.

William S. Clough, Jr. has been appointed manager of the Banking Department of Laidlaw & Co., 25 Broad Street, New York City, private bankers and members of the New York Stock Exch., it has been announced. Mr. Clough was formerly a Vice-President of the Morgan Guaranty Trust Company of New York in the International and National Banking Divisions, where he was most recently responsible for activities in Canada and the Midwest.

William S. Clough, Jr.

The appointment of Mr. Clough is one of several moves made jointly by Laidlaw and their British partner, Hambros Bank Limited, London's largest merchant bank, to broaden their operations in merchant banking and international finance. Another move was the recent appointment of representatives of Laidlaw & Co. in the European financial centers of Zurich, Paris, Milan, Vienna, Athens, and Oslo.

Mr. Clough joined Morgan Guaranty (formerly Guaranty Trust Company) in 1946 on his return from duty as a Naval officer in the Pacific area. Until 1959 he was in the International Department, responsible for banking in the British Commonwealth, France, and Belgium. In 1959 he became associated with the National Banking Division in charge of Canadian business.

Tax-Exempt Bond Market

BY DONALD D. MACKEY

For the past week or more, bond market writers and reporters have been dramatically declaring in headlines that the decrease in free reserves to about $165,000,000 as reported last week and the loss of another $30,000,000 in U. S. gold, marks the end of the Federal's "easy money" policy and the beginning of a tighter or "less easy" money trend. Yields on the 91-day Treasury bills have increased sharply from 2.90% to 3.03% (a three-year high) within the last two weeks and Federal Funds have been reported as scarce at the 3% ceiling. Finance company and bankers' acceptance rates have been raised one-eighth of a point, while long-term government issues have eased off by several 32nds. State and municipal long-term bonds have been trading in moderate volume down 15-20 basis points from the highs made in early May. All of these factors have generated without any official statements having been reported. The situation has developed from a more or less "open mouth" beginning.

Municipal Market Suffering From Inventory Indigestion

Partly as a result, the municipal bond market has continued to be plagued by the substantial remnants of syndications which appear overpriced even as they are reoffered. These unsold balances have swelled the street float to a record high volume. This uncounted volume of dealer inventory seems not likely to be effectively cleaned up without some further price correction. Despite blood-letting price cuts, and not infrequent sizable sales, investors seem not likely to absorb a substantial volume of competitively priced offerings as long as supply appears to be in profuse evidence. Unfortunately, some semblance of a fire sale may be required before the glut is broken.

In previous periods of market glut, price cutting has usually been carried relatively further than is the case at present before the inventory situation has begun to melt to a degree below the $400,000,000 mark as shown in state and municipal *Blue List* offerings. At present (June 5) the *Blue List* total of these offerings is $633,439,572. So-called background inventories cannot be accurately estimated but it could equal the *Blue List* total or may be more.

Perhaps the paramount reason for the profusion of dealer inventory is the nature of the record volume of new issues offered during the past 17 months or more. The new issue volume has for the most part been in competitive offerings. In previous years, up to 25% of the new issue volume was of the negotiated issue variety. Usually such issues were negotiated as to terms and as to placement and thus distribution was immediately effective. Thus the competitive element was but part of the market and a healthy relationship prevailed within the general framework of pricing.

The Pricing Problem

During the past year or more most of the new issues have been at competitive sale and this financing has been of progressively record volume. The market has been high and relatively steady due to the more or less perennial circumstance of easy money. This competitive situation has led to the dead end market situation that confronts the dealers today. Now dealers find it difficult to properly price the relatively very few large negotiated type issues for ready sale due to the variations of investor interest within the maturity spectrum and the sharp divergence of price views at this level of the market.

The calendar of new issues through June appears to consist of about $450,000,000 of competitive issues. This total includes $80,000,000 Chicago Public Building Commission bonds still tentatively set for sale on June 26. This is a relatively modest calendar for this time of year but it looms as a challenge to dealers at this heavy stage in the inventory cycle. Even this volume may be dangerous should pricing continue to be practiced through preconception rather than through the pragmatics of demand.

Huge Negotiated Transaction Set For July 10

One sizable negotiated financing appears in the July calendar. The *Phelps, Fenn & Co., Lehman Brothers, Smith, Barney & Co., W. H. Morton & Co.* management has tentatively set July 10 for reoffering $108,000,000 New York State Housing Finance Agency (1-40 year) bonds. A nationwide syndicate will participate in the flotation. This will be the third series.

Yield Index Weakens

The level of the market has been lowered during the past week to an extent imprecisely measured by our weekly yield Index. Since the Index is struck by averaging the yields at which certain key 20-year general obligations bonds are offered and since the market spread is wider during periods of market ease, the Index doubtless reflects a moderately optimistic view of the market's real level. The Index averages at a 3.023% yield on June 5, whereas last week it stood at 2.992%. This indicates a one-half point decline in high grade offerings.

Recent Awards

The new issue calendar for this week expanded to about $230,000,000 and most of the bidding was crammed into one day (June 4) when over $213,000,000 of this total was offered for public sale. Bidding continued to be highly competitive with close covers the usual result but yield levels were more generous and initial investor demand was generally good.

Due to the Memorial Day holiday there were no sales of importance on Thursday (May 30) and Friday (May 31) and the first issue worthy of brief mention was offered on Monday (June 3). The Wilkinsburg - Penn Joint Water Authority, Pennsylvania awarded $3,000,000 Water Revenue (1965-1988) bonds to the syndicate managed jointly by *Drexel & Co.* and *Goldman, Sachs & Co.* at a net interest cost of 3.3172%. Second best bid for the bonds, offering a net interest cost of 3.322%, came from John Nuveen & Co. and associates.

Other members of this syndicate include C. J. Devine & Co., Singer, Deane & Scribner, Moore, Leonard & Lynch, Schmidt, Roberts & Parke, Hallowell, Sulzberger, Jenks, Kirkland & Co., J. W. Sparks & Co., C. C. Collings & Co., Schaffer, Necker & Co. and Woodcock, Moyer, Fricke & French.

The balance in syndicate on June 5 was $665,000.

Tuesday was a hectic day with 50 plus issues of tax-exempt bonds offered for competitive sale. Of this total, 24 long-term issues of over $1,000,000 each were awarded for a one day record of individual issues sold.

Week's Major Sale

The merged syndicate headed jointly by the *First Boston Corp.* and *Halsey, Stuart & Co., Inc.* was the only bidder for $94,000,000 Allegheny County, Pennsylvania Sanitary Authority Refund-

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MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California, State	3½%	1982	3.25%	3.15%
Connecticut, State	3¾%	1981-1982	3.10%	3.00%
New Jersey Hwy. Auth., Gtd.	3%	1981-1982	3.10%	3.00%
New York, State	3¼%	1981-1982	3.05%	2.90%
Pennsylvania, State	3⅜%	1974-1975	2.85%	2.75%
*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	3.25%	3.15%
Baltimore, Maryland	3¼%	1981	3.20%	3.05%
Cincinnati, Ohio (U.T.)	3½%	1981	3.15%	3.00%
Philadelphia, Pennsylvania	3½%	1981	3.25%	3.15%
*Chicago, Illinois	3¼%	1981	3.20%	3.10%
New York, State	3%	1980	3.11%	3.05%

June 5, 1963 Index=3.023%

*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.

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.
June 11 (Tuesday)			
Ball State Teachers College, Ind.	5,725,000	1965-1996	10:00 a.m.
Clawson, School District, Mich.	2,200,000	1964-1989	8:00 p.m.
Eugene, Ore.	1,700,000	1964-1983	10:00 a.m.
Fort Worth, Texas	2,750,000	1964-1988	-------
Hempstead, N. Y.	3,613,000	1964-1992	11:00 a.m.
Mercer County, N. J.	1,892,000	1964-1978	2:00 p.m.
Mt. Prospect, Ill.	1,128,000	1964-1987	Noon
Norfolk, Va.	7,000,000	1964-1988	11:00 a.m.
North Miami, Fla.	1,645,000	1964-1993	8:00 p.m.
Oklahoma City, Okla.	15,050,000	1965-1988	11:00 a.m.
St. Petersburg, Fla.	17,000,000	1964-1983	11:00 a.m.
Stanislaus County, Calif.	1,000,000	1964-1982	11:00 a.m.
June 12 (Wednesday)			
Beacon, N. Y.	1,752,000	1964-1992	11:00 a.m.
King Co. Shoreline SD #412, Wash.	1,125,000	1965-1978	11:00 a.m.
Orfordville & Footville, Etc. Joint Sch. Dist. No. 4, Wis.	1,100,000	1964-1983	2:00 p.m.
Roswell Municipal SD No. 1, N. M.	1,000,000	1964-1968	11:00 a.m.
Smithtown Central SD #1, N. Y.	2,057,000	-------	-------
Southwestern Sch. Bldg. Corp., Ind.	1,127,000	1964-1983	11:00 a.m.
June 13 (Thursday)			
Texarkana, Ark.	6,590,000	1973-1990	2:00 p.m.
June 15 (Saturday)			
Fla. State Bd. of Education, Fla.	8,735,000	-------	-------
Yorktown, Somers, etc., Central Sch. Dist. No. 1, N. Y.	4,082,000	-------	-------
June 17 (Monday)			
Aurora, Colo.	8,000,000	1973-2007	2:00 p.m.
Garland Indep. Sch. Dist., Texas	1,200,000	1964-1996	7:30 p.m.
Great Falls, Mont.	3,695,000	1964-1975	-------
Marquette, Mich.	3,775,000	1969-1987	2:00 p.m.
June 18 (Tuesday)			
Agric. & Mechanical Coll. of Tex.	4,743,000	1966-2003	10:00 a.m.
Charles County, Md.	2,000,000	1965-1983	Noon
Cudahy, Wis.	1,000,000	1964-1983	2:00 p.m.
Delray Beach, Fla.	2,600,000	1969-1996	2:00 p.m.
Everett, Wash.	4,200,000	1965-1993	11:30 a.m.
Greeley, Colo.	1,000,000	1964-1983	8:00 p.m.
Hillsborough County Special Tax School District No. 1, Fla.	1,000,000	1965-1981	2:00 p.m.
Nassau County, N. Y.	21,375,000	1964-1992	Noon
North St. Paul Maplewood Indep. School District No. 622, Minn.	1,000,000	-------	8:00 p.m.
Ramsey Sch. Dist., N. J.	1,010,000	1964-1979	8:00 p.m.
St. Paul, Minn.	2,500,000	1966-1993	Noon
Superior, Wis.	4,500,000	1964-1983	2:00 p.m.
Univ. of Ill. (Bldg. & Pkg. Rev.)	10,800,000	1969-1993	11:00 a.m.
Virginia Public Service Authority	15,000,000	1965-1984	11:00 a.m.
Wauwatosa, Wis.	3,100,000	1965-2003	2:00 p.m.
June 19 (Wednesday)			
Eastern Kentucky State College	3,000,000	1964-1998	11:00 a.m.
Malhuer Co. S. D. No. 8-C, Ore.	1,126,000	1963-1982	8:00 p.m.
Marietta City Sch. Dist., Ohio	1,500,000	1964-1983	Noon
Ohio Bridge Revenue	1,550,000	1967-1989	11:00 a.m.
June 20 (Thursday)			
Jacksonville, Fla.	22,000,000	1964-1976	10:00 a.m.
Lea County Hobbs Municipal Sch. District No. 16, N. Mex.	1,500,000	1964-1968	2:00 p.m.
Oklahoma City, Okla.	1,065,000	1964-1988	2:00 p.m.
Vicksburg Sch. Dist., Mich.	1,000,000	1965-1989	8:00 p.m.
June 24 (Monday)			
Las Virgenes Municipal Water Districts, Calif.	4,000,000	-------	-------
June 25 (Tuesday)			
Atlanta, Ga.	39,000,000	1967-1989	-------
Cleveland, Ohio	13,150,000	1964-1983	Noon
Madison, Wis.	6,750,000	1964-1983	10:00 a.m.
Maine Highway G. O.	14,000,000	1964-1983	11:00 a.m.
Minnesota, State Building, Institute and Aeronautics	40,590,000	-------	10:00 a.m.
Mobile County Board of School Commissioners, Ala.	4,000,000	-------	-------
Waldwick Sch. Dist., N. J.	2,725,000	1965-1984	8:00 p.m.
June 26 (Wednesday)			
Chicago Public Bldg. Comm., Ill.	80,000,000	-------	10:00 a.m.
Nevada Irrigation District, Calif.	57,200,000	-------	-------
Tallahassee, Fla.	3,500,000	-------	Noon
Troy, N. Y.	7,000,000	1964-2002	-------
June 27 (Thursday)			
Franklin Township S. D., N. J.	1,995,000	1964-1983	8:00 p.m.
Kettering, Ohio	3,000,000	1964-1983	Noon
Wash. State Univ., Bd. of Regents	4,580,000	-------	10:30 a.m.

Maturing Mining Companies

By Dr. Ira U. Cobleigh, *Economist*

Assaying the investment values inherent in four diverse and well sponsored Canadian mining companies, either in actual production or well on their way toward it.

On the Toronto Exchange there are dozens of prospecting, and exploring companies that excite the interest, and whet the speculative ardor, of myriads of traders. Many of these enterprises are still in the exploratory stage, often years away from commercial production. Hence their shares remain in a highly speculative category.

The companies selected for discussion today, however, are much further along. They have passed through the exploration stage and entered mine development and/or actual production. They have attained a sufficient maturity to justify a projection of earnings based on the mining of proven ore bodies; and, in two cases, output has been contracted for, for several future years.

Craigmont Mines, Ltd.

Our first selection is Craigmont Mines, Ltd. It is a substantial copper-iron property near Merritt, B. C., which began production in September, 1961. The company's concentrator has a present capacity of 5,500 tons daily. The production is all copper, although recovery of iron from copper flotation tailings is a future possibility.

Production for the last fiscal year (ended 10-31-62) was 125,000 tons of 29.43% copper. Sales contracts, completed in 1961, covered the companys' entire copper concentrate production for the first six years of mine operation. The major portion is to be exported to Japan, with a substantial tonnage earmarked for the American Smelting & Refining plant at Tacoma, Wash.

Craigmont benefits from strong, sophisticated management and sponsorship. Original financing was supplied 50% by Canadian Exploration, Ltd., 25% by Noranda Mines, Ltd., and 25% by Peerless Oil and Gas Co. By Feb. 1, 1963, $7,560,000 in loans had all been paid off, 31,200 shares of 6% $100 preferred had been redeemed (out of 80% of proceeds from production) leaving capitalization outstanding of 47,120 shares of 6% preferred and 5,077,275 shares of common of which Canadian Exploration now has the largest interest (2,264,000 shares).

Earnings have moved briskly forward amounting for the quarter ended 1-31-63 to 50 cents a share against 30 cents in the same quarter, a year earlier. The first dividend, 25 cents a share, was paid on April 30. A certain amount of lower grade ore will be encountered from open pit operations this year, after which the average grade of mill feed should improve. Last November, total reserves were estimated at about 26 million tons averaging 1.82% copper.

Craigmont appears to be a sound mining company, with excellent reserves, potentials for expanding earning power and strong cash resources. The stock now selling in Toronto at $17.00 looks more like an investment than a speculation.

Mattagami Mines, Ltd.

Mattagami Lake Mines, Ltd., is another company that has reached maturity. It is expected to go into production when power is available (about Sept. 15). The mine will feed into a 3,000 ton per day concentrator. Indicated reserves, in two ore bodies, have been estimated at 23 million tons averaging 12.77% zinc, 0.70% copper, 0.0018 oz. gold, and 1.28% oz. silver per ton before dilution.

The Mattagami property, about 1,137 claim acres in Galinee Township, Quebec, was originally financed by Noranda, McIntyre Porcupine and Canadian Exploration, Ltd., but McIntyre has, quite recently, sold out its entire interest (1,353,331 shares) of which some 553,000 shares were sold in a public offering at $8.20 per share. The common (6,600,000 shares outstanding) sold in Toronto as low as $4.05 in 1960 and as high as $14 in 1962. Present quotation is $8.10. No dividends have been paid to date.

Last November, $15 million in debentures, and 600,000 shares of common were offered to shareholders in units ($100 bond plus 4 shares of common for $100). These funds were to retire loans, to bring the property into production, and to finance Mattagami's 62½% participation in a $20 million electrolytic zinc reduction plant near Valleyfield, Quebec to be built by a new company, Canadian Electrolytic Zinc, Ltd.

Mattagami is an interesting company with respected management extensive contracts for its output, and interesting future horizons.

Northgate Exploration, Ltd.

Northgate Exploration Limited is a novel enterprise, a Canadian company with shares actively traded in Toronto, but with its mining operation in Ireland. Through its wholly-owned subsidiary, Irish Base Metals, Ltd., Northgate holds mining concessions covering over 100 square miles in four Irish counties. At Tynagh, in County Galway, a major deposit of lead-zinc copper silver ores was discovered in 1961. Extensive surface drilling have indicated about 9,000,000 tons, sufficient to run a 2,000 ton mill for 12 years or more. Some 5,300,000 of this tonnage, in the major ore body, indicated an average grade of 8.8% lead, 7.0% zinc, 0.64% copper and 3.22 oz. silver per ton, after dilution. The underlying primary orebody indicates somewhat lower ore values. Cost of preparing for underground mining is estimated at $1½ million, financed out of working capital. Cash earning from open pit operations from mid 1964-1971 have been estimated at over $7 a share on the 4,599,200 shares outstanding. Ten million dollars in financing is required to put the property "on stream." Actual production, scheduled to begin in 1964, is expected to retire all funded debt within the first three years of production.

In Northgate, a substantial orebody has been defined; management and financing are in the hands of people internationally respected in the mining industry. The common stock which sold as low as $1.80 and as high as $8.55 in 1962, appears to be an equity of considerable promise at current market levels of around $3.90.

Western Mines, Ltd.

Western Mines, Limited is British Columbia base metal gold-silver property in which Consolidated Smelting and Refining Co. holds a 22.82% interest (714,290 shares). Development work up to 9-30-62 indicated an estimated 1,487,000 tons, grading .09% oz. gold, 3.37 oz. silver, 1.8% copper, 1.2% lead, and 9.8% zinc per ton. The company also owns a producing lead-zinc-silver property at Ainsworth, B. C.

Economic studies have suggested that a mill of 750-1000 ton daily capacity would be feasible, and that the lower size mill might deliver an annual cash flow of 68 cents a share on the 3,130,043 shares outstanding. While actual production will not begin till sometime in the future, the quality and size of the orebody, the competence and resources of the management, would seem to indicate some speculative attraction in Western Mines common at around $4.30.

This article was designed to offer some guidelines to those investors attracted to mining equities. Historically, the mining section of the security market has been the most speculative and dangerous; and for every major company such as Noranda, Consolidated Smelting, American Smelting and Refining, McIntyre, St. Joseph Lead, Homestake, etc., there are hundreds of smaller enterprises that have fallen by the wayside at great cost to hopeful speculators and proprietors. The main cause of these failures was the lack of the very qualities we have stressed in today's selections rich and rewarding ore-bodies, proven managerial competence, and adequate financial resources.

Williams Joins F. I. duPont Co.

PHILADELPHIA, Pa.—Francis I. duPont & Co., members of the New York Stock Exchange and other leading exchanges, announce the appointment of Alfred H. Williams as Municipal Bond Department Manager in their Philadelphia office at 1620 Chestnut St.

Alfred H. Williams

Prior to joining Francis I. duPont & Co., Mr. Williams was Manager of the Municipal Bond Department of Drexel & Co. in Philadelphia. He is a member of the Municipal Bond Club of Philadelphia.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Bache Selected List — Revised index of opinions—Bache & Co., 36 Wall St. New York 5, N. Y. Also available are comments on **Great Northern Railway, Chesapeake & Ohio, National Steel.**

Bank Holding Companies — Analysis—W. E. Hutton & Co., 14 Wall St., New York 5, N. Y.

Bond Market Highlights—Review of the national market for municipals—Wachovia Bank & Trust Co., P. O. Box 3099, Winston-Salem, N. C.

Bond Outlook — Discussion—New York Hanseatic Corp., 60 Broad St., New York 4, N. Y.

Canadian Common Stock Comparisons — Comparative figures arranged by industries—Equitable Brokers Ltd., 60 Yonge St., Toronto 1, Ont., Canada.

Capital Goods Revival and the Steel Companies — Discussion — David L. Babson & Co., Inc., 89 Broad St., Boston 10, Mass.

Common Stocks for appreciation—Bulletin—Watling, Lerchen & Co., Ford Building, Detroit 26, Mich.

Corn Product — Analysis — Tessel, Paturick & Co., 61 Broadway, New York 6, N. Y.

Food Chain Industry — Analysis —Thomson & McKinnon, 2 Broadway, New York 5, N. Y. Also available are comments on the **Steel Industry.**

Funk & Scott Index of Corporations & Industries — Index of articles on corporations, industries, and general business subjects taken from over 200 financial publications, 350 broker's reports, and speeches before analysts societies — 1962 Annual Cumulative Volume $30. Further information on the weekly or monthly issues available on request—Funk & Scott Publishing Co., 206 F Colonnade Bldg., Cleveland 6, Ohio.

Iron Ore Industry in Canada — Review—Bank of Nova Scotia, 44 King St., West, Toronto 1, Ont., Canada.

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

Japanese Market — Monthly review—Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y. In the same issue are reports on **Atsugi Nylon, Oji Paper, Bridgestone Tire, Noritake, Kubota Iron, Matsushita Electric, Canon Camera,** and **Daimaru** and comments on **Ebara, Kajima Construction, Kiren Brewery, Minolta Camera** and **Nippon Musical Instruments.**

Japanese Market — Review — Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y. Also available are studies of **Kirin Brewery, Kanegafuchi Spinning, Takeda Chemical, Asahi Glass, Yawata Iron & Steel, Ebara Manufacturing, Isuzu Motors, Minolta Camera, Nippon Kogaku, Mitsubishi Estate.**

Japanese Natural and Synthetic Rubber Industry — Review with particular reference to **Bridgestone Tire** — Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available is a review of **Komatsu Manufacturing Co.** and preliminary earnings reports of major **Japanese Banks.**

Market Notes — Detailed review and analysis—Dean Witter & Co., 45 Montgomery St., San Francisco 6, Calif.

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

Oil Company Earnings — Comparative first quarter results — Carl H. Pforzheimer & Co., 25 Broad St., New York 4, N. Y.

Oil Industry — Review of the outlook for both international oils and domestic integrated companies—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available is an analysis of the **Bond Market,** and memoranda on **Beckman Instruments,** and **Buckingham Corp.**

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

Property-Casualty Insurers—1962 results of selected companies—Bulletin—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Public Utility Common Stocks—Comparative figures—G. A. Saxton & Co., Inc., 52 Wall St., New York 5, N. Y.

Steel Industry—Bulletin with particular reference to **Jones & Laughlin, Pittsburgh Steel** and **M. A. Hanna**—Filor, Bullard & Smyth, 26 Broadway, New York 4, N. Y.

Stocks to yield 4% or more—List —Walston & Co., Inc., 74 Wall St., New York 5, N. Y.

Tax Exempt Obligations—List of issues yielding 3% to 4% — H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available is a discussion of attractive **Rail Bonds.**

Tax Free Bonds—Yielding 5.40% —Street, sewer and land reclamation general obligation bonds from the San Francisco Bay Area—Information—Grande & Co., Incorporated, Hoge Building, Seattle 4, Washington.

Wall Street Transcript — Reprints of full texts of brokers' reports, cross indexed — Issued weekly — available on subscription—Sample copy on request — Wall Street Transcript, 54 Wall St., New York 5, New York.

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ABC Vending — Analysis — Colby & Co., Inc., 85 State St., Boston 9, Mass. Also available is an analysis of **Chain Belt Co.**

Abbott Laboratories — Comments —Oppenheimer, Newborg & Neu, 120 Broadway, New York 5, N. Y. Also available are comments on **American Smelting & Refining Co., Armour & Co., Ford Motor Co.** and **General Public Service Corp.**

American Export Lines—Bulletin — Purcell, Graham & Co., 50 Broadway, New York 4 N. Y.

Anderson Clayton — Memorandum—Spingarn, Heine & Co., 37 Wall St., New York 5, N. Y.

Andrew Jergens — Report—Reynolds & Co., 120 Broadway New York 5, N. Y. Also available is a report on **Libbey Owens Ford Glass Co.**

Arrow-Hart & Hegeman Electric —Memorandum — Putnam & Co., 6 Central Rowe, Hartford 4, Conn.

Arwood Corporation — Analysis Bear, Stearns Co., 1 Wall St., New York 5, N. Y.

Belle Isle Corp. — Memorandum —Schneider, Bernet & Hickman, Inc., 1505 Elm St., Dallas 1, Tex.

Bendix — Memorandum — Weingarten & Co., 551 Fifth Ave., New York 17, N. Y.

Beneficial Standard Life — Comments—Robert H. Huff & Co., 210 West Seventh St., Los Angeles 14, Calif. Also available are comments on **Nationwide Corporation, American Factors Ltd., American Equitable Assurance** and **Title Guarantee Co.**

Beryllium Corp. — Memorandum —Birr, Wilson & Co., Inc., 155 Sansome St., San Francisco 4, Calif. Also available is a memorandum on **Calgon.**

Borden Company — Analysis — Edwards & Hanly, 100 North Franklin St., Hempstead, N. Y. Also available are comments on **Deere & Co.**

Business Funds, Inc.—Annual report—Business Funds, Inc., P. O. Box 4225, Houston 2, Tex.

Cessna Aircraft — Comments — Irving Weis & Co., 66 Beaver St., New York 4, N. Y. Also available are comments on **Fruehauf Trailer, Braniff Airways** and **Virginia Dare Stores.**

Continental Casualty Company — Analytical brochure—William Blair & Co., 135 South La Salle St., Chicago 3, Ill.

Cove Vitamin & Pharmaceutical—Report—Hill, Thompson & Co. Inc., 70 Wall Street, New York 5, New York.

Crowell Collier — Analysis — In current issue of monthly investment letter—Hayden, Stone & Co., Inc., 25 Broad St., New York 4, N. Y. Also in the same issue are comments on **Allis Chalmers.**

Dial Finance Co. — Memorandum —R. G. Dickinson & Co., 919 Walnut St., Des Moines 9, Iowa. Also available is a memorandum on **Preferred Risk Life Insurance Co.**

Distillers Corp.-Seagrams — Memorandum — J. W. Sparks & Co., 120 Broadway, New York 5, N. Y.

First United Life Insurance Co.—Analysis—Wm. H. Tegtmeyer & Co., 105 South La Salle St., Chicago 3, Ill.

Fisher Governor Company — Analysis—A. C. Allyn & Co., 122 South La Salle St., Chicago 3, Ill. Also available is an analysis of **Joseph Schlitz Brewing Co.**

Franklin Realty — Analysis — A. G. Becker & Co., Inc., 120 South La Salle St., Chicago 3, Ill. Also available is an analysis of **Wolverine Shoe and Tanning Corp.**

Gardner-Denver — Memorandum — Paine, Webber, Jackson & Curtis, 25 Broad St., New York 4, N. Y. Also available is a memorandum on **Arlan's.**

Gateway Sporting Goods Co. — Memorandum — Stern Brothers & Co., 1009 Baltimore Ave., Kansas City 5, Mo. Also available is a memorandum on **Russell Stover Candies Inc.**

General Cable Corp. — Analysis—Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y.

Godfrey Company — Analysis—Taylor, Rogers & Tracy, Inc., 105 South La Salle St., Chicago 3, Ill.

Goodrich — Memorandum — Schwabacher & Co., 100 Montgomery St., San Francisco 4, Calif.

W. R. Grace — Memorandum — Sincere and Co., 208 South La Salle St., Chicago 4, Ill.

Great Northern Railway Company —Analysis—Peter P. McDermott & Co., 42 Broadway New York 4, N. Y.

Great Northern Railway Co. — Memorandum — R. W. Pressprich & Co., 80 Pine St., New York 5, N. Y.

Harper & Row, Publishers, Inc.—Analysis— W. T. Emmet & Co., Inc., 375 Park Ave., New York 22, N. Y.

Heublein Inc. — Analysis—Glore, Forgan & Co., 45 Wall St., New York 5, N. Y. Also available is an analysis of **Walt Disney Productions.**

International Silver Co. — Analysis — Gerstley, Sunstein & Co., 211 South Broad St., Philadelphia 7, Pa.

Macke Vending—Analysis—Laird & Company Corporation, 61 Broadway, New York 6, N. Y.

Neptune Meter Co. — Analysis — Sutro Bros. & Co., 80 Pine St., New York 5, N. Y.

Niagara Mohawk Power—Review — Cohen, Simonson & Co., 25 Broad St., New York 4, N. Y. Also available are reviews of **Maytag Co., Simplicity Pattern** and **Upjohn Co.**

Norfolk & Western — Memorandum—Moore & Schley, 120 Broadway, New York 5, N. Y. Also available is a memorandum on **Nickel Plate.**

North Carolina Natural Gas—Report — Powell, Kistler & Co., 110 Old St., Fayetteville, N. C.

Pan American World Airways—Memorandum—Shields & Co., 44 Wall St., New York 5, N. Y.

Pennsalt Chemicals — Analysis—Butcher & Sherrerd, 1500 Walnut St., Philadelphia 2, Pa.

Pueblo Supermarkets Inc.—Analysis—Hemphill, Noyes & Co., 8 Hanover St., New York 4, N. Y. Also available is an analysis of **Inland Steel.**

Howard W. Sams & Co., Inc. — Memorandum — Kiser, Cohn & Shumaker, Inc., Circle Tower, Indianapolis 4, Ind.

Seaboard Finance Company—Analysis—John H. Kaplan & Co., 120 Broadway, New York 6, N. Y.

Syntex Corporation — Analysis—D. B. Marron & Co., Inc., 63 Wall St., New York 5, N. Y.

Tubos De Acero De Mexico, S. A. (ADR's) — Analysis — Intercontinental, S. A., 15 Paris, Mexico 4, D. F., Mexico.

Union Oil Company of Canada Limited—Review—Ross, Knowles & Co., Ltd., 105 Adelaide St., West, Toronto 1, Canada. Also available are reports on **Area Mines Ltd., Canadian Dyno Mines Ltd.,** and **Martin McNeely Mines Ltd.**

Williams-McWilliams Industries—Report—Georgeson & Co., 52 Wall St., New York 5, N. Y.

Wider Role for I.M.F. Would Aid Our Payments Problem

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

Unless we take more strenuous corrective measures very soon, prospects for an early improvement in our balance of payments remain dubious. Before arriving at that diagnosis, Dr. Reierson inventories what has been done by the Administration and urges, besides stepping-up this general approach with greater vigor and determination, that the following concrete possibilities be considered: (1) the I. M. F. be given a wider role to cover chronic and structural payment deficits of other countries heretofore assumed unilaterally by the U. S. A.; (2) funds for long-range economic development become an international rather than a U. S. A. obligation; and (3) recovered European countries take on more of the European military defense burden. Dr. Reierson warns of the wage-price spiral danger and reproves our easy credit policy which has led to record peacetime commercial bank deposit increase. He doubts credit restraints needed for international reasons would impede our economic growth; blames our foreign aid program for the bulk of our payments problem, and avers our gold stock is still large enough to defend the dollar, if proper measures are taken, without devaluation or foreign exchange controls.

The United States balance of payments continues in a substantial deficit position. Earlier expectations of a major improvement in 1962 were not realized and the full year's deficit turned out to be only slightly below that of 1961; preliminary figures for the first quarter of the current year show the deficit persisting at approximately last year's rate. Despite the unsatisfactory record of the balance of payments, however, the decline in the monetary gold reserve has been retarded, and the United States dollar has not come under significant pressure in foreign exchange markets. On the contrary, cooperation among the monetary authorities of the major countries has developed significantly during the past two years, speculation against the dollar has receded, and there has been growing awareness of the impressive resources that can be marshalled in support of the dollar.

Roy L. Reierson

These developments reflect the various efforts that are being made to fortify the position of the dollar — efforts which have been along two lines. One avenue has been to strengthen the institutions and operations of the international monetary mechanism, through cooperation and in other ways, so as to reduce temporary monetary strains and pressures, to discourage speculative attacks against the dollar and other currencies as well, and to minimize the drain on monetary gold reserves. These efforts have been successful and the results have been gratifyingly effective. The other approach has been to work toward a better equilibrium in the United States balance of payments in order to reduce and eventually eliminate the deficit; it is here that progress has been disconcertingly slow.

Defending the Perimeter

Enhanced international cooperation in monetary affairs has taken a variety of forms including formation of a "gold pool," the development of currency swaps between the Federal Reserve and leading central banks abroad, and borrowings by the United States Treasury from foreign official agencies. These arrangements are in addition to the Ten-Nation Agreement which became effective last year and which increased the lending resources available to the International Monetary Fund.

These new practices and agreements undeniably contain an element of pragmatism, but the occasional criticism that they represent makeshift devices, designed to shore up faltering currencies, is hardly valid. On the contrary, the closer cooperation among the leading monetary authorities has repeatedly demonstrated its efficacy in mitigating strains within the entire international monetary mechanism, benefiting not only the dollar but other currencies as well.

For example, cooperative actions helped the United States dollar withstand the pressures resulting from the sharp decline in the stock market in April 1962 and those that arose out of the Cuban crisis later that year. Substantial funds were provided in 1962 by the United States, Great Britain and the International Monetary Fund to halt speculation against the Canadian dollar. Within the past few months, furthermore, the European central banks are reported to have furnished resources to help the pound sterling through the period of stress that followed the breakdown of negotiations between Britain and the Common Market. Finally, the price of gold in the London market has been moving within a narrow range, in contrast to the sharp fluctuations, with their unsettling repercussions, at the time of the dollar crisis in 1960. These various arrangements have helped significantly to create a calmer climate in the foreign exchange markets in recent years and for this reason alone merit some attention here.

The Gold Pool

Information regarding the establishment and operations of the "gold pool" is sparse. In essence, it appears that the major central banks are coordinating their activities in the London gold market and have on occasion cooperated in providing gold for sale there out of their own reserves, thereby relieving the United States of the need to supply all the gold required in order to restrain advances in the gold price. The reserves of the participating central banks were subsequently replenished on a *pro rata* basis when private demands in the London market subsided. Such cooperative action in holding the gold price relatively stable has probably helped limit the loss of gold from American monetary reserves at a time when heavy gold losses might conceivably have led to cumulative unsettlement in the gold market and to a spiral of further speculative demands for gold.

Currency Swaps

The reciprocal currency arrangements have likewise helped cushion the dollar against the occasional speculative pressures which, had they been allowed to continue, might well have gathered cumulative strength. Under these arrangements, the Federal Reserve has access to stated amounts of foreign currencies in exchange for dollar credits to the foreign financial institutions. Most of these arrangements have a 3-to-6-month time limit but may be, and have been, renewed. Since each participating central bank will receive its own currency at the expiration of the arrangement, it is in effect protected against a devaluation in the currency of its partner in the swap.

Reciprocal currency arrangements of this kind, totaling at least \$1.1 billion, have been concluded with at least 10 foreign central banks and with the Bank for International Settlements. Of this total, \$250 million represented a swap made in June 1962 in order to bolster Canadian monetary reserves against a speculative attack which, if allowed to continue, might have had unfavorable repercussions upon the American dollar; this operation was reversed in the second half of the year. Most of the other drawings have been initiated by the Federal Reserve but some have been at the behest of other central banks. According to an official spokesman, the net debtor position of the Federal Reserve as of the end of February 1963 was considerably below \$100 million.

Temporarily Preserves Currency Stability

Arrangements of this kind help preserve currency stability in several ways. They give central banks access to foreign currencies which can be sold, if necessary, to reduce the discount against the domestic currency in foreign exchange markets. For instance, sales of foreign funds gained by the Federal Reserve under a swap arrangement may prevent a deep discount against the dollar which, if allowed to persist, would invite speculative attack. Such arrangements also provide the Federal Reserve with foreign exchange resources which it can employ to acquire surplus dollars from foreign central banks, thus curbing the loss of gold. These agreements make it possible for central bankers abroad to hold dollars without exposure to the risk of a change in the value of the dollar relative to that of their own currencies and thereby presumably increase their readiness to hold dollars rather than withdraw gold from the United States.

Treasury Borrowings Abroad

Another encouragement to foreign officials to hold dollars has been provided by the newly-introduced practice of the United States Treasury of borrowing from foreign authorities against obligations denominated in foreign currencies rather than in dollars. As is the case of the currency swaps, the lender abroad is assured of being repaid in the currency of the country involved and is thus protected against a lowering of the exchange rate for the dollar. As a result, foreign official agencies may hold more dollars than would be the case otherwise, and feel less compelled to convert their dollar holdings into gold. As of the end of April 1963, borrowings under these arrangements had been consummated with four foreign countries and the amount outstanding was equivalent to almost \$600 million.

Resort to the issuance of Treasury obligations in foreign currency denominations, it will be noted, meets in a partial way the desire of some foreigners for a gold guarantee on foreign official dollar balances held in the United States. The American authorities are categorically opposed to a guarantee of this kind on the grounds, among others, that it would add nothing to the repeated affirmations by the United States that the monetary gold price would remain unchanged. While the Treasury's foreign currency obligations do not guarantee the lender against a worldwide increase in the gold price, they do provide protection against a unilateral devaluation of the United States dollar.

An Appraisal

The record of international monetary cooperation of recent years patently reflects the recognition that all the major countries in international trade and finance have a common interest in maintaining a stable and workable international monetary system. It is recognized that the countries share a common responsibility to maintain this stability and to help protect each other's currencies from temporary stresses. However, these arrangements are necessarily designed to deal with short-lived strains; they cannot cope with chronic or persistent

Continued on page 30

Wholesalers Dominate Food Chain Sales

By Richard P. Finn

A David and Goliath situation true to life is the comback of small retail grocery stores and the trouncing they have given to the supermarket chains. Mr. Finn credits the cooperative and voluntary group wholesalers and their jet-age merchandising, banking, engineering, advertising services, for hiking the independent's 29% of all retail food sales in 1947 to 49% in 1962 while the giant food chains achieved only a 2% gain to 41% of the total in the same period. The successful wholesalers are beginning to attract investors' notice for their stocks which, for the most part, are sold in the Over-the-Counter Market. Mr. Finn's review of representative, leading wholesalers pinpoints the reasons for their time-tested success and prospects for the same to continue, and he provides data on their respective 1961-1962 economic performance.

In the early days following World War II, U. S. supermarket chains threatened to completely swamp all retail food competitors. Then something happened which changed the picture drastically—formation of cooperaive wholesale supply organizations. The new concept was as simple as it was smart. The wholesaler plans, builds and supplies a supermarket which the small, independent operator owns. This development—not without its Horatio Alger tinge—provided the little merchant with chain buying power, yet maintaining his all-important profit incentive. Oversimplified, you might call this "the personal touch" in food sales.

In the interim, one of the most eye-arresting stories in the history of retailing has been written. The wholesaler - independent grocer combine has steamed ahead of all competition, including the vaunted chains. In 1947, they accounted for only 29% of all retail food sales, last year, their share amounted to 49%. This made them the dominant factor at U. S. food checkouts, according to *Progressive Grocer*, authoritative trade publication. Over the same span, large food chains increased their penetration of the $56.2 billion national feed bag by only about 2% to 41% of the total. Although gains of both segments have been largely at the expense of unaffiliated independent grocers, wholesaling is obviously the core of resistance to chain domination.

In recent years, in fact, total wholesale grocer sales have consistently shown a gain double that realized by all food retailers together. Larger wholesale organizations tend to show the biggest gains. Those ringing up over $25 million in annual volume showed an average sales gain of 9.4% in 1962. Most groups doing between $25 million and $1 million showed gains of about 7%. Stores doing under $1 million in volume (largely unaffiliated) showed declines, generally.

To be specific, food wholesalers are composed of three main segments. First, the unaffiliated wholesalers serving and operating about 1,500 stores. This group handles only about 10% of the nation's food bill and it is losing ground. Last year, they did about $3.5 billion in sales but made no headway.

Second, 200 or so cooperative wholesalers which are owned and operated by groups of retailers for their own benefit. Originally formed as a defensive measure against the advantages held by national food chains in quantity purchasing, they did $3.8 billion in sales last year, up 8.4%.

The third and most important segment is composed of 488 voluntary group wholesalers. Their own sales amounted to $5.8 billion last year, up 8.9%, while sales of the 48,000 retail outlets they serve aggregate some $13.6 billion. At the core of the voluntary groups is the powerful Independent Grocers Alliance, the largest such chain comprising 85 wholesalers and 5,000 retailers in the U. S. and Canada. IGA supers rang up $1 billion in sales last year and new stores continue to be unwrapped at a record rate.

Headed for Better Things

Both the cooperative and voluntary wholesale groups appear headed for better things. Last year, while the average food store logged a 5.1% hike in sales, independent chains chalked up an average gain of 7.2%. This trend will probably continue since many conventional food chains are finding it difficult to trim costs appreciably without lowering markups.

What makes the voluntary wholesaler click? Foremost, he foregoes the usual mark-ups on foods and non-foods and charges the grocer a weekly fee instead. The smaller the order the larger the fee and vice-versa. All sales are on a cash basis. The retailer enjoys the advantages of bulk buying and being free of administrative trappings, he can devote more time to running the store. Also, through cooperative advertising, he enjoys the fruits of promotional campaigns far beyond his own means.

Financial assistance is one of the key assets provided by the group wholesaler. An aspiring merchant can launch an IGA supermarket with a cash outlay of about $22,000; the wholesaler finances the rest. IGA points out that if the merchant maintains half the store's sales potential at an 18% gross profit, he can own the unit free and clear within five years. Herein lies the little extra incentive and elbow grease from which the giant steps being taken by today's wholesale chains spring. In essence, it is the corner grocery store of yore using jet age merchandising.

Super Food Services, one of the largest IGA voluntary chains, provides an excellent example of the transition from a corner store to a modern supermarket. The typical unit is owned by a husband and wife in a small Ohio town with a population of 2,000. Over a 13-year period, they progressed from a small 360 square feet store doing a weekly volume of $226 to an IGA Foodliner with 9,600 square feet and a weekly volume of over $15,000. Frequently, IGA merchants start out with one small store and progress to several large, modern units in adjoining towns.

STATISTICAL DATA
REPRESENTATIVE WHOLESALE GROCERY COMPANIES

Company	Period	Total Revenues (Millions) 1962	Total Revenues (Millions) 1961	Per Share Earnings 1962	Per Share Earnings 1961	Latest Annual Div.	Recent Price	Yield %	Where Traded
Associated Food Stores	6 mos. to Jan. 26, '63	$25.8	$23.2	$0.18	$0.16	$0.20	3	6.6	ASE
Fleming Co.	12 mos. to Dec. 28, '62	228.9	203.8	1.09	0.99	0.50	24	2.1	OTC
Godfrey Co.	12 wks. to Mar. 23, '63	15.1	14.2	0.26	0.19	0.60	17	3.5	OTC
Hudson Wholesale Groceries	27 wks. to Feb. 1, '63	16.8	15.9	0.20	0.39	0.32	3¼	8.8	OTC
Kane-Miller	12 mos. to Dec. 31, '62	7.4	4.8	0.45	0.31	---	6	--	OTC
Malone and Hyde	9 mos. to Mar. 9, '63	n.a.	n.a.	0.87	0.73	0.40	18½	2.2	OTC
Red Owl Stores	52 wks. to Mar. 2, '63	299.9	279.0	1.77	1.69	0.90	28½	3.2	NYSE
Scot Lad Foods	9 mos. to Mar. 31, '63	113.1	86.0	1.21	0.78	---	21	--	OTC
Scrivner-Stevens	24 wks. to Dec. 15, '62	16.4	14.7	0.52	0.66	0.50	10	5.0	OTC
Super Valu Stores	12 mos. to Dec. 29, '62	302.2	247.1	*1.41	1.20	0.60	27½	2.1	OTC
Super Food Services	24 wks. to Feb. 9, '63	91.7	85.7	‡0.01	0.24	0.30	7½	4.0	OTC
Thriftway Foods	24 wks. to Nov. 10, '62	32.0	28.1	0.49	0.45	0.50	11½	4.5	OTC
Wetterau Foods	40 wks. to Jan. 5, '63	67.1	61.6	1.09	0.99	0.50	18½	2.7	OTC

*Excluding special charges. ‡Deficit. n.a. Not available.

To insure the continued growth of affiliates, Wetterau Foods, another major IGA wholesaler, developed a unique "Packaged Store" of 6,440 square feet, or 8,880 square feet size a few years ago. A modern supermarket—complete with parking facilities, a large sign, air conditioning and automatic doors can be ready for operation in 90 to 120 days. The fledging store owner saves architect's fees and obtains either a choice location or a better one than he could swing by himself.

Wholesalers Double in Brass

Many wholesalers operate Store Development Departments offering such services as site location studies, trading area analyses, population and sales projections and other services. In sum, the wholesaler can and does function as banker, engineer, advertising agency or what-have-you to give the small independent what he needs to stay afloat.

Plainly, there is "strength in numbers" in food retailing today. As stated, the small unaffiliated independent store operator is waging a losing competitive battle. Yet the wholesale groups sponsor many equally small units which are doing well. Sales by the average Super Valu store, for example, were $655,000 last year, up from $119,000 in 1953.

One rather surprising facet of the wholesaler is his flexibility. In addition to the hundreds of voluntary independent members of the average group, nearly every wholesaler operates some wholly-owned supermarkets, usually under a separate name. As a matter of fact, the wholesaler who doesn't have several different names for markets in various areas or different types of markets is a rare bird today.

Often, wholesalers build and operate supers of their own until an independent buyer can be found. This is one way in which new links in the chain are forged. While owned supers usually constitute a minority in most wholesale chains, Red Owl Stores is an exception. Last year, this chain had some 426 agency and wholesale accounts and 172 owned supers in 10 Midwestern states. Yet wholesale sales have dropped from 30% of total volume in the early 1950's to about 18%. The reason for this is that Red Owl has concentrated on opening high-volume stores in large metropolitan markets. In the five years through fiscal 1962, the chain boosted its total store floor area by 80%.

Sometimes, wholesalers buy outlets from conventional food chains and integrate them into their own systems. Thriftway Foods, a major voluntary wholesaler in the Middle Atlantic states, purchased four units from Penn Fruit in 1962, for example. More typically, acquisitions involve whole chains or food distribution facilities. Last October, Fleming acquired Grainger Brothers Co., with 200 independent food stores in parts of Nebraska, Iowa and Colorado. Malone and Hyde added about $22 million in annual volume by purchasing Stedman Co., Beaumont, Texas, another wholesaler.

Wholesalers have also been keeping a weather eye on the trend toward operating food oases under the same roof with discount department stores. Scot Lad Foods, a leading Midwestern wholesaler formed in 1961 via marriage of five wholesale food distributors and a dairy firm, has several already and plans to open five new ones in discount centers during the next six months.

Super Valu Stores, biggest voluntary wholesaler and one of the nation's largest retailers of any type, went into discount stores operation itself — with unhappy results. The chain's Grant Central Supercenter, near Minneapolis, produced red ink to the tune of $658,000, or $0.41 per share last year (although normal food wholesaling operations progressed nicely). Zayre Corp., a leading discounter, has now taken over the discount store portion of Supercenter with improved results, while Super Valu maintains a very profitable supermarket operation there.

Flexibility is also evident in the aggressive movement of wholesalers into food processing and non-food distribution. Bakeries, coffee roasting plants and prepackaging of many perishable items are common wholesaler functions. About 100 Super Valu Stores have on-premises bakeries which average about 6% to 7% of store sales. The latest earnings report of Scot Lad Foods credits completion of adidtional production facilities in the Bakery Division for improved results. Many wholesalers, including Red Owl Stores, see the desirability of processing and manufacturing more of their own products.

Interestingly enough, Consolidated Foods, the multi-division food processor, wholesales to "Piggly Wiggly" supermarkets in the Midwest through subsidiaries. Last year, Seeman Brothers, an eastern food and frozen processor and distributor, set up a voluntary wholesale chain under the Sunbeam banner. Planned for two years, the chain is eventually expected to dwarf revenues from Seeman's present food wholesaling operation.

Progressive Grocer says that voluntary wholesale groups show more proclivity for non-food sales than any other part of food retailing. How do they get into non-foods? Usually by this simple expedient — acquire a distributor. Thriftway Foods purchased a distributor of health and beauty aids last year which had an annual volume of $1 million. Fleming and Scot Lad are among others which have been particularly successful in handling their own non-foods.

Non-Food Departments

Super Valu is eyeing general merchandise as well as delicatessens and lunch counters. The firm already handles health and beauty aids but is now contemplating adding apparel and soft goods. Malone & Hyde has an insurance subsidiary which has written more than $100 million in group life and health, property and liability and life insurance policies. One can only guess what may be next.

With such varied activities paying off handsomely, it is not surprising to find members of the industry posting excellent growth and increased dividends. Super Valu Stores has more than quadrupled its sales over the last decade and should achieve an annual average sales growth of about 10% over the next several years. Since 1957, margins have been widening and earnings have more than doubled. Dividends have been raised in each of the last seven years.

Fleming has boosted its sales for 29 consecutive years while earnings per share have gone up for the last 11. Last year, the stock was split 2-for-1 and the dividend hiked for the fourth time since 1958. Efficient Scot Lad has an inventory turnover rated among the highest in the industry while costs of its affiliated grocers are believed among the lowest. Scrivner-Stevens, operating in the Southwest, has boosted its earnings 70% in the four years through fiscal 1962. And these results are not atypical of the publicly-owned group as a whole.

The system itself is responsible for the wholesaler's excellent growth. In former times, food was shipped from the warehouse to the grocer and payment made on a "10 day/net 30" basis. The retailer extended credit to his customers and the wholesaler, in effect, was carrying both the store owner and his credit. Meanwhile, the conventional food chains were operating on a cash-and-carry basis, with both funds and goods constantly turning over.

So, the wholesaler had to adopt similar practices to compete. They did by moving not only to cash and carry but also to quick collection, either on delivery or at the end of the week. Going "Cash," of course, gave the wholesale distributors much more liquidity. Super Valu, which uses blank checks made out after the order is filled, cut the average time of its receivables outstanding from 41 days in 1932 to fiv days over the past four years. This policy also enabled food to be sold at the same low mark-ups that the conventional food chains had become famous for.

Another area in which the wholesalers have learned by experience is in real estate. Real estate and buildings are generally financed through sale-and-lease-back arrangements. Super Valu, for instance, owns no store properties but has a substantial investment in fixtures, equipment and leasehold improvements. A wholly owned subsidiary, Super Valu Realty, Inc., is primary lessor of retail outlets sublet to affiliated retailers and makes loans for financing remodelling, expansion, etc. Also, Super Foo Services has had its separate financing subsidiary — Foodway Corp.—since 1959. Others followed suit.

While the wholesalers are not without their problems—notably increasing competition from such new sources as discount department stores operating food store of their own, bantam "convenience" markets, and some financing problems—their present plateau has a solid foundation. New to investors, most wholesaler stocks are still traded in the Over-the-Counter Market and additional initial public offerings are possible. With apologies to Ethel Merman but none to competitors, the voluntary wholesale grocery chains are using "Anything you can do, I can do better" as their Space Age theme song.

Huston Joins E. F. Hutton

SAN FRANCISCO, Calif.—Well-known West Coast financial executive Thomas M. Huston has joined E. F. Hutton & Co., Inc., 160 Montgomery Street, in the newly-created dual position of Manager, Investment Department and Corporate Finance Department, San Francisco Region. The announcement was made in San Francisco by Robert M. Bacon, Vice-President and Manager.

Mr. Huston has been associated with Transamerica Corp. as Vice-President and investment adviser since 1954. He was for many years a general partner in H. M. Payson & Co., of Portland, Me., moving to Santa Barbara as an investment counselor in 1945. He served with the Canadian army in World War I and the United States Army Air Force from 1942 to 1944.

He is a director of Pacific Finance Corp., Los Angeles; Premier Insurance Co., San Francisco; and Phoenix Title & Trust Co.

Boston Inv. Club Summer Outing

BOSTON, Mass.—The Boston Investment Club will hold its 12th annual summer outing at the Salem Country Club, Salem, Mass., on Thursday, June 13.

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

The civil rights issue — the race issue — has exploded not only in the lap of the Kennedy Administration but in the lap of the entire nation. It is no longer just a southern issue, it is a national issue. Integration in many places is bursting at the bonds of segregation. Negro demonstrations highlighted in Mississippi and Alabama have moved to Philadelphia, Los Angeles and many other states and towns and have moved from the issues of education and voting to those of employment and union membership, to the desegregated use of all public facilities, including parks and transportation and to the desegregated use of all places of entertainment, hotels, theatres and restaurants, all privately owned, and to stores of all kinds. Some of these demonstrations have led to violence and death. Mammoth demonstrations are promised, including huge picket lines.

The Kennedy Administration during the last two years has done much to eliminate racial discrimination by legal steps and persuasion. He has even gone so far as to send troops into Mississippi and Alabama.

President Kennedy is in the process of studying whether he shouldn't go whole hog in helping the Negroes so they will feel obligated to him, though there is a serious question whether they don't feel that way now. A couple or so of the more belligerent Negro leaders have criticized him, but the overwhelming majority are for him.

The editor of the "Washington Star" recently brought up the question of a revolution but he said the Negroes would lose it because there are more whites than Negroes. That there should be any suggestion of a revolution by one so responsible, however, indicates how serious the situation is.

In the states of the North and West where demonstrations are in progress or promised, Governors, both Democratic and Republican, are supporters of civil rights and integration. Governor Rockefeller has in the past chided the Kennedy Administration for not pressing for stronger civil rights laws at the hand of the Democratic controlled Congress. Republican Governors Scranton of Pennsylvania and Romney of Michigan also have made definite and firm statements favoring civil rights for the Negro and so has Democratic Governor Brown of California. Whether these Northern and Western Governors will find themselves confronted with the problem of maintaining peace and order will depend upon the extremes to which both sides of the issue will go.

In a most recent demonstration in Philadelphia when Negroes and their leaders picketed a $6 million school project to force the hiring of five skilled Negro workmen and their admittance to union membership, violence flared on the picket line and city police kept the way open to workmen on the job. Both police and pickets were injured. Further violence was prevented when the NAACP, the building trades council and the city board of education reached an agreement and the five Negroes were hired.

But before the agreement was reached, Herbert Hill, labor secretary of the NAACP, made a significant statement. "The arena," he said, "of combat for the NAACP has moved from the courtroom to direct mass action."

Detroit Bond Club Outing

DETROIT, Mich.—The Bond Club of Detroit is holding its annual Summer outing on June 14, at the Essex Golf and Country Club, located at Essex, Ontario, Canada. Guests will be welcome.

Shaskan V.-P. of Empire Trust

The election of George F. Shaskan, Jr. as a Vice-President of Empire Trust Company, New York City, has been announced. He will be associated with the bank's Trust Department, Investment Division.

George F. Shaskan, Jr.

Mr. Shaskan was graduated from Princeton University with a Bachelor of Arts Degree, Class of '39, summa cum laude, and was elected to Phi Beta Kappa. He is also a graduate of the School of Public and International Affairs of Princeton University, the National Institute of Public Affairs, earned his Master's Degree at American University in 1943, and has taken miscellaneous courses at New York University's School of Finance.

Following service with the Navy from 1944 to 1946, he joined Shaskan & Company, members of the New York Stock Exchange, and became partner in charge of research. In 1955, Mr. Shaskan was elected a Vice-President of Central National Corp., a private investment trust. Since 1958, he has been an independent investment counsellor. He held several government posts from 1939 to 1944 when he entered military service.

He has authored articles and publications on economics, gold and investments, and has lectured on investment planning before special groups.

With Montgomery, Scott

PHILADELPHIA, Pa.—Montgomery, Scott & Co., members of the New York Stock Exchange and other leading exchanges, announce that Thomas C. Egan, Jr. is now associated with them as a registered representative in their Philadelphia office, 123 South Broad Street. He was formerly with Eastman Dillon, Union Securities & Co.

H. Hentz to Admit

H. Hentz & Co., 72 Wall Street, New York City, members of the New York Stock Exchange, on June 17 will admit Harriet Wolfson, Howard E. Wolfson and Arnold H. Maremont to limited partnership.

Unions Are Killing American Workmanship

By James R. Phillips, Holliston, Mass.

Concerned about the implications of Admiral Rickover's recent indictment of U. S. industry being guilty of poor workmanship, Mr. Phillips contends that if the charge is true then the accused party is innocent and the guilty party is organized labor. In developing his inference of union culpability and responsibility for debilitating quality of American production, the author cites examples of restrictions unions place in the way of management's efforts to have a job well done and to manage properly. He compares freely rising, improving output of pre-union days with impediments to today's production, and refers to the standards set by George Washington and Henry Ford wherein higher wages were the reward for better quality work.

Admiral H. G. Rickover — noted as the "father of the atomic submarine"—has now complained that American private industry is guilty of poor workmanship. Rickover, himself a stickler for perfection, told the National Metal Congress of several examples which he alleged proved his point. While carefully noting that he was not blaming the loss of the sub "Thresher" on such poor workmanship, he then proceeded to indict American industry in general. It is interesting to note the examples he gave. While following his example and not blaming the unions in these specific cases, we can nevertheless see how unions are responsible in general for poor quality in American industry . . . if indeed such poor quality **does** exist today. The reason we can be certain that poor quality would have to be the result of union restrictions is that American industrial quality in pre-union days (even in the days of mass-production) was always very high . . . thanks almost completely to America's system of private enterprise and free trade.

For a start, let's look at Adm. Rickover's allegations:

He claims that he recently discovered a stainless steel fitting welded into a nickel-copper alloy piping system. The system had been designed for sea water service, and had it been placed into service with the steel fitting a serious casualty might have occurred.

He also claims that in one case material which had required a special heat treatment was delivered for a shipboard application. On examining the records, he found that the material had been processed at an incorrect temperature and had been in the furnace for an excessive length of time. Also that the furnace temperature instruments had been out of calibration.

He added that he has found cases of faulty welding, faulty radiography and faulty castings, improper use of routine processes and the use of defective materials. In one specific case, he had the 99 carbon steel welds of a nuclear power plant steam system radiographed, and 90% of the welds proved to be below specifications.

Rickover himself contended that the main problem is the use of inadequately trained personnel . . . stating that some of the men assigned by companies to read radiographs were no more qualified for that task than a layman is to interpret his own chest X-ray.

Management Has Lost Control

If his charges are true, then the latter point alone points a damning finger at unions. In many cases today, managements have all but lost control of their own plants. Unions decide who is hired and who is fired. Promotions are based not on merit and amibition but on seniority. Instead of being able to reward workers who produce more goods and or higher quality goods, management is based not on merit and ambition forced by the union to pay the same wage to all workers. Unions promote a dull, stagnating conformity. This cannot help but depress quality standards to the level of the poorest worker in a shop. Since promotions are not related to ability, far fewer men sign up for in-plant training than management men would like . . . and as a result management often has to assign a poorly trained man with no love for his work to jobs demanding high degrees of skill. This naturally kills incentive in younger workers, who see that advancement comes not to the best workers but to the oldest workers.

In such a situation, workers just shrug, sit back and wait for their seniority to pile up. When a worker gets a promotion and is found to be doing a bad job, it is almost impossible for management to fire him for incompetence. Union protection is too strong. Anyone familiar with the internal realities of union shops knows how such a situation can and does quickly break down the high ideals of any young worker or management man who tries to "buck" or "break" the system. Such a "reformer" gets the reputation of being a troublemaker. If he is a worker, he might find someone is breaking into his lunch box each day to put salt in his thermos bottle of coffee. He might find himself frozen out by his fellow workers . . . given the "silent" treatment. If it is a management man, he might find that the union sets out to "get" him . . . perhaps even staging an illegal "wildcat" strike to demand his firing as an "unreasonable" supervisor. The force of Federal Government laws and regulations usually stands behind union demands, and it would be surprising if management did not often give in to the union in many such cases. The result would be, of course, a poor standard of product quality. This is bound to occur whenever the attitude prevails that a company exists only to provide secure and easy jobs for workers . . . not (as we used to believe) to provide high quality products at low prices for the free competitive market.

High Quality Antedates Union

One can trace American history from the first settlers right up to the appearance of union shops, and almost everywhere (except in a few special circumstances) you will find that high quality was a by-word in America.

The Colonial period was particularly noted for its standards of high quality. One often associates the Colonial period with such superior products as the silver and copper bowls turned out by Paul Revere. It is true that Revere did produce some stunningly beautiful works. And it is true that many other craftsmen of the same period also turned out high quality goods. But there were drawbacks. For one, in Revere's own home town of Boston the tradesmen were subject to strict pricing laws. This was a carryover from English mercantilistic thinking. These fixed prices tended to guarantee a steady income for most masters and their apprentices. It would have been possible under such a condition for work quality to slip. In the case of Boston in Revere's time, certain non-economic factors tended to offset the governmental intervention. Boston at that time was a Puritan community, almost totally under the influence of Calvinistic religious thinking. Most men believed that work was holy, and that to do good work was especially pleasing in the sight of God. Each master had his own trademark, and the craftsmen vied with each other to see who could build up the best reputation for high quality work. This reputation did, of course, pay off during the periodic recessions that hit the community. These recessions (caused by the ebb and flow of the long war against France just to the north in Canada) tended to hurt the business of lesser quality masters . . . while providing a fairly steady income of those, such as Revere, whose trademark had come to mean quality. Thus private enterprise and free competition did help provide unusually high standards of product quality . . . since any apprentice who failed to produce work up to his master's standards would be required to do the work over again, and if he failed again he would be encouraged to find another line of work. Had Revere's Boston only dropped its price controls, at least during times of peace, then high quality could have been encouraged (as it should have been) by higher prices . . . thus encouraging still higher quality standards.

Free Competition In the Virginia Colony

However, to find a good example of a purely free economy at that time, we have to move south to Virginia. Like the other Colonies, Virginia was theoretically subject to certain British Imperial laws intended to regulate trade. Like the other colonies, Virginia ignored such laws and regulations . . . holding them to be contrary to the free spirit of America. England was too busy fighting France to bother enforcing the laws, and so Virginia businessmen were free to and indeed did sell their tobacco to the highest bidder and buy their luxuries from the lowest-cost seller. Unlike Massachusetts Bay Colony to the north, Virginia did not pass restrictive business laws in its legislature . . . and businessmen were free to compete with each other under the toughest law of all . . . the natural law of supply and demand. The picture which has come down to us of Virginia planters often being pleasure-seeking playboys is wrong on two counts. In the first place, there were such playboys among the landed gentry, but they often paid the inevitable price for such inattention to management details. Bankruptcy was not uncommon among Virginia planters, for the fierce competition of the free market weeded out the unfit and rewarded the fit. Those who survived were good businessmen. Secondly, much of the "play" came only **after** a hard day's work.

Almost any such planter could provide an example of how free trade resulted in high quality standards. But it is not easy to get records of specific planters after a lapse of two centuries.

Refers to George Washington

To demonstrate the point, we will use George Washington as an example of a good businessman. History books provide many details that show how carefully he ran his estate. And in this he was

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Accentuated Construction Growth in Coming Decade

By Dr. Elmer C. Bratt,* *Head, Department of Economics, Lehigh University, Bethlehem, Pa.*

Demand for construction is expected to exceed the present level by at least 50% in 1975, to keep pace with the economy's growth, and make itself felt before the end of the 1960's. In concluding we face an accentuating growth in construction in the coming decade, Dr. Bratt considers such determinants as demography, GNP, and technology's appetite for more spacious offices and finds, contrary to current suppositions, that we are not overstocked in apartments and office buildings and that both will have to grow considerably. He cautions that not all types of construction, nor all communities, will have clear sailing.

One perhaps should ask: what does the construction cycle mean? One might choose to trace long-term fluctuations in construction and project this fluctuation into the future. For various reasons I think that to be an unrewarding exercise. Past data are not well established, in any case the past fluctuation in construction has been predominantly related to total activity, and possibly the nature of fluctuations of construction in the future will differ substantially from those in the past. Most persons think that a deep depression like that of the thirties will not occur again, and if so, the declining tendency of construction will certainly be blunted. A higher proportion of total construction will be public and the public part is not likely to show violent declines.

Dr. Elmer C. Bratt

Nevertheless, the construction cycle can be assigned an anticipatory significance. Is construction activity at the present time effectively adjusted to the actual advance or secular growth of the total economy? If it is too high the present levels of construction activity are not sustainable for many years into the future. This would mean a period of decline in construction much like that which occurred in declining phases of construction activity in the past.

To answer the indicated question, we may first turn to known present situations where the market clearly does not justify the present rate of construction activity. Notably, this relates to office and apartment construction in the New York and Los Angeles areas. To decide whether this indicates that the market will not sustain all construction work now progressing in the United States it would be necessary to relate all local communities and estimate new industries developing in them as well as shifting migration of industry between them. There is no effective information for accomplishing such a task at the present time. In spite of the fact that the construction industry is tied to various local, geographical situations, we cannot hope to answer the question as to its sustainability by examining those local situations.

The National Picture

Future growth is more clearly seen at the national level, and therefore a study of the local pictures may not clearly reveal construction requirements. Construction needs represent a function of the growth of the total economy. As we move to a higher standard of living a greater volume of buildings and structures of various sorts is required. That increase in volume is provided by current construction activity.

Looking at the national picture a large growth potential is indicated. This is founded on demographic changes and a large productivity advance. The growth potential of the total economy is widely discussed and I will not examine it here. Most analysts expect a growth of between 3.5 and 4% per year during the next dozen years. With a growth potential like that construction needs can be expected to show a substantial rise unless the stock of construction now in existence has risen so high that it will serve much higher levels of economic activity than those which now exist.

To throw some light on that question we might turn to apartments and office buildings, construction types about which the question of over-capacity has most frequently been raised. On a national scale we know that the potential need for apartments is growing rapidly. This information is founded on the changing numbers of households which can be expected to demand apartments. Our present stock of apartments of 7 million units will have to be increased to 12 million by 1975 to reach the level of demand demographic factors indicate. The current rate of building apartments, if continued for the next dozen years, would scarcely bring the stock to 12 million units by 1975.

More Office Space Needed

As for office buildings, some clue to the sustainability of the present rate of construction can be indicated by comparing with what may be assumed as a fairly normal situation in the past. Office building construction in 1925 was about a fifth more than the average rate of the first five years of the twenties. Perhaps we can assume the rate of construction in 1925 was approximately sustainable in relation to the potential growth of the total economy. But office construction in 1925 is quite comparable to the rate existing in 1962. The price of construction has tripled and there were 2½ times as many office workers in 1962. If the rate of construction could be assumed comparable to the needed level of stock of office buildings, and if office workers required the same amount of office space, the current dollar volume of office building construction should have been about 7½ times as much in 1962 as in 1925, and actually the 1962 current dollar value of office construction is about 7½ times that of 1925. Note that the volume of office construction was two-thirds more in 1929 than in 1925 and obviuosly was at an unsustainable level in 1929.

The need for office space at the present time is greater than the above comparison indicates. Office workers take more space than they did 40 years ago, more office space is needed for electronic data processing, the rate of growth in added office workers is greater now. Looked at in this way, it is difficult to conclude that we now have too much office space.

If the construction stock is not now excessive, the need for construction work turns on how much construction will be required to support potential growth in the total economy. A plausible assumption is that the demand for construction will rirse about as rapidly as the total economy grows.

Private construction work has increased only slightly more rapidly than GNP since World War II. In constant dollars the construction advance was 4% per year and the GNP advance was 3.5% per year. In the eight years since the mid-fifties, the construction advance has been slower—2.8% for construction compared with 3.4% for GNP. If we assume tha construction work can be expected to grow at the same rate as the total economy, any overbuilding which occurred in the postwar would have to be dated in the period before the mid-fifties. This was a time when backlog demand was being made up. In the construction cycle one would expect construction to rise more rapidly than total activity in the economy shortly before the major declines in construction activity set in. But for eight years now construction has been at a reduced rate which does not appear to be abnormally large.

The Economy, Not Construction, Calls the Business Turn

If the growth of the total economy should slow down even more than it has in recent years little need for continuation of construction activity at the present rate might be demonstrated. The assumption here, however, is that a slower rate of growth of the total economy slows down the growth in construction, not the reverse. A growth in the total economy of 3½ to 4% per year in the coming years may be expected to require a somewhat similar growth in construction, or, because of special circumstances which are now arising possibly a steeper growth.

The possibility of an accentuated growth in construction in the coming decade is founded on demographic factors, possible rapid development of new industries, and advancing productivity. The critical demographic factor in this connection is the large number of persons entering adult life. That number will increase six million, or approximately 50%, between now and 1970. That must be the most rapid rate in history. Not only will the result lead to revolutionary demands in housing, but also to accelerated demand for various types of consumer durable goods which will generate fabrication and distribution needs and lead to varied construction requirements.

New industries are likely to require relatively more construction than old. This is because they often experience rapid growth and construction must be provided for the entire output they make. To some extent new industries lead to demolition of structures used in old industries. The result is a net increase in the amount of construction activity required. In some cases, like atomic energy plants, the coefficient of construction required is greater than was necessary in the plants being replaced. Advancing productivity sometimes calls for new plants or structures to provide the most efficient operation.

1929 Is Dissimilar to Today

These conditions contrast strikingly with 1929, the last date at which a major decline in construction activity began. The growth of population was slowing down rapidly and the numbers entering adult life were relatively few. New industries were difficult to find and productivity changes were principally related to detailed plant reorganizations and required little change in structures.

Construction represents a wide array of structures. The prospects for various types of construction can be analyzed more meaningfully than can the prospects for the grandiose total for the entire country. Note that this situation is quite different from the difficulty of evaluating the total construction needs of various geographical areas. The various types of construction do relate directly to total economic growth. If we add up projections of various types of construction we find 1975 demands can be expected to exceed present demand for construction by at least 50%. The dynamics of these rising demands will make themselves felt before the end of the sixties. If contractors look to the future there will be little time for a decline to develop in most lines of construction in the near future. This, of course, does not mean that every type of construction will rise continuously. In fact, we can expect that significant relapses will occur in some few types. And all construction in some communities will likely decline for a time. These facts are but functions of the nature of the construction industry—in detail it is tied to the situs of individual communities and to decadent as well as to growing industries.

*An address by Dr. Bratt at the 47th Annual Meeting of the National Industrial Conference Board, New York City.

Now Supervised Investors Services

CHICAGO, Ill.—Television Shares Management Corp., 120 South La Salle St., investment adviser to, and principal underwriter of Television-Electronics Fund, Inc., announce a change in name, effective June 3, to Supervised Investors Services, Inc.

C. J. McCloy & Co. Formed in Cincinnati

CINCINNATI, Ohio—C. J. McCloy & Co. has been formed with offices in the Union Central Building, to engage in a securities business. Partners are C. James McCloy and Maurice Miller. Mr. McCloy was formerly with Ellis & Co.

duPont Acquires Kidder Office

The acquisition of 13 offices, including the New York headquarters of A. M. Kidder & Co. by Francis I. duPont & Co., became effective June 3, greatly increasing Francis I. duPont's brokerage facilities in the New York metropolitan area, according to Edmond duPont, senior partner of the investment firm.

Under the recently announced take-over, Francis I. duPont has acquired A. M. Kidder & Co. offices at One Wall St., New York City (same address as duPont headquarters); Bridgeport, Conn.; Burlington and Rutland, Vt.; Great Neck and Roslyn, L. I.; Atlanta, Ga.; Montreal and Toronto, Canada. In addition, the firm acquired salse offices in Chattanooga, Tenn.; Plattsburgh, N. Y.; St. Jonsbury, Vt.; and Claremont, N. H.

Along with the offices in Montreal and Toronto, Canada, Francis I. duPont & Co. has become a member of the Toronto, Montreal and Canadian Stock Exchanges, and of the Investment Dealers' Association of Canada. This marks Francis I. duPont & Co.'s first direct entry into the Canadian market.

All the newly-acquired branch offices will be operated by Francis I. duPont & Co. and it is expected that the personnel will be retained. The New York and Atlanta offices will be consolidated with Francis I. duPont & Co.'s present offices in the two areas.

"There will be no interruption of customer service and operations as a result of this takeover," Mr. duPont said. "The wide range of investment services formerly offered by A. M. Kidder will not only be carried on but, in many cases, will be extended as a result of the acquisition."

Francis I. duPont & Co. has one of the most complete installations of electronic computers and other automated equipment in the investment business. It recently added a huge $1.5 million electronic data computer to its $2.5 million data processing center at One Wall St. It is the only brokerage firm sending all of its orders, regardless of point of origin, directly to the floors of both the New York and American Stock Exchanges.

"A. M. Kidder & Co. has a long tradition and well-deserved reputation for integrity, reliability, and success," Mr. duPont said. "The transaction works perfectly into our program of expansion and improvement of services and facilities. We are looking forward to working with A. M. Kidder's customers and promise them the same services now offered our present customers."

Francis I. duPont & Co., with over 90 offices in the United States and abroad, is a member of the New York Stock Exchange, the American Stock Exchange and all principal security and commodity exchanges in the United States. It offers complete investor services in both U. S. and Canadian securities, listed and unlisted stock, all types of bond, commodities, mutual funds, and new and secondary issues. It has extensive research facilities and all its offices are connected to the firm's main office by its own private high-speed wire system.

The State of TRADE and INDUSTRY

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

Business continues surprisingly good according to the National Association of Purchasing Executives. Yesterday they concluded that continued gains can be anticipated as the year progresses with 1963 finishing somewhat ahead of 1962. However, several big "if's" remain; the most immediate is the current steel talks in progress.

Business got off to a faster start than anticipated by the purchasing agents who comprise the N. A. P. A. Business Survey Committee whose Chairman is E. F. Andrews, Vice-President-Purchases, Allegheny Ludlum Steel Corp. In their December forecast, 36% expected the first quarter to be better than the fourth quarter of 1962. Now 53% say the first quarter was better than the fourth. When asked to compare the second quarter of 1963 with the first, 59% expect additional improvement and only 10% look for a drop.

Last December, the Committee asked its members to compare the second half of 1963 with the first half: 52% anticipated a better second half, 35% same, and 13% worse. When asked the same question this month, the answer was exactly the same as last December.

New order figures continues to show improvement running ahead of production, which is a healthy sign.

	Better	Same	Worse
New Orders			
May	54	32	14
April	47	42	11
Production			
May	43	42	15
April	46	44	10

To be sure steel-hedge buying is a strong but by no means the only influence in the current vigorous showing. Gradual improvement in business confidence, anticipated tax relief, and other factors have aided a broader advance. Nevertheless, big "if's" as noted above lurk in the shadows.

Purchased Materials Inventories

The February report expected a jump in inventories in April and May. April behaved as anticipated and May reflects an additional increase as 32% report stocks up, and only 16% note lower levels. However, this month's special question shows 69% reporting present stocks "on target" and 27% reporting levels "higher than desirable." When asked if their current inventories included a hedge, 65% said no. The 35% who say they now have a hedge in their stock is very close to the 38% who said they would hedge in our February report. When the 35% was asked why they hedged, 55% answered "threatened vendor work stoppage" and 17% "anticipated price increases." Asked what percentage of their inventory was hedge, 59% said 10% or less was bought as a hedge.

Buying Policy

Purchasing Executives said they are not making important changes in their forward commitments despite the substantial business improvement. While inventory building has occurred, this has generally been accomplished within the normal lead times, reflecting once again the enormous capabilities of the nation's industrial complex. Almost 80% of our members continue to purchase their production requirements on a 60-day or less basis.

Twice last year the Committee was asked to forecast their level of capital spending for 1963 as compared to 1962. In August, 44% foresaw greater spending, 28% the same, and 28% less. In December, 40% planned increases, 36% chose to stand pat, and 24% anticipated reductions. The question was repeated this month, with 44% reporting higher, 37% holding the line, and only 19% seeing a downturn.

Employment

Employment figures remain virtually unchanged this month as only 2% show levels different from April. Those reporting higher are down 2%, while those reporting same and lower are up 1% each. Higher figures are noted by 23%, 65% same, and 12% lower.

Commodity Prices

The sharp increase in the number reporting higher prices in April has been followed by another spurt in May. Hikes are reported by 38%, the largest percentage since September, 1959, and up from 21% last month. Only 4% tell of lower prices, and the "no-change" group has slipped to 58%. It must be remembered, however, that these statistics indicate movement up or down in general price levels but not how high or low in dollars and cents; therefore, the reader should not be puzzled by comparison to other published price indices.

Comments accompanying the reports of the N. A. P. A. members indicate doubt as to the longevity of some of the new tags, with the real tests of a steel settlement and a possible summer letdown still to be met.

Textile producers in the N. A. P. A. group called attention this month to the "two-price cotton" squeeze resulting in intense pressure from foreign imports. The profit outlook for this industry is in doubt, members reported, so long as the double standard continues.

Specific Commodity Changes

Metals continued to lead the way in the upward trend, although considerable mention was made of the widely publicized sugar shortage and its effect on associated food products.

The cadmium shortage and price confusion drew much comment, and hints are being circulated of a developing grey market in this important plating metal.

On the *up* side are: Aluminum, steel and related items, tin silver, cadmium, sugar and sugar products.

On the *down* side are: Fuel oil and phthalic anhydride.

In *short* supply: Silver, cadmium, and cadmium anodes.

	Per Cent Reporting				
	Hand to Month	30 Days	60 Days	90 Days	6 Mos. to 1 Yr.
May—					
Production Materials	8	40	30	18	4
MRO Supplies	27	47	19	5	2
Capital Expenditures	11	5	19	21	44
April—					
Production Materials	8	39	31	17	5
MRO Supplies	27	45	19	7	2
Capital Expenditures	14	7	11	23	45

Bank Clearings 6.5% 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, June 1, clearings for all cities of the United States for which it is possible to obtain weekly clearings were 6.5% above those of the corresponding week last year. Our preliminary totals stand at $27,373,560,451 against $26,696,084,466 for the same week in 1962. Our comparative summary for some of the principal money centers follows:

Week End. June 1—	1963 (000s omitted)	1962 (000s omitted)	%
New York	$15,354,912	$14,224,416	+ 7.9
Chicago	1,214,569	1,194,513	+ 1.7
Philadelphia	1,025,000	1,038,000	— 1.2
Boston	725,126	698,656	+ 3.8
Kansas City	404,908	409,017	— 1.0

Steel Falters First Time in Four Weeks Due to Holiday, but Stays At Three-Year High and 64.4% Over Year-Ago Week

According to data compiled by the American Iron and Steel Institute, production for the week ended June 1 was 2,608,000 tons (*140.0%) as against 2,626,000 tons (*141.0%) in the week ending May 25. The week to week output fell 0.7% marking the first weekly decline in four weeks and almost erased the 0.8% gain for the previous week. The decline is attributed to the Memorial Day Holiday of May 30 and to a leveling off of orders which suggest a pause in consumption needs and a continued belief there is no reason to warrant any further strike-hedging-stockpiling. All signs point to an amicable steel-labor contract in the offing. The union has not exercised its strike notice option which it could have done any time since May 1. The June 2 ending week's output exceeded last year's output by 64.4% and was larger than any weekly output since March 19, 1960.

Out of the 22 weeks of this year's steel output, production declined in three of those weeks and rose for 13 consecutive weeks from the week ending Feb. 2 through April 27 out of 16 week-to-week periods of steel output advances in 1963. 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 to 30.4% (1,502,000 to 1,958,000 net tons).

Europe's Developing Steel Surplus Contrasted With U.S.A.'s Rising Output

The steel advance is occurring in the face of currently develop-

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White Collars Revamping Our Employment Structure

Conference Board's timely analysis examines compositional shift of nation's job structure, predicts labor force will climb 18 million to 93 million in 1975 heavily peopled by younger age range, expects females to become a declining portion of the new labor force, and notes rising productivity and unimpressive level of sales dollar profits.

A continued shift in the nation's work force from blue to white collars is revamping the country's employment structure, the National Industrial Conference Board reported recently in its 1963 chart survey.

Blue-collar jobs, while still increasing, are growing at a much slower pace than white-collar positions. There are now about 30 million white-collar employees, a 34% increase since 1950. By comparison, there are some 24 million blue-collar workers, up just 4% since 1950.

During each five-year period between 1960 and 1975, six to seven million persons are expected to join the labor force, according to the NICB chartbook, which focuses on "Jobs, Profits, Economic Growth" in the United States. The total working population is expected to climb from the present 75 million to 93 million by 1975.

Since a relatively high percentage of those seeking work will be young people, a major employment problem in the decades ahead will be finding jobs for the young.

Women will comprise a declining portion of the new labor force. Additions to the working population will be divided about evenly among men and women between now and 1965; after that, male additions are expected to outnumber females.

Two persistent trends in employment by sector stand out:

The steady decline in agricultural employment.

An increase in government jobs at all levels — Federal, state and local.

Agricultural employment, which accounted for 37% of all the employed in 1900, declined to 21% by 1939 and to 8% by 1962.

In contrast, public employment, which represented 4% of total employment at the turn of the century and only 6% in 1929, reached 12% in 1962.

Excluding government, only service industries show any significant long-term upward trend relative to total employment, rising from 11% in 1929 to 14% today. Manufacturing, which accounted for 34% of all employment in 1929 and 33% in 1955, dipped to 30% in 1962.

Challenged to Hold Down Costs

Business managers were severely challenged during the past decade of inflation to hold down costs, particularly mounting labor expenses. In the two five-year periods compared in the NICB chartbook (1952-1957 and 1957-1962), the majority of selected costs rose, although not uniformly. Profits both before and after taxes accounted for a smaller share of the sales dollar because of the rise in overall costs.

The chartbook pointed out that businesses coped with rising costs during the last decade by a more efficient use of money, materials and manpower.

Manufacturers' profits after taxes (return on sales) averaged 3.6% between 1929 and 1961. Since 1929, the margin has never topped 7%. In the recent ten-year period, 1951-1961, profits averaged 3.2% of sales.

Economic Growth —An Uneven Pace

Economic growth continues at an uneven pace, despite frequent references to a long-term growth rate of 3%, 4% and 5%. While slackening in recent years, the country's growth rate still averaged 3.4% during the '50s, higher than the rate for the peacetime years of 1919-1928.

The nation's increased output in the past stemmed from increased labor and capital input. Even more important to our rate of economic growth, the NICB chartbook noted, is the fact that we are learning to do things more effectively. In short, for the same given input as in some past year, we, today, achieve a far greater output.

Nadler to Speak At Wall Street Synagogue Forum

On Tuesday, June 11, at 6 p.m., a Dinner Forum will be held at the Wall Street Synagogue, 47 Beekman St., New York, N. Y.

Marcus Nadler

The event will be highlighted with a talk by Dr. Marcus Nadler, renowned Professor of Finance at New York University and consultant to the Manufacturers Hanover Trust Co. Prof. Nadler will review the economic situation and outlook.

The dinner is one in a series held every month as a regular activity of the Synagogue in the downtown community. The purpose of these dinners is to provide cultural, educational and social activities and pursuits of diverse types and interest to fit the needs of its members and patrons representing various business groups in the area.

At these dinners, men outstanding in their fields of endeavor find a suitable forum to formulate and present their views and ideas sometimes unorthodox and controversial.

They provide those in attendance the opportunity to obtain vital information first-hand on problems which concern them and their community and to give their individual points of view and to question the speaker on his presentation.

MUTUAL FUNDS

BY JOSEPH C. POTTER

Looking Forward

Unlike long-time-married husbands, editors rarely forget an anniversary. Calendars of divorce courts would be less cluttered if menfolk showed the devotion to the lady of the household that editors give to their readers, especially on anniversaries. So those who know the way of an editor with a reader waited breathfully last week for an outpouring of stories about "Blue Monday"—May 28, 1962.

Nor were they disappointed, as editorial fidelity went to text, tables and charts to recall the dreary day when volume on the New York Stock Exchange soared to 9,350,000 shares, the tape lagged by an hour and nine minutes at the close, nearly $21 billion in Big Board stock values vanished and the Dow-Jones industrials plummeted nearly 35 points. As a typical memento of the occasion, one report stated last week: "This was a day to remember."

Now, fundmen are human enough to be grateful for anniversary remembraces. But, also being practical men, they have scant interest in the past, unless it provides a signpost to the future. At least they were not sitting around last week bemoaning the melancholy events fo last spring. Indeed, they were not sitting around last May either, for these are, with few exceptions, the kind of men who convert problems to opportunities.

Many of these men are associated with companies that were started in the years of the Great Depression and they literally thrive on adversity. They need no reminder that the marketplace is a two-way street. They are professionals, in the best sense of that word, which explains why millions of amateurs have turned to them for investment management.

Last week, as in the weeks that have gone before, they were looking forward. They realized that the events of the past are no sure guide to tomorrow.

Not many investors, haunted by fears of a generation-old debacle, were showing calm reason in May of 1962. For these professionals, who did, the rewards for their clients have been rich. Aside from steels, tobaccos, some onetime glamour issues and special situations, the demand for stocks has been renewed with vigor. Nor in the rebound has the demand been even. Thus, automotive equities have set the pace, but Chrysler and General Motors led the way. On yet another front, Internartional Business Machines returned to its skyrocketing ways while National Cash Register actually slumped.

The experience of the past year has been plenty painful for all who go to the marketplace. However, there is a difference between third-degree burns and a hot foot.

Historians still are writing about the market convulsions that shook investors between 1929 and 1937. When they get around to analyzing the last market debacle, it would be most appropriate if they remembered the reasoned behavior of fundmen and the unshaken fund shareholders who did not panic. The historians might even chronicle that it was this measured calm that contributed in no small degree to the restoration of faith in stocks in a mere matter of months.

At the very least, the historians should raise the question of what the outcome would have been if the funds had joined the stampede. Funds are not without faults, as Wharton and Washington are not slow to remind us. But they do have saving virtues. Somebody ought to say so.

The Funds Report

American Mutual Fund reports that at April 30, marking end of the first half of the fiscal year, total net assets amounted to $199,842,558, equal to $9.31 per share. Six months earlier assets totaled $158,272,252, or $7.78 a share. At the end of April, 1962, assets were $169,428,704 and value per share $8.97.

During the last quarter the fund disposed of Crorcker Anglo National Bank, Standard Register, International Pipe & Ceramics, Eagle-Picher, Interchemical Corp., Granite City Steel. No new names appeared in the portfolio during the period.

* * *

Boston Fund announces total net assets at April 30 were $321,255,139, highest quarter-end level in its history. Value per share of this balanced fund on that date was $9.64, against $9.30 three months earlier and $9.40 a year earlier.

During the latest quarter the fund increased common holdings of Corning Glass Works and Tennessee Gas Transmission. It eliminated Walter E. Heller and Otis Elevator.

* * *

Dividend Shares in its semi-annual report announces that at April 30 total net assets amounted to $328,503,589, equal to $3.42 per share. Assets were $268,682,277 and value per share $2.79 on Oct. 31, 1962.

In the latest six months the company made these new additions: Duke Power, International Harvester and Owens-Illinois Glass Co.

* * *

Incorporated Income Fund reports that at April 30 total net assets amounted to $145,643,352, or $9.61 a share, compared with assets of $136,604,976 and $9.26 a share at Jan. 31. At the end of April, 1962, assets were $125,309,114, equal to $9.44 per share.

During the latest quarter Norfolk & Western and United Gas Corp. became new additions to the portfolio. Holdings were increased in American Can, Borg-Warner, Continental Can, Denver & Rio Grande Western, Ford Motor, Genesco, B. F. Goodrich, Hammond Organ, Kennecott Copper, Mead Corp., Mesabi Trust and Tennessee Gas Transmission. Securities reduced were Lake Side Shopping Center Class A, Liggett & Myers Tobacco, Sunray DX Oil and New York, Chicago & St. Louis Railroad. General Motors and Federal-Mogul-Bower Bearings were eliminated.

* * *

Investors Stock Fund reports that at the close of the first half of its fiscal year on April 30 total net assets were $1,108,831,232, or $18.65 per share, up $225,585,698 since the end of the year on Oct. 31, 1962, when value per share was $15.27. On April 30, 1962, rasset value was $18.41 a share.

* * *

Puritan Fund reports that at April 30 total net assets were $159 million, or $8.63 a share, compared with $141.4 million of assets and $8.07 a share on Jan. 30. At the end of last April assets were $123.1 million, or $8.17 a share.

* * *

Putnam Growth Fund reports that at April 30 total net assets were $276,318,200, or $8.66 per share. Three months earlier assets amounted to $261,082,000, or $8.32 a share. A year earlier assets totaled $264,819,900, or $9.16 a share.

During the latest quarter the fund acquired shares of Columbia Broadcasting System, Commerzbank A. G., Mattel, Inc., Pan American World Airways and Rhine Westphalia Electric Pr. Co. preferred. It eliminated Butlin's, Ltd. and California Financial Corp.

* * *

Television-Electronics Fund reports that on April 30, close of the second quarter, assets were $378.1 million, against $331 million on Oct. 31, 1962, end of the fiscal year. Value per share rose to $7.48 at April 30 from $6.59 at the end of the fiscal year.

* * *

Assets of **Wellington Fund** and **Wellington Equity Fund**, the two funds managed and sponsored by Wellington Management Co., reached $1,607,000,000 on April 30. This is the highest month-end month-end total in the company's history and reflects a $145,000,000 gain over one year ago.

* * *

For the semi-annual fiscal period ended April 30, **Wellington Management Co.** and subsidiaries had net income of $650,385, equivalent to 72 cents per share of common stock outstanding, it was announced by Joseph E. Welch, President, in a report to shareholders. This compares with net income of $597,259, or 66 cents a share, for the previous six-month period. Earnings for the first half of the previous fiscal year were 78 cents a share.

Mutual Fund Mgr. For Hayden, Stone

Richard M. Somers, Jr. has become associated with Hayden, Stone & Co. Incorporated, 25 Broad Street, New York City, members of the New York Stock Exchange, as Manager of mutual fund sales in New York.

T. J. Herbert With Wiesenberger Co.

Thomas J. Herbert has joined Arthus Wiesenberger & Company, 61 Broadway, New York City, members of the New York Stock Exchange, as Director of Investment Services, it has been announced. He will supervise the company's expanding investment advisory services as well as all its research activities.

Thomas J. Herbert

Arthur Wiesenberger & Company has long been identified as investment company specialists — acting as brokers and advisors to many of the leading mutual funds in the U. S. and abroad. The firm's institutional clientele includes pension and profit sharing funds, banks, foundations, endowment funds, insurance companies in addition to substantial private investors.

Mr. Herbert brings to his new assignment 34 years of active experience in the field of investment management. He was formerly President and Director of Hugh W. Long & Company (now known as Anchor Corporation), sponsor of Fundamental Investors and other mutual funds with assets in excess of $1 billion. Prior to that, in 1951, he was Investment Vice-President of the American National Bank & Trust Co. of Chicago where he directed the trust department's research and portfolio operations.

During the past two decades Mr. Herbert has written and lectured extensively on investments. From 1943 to 1959 he was a member of the faculty of the Stonier Graduate School of Banking at Rutgers University. He has authored a textbook "Investments" published by the American Bankers Association. He has also been a featured speaker at numerous banking and mutual fund conferences.

Societe Generale Opens 2nd N. Y. Br.

Societe Generale, one of the world's largest banking institutions, opened its second New York branch this week. The new offices are located in the heart of Manhattan, at Rockefeller Center, 15 West 50th Street. This branch will offer its clients the same complete banking services as the main New York Office at 66-68 Wall Street.

According to an announcement by Henri E. Blanchenay, New York manager, this step has been taken to put the services of Societe Generale closer to its midtown customers and for the benefit of its French clients visiting New York.

Societe Generale, established 1864 and in New York since 1939, is the second largest bank in France and is rated as the 23rd among the 500 largest banks in the free world, with current assets totaling about $3 billion. It has a network of approximately 1,500 branches in France and has branches and affiliates in Buenos Aires, Belgium, Germany, London, Luxembourg, Spain and French Speaking Africa.

The Market . . . And You

BY WALLACE STREETE

Price irregularity persisted in the stock market this week—mostly a case of a list pausing to catch its breath after a steep, uphill climb. Turnover still tended to perk up as new buying showed in various specialties, and to slacken when there was selling to be absorbed. So on the surface the pause was a healthy one.

For industrials it was a case of being stalled around the year's high and only a short distance below the all-time peak. Consolidation in such an area is normal action.

While the industrial respite was going into its third week, the changed note was that the rail section, too, was resting. In the earlier stages it had continued to push ahead independently.

The Public's Return?

With Memorial Day passed, the talk at this period of the year would normally be devoted largely to how far the summer rally will carry the general market. Currently, however, that talk is subdued and the discussion still revolved about when the public is going to return to the market. The lament over a disinterested public was constant all through the recovery that started last fall and nothing definite so far points to broader public interest.

There was broadening of trading interest into the secondary issues which, traditionally, is supposed to mean the start of public participation. But it was still too early to determine if the pattern will hold true this time.

Many of the Blue Chips, assuredly, have pushed to levels where they are not overly attractive as far as price appreciation and dividend yield are concerned. Obviously in some cases the institutional investors are now well stocked with quality issues, so that widespread buying in them which could send them higher seems to have abated temporarily at least.

Non-Blue Chip Values

The accent now seems to be shifting slowly and deliberately to other, lesser-known items that statistically offer good value, good prospects and comforting yields. Mueller Brass, no fixture in the high-activity circle, for one was showing stepped up interest as far as volume is concerned.

Earnings of Mueller had been rather static for the last two years, but showed a comfortable improvement in this year's first quarter. The normal trading pattern for the shares was to show on an handful of transactions a day with restricted price action. And before it started to move up, it offered, on the indicated dividend, a yield in the top half of the 4% bracket.

When it finally took off, a day's work for it ran to occasional five-figure totals. In the last two weeks it has become something of a regular on the new highs list and the narrow, seven-point range in which it had held throughout the early portion of the year, was widened slowly but steadily. There were many such patterns starting to emerge in issues that are not the household names of American business.

Growth vs. Yield

Yield isn't the shining goal for all the market students and the "growth" appeal is starting to emerge again although, in cases, it has been scaled down a bit after the great disillusionment of last year at this time.

As a random sample, before the growth bubble burst the fact that Bobbie Brooks in the apparel group had been able to compound its earnings at about 20% per year made it something of a growth concept favorite.

Currently the talk, based on management projections, is that the company will increase its sales and earnings at about a 15% rate. The indicated yield on Bobbie Brooks of 1½% on the indicated dividend consequently is ignored since earnings forecasts for this year point to results that will cover the payment some three-times over. And this makes it a candidate for dividend improvement.

The shares have been mundane this year. Where the old shares had run up from 16 to 59 in 1959-1961 prior to the last split, the new Bobbie Brooks shares this year have held in a five-point range, which is not the type of dramatic tape action that will catch the eye of a market spectator.

An Improving Item

General Cable started to show some impressive improvements last year in its profit picture, sales up around 9½% but net income up 27½% and per share results up better than 30%.

Where, in the previous four years General Cable's earnings had been relatively stable at $2.19, $2.71, $2.56 and $2.58, last year the figure jumped to $3.36. And this year's first quarter indicated the improvement was continuing since per share was 99 cents against 67 cents for the comparable period of last year, or an improvement of nearly 48%.

General Cable fits somewhat more comfortably into the yield circle since its return recently was only slightly under 4%. The market in it is somewhat thin since 36%, or 969,718, of the 2,678,811 shares outstanding are held by American Smelting. Smelting also has a large interest in General Cable's preferred stock.

Finance Issues Neglected

Finance issues that had had their fling before the market break chilled them down, were still among the neglected items in the general list, the savings and loan issues having to put up with what appears to be a wave of dwindling interest rates as those on the West Coast started to whittle their payments.

Seaboard Finance in the small loan field obviously won't be affected by the S.&L. actions, but the shares have not been in demand and, in fact, have held in about a four-point range all year. The disinterest in Seaboard traces to its unhappy experience several years back when it entered the credit card business, a venture subsequently dropped.

When the company concentrated on its basic line and expanded its offices, the profit picture took a turn for the better that was sufficiently encouraging and based solidly enough to warrant the company to project future profit increases at 10% annually.

After its period of trouble, Seaboard had to omit its dividend. With the turn in its fortunes it has resumed payments at the rate of 80 cents a share, at which level the indicated yield is 4%. Prior to its travail, the rate had been $1, plus stock, and if its fortunes improve sufficiently for the old rate to be reinstated, the yield would be 5% at present levels.

Outstanding Sugar Issue

The wild play in sugar issues when prices of sugar were jumping in world markets seems to be pretty much over, and some price erosion is readily apparent among the shares. Holding up pricewise somewhat better than some is Holly Sugar, second largest of the sugar beet producers. For one, prices of beet sugar didn't soar as wildly as those of sugar futures. Then, too, when the reaction from the speculative binge was setting in, Holly's earnings report was issued showing a jump in per share earnings from $2.25 to $3.75 to indicate that it was having a good year and could do even better this year. That adds up to a solid base.

[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.]

L. A. Bond Club Annual Outing

LOS ANGELES, Calif.—The Bond Club of Los Angeles will hold its 16th Annual Field Day on Friday, June 7, at the Knollwood Country Club in Granada Hills, Bond Club President Verdon C. Smith, of Lester, Ryons & Co., announced. Beginning at 8:30 a.m. with a golf tournament, Bond Club members will have a full schedule of activities arranged by Field Day Chairman Robert A. Wilson, of Mitchum, Jones & Templeton. Field Day prizes and trophies will be awarded at the evening dinner concluding the day's events.

Bond Club committeemen assisting Field Day Chairman Wilson are Richard J. Becker, of Bateman, Eichler & Co.; James E. Byears, First California Co.; Charles Dillingham, Lester, Ryons & Co.; Fred H. Denison, Calvin Bullock; Edward M. Harbison, Harbison & Henderson; George J. Hefner, Hill, Richards & Co.; Allerton H. Jeffries, Jeffries Banknote Co.; Joseph G. LaPuma, Currier & Carlsen, Inc.; Howard J. McKaig, United California Bank; Peter G. Olmstead, Olmstead, Allen & Co.; David C. Pearson, Eastman Dillon, Union Securities & Co.; Philip E. Sperry, Pioneer Fund, Inc.; Robert Sperry, Mitchum, Jones & Templeton, and Roland Wack, Lord, Abbett & Co.

With Faulkner, Dawkins

William Leach has joined the research department of Faulkner, Dawkins & Sullivan, 60 Broad Street, New York City, members of the New York Stock Exchange.

COMMENTARY...

BY M. R. LEFKOE

In recent years, the drug companies which produce headache compounds have engaged in the noisiest advertising battle in history to convince the public of the superior merits of their own product. The public saw hundreds of men in white coats (who looked, acted, and spoke like doctors—but who weren't) recommend one product; they saw lightning flashing, hammers falling, and bells ringing in an attempt to demonstrate the amazing speed of another product; and they saw diagrams of the head and body to show the effectiveness of a third product.

Since every company was claiming, in effect, that its product was the best, the Federal Trade Commission probably concluded that it would have an easy time convicting at least a few of the companies, since all of them couldn't be telling the truth, the whole truth, and nothing but the truth. But, the FTC had a problem: In order to be able to issue a cease-and-desist order which would be upheld by the courts upon appeal, it had to know which products actually were the best, and be able to prove it.

Thus, the FTC decided to conduct an authoritative study to get the evidence it needed. It picked a team of medical specialists to conduct a study, financed their research, and then authorized publication of their report. Entitled, "Comparative Study of Five Analgesic Compounds," the government-sponsored report appeared in the *Journal of the American Medical Association* last December.

One Product Was Better

While the Commissioners were busy rubbing their hands with glee, thinking about the authoritative evidence they had obtained and the long list of companies they could prosecute, one company found that its product had performed somewhat better than the others tested. The study had reported that there was "no striking difference among the agents as far as rapidity of onset, peak effect, or duration of analgesia was concerned." Nevertheless, the statistical tables accompanying the report had indicated that Bayer Aspirin had a somewhat higher pain relief score than the other four products.

This finding, of course, was a goldmine to Sterling Drug, the firm which manufactures Bayer. Lights burned all night in the office of its advertising agency and, in no time at all, the American Public was hearing the good news.

Unfair, cried the FTC. This report is our evidence to prove that the drug companies are deceiving the poor, unsuspecting public. They have no right to use our study to make a profit—particularly since their tax payments financed it.

FTC Rushes to Court

The Commission rushed to the United States District Court. Since it will take a long time to hold full-scale hearings and find the company guilty, the Commission told the court, and since the danger to the public interest is so great, the court must stop Sterling Drug's misrepresentation of our report. We want an injunction immediately to prevent the further use of this deceptive advertising.

The FTC's battery of attorneys rolled into action and listed four examples of misrepresentation in Sterling Drug's advertising.

In the first place, the FTC complained, the ads represent "that the finding of the medical team of clinical investigators referred to in said advertisements have been endorsed and approved by the United States Government." The court dismissed this charge and replied: "The Government did have a role in the clinical study, and it is hard to conceive of how Sterling could have stated that fact in a more neutral or less objectionable manner."

Second, the Commission asserted that Sterling's advertising is untrue because it represents that the publication of the report in the AMA's *Journal* is "evidence of the endorsement and the approval thereof of that Association and by the medical profession." Upon hearing this charge, the court pointed out: "But the challenged ads made no reference whatever to the 'medical profession' and simply stated that the findings of the FTC's medical investigators were 'reported in the highly authoritative *Journal of the American Medical Association*.' And it is, of course, indisputably true that the findings were so published in the Journal. . . ."

"Battle With a Strawman"

Stating the FTC's next charge in the court's own words: "In a third battle with a strawman, the Commission charges Sterling with representing: 'That the clinical investigators found that Bayer Aspirin will not upset the stomach, is more gentle to the stomach than a sugar pill, and is more gentle to the stomach than any analgesic product containing more than one ingredient, and that there is no analgesic product available to the consumer which is more gentle than Bayer Aspirin.' The Commission then denies the correctness of all of these alleged representations. But however valid a rejoinder this may be to what [the FTC] says Sterling said, *it has no relevance to what Sterling did, in fact, say.* [Serling's ad] is a correct and accurate statement of the FTC's own clinical report." (Emphasis added.)

Finally, the FTC scraped the bottom of the barrel and accused Sterling of representing that its investigators "concluded that Bayer Aspirin, after 15 minutes following administration, affords a higher degree of pain relief than any other product tested." In a marvel of decorum, the court replied to this charge: "The objectionable nature of this [statement] is difficult to discern since it coincides exactly with the data reported in the AMA Journal."

After hearing the FTC's charges and examining the evidence, the court issued as stinging an indictment of the FTC as is possible from a judicial body: "It is altogether plain that the Commission is asking this Court to inflict upon Sterling the extraordinary burden of an injunction because of the alleged misrepresentations of an ad which exists only in the imagination of the FTC. . . .

Court Holds FTC Guilty

"The Commission has had a study made by experts which would seem to indicate that the representations made by the higher priced products are not correct and that the general public can get as good, or better relief from a lower priced product. Why may not a manufacturer of a lower priced product utilize this information which has been developed by the Commission, paid for by the Commission, and published by authority of the Commission? If the report of the experts employed by the Commission is accurate, then the public has a right to know these facts. If the report of the experts employed by the Commission is inaccurate, then the Commission itself is guilty of promoting false advertising."

But this isn't the end of the story. Still determined to do its duty and protect the public interest, the FTC appealed the lower court's ruling to the Court of Appeals. As might have been expected, an injunction was again denied. But the FTC does not give up easily: It has announced that it will not drop its original complaint of false advertising against Sterling and will conduct its own hearings shortly. Since it will be acting as both prosecutor and judge, it should have little difficulty in winning the case the third time around.

This farce could be almost amusing if it were not for the fact that, after the FTC gets through convicting Sterling Drug for using statistics from its report to prove that it has the best product, the Commission will use the same statistics as evidence in prosecuting the other four companies for claiming that their products are better than Bayer.

Swiss Bank Drops Agency Status; Now Branch Bank

The New York Agency of the Swiss Bank Corporation has been authorized by the State Banking Department to change its status to that of a branch bank, effective June 3.

The New York branches of the bank, located at 15 Nassau Street and 10 West 49th Street, are in charge of Robert Granwehr and August Ries as co-managers. New and additional services that the bank now offers are domestic checking accounts and safe custody securities deposits.

Swiss Bank Corporation, one of Switzerland's largest joint stock banks, with capital and reserves of 450,000,000 Swiss francs, was organized in 1872 as Basler Bankverein and the present name was adopted in 1897, following the absorption of several other Swiss Banks. The New York agency was opened late in 1939. The bank operates 31 offices and 21 agencies and exchange offices in Switzerland; it maintains offices in London and has representatives in Paris, Buenos Aires, Lima, Mexico City, Rio de Janeiro and Sao Paulo. There are affiliated companies in Montreal and Casablanca.

With Christensen Co.

GLENDALE, Calif.—Gordon G. Glidden has become associated with Christensen & Compnay, 1417 West Kenneth Road, as registered representative. Mr. Glidden was formerly assistant to Miles Burgess, west coast distributor for Group Securities Company.

Rauscher, Pierce Announces Advances for Top Management

DALLAS, Tex.—The elections of John H. Rauscher as chairman of the board, Chas. C. Pierce as president and John H. Rauscher, Jr., as executive vice-president have been announced by Rauscher, Pierce & Co., Inc., Mercantile Dallas Building, pioneer Texas investment banking firm.

John H. Rauscher

John H. Rauscher, Jr.

Charles C. Pierce

Formed in 1933, the company has been headed by Mr. Rauscher as president, and Mr. Pierce as executive vice-president. John Rauscher, Jr., who joined the firm in 1949 after his graduation from the University of Texas, has been a vice-president for seven years.

Also promoted were Allan M. Tucker to vice-president and Derry M. Hilger to assistant vice-president.

"This realignment of our top-level management will provide the foundation for even greater service and an ever increasing scope of future operations," Mr. Rauscher and Mr. Pierce said in announcing the advances. "From an original single office with 12 employees, our firm has grown to 15 offices in 12 cities throughout Texas, in Arkansas and New Mexico, with a total personnel of more than 200, including 104 registered representatives."

Both Mr. Rauscher and Mr. Pierce are widely known in national investment circles and were instrumental in the formation of the Texas Investment Bankers Association and its later merger into the Investment Bankers Association of America, as the Texas Group, in the mid-thirties. During the years, both have served in a wide number of capacities in this and other professional associations.

Allan Tucker, promoted to vice-president from assistant vice-president, has been associated with Rauscher, Pierce since 1948. Mr. Tucker majored in banking and finance at the University of Texas.

Derry Hilger, elected assistant vice-president, came with Rauscher, Pierce in 1952. He is the immediate past president of the Dallas Securities Dealers Association. Mr. Hilger received a Bachelor of Business Administration degree from Southern Methodist University.

During its 30 years, Rauscher, Pierce has financed many major public improvements and furnished original capital and funds for expansion of many business firms over the nation.

In serving individual and institutional investors, the firm has maintained a constant improvement of facilities, including the introduction of a number of modern customer services. Memberships are held in the New York Stock Exchange, Midwest Stock Exchange and an associate membership in the American Stock Exchange.

Municipal Bond Club Field Day

Operations at Wall Street's tax-exempt bond departments will be at a virtual standstill tomorrow (Friday) as most of the financial community's municipal bond men will be making their annual pilgrimage to the Westchester Country Club in Rye, N. Y., for the 30th Annual Field Day of The Municipal Bond Club of New York.

The outing will offer the bond men a welcome respite from the business of underwriting and distributing state and local government securities, which so far this year have been coming into the market at an annual rate of better than $10 billion.

Heading the exodue of municipal bond men to the Westchester Country Club will be R. George LeVind, of Blyth & Co., President of the Club; Lloyd B. Hatcher, of White, Weld & Co., who is slated to succeed Mr. LeVind as President at the group's annual business meeting tomorrow, and William E. Simon, of Weeden & Co., Field Day, Chairman.

A feature of the outing will be publication of The Daily Bond Crier, edited this year by Donald R. MacNaughton of James A. Andrews & Co. Copies of the "Crier," annual exploitation of the foibles of the municipal bond business, are priced at $1 each and will be available after 1 p.m., June 6 at the office of Bache & Co., 36 Wall Street.

Named Director

BOSTON, Mass.—Evan V. Shierling has been elected a Director of Canada General Fund Limited, it has been announced by William F. Shelley, President.

Mr. Shierling is a Vice-President of Canada General Fund, a mutual fund which invests in the securities of leading Canadian business corporations. As a staff member of Boston Management and Research Company, investment adviser to the Fund, he has specialized in the investment analysis of Canadian companies for the past 12 years.

IBA Training Program Offered

WASHINGTON, D. C.—The concentrated resident Training Program for the Securities Business being offered by the Investment Bankers Association of America on the Evanston campus of Northwestern University, July 14-Aug. 16, provides the answer to a currently pressing need of the industry. Stiffer qualifying examinations and increasing emphasis on competence make thorough indoctrination more essential than ever, according to Avery Rockefeller, Jr., Partner, Dominick & Dominick, New York and Chairman, Education Committee of the IBA.

Members of the New York Stock Exchange are co-sponsoring the program, which as in past years, combines two courses: Fundamentals of Investment Banking and Stock Exchange Operations.

This composite program is designed to provide the general knowledge of securities, securities markets and investment principals and practices which is essential for a person training to become a registered representative of an organization in the securities business, so that he may creditably represent his organization and effectively serve individual and institutional investors.

In addition to preparing the trainee for the New York Stock Exchange and the National Association of Securities Dealers qualifying examinations, these two courses provide comprehensive background information and a sound basis for subsequent, more advanced study as the representative matures through experience. Securities firms are invited to take advantage of this excellent and economical training for prospective representatives by enrolling their new employees (either men or women) for one or both courses, as the needs of the individual registrant may require. The first course, Fundamentals of Investment Banking, will be offered from July 14 to August 9 and will be taught by Professors Harold W. Torgerson and Bion B. Howard, with the assistance of other faculty members in the Northwestern Finance Department. This concentrated four-week classroom course is deigned primarily to give trainees an intensive basic indoctrination so that they may become integrated into the securities business much more rapidly. The following topics will be covered in detail:

- Economic Role of Investment Banking.
- How to Read Financial Statements and Corporate Reports.
- Elements of Finance.
- Securities and Their Analysis.
- Marketing New Corporate Issues.
- Secondary Markets.
- Mutual Funds.
- Government Bond Markets
- Investment Policies and Programs.

Various supplementary addresses will also begiven by prominent investment bankers on these specialized aspects: U. S. Government Securities; Municipal Financing; Securities Distribution and Salesmanship; Securities Analysis; Institutional Investment Policies; and other selected topics.

The second Course, Stock Exchange Operations, will be offered concurrently three hours a week, from July 14 to August 9, and the subsequent week will be devoted entirely to this subject. Professor Loring C. Farwell of the Northwestern School of Business will teach this portion of the dual program and experienced speakers on various phases of stock brokerage will supplement his instruction. Stock Exchange Operations is designed to acquaint the registrant with the rules, practices and procedures of the organized exchanges, with particular reference to the New York Stock Exchange. It also covers the regulations of the Securities and Exchange Commission and the National Association of Securities Dealers pertaining to market and brokerage office procedures, and emphasizes sound business practices essential to good brokerage-customer relationships. Specific topics covered are:

- Securities Marketing Procedures.
- Constitution and Rules of the New York Stock Exchange.
- Listing Requirements of the New York Stock Exchange.
- Stock Exchange Procedures.
- Stock Delivery and Transfer.
- Broker-Customer Relationships.
- Protection of Customers.
- Other Security Markets.
- Current Problems of the Securities Business.

Registrants will live in a new dormitory on the Evanston Campus and will attend classes in a nearby university building. Assigned readings and problems will supplement the 25 to 30 hours of classroom attendance each week. A field trip to the Midwest Stock Exchange and other Chicago financial institutions will be scheduled.

Enrollment in this two-course program will be limited to 80 registrants. Fundamentals of Investment Banking may be taken separately, but employees of stock exchange members will benefit most from taking the combined program. The tuition for both courses is $650 and this covers all costs of construction, room, meals, text materials, and notebooks, the charge for the Fundamentals course alone is $525.

Applications for this training program should be sent to the IBA Washington office accompanied by remittance in full. An announcement folder and additional information about both courses may be obtained from:

Education Committee
Investment Bankers Association of America
425 Thirteenth Street, N. W.
Washington 4, D. C.

Absorb Porter, Noyes

CORPUS CHRISTI, Texas—The investment business of Porter, Noyes, Inc. members of the Midwest Stock Exchange, has been absorbed by Eppler, Guerin & Turner, Inc. of Dallas.

BANK AND INSURANCE STOCKS

This Week — Bank Stocks

NATIONAL CITY BANK OF CLEVELAND—

Price	Dividends	Yield	Estimated 1963 Earnings	Price Earnings Ratio
$58	$1.60	2.72%	$3.55	16.3x

Earnings of the bank for the first three months of 1963 were 83 cents as compared with 79 cents for the same period in 1962. This increase on a percentage basis is favorable when compared to other major commercial banks. The year 1962 showed an improvement in earnings—a situation unusual to most banks. This increase in earnings was possible in spite of a substantial rise in time deposits from 26% in this category at the beginning of the year to 32% by the end of the year. As was the case for most major commercial banks the interest paid on this category of deposit rose to the maximum of 4%. The increase in interest cost was offset by early investment in mortgages and tax-exempt bonds. At the same time other loans also expanded.

In addition to the aggressive loan policies the bank has the pre-eminent correspondent bank position of any institution in the state of Ohio. Deposits from this source showed an average increase of 10% for the year 1962. Also the bank again proved the ability of its portfolio management with a substantial increment in net security profits. The profit trend continues into 1963.

Although the state of Ohio has limited branch banking, two new offices were opened in 1962 bringing the total to 24 offices. In spite of the increase in locations the bank was able to decrease the number of personnel slightly. This indicates successful operation and a realization of the effectiveness of electronic data processing.

It is interesting to note the particularly low price earnings ratio at which the stock is currently selling. Although the yield is not exceptional at this time, it is noteworthy that the dividend is low and further increases here are likely. Also, many banks in so-called growth areas are selling at 100% of their book values, whereas National City Bank of Cleveland sells at slightly more than 50% of "book." There are presently 2,662,000 shares outstanding which means ready availability of shares.

THE NATIONAL CITY BANK OF CLEVELAND

Growth in Deposits and Capital

(In Thousands)

Year-End	Deposits	Capital Funds Excluding Reserves	Capital Funds As % of Deposits
1962	$904,263	$81,128	9.0%
1961	781,496	76,829	9.8
1960	727,433	72,400	10.0
1959	744,379	66,655	9.0
1958	732,643	61,130	8.3
1957	714,115	58,130	8.1

Per Share Figures

	Net Operating Earnings	Cash Dividends Declared	Dividends As % of Earnings	Book Value
1962	$3.40	$1.60	47.0%	$30.48
1961	3.35	1.35	40.3	28.86
1960	3.52	1.17	33.3	27.20
1959	2.95	1.07	36.1	25.04
1958	2.48	.99	40.0	22.96
1957	2.48	.97	39.1	21.84

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CHEMICAL BANK ACQUIRES LONG ISLAND INSTITUTION

The most recent development in the field of banking occurred last week when the Federal Reserve Board in a six to one vote, authorized the Chemical Bank-New York Trust Co. to acquire the Bank of Rockville Centre. This acquisition is one of the first by a New York City bank of a substantial suburban bank. Total deposits of the Long Island bank amount to $40 million and will add 14 offices to the Chemical Bank. One year ago the Board denied the Chemical the right to acquire another Long Island bank. This move on the part of the Federal Reserve Board is very much in accord with Comptroller Saxon's philosophy.

It is apparent that the two Federal bodies having supervisory authority over banking will undoubtedly prevail on the third (the Treasury). Although this move is constructive for banking it promotes greater competition for New York banks and could be a deterrent in earnings growth here over the longer period.

The Government Portfolio And Advanced Refunding

Continued from page 1

ment portfolio. This, however, should not infer that close supervision should not be exercised, since if the above mentioned factors place the bank in a "strong liquid position," yield is probably being sacrificed; and, therefore although the liquidity requirements are being met in the government bond portfolio to some extent the earnings or point number may not be at the maximization point.

In most instances, the government portfolio should be maintained at the lowest level possible consistent with the three major factors mentioned. More profitable outlets can usually be obtained from the other category of investments—the government portfolio acting as a residual and liquidity factor. It should be noted, however, that the portfolio cannot stay constant over the business cycle. Banks will always find that governments or securities in general will rise when loan demand falls off and fall when loans begin to rise. However, prices are always moving against the banks. When the security portfolio is being increased, loans fall off and prices begin to rise, while conversely when loans increase and governments must be liquidated, prices tend to fall. In this sense the portfolio manager is always behind the market. As long as other more profitable outlets can be found in terms of earnings and possibly creating derivative deposits, these should be sought, the government portfolio being the liquidity factor or balance wheel.

Maximizing Income

After liquidity needs have been provided for, earnings from this section of the banks' resources should be maximized. In this respect, factor 3 is closely related and could to some extent be directly associated with factor 2. In reality, the two are inseparable, although for analysis purposes, as well as simplification, the two are presented separately. In this manner it will also help to emphasize the section on the effects of advance refunding on the above mentioned factors.

If the government portfolio is being maintained at as small a level as liquidity needs will permit, maturity is an important factor as upward changes in interest rates can adversely effect the prices if maturities are long. When interest rates are at or near their upper levels and the bank's resources are fully utilized at attractive rates, the government portfolio should be on the short side, providing liquidity when it is most needed. Even though the portfolio may be at a minimum level, earnings are attractive and being maximized since yields are at or near their upper levels. Such a period is associated with a high level of negative free reserves and a high degree of credit restraint by the Reserve Authorities. In periods of monetary ease, banks are generally stretching maturities to obtain as much yield as possible. In many instances when rates again begin to tighten, banks find that they have fallen into a "yield trap." In such instances the portfolio manager should avoid lengthening too long for maximization of income. He may later regret this move, as the additional income earned is lost when later losses must be taken to provide funds for loan demand or to take advantage of new higher yielding governments available into the market. In most cases lengthening should not go beyond maturities in the normal bank range of approximately 5 to 6 years.

A suggestion here is to predict (if a five-year bond is purchased) what interest rates will be a year from the purchase date for four year money (longer rates do not move as far as shorter rates); and after predicting such a level, determine where the five-year bond (now a four-year obligation) would be selling. Such predictions may limit the amount of lengthening a portfolio manager may undertake.

After-Tax Yield

In purchasing governments after tax yields should weigh largely in making the selection. The greater the discount, the higher will be the after tax yield. This is, to a significant degree, the controlling factor when one examines yield curves. Banks and others are very conscious of the after tax yield as an examination of yield curves will reveal the after tax yield curve is somewhat smoother than the gross yield curve. A bank that can forego current income can do well by purchasing such discount issues versus current income issues at or near par. With most banks paying higher interest rates on savings since the amendment to Regulation Q in January 1962, current income has become a necessity—the waiting period on discounts not currently offsetting high current interest and other expenses.

In terms of portfolio management deep discounts present the best income source after tax. However, with it problems are attached. If only discounts are purchased, each year will automatically become a profit year. For tax purposes as will be mentioned under the section dealing with "use of tax advantages," the portfolio manager may be tying his hands, since he precludes a tax loss program which can, under certain market conditions, be the most profitable operation in terms of tax advantages as well as economics.

Many portfolio managers seem satisfied to accept the average yield available for securities in the bank range (0 to 6 years). They avoid profit and loss years by purchasing issues selling at par or at premiums over the bank range, accepting the average yield along with the outdated spaced maturity program providing an average maturity of approximately 2 to 3 years.

When discount issues are purchased several years before maturity with the idea of making a given year a profit one, issues maturing earlier in the year seem advisable. This gives the portfolio manager to some extent the right to make either the preceding year or the year in which the issue is maturing the profit year, as the price will be close to par. However, too much concentration here may limit the amount of funds available for other maturities which could develop into potential "rights." In some instances such other issues could be purchased at premium prices to avoid their coming due in profit or loss years.

The most advantageous program is to have issues coming due in a profit year when money is tight. Such funds are badly needed at this time for loans, but in addition deep discount issues are also available in the market awaiting purchase for future profit years.

In addition to maximizing income through purchasing issues offering high after tax yields, the portfolio manager should also attempt where possible to anticipate the possibility of issues having potential "rights" value. In this respect one may note that the $1\frac{1}{2}\%$ notes consistently show a high after tax yield but almost never have a "rights" value in terms of regular or advance refunding operations.

Tax Advantages

Under present tax laws, banks have certain fixed advantages regardless of condition in the market or changes in interest rates over the business cycle. The portfolio manager who can see changes in interest rates and is taking full advantage of the tax situation will always produce better than average returns.

The major advantage undoubtedly is the fact that banks can take losses against operating income as a 52% tax credit, while only having to pay 25% on long-term capital gains. In a sense, the greater the loss, the even greater will be the profit, if the issue purchased is selling at approximately the same discount price which the obligation sold was selling. The major factor to consider here is not to take a profit and loss in the same year. Should the latter transaction occur, the portfolio manager is out a valuable 27% tax credit. Poor portfolio management can easily result in the above occurring. This is particularly true where various maturities are purchased in an equal spacing portfolio at various discounts making each year an "automatic" profit year. In those years when interest rates are rising and deep discounts issues are available and losses should be taken, the portfolio manager is "locked in" as far as taxes are concerned more than merely owning some discount issues in a declining market.

Taking a short-term capital gain which is taxable at regular income rates (52%) and using it as an offset against a loss is not as much a loss of a tax loss credit as is a long-term profit (25%) matched against a tax loss credit of 52%. In planning a portfolio, where possible, long-term proftis should be sought, unless it can clearly be seen that the extra waiting period (for a long-term profit) will result in no profit at all, or even a temporary book loss. Too many portfolio managers have regretted wating until the

6-month period is up for a long-term gain when a profit could have been realized on a short-term basis when the result has been a loss or a temporary lock-in position rather than a slight profit.

In any tax loss program the portfolio manager must act with caution so as to avoid a "wash sale." The new security purchased (if a loss is realized), cannot be the same one sold if repurchased in less than 30 days. Issues selling at discounts near the maturity of the one sold should be attractive purchases although it is best to obtain a tax expert's opinion in order to later avoid difficulty with the Internal Revenue. There has always been a question of what constitutes the difference in the security sold and the one purchased when the maturity dates and coupons are similar.

In some instances tax loss selling cannot always be transacted at the most favorable time in terms of interest rate cycles. For instance, banks desiring to convert into 1½% 5-year notes from the Series B 2¾% 1975-80 bonds are most likely to carry out such a program in a period of low interest rates (since the 1½% 5-year notes probably are selling at or near their best levels), but at such times profits in marketable issues might want to be taken. Here the portfolio manager is forced with a difficult task — desiring the conversion and subsequent tax loss on the 1½% notes (deductible as a 52% tax credit), while also desiring to take long-term profits in marketable issues with only a 25% tax liability. Should both be taken in the same year, the portfolio manager will give away a 27% tax credit.

Advance Refunding

To date the Treasury has marketed seven advance refundings. Advance refundings give the portfolio manager some additional advantages not formerly found in the portfolio. For the well managed portfolio such offering gives additional flexibility and a wider range of possibilities. One of the best advantages from the banker's view point is the possibility of increasing current income without having to show a loss or profit —although some lengthening must take place. However, the only real alternative would be to take a loss or profit and still move out along the maturity range.

Of the seven advance refundings, three have given the holder the choice of two issues in which they could enter, two the choice of three, and two the choice of four. In terms of eligible issues for advance refunding the following occurred:

In only one instance was there only one eligible candidate, that being the first advance refunding involving the 2½% bonds of Nov. 15, 1961 in June of that year. Of the other six advance refundings one gave two issues candidacy, one gave three candidacy, one gave four, one five and one six, and the last one gave eight issues the right of advance refunding.

It is true however, that all such advance refundings were not equally attractive for banks as they were for other institutions.

In any advance refunding, the portfolio manager must make certain decisions if he is a holder of eligible issues, but in any case the three factors listed earlier must control or limit his movement.

The most important or dominant factor seems to be: can the portfolio manager afford to lengthen the portfolio for the additional income. This alone affects or involves the three major factors listed at one time. Some advance refundings because of the length of the issue are on the fringe area of being really a bank situation.

It would be considered an unwise move for instance to take advantage of the postponement of the capital gains tax liability short or long (which would be considered taking advantage of factor 2 and 3), but then risking liquidity by taking a longer term issue. Sometimes you are forced with inconstancies.

On the other hand, one may purchase 1½% discount notes to maximize their after tax yield, but reducing the opportunity to ever obtain "rights" when advance refunding may be offered. One important advantage of advance refundings is it may increase the flexibility of the portfolio manager's operation. If a bank finds it has a substantial profit in a maturing issue (which becomes an issue open to advance refunding), it might find that it would be to his advantage to take the advance refunding in order to avoid the capital gain but take losses on other issues for a tax loss program, using the proceeds to purchase other discount issues. In this case he might find that this has avoided the problem of taking a profit and loss in the same year. Under such circumstances, he may even settle for a lower profit when he sells the issue acquired in the advance refunding in the next year (if prices go down), but this may be worth more than having to give up the tax loss credit (by an offsetting profit) in the earlier year.

In order to maximize income, purchase of various short to intermediate issues is sometimes made to obtain possible "rights value" for advance refundings. When this is done, to some extent profit and loss years become more difficult to obtain. Along this line it should be mentioned that not only does the holder have possible regular "rights value" but possible advance refunding "rights." Also, there is the possibility that an issue may have advance refunding rights more than once.

In some instances in advance refunding, capital gains and losses must be taken the same year—but only to a very minor degree. For instance, if a bank has made a given year a loss one and then takes advantage of an attractive advance refunding, it may have to pay a capital gains tax on that portion of any funds returned by the Treasury. Before the capital gains tax is paid, however, losses would first be deducted resulting in some loss of a tax credit. In any case, the gain cannot be greater than the amount paid by the Treasury.

Chance to Eliminate Callable Issues

Advance refunding also gives the holder in some instances the opportunity to eliminate callable issues and acquire fixed maturity issues. One important factor to remember is that the new issue will be selling about the same price as the one being advance refunded — so that in terms of portfolio book profit or loss, there is almost no change. However, the major consideration is the outlook for interest rates, the longer issue producing both greater potential losses as well as profits. The portfolio manager should not lose sight of the reinvestment yield required at maturity of the eligible issue (for the period of lengthening) if the advance refunding is not taken. In many cases it is very attractive and difficult to match on a gross yield basis, although on an after tax yield basis if deep discounts are purchased the same yield can almost be obtained for the period of lengthening when the eligible issue matures.

Advance refunding also allows the portfolio manager to adjust his maturities to some extent by taking some profit (if it is desired in an eligible issue) and using the remaining portion to fill in another maturity date with no capital gains tax liability on that portion until disposed of at maturity.

It has also been attractive from the point of view of banks with large time deposits who need the current income immediately yet cannot afford to take a capital loss. Another important but somewhat overlooked factor is that a short-term gain through an advance refunding could be lengthened out into a long-term gain. The additional waiting period is in the new issue. However, this issue could be sold at a slightly lower price (with only a 25% capital gain tax) while if the eligible issue matured the full short-term tax of 52% would be incurred.

Advance refunding also makes it possible to move from one maturity area to another (longer market) and use the leverage of the longer-term market if the outlook is for lower interest rates.

Advance refunding also makes possible the addition to an already owned security from a shorter issue without the need to record a loss and the postponement of the capital gains tax.

In those instances where a sizable amount of the eligible issue is held the average length of the portfolio could be stretched (if this is desired) to offset the constant shortening, yet taxes are minimized, income improved and liquidity almost the same (since the market price is approximately the same as the issue given up) although the portfolio is now subject to greater market risk.

Depending on the yield curve, advance refunding may offer the possibility of improving income through lengthening (without a loss and the postponement of capital gains tax) yet maintaining the average life of the portfolio by eliminating other longer issues (if possible at no profit or loss) back into shorter issues with income held at approximately the same level. With a relative flat yield curve the above does offer some possibilities.

Advance refunding depending on portfolio holdings and book prices, offers an opportunity in certain cases to set up in advance, future profit years without the necessity of taking profits or loss through tax switches in the current year. Depending on when the eligible issue matures, plans can be made in advance to remove profits for certain years to later years.

In those instances where a book loss exists, but income is needed and an advance refunding is taken up, the portfolio manager may request exposure in other areas of the bank be reduced due to the greater vulnerability of the longer issue accepted for the higher income. Funds from the areas of reduced exposure could be placed in other more liquid areas at slightly lower rates, but not at rate reductions lower than the increase or improvement in rates due to the advance refunding.

Any issue held which sells at a "rights" premium because it is eligible for advance refunding, but not a desirable move by the bank, should be examined for sale while the premium exists. At the same time, sight should not be lost of the tax liability (long or short) on such a sale. In addition there also exists the possibility that the issue may later have regular refunding rights.

There are various combinations which the portfolio manager should examine, but the end result should still be managed within the structure of maintaining adequate liquidity, maximization of income and the use of tax advantages to their limit.

Name Now Pierce, Wulbern, Murphey

JACKSONVILLE, Fla.—The Pierce, Carrison, Wulbern Corporation, Florida's only homeowned member firm of the New York Stock Exchange, has announced a change in the corporate name of the 32-year-old firm.

It will be known as The Pierce, Wulbern, Murphey Corporation, with the addition of David R. Murphey, III, as Vice-President, Director and Manager of the Tampa office.

Mr. Murphey, a life-long resident of Tampa, has been associated with the Firm's Tampa branch since 1958. He received a B.A. degree from Washington & Lee University and a Master's degree from the Wharton School of Finance, where he was awarded a certificate of scholastic distinction. Mr. Murphey will continue to represent the firm's interests in the Tampa office, Marine Bank Building.

Other executive changes include Robert J. Pierce as Executive Vice-President, Louis M. Saxton, Vice-President in the Tampa branch, in charge of Dealer Relations and C. Jon Massee, Manager of the Research Department in Jacksonville.

The investment firm, which has other branches in Atlanta, Birmingham, and Gainesville recently completed new, enlarged office facilities at the main office in Jacksonville, Fla., 222 West Adams Street.

The firm name of the affiliate, Pierce, Carrison, Wulbern, Inc., has also been changed to Pierce, Wulbern, Murphey, Inc.

NEWS ABOUT BANKS AND BANKERS

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

The promotion of six staff members to Assistant Treasurer was announced May 31 by the **Chase Manhattan Bank, New York.**

Those named were Nathaniel Bogdanove of the investments and financial planning department, Walter P. Cahill of the insurance and protection division, Edward M. Hynes of the Columbus Circle branch, John F. Mullady, who is on the administrative staff for 13 midtown Manhattan branches, and Ralph H. Teepe of the metropolitan marketing division.

The appointment of Hans M. J. Beukers as Assistant Manager of the bank's branch in Beirut, Lebanon, was also announced.

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James T. Harrigan, Senior Vice-President in charge of the corporate trust division of the **Manufacturers Hanover Trust Co., New York,** died May 29 at the age of 69.

Mr. Harrington joined the Hanover Bank in 1914 as a clerk in the corporate trust department. In 1926 he was named as Assistant Secretary, in 1939 Assistant Vice-President, in 1943 Vice-President and in 1957 Senior Vice-President. With the merger of the Hanover Bank and Manufactures Trust Co. in 1961, he was named head of the combined corporate trust division.

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The Belgian-American Bank and Trust Company and the **Belgian-American Banking Corporation, New York,** elected John B. Lowe as Vice-President and Controller.

The two banks also named Nicholas A. Sica and Philippe R. Stoclet as Vice-Presidents. Andre J. Baudon was appointed an Assistant Vice-President, and George Lemke an Assistant Secretary.

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The New York Agency of the **Swiss Bank Corporation** has been authorized by the State Banking Department to change its status to that of a branch bank, effective June 3.

The New York branches of the bank, located at 15 Nassau Street and 10 West 49th Street, are in charge of Rober Granwehr and August Ries as Co-Managers.

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The election of George F. Shaskan, Jr. as Vice-President of **Empire Trust Company, New York,** was announced June 4. He will be associated with the bank's trust department, investment division.

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The **Trade Bank and Trust Company, New York** announced May 29 that Moses Naitove has been appointed to the new position of Assistant to the President.

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Oren Root, New York State Superintendent of Banks, approved the proposed merger of the **New York Savings Bank, New York,** into the **Bank for Savings, New York.**

The merger would increase deposits of the Bank for Savings, to $1,100,000,000.

The merger may not be consummated unless it is approved by the Federal Deposit Insurance Corporation.

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The **East River Savings Bank New York** elected George P. Jenkins, to the board of trustees.

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John J. Hughes has joined the public relations and advertising department of the **County Trust Company, White Plains, New York.** He was formerly a supervisor in the bank's tabulating department.

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The First National Bank of Jersey City, N. J. June 4 announced the appointment of Donald J. Smith as Assistant Vice-President and Trust Officer and Emmett L. Thompson as Assistant Vice-President in the consumer credit department.

Mr. Smith was formerly associated with **Manufacturers-Hanover Trust Company, New York** as an Assistant Trust Officer.

Mr. Thompson was formerly associated with **Continental Illinois National Bank & Trust Company, Chicago, Ill.** as an Assistant Cashier.

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The election of Clarence H. Doty as the Director of the **State Bank of Plainfield, New Jersey** was announced. Mr. Doty was formerly a Treasurer of the **Community Bank, Linden, New Jersey.** He joined the Plainfield bank last September as Executive Vice-President.

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The Board of Governors of the Federal Reserve System on May 29 announced its approval of the merger of The **Farmers National Bank of Sussex, Sussex, New Jersey,** into **Sussex County Trust Company, Franklin, New Jersey.** The resulting bank would be operated under the title of **The Bank fo Sussex County.**

* * *

The Comptroller of the Currency James J. Saxon on May 23 approved the application of The **United States National Bank in Johnstown, Pennsylvania,** to purchase the assets and assume the liabilities of The **Windber Bank and Trust Company, Windber, Pennsylvania** effective on or after May 29.

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The Comptroller of the Currency James J. Saxon on May 24 approved the application to merge the **Wyoming National Bank of Tunkhannock, Tunkhannock, Pensylvania** and the **Wyoming National Bank of Wilkes-Barre, Wilkes-Barre, Pennsylvania,** effective on or after May 31.

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The Comptroller of the Currency James J. Saxon announced that he has given preliminary approval to organize a National Bank in Towson, Maryland.

Initial capitalization of the new bank will amount to $1,250,000, and it will be operated under the title **Chesapeake National Bank of Towson.**

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June 30 has been set as effective date for merger of the **Farmers Bank of Dinwiddie** with **The Bank of Virginia, Richmond, Va.** according to announcement by officials of the two banks. Approval for merger was granted by the Board of Governors of the Federal Reserve System on May 24.

Charles L. Knott, of Dinwiddie, Executive Vice-President and Secretary of the bank, will continue as officer in charge as a Vice-President of The Bank of Virginia.

The Farmers Bank of Dinwiddie, located on U. S. Route 1 in Southside, Virginia, has assets of $3,016,834. It was organized in 1907 and has 72 stockholders who own the 700 shares of bank stock of $100 par value per share. The Bank of Virginia has 21 locations and total assets of $176,349,856, by March 18 statement figures.

Merger will be effected by a 14-for-one exchange of shares of stock. By arrangements with Virginia Commonwealth Corporation, bank holding company with which The Bank of Virginia is affiliated, stockholders of The Farmers Bank will receive 14 shares of stock of that corprotion for each bank share owned.

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The **State Bank of Clearing, Chicago, Illinois** announced the election of Dr. David G. Braithwaite to its Board of Directors.

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The Comptroller of the Currency James J. Saxon May 31 announced that he has given preliminary approval to organize a new National Bank in Glendale, Wisconsin.

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

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The Comptroller of the Currency James J. Saxon on May 28 announsed that he has given preliminary approval to organize a National Bank in Southwest Fargo, North Dakota.

Initial capitalization of the new bank will amount to $200,000, and it will be operated under the title **First National Bank of Southwest Fargo.**

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The Comptroller of the Currency James J. Saxon on May 31 announced that he has given preliminary approval to organize a new National Bank in Kansas City, Missouri.

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

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The Comptroller of the Currency James J. Saxon on May 31 announced that he has given preliminary approval to organize a new National Bank in Loris, South Carolina.

Initial capitalization of the new bank will amount to $255,000, and it will be operated under the title **Citizens National Bank of Loris.**

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The Comptroller of the Currency James J. Saxon on May 31 announced that he has given preliminary approval to organize a new National Bank in Sherman, Texas.

Initial capitalization of the new bank will amount to $300,000, and it will be operated under the title **Texoma National Bank of Sherman.**

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The Comptroller of the Currency James J. Saxon on May 28 announced that he has given preliminary approval to organize a National Bank in Colorado Springs, Colorado.

Initial capitalization of the new bank will amount to $412,500, and it will be operated under the title **Northern National Bank of Colorado Springs.**

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The Comptroller of the Currency James J. Saxon on May 31 announced that he has given preliminary approval to organize a new National Bank in Glenrock, Wyoming.

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

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Appointment to the Board of Directors of the **Bank of Montreal (California)** of Harold S. Foley, and Robert D. Mackenzie and Donald Watson, has been announced by Malcolm Allan, president.

Mr. Foley is a Vice-President and Director of the Canadian parent, the **Bank of Montreal, Canada.**

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The appointment of Jesse M. Lynch to Vice-Prersident and senior planning officer has been announced by **Security First National Bank, Los Angeles, Calif.** He also was named to the Bank's administrative committee.

M. Dale Jackson, Jr., has also been named Vice-President of the Bank Investments & Bond Department.

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Robert M. Wade, Jr., has been appointed advertising Director of **Security First National Bank, Los Angeles, California.**

As We See It

Continued from page 1

ordinary life, that addition to our constitution has remained a dead letter. In many states of the Union the negro simply does not have the same status as the white man. Possibly it might even be stated that in no state of the Union does he have fully that status. These are the facts as they stand, and nothing is to be gained by turning our faces away.

But the task of giving him equal status is far more complex and difficult than many seem to suppose, and there is very real danger that in attempting to reach that goal we may presently deprive the business man of some of the rights that are guaranteed him in this same constitution of ours. The root of the trouble — and we had better understand it if we are to avoid some of the evils that the Attorney General is said to believe are in store for us —is found in the fact that deeply imbedded in the minds of the majority of the people of this country there is a distrust, a dislike or an antagonism toward the negro. This state of mind, of course, has its history. It is not difficult to understand its origin. Antagonism is probably based in large part upon what Franklin H. Giddings used to call consciousness of kind. In any event, it is now a definitely developed part of the mores of the people, to speak in the language of the late William Graham Sumner.

Now changing such a factor as this is at the very best difficult and can be done only in the process of very considerable periods of time. It is like weaning an Arab from Mohammed, or a Chinaman from Confucius. But long task or not, we shall not have perfect equality between the races until it is done. Meanwhile, we can and we should do whatever we can to minimize the practical effects of this underlying cause, and to make what progress we can in removing the basic trouble. Meanwhile, too, we must not forget that individuals in the majority have rights and guarantees in our constitution and should have due consideration from law makers and law enforcers. In particular, we must not in our eagerness to eliminate an admitted defect in our society proceed to place others there. And those in real danger in this regard are the business men, particularly perhaps the local business man who must recognize and deal in a practical way with conditions as they actually exist around him. The minority, too, have their obligations, and a good many agitators are doing what they can to persuade them to ignore their duty and their own self-interest.

Obvious Hazards

The local merchant knows, the local purveyor of service knows, of course, that the majority has the right to stay away from his place of business and that in some circumstances they will do so. The manager of almost any enterprise knows that in the very nature of the case — given existing prejudices — employees of the negro race simply can not be effective in certain capacities. For the authorities to force some employers to act as if they were not aware of the fact could well be the equivalent of putting an end to their business. It is also a well known fact that the labor unions which must be dealt with carefully by many business men if they are to stay in business are far from free from racial discrimination. The Constitution of this country is supposed to give its citizens such rights as are required to conduct a lawful business in whatever way they think best, and neither the Constitution nor good hard sense condones legislation which imposes restrictions which, though well intended, make it unnecessarily difficult if not impossible to conduct a lawful business successfully.

The unfortunate truth is that the negro is by and large less well educated and less well trained for employment opportunities which may exist. This is a fact that all those who would like to enforce some sort of racial ratios in employment seem not to understand. Of course, the negro is less well trained and less well educated largely because he has not had opportunity equal to the white men to get such training and such education. This is one of the really dark spots in our record which must be erased with all possible dispatch, but until it is removed we, all of us, should be quite foolish to pretend that conditions are what they are not. These are not problems which are found only in southern states. One of the conspicuous features of population migration in recent years has been the movement of negroes from the south to the north—and there they often find that their problems have moved with them.

A World Problem

A long existing serious problem has become acute, in part at least, by the agitation of peoples outside our borders, and to a broad development in the trend of thought throughout the world. Of course, the communists make large claims of freedom from race prejudice, but they have their troubles, too. They have not, for the most part, been much directly concerned with the negro question, but are evidently not much more free of bias in this regard than other peoples. Basically, it is a world problem which must somehow be solved without unnecessary damage to the functioning of society.

Rothschild Names In Bond Dept.

L. F. Rothschild & Co., 120 Broadway, New York City, members of the New York Stock Exchange, have appointed William P. Deegan Manager of the firms municipal bond department, and M. John Demirjian, Manager of the municipal trading department.

Adrian P. Burke, Jr. has joined L. F. Rothschild & Co. to open a department specializing in Turnpike and public authority bonds, and James A. Hurley is now associated with the Chicago office, 208 South La Salle Street, as Manager of the midwestern municipal bond department.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Pioneer Natural Gas Company

Pioneer Natural Gas, with annual revenues of $40 million is a rapidly growing integrated gas system in Texas, revenues having quadrupled in the past decade. It supplies gas at retail to a population of about 1,000,000 in 78 communities in the South Plains and Panhandle areas of west Texas, and in three communities in northern Louisiana. Amarillo and Lubbock are the principal communities served. Two wholly-owned subsidiaries, Amarillo Oil and Pioneer Production, furnish about 15% of system gas requirements; Amarillo operations are concentrated within the state, while Pioneer Production is in a number of other states as well as Texas.

Natural gas sales account for 92% of revenues, oil 3%, and miscellaneous 5%. Gas revenues in 1962 were 34% residential, 9% commercial, 30% irrigation pumping, 19% industrial, and 8% other. Pioneer sells gas as boiler fuel to Southwestern Public Service and its industrial customers include a group of oil refineries, a zinc smelter, etc.

Business in the area is based on growing of livestock, raising of wheat, cotton and sorghum, and production of oil and gas, petrochemicals, etc. Heating saturation of residential customers is high. The servicing of fuel requirements for irrigation wells is a major activity and provides a heavy summer load. Thus the annual peak load occurs during the summer, and the company operates at nearly full capacity throughout the year except for about three months in late spring and early fall. Some 4,500,000 acres (out of about 4,900,000 under irrigation) are served by Pioneer, in the Panhandle-South Plains region. The practice of irrigating grew rapidly during the drought conditions of the 1950s and as water-pumping became more important, Pioneer extended its lines and now supplies gas as fuel for the pumps operating some 24,000 out of 27,000 irrigation wells. Gas has a substantial price advantage over LP-gas or electricity to operate the pumps and Pioneer will probably retain a substantial part of new business, wells being added at the rate of about 500 annually (last year 700 were added).

The expansion of irrigation in the Panhandle South Plains area has made this one of the leading farm areas in the country. Moreover, the Permian Basin in west Texas produces about one-fifth of the nation's oil output and the Panhandle and Texas-Hugoton fields are also important. These factors help to account for Pioneer's rapid growth as a distributor.

The company produces some oil and gas, mainly through its subsidiaries Amarillo Oil and Pioneer Production, obtaining 17% of its gas requirements from system production. Reserves were estimated at the end of 1961 at 440 billion cf of gas and over 3.9 million barrels of oil. Three pages of the 1962 report are devoted to statistical data on the producing subsidiaries.

Pioneer Natural Gas has few special regulatory problems. Being mainly intrastate, it has had no rate cases before the FPC. However, gas utilities in Texas have a somewhat more complicated regulatory set-up than the electric utilities. Most retail rates in the state are under the initial jurisdiction of incorporated cities but the Railroad Commission has "appellate" jurisdiction, also, the Commission has direct jurisdiction over the determination of the "city gate-rate." This rate reflects the cost of service to purchase and carry the gas to the city limits, and applies only to gas thus delivered for domestic and commercial use within the city. However, Pioneer operated for some years without an established city-gate-rate and last August requested the Commission to authorize an intra-company charge or gate rate applicable to its West Coast system, based on an earlier estimate. In January this year the Commission fixed a rate of 28 cents per mcf (only one-quarter below the requested amount). This rate is applicable to 56 cities and will aid both the cities and Pioneer in future determinations of proper rates for gas distributed in the cities. Pioneer's over-all selling price last year averaged a little less than 34 cents per mcf, and purchase costs averaged somewhat over 13 cents. Cost of gas is expected to level out around 15 cents per mcf and remain fairly constant, at least over the near-term.

In the past the company has usually been able to obtain rate adjustments with the municipalities to take care of the rising cost of gas from suppliers. While the rate earned on year-end net plant may seem high—it has averaged about 8.5 in recent years, somewhat lower than during 1953-57. Return on fair value would be lower, and in general, utilities in Texas are allowed to earn higher rates of return than those elsewhere, because of the necessity of providing facilities to keep up with the rapid growth of the economy. Also, about half the company's sales, to industrial companies and to farmers for irrigation pumping, are not regulated at all.

Regarding financing, the private placement of $10 million mortgage bonds last year took care of outside financing for 1962 and probably through 1963. The internal cash flow of about $10 million per annum is adequate to maintain the equity ratio at around 38% or better. In a talk before the New York Society of Security Analysts in 1962, President Wall stated "we do not anticipate the sale of any additional common stock in the foreseeable future."

Business conditions in the service area were good in 1962 despite the fact that activity in the oil industry continued at a low level. As a result of favorable weather, bumper crops were harvested. Total building permits exceeded $140 million, about the same as in 1961, and the number of new customers increased about 2%. Heating demands were somewhat lower, but this was offset by some rate increases made in 1961. Important new industrial plants were completed, adding to industrial sales. The growth trend in revenues and earnings should continue this year. In the first quarter revenues were up about 11% with share earnings gaining about the same amount, presumably reflecting cold weather and good heating sales.

Pioneer Natural Gas has been quoted recently around 35 in the over-counter market. The indicated dividend rate is $1.04 returning a yield of 3%. The range over the years 1961-3 inclusive has been about 22-35, the latter high being reached in all three years. The price-earnings ratio approximates 21.5 based on the 12 months earnings for March. The company does not use flow through.

SBIC-N. Y. Elects Bermingham

Edward J. Bermingham, Jr. has been elected President of Small Business Investment Company of New York, Inc. according to Charles W. Millard, Jr., Board Chairman. Mr. Bermingham succeeds Kenneth J. McIlraith who resigned from that position for personal reasons. Mr. McIlraith will continue to serve the company as a member of the board of directors. Mr. Bermingham was a Vice-President of the Investment banking firm of Dillon, Read & Co., Inc. until accepting the position.

E. J. Bermingham, Jr.

SBIC-NY, Inc., a Federal licensee under the Small Business Investment Act of 1958, is one of the largest firms of its type providing money and management assistance to small businesses.

Rubber Industry's Encouraging Longer-Term Growth Prospects

The rubber industry's growth has not been unaccompanied by increasing profits squeeze. The Northern Trust Company's study reports on recent developments in the industry ranging from opening up retail outlets in order to fight private brands to non-tire diversification and foreign operations. These moves plus extensive R/D are expected to bring about an above average growth rate for the industry accompanied by encouraging longer-term prospects.

The current monthly publication of the Northern Trust Company takes a close look at the rubber industry's outlook. Writing in its "Business Comment" for May, the Chicago Bank points out that "domestic consumption of new rubber rose to 1.7 million tons in 1962, a gain of more than 11% over 1961, with rubber usage spurred by the 25% increase in automobile production and the associated rise in demand for original equipment tires.

"The 1962 volume of rubber consumption was at new high, exceeding the previous record established in 1959 by 4.5%. In recent years, total tire usage of rubber—including tubes as well as tires for trucks, buses, planes, farm and industrial equipment—has accounted for about two-thirds of annual rubber consumtpion. The balance of the industry's rubber products are widely diversified, ranging from belting and hosing to footwear, and from floor tiling to foam rubber for furniture.

Severe Price Competition

"Original equipment tires account, on the average for about 30% of total automobile tire shipments. Replacement sales are much more important and have been growing steadily in response to the rising trend in total car population, and aided in part by a considerable expansion in snow tire usage. Nevertheless, growth in dollar sales of tires has been limited by severe price competition. Contributing to this competition have been the changing patterns in tire distribution combined with the availability of substantial industry capacity. Private brand sales now account for 40% of replcaement-tire-volume compared with 35% five years ago. Moreover, it is estimated that at least 112 tire brands are available today, compared with only 60 in 1955. Reflecting these developments, current wholesale prices of replacement tires are some 18% below the 1957 level, despite two increases in list prices posted in 1962, each ranging between 2.5% and 5%. Manufacturers' list prices do not fully reflect the extent of the price competition because of discounts given to distributors and the intensity of competition among retailers. In addition, original-equipment tire prices have declined markedly in response to changes among the traditional suppliers of the leading automobile manufacturers. Prices for non-tire rubber products as a group are at about the 1957 level.

Direct Distribution

"Industry efforts to deal with these intense competitive pressures have been varied. To combat the growing trend to private brand tires and to better compete with modern retail outlets, the major tire companies are building more large company-owned stores and leasing space in a variety of outlets in suburban shopping areas. Manufacturers also have developed lower price-line tires to counter the private brands, even though such tires provide a somewhat lower profit margin. In addition, investment to expand production facilities was limited in the latter part of the 1950's, allowing time for the growth in tire demands to bring about a closer balance between industry sales and capacity. As a result, industry operations have risen above 90% of capacity, accompanied by the moderate firming noted above in the list prices for replacement tires. Strength in new car sales has contributed to this more favorable trend.

Pressure on Industry Profit Margins

"The over-all decline in product prices and rising production costs have placed industry profit margins under pressure. Although significant gains in output per worker have been achieved, total manufacturing costs have continued to rise, largely because of regular and significant increases in wage and salary payments. In contrast with rising labor costs, declines in the price of natural rubber have contributed to a reduction in raw material costs, though the natural product now accounts for only 27% of total domestic new rubber consumption. The price of general purpose synthetic rubber has remained at 23 cents per pound since 1951. Tire cord prices have tended to decline because of competition between alternative synthetic fibers and, at a much earlier date, between rayon and natural fibers. Primarily reflecting the significant declines in realized product prices, average pretax profit margins of the four leading tire manufacturers have moved rather steadily downward from the postwar peak of 12.7% in 1951, falling to 7.9% in 1962.

Importance of Industry Diversification

"The expanding activities of the rubber companies in non-tire lines have contributed to a significant diversification in industry sales. In addition to non-tire rubber products, the major rubber companies are important producers of plastics, chemicals, various metal products and rocket propellants. The dependence of the industry on tire sales has been lessened as a result, with several of the leading companies reporting that non-tire products now account for better than one-third of annual sales. Profit margins for these products are generally higher than for the hard-pressed tire lines, though plastics and chemicals also face intense market competition. Moreover, diversification has helped to reduce over-all cyclical fluctuations in industry sales, serving to offset the wide swings characteristic of the original-equipment tire business and benefiting from the rapid growth in sales of newer products.

Growing World Markets for Rubber Products

"Foreign operations of the leading domestic companies are extensive and have contributed importantly to reported growth in sales and earnings. The still vast potential of markets outside the United States is suggested by recent data on per capita consumption of rubber, which in 1960 averaged 4.4 pounds in Europe and only 0.5 pounds in the rest of the world, compared with 17.4 pounds in the United States. Rubber consumption is growing about twice as fast abroad because of the marked expansion in car ownership and growth in non-automotive uses of rubber. However, foreign operations have also presented some problems. In recent years severe price competition and currency devaluations have had a significant impact on the profits of U. S. based companies. On balance, participation in foreign markets should continue to be attractive, based on the opportunities to expand rubber usage substantially and to benefit from rapidly improving living standards abroad.

Encouraging Prospects for Industry Growth

"Longer-term prospects for the industry are encouraging. Large amounts are being spent on research and development, with expenditures recently estimated at about $125 million per year. These research efforts are expected to produce a steady flow of new products, broadening the potential uses for both natural and synthetic rubber. Moreover, the major rubber companies are considerably more diversified than in the past and markets for many non-rubber products should experience above average rates of growth. Rapid gains in foreign usage of rubber are expected to provide further opportunities for the industry in the years ahead."

NY Inv. Ass'n Annual Field Day

The Investment Association of New York will hold its 17th annual field day on Friday, June 21, at the Sleepy Hollow Country Club, Scarsborough - on - Hudson, New York, according to J. Scott Crabtree of Equitable Securities Corporation, President of the Association.

The field day will be under the direction of Arthur K. Salomon of Salomon Brothers & Hutzler, assisted by George G. Wiegers of Dean Witter & Company; Robert D. Thorson of Paine, Webber, Jackson & Curtis; Thomas A. Lewis, Jr. of Newhard, Cook & Company, and Grosvenor L. Thomas of De Coppet & Doremus.

Scheduled for the day will be a golf tournament, with awards for low gross, runner-up low gross; low net; runner-up low net; net best ball (twosome); gross best ball (twosome); best match play against par; fewest putts; nearest to pin on 17th hole; longest drive on 2nd hole; and high gross. There is a greens' fee of $6 payable on the first tee.

Members of the golf committee are Harold E. Aken, Jr., Kuhn, Loeb & Co., Chairman; Joseph M. Callahan, Jr., Kuhn, Loeb & Co.; H. Edward Patterson, Burns Bros. & Denton, Inc.; and Grosvenor L. Thomas, De Coppet & Doremus.

Also scheduled is a tennis tournament and there will be a tennis exhibition by Bill Talbert, national singles champion 1951 and captain of the U. S. Davis Cup team 1953-57, and troupe.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Inform Your Customer!

The most important hours of a security salesman's day are those which he uses for the acquisition of valuable information, the evaluation of news, situations, and markets, and contacting clients. These activities are essential to the development and preservation of a loyal clientele. They should be conducted in an atmosphere as free from interruptions as possible.

However, most registered representatives and security salesmen are required to handle many details that are involved in the mechanical operation of their business. This work is unproductive and when it becomes burdensome, effective sales procedures are placed under a severe strain. Should this happen the remedy must be found immediately. Sometimes it is possible to make notes of the less pressing items and take them up with the cashier's department later in the day. There are customers who constantly are late in making payments, or deliveries of securities in cash accounts; or who make demands for services far and beyond normal procedures. A candid review of your priblem and a request for cooperation will sometimes help—otherwise it may be profitable to weed out those customers who will not mend their ways.

Lack of Knowledge

Many customer misunderstandings and complaints that create extra work for a registered representative, or a security salesman, are due to a general lack of knowledge of the technical rules and procedures that are required in the brokerage business. Although, it is possible to help your clients to become more knowledgeable over a period of years, it is better to leave nothing to chance, and to continually plan ahead regarding any transaction that may be the least bit unusual as to the procedures required.

Try to make certain that the client understands his obligations. Explain what can be done, how long it will take, and what should not be expected. Do this before you enter an order, or agree to any request pertaining to a client's account. Alway's remember that your customer is not informed, except in possibly a few of the elementary details connected with the responsibilities involved in the purchase and sale of securities. Costly delays, expensive corrections, and time consuming problems of procedure can often be avoided if your customer knows what he should do.

Anticipate

Even experienced traders or investors are often unfamiliar with the most elementary details connected with the processing of their account. Sometimes people will assume that transfers of securities can be completed withing a short period of time, when in reality it may require four to six weeks. Your customer may be planning a trip within three weeks that would necessitate his being away for an extended period—if he has directed the delivery of the transferred securities to his residence, and there is no one to receive them, it could cause confusion and misunderstanding. Prepare customers for delays of securities and give your back office time to complete these transactions.

Regarding payment for securities that are purchased in cash accounts many people are unaware of the legal aspects and the liabilities a broker assumes when he accepts a corporation check in payment of an individual's debit in an account. This is strictly prohibited for obvious reasons. Yet, many well meaning investors who control closed corporations thoughtlessly will do this. When it happens the check must be returned, explanations are needed, and if there has been a purchase in a cash account, the four day settlement date will be violated, causing added problems and the request for an extension. It is always advisable to tell your customer to make payment by "personal check," if you are aware that he may have other business interests.

Malingering customers who are late in making deliveries of securities, or payments, on settlement date, cause added extra work for everyone. When you have to call a customer and explain the fact that he is late regarding a payment or delivery, you take valuable time away from your regular work. Spend a few minutes explaining the rules when you open an account. If you have reason to believe that a customer is uninformed, the best time to explain some of the fundamental procedures is when you have your first trade. No securities should be bought in the name of a minor—no one under age can be responsible for a contract. The broger's liability in case of loss can continue for years. Many individuals are unaware of the legal implications and innocently will seek to open an account with a registered representative in the name of a minor. If you know the customer, and they tell you they would like to buy a security for their son or daughter; if you are talking to them on the telephone obtain all the facts you need to open the account before you enter the order. If a minor, then you can arrange to have the account opened for the parent, as custodian under the gift to minors act, in the state of the client's residence.

These are all minor technical matters but they can add up to a large increase in the demands that are imposed upon the valuable time of a salesman, or registered representative. There are two excellent sources of information regarding the opening of new accounts, and the rules of procedures governing transactions with clients . . . the "Manual for Registered Representatives," published by the Association of Stock Exchange Firms, 25 Broad St., New York 4, N. Y. and the booklet "Supervision and Management of Registered Representatives and Customer Accounts," published by the Department of Member Firms, New York Stock Exchange, 11 Wall St., New York City. Help your customer to know the rules—anticipate problems and try to avoid them by taking nothing for granted regarding the completion of the transaction. . . and gradually you will reduce the misunderstandings that cause confusion in the client's mind and eliminate much time wasted on your part.

A. G. Edwards Sons Expands in Texas

ST. LOUIS, Mo. — Eleven offices of Parker, Ford & Co., Inc.— ten in Texas and one in Oklahoma —have now become associated with the New York Stock Exchange firm of A. G. Edwards & Sons, it has been announced by P. W. Edwards, managing partner. In Texas the offices are located in Dallas, Exchange Park, Fort Worth, El Paso, Amarillo, Wichita Falls, Lubbock, Denton, Sherman and Henderson. The Tulsa, Oklahoma office of Parker, Ford will be combined with an existing Edwards facility in that city.

A. G. Edwards & Sons, based in St. Louis, Missouri, has operated 24 branches in states from New York to Arizona. The acquisition brings the total number of Edwards offices to 35.

The Edwards firm, now in its 76th year, was founded by General Albert Gallatin Edwards and his son Ben F. and is one of the oldest of the present member firms of the New York Stock Exchange. General Edwards' brother, Minian W. Edwards, was the brother - in - law of Abraham Lincoln.

A former Edwards partner is William McChesney Martin, who resigned from the firm to become the first full time, paid President of the New York Stock Exchange, and is now Chairman of the U. S. Federal Reserve Board.

Beginning as a small, locally oriented brokerage house, A. G. Edwards & Sons ranks today among the largest investment banking and brokerage firms operating principally in the middle west and southern areas of the United States. Its staff of approximately 800 representatives is about 1% of all the New York Stock Exchange registered representatives in the United States.

Other Edwards offices are located in Bartlesville, Okla., Belleville, Ill., Clayton, Mo., Crestwood, Mo., El Dorado, Ark., Houston, Texas, Hutchinson, Kansas, Jacksonville, Ill., Jonesboro, Ark., Lake Charles, La., Lakeland, Fla., Little Rock, Ark., Naples, Fla., New York, Oklahoma City, Okla., Phoenix, Ariz., St. Petersburg, Fla., Salina, Kansas, Shreveport, La., Springfield, Ill. Topeka, Kansas, Tulsa, Okla., Tuscaloosa, Ala., Wichita, Kansas.

Hofberg Joins Ohlman Co.

Robert L. Hofberg has been appointed director of institutional sales of Maxwell Ohlman & Company, 120 Broadway, New York City, members of the Philadelphia-Baltimore-Washington Stock Exchange.

Ohlman & Company specializes in mutual fund management company securities and in investment research and promotional analysis for fund managers, investment dealers and counselors, banks, insurance firms and pension funds.

Mr. Hofberg has been active in sales and executive capacities in the financial field since 1952.

LETTER TO THE EDITOR:

Proposes 1% Savings Tax For U. S. Debt Reduction

Annual 1% proportional tax on each year's total savings, deemed easily borne and administered, is advanced as a definitive way to wipe out our debt in approximately the next 10 years. Contributor would, in addition, make the unpaid debt after each annual reduction the peacetime debt ceiling for that year.

Editor, Commercial and Financial Chronicle

In its issue of March 18 (p. 31) the *U. S. News & World Report* presents the following information as to the present status of dollar savings accumulated by the American people:

"*Savings total* is up to 1.1 trillion dollars and rising fast;" and goes on to say: "Find some way to induce people to let loose of some of those savings, or to reduce the rate of savings, and business would get a powerful boost."

First, let's look at those savings expressed numerically: It becomes the stupendous figure $1,100,-000,000,000 — or more than three times the present national debt of approximately $300,000,000,000. These facts tend to indicate that those huge savings might well be utilized to accomplish what one distinguished Secretary of the Treasury, Andrew W. Mellon, declared to be the policy of our Government in the early 1920's following World War I. Said Mr. Mellon: "In so far as this government is concerned its policy has been to keep its own house in order, to maintain the gold standard unimpaired, to balance its budget, and to carry out a reasonable program for the the orderly funding and gradual liquidation of the war debt." *(Taxation: The People's Business*, published by the Macmillan Co. in 1924). That policy expressed by Mr. Mellon would seem to offer a good pattern for use today—utilizing our huge savings for "carrying out a reasonable program for the orderly funding and gradual liquidation of the war debt."

For the sake of simplicity let's call those present savings an even trillion dollars. It becomes evident that a 1% tax levied against those savings would produce revenue to the tidy amount of 10 billion dollars. And such a tax could be very easily collected, for those savings are presumably in the form of bank deposits, including loan shares; all U. S. savings bonds and Government securities; all state and local government securities; all corporate stocks and bonds; and all forms of public and private insurance and pension reserves. And in support of my statement that that tax could be "very easily collected," banks, for example, should find no difficulty in charging each depositor 1% on his balance, totaling the amount so collected, and sending the U. S. Treasury one check to cover amount collected by any given bank. And corporations should find no difficulty in reducing by 1% the rate of dividends in any given year and paying the total amount so collected to the Government in just one check. The same general pattern for collecting the tax could no doubt be easily worked out for the entire trillion dollars of savings.

Reduce Debt Solely

Let me emphasize that my proposal for this 1% tax is that it shall be used exclusivly for reduction of the national debt, and for no other purpose. Such an annual tax would, in the very first year, reduce the debt to $290,000,-000,000; and, over a period of 30-years, could liquidate the debt entirely. And it ought to be an ironclad requirement that after such annual reduction the unpaid amount shall automatically represent the top limit of debt authorization—except, of course, if we should be forced into an all-out war.

In order to show that an annual 1% tax on total savings of this nation could be easily borne by each and every one of us regardless of whether we happen to be in the $1,000 class, in the $1,000,-000 class, or even in the $50,000,-000 class, the following tabulation seems to bear out that nobody, regardless of class in which his savings fall, would be unduly penalized.

Looking at the tabular analysis, it is safe to say that the little fellow with only $1,000 of savings certainly could afford to contribute his mite of $10 toward this worthy cause in our national interest; and, by the same token, the big fellow (corporate or individual) could just as certainly afford his payment of $10,000 if he has savings of $1,000,000—and so on ad infinitum.

A feature of this proposal which makes for simplicity — as contrasted with the collection of the Federal Income Tax, for example —is its ease of collection: As stated, banks would merely deduct 1% from each depositor's account and pay the Government the total amount of such deductions. In line with that same principle, the Government would deduct 1% of the value of the securities from interest due on savings bonds and securities; corporations would deduct 1% of the current value of their stocks and bonds from dividends and interest due on those securities and remit to the Government the total of such deductions; and insurance companies would deduct 1% from the current cash-surrender value of each policy and, likewise, pay the amount so deducted to the Government. And that same pattern could be followed by all other agencies whose securities are owned by the public.

Individual or Corporate Savings	Rev. Realized From a 1% Tax	*Bal. of Savings Remaining After Tax
$1,000	$10	$990
10,000	100	9,900
50,000	500	49,500
100,000	1,000	99,000
500,000	5,000	495,000
$1,000,000	$10,000	$990,000

*It should be said that based on past history of accumulated savings, there is every reason to believe that each year savings would increase faster than a 1% tax could possibly deplete them.

It might be claimed that this would throw all types of investment out of line with other investments; but if all investments are in line today, and if all such investments are subjected to the same 1% tax, it would hardly seem that the relative position of any investment would be any worse off than it is today.

Held Not Unfair

Again, it might be claimed that the levying of this tax on the present generation would be unfair. In reply to that let's look at the record: In 1933 the gross national debt stood at approximately $22,500,000,000. Today it stands at approximately 300 billion dollars, or at about a 13-fold increase above the 1933 level. It therefore becomes evident that it is the present generation that has created this debt and hence—since under this free-spending spree our people have been able to accumulate more than a trillion dollars in savings—there seems no good reason why anybody should object to a start in the liquidation of the debt by the seemingly reasonable method outlined in this presentation.

FREDERICK G. SHULL
New Haven, Conn.

Western Europe to Remain Capital Scarce Area

Chase Manhattan Bank's analysis of Europe's continued need for capital concludes small size of markets there necessitates tapping ours for some time to come.

Western Europe seems likely to remain an area of relative capital scarcity in the short-term future, and the capital flow will tend to be chiefly from the United States, the Chase Manhattan Bank said in a recently published study on the European Capital Markets.

The extraordinary rate of economic growth in Europe during the past 15 years was not greatly assisted by European capital markets, the bank noted. Rather, "high business profits were the major source of industrial capital funds." Today, however, business profits are shrinking and it is necessary for businessmen in Europe to seek additional capital by floating new bonds and stocks.

"This raises the question of what the role of the European capital markets will be in meeting future capital needs," the bank said in its bimonthly newsletter, 'Report on Western Europe.'

"As the European capital markets become broader and deeper, and as the institutions serving them become more integrated, it may then become easier to float major issues in Europe and the demands on the U. S. capital market should become relatively smaller," according to the report.

Small Size of Markets

Meanwhile, several obstacles, including the small size of the markets, remain. For example, at the end of 1962 the combined volume of marketable securities in Britain, Germany, Italy, and France was $259.2 billion, whereas in the United States the figure was $925 billion.

The small volume of securities in Western Europe can be explained, of course, by the financial aftermath of World War II and by the exceptionally high company profits that discouraged outside financing for further expansion.

In 1962, however, all new public and private issues in the European Economic Community countries totaled about $8.3 billion, net of redemptions, or 42% of the comparable United States figures. This represents an increase of over 100% in new issues during the last five years.

"There can be no doubt that the European capital markets have responded quickly and at an unprecedented pace to the rising demand for investment funds," the report noted. "At the same time, it is evident that the demand for funds has exceeded the supply that could be generated through regular capital markets." Two favorable omens are emerging, nevertheless. One is "the rapid expansion of personal savings in the major European countries" and the other is "the slow but steady improvement of the institutions of the European capital markets."

No Single European Financial Focal Point

A further obstacle to the present effectiveness of these markets, said the bank, is that while New York serves as the center and ultimate clearing point for most new issues in the United States, "there is no equivalent financial center in Western Europe. There the stock exchanges are primarily national in character, and even today the number of listings of foreign securities in London, Paris or Frankfurt is small."

The Treaty of Rome stipulates the eventual removal of all restrictions against capital movements among the six countries of the EEC, effective by 1967. But the Treaty "does not necessarily mean that the European capital markets will be open to all would-be borrowers," the report cautioned. "It implies only free access to the member countries to each other's markets."

A major implication for American business is, the report concluded, an unlikelihood that American firms will find it profitable to issue securities in Europe in the near future.

Elected Director

William F. Ray, a Manager in the Boston office of Brown Brothers Harriman & Co., has been elected a Director of the Bankers Association for Foreign Trade. Mr. Ray is a Director of various business and civic organizations and is President of the Harvard Business School Association and of the New England Chapter of the Robert Morris Associates.

Membership of the Bankers Association for Foreign Trade comprises leading commercial banks throughout the United States engaged in financing international trade.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The short-term money market continues to be denominated by the international financial situation, the credit policies of the powers that be, the debt management policies of the Treasury and the trend of business and commodity prices. As long as there are no unusual developments in any of these forces operating in the money market the existing programs will be carried out, without much change.

The capital market or the long-term bond market is influenced by the large supply of funds looking for an outlet in fixed income bearing obligations, the debt management policies of the Treasury, and to a much more ilimited extent, the action of the short-term money market. For the foreseeable future a fairly even keel is looked for in the capital market.

Higher Interest Rates in Relation To Foreign Borrowings

There is some talk in the financial district that the way in which the monetary authorities could give additional help to our balance of payments problem would be through efforts to increase long-term interest rates. It is being pointed out that the outflow of funds from here, even though the money has been obtained through the flotation of long-term dollar bonds by foreigners, continues to aggravate our balance of payments deficit. It is said that if interest rates for long-term loans in our capital market were to be pushed up, it would then be too costly for foreigners to get funds here. And, as a result, they would be forced to cut down sharply, if not to stop entirely the obtaining of capital funds in this country. This, it is stated, would tend to take some of the pressure off from the dollar as well as our gold holdings.

There is no question but what these capital loans by foreigners here have been a source of some concern in our balance of payments problem, but it is not believed that higher long-term interest rates alone would stop or even deter the borrowing of money in our capital markets. The cost of getting these funds is only one of the items in the whole loaning procedure and, by no stretch of the imagination, the most important one. First of all there must be a place from which the money can be obtained or there is not going to be any loan. Therefore, since the capital market in this country is the only one large enough to accommodate foreign borrowers, is an increase in the cost of getting these funds going to slow this borrowing down to any great extent?

Rise in Discount Rate Not Too Likely

The discount rate from time to time makes the news and, with the business pattern improving, it is again being talked about with the opinions expressed in some quarters that the economic recovery and the growing demands for funds will mean that the discount rate will have to be raised. Indications and predictions are that the business recovery will go along pretty much at the rate which it has been progressing which means no boom and no bust. If a tax cut should come this year (probably late in 1963) and it should spark business into a boom, higher short-term rates might be expected.

However, the discount rate would not have to be raised under such conditions since the Federal Reserve Board and the Treasury could bring about the desired results through their monetary and debt policies. Unless there is a very sharp increase in the demand for loans, and this results in a drastic change in the policies of the monetary authorities, it is not believed that the Central bank rate will be altered in the foreseeable future.

No Drastic Change in Current Bond Yields Expected

The long-term capital market still has a constructive tone, although the wait and see attitude of investors in bonds has not decreased to any great extent. The pressure of funds seeking an outlet in fixed income bearing obligations, however, is so heavy on the bond market that there does not appear to be any great fear around that bond yields will increase very much if any from current levels. Long Governments continue to move into strong investment hands.

Present Economic Score Is Seven to Four in Our Favor

Continued from page 3

interest—the cost of carrying the national debt is today only about 7% of the total Federal budget.

Of far more importance is the fact that for every dollar of the national debt owed by our government, there is a like amount of assets **owned** by banks, corporations, insurance companies, and by individuals. It is this ownership by all these groups which has provided the impregnable liquidity of the American economy and the double-impregnable liquidity of our banks. The commercial banks of the United States have increased their loans by about $150 billion since the war's end. No bank has denied any good loan request made of it for the past 18 years. This is a proud record. It tells us why our total national output, thus adequately financed has increased from $214 billion in 1945 to an annual rate of $572 billion in 1963.

There can be no doubt but that the gains from this national liquidity arrived at from the availability of this ownership of the national debt will permit us to say that since 1945 the national debt "has fully earned its keep."

Sound Credit and High Liquidity

(3) In addition to high bank liquidity—83% at the war's end and about 41% today, we have high personal liquidity for all American families. The liquid assets of our families run into the hundreds of billions of dollars. What we need now are studies of the pattern of life's income stream for American families. Borrowings occur at the lower or earlier end of the life spans for them. Then retirement of these debts. Finally the acquisition of assets and at a lively pace in the years past 50. This is perhaps the pattern. We all should know more about it. Lest we worry too much about the $47.9 billion of consumer debt extended in 1961, **let us be pleased with the $47.4 billion of consumer debt repaid in that year.** Bankers in the extension of this debt to all credit-worthy families are encouraging the most massive personal thrift known in all the world. It is in fact the envy so greatly of all the rest of the Western World that they pay us the great compliment of imitation.

(4) Economic growth measured by our Gross National Product (GNP), has been at the rate of $100 billion each five years from 1940 through 1960. We reached the GNP level of $500 billion in 1960. We shall reach the $600 billion level in the first quarter of 1964 and the $780 billion level in 1970. According to an estimate of President Eisenhower, average family income will reach $8,400 in 1970 though this is before taxes. In 1962 per capita income in the United States was $1,850 after taxes and with about 3.75 members per family this is about $6,900.

Wage Policy Is Rational

(5) We have finally, albeit painfully, come by a rational wage policy. That is one where the rate of increase in wages does not exceed the rate of increase in the national average productivity per man hour. After increasing wages at a rate no less than 8% a year for 20 years from 1940 to 1960, the steel industry in 1960 brought this wage increase rate down to 3½% and in 1962 to 2½%. This is more sensible and it is a rate about matched by the oil industry, the electric appliances industry, tractor and truck building and farm implement manufacturing companies. Such a level for wage increases not only is not inflationary but it is also of great help in holding wage, cost, and price levels in our country down sufficiently to increase our effectiveness in competition with Europe so that to some extent we reduce the unfavorable position of our international balance of payments, and thus it contributes to possible reduction in the gold outflow.

(6) We have achieved a fair, though precarious, balance in our international financial accounts. Here the score in our favor is by no means wholly reliable or "an earned run" but we are holding our own tolerably.

Improved Economic Understanding

(7) To the foregoing favorable score of six achievements I would add the present national understanding of economic problems which has been acquired by the American people. My own chief editor always said that "you can easily overestimate the knowledge in these matters the American people have at hand, but that once the knowledge was adequate you can never overestimate the intelligence they will apply to the solution of a problem facing the nation." For example we all can recall many statements about how easy our people might walk down the primrose path to inflation by the route of easy money and tax reduction. But think of my friend Julian B. Baird of the First National Bank in St. Paul where I work, paying 5% as Undersecretary of the Treasury for debt management so that we could keep money tight enough to stop inflation. Think, too, of the many statements we have all heard of how easy it is supposed to be to vote tax reductions. Yet to me the experience of the past 12 months almost suggests it to be an impossibility. Even so eminent an economics scholar as Prof. Paul Samuelson has revealed in his writing in the successive five editions of his "Principles" a gross underestimate of the determination of the American people to halt inflation.

Now we may turn to the four areas where our economic achievements are not all that we would desire.

Unemployment Problem Continues

(1) First of all we must list the fact that we are not reducing the levels of unemployment as we would wish. In April this year the rate was 5.7% of the labor force unemployed, although jobs at 68,000,000 was an all-time high for the month.

Here I wish to dissent from must of the current dissatisfaction with this unemployment. Far too much of it has been caused by the failure of our people to see that they obtain that degree of education required to fill jobs in this period of great advance in the technology we use in worker production today. We are very short of skilled and educated workers. In this group only 1.1% have been unemployed. Of the unskilled workers no less than 9.9% are unemployed. That is regrettable but much of the responsibility for the condition must be placed upon the worker who fails to see that he obtains a basic education or good skill so that he is prepared as a worker. There has been far too much political acceptance of governmental responsibility for a condition which is in largest measure the responsibility of the individual. After all, even a generous government cannot by the use of dollars pour education in the minds and bodies of those who either scorn it or who do not and will not seek it.

In the city of Chicago 51.9% of the unemployed today are found to be neither able to read or write a simple sentence about at the fifth grade level of reading. Clearly it is not worker retraining that must be attempted but, if possible, teaching workers to read, to write and to understand instruction about work they might be able thereupon to perform. A very great deal must be done and we must be very sure at least to keep the young in school so this shall not happen again.

(2) Our rate of economic growth has not been satisfactory for the past 5½ years. This was asserted very widely last year. Then the typical forecast was that the final quarter of 1962 and perhaps the first quarter of 1963 might be relatively satisfactory but the remainder of 1963 would see a slowdown in business. In the past six months our rate of growth in the entire economy has been at an annual rate of an even 6%. Our trouble, therefore, does not seem to be that we cannot grow, but that we do not have an adequately trained and educated labor force to grow at a still faster rate.

Labor Resists Productivity Improvement

(3) A third score against us is that labor does not have a "natural urge" to cooperate in increasing productivity. There is resistance here. There is enormous labor and political resistance to the elimination of featherbedding. The fight here may even produce a national labor strike as Judge Samuel Rosenman recently warned saying that the nation should be aware of this fact and an appropriate public opinion should be formed.

Here it is appropriate to remind Democratic President John F. Kennedy of what another earlier, dynamic Democratic President, Harry S. Truman, did when he was confronted with a nation-wide railroad strike on May 1, 1947. That strike started at Friday midnight. It was ended by late afternoon Saturday, thus having a duration of less than 24 hours. Why was so short a strike terminated so quickly by the leaders of the railroad unions themselves?

When the strike got fully underway President Truman called a joint session of both houses of Congress for that Saturday afternoon. He proposed that the railroad workers be drafted into the army — a position from which shortly after he was rescued by the late Senator Robert A. Taft.

When President Truman made that recommendation, the leaders of the railroad unions called the strike to a halt at once. As I made two trips by rail that day, I had ample opportunity to observe the railroad workers before and after President Truman spoke. I can only say that the workers realized that if their best friend in court, President Truman himself, spoke in that manner, they clearly had made the mistake of their lives. They made correction instantly. May this be a warning if, at present, we should have a strike in the railroad field over the featherbedding issue. The railroad workers will lose and they should know it. There is no basis for support for them on that issue. It is un-American and arbitration committees and the courts have already said so.

Profits Still Too Low

(4) A final weakness in our economy is the fact that business profits are yet much too low to encourage those increased business investments which alone can enlarge our output and provide the basis for a rise in the worker's pay and his standard of living. From 1950 to 1960 the total compensation of all workers in the United States advanced by $139 billion or by 90%. The total tax take of all governments in the United States advanced by $70 billion and by well over 100%. Total corporation profits advanced by less than $1 billion. The share of workers and all governments rose by practically

100% of the total gain available to workers, to all governments, and to corporations.

In a democratic nation there is no escape from keeping "everlastingly at it" if we are to have a successful economy. This requires education for all, absolute education for all the young, the best we can do in education and retraining of the unemployed, and citizenship education for the best management of a democracy by all of us and for all of us.

We have been doing well. We must and shall do better. The present score of 7 to 4 in our favor in the endless economic ball game that has been played since 1945 holds great promise for a satisfactory future.

*An address by Dr. Upgren at the 69th Annual Pennsylvania Bankers Association Convention, Atlantic City, N. J., May 21, 1963.

Commodity Exchange To Resume Trading in Silver Futures June 12

Trading in Silver Futures Contracts will be resumed on the Commodity Exchange, Inc., of New York at 10 a.m. on Wednesday, June 12, it was announced June 5 by William Reid, President of the Exchange. Recent Congressional legislation, repealing the silver laws which had been in effect since 1934, has cleared the way for the resumption of trading for the first time in nearly 30 years.

The contracts to be traded on the Exchange will call for the delivery of 10,000 troy ounces of silver assaying not less than 999 fineness, to be delivered at one of the Exchange licensed warehouses or vaults in the City of New York. Upon resumption of trading, the first delivery month will be August 1963, with trading also permitted for the months of September, October, November and December, 1963, and January, February, March, April and May, 1964.

Formerly a market in silver futures had been conducted on Commodity Exchange, Inc. until Aug. 9, 1934, when the enactment of the Silver Purchase Act and the imposition of a 50% tax on profits from the sale of silver made futures trading uneconomical. The Purchase Act and the 50% tax were repealed today, June 5.

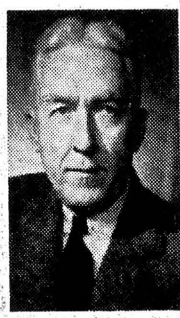
President Kennedy, in his message to Congress last year, had asked for the repeal of the silver laws and declared one of the purposes of repeal would be to "foster orderly price movements by encouraging the development of a futures market in silver." The return of the silver market to Commodity Exchange, Inc., on June 12 is an important step toward the fulfillment of that purpose.

Arden & Gitterman to Admit Partner

As of June 6, Frank Piazza, member of the New York Stock Exchange, becomes a partner in Arden & Gitterman, 40 Wall Street, New York City, members of the Exchange. Mr. Piazza was formerly a partner in C. A. Durand & Son.

Bank of Montreal Appoints Directors

Appointment to the board of directors of the Bank of Montreal (California) of Harold S. Foley, Vancouver, B. C.; and Robert D. Mackenzie and Donald Watson, both of San Francisco, has been announced by Malcolm Allan, President.


Harold S. Foley


Robert D. Mackenzie


Donald Watson

Mr. Foley is a Vice-President and director of the Canadian parent, the Bank of Montreal, and his other directorships include Cangro Resources Ltd., Great-West Life Assurance Co., Ocean Cement and Supplies Ltd. and Union Oil Co. of Canada Ltd.

Mr. Mackenzie is a partner of the law firm of Graham James and Rolph and a director of Sierra Capital Co., Worldwide Fund Ltd. and Charter Industrial Engineering Co.

Mr. Watson is Vice-President and general manager of the Weyerhaeuser Line, a member of the board of governors of the San Francisco Bay Area Council and a director of California Growth Capital Inc.

The Bank of Montreal (California) was founded in San Francisco in 1864. It acquired its present name last March when a branch was opened in Los Angeles. The parent Canadian bank has resources in excess of $4 billion, with more than 900 offices coast to coast in Canada and in New York, Chicago, Houston, London, Paris, Dusseldorf and Tokyo.

Unions Are Killing American Workmanship

Continued from page 12

probably little different from many of his neighbors.

Washington made a habit after breakfast each morning of mounting his horse and riding for three hours around his estate. In the afternoon, he would ride to another part of his lands, perhaps to oversee the construction of a new mill or a new barn. He was a very practical man, who gave close attention to minute details. At any time of day, he was apt to appear suddenly at any of his mills, shops, fields or tanneries . . . asking about inadequate output or quality. If a job hadn't been done right, he saw to it that it was done again . . . until it was done right. He watched his costs carefully, noting all expenses down in a detailed bookkeeping system. He rewarded men according to the quantity and quality of their output, thus encouraging a spirit of individual self-interest among his workers. (This bookkeeping system proved to Washington that his free workers were far more efficient and produced far more return per dollar spent than his slaves did. He was convinced that economics made slavery unwise, and he quietly worked among his fellow planters to find some voluntary way of ending slavery. He himself freed upon his death all those slaves on his property who wanted to go free, although some chose not to avail themselves of this opportunity.)

Competition produced change and improvement in the business of raising tobacco. Washington was not by nature a scholarly man, but his keen competitive nature drove him to learn all that he could about improved farming methods. Among his books, his favorites were "A New System of Agriculture (Or A Speedy Way To Grow Rich)," "A Practical Treatise on Husbandry," "The Farmer's Complete Guide" and "The Gentleman Farmer."

Washington prospered under such a system of free trade, and he brought his ideals with him to the presidency . . . doing much to encourage frugal government and speedy development of American industry.

Times changed in the years after Washington, but the American system of free trade worked to produce higher standards of quality than were common elsewhere in the world.

Quality of Mass Produced Model T

There are some who claim today that the age of mass production made workmanship such as we found in the days of Revere and Washington impossible in America. They claim that assembly lines dehumanized the workers and resulted in lower product quality. History refutes this oversimplified generalization. Mass-production originated in America, at least on a large-scale basis, with Henry Ford and his low-priced automobile. The Ford car did not attempt, of course, to offer the quality we associate today with a Rolls Royce. But, for its price (which Henry got down to $290 in 1926), the Model T offered quality previously unheard of in the mass market. (For an extra 25%, one could buy a Model T "with all the extras" . . . an even more striking example of efficiency.) The proof of the quality built into those cars lies in the fact that some of them were still running during World War II, when it was almost impossible to get a new car.

How did Henry Ford do it? He himself credited America's free enterprise system with his success. In the early years, when he was making amazing strides in creative automobile production, he had no unions to contend with. He was free to experiment at will with new parts, new production techniques, and new materials. Driven (by his own admission) by the competition of the free market (which was then even fiercer than today, judging from records), he constantly tried innovations and adopted those which succeeded. His car, once he perfected it, was standardized. But his production techniques kept improving . . . bringing the cost of the car down and sending his sales and profit figures shooting upward.

Friend of Labor Hated by Organized Labor

Some self-appointed experts of the time contended that Henry's assembly-line methods would dehumanize his workers . . . resulting in low morale and poor product quality. Quite the opposite occurred. Without any union to prod him, Henry (on his own initiative), raised the minimum pay of his workers to $5 a day . . . more than double the going wage of the time. He said at the time he did so only out of enlightened self-interest, since happy workers accepted production changes gladly . . . knowing that extra production would mean more money in their individual pay envelopes. At the time when he announced his pay raise, 10,000 job-seekers swarmed to the gates of his Detroit plant. He was regarded as the best friend the workingman had in America . . . yet he was also regarded as the bitterest enemy unions had. The unions were preaching a doctrine of less work and more pay. Henry scoffed at such notions, and told his workers the blunt, simple truth . . . the only way to make more money was to build a better product than the next fellow and sell it cheaper in the free market. His devotion to the principles of untrammeled free enterprise, limited governmental and no union intervention led the Chicago *Tribune* to call him an anarchist. He sued them for libel, and won. He believed in a government which protected the private property rights of free individuals . . . and that certainly was not the same as believing in the chaos of anarchy. Before a jury in court he proudly stated his life's philosophy . . . "Employ a great army of men at high wages, to reduce the selling price of (his) car, so that a lot of people can buy it at a cheap price, and everyone who wants a car can afford one. If you give all that, the money will fall into your hands; and you can't get out of it."

Unfortunately, the collectivists mounted a huge and lasting propaganda barrage which turned vast numbers of Americans away from the simple precepts of George Washington and Henry Ford. The notion spread that workers deserved more pay for less work. The idea took root that "society," some nebulous concept, somehow owed each individual a living . . . whether or not that individual chose to work for it. If, as Admiral Rickover claims, American private enterprise has lowered its quality standards . . . then the fault lies not in the free enterprise system itself but the governmental and union interventions in this economy. Root them out, and quality will again move to high standards, automatically.

Dayton Pwr. & Lt. Private Financing

The Dayton Power & Light Co., has announced that it has sold privately $50,000,000 of its 4.45% first mortgage bonds, due 1993. Goldman, Sachs & Co., New York, arranged the placement with a group of institutional investors.

Proceeds from the financing will be used to redeem the company's 5% first mortgage bonds, due 1987 and 5⅛% series due 1990. Both issues have been called for redemption on June 6, 1963.

Calif. IBA Group Conference Set

Top investment men from all sections of the country are expected to attend the June 22-25 meeting of the California Group Conference of the Investment Bankers Association of America. More than 100 California member firms will be represented at the conference, which will be held at the Santa Barbara Biltmore Hotel.

Wendell W. Witter, Chairman of the California Group and a general partner of Dean Witter & Co., announced that speakers will include Amyas Ames, President of the Investment Bankers Association of America, and partner in Kidder, Peabody & Co., New York. He will give the gathering a briefing on recent developments concerning SEC reports, legislation and Congressional hearings.

The first business session on Monday, June 24, will be presided over by Mr. Witter. First scheduled speaker is Henry Sargent, President, American & Foreign Power Co.

Heads Workshop Committee

PORTLAND, Ore.—Miss Mary V. DeMartini, President of the National Association of Bank Women, has been named to the advisory committee for a workshop for working women, expected to attract some 400 participants on Sept. 14.

Miss DeMartini, Assistant Trust Officer of the First National Bank of Oregon, heads a nation-wide organization made up of more than 4,000 woman bank executives.

The workshop, sponsored by the Oregon Trail Chapter, National Secretaries Association, will have as its principal speaker Mrs. Madeline Codding, regional director, Women's Bureau, U. S. Department of Labor.

Streeter Joins G. C. Haas Co.

G. C. Haas & Co., 65 Broadway, New York City, members of the New York Stock Exchange, announced that Thomas W. Streeter, Jr. has joined the firm in the Investment Advisory Department.

Mr. Streeter was formerly with Neville, Rodie & Co., investment counselors.

Wider Role for I.M.F. Would Aid Our Payments Problem

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imbalances in a country's international accounts.

It is clear that these international monetary arrangements cannot solve the balance of payments problem of the United States or of any other country. The American gold losses may be smoothed and may, in fact, be curtailed, at least for a time, but even the closest feasible degree of international coooperation can do no more than to establish a favorable climate — in terms of providing more time and a calmer monetary atmosphere — of the United States to deal with its basic payments problem. Nothing would be more disastrous than to succumb to the temptation to minimize the balance of payments problem on the assumption that other countries will or can come to our aid indefinitely. On the contrary, the special position of the United States dollar places a heightened responsibility upon this country to proceed to redress the payments imbalance in a convincing and effective fashion.

Prospects for Equilibrium

Unfortunately, unless more strenuous corrective measures are taken very soon, prospects for an early improvement in the United States balance of payments remain dubious. For more than a decade, the United States has incurred a balance of payments deficit each year, with the single exception of 1957, and another deficit is in prospect for 1963. Furthermore, it appears that, once again, little or no progress may be made this year toward closing the gap.

The Basic Problem

Unlike most countries with international payments problems, the United States continues to run a large surplus on current account, i. e., on merchandise trade and on services. In fact, this surplus has recently been more than adequate to cover the outflow of private capital; it exceeds by a comfortable margin the estimated drain posed by the Government's large military and economic aid outlays abroad. However, the surplus on current account is not large enough to offset both the outflow of capital funds and the net foreign exchange cost of Government programs combined.

In 1962, for example, official data which purport to reflect the foreign exchange cost of the Government's foreign programs (rather than the total outlays) showed the following picture in summary:

(1) A surplus on current account (trade balance, services, investment income, and remittances and pensions) of about $3.5 billion;

(2) An estimated net drain from Government transactions of about $1.7 billion;

(3) A net outflow of private capital of $3.0 billion, of which $2.3 billion comprised long-term investments;

(4) A net outflow from unrecorded transactions (a balancing item commonly believed to represent largely unidentified capital outflow) of $1.0 billion;

(5) A resulting net deficit on all accounts of nearly $2.2 billion.

Some sectors of the United States balance of payments showed a distinct improvement last year. Not only did income on foreign investments continue its steady growth, but earnings from transportation, travel and miscellaneous services also made a substantially better showing. In addition, the adverse impact of military expenditures on the balance of payments was materially mitigated by a sizable rise in military cash receipts, i. e., payments by other countries. The gains from these and other sources were about offset, however, by the decline of some $1 billion in the merchandise trade surplus; imports increased materially in response to the expansion of business activity in the United States while the rise in exports was restrained by the payments problems of Canada, Japan, and major countries in Latin America, as well as by increased productive capacity abroad and hence keener competition in world trade.

The Trade Picture

Trade developments of the past year appear symptomatic of the difficulties confronting the Government's endeavors to expand exports in the years ahead. These steps include measures to enhance the American export potential, improve the competitive standing of domestic industries, and to direct a larger proportion of foreign aid expenditures into expenditures for American goods. The slow pace of progress in this field is not unexpected; foreign experience has repeatedly demonstrated that much time is required before efforts to increase exports will produce conspicuous results. Furthermore, American exports are likely to encounter additional obstacles in years ahead.

Slow Down in Exports

While United States exports may be expected to advance over the years with the continued growth of foreign economies, most knowledgeable observers anticipate some slowing down in the hitherto rapid growth rates of the European countries, and perhaps of Japan as well. Such a development would not only retard the increase in United States exports to these countries but, together with rising industrial capacity, would confront American exporters with greater competition in world markets. Furthermore, no early solution is in sight for the payments problems of our good customers in Latin America. Nor should too much be expected of current efforts to reduce tariffs internationally; European representatives are certain to drive a hard bargain and whatever favorable impact upon American exports may materialize is likely to be long delayed. In the meantime, the Common Market countries appear to favor policies adverse to United States export interests, especially in agriculture.

The most important favorable development in the trade picture, from the American point of view, is the persistent rise in wage costs in Western Europe at a faster pace than in the United States. Since American wages are so much higher than those prevailing in Europe, however, the absolute differential may not have narrowed importantly, if at all. Moreover, concern over the rising trend of wages is growing in Europe, and resistance is stiffening, while in the United States there are indications that, with business active and confidence high, wage demands this year may become more ambitious.

In sum, unless considerably more vigorous efforts are made in this field, the prospects for a sizable advance in American merchandise exports are dubious indeed. Imports, on the other hand, may be expected to expand further with the growth of the American economy, particularly since the United States as a matter of general policy quite properly eschews resort to quotas, tariff increases or other trade restraints. Thus, unless more effective steps are taken to boost our exports, it is difficult to foresee the merchandise trade balance moving substantially above recent levels.

Investment income is likely to persist in its upward course in view of continuing United States lending and investing abroad, and this should help bolster this country's current accounts in the aggregate, but the possible contribution from this source is fairly moderate when measured against the much larger and crucial fluctuations in the merchandise accounts.

Government Programs

Total expenditures under the various Government programs rose to a record $6¼ billion in 1962. As noted, this is not a measure of the drain on the balance of payments, since it is estimated that over 70% of these outlays represent payments for goods and services in the United States, but the remainder adds to the pressure on our international accounts. The Administration has taken vigorous efforts to reduce the foreign exchange cost of these programs — offshore procurement has been reduced, an increased proportion of economic aid has been "tied" to disbursements in the United States, prepayment of short-term debt by foreign governments has been encouraged, and agreements have been concluded under which some European countries cover the foreign exchange cost of the American military establishment located within their boundaries.

Limits to Relief Obtained

These efforts have already produced some notable results and are largely responsible for the improvement in the balance of payments since the years 1958-60, when the annual deficit averaged $3.7 billion. This very fact, however, injects an element of uncertainty into the outlook, since the relevant decisions regarding debt prepayments and contributions toward military costs are made by foreign countries rather than by the United States. In any event, further increases by our European partners — notably France, Germany and Italy, which have made the bulk of these payments—may be difficult to achieve without substantial changes in present policies on the part of the United States.

France has already made large debt prepayments, and while the country's remaining short-term indebtedness to the United States is probably sufficient to support a continuation of such payments at around their recent pace through 1964, new arrangements will need to be made if this assistance to the American payments position is to continue. Germany and Italy have already paid off their short-term indebtedness to the United States and are now making increased payments under the military programs. The United Kingdom, along with other countries, has been reluctant to conclude such agreements, and its chronic balance of payments problem suggests that little assistance can be expected from this source.

Some additional foreign exchange savings may be forthcoming as a result of more intensive Administration action to direct economic aid abroad into dollar expenditures, but it is difficult to deny the conclusion that, unless total outlays are cut back, most of the foreign exchange economies in current United States Government programs that are feasible under our present policies have been largely attained. Without added efforts, consequently, the possibility of substantial additional relief in this sector of our international accounts is likely to remain limited.

Capital Outflow

The outflow of private capital from the United States, both on long- and short-term accounts, also continues to impose a substantial drain on the balance of payments, although the net impact is difficult to measure. Some of the proceeds of American long-term investments made abroad are applied toward purchases of capital goods from the United States and some of the foreign obligations currently being issued in the American market are taken by foreign investors. Beyond this, private investment abroad can provide powerful support to the United States balance of payments over time; indeed the income earned on such investments made in the past already exceeds significantly the amount of new long-term funds currently being placed abroad, and further income-producing assets are being acquired constantly. These considerations may moderate, but do not wholly eliminate, the adverse effects of a capital outflow upon our present international position.

The incentives to maintain a sustained high level of long-term foreign investment continue strong. Although political instability and other hazards abroad have recently led to some subsidence in the volume of direct investment, the inducements provided by rapidly expanding markets, lower labor costs, and the advantages of producing within a protected trade area rather than competing from outside make any sharp cutbacks in the near future rather unlikely. At the same time, the American capital market continues to offer substantial attractions to foreign borrowers, who find here a generally lower level of interest rates, a readier availability of funds, and a better organized financial system which enables them to raise larger amounts with greater facility than in their home countries.

We Reject Capital-Flow Controls

Many countries, including most of the leading nations in Western Europe, exercise some surveillance over foreign borrowings in their capital markets, but the United States has been loath to impose direct control either over direct investment or over the sale of foreign securities in the American market. It is felt that such action might be interpreted as a first step toward exchange control, and thus might lead to some questioning at home or abroad which the United States, as a key currency country, cannot afford to precipitate. As an alternative, it has been recommended that greater exertions be made to develop the capital markets of Europe, but this is likely to be a gradually evolving process from which no great benefits can be anticipated in the near future.

In addition to the relatively steady outflow of long-term capital, there is the drain posed by movements of short-term funds, which tend to be volatile and sensitive to changes in international money market conditions. The recorded outflow of short-term funds has eased of late, but "unrecorded transactions," which presumably include fairly large amounts of short-term capital movements, expanded sharply last year. The outflow of short-term funds in recent years apparently represents in part the extension of short-term credits to foreign borrowers and in part the move-

NSTA NOTES

UTAH SECURITIES DEALERS ASSOCIATION

The Utah Securities Dealers Association has recently elected the following officers for 1963-64:

Robert P. Woolley

William Aspden

Edward J. Mawod

President: Robert P. Woolley, Robert P. Woolley Co.
Vice-President: William Aspden, J. A. Hogle & Co.
Secretary: Edward J. Mawod, Dempsey-Tegeler & Co., Inc.
Treasurer: George "John" Potter, Potter Investment Co.

ment of domestic short-term funds to foreign money markets in response to the more attractive yields obtainable there.

Unquestionably, the policy of aggressive and sustained credit ease pursued by the Federal Reserve in the past three years, and the ensuing impact upon American commercial banking, has prompted heightened interest in foreign lending operations at the same time that American money market rates have averaged below those in important foreign centers. Halting or reversing the drain posed by short-term capital movements will require either a greater decline in foreign interest rates than is reasonably in prospect at this time, or increased reliance upon the conventional tools of credit policy.

A Course of Action

This inventory of what has been done and what still remains to be done in dealing with the United States balance of payments problem leads to no spectacular or dramatic conclusions.

The newly developed instruments and techniques in the international monetary system appears to have effectively strengthened the defenses against the primary and immediate hazard confronting a currency laboring under an adverse payments burden, namely that of mounting speculative pressures and unsettling movements of short-term funds. Meanwhile, the Administration has taken steps to bring about equilibrium in our international accounts through a series of gradual moves bearing upon various sectors of the balance of payments, and has refrained from impetuous or drastic action. It has avoided steps that might produce more dramatic results but which would run counter to our national policy of promoting expanding world trade, such as import quotas, or would involve direct controls over investment or exchange transactions.

This temperate basic approach has so far been consistent with the nature of the problem. However, a moderate long-range course of action is not without risks of its own. Perhaps the greatest risk is to temporize, to procrastinate and to delay taking the measures necessary to produce positive results in the hope that time will bring sufficient improvement to make more energetic action unnecessary. The recent record of the balance of payments strongly suggests that the Administration's general approach remains appropriate but that within this framework efforts to reduce the payments deficit now need to be pursued with greater vigor and determination.

Some Concrete Possibilities

While international accounts are clearly interrelated and no one sector in the United States balance of payments can be singled out as responsible for the net deficit, the preceding review nevertheless indicates that the problem is being accentuated, for this country, by the huge size of the various foreign economic programs of the Government. It has by now become widely recognized, in and out of Congress, that these programs stand in need of a critical reexamination, that their proliferation cannot be allowed to continue indefinitely, and that total expenditures under these programs need, instead, to be reduced to the amounts that are consistent with our balance of payments condition. Also, there is a need to "tie" a greater proportion of economic assistance to dollar outlays in this country. Throughout, present policy directives must be implemented far more energetically and effectively if the necessary progress is to be made.

All too often, for example, the United States has been called upon to cover the chronic and structural payments deficits of other countries, frequently to the benefit of other creditors. In the present state of monetary affairs, most such operations are properly within the purview of the International Monetary Fund rather than of any single country. Certainly the Fund is in a better position than is the United States to establish the conditions under which financial help will be provided and to insist on the sometimes disagreeable internal measures required to redress a chronic imbalance in a country's international accounts.

Funds for long-range economic development should also be provided by an international organization rather than by the United States. Only in this way can the financial burden be equitably distributed and the necessary discipline be enforced.

Nor should the reappraisal of Government programs be limited to the economic area; the foreign military program also stands in need of critical review. The disposition of American forces abroad, in all probability, reflects not wholly military considerations but, in addition, some alleged political advantages. As a case in point, when five American divisions were stationed in Western Europe over a decade ago, the original intention was to replace them with European troops as soon as economic conditions in that area would permit. The spectacular improvement of the European economy since that time assuredly suggests that these countries are now able either to provide their own forces or to cover fully the cost of the American military establishment there. Beyond this specific instance, there is the broader question as to whether the deployment of military personnel and facilities abroad has been adjusted to the recent far-reaching changes in the arsenal of weapons.

General Policy Measures

There is a pressing necessity to follow public policies which will strengthen the American balance of payments position by making our industries more efficient, our exports more competitive, and investment in the United States more attractive. These are goals, incidentally, which do not conflict but coincide with the needs of the domestic economy.

A Twin Set of Dangers

A real danger at this time of rising business activity is that the restraint on wage and price increases which has prevailed during the past several years may give way to a new round of the wage-price spiral—a development which would clearly weaken the United States payments position and undo whatever benefits are accruing to us from the uptrend in wages and costs abroad.

Our balance of payments may be adversely affected also by a continuation of the aggressively easy credit policy of the past several years which has led to record peace-time increases in the deposits of the commercial banking system, which still encourages commercial banks and other institutions to engage in more foreign lending, and which complicates the problem of keeping American money market rates at levels that will discourage an outflow of short-term funds. Now that the United States economy is again expanding, a shift of credit policy in the direction of less ease is clearly indicated not only because it is desirable to maintain a flexible policy that responds to changes in domestic economic economic conditions, but also because such a shift is essential if we are to come to grips with the balance of payments problem.

A Conflict With Growth?

There are some who would regard measures designed to improve the United States balance of payments as inimical to economic growth. If the key to greater growth is to be sought in large and rising Government spending, huge and chronic Treasury deficits and persistent easy credit, this position has some substance; such policies indubitably clash with those required to place the balance of payments on a solid footing.

Says Domestic Restraints Would Not Impede Economic Growth

Actually, however, the restraint imposed upon economic growth by considerations of our international payments position is probably greatly overstated. The United States has experienced rapidly rising Government outlays, large budget deficits, and persistent easy credit for a number of years without evidence that the rate of economic growth has thereby been significantly stimulated; conversely, greater emphasis on control of Federal spending, appropriate tax relief, and encouragement of private investment for increased productivity and greater competitive ability would in all probability encourage more rapid growth at home and an improvement in our international accounts as well.

The payments problem of the United States is assuredly complex, and perspective is required for a balanced appraisal. The obstacles to a sustainable improvement are formidable, and optimistic expectations of equilibrium at an early date would not be justified. It must be realized, however, that in addition to the enhanced international cooperation among central bankers and other monetary authorities, the United States enjoys an impressive array of assets and reserves with which to defend the dollar. The gold stock alone, after years of heavy buffeting, is still adequate to weather an additional period of pressure and adversity. Further, there is the financial strength inherent in the world's largest and most productive national economy, the world's leading exporter and the owner of an already tremendous and still rising volume of foreign investments that produce growing income from abroad.

These resources do not reduce the urgency of making visible progress toward attaining equilibrium in the balance of payments, nor do they banish the risk of another dollar crisis if domestic and foreign confidence in the dollar—a prerequisite to continuing international cooperation in monetary affairs—is not carefully preserved. Even the most formidable basic resources will be insufficient to protect the dollar against the obvious consequences if the string of large payments deficits should persist. However, recognition at home and abroad of the strengths as well as of the deficiencies of the United States position should facilitate repair of the balance of payments while at the same time lending substance and authority to the assurance that the dollar need not and will not be devalued, that no foreign exchange controls will be imposed, and that the monetary gold price will remain unchanged.

*An address by Dr. Reierson at the Sixth Annual Economic Conference of the National Industrial Conference Board, New York City, May 17, 1963.

Chicago Analysts Elect Officers

CHICAGO, Ill.—Robt. E. Peckenpaugh has been elected President of The Investment Analysts Society of Chicago. Mr. Peckenpaugh, a partner in Security Supervisors, investment counsel firm, and an officer of Selected American Shares, oldest Chicago-managed mutual fund, has served the Analysts Society as Vice-President and in other capacities since joining in 1953.

R. E. Peckenpaugh

Mr. Peckenpaugh joined Security Supervisors in 1952, became a partner in 1957, and now serves chiefly as account manager in the firm's individual counselling activities.

Also elected by the Society as Vice-President for the coming year is Richard C. Barbour, Allstate Insurance Company; Secretary, C. Reed Parker, partner Duff, Anderson & Clark; Treasurer, Robert P. Mayo, Vice-President Continental Illinois National Bank and Trust Company. Elected to the Board of Governors were William A. Stenson, Vice-President The Northern Trust Co., John H. VanWickler, Assistant Vice-President Continental Casualty Co., Harold M. Finley, Supervised Investors Services, Inc.

The Society consists of some 500 members, including financial analysts and portfolio managers from leading banks, insurance companies, mutual funds, and investment counsel firms.

Customers' Brokers To Hold Forum

The Association of Customers' Brokers is holding an educational forum today (June 6) beginning at 4 p.m. at 15 William Street, New York City. Walter Auch partner in charge of branch sale division of Bache & Co., will be guest speaker.

Richmond Analysts Elect Deane Pres.

RICHMOND, Va.—Frederick Deane, Jr., Senior Vice-President of The Bank of Virginia, has been elected President of the Richmond Society of Financial Analysts for the coming year. The election took place during the society's annual meeting in Richmond.

The Security I Like Best

Continued from page 2

story Petroleum Club Bldg. on Northwest Second Street, housing the banks parking garage. This subsidiary owns these buildings free and clear of debt. They are carried on the bank's books at a value of $3,600,000, but a fair appraisal of the properties would be at least double this book value.

The Building Corporation in 1962 showed profits estimated at $217,250, which amount is not reflected in the earnings of the bank, but remains in the undivided profits account of the Building Corporation. In the field of automation, an IBM-1402 Reader-Sorter has been received, and we are advised the 1401 IBM Conputer will be received by July 10. The programming has been completed for the IBM as far as demand deposit applications are concerned, and is underway for savings accounts.

The Liberty already has programs for various customer services such as preparation of payroll, and will shift these to the new-IBM-1401 which utilizes magnetic tape dives. Studies are underway concerning an application whereby the Trust Department can do dividend distribution work as well as other applications. The Liberty placed these orders because its studies indicated its rate of growth would make them feasible by the time the machines arrived. It appears the new machines will arrive none too soon.

The continuing deficits in our international balance of payments, the continuing high level of business activity, along with a record volume of corporate, municipal, and government bond flotations make somewhat higher interest rates a good probability over the second half of 1963—especially short-term rates. But bank income tends to be less cyclical than most industries. Federal Reserve policy normally will be to reduce reserve balances, to make money tighter when business is good, and to liberalize reserves during a recession period, enabling banks to pick up additional income at somewhat lower rates.

Bank stocks as a group are quite defensive in nature, and as far as Liberty National's stockholders are concerned, this salient feature was especially noticeable during the 1962 market turbulence. In checking the newspaper quotations of 1962, we found only two instances in which the bid price was lower than the previous day's bid. Bank management encourages employees to participate in bank ownership and among the approximately 400 employees and officers, it is believed a much greater proportion than is normal is participating. With only 750,000 shares of stock outstanding, it is not too difficult to understand why a severe price correction did not occur last year when the market broke.

In comparison with other growth areas, at $53, a price earnings ratio of around 14.7 appears low for the Liberty. We believe $3.60 to be a very conservative estimate of this year's earnings.

As a long-term investment, we recommend the shares of the Liberty National as a means of participating in the growth of the area by a highly competent management. The shares are traded in the Over-the-Counter Market.

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.

Acme Visible Records, Inc. (6/18)
May 21, 1963 filed 150,000 common, of which 57,445 will be sold for company and 92,555 for certain stockholders. **Price**—By amendment (max. $20). **Business**—Manufacture 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.

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. (6/10-14)**
March 29, 1963 filed 154,000 common, of which 125,000 are to be offered by company and 29,000 by certain stockholders. **Price**—By amendment (max. $7). **Business** —Writing of ordinary life insurance. **Proceeds**—For investment. **Address**—807 American Bank & Trust Bldg., Lansing, Mich. **Underwriter**—First of Michigan Corp., Detroit.

American Mortgage Insurance Co.
Jan. 10, 1963 filed 31,070 common to be offered for subscription by stockholders on the basis of one share for each five shares held. **Price**—$18. **Business**—A mortgage insurance company. **Proceeds** — For investments. **Office**—300 St. Salisbury St., Raleigh, N. C. **Underwriter** —None.

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. (6/10)**
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.**
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. **Offering**—Imminent.

● **Bard (C. R.) Inc.**
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. **Offering**—Expected in late June.

● **Big G Corp. (6/15)**
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.

● **Brentwood Financial Corp. (6/17-21)**
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.

Canaveral Hills Enterprises, Inc. (6/24-28)
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. **Note**—This registration was withdrawn.

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. (6/17-21)**
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.

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 (6/17-21)**
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.

● **Clark Cable Corp.**
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. **Offering**—Indefinite.

● **Coastal States Gas Producing Co. (6/18)**
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.

Coburn Credit Co., Inc. (6/17-21)
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.

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**—Indefinite.

● **Commonwealth Telephone Co.**
May 8, 1963 filed 71,460 common being 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**—$24. **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 Oil & Gas, Inc.
Feb. 28, 1963 filed $2,432,500 of 6% sinking fund debentures due 1975 (with warrants) being offered for subscription by common stockholders on the basis of $500 of debentures for each 500 shares held of record May 24. Rights will expire June 28. **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.

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 one unit 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.

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.

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. (6/10-14)
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
Feb. 21, 1963, filed 120,000 common. **Price**—$2. **Business**—Company plans to market a new drug known as "Clinizyne" to be used for treatment of a variety of tumor related diseases. **Proceeds**—For equipment, sales promotion, research and development, and working capital. **Office**—727 Land Title Bldg., Philadelphia. **Underwriter**—Bristol Securities Inc., New York. **Offering**—Expected in late June.

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.

Evans, Inc. (6/24-28)
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.

• **Family Life Insurance Co. (6/17)**
May 8, 1963 ("Reg. A") 810 $8 dividend preferred to be sold by stockholders; also 486 class A common. **Price**—For preferred, $130; for common, $400. **Business**—Sale of mortgage cancellation, life, accident and sickness insurance. **Proceeds**—For paid-in capital stock account, and working capital. **Address**—Republic Bldg., Seattle. **Underwriter**—Pacific Northwest Co., Seattle.

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

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NEW ISSUE CALENDAR

June 7 (Friday)

Mountain States Tel. & Tel.____________Cap. Stock
(Offering to stockholders—no underwriting) $100,935,775

North Central Airlines, Inc.____________Debentures
(Offering to stockholders—no underwriting) $1,500,000

June 10 (Monday)

American Annuity Life Insurance Co.____Common
(First of Michigan Corp.) 154,000 shares

Automatique, Inc.________________Common
(Kidder, Peabody & Co., Inc. and Barret, Fitch, North & Co., Inc.) 254,975 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

Optech, Inc.______________________Common
(Stone, Ackerman & Co., Inc., and Heritage Equity Corp.) $420,000

June 11 (Tuesday)

Indiana Bell Telephone Co., Inc.______Debentures
(Bids 11 a.m. EDST) $20,000,000

Safran Printing Co.________________Common
(White, Weld & Co. and Watling, Lerchen & Co.) 225,720 shares

St. Louis Shipbuilding-Federal Barge, Inc.___Com.
(Reinholdt & Gardner)) 150,000 shares

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 12 (Wednesday)

Capital Cities Broadcasting Corp.________Common
(White, Weld & Co.) 250,000 shares

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) $208,223,504

Pennsylvania Power Co._______________Bonds
(Bids 11 a.m. EDST) $9,000,000

June 17 (Monday)

Big G Corp.__________________________Units
(A. J. Davis Co.) 1,000 units

Brentwood Financial Corp.____________Common
(Hayden, Stone & Co., Inc.) 100,000 shares

Chemair Electronics Corp.______________Units
(Price Investing Co.) $180,000

Citadel Life Insurance Co. of N. Y.___Capital Stock
(Offering to stockholders—underwritten by Alex. Brown & Sons) 40,000 shares

Coburn Credit Co., Inc._____________Debentures
(Offering to stockholders—underwritten by New York Hanseatic Corp.) $4,000,000

Family Life Insurance Co.____________Common
(Pacific Northwest Co.) $194,400

Family Life Insurance Co.____________Preferred
(Pacific Northwest Co.) $105,300

Mil National Corp._________________Common
(Herbert Young & Co., Inc.) $376,000

Missouri Fidelity Life Insurance Co._____Common
(A. C. Allyn & Co.) 300,000 shares

Ozark Air Lines, Inc._______________Debentures
(Auchincloss, Parker & Redpath and Yates, Heitner & Woods) $3,000,000

Paddington Corp._____________________Class A
(Lee Higginson Corp) 100,000 shares

Pargas, Inc.________________________Common
(Kidder, Peabody & Co., Inc.) 225,000 shares

Rona Lee Corp._____________________Common
(Reuben Rose & Co., Inc.) 50,000 shares

Rona Lee Corp._____________________Debentures
(Reuben Rose & Co., Inc.) $250,000

Top Dollar Stores, Inc._______________Common
(Van Alstyne, Noel & Co.) $1,200,000

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

Coastal States Gas Producing Co.__________Bonds
(Kuhn, Loeb & Co.; First Boston Corp.; and Paine, Webber, Jackson & Curtis) $50,000,000

Public Service Electric & Gas Co.__________Bonds
(Bids 11 a.m. EDST) $40,000,000

State Loan & Finance Corp.____________Debentures
(Johnston, Lemon & Co. and Eastman Dillon, Union Securities & Co.) $30,000,000

Tennessee Gas Transmission Co.________Debentures
(Stone & Webster Securities Corp.; White, Weld & Co.; and Halsey, Stuart & Co. Inc.) $45,000,000

June 19 (Wednesday)

Texas & Pacific Ry.____________Equip. Trust Ctfs.
(Bids to be received) $3,000,000

June 24 (Monday)

Canaveral Hills Enterprises, Inc._______Common
(Willis E. Burnside & Co., Inc.) $500,000

Evans, Inc.__________________________Common
(Walston & Co., Inc.) 200,000 shares

General Super Markets, Inc.____________Common
(Hemphill, Noyes & Co.) 175,000 shares

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

Leeds Shoes, Inc.____________________Common
(Strathmore Securities, Inc.) $315,000

Lightcraft-General___________________Common
(William R. Staats & Co.) 125,000 shares

Livestock Financial Corp.______________Common
(Charles Plohn & Co.) $1,000,000

Northwestern National Life Insur. Co.____Common
(Lehman Brothers) 604,867 shares

Poulsen Insurance Co. of America________Common
(A. C. Allyn & Co.) 100,000 shares

Zausner Foods Corp.__________________Common
(Reynolds & Co., Inc., Auchincloss, Parker & Redpath) 100,000 shares

June 25 (Tuesday)

Lord Jim's Service Systems, Inc._______Common
(Keon & Co.) $100,000

Southern California Gas Co.____________Bonds
(Bids 8:30 a.m. PDST) $40,000,000

June 26 (Wednesday)

City Gas Co. of Florida_______________Common
(Kidder, Peabody & Co., Inc. and Merrill Lynch, Pierce, Fenner & Smith Inc.) 84,000 shares

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

Stephenson Finance Co., Inc.___________Debentures
(Alester G. Furman & Co., Inc.) $1,000,000

July 8 (Tuesday)

Inter-County Telephone & Telegraph Co._Common
(Dean Witter & Co.) 50,000 shares

Inter-County Telephone & Telegraph Co.___Debs.
(Dean Witter & Co.) $2,000,000

July 9 (Tuesday)

Illinois Bell Telephone Co._______________Bonds
(Bids to be received) $50,000,000

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

Northern Illinois Gas Co._______________Bonds
(Bids 10:30 a.m. CDST) $20,000,000

July 30 (Tuesday)

Pacific Power & Light Co._______________Bonds
(Bids 11 a.m. EDST) $30,000,000

Pacific Power & Light Co.______________Preferred
(Bids 12 noon EDST) 100,000 shares

August 6 (Tuesday)

Indiana & Michigan Electric Co.___________Bonds
(Bids 11 a.m. EDST) $45,000,000

September 5 (Thursday)

Iowa Public Service Co.________________Bonds
(Bids to be received) $12,000,000

September 24 (Tuesday)

Northern States Power Co. (Minn.)_________Bonds
(Bids 11 a.m. EDST) $15,000,000

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

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Fidelity Mining Investments Ltd.
Nov. 30, 1961 filed 800,000 common. **Price**—By amendment. **Business**—Exploration and testing of mining properties. **Proceeds**—For general corporate purposes. **Office**—62 Richmond St., Toronto. **Underwriter**—G. V. Kirby & Associates, Ltd., Toronto.

● Financial General Corp.
May 28, 1963 filed $7,500,000 of convertible subordinated sinking fund debentures due 1978 and warrants to purchase 187,500 common shares, to be offered in units of one $1,000 debenture and 25 warrants. **Price**—By amendment. **Business**—Company through its subsidiaries is engaged in banking, insurance and other activities. **Proceeds**—For general corporate purposes. **Office** — 1701 Pennsylvania Ave., N. W., Washington, D. C. **Underwriters**—Eastman Dillon, Union Securities & Co., New York, and Johnston, Lemon & Co., Washington, D. C. **Offering**—Expected in late June or early July.

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**—McDonnell & Co., New York. **Offering**—Indefinite.

Garden State Small Business Investment Co.
Oct. 27, 1961 filed 330,000 common. **Price**—$3. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—1180 Raymond Blvd., Newark, N. J. **Underwriter**—Godfrey, Hamilton, Taylor & Co., N. Y. **Offering**—Temporarily postponed.

General Super Markets, Inc. (6/24-28)
May 22, 1963 filed 175,000 common, of which 125,000 will be sold by company and 50,000 by stockholders. **Price**—By amendment (max. $15). **Business**—Company and subsidiaries are engaged in the retail sale of groceries, meat and produce through a chain of 10 supermarkets in northern New Jersey. **Proceeds**—For expansion, debt repayment and other corporate purposes. **Office**—116 Main Ave., Passaic, N. J. **Underwriter**—Hemphill, Noyes & Co., New York.

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.

● Greenwich Gas Co.
March 29, 1963 filed 37,735 common, being offered for subscription by stockholders on the basis of one new share for each 5.6 shares held of record June 3. Rights will expire June 19. **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. **Underwriter**—None.

● Holiday Mobile Home Resorts, Inc. (6/10-14)
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).

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.

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.

International Seaway Trading Corp.
May 24, 1963 filed $750,000 of convertible subordinated debentures due 1975; also 140,000 common, of which 25,000 are to be offered by the company and 115,000 by stockholders. **Price** — By amendment (max. $11.50). **Business**—Importing and distributing of rubber, fabric, vinyl and leather footwear. **Proceeds**—For loan repayment. **Office**—1393 W. 9th St., Cleveland. **Underwriter**—Hayden, Miller & Co., Cleveland.

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.
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. **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. **Offering**—Indefinite.

Investors Realty Trust
May 31, 1962 filed 200,000 shares. Price — $10. Business—A real estate investment trust. Proceeds — For construction and investment. Office — 3315 Connecticut Ave., N. W., Washington, D. C Underwriter—None.

● Investors Trading Co. (6/24-28)
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).

Kelly & Cohen, Inc.
May 17, 1963 ("Reg. A") 90,000 common. **Price**—$2.75. **Business**—Retail sale of major household appliances at discount prices. **Proceeds**—For working capital, expansion and debt repayment. **Office** — 3772 William Penn Highway, Monroeville, Pa. **Underwriter** — Ansbary, Allen & Morton, Inc., Pittsburgh.

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. (6/24-28)
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
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. **Offering**—Indefinitely postponed.

● Lightcraft-General (6/24-28)
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.

● Livestock Financial Corp. (6/24-28)
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, nc. (6/25)
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.

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.

Marshall Press, Inc.
May 29, 1962 filed 60,000 common. **Price**—$3.75. **Business**—Graphic design and printing. **Proceeds**—For publishing a sales catalogue, developing a national sales staff and working capital. **Office**—812 Greenwich St., N. Y. **Underwriter**—To be named. **Offering**—Indefinitely postponed.

Medic Corp. (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. (6/17-21)**
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. (6/17-21)**
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**—$25. **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 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. (6/7)**
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. Rights will expire June 28. Unsubscribed debentures will be offered for public sale. **Price**—At par. **Business**—Operation of an airline in 10 midwestern 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.

Northwestern National Life Insurance Co. (6/24-28)
May 28, 1963 filed 604,867 common. **Price**—By amendment (max. $38). **Business**—Writing of individual life, term and endowment policies. **Proceeds** — For selling stockholders. **Office**—430 Oak Grove St., Minneapolis. **Underwriter**—Lehman Brothers, Chicago.

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

● **Optech, Inc. (6/10-14)**
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.

Oslo (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.

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.

Ozark Air Lines, Inc. (6/17-21)
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** — $16. **Proceeds**—For selling stockholders, P. T. & T. **Office**—1200 Third Ave., Seattle, Wash. **Underwriter**—None.

Paddington Corp. (6/17-21)
May 24, 1963 filed 100,000 class A com. **Price**—By amendment (max. $70). **Business**—Sale of alcoholic beverages under the brand name of Justerini & Brooks, Ltd. **Proceeds**—For selling stockholders. **Office**—630 Fifth Ave., New York. **Underwriter**—Lee Higginson Corp., N. Y.

Pan American Beryllium Corp.
Feb. 28, 1962 filed 100,000 common. **Price**—$5. **Business**—Company plans to mine for beryl ore in Argentina. **Proceeds** — For debt repayment, equipment, and other corporate purposes. **Office**—39 Broadway, N. Y. **Underwriter**—To be named.

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.

Parkview Drugs, Inc.
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. **Offering**—Indefinite.

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.

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

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 (6/24-28)**
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.

Princeton Research Lands, Inc.
March 28, 1963 filed 40,000 common. **Price**—$25. **Business**—Purchase and sale of real property, chiefly un-

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improved 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).

Public Service Electric & Gas Co. (6/18)
May 23, 1963 filed $40,000,000 of first and refunding 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**—June 18 (11 a.m. EDST) at above address. **Information Meeting**—June 13 (2 p.m. EDST) at One Chase Manhattan Plaza, New York.

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).

● **Recreation Industries, Inc.**
Nov. 23, 1962 ("Reg. A") 75,000 common. **Price** — $2. **Business**—Sale of travel and entertainment. **Proceeds**—For capital investment, and working capital. **Office**—411 W. 7th St., Los Angeles. **Underwriter** — Costello, 411 West 7th St., Los Angeles. **Underwriter**—Costello, Russotto & Co., Beverly Hills, Calif. **Offering**—Indefinite.

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. **Offering**—Expected in early July.

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. (6/17-21)**
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. (6/11)**
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. **Note** — This registration was withdrawn.

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**
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, New York. **Offering**—Imminent.

● **Southern California Gas Co. (6/25)**
May 27, 1963 filed $40,000,000 of first mortgage bonds due July 1, 1988. **Proceeds**—To redeem outstanding 5⅛% first mortgage bonds due 1983 (series C), to repay advances from parent, Pacific Lighting Corp. 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. (jointly); Blyth & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly). **Bids**—June 25 (8:30 a.m. PDST) at above address. **Information Meeting**—June 20 (available 9 a.m.-3 p.m.) at 16 Wall St. (Conference Room No. 1), New York.

● **Southern Union Gas Co. (6/11)**
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.

● **State Loan & Finance Corp. (6/18)**
May 24, 1963 filed $15,000,000 of s. f. debens., and $15,000,000 of capital debentures both due June 1, 1983. **Price** — By amendment. **Business** — A consumer finance company. **Proceeds**—For debt repayment. **Office**—1200—18th St., N. W., Washington, D. C. **Underwriters**—Johnston, Lemon & Co., Washington, D. C. and Eastman Dillon, Union Securities & Co., New York.

● **Stephenson Finance Co., Inc. (7/1-5)**
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).

● **Tennessee Gas Transmission Co. (6/18)**
May 24, 1963 filed $45,000,000 of debentures due June 1, 1983. **Price**—By amendment. **Business** — Company and subsidiaries are engaged in the transmission and sale of natural gas; and the production, refining and marketing of petroleum products. **Proceeds**—For construction. **Address**—Tennessee Bldg., Houston, Tex. **Underwriters**—Stone & Webster Securities Corp., White, Weld & Co., New York; Halsey, Stuart & Co. Inc., Chicago.

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.

● **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. **Offering**—Expected in early July.

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. **Note**—This registration was withdrawn.

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 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**—Indefinite.

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.

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.

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.

Issues Filed With SEC This Week

★ **Bay State Exchange Fund, Inc.**
May 29, 1963 filed 10,000 $1 par capital shares to be offered in exchange for certain acceptable securities on the basis of one share for each $25 of deposited securities. Exchange is believed by counsel for the Fund to be tax-free for Federal income tax purposes. **Business**—A closed-end investment company seeking long-term growth of capital and income. **Proceeds** — For investment. **Office**—35 Congress St., Boston. **Underwriter**—Kidder, Peabody & Co., New York. **Note**—The exchange will not be consummated unless $25,000,000 of securities are deposited and accepted. This means that the Fund expects to issue a minimum of 1,000,000 capital shares.

★ **City Gas Co. of Florida (6/26)**
May 29, 1963 filed 84,000 common. **Price**—By amendment (max. $25). **Business**—Company and subsidiaries distribute natural gas and liquefied petroleum gas to three counties in Florida. **Proceeds**—For loan repayment and construction. **Office**—955 East 25th St., Hialeah, Fla. **Underwriters**—Kidder, Peabody & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

★ **Eberstadt Income Fund, Inc.**
May 31, 1963 filed 2,000,000 capital shares. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund seeking current income. **Proceeds**—For investment. **Office**—65 Broadway, New York. **Distributor**—F. Eberstadt & Co., Managers & Distributors, Inc., New York.

★ **Enstrom (R. J.) Corp.**
May 23, 1963 ("Reg. A") 30,000 common. **Price** — $10. **Business**—Design, manufacture and sale of helicopters. **Proceeds** — For completion of a certification program, and for working capital. **Address** — Menominee County Airport, Menominee, Mich. **Underwriter**—None.

★ **Inter-County Telephone & Telegraph Co. (7/8-12)**
June 3, 1963 filed $2,000,000 of convertible subordinated debentures due 1978; also 50,000 common shares. **Price**—By amendment (max. $42.50 per share). **Business**—Operation of telephone facilities in southern Florida. **Proceeds**—For loan repayment and construction. **Office**—1520 Lee St., Fort Myers, Fla. **Underwriter** — Dean Witter & Co., Chicago.

★ **Juniper Spur Ranch, Inc.**
May 27, 1963 ("Reg. A") 300,000 common. **Price** — $1. **Business**—Construction of a gasoline and diesel oil filling station, a restaurant and allied facilities. **Proceeds**—For general corporate purposes. **Underwriter** — V. E. Anderson & Co., Newhouse Bldg., Salt Lake City.

★ **Megadyne Electronics, Inc.**
May 27, 1963 ("Reg. A") 291,042 common to be offered for subscription by stockholders on the basis of one new share for each two held. **Price**—$1. **Business** — Design and manufacture of magnetic components for electronic equipment. **Proceeds** — For working capital and other corporate purposes. **Address** — Walnut St., Wauregan, Conn. **Underwriter**—None.

★ **Mon-Dak Packing Co.**
May 27, 1963 ("Reg. A") 2,750 common. **Price** — $100. **Business**—Meat packing. **Proceeds**—For working capital. **Address**—Box 1411 Williston, N. D. **Underwriter**—None.

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."

Commonwealth Telephone Co.
71,460 common being offered for subscription by stockholders at $24 per share on the basis of one new share for each 10 held of record June 3. Rights will expire June 18. Eastman Dillon, Union Securities & Co., New York, is the principal underwriter.

Greenwich Gas Co.
37,735 common being offered for subscription by stockholders at $13.25 per share on the basis of one new share for each 5.6 shares held of record June 3. Rights will expire June 19. F. L. Putnam & Co., Inc., Boston, is the principal underwriter.

Maust Coal & Coke Corp.
$5,000,000 of 4⅜% convertible subordinated debentures due 1983 and 200,000 common shares offered at par and $14 per share, respectively, by Eastman Dillon, Union Securities & Co., New York.

Peterson, Howell & Heather, Inc.
33,383 class A common offered at $30 per share by Alex. Brown & Sons, Baltimore.

Red Kap, Inc.
240,000 common offered at $20 per share by Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Southern Railway Co.
$50,000,000 of 4⅝% first and general mortgage bonds, series A, due 1988 offered at par by First Boston Corp., Eastman Dillon, Union Securities & Co., and Salomon Brothers & Hutzler, New York. (Issue was exempted from SEC registration).

Prospective Offerings

★ **Bank of the Commonwealth (Detroit)**
May 29, 1963 it was reported that the bank is offering its stockholders the right to subscribe for an additional 30,000 shares on the basis of one new share for each 18 held of record May 28. Rights will expire July 1. **Price**—$50. **Proceeds**—To increase capital funds. **Address**—Fort and Griswold, Detroit. **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.

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.

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● Connecticut Light & Power Co.
June 4, 1963 it was reported that the company is considering the issuance of about $25,000,000 of bonds in late 1963. **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.

First National Bank of Toms River, N. J.
May 28, 1963 it was reported that the bank plans to offer stockholders the right to subscribe for an additional 24,000 common shares on the basis of one new share for each 19½ held of record June 26. Rights will expire Aug. 26. **Price**—$24. **Proceeds**—To increase capital funds. **Address**—Toms River, N. J. **Underwriter**—None.

Florida Power Corp.
March 12, 1963 the company announced plans to offer stockholders, sometime in 1963, the right to subscribe for about 457,265 additional common shares on a 1-for-20 basis. **Proceeds**—For loan repayment. **Office**—101 Fifth St., South, St. Petersburg, Fla. **Underwriters**—To be named. The last rights offering in May 1959 was underwritten by Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith, Inc., New York

Food Fair Properties, Inc.
May 11, 1962 stockholders authorized the company to issue 756,000 shares of a new convertible preferred stock which will be offered to stockholders through subscription rights on a 1-for-10 basis. **Price**—By amendment. **Business**—Development and operation of shopping centers. **Proceeds**—To retire outstanding 6% preferred stock and purchase up to $6,000,000 convertible debentures of Major Realty Corp., an affiliate. **Office**—223 East Allegheny Ave., Philadelphia. **Underwriter**—To be named The last rights offering in December 1957 was underwritten by Eastman Dillon, Union Securities & Co. New York. **Offering**—Indefinitely postponed.

General Aniline & Film Corp.
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.
June 2, 1963 it was reported that the company plans to offer stockholders in October the right to subscribe for an additional $8,000,000 of common stock. **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** — Aug. 6 (11 a.m. EDST) at 2 Broadway, New York. **Information Meeting**—Aug. 1 (3 p.m. EDST) same address.

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. (9/5)
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. **Bids**—Expected Sept. 5.

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.

★ Milan (City of), Italy
June 4, 1963 it was reported that a registration statement will be filed shortly covering $20,000,000 of bonds due 1988. **Underwriter**—Dillon, Read & Co., Inc., New York.

National Uni-Pac, Inc.
March 27, 1963 it was reported that the company plans to file a registration statement covering 150,000 common. **Price**—$4. **Business**—The sale or lease of coin operated vending machines. **Proceeds** — To redeem outstanding debentures, and for other corporate purposes. **Office**—15 Peachtree St., N. W. Atlanta, Ga. **Underwriter**—To be named.

Nevada Power Co.
April 16, 1963 the company announced plans to sell about $10,000,000 of first mortgage bonds in Sept. **Address**—Fourth and Stewart Avenue, Las Vegas. **Underwriters**—(Competitive): White, Weld & Co.; Eastman Dillon, Union Securities & Co.-Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.

Nevada Power Co.
April 16, 1963 the company announced plans to sell about $4,000,000 of common stock in September. Transaction is subject to approval by State and Federal regulatory authorities. **Address** — Fourth and Stewart Ave., Las Vegas. **Underwriter**—White, Weld & Co., New York.

New England Power Co.
Jan. 16, 1963 it was reported that this utility plans to sell $10,000,000 of bonds and $10,000,000 of preferred stock in the fourth quarter. **Office**—441 Stuart St., Boston. **Underwriters** — (Competitive). Probable bidders: (Bonds) Halsey, Stuart & Co. Inc.; Lehman Brothers-Equitable Securities Corp. (jointly); Kuhn, Loeb & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co.-White, Weld & Co. (jointly); First Boston Corp. (Preferred) First Boston Corp.; Dean Witter & Co.-Smith, Barney & Co.-Wertheim & Co. (jointly); Equitable Securities Corp.-Kidder, Peabody & Co.-Lee Higginson Corp.-White, Weld & Co. (jointly); Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith, Inc.

New York State Electric & Gas Corp.
April 3, 1963 it was reported that the company plans to sell $20,000,000 of debt securities to finance its construction program for 1964 and 1965. **Office**—108 East Green St., Ithaca, New York. **Underwriters** — (Competitive).

Probable bidders: Kidder, Peabody & Co. - Salomon Brothers & Hutzler (jointly); First Boston Corp.-Glore, Forgan & Co. (jointly); Halsey, Stuart & Co.; Harriman Ripley & Co.; Blyth & Co.

Nippon Telegraph & Telephone Pubilc Corp.
April 16, 1963 it was reported that the company plans to sell $20,000,000 of bonds in the United States in the third quarter of 1963. **Business** — Nippon Telegraph, wholly-owned by the Japanese Government, furnishes domestic telephone and telegraph services, without competition, in Japan. **Proceeds**—For expansion. **Office**—Tokyo, Japan. **Underwriters**—Dillon, Read & Co.; First Boston Corp., and Smith, Barney & Co., New York.

Norfolk & Western Ry.
May 29, 1963 the company stated that it plans to sell $13,650,000 of 1-15 year equipment trust certificates in two instalments. The size of each offering has not yet been determined. **Office**—8 North Jefferson St., Roanoke, Va. **Underwriters**—(Competitive) Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Expected June 25 and Aug. 27 (both at 12 noon EDST) in Philadelphia.

Northern Illinois Gas Co. (7/23)
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 23 (10:30 a.m. CDST).

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.) (9/24)
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). **Bids**—Expected Sept. 24 (11 a.m. EDST).

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).

★ Public Service Co. of Colorado
June 4, 1963 it was reported that the company plans to sell $35,000,000 of 30-year first mortgage bonds in April, 1964. **Proceeds**—For construction. **Office**—900 15th St., Denver, Colo. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Harriman, Ripley & Co., Inc.-Eastman Dillon, Union Securities & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc.-Dean Witter & Co. (jointly); First Boston Corp.; Lehman Brothers-Kidder, Peabody & Co.-White, Weld & Co. (jointly); Blyth & Co., Inc.-Smith, Barney & Co. (jointly).

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 June 18 and the date of the meeting will also be the record date for the rights offering. **Office**—350 Main St., Huntington, N. Y. **Underwriter**—M. A. Schapiro & Co., N. Y.

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 (11 a.m. EDST) 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 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.

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.

★ Texas Bank & Trust Co.
June 5, 1963 it was reported that the company is offering its stockholders the right to subscribe for an additional 122,500 common shares, on the basis of one new share for each three held of record June 5. Rights will expire June 19. **Price**—$28.25. **Proceeds**—To increase capital funds. **Address**—Main & Lamar Sts., Dallas. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas.

★ Texas Eastern Transmission Corp.
June 4, 1963 it was reported that the company plans to sell $50,000,000 of first mortgage bonds due 1983 in late June. **Business**—Operation of pipelines for the transmission and sale of natural gas and clean petroleum products; also the production and refining of oil and natural gas. **Proceeds**—For construction. **Address**—Texas Eastern Bldg., Houston, Tex. **Underwriter**—Dillon, Read & Co., Inc., New York.

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.

Ultronic Systems Corp.
May 28, 1963 it was reported that a registration will be filed shortly covering the first public sale of this firm's common stock. While the size of the offering has not been determined, it is said to be a relatively small deal, involving over 50,000 shares. **Business** — Manufacture, rental and service of the "Ultronic Stockmaster," a desk unit used to provide stock brokers with instantaneous information on stock and commodity market action of selected issues. **Proceeds**—For working capital. **Address**—Pennsauken, N. J. **Underwriter**—Bache & Co., N. Y.

Union Electric Co.
March 19, 1963 the company stated that it plans to issue $20,000,000 of preferred stock and $40,000,000 of bonds by the end of 1964. **Office**—315 N. 12th Blvd., St. Louis. **Underwriters**—(Competitive). Probable bidders: (Preferred): First Boston Corp.; Dillon, Read & Co., Inc.; Lehman Brothers; White, Weld & Co.; Blyth & Co., Inc. (Bonds): Halsey, Stuart & Co. Inc.; Lehman Brothers-Blyth & Co., Inc. (jointly); White, Weld & Co.-Shields & Co. (jointly); First Boston Corp.

U. S. National Bank (San Diego, Calif.)
May 29, 1963 it was reported that the bank is offering its stockholders the right to subscribe for an additional 40,000 capital shares on the basis of one new share for each 13½ held of record May 17. Rights will expire June 17. **Price**—$45. **Proceeds**—To increase capital funds. **Address**—San Diego, Calif. **Underwriter**—Dean Witter & Co., San Francisco.

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.

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)	June 1	2,608,000	2,626,000	2,626,000	1,586,000
Index of production based on average weekly production for 1957-1959	June 1	140.0	141.0	141.0	85.1
Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960	June 1	84.5	0.85	0.85	54.5
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	May 24	7,491,660	7,514,610	7,460,360	7,273,910
Crude runs to stills—daily average (bbls.)	May 24	8,531,000	8,381,000	8,148,000	8,299,000
Gasoline output (bbls.)	May 24	29,724,000	28,869,000	28,344,000	29,562,000
Kerosene output (bbls.)	May 24	2,727,000	2,555,000	2,954,000	2,888,000
Distillate fuel oil output (bbls.)	May 24	13,834,000	13,017,000	12,920,000	13,075,000
Residual fuel oil output (bbls.)	May 24	5,209,000	5,241,000	5,352,000	5,044,000
Stocks at refineries, bulk terminals, in transit, in pipe lines					
Finished gasoline (bbls.) at	May 24	195,743,000	197,622,000	205,408,000	195,480,000
Kerosene (bbls.) at	May 28	28,045,000	27,872,000	26,403,000	26,312,000
Distillate fuel oil (bbls.) at	May 24	95,008,000	92,238,000	87,204,000	99,118,000
Residual fuel oil (bbls.) at	May 24	46,114,000	45,221,000	44,320,000	40,486,000
Unfinished oils (bbls.) at	May 24	89,341,000	89,239,000	84,516,000	85,372,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	May 25	598,419	601,062	576,839	580,383
Revenue freight received from connections (no. of cars)	May 25	528,955	526,934	521,408	500,029
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	May 25	9,140,000	*9,025,000	9,065,000	8,171,000
Pennsylvania anthracite (tons)	May 25	405,000	396,000	347,000	312,000
CONSTRUCTION ADVANCE PLANNING — ENGINEERING NEWS-RECORD—NEW SERIES (000's omitted):					
Total advance planning by ownership	May 30	$504,800	$544,800	$528,000	$842,100
Private	May 30	390,600	280,300	371,900	733,500
Public	May 30	114,200	264,500	156,100	108,600
State and Municipal	May 30	109,000	250,200	145,500	104,400
Federal	May 30	5,200	14,300	10,600	4,200
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100	May 25	107	110	113	106
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	June 1	16,105,000	16,523,000	16,279,000	15,471,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	May 30	235	338	306	280
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	May 27	6.279c	6.279c	6.279c	6.196c
Pig iron (per gross ton)	May 27	$63.33	$63.33	$63.33	$66.44
Scrap steel (per gross ton)	May 27	$28.17	$28.50	$28.17	$24.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	May 31	30.600c	30.600c	30.600c	30.600c
Export refinery at	May 31	28.375c	28.425c	28.400c	28.625c
Lead (New York) at	May 31	10.500c	10.500c	10.500c	9.500c
Lead (St. Louis) at	May 31	10.300c	10.300c	10.300c	9.300c
‡Zinc (delivered at)	May 31	12.000c	12.000c	12.000c	12.000c
Zinc (East St. Louis) at	May 31	11.500c	11.500c	11.500c	11.500c
Aluminum (primary pig, 99.5%) at	May 31	22.500c	22.500c	22.500c	24.000c
Straits tin (New York) at	May 31	117.000c	116.750c	115.000c	116.000c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	June 4	89.42	89.43	89.88	89.52
Average corporate	June 4	89.23	89.09	89.09	87.72
Aaa	June 4	92.64	92.64	92.64	91.91
Aa	June 4	90.77	90.77	90.63	89.78
A	June 4	89.51	89.23	89.37	87.32
Baa	June 4	84.30	84.30	83.91	82.40
Railroad Group	June 4	87.18	87.05	87.05	84.55
Public Utilities Group	June 4	90.34	90.34	90.20	89.09
Industrials Group	June 4	90.20	90.20	90.06	89.78
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	June 4	3.86	3.86	3.79	3.73
Average corporate	June 4	4.47	4.48	4.48	4.58
Aaa	June 4	4.23	4.23	4.23	4.28
Aa	June 4	4.36	4.36	4.37	4.43
A	June 4	4.45	4.47	4.46	4.61
Baa	June 4	4.84	4.84	4.87	4.99
Railroad Group	June 4	4.62	4.63	4.63	4.82
Public Utilities Group	June 4	4.39	4.39	4.40	4.48
Industrials Group	June 4	4.40	4.40	4.41	4.43
MOODY'S COMMODITY INDEX	June 4	377.8	388.9	375.7	362.2
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	May 25	368,566	343,427	360,281	345,165
Production (tons)	May 25	368,276	365,400	363,604	342,424
Percentage of activity	May 25	96	96	95	94
Unfilled orders (tons) at end of period	May 25	488,944	487,276	482,871	457,694
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	May 31	111.93	*111.90	111.95	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	May 10	3,028,860	2,931,050	2,866,420	2,942,610
Short sales	May 10	618,380	693,150	667,290	528,110
Other sales	May 10	2,442,770	2,079,280	2,262,030	2,184,770
Total sales	May 10	3,061,150	2,772,430	2,929,320	2,712,880
Other transactions initiated off the floor—					
Total purchases	May 10	626,110	548,770	548,220	380,330
Short sales	May 10	80,200	55,000	48,900	38,200
Other sales	May 10	580,380	495,360	549,160	329,090
Total sales	May 10	660,580	550,360	598,060	367,290
Other transactions initiated on the floor—					
Total purchases	May 10	1,219,930	1,105,298	997,391	865,119
Short sales	May 10	196,880	170,230	124,988	122,510
Other sales	May 10	1,278,657	1,180,912	1,068,620	753,548
Total sales	May 10	1,475,537	1,351,142	1,193,608	876,058
Total round-lot transactions for account of members—					
Total purchases	May 10	4,874,900	4,585,118	4,412,031	4,188,059
Short sales	May 10	895,460	878,380	841,178	688,820
Other sales	May 10	4,301,807	3,755,552	3,879,810	3,267,408
Total sales	May 10	5,197,267	4,673,932	4,720,988	3,956,228
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	May 10	1,652,215	1,586,569	1,527,530	1,850,019
Dollar value	May 10	$80,354,490	$78,944,243	$80,362,651	$108,669,405
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	May 10	2,038,579	2,000,407	1,891,995	1,834,004
Customers' short sales	May 10	14,489	10,110	15,732	45,953
Customers' other sales	May 10	2,024,090	1,990,297	1,876,263	1,788,051
Dollar value	May 10	$97,281,135	$95,765,777	$95,107,378	$103,899,075
Round-lot sales by dealers—					
Number of shares—Total sales	May 10	793,460	783,880	737,150	544,490
Short sales	May 10	------	------	------	------
Other sales	May 10	793,460	783,880	737,150	544,490
Round-lot purchases by dealers—Number of shares	May 10	383,020	357,380	378,670	591,220
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	May 10	1,182,400	1,090,740	1,061,830	1,039,000
Other sales	May 10	23,529,250	22,433,010	21,618,940	18,091,230
Total sales	May 10	24,711,650	23,523,750	22,680,770	19,130,230
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	May 28	100.1	100.0	99.9	100.1
Farm products	May 28	95.5	94.5	95.0	95.6
Processed foods	May 28	101.0	101.1	100.0	99.6
Meats	May 28	89.7	88.1	88.5	92.2
All commodities other than farm and foods	May 28	100.5	100.5	100.5	100.8

*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
BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of April (000's omitted)	$308,000,000	*$306,700,000	$281,500,000
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES—Month of March (Millions of dollars):			
Manufacturing	$57,840	*$57,690	$56,570
Wholesale	13,890	*13,960	13,700
Retail	27,730	*27,590	26,780
Total	$99,460	*$99,230	$97,050
DEPARTMENT STORE SALES SECOND FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF NEW YORK—1957-59 Average=100—Month of April:			
Sales (average daily) unadjusted	111	101	113
Sales (average seasonally adjusted)	119	119	119
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of April:			
All manufacturing (production workers)	12,319,000	12,237,000	12,338,000
Durable goods	6,967,000	6,881,000	6,931,000
Nondurable goods	5,352,000	5,356,000	5,407,000
Payroll indexes (1957-59 average=100)—			
All manufacturing	113.6	*113.3	112.6
Estimated number of employees in manufacturing industries—			
All manufacturing	16,711,000	16,607,000	16,636,000
Durable goods	9,520,000	9,428,000	9,422,000
Nondurable goods	7,191,000	7,179,000	7,214,000
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS — INSTITUTE OF LIFE INSURANCE—Month of February:			
Death benefits	$332,200,000	$369,500,000	$295,600,000
Matured endowments	59,200,000	71,500,000	56,800,000
Disability payments	11,200,000	13,400,000	10,900,000
Annuity payments	75,500,000	95,200,000	66,300,000
Surrender values	136,900,000	152,600,000	140,400,000
Policy dividends	144,200,000	142,500,000	134,300,000
Total	$759,200,000	$844,700,000	$704,300,000
MANUFACTURERS' INVENTORIES & SALES—Month of March (millions of dollars):			
Inventories—			
Durables	$32,880	*$32,870	$32,410
Nondurables	24,960	*24,820	24,160
Total	$57,840	*$57,690	$56,570
Sales	34,270	*34,090	33,220
METAL PRICES (E. & M. J. QUOTATIONS)—May:			
Copper—			
Domestic refinery (per pound)	30.600c	30.600c	30.600c
Export refinery (per pound)	28.405c	28.404c	28.545c
††London, prompt (per long ton)	£234.136	£234.181	£234.190
††Three months, London (per long ton)	£234.120	£234.063	£232.239
Lead—			
Common, New York (per pound)	10.500c	10.500c	9.500c
Common, East St. Louis (per pound)	10.300c	10.300c	9.300c
††London, prompt (per long ton)	£60.611	£57.866	£59.818
††Three months, London (per long ton)	£60.543	£57.697	£59.082
Zinc—			
East St. Louis (per pound)	11.500c	11.500c	11.500c
§§Prime Western, delivered (per pound)	12.000c	12.000c	12.000c
††London, prompt (per long ton)	£76.016	£74.184	£68.440
††London, three months (per long ton)	£75.636	£73.941	£69.370
Silver and Sterling Exchange—			
Silver, New York (per ounce)	127.873c	127.290c	101.500c
Silver, London (per ounce)	109.946d	109.506d	84.375d
Sterling Exchange (check)	$2.79964	$2.80070	$2.81213
Tin, New York Straits	116.670c	112.940c	117.273c
Gold (per ounce U. S. price)	$35.000	$35.000	$35.000
Quicksilver (per flask of 76 pounds)	$183.364	$184.909	$192.000
Antimony—			
¶New York, boxed (per pound)	36.250c	36.250c	36.250c
Laredo, bulk (per pound)	32.500c	32.500c	32.500c
Laredo, boxed (per pound)	33.000c	33.000c	33.000c
Platinum, refined (per pound)	$77.000	$77.000	$82.000
Cadmium (per pound) delivered ton lots	$2.35000	$1.85000	$1.75000
(Per pound) small lots	$2.40000	$1.90000	$1.80000
Cobalt, 97% grade (per pound)	$1.50000	$1.50000	$1.50000
Aluminum—			
99% grade ingot weighted average (per lb.)	22.500c	22.500c	24.000c
99% primary pig export	22.500c	22.500c	22.500c
**Nickel	79.000c	79.000c	80.739c
Bismuth (per pound)	$2.25	$2.25	$2.25
MONEY IN CIRCULATION—TREASURY DEPT. As of March (000's omitted)	$34,500,000	$34,300,000	$33,000,000
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of April (in billions):			
Total personal income	$455.8	*$453.2	$438.3
Wages and salary receipts, total	306.9	*305.0	295.3
Commodity producing industries	120.5	119.0	118.2
Manufacturing only	96.5	95.4	94.4
Distributing industries	78.6	78.5	75.8
Service industries	48.4	*48.3	45.6
Government	59.4	59.1	55.6
Other labor income	12.8	12.7	12.2
Business and professional	37.9	37.8	36.6
Farm	12.7	12.7	12.8
Rental income of persons	13.1	13.0	12.7
Dividends	16.6	*16.5	15.8
Personal interest income	31.9	31.6	29.2
Transfer payments	35.8	*35.6	34.2
Less employees contribution for social insurance	11.9	11.8	10.5
Total nonagricultural incomes	428.8	*436.2	421.2
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE — 1910-1914=100—As of April 15:			
All farm products	242	240	242
Crops	245	238	236
Commercial vegetables, fresh	246	241	312
Cotton	278	270	265
Feed, grain and hay	161	161	155
Food grains	239	234	224
Fruit	309	267	220
Oil-bearing crops	254	258	255
Potatoes	140	151	137
Tobacco	501	501	543
Livestock	240	242	246
Dairy products	240	248	240
Meat animals	288	281	303
Poultry and eggs	144	155	139
Wool	279	274	253
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS—Month of March (000's omitted):			
Exports	$2,124,700	$2,104,800	$1,844,800
Imports	1,462,800	1,389,500	1,381,400

*Revised figure. ¶Domestic five tons or more but less than carload lots boxed. §§Delivered where freight from East St. Louis exceeds 0.5c. **Port Colburn, U. S. duty included. ††Average of daily mean and bid and ask quotations per long ton at morning session of London Metal Exchange.

TAX-EXEMPT BOND MARKET

Continued from page 6

ing Revenue (1964-1988) bonds at a net interest cost of 3.318%.

The major members of this syndicate are Blyth & Co., Lehman Brothers, Drexel & Co., Kuhn, Loeb & Co., Harriman Ripley & Co., Kidder, Peabody & Co., Smith, Barney & Co., Goldman, Sachs & Co., Eastman Dillon, Union Securities & Co., C. J. Devine & Co., Glore, Forgan & Co., Salomon Brothers & Hutzler, Merrill Lynch, Pierce, Fenner & Smith, B. J. Van Ingen & Co., Equitable Securities Corp., White, Weld & Co., Hornblower & Weeks, A. C. Allyn & Co., Inc., John Nuveen & Co., Bear, Stearns & Co., Alex. Brown & Sons.

Also, Ira Haupt & Co., Carl M. Loeb, Rhoades & Co., Phelps, Fenn & Co., R. W. Pressprich & Co., Shields & Co., Wertheim & Co., Dean Witter & Co., Stroud & Co., American Securities Corp., Bache & Co., A. G. Becker & Co., J. C. Bradford & Co., Clark, Dodge & Co., R. S. Dickson & Co., Dominick & Dominick, Francis I. duPont & Co., Estabrook & Co., First of Michigan Corp., Goodbody & Co., Hallgarten & Co., Hayden, Stone & Co., Hemphill, Noyes & Co., Moore, Leonard & Lynch, W. H. Morton & Co., F. S. Moseley & Co., Paine, Webber, Jackson & Curtis, Reynolds & Co., L. F. Rothschild & Co., Shearson, Hammill & Co., F. S. Smithers & Co., Stone & Webster Securities Corp., Weeden & Co. and Wood, Struthers & Co.

The bonds were reoffered to yield from 2.30% in 1967 to 3.30% in 1982. Initial bank and casualty company demand was excellent, with the present balance in syndicate totaling about $16,000,000. The bonds due 1964 to 1966 and 1983 to 1988, totaling $37,545,000, were sold pre-sale.

The account jointly managed by *Halsey, Stuart & Co., Inc., Smith, Barney & Co.* and *Merrill Lynch, Pierce, Fenner & Smith* was the successful bidder for $16,000,000 Honolulu, Hawaii Consolidated System Refunding Revenue (1964-1985) bonds naming a net interest cost of 3.36805%. The runner-up bid for this issue, a 3.39% net interest cost, came from the Kidder, Peabody & Co. group.

Other members of the successful account include White, Weld & Co., Equitable Securities Corp., Weeden & Co., F. S. Moseley & Co., Stone & Youngberg, Taylor & Co., Walston & Co., R. S. Dickson & Co., Boettcher & Co., Clark, Dodge & Co., G. H. Walker & Co., Boland, Saffin, Gordon & Sautter & Co., Tucker, Anthony & R. L. Day Co., Johnston, Lemon & Co., Robert Garrett & Sons, Stifel, Nicolaus & Co., Charles King & Co. and Pierce, Wulbern, Murphey Corp.

The bonds were reoffered to yield from 1.80% in 1964 to 3.50% in 1984 and initial demand has amounted to $10,000,000. The 1985 maturity carried a 1/10 of 1% coupon and was priced at a 4.35% yield.

Other Sizable Offerings

The group led by *C. J. Devine & Co.* and *Ira Haupt & Co.* submitted the best bid for $15,000,000 Louisiana State Bond and Building Revenue (1964-1983) bonds on a 3.332% net interest cost bid. The second best bid for the bonds, a 3.3521% net interest cost, came from Smith, Barney & Co. and associates.

Other major members of the winning group include Glore, Forgan & Co., Ladenburg, Thalmann & Co., Bear, Stearns & Co., Hornblower & Weeks, Francis I. duPont & Co., Weeden & Co., Allen & Co., Reynolds & Co., Bache & Co., G. H. Walker & Co., L. F. Rothschild & Co., Ladd Dinkins & Co., Kohlmeyer & Co., American Securities Corp. and Hirsch & Co.

The securities were reoffered to yield from 1.75% in 1964 to 3.50% in 1982 and the present balance in group totals $6,445,000. The 1983 maturity carried a 2½% coupon and was sold pre-sale.

The State of Ohio sold $6,600,000 Parking Facility Revenue term (2003) bonds to the syndicate headed by *Blyth & Co.* at a 4.03% net interest cost. Second best bid for this issue, offering a 4.136% net interest cost, came from B. J. Van Ingen & Co. and associates.

Other major members of the winning syndicate included Drexel & Co., Shields & Co., Blair & Co., Inc., Bache & Co., First of Michigan Corp., A. G. Becker & Co., Francis I. duPont & Co. and Bacon, Whipple & Co.

The bonds were offered at par for a 4% coupon and demand was immediate with all of the bonds sold during the first day of offering.

Bond proceeds from this issue will be used to pay the cost of constructing a three level, self-parking underground parking garage, to be known as Project #1, under the State House Grounds in the city of Columbus. The bonds will be payable solely from the revenues of the parking facility after making provision for operation and maintenance expenses.

The group composed of *A. P. Kelly & Co., Walston & Co., Goodbody & Co., Northrop & White* and *Kormendi & Co.* was the successful and only bidder for $9,000,000 Alaska State Development Corp. Revenue bonds at a net interest cost of 4.129%. The issue was comprised of $7,500,000 Class "A" serial (1966-1982) bonds and $1,500,000 Class "B" term 4.80% bonds maturing 1993. The class "A" bonds were priced to yield from 2.60% to 3.90% and the class "B" bonds were priced to yield 4.65%. The present balance in group is $4,195,000.

Hartford County (Bel Air), Maryland sold $6,000,000 Public School (1965-1988) bonds to the syndicate headed by *Alex. Brown & Sons* at a 3.069% net interest cost. The second bid, a 3.113% net interest cost, came from the Chase Manhattan Bank account.

Other major members of the Alex. Brown & Sons syndicate include Northern Trust Co., R. W. Pressprich & Co., Hornblower & Weeks, Baker, Watts & Co., Federation Bank and Trust Co., New York, Braun, Bosworth & Co., John C. Legg & Co., Stein Bros. & Boyce, F. W. Cragie & Co. and C. T. Williams & Co.

The securities are offered to yield from 1.90% in 1965 to 3.20% in 1987 and the present balance in syndicate amounts to $3,535,000. The 1988 maturity carried a 1/10 of 1% coupon and was priced at a 4.25% yield.

Fast Mover

Also on Tuesday, $5,000,000 Albuquerque, New Mexico Municipal School District (1964-1968) bonds were awarded to the group managed by the *Chase Manhattan Bank* at a 2.3496% net interest cost. The runner-up bid, a 2.398% net interest cost, was made by the account headed jointly by the First National Bank of Chicago and Bankers Trust Co.

Other members of the winning group include R. W. Pressprich & Co., Fidelity Union Trust Co., Newark, New Jersey, McCormick & Co., Laidlaw & Co., Austin, Tobin & Co. and Chapman, Howe & Co.

Scaled to yield from 1.70% to 2.40% for a 2⅜% coupon, all of the bonds were sold during the initial order period and the account was marked closed.

Revenue Bonds Holding Up Better Than G. O.'s

Despite the pressure on the general bond market the usually sensitive toll road, toll bridge, public utility and other long-term revenue issues were remarkably steady. None of the 23 issues used in formulating our yield Index were off more than ¾ of a point and many of the issues were unchanged on the week.

The Commercial and Financial Chronicle's revenue bond yield Index averages out at 3.446% on June 5. A week ago it stood at 3.437%. In dollars, the average was off less than ¼ of a point. This is a remarkable performance in view of the fact that most of the high grade general obligation bonds have moved off from 5 to 10 basis points on the bid side, or the equivalent of a point or more.

Andrews, Posner Anniversary

Andrews, Posner & Rothschild, 52 Wall Street, New York City, members of the New York Stock Exchange, are celebrating the 35th anniversary of the firm's establishment in 1928.

J. C. Baumann Joins Schweickhardt Co.

NEW ORLEANS, La.—J. C. Baumann has become associated with Schweickhardt & Company, Hibernia Building, members of the New York Stock Exchange. Mr. Baumann formerly conducted his own investment business in New Orleans.

N. Y. Chamber Re-Elects Champion

George Champion, Board Chairman of the Chase Manhattan Bank, has been elected to a second term as President of the New York Chamber of Commerce.

George Champion

Walter F. Pease, partner of the law firm of Shearman & Sterling, was reelected Chairman of the Chamber's Executive Committee. Both will serve until May, 1964.

Elected to four-year terms as Vice-Presidents of the Chamber were John D. Rockefeller III; Clifton W. Phalen, President of the New York Telephone Co., and John M. Schiff, partner of Kuhn, Loeb and Co.

Dale E. Sharp, Vice-Chairman of the Morgan Guaranty Trust Co. of New York, also was elected a Vice-President to succeed the late Morehead Patterson, Board Chairman of American Machine & Foundry Co.

Chosen as Treasurer was James T. Moriarty, Treasurer of B. F. Drakenfeld & Co. He succeeds Wandell M. Mooney, former Vice-President of the Chemical Bank New York Trust Co.

Founded in 1768, the New York Chamber of Commerce is the oldest organization of businessmen in the United States. Its membership of 2,000 includes representatives of many of the nation's largest business, industrial and financial firms.

STATE of TRADE and INDUSTRY

Continued from page 16

ing steel weakness in the European Coal and Steel Community. The situation there is such that a price war broke out early last month. The failure of world steel consumption to keep up with enlarging supply is blamed for this condition.

The Common Market Commission recently forecast a 5% industrial expansion rate for the ECM in 1963 with steel consumption, however, increasing 3%. U. S. steel producers looking across the ocean see here a portent of dumping troubles in the face of our rising output unless ECM and/or the rest of the world steel demand steps up sufficiently to absorb the excess capacity. Studies are now being conducted by the ECSC on how to keep the lid on a price war. The Council of Ministers will meet today, June 6, to discuss the steel committee's report.

Last week's modest decline in U. S. output reflects, actually, the culmination of a declining rate of increase which began mid-May. Output in the past five weeks has stayed within a three-point range —strongly suggesting the onset of the expected summer leveling-off of output—barring an adverse turn in labor negotiation news. 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 occurred 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.

For the first time this year, the cumulative total output of ingots and castings since Jan. 1 topped the year-ago period with a total of 49,685,000 net tons (*121.2%) which is 3.1% above the Jan. 1-June 2, 1962 production of 48,-181,000 net tons (*117.6%).

District—	*Index of Ingot Production for Week Ending June 1	May 25
North East Coast	127	129
Buffalo	132	134
Pittsburgh	135	135
Youngstown	142	144
Cleveland	164	164
Detroit	165	169
Chicago	144	143
Cincinnati	141	147
St. Louis	139	133
Southern	137	141
Western	139	141
Total Industry	140.0	141.0

*Index of production based on average weekly production for 1957-159.

Rising Steel Output Expected to Taper Off

Steel production continued to edge higher last week despite the Memorial Day holiday, *Steel* magazine reported.

Output for the week was estimated at 2,630,000 tons, about 4,000 tons above the previous week's. Production this week is expected to be about the same—quite a contrast with a year ago when steelmakers poured only 1.58 million tons of steel.

Ingot operations have been averaging around 85% of unofficial capacity the last couple of weeks, with output at the highest level since March, 1962.

June production probably won't equal to 11.5 million ingot tons produced in May. It may even drop 20% below the May level to 9.2 million tons. A slowing down is expected because of the prospects for a steel labor settlement and the upcoming vacation season.

But heavy shipments of finished steel are seen for June. Tonnage will be close to the eight million tons that *Steel* estimated the industry shipped in May—regardless of what happens on the labor front.

If there is a settlement this week or next, users will try to defer some of the tonnage that is scheduled for June delivery, but they will not have much success.

Reason: Most of the steel they have ordered has been melted and is moving through finishing mills. Once in process, it can't be held back.

Steel Consumption at High Level

Although steel demand has fallen from the peak it reached in late April, there has been no letup in consumption. Bookings have dropped only because of a slowdown in inventory buying.

Products in best demand are sheets (cold rolled, hot rolled, and galvanized), long ternes, wide plates, and bars. Orders for wire products and tubular goods are improving seasonally.

There is brisk activity in all major markets — automotive, appliances, machine tools, farm equipment, railroads, freight cars, and construction.

Nowhere is steel being consumed at a faster rate than in the auto industry.

If automakers build the 655,000 cars they have scheduled for June, their second quarter output will be the second largest ever for that period: 2,070,000 (vs. 2,-128,000 in 1955). Their first half production of four million cars will be second only to the 4.26 million built in the first half of 1955.

On a model year basis, they will chalk up an all-time record: 7.27 million cars (vs. 7.1 million in 1955).

The 1963 model run will require 12.7 million tons of steel. The 1955 model run, though smaller, required 12.9 million tons. Reason: Consumption per car was slightly higher then (1.82 tons vs. 1.75). Compacts had not made their debut.

Scrap steel prices slipped last week due to lower bids on automotive factory bundles to be generated in June. *Steel's* price composite on the key No. 1 heavy melting grade fell $1.34 a gross ton to $27.83.

Steel's Key Month Said to Be July

July shapes up as the key month for a downturn in steelmaking operations according to *Iron Age*, the national metalworking weekly.

Under virtually any circumstances production and shipments of steel will drop 10 to 20%. This is expected to occur even if the United Steelworkers of America announce a formal reopening of the steel labor contract.

Incoming orders for steel eased considerably in the past two weeks. This is due in part to the hopeful atmosphere surrounding current steel labor talks. But it is due more to most big steel users being well along with stockpiling plans.

The magazine noted seasonal factors will also take effect in July. Automakers will start phasing-out production of 1963 models and shutdown for the annual model changeover. And many other metalworking industries will either shutdown or trim operations for vacations.

Hedge buying is now practically nil in most products. Users are ordering on the basis of current consumption to maintain the levels of stockpiles.

Reopening of steel labor talks would still give steel users 90 days in which to add to stockpiles. And this would come during a period of normally reduced demand.

Iron Age said union and management negotiators are still within striking distance of an early agreement. But union sources say the companies are not offering quite enough for the length of the contract for which they are asking.

Most of the steel order adjustments have taken place in flat-rolled products, primarily from the auto industry and its suppliers. But it is still the strongest market, with some mills booked to capacity for June and nearly so for July.

One effect of the easing is that mill delivery promises are beginning to loosen slightly for some products. Even so, mill operations for June are expected to stay near the May level. Many mills were overbooked for both May and June so that carryover tonnage from May and June overbookings will just about offset June deferments at many mills.

May's Auto Output Second Largest Since 1955

Auto production for May was estimated at 714,000 units, second only to volume for the month in 1955, *Ward's Automotive Reports*, said.

The statistical agency said output of trucks from U. S. plants in the month — estimated at 131,300 — also ran close to the record for the month, dating to 1951.

With all but three of the industry's 47 passenger car plants closed for Memorial Day, *Ward's* said last week's output fell about 7.0% below assemblies of two weeks ago.

Scheduled last week were 138,518 units, compared with 148,900 cars made two weeks ago. In the corresponding period of a year ago, production included 121,152 cars.

The three plants working over the holiday included Chevrolet, Buick - Oldsmobile - Pontiac, and Ford plants in Atlanta (Ga.), where a Confederate Memorial Day was observed last month.

Last Saturday, Chevrolet plants at Kansas City (Mo.), Oakland (Calif.), Flint (Mich.) and the Atlanta plant assembled cars in overtime.

Ford Motor Co., which had about a 30,000-unit holdup in May passenger car production, scheduled operations last Saturday at 12 of its 16 plants. Some of the overtime production will involve losses rescheduled from May. Ford also recently announced plans to increment output for the balance of the model year.

American Motors Corp., which has maintained 24-hour production of its Rambler car at Kenosha (Wis.) since late last November, announced during the week that it would drop the third shift, but absorb it into expanded operations at the plant. No change in that company's normal volume of output is indicated.

Ward's said the auto industry built its 6,000,000th 1963 model passenger car, May 29, Wednesday. At about the same time, the truck industry made its 1,000,000th unit since last October.

May's Rail Freight Loadings Rise Fourth Week in a Row

Loading of revenue freight in the week ended May 25 totaled 598,419 cars the Association of American Railroads announced. This was a decrease of 2,643 cars or four-tenths of 1% below the preceding week.

The loadings represented an increase of 18,036 cars or 3.1% above the corresponding week in 1962, and an increase of 19,652 cars or 3.4% above the corresponding week in 1961.

It has been a long time since rail loadings over the comparable year-ago week rose for four consecutive weeks. This performance was made in each of the past four May weeks. Loadings over the year-ago week were up 0.6% in the May 4-ending week, up 2.5% on May 11, up 2.4% on May 18 and, as noted above, up 3.1% in the latest week ending May 25.

Ton-miles generated by carloadings in the week ended May 25, 1963, are estimated at approximately 12.7 billion, an increase of 8.2% over the corresponding week of 1962 and 12.8% over 1961.

There were 15,711 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended May 18, 1963 (which were included in that week's over-all total). This was an increase of 1,689 cars or 12.0% above the corresponding week of 1962 and 3,590 cars or 29.6% above the 1961 week.

Cumulative piggyback loadings for the first 20 weeks of 1963 totaled 296,252 cars for an increase of 36,471 cars or 14.0% above the corresponding period of 1962, and 80,425 cars or 37.3% 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.

Intercity Trucking 1.3% Below Year-Ago

Intercity truck tonnage in the week ended May 25 was 1.3% below the volume in the corresponding week of 1962, the American Trucking Associations announced. Truck tonnage was also 1.3% 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 11 localities, with 23 points reflecting decreases from the 1962 level. Truck terminals at Albuquerque showed a gain of 10.7%, while trucking

Current News in the Field

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

NEW FIRMS

BROOKLYN, N. Y. — **Koss & Company**, 1266 East 24th Street. Theodore Koss is principal.

NEW YORK CITY — **Contes & Company**, 82 Beaver St., formerly Contes Securities Corporation.

NEW YORK CITY — **Packer Investors Corporation**, 80 Wall St., formerly Packer & Co.

ST. PETERSBURG, Fla. — **Lifetime Investors Planning Co.**, First Federal Building. Walter A. Fullerton, Jr. is a principal.

NEW BRANCHES

ABILENE, Tex.—**Uhlmann & Co., Inc.**, 465 Cypress St. Eugene C. Smith is manager.

CORONADO BEACH, Calif. — **Dempsey-Tegeler & Co., Inc.**, Hotel del Coronado. Edward S. Hope, vice-president of the firm, will be resident officer. Mr. Hope was formerly located in the firm's San Diego office.

EASTON, Md. — **W. E. Hutton & Co.**, 123 North Washington Street. Peter S. Thompson, resident manager, was formerly local manager for Stein Bros. & Boyce.

FT. WORTH, Texas — **Dewar, Robertson & Pancoast**, First National Bank Building. Sam H. Berry is resident manager.

HUNTSVILLE, Ala.—**Goodbody & Co.**, 401 Lowell Drive, Southeast. Douglas C. Edwards is registered representative in charge.

OGDEN, Utah—**Lindquist Securities**, 2470 Washington Boulevard. Louis W. Babcock is manager.

PHOENIX, Ariz. —**George K. Baum & Company**, 411 North Central. Charles H. McDowell is resident manager.

PLAINVIEW, Texas — **Eppler, Guerin & Turner, Inc.**, 929 Broadway. Bobby J. Crues is registered representative in charge.

SAN ANTONIO, Tex.—**H. Hentz & Co.**, National Bank of Commerce Building. E. Clifford Mann is resident manager.

PERSONNEL

BOSTON, Mass.—John H. Bundy has become associated with **Chace, Whiteside & Winslow, Inc.**, 24 Federal Street, members of the New York and Boston Stock Exchanges. Mr. Bundy was formerly with Proctor, Cook & Co.

BOSTON, Mass. — Richard J. Laulor and John F. Morse have joined the staff of **Hayden, Stone & Co., Inc.**, 10 Post Office Square. Mr. Laulor was formerly with Lee Higginson Corporation. Mr. Morse was with Kidder, Peabody & Co.

HICKORY, N. C.—Cecil J. Starnes has been added to the staff of **Joe K. Matheson**, Oakwood Bldg. He was formerly with Mutual Plans Investments.

MANSFIELD, Ohio — William H. Rusk has become associated with **Vercoe & Company**, Farmers Bank Building. Mr. Rusk was formerly Mansfield manager for Ball, Burge & Kraus.

centers at Omaha reflected a decrease of 17.0%.

Compared with the immediately preceding week, 14 metropolitan areas registered increased tonnage, while 20 areas showed decreases.

Lumber Production Falls 4.9% Below 1962 Week

Lumber production in the United States in the week ended May 25 totaled 233,696,000 board feet compared to 260,669,000 in the year-ago week according to reports from regional associations.

Compared with 1962 levels, output decreased 4.9%; new orders dropped 3.6% and shipments fell by 11.5%.

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

	May 25 1963	May 18 1963	May 26 1962
Shipments	223,093	220,805	252,293
Production	233,696	260,669	245,891
New orders	224,987	233,863	233,549

Electric Output Rises 4.1% Over Last Year's Level

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, June 1, was estimated at 16,105,000,000 kwh., according to the Edison Electric Institute. Output was 418,000,000 kwh. less than the previous week's total of 16,523,000 kwh., and 366,000,000 kwh., above the total output of the comparable 1962 week, or an increase over the year ago week of 4.1%.

Business Failures Drop Sharply In Holiday Week

Commercial and industrial failures took a nosedive to 235 in the holiday-shortened week ended May 30 from their upsurge to a ten-week high of 338 in the preceding week, reports Dun & Bradstreet, Inc. Fewer casualties occurred than in the comparable week of 1962 and 1961 when the tolls came to 280 and 254 respectively. As well, there was a 6% dip below the pre-war level of 249 in 1939.

While failures with liabilities of $100,000 or more fell to 40 from 66 in the previous week, they remained considerably higher than the 29 of this size recorded in the similar week last year. On the other hand, casualties involving losses under $100,000 dropped to 195 from 272 a week earlier and also dove sharply from their 1962 level of 251.

Tolls ran lower in the holiday week in all industry and trade groups, with the steepest plunge among construction contractors, to 30 from 63. Meanwhile, retailing casualties declined to 121 from 153, manufacturing to 39 from 58, wholesaling to 24 from 32, and commercial service to 21 from 32. Fewer businesses succumbed than last year in all major functions except service. Construction and retailing showed the strongest downturns from 1962 whereas manufacturing and wholesaling tolls came close to their year-ago pace.

Seven of the nine major geographic regions reported lower casualties in the holiday week. Substantial downswings occurred in the East North Central States, off to 42 from 75, in the South Atlantic, off to 24 from 42, and the Pacific, off to 54 from 86. The Middle Atlantic toll took a more moderate plunge, to 62 from 78. Despite the general week-to-week declines, however, four areas suffered the same or heavier business mortality than a year-ago—the New England, Middle Atlantic, West North Central, and East South Central Regions.

Canadian failures dipped to 30 from 41 a week earlier and 37 in the corresponding week of 1962.

Wholesale Commodity Price Index Edges Lower for Second Week

Continuing to slide from the 1963 peak of 275.49 registered on May 21, the general wholesale commodity price level eased to 272.85 this past Monday, reported Dun & Bradstreet, Inc. The downward movement in sugar quotations was largely responsible for the week-to-week dip. Nevertheless, the index continued to top both its month-ago and year-ago levels by an appreciable margin.

On Monday, June 3, the daily wholesale commodity price index, edged to 272.85 from 273.25 last week but outpaced the 270.07 and 270.13 registered on the corresponding days of the previous month and previous year, respectively.

Wholesale Food Price Index Edges Higher for Fourth Week And Exceeds Year Ago

For the fourth straight week, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., inched a few notches higher to $5.89 on June 4 from $5.86 a week ago. This represented a four-month record—not since Jan. 29 had the index stood at this level. Continuing to push ahead of the comparable 1962 levels for the third week in a row, the index exceeded by 2.6% the $5.74 registered on the similar date last year.

Substantial increases in the wholesale cost of hams, bellies, potatoes and lambs as well as mild increments in wheat, corn, steers and hogs, led to the index's advance this week despite the continued decline in sugar prices and downturns in cocoa, rye and eggs.

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.

Cool Weather Slows Retail Purchases

Unseasonally cool temperatures chilled shopping enthusiasm in the week ended May 29, Wednesday, and only booming auto purchases managed to keep total retail volume on an even keel with activity in the similar week last year when hot weather gave an especially strong impetus to consumer buying. A noticeable slowing developed in the call for outdoor furniture and garden supplies, and it was a near disastrous week for air conditioner and straw hat sales. Only on the West Coast did sportswear and swimwear sales live up to the anticipated level for a pre-Memorial Day week. Home goods also fared best in that region, but moved unsteadily in other areas of the country.

The total dollar volume of retail trade in the week ended in the statement week ranged from 1% lower to 3% 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: East South Central —7 to —3; West South Central —6 to —2; New England, East North Central, West North Central —2 to +2; Middle —1 to +3; South Atlantic 0 to +4; Mountain +2 to +6; Pacific +5 to +9.

Nationwide Department Store Sales Hover 1% Above Last Year's Level

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index were up 1% (adjusted) for the week ended May 25, compared with the like period in 1962. Last week had shown a loss of 2% over the 1962 week but the May 11 week had been up 5%. 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 25, 1963, sales stayed at last year's level for the comparable period for the country's 12 leading department store districts.

According to the Federal Reserve System, department store sales in New York City for the week ended May 25 remained at comparable year-ago week's figure.

They were up 5%, however, for the four week-period ending May 25. A *flash figure* for New York City's sales for the June 1-ending week revealed a 1% decline.

So far this year (Jan. 1 to May 25) the 12 department store districts' retail dollar volume increased 3% (adjusted) over that rung up for corresponding period a year ago.

A broader set of data encompassing *total* retail sales, compiled by the Bureau of the Census, U. S. Department of Commerce, uncovered a much better year-to-year performance than department stores did for the latest statement week ending May 25. Total retail sales were up 3% from the comparable week last year. The year-to-year contrast for the four-week period ending May 25 showed a gain of 2%—or two percentage points more than department store sales for the same period.

Our Electronics Know-How Can Obtain Entry Abroad

Recent electronic industry's conference thoroughly weighs the outlook for U. S. exports to and investments in ECM, U. K., and Latin American areas. The panelists' consensus of opinion was that the rewards are still obtainable, though more difficult to attain than in the past, providing extra knowledgeable effort is brought to play. Dubious prospects, however, were said to exist in Latin America. EIA's head advocates pushing American standards abroad.

American makers of electronic parts, tubes, and semiconductors won't find buyers as receptive in the European Common Market nations and the United Kingdom as in the past, but the rewards are there for the manufacturer who first assures himself that there is a need he can fill, then supports his invasion with all the know-how, salesmanship, and international understanding he can command.

Such was the consensus of panelists at a session of the Electronic Industries Association European markets symposium conducted last month by the Association's Parts, Tube, and Semiconductor Divisions. The symposium opened EIA's four-day Spring Conference held in Washington, D. C.

One speaker, William M. Adams, overseas operations director of Sprague Electric Co., North Adams, Mass., saw little but trouble ahead for U. S. businessmen who have made investments in Latin American countries. "Unless the United States decides to protect American property, a large part of our investment will go down the drain," he said.

Presentations of case histories of experiences in developing European markets for U. S. electronic goods was given by top executives of three companies. A fourth panelist, David R. Hull, New York, a past president of the Association, voiced the case for unrelenting efforts by U. S. electronics manufacturers to win European acceptance of U. S. engineering standards.

ECM's Equipment Market Offers Opportunity

The increasing European interest in microwave devices was underlined by Wallace G. Dempsey, administration vice-president of General Telephone & Electronics International Corp., New York. He saw new opportunity for U. S. companies in this field if they can operate without interference from governmental entities interested in the military applications of such products.

Mr. Dempsey said European manufacturers now produce 225 million receiving tubes and 6 million picture tubes annually and the flow is now from Europe to the U. S. The equipment market is easier to crack in Europe than the consumer or renewal market, he said.

The total European semiconductor market will exceed $350 million by 1967, Mark Shepherd Jr., executive vice-president of Texas Instruments Inc., Dallas, said his company's market researchers are predicting. A British trade magazine sees the European electronics market as rising from $4.9 billion in 1960 to almost $8 billion in 1970, he reported. He said Texas Instruments, which has manufacturing facilities in eight countries, looks forward to even faster growth than it has enjoyed in the past.

Mr. Shepherd said success overseas is most likely where a specific, identifiable market exists, an axiom overlooked by many. He said close cooperation between the parent and subsidiary is vital and that a company contemplating overseas operation should weigh the contributions it can make to the prospective country's industry, economy and cluture.

Mr. Dempsey said his company established its overseas plants and marketing position by appointing exclusive distributors in each country and creating a Swiss-based sales force to work with them; by introducing new products to attract initial interest for subsequent sale of established lines; by offering warranties equivalent to those in the U. S.; by setting up company overseas stocks to supply distributors; and by looking toward long-range rather than immediate rewards.

He felt his firm was wise in its policy of establishing a "market position" in a country before building a plant there.

Problem of Political Climate

The soundest business decisions can be "completely ruined" by an unstable or unpredictable "political climate," the group was warned by Mr. Adams.

Mr. Adams, whose company has eight manufacturing plants overseas, advised those considering foreign operations to get all the information about the markets from the Department of Commerce; send a good man over for a careful, on-the-spot survey; keep both export and foreign manufacturing operations separate from domestic operations and accord them the same treatment; investigate prospective overseas representatives thoroughly; consider the political climate; be prepared to wait longer for rewards; seek sole ownership of manufacturing subsidiaries, but keep in mind that a local partner is an asset in knowing local conditions and politics; be disposed to name local national to manage a foreign manufacturing plant.

Mr. Hull called on EIA members to "get in there and fight" for acceptance of American standards abroad.

Would Push U. S. Standards

Speaking in behalf of the International Electrotechnical Commission (IEC), Mr. Hull said EIA provides staff support for the meetings and other activities of the U. S. National Committee of IEC. IEC is a division of the International Standards Organization, of which the U. S. arm is American Standards Association.

IEC, formed in 1904, has membership representing 36 countries, Mr. Hull said, and generated 200 meetings last year. He said U. S. electronics firms should realize that IEC members in many other countries are in government or so "government - subsidized" that their decisions have the force of executive fiat.

The U. S., through its economic "edge" and volume of electronics manufacturing has been able to exercise considerable influence over standards, Mr. Hull said. This, in turn, has made possible the sale of U. S. goods overseas where standardized servicing was available, he said.

He urged EIA members to use their "best people" to push in IEC meetings for continuing acceptance of American standards. It's largely a selling job, he said, and participation in IEC activities will result in a "direct feedback" of useful information to the companies.

Marion E. Pettegrew, president of Erie Resistor Corp., Erie, Pa., was the panel moderator. George W. Keown, marketing vice-president of Tung-Sol Electric Inc., Newark, N. J., was the co-moderator.

WASHINGTON AND YOU

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

WASHINGTON, D. C. — Steel, long one of our country's basic industries, has been the victim of the economy for a number of years, rather than our sometimes sluggish economy being a victim of the steel industry.

Who is drawing this conclusion? The Department of Commerce. The Department's division of Growth and Research has come up with this conclusion in research by a staff headed by Director Paul McGann.

The steel industry has long been a whipping boy by some members of Congress, some economists, and others, including people in the executive branch of the government.

A forthcoming Department of Commerce report, to be issued in two parts, will draw the conclusion that the lack of expansion in the steel industry stems from the lack of investment in the industry the past several years.

The report to be issued should aid the steel industry to overcome some of the criticism that has been heaped on it. Perhaps the research and conclusions have already served a good purpose. They served as a basis for President Kennedy's conciliatory action relative to some steel price increases not long ago.

Initial Report Shortly

The first part of the Department of Commerce report is expected to be issued publicly before long. It will bear the title of "Demand and Foreign Trade in the Steel Industry." A subsequent report to be issued during the summer will be called "Costs and Investments."

The survey conclusion will show that the lack of investment by steel users in their own industries has been a paramount reason for lagging demand.

One surprising conclusion the report will show is that investment by steel users is more important to the steel industry than prices and competing substitute materials.

Apparently the reports will present some conclusions and observations that will contradict some of the steel price probes of recent years.

The series of growth studies being conducted by the Department of Commerce are designed to try and find out what area steps should be taken to stimulate the industry and what might be expected in the future.

Guidelines for Growth

Secretary of Commerce Luther Hodges and the Department believe the studies will serve as guidelines for more vigorous growth. The Secretary is making talks over the country calling on business and industry to do everything possible to accelerate the industrial growth.

The Cabinet officer, a successful businessman in private life before he entered public life, is reiterating that taxes are too steep in the country to assure a vigorous growth in the economy. Therefore, he is advocating in speechmaking that the country get behind President Kennedy's program of tax reduction and reform.

Steel is the first of a series of studies. Most of the other major industries are going to be researched and studied by the Department of Commerce with the hope they will serve as useful guidelines.

Steel Industry Not Opposed to Foreign Competition

Meantime, the steel industry is making concerted political gains here in the nation's capital. Despite the questioning of need for a steel increase in prices by some members of Congress like Senator Paul H. Douglas, Democrat of Illinois, the industry appears to be getting a sympathetic ear from the Kennedy Administration on steel dumping by "unfair foreign competition."

Steel representatives in Washington say that government officials finally realize that the industry is not crying about foreign competition. One representative puts it this way: "We don't oppose imports just because they are imports. But we don't tolerate such things as dumping."

Eight domestic producers have argued their case on the question of dumping of wire rods from Belgium, Luxembourg and West Germany. They maintain that the dumping is injuring or threatening to injure domestic companies. The arguments were made before the U. S. Tariff Commission.

Competent observers in Washington insist that the domestic producers including Armco, Bethlehem, Colorado Fuel and Iron Corporation, Detroit Steel, Jones and Laughlin, Pittsburgh, Republic and Youngstown Sheet and Tube, have presented a strong case against the imports.

One industry representative perhaps summed up one of the great problems of the domestic industry when he declared that foreign mills last year supplied about 640,000 tons or 36% of the total domestic market of 1.8 million tons. This compared with foreign mills supplying less than 100,000 tons (about 5% of the market) in 1957.

The domestic industry, which of course pays much higher wages than the foreign mills pay, contends that the loss of sales results from what they call "unfair competition."

Tariff Commission Must Decide The "Dumping" Charge

On the other hand, the representatives of the foreign importers in their arguments before the Tariff Commission, made some pertinent points for their side. The representatives of the foreign importers contend that the U. S. mills made the mistake of steadily raising wire rod prices in the face of increasing imports.

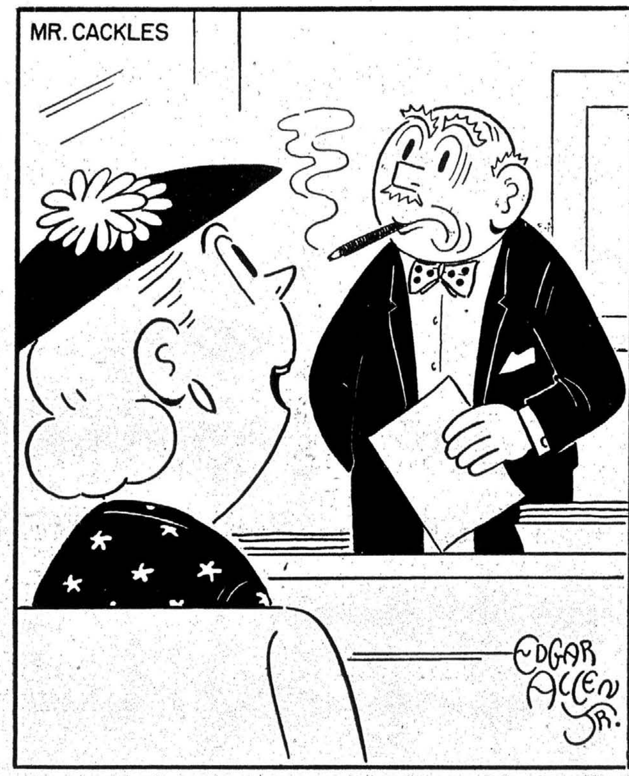
Chairman Ben Dorfman and his Tariff Commission colleagues must determine the case on the basis of injury to the domestic industry. The case is of national importance, because the government has a real stake in the outcome. The Treasury Department needs the tax revenue to help pay the bills of the government. Many domestic jobs within the steel industry are at stake.

Of course, one of the paramount problems of the domestic steel mills of meeting foreign competition is the cost of labor. In many instances it has been cheaper for some small mills to ship steel across the Atlantic than to buy steel from big domestic mills within a 200-mile radius.

Official Washington has finally come to realize that the United States, which produced a record of 117,000,000 tons of ingots in 1955, has lost its dominant position as a supplier of steel for the world. At the end of World War II our country produced about two-thirds of the steel around the world. Today we are producing about one-fourth of the production.

It appears strongly that the U. S. Tariff Commission will rule in favor of our domestic companies in the so-called dumping case. The government in Washington—from Capitol Hill to the White House—is going to take a more realistic attitude in the future to the problems of our steel companies.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]



"I'd like to buy stock in that 'Brand X' Bert and Harry are always talking about."

COMING EVENTS

IN INVESTMENT FIELD

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 (Baltimore, Md.)
Bond Club of Baltimore 39th annual outing at the Green Spring Club.

June 7, 1963 (Los Angeles, Calif.)
Bond Club of Los Angeles 16th Annual Field Day at Knollwood Country Club, Granada Hills, Calif.

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, 1963 (Boston, Mass.)
Boston Investment Club 12th Annual Summer Outing at Salem Country Club, Salem, Mass.

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 (Detroit, Mich.)
Bond Club of Detroit Annual Summer Outing at the Essex Golf and County Club, Essex, Ont., Canada.

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.

June 27, 1963 (Des Moines, Iowa)
Iowa Investment Bankers Association 28th Annual Field Day at the Wakonda Club.

June 27-28, 1963 (Denver, Colo.)
Bond Club of Denver Annual Summer Carnival at Rolling Hills Country Club.