The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Off.

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EDITORIAL

As We See It

All of us have been reading *ad nauseam* about the "ideological differences" which are said to divide the communist world. Karl Marx and Nikolai Lenin are the admitted prophets of the communist faith, and the meaning to be attached to the writings of these two is at least one of the matters in dispute. The Chinese have been largely apart from world developments in recent years, and still are able to disregard the facts of everyday life in attaching meanings to words written long ago. The Soviets, on the other hand, have tried out this, that, and the other idea, and have, perforce, been in much closer contact with what is going on in the world, and hence find it difficult—or at least very inconvenient to live *in vacuo* as it were. There is, of course, much in the writings of the two leading communist prophets which can be variously interpreted — as is always the case when theoretical writings are applied to everyday life — and also much that can not be squared with the ordinary facts of life.

There is, however, no particular reason why the non-communist world should trouble itself a great deal about the proper interpretation to be placed upon the communist bibles. If this were all that is involved in current discussions and in the so-called Russo-Chinese differences, the matter might well be left to university classrooms where there is delight in dealing with abstractions. The fact is, though, that these things they call "ideological differences" are really something rather different from what one might suspect. What the Russians and the Chinese are really arguing about is, first, what the foreign policies of the two leading communist powers should be, and, second (perhaps it should be called first) whether Russia or (Continued on page 21)

Optimistic Forces Indicating Sustained Economic Growth

By Wesley Lindow, Senior Vice-President and Secretary, Irving Trust Company, New York City*

Cheerful short and long run economic forecast results from a solemn assessment of numerous optimistic factors auguring well for sustainable economic expansion and prosperity and from a conviction that economic problems at hand will yield to the sweep of forces of economic progress. Current business advance is said to be no "flash in the pan." Ten propositions advanced in support of optimistic prognosis single out: worldwide consumer demand explosion abetted by governmental action, and decade's capital growth needs.

The stimulation to world economic activity that resulted from the reconstruction of war-damaged economies and the catching up with deferred demands after 1945 has come to an end. The postwar adjustment period now lies well behind us; in fact, it probably was completed 4 or 5 years ago. We have entered a new phase of economic history in which our rate of progress and our economic performance depend on new forces, unrelated to World War II or the Korean War. What will this new world be like for American enterprise? Will our business lives be subject to the persistent frustration of dwindling markets, sluggish demand for our products, a new wave of economic nationalism, and a chronic "high plateau" of economic activity that is really a fancy term for stagnation? Or will it be a world of expanding markets, a new surge of economic growth, and ample rewards for the businesses that can deliver the right products to the right places at the right time?

Wesley Lindow

I am inclined toward the latter view, that we are entering a period of expansion and growth, with broadening opportunities for markets both internationally and domestically, accompanied by rising living standards and ample opportunities for sustained economic progress. The decade of the Sixties may have come in like a lamb, but I believe it will go out like a lion.

Of course, we must not close our eyes to problems; there are many of them and I could get up quite a list of tough questions that are going to plague us in the years ahead. Such a list would have to include unemployment, especially the question of job opportunities for the wave of present teenagers about to enter the labor market; the complex problem of achieving equilibrium in our balance of payments; the related question of keeping our products competitive in world markets; the inadequate level of profits in a number of industries; and the perennial questions surrounding the amount and direction of government spending, the level of Federal taxes and the appropriate balance between the two.

But there is a danger of not seeing the forest for the trees if we over-emphasize the many difficulties the future may hold in store. We must have a certain amount of faith that broad economic problems are manageable, assuming that we have enough of the optimistic factors working with us. It is my strong feeling that we shall have and I shall not give the problems equal time in this paper.

Now, of course, I would be the first to admit that there is no certainty in trying to forecast future developments. There is (Continued on page 24)

MUNICIPAL CONFERENCE SUPPLEMENT: Section 2

The Security I Like Best . . .

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

This Week's Forum Participants and Their Selections

Financial Corp. of America — Douglas E. De Tata, Vice-President, Walston & Co., Inc., San Francisco, Calif. (Page 2)

California Interstate Telephone Co.—Iskander Hourwich, Partner, Hourwich & Co., New York City. (Page 2)

DOUGLAS E. DE TATA

Vice-President, Walston & Co., Inc., San Francisco, Calif.

Financial Corporation of America

It is interesting to note that in each of the last four years, Financial Corporation of America (FCA) has sold above $20. Since 1963 may well be a record year in terms of gross income and net profits per share, this stock looks particularly attractive to me at its current price of $15½.

Through its wholly-owned subsidiary, Security Title Insurance Company, FCA ranks as the second largest title insurance company in California and third largest in the nation.

In spite of depressed real estate activity in two of its major counties, the company did a record volume of business in 1962. Gross income of $20,041,000 advanced 25% over 1961, and net income of $2,400,000 increased 34%. On a per share basis, profits amounted to $1.08 vs. $0.81. More importantly, business in 1963 has been running at a higher rate. Earnings in the first quarter of the year increased 7% to $0.26 per share vs. $0.25. For the full year it appears that profits may be in the area of $1.20. From a longer range standpoint, the company's continued prosperity appears assured by the natural growth expected in its area (California, Washington, and Utah), and management's desire to diversify into other fields of insurance and finance.

FCA conducts business through 29 branches serving 21 counties in California. It also underwrites policies issued by other title companies in 16 California counties and the states of Utah, Washington, and Hawaii.

Title insurance is a very specialized business. It is estimated that about one-third of all the nation's title insurance business is transacted in California. Generally a title insurance policy is required by lending institutions in California as proof of title. Thus, policies are written virtually every time real estate changes ownership.

Any service-type business such as this requires broad exposure to potential sources of new revenues. In this connection, FCA is very well situated with a strong management team and board of directors.

The company has consistently maintained a strong financial condition. At the end of 1962, capital and surplus amounted to $21.6 million while long-term debt was only $1.4 million. Cash, accounts receivable, and marketable securities totaled $9.5 million compared to current liabilities of $4.2 million. There were 2,231,575 common shares outstanding.

At its current price, FCA appears modestly valued at only 14.3 times 1962 profits. In this connection, Title Insurance and Trust, the company's nearest competitor, commands a current price earnings ratio of 18.7.

The annual dividend rate of $0.50 per share represents a conservative distribution of profits and therefore there appears to be room for future dividend increases.

FCA is traded OTC and its range in 1963 has been approximately $17-13¾.

ISKANDER HOURWICH

Partner, Hourwich & Co., New York City

California Interstate Telephone

The independent telephone industry has proved itself to be consistently one of the greatest growth industries in the American economy of the last two decades. In revenues and net income it has attained new highs every year, in periods of recession as well as prosperity. It has far outstripped the growth in population and gross national income. The results attained were even more striking than those of the electrical utility industry, generally conceded to be outstanding in the matter of steady growth.

California Interstate Telephone promises to equal and perhaps excel the growth of the best independents over the coming five years. The territory it serves, southeastern California, appears to be on the verge of a great population expansion, though presently only sparsely settled. The area extends some 355 miles from Lake Tahoe, Nevada, in the north, to a point perhaps some 25 miles from San Barnardino, and adjacent to the eastern boundary of Los Angeles County. Parts of four counties in California and three in Nevada comprise the service area, which also includes portions of the Mojave Desert.

The country is strikingly attractive, though largely arid, and resembles that surrounding Phoenix, Arizona. Mountains and level land abound. The area is rich in mineral resources.

One of the world's large borax deposits is worked here by the United States Borax and Chemical Corporation and the American Potash & Chemical Corporation. Other industrial installations are operated by the Pittsburgh Plate Glass Company, the Union Carbide Nuclear Company, the Permanente Cement Company. The Santa Fe Railway system maintains its largest diesel repair shop in the area.

The military is represented by George Air Force Base, Edwards Air Force Base (which includes a flight test center), Sixth Army camp, Naval Ordnance Test Station at China Lake, and a Marine Corps supply center at Barstow.

The National Aeronautics and Space Administration maintains a tracking facility at Goldstone, servicing of which is in dispute between California Interstate and Western Union. At Owens Valley, the California Institute of Technology operates twin ninety foot radio telescopes.

Of sixteen independents recently reviewed, including practically all of the largest, California Interstate Telephone had the largest percentage increase in number of telephones in 1962 over 1961, 11.65%, entirely from internal growth and not the result of acquisitions. This compares with 6.19% for General, and 4.45% for the Bell system. Operating revenues increased 107.40% over 1958 compared with 32.62% for Bell, and 60.13% for General.

The company anticipates in 1963 an increase of about 10% in stations, from 33,599 to 37,000. Net plant investment should grow from $31,839,676 to $39,000,000, nearly 25%.

Funds for this increase will come from retained earnings, depreciation reserves and private placement of securities. Arrangements have just been completed to place $2,750,000 of 5⅛% preferred stock and $5,000,000 of 4⅞% first mortgage bonds with a group of leading institutional investors, including the Teacher's Insurance and Annuity Association, the Connecticut General Life Insurance Company, the Lincoln National Life Company, etc.

The conclusion of these placements is important for two reasons. The institutions which are furnishing this capital are conservative in their fiscal policies, and it would thus appear that the quality of the management is assured and that the need for these new facilities has been properly demonstrated. No equity financing in 1963 is therefore in prospect and perhaps not before late spring or summer of 1964, at the earliest.

As is often the case with telephone companies, substantial expansion may initially affect net income adversely until the new facilities come into full operation. This may result in a flattening of the income curve or even a modest decline. California Interstate earned $1.23 per share in 1962 on the average number outstanding. We expect that the earnings in 1963 may decline a few cents from that figure for the reasons stated as well as some non-recurring costs. However, we look to substantial increase in net income in 1964, and ultimately earnings in the $1.40-$1.50 range.

If present trends continue we look forward to a doubling of facilities by 1966-67, and a substantial increase in revenues, income and dividends over the period.

At the current market of 25-26 (traded over-the-counter), the stock sells about 20.8 times 1962 earnings and yields a return of 3.14%. The price range in 1963 has been from a low of 23¼ to a high of 27⅞. The 1962 range was 17-32.

(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.)

The Future of Investment In Tax-Exempt Bonds

By Curtis V. ter Kuile, Hampton Bays, N. Y., Formerly Associated With Hallgarten & Co., New York City

Commentary on the investment attraction of state and local bonds examines the possibility of the removal of the tax-exemption and other disquieting factors. Concludes that while anything is possible it is improbable that the appeal of tax-exempts to the issuer and to the investor would be removed, and foresees long-run trend of higher rather than lower taxes. Recommends selecting high grade tax-exempts for their minimum risk, and other attributes, on a steady basis to attain a designated objective. Beginners are informed on what to look for in considering tax-exempts, dollar averaging, and on the fact that municipals have had as much active fluctuation as stocks.

Ever since Sept. 17, 1787, we have been operating in these United States under a government which Abraham Lincoln described as being a "government of the people, by the people, for the people." The Constitution states (Article I, Sec. 1): "All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives." It further says (Article II, Section 1): "The executive power shall be vested in a President of the United States of America." The object of offering these quotations is to make it clear that the intention of those who "subscribed our Names" to the Constitution was to make it very clear that all legislative powers rested with the Congress, and that the President was given the responsibility to see that the intent of Congress was carried out.

Curtis V. ter Kuile

Challenges to Unique Tax-Exempt Privilege

One might ask what all of this has to do with the question of tax-exempt bonds. In answering such a question it should first be pointed out that the United States is practically the only country in the world where its citizens can purchase tax-exempt bonds of any sort. We have that privilege exclusively and supposedly inalienably. The word "supposedly" has been used because in recent years certain actions have been brought with the hope of cancelling our tax-exempt license. The most important of these was an attempt made during the Administration of President Franklin D. Roosevelt to remove the exemption from Federal Income Tax which the bonds of The Port of New York Authority and the interest thereof had enjoyed since the Series A bonds of that Authority were issued in 1926. This action was defeated. Moreover, early in 1961 there was a suggestion made by President Kennedy's team of tax experts to eliminate the tax exemption on the interest income of state and local bonds.

So far this year the public debt of the United States amounts to $305.7 billion, almost all of it with interest subject to Federal income tax. In addition, there are $80 billion of state and local municipal debt with interest exempt from Federal taxation. This latter item is a very sacred mater to not only local politicians but the very senators and members of the House of Representatives who are vested under the Constitution with all legislative powers. For whereas the states and cities back home are now selling tax exempt bonds at a net interest cost of from 2.7712% to 3.3909% depending on quality, they would probably have to accept bids on fully taxable bonds on an interest cost of from 3.50% on those rated Aaa to 4.00% on those rated A. On a $5,00,000 issue of fully taxable municipal bonds rated A, this would mean $30,500 of additional interest payments, money which could be used by local authorities to considerable economic and political advantage. Therefore, it would seem to be inconceivable that the very gentlemen whom the Constitution states to be vested with "all legislative powers" would pass any law taxing the very municipal bonds which would be sold to finance state and municipal improvements.

In our country, where the privilege of the citizens to own gold was taken from them by dictatorial power granted to the President by Act of Congress on March 9, 1933, one may expect almost anything. Ours is probably the only country in the world where the citizens are forbidden to own gold coins or bars. An Act of Congress could conceivably be passed which would remove the tax-exempt privilege from municipal bonds, but it is unlikely. Moreover, it should be borne in mind that a new Congress has the power to pass a bill nullifying any previously enacted bill. Also, the Senate can pass a bill terminating

Continued on page 23

CONTENTS

Thursday, July 11, 1963

Articles and News

MORE ARTICLES IN SECTION TWO

The following articles appear, on pages indicated, in Section Two of today's "Chronicle" which is devoted to the Second IBA Municipal Conference in Chicago:

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Sound Profits at Magnavox

By Dr. Ira U. Cobleigh, *Economist*

Presenting a favorable view of this progressive company, its entrenched position in entertainment, industrial and military electronics, and its demonstrated earning power.

With dozens of market formulas, point and figure methods, price/earnings ratios, etc., available as tools for selection of rewarding stocks, there is still no substitute for earning power. So for today, we have selected a company with a top reputation for quality products, effective research, and sound marketing which, in the highly competitive electronics industry, has done a notable job in expanding its earning power; and in 1962 converted 6.3% of its sales into net income.

Electronic Pioneer

The Magnavox Company is not one of those electronic marvels that came, comet-like, into the industrial scene propelled by the invention of novel electronic hardware and some government contracts. Magnavox has been in business for more than half a century, and has achieved a well rounded business in both the civilian and military electronic sectors.

Entertainment Electronics

Primarily, Magnavox is a specialist in consumer electronics, and ranks as one of the most successful and respected manufacturers of quality TV sets, radios, stereophonographs and combination consoles. Despite its long standing reputation for quality, Magnavox products are not premium or custom priced, but priced to effectively meet competition, even from those products sold at discount stores.

In 1962, Magnavox did $109 million in consumer sales, and it has been estimated that over half of this volume was derived from TV sets, with considerable concentration on the higher priced (and more profitable) models. Magnavox offers, however, a complete line including smaller screen and portable models, and fourteen color models, ranging in price from $495 to $1,250. Magnavox is renowned for its exclusive Video Matic invention which provides automatic TV tuning adjustment, and pictures of maximum clarity and detail.

The Sound of Sound

Magnavox perceived, well in advance of its competitors, the burgeoning demand for phonographs that more faithfully and accurately reproduced sounds. Over five years ago the company introduced the first stereophonic high fidelity phonographs and later developed and produced the first stereo sets, self contained in a single cabinet. Now, of course, complete consoles are all the rage and Magnavox has a broad line of well engineered and attractively designed units. The sustained popularity of stereo equipment is further assured by the fact that there are over 300 stations now broadcasting stereo, and by "record" sales, which are at an all time high. For record listeners, Magnavox offers its Micromatic record player, which notably reduces record and needle wear. A year ago, Magnavox brought out the fully transistorized Astro-sonic line in 14 models. These fine instruments eliminate vacuum tubes entirely, and are so reliable that components are guaranteed for 5 years (instead of the standard 90 days.)

Military Electronics

While Magnavox is known principally for its entertainment products, it did over $90 million of business last year with the government, mainly in military items such as surveillance and guidance, radar and fire control systems; anti-submarine warfare equipment and essential components for rockets and guided missiles. Magnavox also provides data handling and transmission systems for the government. Its experience and development work in this field have led to its perfection of an amazing system called MEDIA (short for Magnavox Electronic Data Image Apparatus). This sophisticated instrument costing over $40,000, can pick a single page out of 100 million or more, and, in an instant, faithfully reproduce it in full scale. Think of the time and labor such a device can save! It can replace a whole battery of goggle-eyed researchers and file clerks.

Research in Progress

Magnavox research never rests. The transition from tubes to transistors is now an accomplished fact. Magnavox scientists have also brought forth the Magna-Mile which warns when the tire pressures on motor vehicles are dangerous. Ahead lie developments in military and industrial electronics, and brain wave signal systems that may represent a breakthrough in medical electronics.

Marketing

Magnavox has achieved excellent distribution through the years by area-franchised dealers committed to targeted sales volumes and the maintenance of price integrity. If a dealer in an area is laggard in meeting his sales quota, another dealer in the area may be franchised. This keeps the present 2,000 franchised dealers on their toes. Further a merchandising agreement has been arranged with Singer Mfg. Co., and 60 of Singer retail outlets in the East are now selling the Magnavox line.

Financial Data

All this product excellence and smart marketing has expanded sales from $82.6 million in 1958 to $202 million in 1962; and in the same period propelled net per share from 40 cents to $1.73 (in 1962). Over the past decade sales increased by over 400% while net profits advanced over 800%! That's quite a record and the trend remains solidly up. Total sales should in 1963 exceed $205 million, and a net of $2 a share has been predicted by competent analysts.

There are 7,320,452 shares of Magnavox common outstanding preceeded only by around $6 million in long-term notes. Net working capital at the 1962 year-end was $39 million. Plant outlays for 1962 were $4 million and research (mainly government supported) was $16 million.

At $42 a share and paying a 70 cent dividend Magnavox is selling at 21 times indicated 1962 net. The cash dividend might be increased and there is a history of stock dividends: a 2 for 1 split in 1959, 3 for 1 in 1961; and 5% stock dividends 1955/9.

When you consider the gaudy over-appraisals of growth tinged shares in the recent past, Magnavox at current levels seems reasonably priced and offers legitimate prospects for higher sales, earnings and dividends in the future. There's a big replacement market in 1950-55 TV sets now old, tired and outmoded; HI FI stereo is surging ahead, and in due course, color TV will be a status seeking "Must." Magnavox would seem to appeal to logically oriented investors.

Reed Elected By Long Co.

FT. LAUDERDALE Fla.—William F. Reed has been elected a regional vice-president of Hugh W. Long and Co., Inc. with headquarters at 2108 Northeast 62nd Court.

William F. Reed

Mr. Reed joined the Long Company more than four years ago. He represents the firm in Florida, Mississippi, Georgia, Alabama, North Carolina, South Carolina, Tennessee and part of Louisiana.

Letters To The Editor

"Timely and Right"

DEAR SIR:

Your editorial, "As We See It," of June 13th is a sweetheart . . . logical, lucid, true, timely and right to the point.

We are indebted to you for your powers of expression and insight into a mounting and dangerous national situation that has been expanded and ballyhoo'd by do-gooders, demagogues, radicals, and sawed-off politicians from the White House down, until it has reached the explosive stage.

I wish this editorial could be placed in the hands of every member of Congress, and sent to college professors and teachers throughout our land. Maybe it would start them to thinking. There will be no more golden eggs when the goose is gone, and his honk is getting very distant.

From the Land of Opportunity to the Land of Unemployment is a short journey when national leadership and law enforcement change clothes and cavort with the elements of corruption, disorder and labor union monopoly. Possibly it may take some major recession to bring the masses to the realization that a job is a precious, very precious asset, to be protected and preserved by and through dedicated effort, and not by promises of more and more money for less and less work . . . and bolstered by a false philosophy that the "world owes them a living."

Thanks again for your most excellent mental performance.

J. S. KELLEY

Chicago, Ill.

"24 Inquiries"

DEAR SIR:

You did a wonderful job for us on the ad covering Godfrey Company which appeared in the June 6th issue of *Financial Chronicle* contiguous to your good article on "Wholesalers Dominate Food Chain Sales."

Our ad said that current analysis was available, this analysis is attached for your information. You will be interested in knowing that we have received 24 requests from all parts of the country for the analysis offered, 80% of which were from Security Dealers that might be prospective distributors or purchasers of Godfrey.

CLYDE H. KEITH
Executive Vice-President,
Taylor, Rogers & Tracy, Inc.
Chicago, Ill.

"Admirable Job"

DEAR SIR:

May we extend our best wishes to you for your recent issue on Japan.

You have done an admirable job in making clear the present situation and the prospects for many of Japan's leading industries and we wish to commend you for your understanding and appreciation of its potential for the future.

SHIGE KAWATA
President,
Nippon Kokan K. K.
Tokyo, Japan

"Commend Your Initiative"

DEAR SIR:

We at Nikko Securities Co. in Japan received with great interest the copies of your recent special Japanese supplement. We want to extend to you our congratulations on this initiative—and to commend your effort in presenting to American investors — institutional and general—some of the opportunities available here. The forcefulness and clarity of the presentation, the insight it affords to those who are concerned with Japan, should all make a contribution toward increased and improved relations between our two countries.

NAOMICHI TOYAMA
Senior Managing Director,
The Nikko Securities Co., Ltd.
Tokyo, Japan

"Quantity and Quality"

DEAR SIR:

The *Commercial and Financial Chronicle* is the single most valuable financial publication I read in connection with common stock investments. Each issue seems to have many articles and features of great helpfulness to the investor.

The articles are of excellent value and a real stimulant to thought. The features are invaluable and I am particularly appreciative of:

1. Bank and insurance stocks.
2. Dealer-Broker Investment Literature and Recommendations.

But I like the other regular features too!

I hope we may continue to have the high standards of excellence maintained for the indefinite future.

Congratulations on producing a publication that has the virtues of both quantity and quality.

POWELL M. CAMPBELL
La Grange, Illinois.

Form New Firm

SURFSIDE, Fla. — **Economic Research Analysts, Inc.,** 260 Ninety-fifth Street. Officers are Scott E. Slayback, Jr., President; and Richard W. McIntyre, Secretary and Treasurer. Mr. Slayback is proprietor of Scott & Co. of Miami, with which Mr. McIntyre is also associated.

OBSERVATIONS...

BY A. WILFRED MAY

FURTHERING THE EXCHANGE'S FUNCTIONING AS "AN INVESTMENT MARKET SUPPLYING CAPITAL FOR THE NATION'S INDUSTRY"; PROVIDING THE MEANS FOR FUTURE RETIREMENT, EDUCATION," etc.

DOW JONES AVERAGES TO BE FLASHED FROM COMPUTER EVERY HALF HOUR

"*NEW YORK, July 8—Beginning this morning, the Dow Jones stock averages will be flashed on this news service every half hour—11 times daily instead of five—this new schedule will start with the 10:30 averages.*

"*This high-speed operation is made possible by compilation of the Dow Jones averages on the Associated Press' new IBM 1620 computer undertaken as a special service to Dow Jones.*

"*As stock transactions are reported by the New York Stock Exchange the AP computer stores the information and every half hour on signal instantly computes the figures—it also produces a perforated tape of the averages and this is used to transmit the figures over the Dow Jones instant news service.*

"*Thus, the Dow Jones stock averages will appear on the broad tape in subscribers' offices throughout the United States* [sic] *within three minutes after the close of each half hour of stock trading—the complete range of the day's averages will appear by 3:45 p.m..*"

"BEHIND THE ANNUAL REPORT"

Listed on the company's organization chart on the horizontal line co-equal with the President, are secretary to secretary of President, secretary of President, wife of President, son-in-law of President, near relatives of President, distant relatives of President, friends of President, and acquaintances of President — under which 40 Vice-Presidents are also listed.

This item in the Annual Report is sandwiched in between a variety of startling diagrams and charts. A diagram of monthly sales shows a precipitous drop from 700,000 to 50,000 units in the month of August, accompanied by the explanation: "Fortunately, the illness of H. D. Draper, Sales Manager, coincided with the summer vacation from business college of J. T. Worthing, Jr., son of our President, who filled the post until Mr. Draper's return at the end of August.

A production-sales bar chart showing rising production combined with completely disappeared sales carries the comment: "Although the sales production ratio has been somewhat unsatisfactory in recent years, we would like to point out that we will be in an excellent position, inventory-wise when hula hoops do return to popularity."

And another exclusive sales chart shows complete absence of sales; with the comment that "our research department is studying the problem."

Real Corporate Democracy

(a la Lewis Gilbert, Wilma Soss)

Also included is a Letter From a Stockholder ("We treasure the fine relationships we have built up through the years with our stockholders and friends. Typical of the letters received by our President and Board Chairman is the following chosen at random from a vast file of correspondence"):

Dear Sir:

As a stockholder for more than 30 years, I would like to take this opportunity to thank you for your inspired leadership and devotion to the interests of our Company.

You have made it possible for me to accumulate enough money in dividends to go into the dress-making business on a small scale, and I hope to earn enough money to be taken off the public assistance rolls before many more years have passed.

A Greatful Stockholder

PS. [Inscribed in long hand] *Please remember to wear your rubbers these cold days Johny. You know how I worry about your catarrh.*

The foregoing joking is contained in a hilarious spoof-book newly published by Simon and Schuster, *BEHIND THE ANNUAL REPORT. An Alarming Peek Into The Wicked World of Corporation Statements; A Must for the Baffled Investor. By WILLIAM CHAMBLESS: illustrated by JACK HAUNTY. $1.95.*

Therein the publishers have provided a satirical opus which is both timely in the light of the SEC Special Study's concern over the public relations people's functioning in corporate reporting; and welcome as summer relief from the great spate of awesome *How-To* investing tomes (in that constructive field the publishers Simon and Schuster are equally well represented; viz. The "Sophisticated Investor" by the late Burton Crane; "Financial Independence Through Common Stocks" by Robert D. Merritt; etc.)

* * *

FROM OUR MAIL-BOX

The two following communications, the first from the instant book's author, are addressed to our article, "What's Wrong In Still Another Field?" in this space on June 27. Our article was devoted to a discussion of the newly published volume "What's Wrong With Your Life Insurance?" by Norman F. Dacey (whose self-listed specialties embrace "Financial Consultant - Trustee - Mutual Funds").

After citing author Dacey's many facets of castigation of life insurance procedure, we pointed out the counterparts of these disadvantages and abuses in mutual fund practice—as the latter's *front-end load* corresponding to the complained of disproportionate early expense borne by the life policy holder; the disadvantage of fund share redemption with life policy early termination the salesman's pressure with funds as well as insurance companies; and substantial management and administrative expenses in both fields.

The Author's Communique

Dear Mr. May:

In what purports to be a "review" of my book "What's Wrong With Your Life Insurance" you have used the descriptive term "grisly" which according to Webster means "frightful, horrible, ghastly."[1]

While expected to maintain certain minimum standards of objectivity and restraint, those who command editorial space are nevertheless free to think and say what they please. In this instance, I am quite willing to rest upon the contrasting unanimously favorable reviews in the *Times* and other papers.

In all honesty, though, I must express my small resentment at your using my book as the excuse for another of your periodic attacks upon mutual funds. That great, bumbling giant of an industry, disorganized and without a spokesman, has a small pack yapping at its heels. This form of bear-baiting has been quite popular in some quarters for more than a year now. Some readers allow themselves to be disturbed by your own personal vendetta with the funds. To others it may be merely tiresome.

But about your "review": If the opportunity presents, will you snow me where in the book there appears the statement you quote that "in 1960 almost every man, woman and child in America terminated a life insurance policy at a loss."[2] Also, will your anonymous "spokesman" for the insurance industry give you a written explanation of how "each company takes into account its own actual experience," as you reported they do? If your reference to the New York statute limiting insurance salesmen's commissions to 55% of the first year premium was intended to rebut my charge that commissions are excessive, you are naive. . . let me tell you sometime about the under-the-counter allowances, "advertising reimbursements," etc. which are now making it cost a company $135-$200 to put $100 of new premium on the books.

All in all, Friend May, it was a pretty snarling job you did. And why?

NORMAN F. DACEY
President, Norman F. Dacey & Associates, Inc. Bridgeport Conn.

On "The Kettle Calling The Pot Black"

(THE DRAW-BACK IN A FAIR SHAKE)

Dear Mr. May:

Your comments about Mr. Dacey's book made me think of the old saying about the kettle calling the pot black.

With tens of thousands living off these two industries, how is it possible for either the insurance buyer or the Mutual Fund stockholder to get a fair shake?

However, think of this: if they did get a fair shake, who would take care of the aforementioned thousands. You would not want them to go on relief or, at best, swell the ranks of the unemployed—now would you?

H. PAUL ALTHAUS
York, Pennsylvania

The Cost of Saving

Dear Mr. May:

Regarding your article on Dacey's "What's Wrong With Your Life Insurance"—It seems to me that his major point, with which I agree, is that an investor is better off having an estate producing needed income at age 65 by separating the cost of pure insurance from his savings which can be more productively employed.

N. E. CLINGER
Houston, Texas

1 Our Webster's New International Dictionary carries this alternative definition of "grisly": "In a milder sense, harsh and forbidding."

2 Per correction of typographical error noted in our column of July 4, Mr. Dacey's actual statement was: "In 1960 almost every [sic] *tenth* man, woman and child in America terminated a life insurance policy at a loss" (emphasis supplied).

Morley V.-P. Of Reynolds Inc.

John J. Morley has been appointed a vice-president of Reynolds & Co., Inc., 120 Broadway, New York City, the underwriting affiliate of Reynolds & Co., members of the New York Stock Exchange, American Stock Exchange and other principal exchanges, it has been announced.


John J. Morley

Mr. Morley will combine his new duties with those of manager of the Reynolds & Co. office, 122 West Forsyth St., Jacksonville, Fla. Mr. Morley joined the Reynolds organization after several years with A. M. Kidder & Co., Inc. as a vice-president. He previously had been associated with Glore, Forgan & Co. and Merrill Lynch, Pierce, Fenner & Smith.

New Missouri Firm

FERGUSON, Mo.—**C. E. Parker & Co., Inc.**, 308 South Florissant. Officers are Charles E. Parker, formerly sole proprietor of the firm, President; James W. White, Vice - President; Dorothy L. Steiner, Secretary; and H. E. Parker, Treasurer.

Tax-Exempt Bond Market

BY DONALD D. MACKEY

Although somewhat higher short term money rates have been discussed and written about for more than two years, in relation to our worsening imbalance of payments' problems, it was not until ten days ago that a rumor was apparently leaked and dramatically headlined that has seemingly presaged an increase in the rediscount rate from 3%, the rate since 1960, to perhaps 3¼% or 3½%; and possibly no higher. There have been strong proponents at home for such action for some time. There has also been pressure from abroad for such action, along with more pertinent and fundamental recommendations and actions.

It's a Fact

However, in view of the domestic political considerations involved, it seems almost incredible that something may soon be done at least about the money rate end of it. There is no question—and it has been substantiated by the testimony before the Senate-House Economic Committee at its present hearings—that our cheap money policies have led to a substantial flow of funds to the European capitals where money rates are by design perennially high by our standards. So much for the generally favorable aspects of this presumed action by the Federal Reserve Banks in the future, perhaps this week.

Anticipatory Rate Increases

For the bond markets, and more particularly the short-term bill and note markets, this has been a more or less disrupting rumor thus far. Short bill rates have been increased by ⅛th of a point or more and the yields from Treasury notes and bonds have been increased from ¼ to ¾s of a point, depending upon maturity. Another resultant of this persistent rumor of a near term move to a higher rediscount rate may be seen in the rise of ⅛th of 1% in the rates for bankers' acceptances.

Whether these changes, and the anticipated rediscount rate change, will lead to an increase in the prime rate seems at present questionable, according to reports. Most local bankers seem to indicate that the present demand for commercial loans is well within the capacity of the banks to generously service.

Impact on Tax-Exempts

It is our modest belief that the bond markets have been discounting an increase in the rediscount rate for some time. In the area of tax exempts, there has been a decided indifference on the part of professional investors to the high priced issues running back a month or two. This has resulted in a market reaction upward of two points for the longer term bonds. In this respect, it is amusing to hear and read about expert testimony to the effect that higher short-term rates should have but little or no impact on long-term rates. This, in reality is just wishful thinking out loud.

There has rarely been an increase in short-term rates that has not been translated, through the forces of supply and demand mainly, into long-term increases of approximately the same relative magnitude. The Treasury and the Federal Reserve may develop new techniques that will moderate the differences as between the short-term and the long-term yields but we and many others believe there is no effective way of dealing with this change in traditional yield spreads without its taking time.

Yield Index Up Slightly

The state and municipal bond market resumed its easier trend this week and, as a result, *The Commercial and Financial Chronicle's* general obligation 20-year bond yield Index averages out at 3.075% this week as against 3.06% a week back. This actually represents less than a ¼ point setback but, when compounded with the setbacks of past weeks, there is represented the 2 or more point municipal bond market reversal that had much of its basis in the imbalance of payments situation and the investor indecision that has developed therefrom.

Big Negotiated Deal Awaited

The summer new issue calendar continues to be relatively light. After today's sales the calendar of scheduled and tentatively scheduled issues totals something

Continued on page 38

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California, State	3½%	1982	3.30%	3.20%
*Connecticut, State	3¾%	1981-1982	3.20%	3.10%
New Jersey Hwy. Auth., Gtd.	3%	1981-1982	3.15%	3.00%
*New York State	3¼%	1981-1982	3.10%	3.00%
*Pennsylvania, State	3⅜%	1974-1975	2.85%	2.70%
*Delaware, State	2.90%	1981-1982	3.15%	3.05%
New Housing Auth., (N. Y., N. Y.)	3½%	1981-1982	3.15%	3.00%
Los Angeles, California	3¾%	1981-1982	3.30%	3.20%
Baltimore, Maryland	3¼%	1981	3.20%	3.10%
*Cincinnati, Ohio (U. T.)	3½%	1981	3.20%	3.10%
Philadelphia, Pennsylvania	3½%	1981	3.35%	3.25%
*Chicago, Illinois	3¼%	1981	3.30%	3.20%
New York City	3%	1980	3.12%	3.07%

July 10, 1963 Index=3.075%

*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.

July 11 (Thursday)			
Laconia Sch. & Water, N. H.	1,245,000	1964-1983	--------
Lamar Cons. Ind. S. D., Texas	1,000,000	1964-1983	7:00 p.m.
University of Oklahoma	5,700,000	1966-2003	10:00 a.m.
July 12 (Friday)			
University of Arizona	1,500,000	1966-2003	10:00 a.m.
University of Rhode Island	1,550,000	1965-2002	Noon
July 15 (Monday)			
Florida Development Commission	2,825,000	1965-1990	2:00 p.m.
Minneapolis-St. Paul Metro. Airport Commission	1,000,000	1964-1985	11:00 a.m.
Ohio University	3,250,000	1965-2002	11:00 a.m.
July 16 (Tuesday)			
Anne Arundel County, Md.	6,082,000	1965-1988	11:00 a.m.
Campbell County, Ky.	3,800,000	--------	11:00 a.m.
Columbia Co. S. D. No. 502, Ore.	1,325,000	1964-1978	8:00 p.m.
Gretna, La.	1,250,000	1964-1988	7:00 p.m.
Phenix City, Ala.	2,400,000	1966-2003	Noon
Rochester Spec. S. D. No. 4, Minn.	1,250,000	1965-1972	2:00 p.m.
University of Idaho Housing & Dining System	3,030,000	1965-2002	11:00 a.m.
University Sys. Bldg. Auth., Ga.	20,000,000	1964-1989	11:00 a.m.
Worland School District, Wyo.	1,418,000	1964-1977	8:00 pm.
July 17 (Wednesday)			
Ashland, Ky.	2,508,000	1964-1978	2:00 p.m.
Barre, Vt.	1,455,000	1964-1983	11:30 a.m.
Bloomington Ind. SD #271, Minn.	1,100,000	1966-1993	7:30 p.m.
Bourbon County, Ky.	1,500,000	--------	11:00 a.m.
Connecticut, Redev. & State Hwy.	49,000,000	1964-1983	11:30 a.m.
Fredericksburg, Va.	1,320,000	1964-1983	Noon
Lamar State Coll. of Tech., Texas	1,030,000	1965-2002	10:00 a.m.
Oklahoma State University of Agriculture & Applied Science	2,200,000	1967-2003	10:00 a.m.
Springfield, Mo.	3,000,000	1965-1996	11:00 a.m.
July 18 (Thursday)			
Harris Co. Flood Control Dist., Tex.	6,000,000	1964-1983	11:00 a.m.
July 19 (Friday)			
Provo City Sch. Dist., Utah	2,495,000	1964-1976	4:00 p.m.
July 22 (Monday)			
Akron, Ohio	3,000,000	1964-1983	1:00 p.m.
Dallas, Texas	13,600,000	1964-1983	1:45 p.m.
San Bernardino Sch. Dists., Calif.	3,100,000	1964-1983	--------
Santa Barbara H. S. D., Calif.	5,368,000	1964-1988	9:30 a.m.
Yorktown, Somers, etc., Central Sch. Dist. No. 1, N. Y.	4,082,000	--------	--------
July 23 (Tuesday)			
Anchorage Indep. S. D., Alaska	1,215,000	1963-1973	11:00 a.m.
Durand Area S. D., Mich.	1,730,000	1965-1972	8:00 p.m.
Grant County PUD No. 2, Wash.	200,000,000	1971-2009	--------
Syndicate managed by John Nuveen & Co., B. J. Van Ingen & Co., Inc., Blyth & Co., Inc., Kidder, Peabody & Co., Merrill Lynch, Pierce, Fenner & Smith, Inc., and A. C. Allyn & Co.			
Grossmont Jr. College Dist., Calif.	2,000,000	1966-1983	10:30 a.m.
Johnson Co. Water D. No. 1, Kan.	25,000,000	--------	--------
Los Angeles, Calif.	4,500,000	1964-1983	9:30 a.m.
Moorhead, Minn.	2,420,000	1964-1980	7:30 p.m.
New York, N. Y.	103,000,000	1964-1983	11:00 a.m.
July 24 (Wednesday)			
Arkansas State Highway Comm.	5,550,000	1967-1984	10:00 a.m.
Garden City Sch. Dist., Mich.	2,500,000	1966-1989	8:00 p.m.
Housing & Home Finance Agency, Washington, D. C.	41,074,000	--------	2:00 p.m.
Marion Co. S. D. No. 24J, Ore.	2,950,000	1965-1984	11:00 a.m.
Milwaukee, Wis.	5,000,000	1964-1990	10:30 a.m.
July 29 (Monday)			
St. Louis Co. Unorg. Terr. SD, Minn.	1,290,000	1965-1970	2.00 p.m.
July 30 (Tuesday)			
Kern Co. Jt. Union H. S. D., Calif.	6,930,000	1964-1973	11:00 a.m.
July 31 (Wednesday)			
Peabody, Mass.	3,470,000	--------	--------
August 1 (Thursday)			
Beverly, Mass.	2,300,000	--------	--------
Mississippi (State of)	5,000,000	1975-1982	10:00 a.m.
University of Alaska	1,106,000	--------	--------
Wichita Falls Various G. O., Texas	3,000,000	--------	--------
Wichita Falls W & S Rev., Texas	5,585,000	--------	--------
August 6 (Tuesday)			
Camden County, N. J.	3,093,000	1964-1987	2:00 p.m.
Golden Valley, Minn.	3,000,000	--------	--------
New Mexico, State Capital Building & Boy's School	6,400,000	1964-1973	10:00 a.m.
Shreveport, La.	4,119,000	1966-1983	10:00 a.m.
August 7 (Wednesday)			
California, Water	100,000,000	1964-1990	--------
August 8 (Thursday)			
Arlington Ind. Sch. Dist., Texas	1,000,000	--------	--------
August 19 (Monday)			
Las Virgenes Municipal Water Districts, Calif.	3,500,000	--------	--------

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

Money market conditions are not likely to change very much if at all during the balance of the summer irrespective of what happens to the discount rate. This is taken to mean that bill rates will stay pretty much in the area in which they have been, allowing, of course, for modest fluctuations up and down from time to time.

The intermediate segment of the Government market continues to attract more investors but this demand is not likely to have any marked effects on rates in this sector of the Government market.

The capital market, as typified by long-term Government bonds, is expected to remain about where it has been, with an advance refunding operation creating a bit of a stir from time to time. Yields should still be attractive in long Treasury bonds.

Shoring Up Short-Term Rates

The Treasury is still giving some aid to the monetary authorities in their money management policies by offering new money raising issues that help to keep near-term rates up. The July new money operation of the Treasury will most likely consist of obligations that will not only very readily raise the needed money but will also supply issues which investors will be interested in buying and at the same time keep rates from going down.

There is still a very large amount of money available for investment in short-term Government securities because the purchasers of these obligations must have the most liquid type of issue. By meeting this demand the Government in its debt management policy is helping to keep near-term and intermediate-term interests rates from declining. This is supposed to help combat our balance of payments problem which has had a marked effect on our monetary policy in the last two years.

Conflicting Views

Short-term interest rates have advanced very modestly of late and, in the opinion of some money market followers, there will be further increases in the rates of the most liquid Government and other high grade issues. On the other hand, a very significant number of money market specialists do not look for higher near-term rates unless a boom, inflationary conditions or a worsening of the balance of payments problem takes place.

Concern about the position of the dollar and our gold holdings may give way to greater concern over the pound Sterling, one of these days, especially if there should be a resounding defeat of the present British Government.

In any event, it appears as though short-term Government obligations with a favorable rate of return will continue to attract the funds of the near-term liquid security buyer.

Demand for Intermediate Treasuries

Intermediate-term Government obligations continue to be the investment medium for a large amount of funds which were formerly in tax-exempt issues, including Federally guaranteed housing securities. The greater liquidity that is available in the middle-term Treasury obligations has been adding to the popularity of these securities.

The advance refunding operations have also had a favorable influence on the intermediate-term area issues since it not only cuts down the floating supply from time to time but it has also given the owners of these securities an opportunity to get a higher coupon longer-term issue if they so desire.

Long Government Bonds, the "Best Buys"

The long - term Government market continues to move in a rather restricted range and, until there is more evidence as to what is going to happen in the economy and the international situation, it is likely to follow its present course. There is still a very large supply of funds seeking an outlet in high grade bonds which will tend to keep the rates on these securities from advancing a great deal.

As has always been the case, the longest - term Government bonds are the best buys in the capital market. Pension funds are among the largest purchasers of the distant Government bonds because of the favorable return available in them.

The heavy maturity of issues in May of 1964 has given rise to the opinions that another advance refunding operation is in the making. This, and the strong talk about an imminent increase in the Central Bank rate, has added to the caution and concern of buyers of fixed income bearing obligations.

D-J Averages Being Flashed Every Half Hour

Dow Jones Stock Averages are now being flashed every half hour —11 times daily instead of the previous five times daily. The new schedule became effective on July 8.

This high - speed operation is made possible by compilation of the Dow Jones averages on the Associated Press's new IBM 1620 computer undertaken as a special service to Dow Jones.

As stock transactions are reported by the New York Stock Exchange, the AP computer stores the information and every half hour on signal instantly computes the averages. It also produces a perforated tape of the averages which, in turn, is used to transmit the averages over the Dow Jones Instant News Service.

Thus, the Dow Jones Stock Averages will appear on the broad tape in subscribers' offices throughout the United States within three minutes after the close of each half hour of stock trading. The complete range of the day's averages will appear by 3:45 p.m.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Aerospace Stocks—Memorandum —Hirsch & Co., 25 Broad Street, New York 4, N. Y.

Atomic Power Plants—Bulletin—Walston & Co. Inc., 74 Wall Street, New York 5, N. Y.

Canadian Budget—Discussion—Wills, Bickle & Company Limited, 44 King Street, West, Toronto 1, Ont., Canada.

Canadian Economic Outlook—Analysis—The Canadian Forecaster, 238 Adelaide Street, West, Toronto, Ont., Canada.

Canadian Steel—Review—Bank of Nova Scotia, Toronto, Ont., Canada.

Cosmetic Industry — Analysis — Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.

Defense Industry—Analysis—Sartorius & Co., 39 Broadway, New York 6, N. Y.

Defense Industry—Analysis—Sartorius & Co., 39 Broadway, New York 6, N. Y.

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—Investment Index Co., 206 F Colonnade Building, Cleveland 6, Ohio.

Instalment Credit—Discussion in July issue of "Investornews" Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. Also in the same issue are discussions of the **Machine Tool Industry, Southern Railway, Delta Air Lines** and **Consumers Power.**

Japanese Market — Review — Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is an analysis of **Sanwa Bank Limited.**

Japanese Market — Monthly review including details on **Kajima Construction, Ricar Sewing Machine, Fuji Tsu, Toyota Motor, Toyo Kogyo, Honda Motor, Yashica, Nippon Musical Instrument,** and a comparison of U. S. and Japanese Statutes relating to securities trading Daiwa Securities Co., Ltd., 149 Broadway, New York 6, N. Y.

Japanese Petroleum Industry — Review—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available is a review of the **Japanese Steel Industry.**

Market at Mid Year—Review—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a report on **General Mills** and comments on **Western Pacific** and **Kansas City Southern Industries.**

Municipal Market — Review — Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are memoranda on **American Electric Power** and **Panhandle Eastern Pipe Line.**

New York City Banks—Quarter figures on nine largest New York City banks—The Bankers Trust Company, 16 Wall Street, New York 15, N. Y.

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

Over the Counter Securities—Bulletin—May & Gannon Incorporated, 140 Federal Street, Boston 10, Mass.

Puerto Rican Securities—Capsule analyses of 16 companies—Richard J. Buck & Co. International, S. A., First Federal Savings Building, Santurce, Puerto Rico.

Tax Exempt Bond Market—Midyear survey (Folder BJ73) — Halsey, Stuart & Co. Inc., 123 South Broad Street, Chicago 90, Illinois.

Transite Pipe—Corrosion and leak resistant pipe—Details—Johns-Manville, Dept. CF 7, Box 362, New York 16, N. Y.

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.

* * *

Abitibi Power & Paper Company Limited—Analysis—Barclay & Crawford, 38 King Street, West, Toronto 1, Ont., Canada. Also available is an analysis of **Trans Canada Pipe Lines Limited.**

Acme Markets—Survey—Abraham & Co., 120 Broadway, New York 5, N. Y. Also available is a survey of **Kayser Roth.**

Alton Mo. Combined Waterworks and Sewerage System Revenue Bonds—Bulletin—Stern Brothers & Co., 1009 Baltimore Avenue, Kansas City 5, Mo.

American Brake Shoe—Review—Newburger & Company, 1401 Walnut Street, Philadelphia 2, Pa. Also available are reviews of **Chain Belt, Continental Can, De-Soto Chemical Coatings, Hyster, Massey Ferguson, Ltd.,** and **Wisconsin Public Service.**

American Income Life Insurance —Memorandum—Trulock & Co., Inc., 111 Fifth Avenue, Pine Bluff, Arkansas.

A. J. Armstrong Company Inc.—Analysis—Hill Richards & Co. Incorporated, 621 South Spring Street, Los Angeles 14, Calif. Also available is an analysis on **Becton, Dickinson and Company.**

Beech Aircraft—Bulletin—Purcell, Graham & Co., 50 Broadway, New York 4, N. Y. Also available are reports on **Elco Corp., Borg Warner Corp., Martin-Marietta Corp.,** and **Masonite Corp.**

British International Finance—Memorandum—F. H. Deacon & Co., Limited, 181 Bay Street, Toronto 1, Ont., Canada. Also available are memoranda on **Atlantic Acceptance** and **Canadian Hydrocarbons.**

California Pacific Utilities—Analysis—Walston & Co, Inc., 265 Montgomery Street, San Francisco 4, Calif.

Columbia Broadcasting System—Analysis—Evans & Co. Incorporated, 300 Park Avenue, New York 22, N. Y. Also available is an analysis of **Quaker Oats.**

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

Crucible Steel Company of America—Analysis—The Illinois Company, Incorporated, 231 South La Salle Street, Chicago 4, Ill.

Diners' Club — Memorandum — Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y. Also available are memoranda on **Vornado** and **Revlon.**

Duplan Corporation — Report — Rittmaster, Voisin & Co., 40 Exchange Place, New York 5, N. Y.

Electronic Associates—Memorandum—Amott, Baker & Co Incorporated, 150 Broadway, New York 38, N. Y. Also available are memoranda on **National Cash Register** and **Sperry Rand.**

Fidelity Philadelphia Trust Company—Analysis—First Boston Corporation, 20 Exchange Place, New York 5, N. Y.

Foote Mineral Company—Analysis—C. E. Unterberg, Towbin Co., 61 Broadway, New York 6, N. Y.

Gillette Company—Analysis—Rutner, Jackson & Gray, Inc., 811 West Seventh Street, Los Angeles 17, Calif.

Gillette—Memorandum—R. J. Henderson & Co., Inc., 621 South Spring Street, Los Angeles 14, Calif. Also available is a memorandum on **Arlan's.**

Ginn & Company — Review — Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Distillers Corp.-Seagrams.**

Hawaiian Telephone Company—Bulletin — Gruntal & Co., 50 Brodaway, New York 4, N. Y.

Hewitt-Robins Inc—Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available is an analysis of **Pabst Brewing Company.**

Hudson's Bay Oil & Gas—Analysis—Midland Securities Corpn. Limited, 50 King Street, West, Toronto, Ont., Canada.

Interphoto Corporation—Report—Martin J. Joel & Co., 39 Broadway, New York 6, N. Y.

Interstate Life & Accident Insurance Company—Analysis—Birr, Wilson & Co., Inc., 155 Sansome Street, San Franicsco 4, Calif.

Julyn Sportswear, Inc.—Analysis Berman, Sterling & Vine Co., 63 Wall Street, New York 5, N. Y.

Kimberly Clark Corporation—Analysis—Hornblower & Weeks, 1 Chase Manhattan Plaza, New York 5, N. Y. Also available are comments on **Babcock & Wilcox, McKesson & Robbins, Upjohn, Closed End Investment Trusts, Celanese, Rayonier, Universal Oil Products** and **Corn Products.**

Laboratory for Electronics—Chart analysis—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

Lake Central Airlines, Inc.—Analytical brochure—William Blair & Company, 135 South La Salle Street, Chicago 3, Ill.

Libbey Owens Ford Glass—Analysis—Colby & Company, 85 State Street, Boston 9, Mass. Also available is an analysis of **Thompson Ramo-Wooldridge.**

Manhattan Shirt Company—Analysis—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y. Also available are analyses of **Interstate Department Stores** and **Fruehauf Trailer.**

Manufacturers Hanover Trust Company — Report — Salomon Brothers & Hutzler, 60 Wall Street, New York 5, N. Y.

Maryland Cup—Memorandum—Alex. Brown & Sons, 135 East Baltimore Street, Baltimore 2, Md.

McLouth Steel—Memorandum—Nauman, McFawn & Co., Ford Building, Detroit 26, Mich.

New York Air Brake—Analysis—Carreau, Smith, McDowell, Dimond, Inc., 115 Broadway, New York 6, N. Y.

Pittsburgh Plate Glass Company —Analysis—Butcher & Sherrerd, 1500 Walnut Street, Philadelphia 2, Pa.

Publishers Co. Inc.—Memorandum —Roth & Co., Land Title Building, Philadelphia 10, Pa.

Pure Oil—Memorandum—J. W. Sparks & Co., 120 Broadway, New York 5, N. Y.

Rexall—Memorandum—DeHaven & Townsend, Crouter & Bodine, Land Title Building, Philadelphia 10, Pa.

Rochester Gas & Electric—Analysis—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available are comments on **Carter Products, King's Department Stores, Collins & Aikman, Ohio Brass, Hart, Schaffner & Marx, Interstate Motor Freight, Overnite Transportation, Talon Inc.** and **Airline Stocks.**

Russ Togs Inc.—Analysis—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y. Also available is an analysis on **Witco Chemical Co.**

SFC Financial Corporation—Analysis — Glore, Forgan & Co., 45 Wall Street, New York 5, N. Y.

Savannah Electric & Power Co.—Analysis—Watling, Lerchen & Co., Ford Building, Detroit 26, Mich.

O. M. Scott & Sons Company—Bulletin — Ohio Company, 51 North High Street, Columbus 15, Ohio.

Seaboard Finance Company—Report—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y. Also available are reports on **North American Aviation, Newmont Mining Corp., M. A. Hanna Co., Wesco Financial Corp.** and **Southern Railway.**

Sears Roebuck — Memorandum — Van Alstyne, Noel & Co., 40 Wall Street, New York 5, N. Y. Also available are memoranda on **Bethlehem Steel** and **American Bakeries.**

Sony Corporation—Analysis—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are reviews of **Kansai Electric** and **Honda Motors** and a memorandum on **Cabot.**

Standard Fruit & Steamship Company—Detailed Analytical Brochure—Howard, Weil, Labouisse, Friedrichs and Company, 211

Continued on page 39

Prospects for British Equity And Gilt-Edged Markets

By Paul Einzig

More than one reason is supplied by observant Dr. Einzig as to why the prospects of a Socialist Government need not adversely affect U. K. Government loans. Note is taken of the recent creeping advance by equities, of how and why some investors have been hedging with a foot in both equities and bonds, and of bullish impact the news of election date would have on equities. Dr. Einzig surmises that improved East-West relations would favorably affect Government loans and also could conceivably counteract an unfavorable equity trend.

LONDON, Eng. — While equities on the London Stock Exchange seem to be unable to make up their minds whether to be firm in accordance with favorable economic indices or weak in accordance with political uncertainty, the market in British Government loans has been remarkably steady to firm throughout the recent political troubles. The 3½% War Loan rose to 63¾ which is the highest level for many years. Even on days when equities came under the depressing influence of a threat of an early Parlimentary election, the gilt-edged market was holding its own.

Possibly the very uncertainty of the outlook for equities may have induced investors to switch into fixed interest-bearing securities. But the gilt-edged market was steady to firm also on days when there was a revival of demand for equities, so that the logic of the argument is not absolutely convincing. At any rate it does not contain the full explanation.

Election News Would Hit Equities Bearishly

Let us take the political factor first, as indeed we have to, owing to its strong influence on all markets at present. There can be little doubt that the moment the election date is announced the anticipation of a Socialist victory will cause a heavy setback in equities. Although it is true that a Socialist Government is not likely to inspire much confidence among holders of Government loans any more than among holders of equities, there is a difference. It seems to be safe to take it for granted that a Socialist Government will not revert to a 7% Bank rate, or anything like it, in any conceivable circumstances. Long before they would do so they would prefer to defend sterling with the aid of exchange control rather than high Bank rate. It seems probable that, regardless of the strength of sterling, the average level of interest rates will be kept lower under the Labor Government than under a Conservative Government. This necessarily means a higher level of prices for Government issues.

It is true, some years ago the Labor Party was flirting with the idea of investing public funds in equities. To do so would spell disaster in the gilt-edged market since investors may well ask why they should trust Government loans if the Government itself does not trust them. In recent times nothing has been said about that idea, possibly because the Socialist leaders have come to realize that equities may not be such an attractive investment for public funds. When the idea was first put forward it looked as though equities were in for a non-stop rise, and Socialists would have liked the Government to benefit by it. They failed to realize that such benefits could only be obtained at the cost of further heavy decline in the gilt-edged market. Now that everybody knows that the cat is liable to jump either way, nobody imagines any longer that by switching from Government loans into equities the Government would be betting on a certainty.

It seems therefore that prospects of a Socialist Government need not mean necessarily an adverse factor for Government loans. Once this is realized widely a slump in equities on the announcement of the election date might even be accompanied by a boom in gilt-edged, or at any rate they would hold their own in contrast with equities.

Equities Have Been Creeping Up

The prospects of an economic recovery are now looked upon with certain amount of guarded optimism and, with the termination of the acute phase of the Profumo crisis, equities have been creeping up. There is not, however, sufficient optimism to anticipate a boom in equities. At any rate the anticipation is not sufficiently strong to induce investors to switch from Government loans into equities. It seems probable that during the next few months many investors would want to hedge by having a foot in each camp.

It is true, since it seems probable that the Budgetary deficit will increase this year it means more Government borrowing. On the other hand, since the Government is anxious to encourage the business revival it is not likely to resort to a policy of funding or even of borrowing long or medium term in preference to issuing more Treasury bills. In order that the banks should be able to finance a boom, they would have to possess larger liquid resources in the form of increased Treasury bill holdings so as to be able to increase the volume of credit without running the risk of a decline of their liquidity ratio below the conventional minimum limit of 30%.

The rising trend in equities is liable to be kept down, to some extent at any rate, by a large number of new equity issues which are likely to be attracted to the market by the improving trend of business and the improving trend on the Stock Exchange.

Effect of East-West Negotiations

A factor which is likely to help Government loans rather than equities is the improvement in East-West relationship. Should it lead to some agreement on the limitation of armaments it would affect a wide range of industries unfavorably, but it would affect Government loans favorably.

In any case the reduction in the likelihood of an acute international political crisis is likely to help both sections of the Stock Exchange, though its effect on equities would be offset or mitigated if the improvement were to lead to some degree of disarmament or a limitation of the arms race.

Mid-Year Survey Of Tax-Exempts

More than $5 billion was invested in tax-exempt bonds by the nation's commercial banks in 1962 alone, according to the mid-year survey of the Tax Exempt bond market, just issued by Halsey, Stuart & Co., Inc.

However, this is only an indicator of the growing market for selected debt obligations of states and political subdivisions because of their exemption from federal income taxation, dependability of income, and security of principal.

Copies of the annual "Mid-Year Survey" (Folder BJ 73) discussing the size, scope and trends of the market for tax exempts may be obtained from Halsey, Stuart & Co., Inc., 123 South La Salle St., Chicago 30, Illinois, or 30 Broad St., New York 4, New York.

D. T. Yates in Fund Campaign

Douglas T. Yates, of the investment banking firm of White, Weld & Co., has been named Vice-Chairman of the Hospital Trustees Division of the 1963 United Hospital Fund campaign, according to announcement by Frederick D. Forsch, Chairman of the Division. Mr. Forsch is with the investment firm of Kuhn, Loeb & Co.

Douglas T. Yates

Mr. Yates will assist Mr. Forsch in leading 700 hospital trustees in Manhattan and The Bronx in raising their share of the Fund's $3,000,000 campaign goal. The money collected will be distributed among the Fund's 79 member hospitals in proportion to the free and below-cost care they will give the medically indigent in 1963. Last year these voluntary hospitals cared for 1,667,500 such people in emergency rooms, wards and clinics.

Mr. Yates is a Trustee of Lenox Hill Hospital where he is Chairman of the Nursing Committee. He is also Chairman of the Board of Seaboard Associates.

Constructive Opposition to SEC's OTC Proposals

By Ralph P. Coleman, Jr.,* *Publisher and Editor, Over-the-Counter Securities Review, Jenkintown, Pa.*

Statement endorsing SEC's objective of full disclosure for OTC corporations explains how the proposed means may prevent and even defeat achievement of the ends sought. Mr. Coleman expresses puzzlement at the SEC's legislative haste prior to publication of the still-to-be-completed part of the Cohen Special Report on the OTC market; and warns that the bulk of the "junk" and "penny" stocks will be left untouched and some larger corporations may seek to contract the number of shareholders so as to avoid compliance. Author prefers full disclosure requirements be left to individual states to administer.

At the outset, I would like to state that I am in general agreement with a number of proposals made by the SEC in regard to strengthening the ethical and financial standards of the securities industry. I feel that there is considerable merit in many of the proposals, and I am sure that this Sub-Committee will view them in this light. As a financial publisher for the last 12 years, I have had an intimate interest in seeing OTC companies provide full information to their stockholders. And, going back to 1951, I believe I can safely say that most OTC corporations have made giant strides—voluntarily and on their own—in providing stockholders and the financial community with meaningful, accurate reports on their operations and finances. Because of this fact and the succeeding reasons which I will discuss I must state my opposition to the SEC's proposals to bring several thousand additional OTC companies under its regulatory purview. I am not in agreement with the methods the SEC has proposed for accomplishing full disclosure, although philosophically I am in favor of the objectives of full disclosure. On balance, I feel that the additional time, expense, and administrative and legal difficulties inherent in the Commission's proposals outweigh any advantages that could flow from these proposals.

Ralph P. Coleman, Jr.

Favors Full Disclosure By States

Corporations are the creatures of individual states. The full disclosure requirements suggested by the SEC should be the province of the various states where the OTC companies are incorporated, since there is no Federal law of incorporation. There is much talk and little action about "states' rights." Investment industry representatives and legislators can make the concept of "states' rights" work in an effective, economical manner by developing in the individual states full disclosure requirements for the publicly-held companies incorporated therein, in much the same fashion as the SEC is attempting to do with its proposed legislation.

It is conceivable that the SEC could be challeneged on legal grounds for extending its control to those OTC companies, which in themselves have never offered securities for sale on an interstate basis. In such a case, a contesting corporation might very well be joined by a state jealous of its corporate and legal prerogatives. It is perhaps significant to observe that even before the SEC had submitted its proposals to Congress that another official of the Federal Government—Comptroller of the Currency Saxon—was challenging the authority of the Commission to extend its regulations to over-the-counter bank stocks.

The SEC presently has authority over approximately 4,000 companies—2,500 listed companies and almost 1,500 OTC companies which have issued new securities. The new proposals submitted by the SEC would bring an additional minimum of 3,600 OTC companies and perhaps over 4,000 companies under its control. Has the SEC indicated just how much additional staff and funds would be required to service these newly-controlled companies? Certainly more staff and money would be required by the Commission since it would, in effect, be virtually doubling the number of companies under its supervision.

How can the SEC be certain that there are *only* 4,000 companies with 500 or more stockholders in view of the fact that there are over 1.1 million active U. S. corporations that filed income tax returns in 1960-61? Simply because a company's stock is not listed in the NQB or NASD quote sheets is no guarantee that it has less than 500 stockholders. This is particularly true of companies which require employees to sell stock back to the company when they sever their connection with it.

Where Listing Failed to Protect The Investor

Much support for the SEC proposals is based on the belief that "full disclosure" will help to "protect" the investor. Certainly, there should be considerable cause for reflection on this concept in the fact that one of the most flagrant and widespread cases of stock manipulation in the past decade took place in a company which was listed on an exchange and was subject to SEC full disclosure and reporting requirements. This victim of management machination was United Dye & Chemical Corp., formerly listed on the New York Stock Exchange.

In setting limits of 750 and 500 stockholders and $1 million in assets, the SEC excludes from its full disclosure concept of protection many of the very companies which have failed to furnish stockholders with reports and which have caused them the most grief, investment-wise in the last few years. These are the OTC companies with less than 500 stockholders and less than $1 million in assets, often unflatteringly referred to as "junk" or "penny" stocks. It is precisely this type of company, on the low end of the quality spectrum in the OTC market, which is often the violator of the principle of full disclosure to stockholders rather than the host of legitimate, reporting OTC companies which would be affected by the SEC's proposals.

There is a distinct possibility that if a minimum stockholder limit is established above which SEC control is exercised, the managements of numerous OTC companies with stockholder families in this general area will legally do all they can to reduce the number of shareholders below the SEC limit and thereby avoid SEC regulation. They could do this through stock offers to minority holders and/or grouping blocks of stock in the names of nominees. In either case, the effect would be to contract and concentrate stock ownership—certainly a condition that neither the SEC, the Congress or the investment industry favors. And what about this practical question—is SEC regulation an "on and off" affair in which a company may be regulated if the numer of stockholders goes over 500 and then be free of regulation if number of shareholders subsequently falls below that magic figure?

An Expensive Proposition

I think it is generally agreed that the majority of corporations which will come under SEC surveillance as the result of this proposed legislation are, in the main, much smaller and less affluent corporations than the larger, listed corporations which presently constitute the bulk of companies under SEC control. I would like to know if there are any hard "facts and figures" as to the amount of time, effort and money that would be required by the typical over-the-counter company to comply with the new rules and regulations which the SEC is promulgating. It seems to me that it would be very worthwhile for the SEC to confer with a panel of executives of representative OTC corporations that would be subject to this bill, tell them exactly what is expected from them in the way of filings and forms and have these executives develop estimates of just how much additional time and money it would take for these companies to comply with SEC reporting requirements.

Representative OTC Corporations Not Contacted

In his transmittal letter to Congress, SEC Chairman William L. Cary stated "I should also like to acknowledge the substantial and beneficial cooperation offered the Commission by representatives of the securities industry in connection with our legislative proposals." I believe the SEC is to be congratulated in developing this liaison with the industry in evolving its legislative proposals. This is the type of joint cooperation which goes a long way in avoiding misunderstandings at a later date. However, I understand that the Commission did not contact the chief executives of the organizations who would be most affected by its full disclosure proposals—the heads of the over-the-counter corporations whose firms would be subect to SEC rules and regulations if this legislation is passed. Certainly, these gentlemen have a much more pertinent interest in these proposals than, for example, officers of national exchanges who would not be directly affected by these proposals and who, quite frankly, would probably be the beneficiaries through additional listings of OTC companies should these laws come into being.

Queries Rush for Legislation With Study Still Incomplete

As legislators, the members of this Sub-Committee have a solemn and continuing duty to support new and important legislation only after diligent consideration. The SEC states that many of the proposals it makes are based wholly or partly on the $1 million Special Stock Market Study authorized by Congress. At the present time, several vital chapters of this Study have not been completed. One of these chapters deals with the over-the-counter market. If the SEC has relied so much on the Stock Market Study, I am at a loss to understand why it has submitted its proposals for regulating the OTC market without having the full benefit of *all* the material on the OTC market which has been developed by the Study Group. Certainly it is conceivable that there is something of significance about the OTC market which will be disclosed in the chapter on this subject which has not yet been published. I think it only fair that the members of the Sub-Committee, the SEC, the investment industry, and the investing public have the benefit of all of the material to be published by the Cohen Stock Market Study Group before making a final judgment on these vital matters which will affect such a large segment of the U. S. investment and business community in the years ahead.

Questions Compulsory Membership

As a final thought, I would suggest that the Committee very carefully consider the proposed legislation that would require all brokers or dealers registered with the Commission to become members of a registered securities association. While I can see the practical reasons for this proposal I would ask this question: Does this legislation mean, in effect, that the Federal Government, through its laws, is applying the concept of the "closed shop" to the securities industry, making it requisite that an individual join a particular group before he can engage in the securities business? Is not this possibility an abridgement of a basic freedom of the individual to practice in a profession as the result of Government fiat which effectively bars him from entering that profession?

Regarding the proposed legislation on OTC companies I would summarize my ideas as follows:

Summary

(1) Incorporation is a state rather than a federal function. Why not let the states where the companies are incorporated enforce full disclosure rules on publicly held OTC companies incorporated therein?

(2) The OTC proposal would double the number of companies under SEC supervision. What would be the additional budget required to service these additional companies in terms of money and manpower?

(3) Although security dealers and NYSE was consulted on new bill, there was no attempt made to contact executives of OTC companies who would be most affected by legislation.

(4) Arbitrary minimum of 750 stockholders (500 later on) and $1 million in assets won't bring under SEC supervision most of the "junk" and "penny" stocks which have caused the most grief to stockholders and which have most often violated the concept of full disclosure.

(5) There is pause for reflection in the fact that one of the biggest cases of stock manipulation and investor loss in the past decade was in a NYSE listed company—United Dye & Chemical Corp.—subject to SEC "full disclosure" requirements.

(6) Some companies with approximately 750 or 500 stockholders might very well try to "freeze" the number of stockholders in the company at a figure below the minimum in order to avoid SEC regulation. This would result in contraction and concentration of stock ownership—hardly a healthy trend.

(7) SEC has made its proposals to Congress without having benefit of all material on OTC market developed by Cohen Special Study Group. One important chapter on over-the-counter market has not yet been published.

*A statement by Mr. Coleman before the Congressional Committee on Proposals regarding the Over-the-Counter Market, June 14, 1963, Washington, D. C.

Yen Re-Denomination Seen "Inevitable"

To shift or not to shift the denomination of Japan's hard-currency yen is a question currently tantalizing top Japanese Government, financial and business circles.

There is, however, little doubt with Tsueno Inui, head of The Sanwa Bank Ltd.'s agency in New York City and a man with a long history in Japanese and international banking. Mr. Inui firmly believes re-denomination is "inevitable."

This probably would mean that 100 old yens would simply be re-denominated as much as one new yen. As the consequence, the present yen-dollar ratio of 360 yen to the dollar would be changed to 3.6 to the dollar, Mr. Inui explained, adding that re-denomination would not mean any downgrading of value (devaluation) of the yen in international money and trade markets.

Mr. Inui said that the Japanese economy has reached an important turning point.

"Japan stands on the threshold of the greatest economic period in its history, the Sanwa Bank official said. "Its domestic industries have grown phenomenally in the postwar era and full membership as an Article 8 nation in the International Monetary Fund, which makes it a full member of the free world economy, is imminent," he added.

Mr. Inui is not a proponent of re-denomination for re-denomination's sake. But he does believe that the advantages—actual and psychological—far outweigh any disadvantages.

In revamping the yen-dollar ratio, the Sanwa banker states that it should immediately gain greater respect for the "new" yen in the eyes of the overseas banker, financier and businessman.

Mr. Inui wants no fancy names attached to the re-denominated yen. He would prefer to call the re-denominated yen the "new" yen as contrasted to the "old" yen.

Once the "new" yen becomes part of Japan's economy it would erase the after-effects of the postwar yen inflation.

As an Article 8 IMF nation, he

added, the "new" yen should also regain international convertibility.

Mr. Inui pointed to France and its re-denomination of the franc. Re-denomination has played a vital role in speeding up France's economic recovery both in actual and psychological terms in the period immediately following. He explained:

France's re-denomination greatly assisted the French Government's broad and constructive economic policies and pointed up that nation's need for curbing the serious threat of inflation.

The exchange rate of Y360 to $1 gives the impression that the yen currency is low in value, Mr. Inui says, adding that a re-denominated "new" yen would offset this view both at home and abroad.

Naturally, he adds, a deliberate preparation period must precede the actual action of re-denomination, because any misunderstanding of it might bring about speculation against the yen. In addition to greatly assisting the Japanese people to understand what has been undertaken, this period would also help the government take the steps necessary to effect an orderly transition.

The Sanwa Bank Ltd.'s New York Agency is located at 1 Chase Manhattan Plaza. The New York Agency is the 187th in Sanwa's branch network located throughout the world. The bank's head office is located in Osaka, Japan.

Reynolds & Co. Admits Partners

Reynolds & Co., 120 Broadway, New York City, members of the New York Stock Exchange, American Stock Exchange and other

Milton E. Lawrence

Harry J. Neal, Jr.

principal exchanges, have announced the admission of six new general partners. They are: Harry J. Neal, Jr., Frank W. Conlin, Glen E. Givens, Milton E. Lawrence, Houston A. Cox, Jr. and Fred H. Williams. All of the new partners are connected with the firm's principal New York office at 120 Broadway.

Messrs, Neal, Conlin, Lawrence and Williams had been associated with the former investment firm of A. M. Kidder & Co. which is no longer active in the business. Mr. Lawrence is a floor broker for Reynolds & Co. on the New York Stock Exchange and Mr. Williams a floor broker for Reynolds & Co. on the American Stock Exchange. Mr. Cox, who joined Reynolds in 1961 as coordinator of the firm's national commodity department, continues in that position.

Mr. Givens had been with Merrill Lynch, Pierce, Fenner & Smith Inc. and E. F. Hutton & Co. With Reynolds & Co. he will supervise recruiting and training of office management and sales personnel.

Consumers Borrowings to Set New Record in 1963

By Edmond duPont, Senior Partner, Francis I. duPont & Co., New York City

Author's article in the July issue of his firm's publication, "investor-news," projects new record high of $60 billion in time-payment contracts for current year. Mr. duPont cites enormous contribution of consumer credit to the American economy.

American consumers borrowed more than $55 billion on the instalment plan last year — nearly $6 billion more than in any previous year. And at the rate such borrowings are going now, new time-payment contracts signed during 1963 will total substantially more than $60 billion for another new record.

Edmond duPont

The moment such figures are mentioned, one inevitably will find economists of two minds:

(1) They recognize, naturally enough, that the "creation" of such a vast amount of purchasing power is an enormous contribution to the American economy.

(2) Yet it is hard for them to feel sure that consumers aren't mortgaging future income too heavily. (Not that most people won't meet their debts but, to do so, it might be necessary for them to scrimp on more vital spending.)

It's much easier to demonstrate the first point, how big a force instalment buying is in the economy, than it is to devise a yardstick for the second, how much debt consumers can afford to carry. Anybody in the auto industry can tell you that ability and willingness of people to borrow make all the difference in their market. And the same is true in the sale of many other big-ticket items such as TV sets, washing machines and refrigerators. Carry that reasoning one step farther and it follows that consumer borrowing powers an important share of consumer durable goods production—the segment of our economy which is subject to the widest cyclical swings in demand.

When consumers are buying the big - ticket durable goods, the American economy generally is at its best. Demand for such metals as steel, copper, aluminum, lead and zinc is strong. Employment rises in metalworking. Wages of workers in the highest paying industries set records. These industries feel the need for additional capacity so they, in turn, buy new production equipment. And that gives new impetus to the capital goods industries which are themselves heavy consumers of metals and the products of metalworking factories.

This is heady stuff. Yet there is another way of measuring the direct impact of instalment buying on total demand which is equally impressive — dollars and cents. If instalment borrowing this year runs in excess of $60 billion, it will provide something like a quarter of the purchasing power to sustain retail trade at its present rate of about $240 billion. If the portion isn't quite that high, it will be because not quite all instalment debt is contracted for the purchase of goods; some personal loan credit doubtless is used to foot emergency bills.

Needless to say, this is a far cry from the Twenties when consumer borrowing was a highly controversial matter and the total of instalment debt was miniscule beside today's figures. In the Twenties, when instalment debt in a big year probably totaled less than $3 billion, most people took a dim view of the whole thing. There still was a prejudice against buying on time — among borrowers and lenders alike.

It wasn't until about two decades ago, in fact, that the importance of instalment credit emerged clearly enough for the Federal Reserve Board to begin compiling figures on its magnitude—and shedding light on who lent the money and how it was spent. Even then the figures reflected only the amounts of debt outstanding; it is still more recently that the Federal Reserve Board began reporting amounts of credit extended each month and amounts repaid.

Present day efforts to figure consumers' ability to repay are likely to look at instalment debt and after-tax consumer income. It appears in the light of all-too-limited experience, that when debt repayments get a little above 13% of spendable income, consumers begin to trim sail — to pay back more than they borrow.

But, as spendable income rises rapidly in times of prosperity, this is a stretchable yardstick. After all, consumers judge for themselves what they can pay back; if they borrow to buy cars now, they may know the score better than the economists.

Carman To Be V.-P. Of Fusz-Schmelzle

ST. LOUIS, Mo.—Effective July 18, John W. Carman will become a Vice-President of Fusz-Schmelzle & Co., Inc., 522 Olive Street, members of the New York and Midwest Stock Exchanges. Mr. Carman has been with the firm for some time.

Coughlin & Co. Elects Three

DENVER, Colo. — Walter J. Coughlin, President of Coughlin & Co. Inc., Security Building, announced the election of three new officers in the organization. Robert Powell has been elected Assistant Vice-President. Powell was graduated from the University of Denver and was associated with Refsnes, Ely, Beck & Company of Phoenix, Ariz., prior to his association with Coughlin & Co. Inc. in their Municipal Bond Department.

Fred White was elected Assistant Secretary. He is a native of Denver and attended Regis College as an economics major. White has been an account executive with Coughlin & Co. Inc. for several years.

Wallace Westerman was elected Comptroller of the stock and bond organization. Westerman has been associated with Coughlin & Co. Inc. for over 10 years and has been Supervisor of the Accounting Department. He attended the University of Portland and was graduated from Regis College.

The State of TRADE and INDUSTRY

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

Steel production is expected to decline sharply, but increased spending of capital equipment and residential construction will lead to offsetting production increases in other industries, according to the July issue of the *Barometer of Business*, published by Harris Trust and Savings Bank, Chicago.

Business is depicted as again moving sideways following expansion during the first five months of the year; industrial production rose 4% as steel output increased by over a third between Dec., 1962, and May, 1963. However, completion of the labor negotiations and subsequent 9% drop in steel production last month has led to a leveling off in total output in the manufacturing sector of the economy. Automobile production of approximately 700,000 cars in June helped to maintain the over-all industrial index at its high level.

The *Barometer* stated that retail sales have remained on a flat trend for the past five months despite an increase of over $7 billion in annual personal income since February. Consumer spending on residential construction and business outlays on plant and equipment are now providing the primary expansive forces to the economy. New housing units were started at a record pace this spring, thus ensuring a high level of dollar expenditures on residential buildings in the next few months. Capital spending went up by 4% in the second quarter, and current plans indicate an additional 4% increase in each of the third and fourth quarters of 1963.

An offset to this higher residential and business capital spending will be a sharp reduction in steel output. Steel users, who were accumulating inventories during the first half of the year as protection against the possibility of a strike in the steel industry can be expected to work their inventories back down during the second half of 1963.

Consequently, according to Harris Bank, the steel operating rate is likely to decline as rapidly during the next few months as it did following the agreement between the United Steel Workers of America and the principal steel corporations in March, 1962. Seasonally adjusted iron and steel production dropped 26% between March and July of last year. Steel production had increased 14% during the inventory accumulation period of November, 1961, to March, 1962. The pickup in the operating rate has been larger during the 1963 buildup period — 34% between Dec., 1962 and May, 1963—in part because of higher steel consumption in 1963.

Most of the 4 to 5 million tons of inventory accumulation by manufacturers, non-manufacturing users of steel, steel warehouses and steel mills will now be liquidated during the second half of the year. Production is likely to drop from over 59 million tons in the first half of the year to approximately 45 million tons in the second half. Production for the year of 104 million tons would still top 1962 output by 6%, a result of a higher consumption level this year.

Seasonally adjusted iron and steel production in the second half of 1963 is thus expected to average between 100 and 102 on the 1957-59 index basis and decline to approximately 95 for the months of August and September. A decline of 25% in steel output from the May high will by itself lower the index of industrial production by nearly 1½%, concludes the *Barometer of Business*.

N. Y. Fed Finds U. S. Dollar at Discount in First Half of 1953 To European and Canadian Currencies

The July *Monthly Review* of the New York Federal Reserve Bank surveyed foreign exchange market developments during the first half of 1963. The Bank noted that with the occasional exception of sterling and the German mark, the leading European currencies and the Canadian dollar all remained above their par values against the U. S. dollar during the period. Their strength reflected the continuing deficit in this nation's balance of payments, which was estimated at a seasonally adjusted annual rate of $3.2 billion for the first quarter.

Capital movements in general were important in influencing exchange rate movements, as was the case in most of 1962. When Continental money markets tightened as happened from time to time in several European financial centers, commercial banks and business firms frequently found it advantageous to satisfy their liquidity needs by borrowing Euro - dollars — dollar deposits owned by non-U. S. residents. The borrowed Euro-dollars were often converted into local currencies, tending to strengthen these currencies against the dollar. The reverse of such movements — i.e., sales of temporary excess local-currency funds for investment in short-term Euro-dollar deposits—also took place occasionally.

Political events, as in other recent periods, played a significant role in exchange market fluctuations on several occasions. Following the rejection in January of the British application for membership in the European Economic Community, uneasiness over the future propsects for sterling led to two speculative attacks. These were readily repulsed by the Bank of England, backed by assistance from other central banks. Canada's Cabinet crisis early in the year and the April election led first to an easing and then to a firming of the Canadian dollar rate over the first four months. The lira, too, suffered temporary weakness when political uncertainties following the Italian national election late in April led to some short-term capital outflows.

Throughout the first half of 1963, however, the exchange markets remained orderly and for most of the period they were calm. This stability reflected awareness of the extensive and still expanding cooperation among central banks, which is proving a successful deterrent to sustained speculation against any of the major currencies. The Federal Reserve's own network of swap agreements —mutual credit facilities with foreign central banks—has grown by mid-1963 to include 10 such institutions and the Bank for International Settlements, with total credit lines amounting to $1,550,000,000.

Bank Clearings 4.1% 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 July 6 clearings for all cities of the United States for which it is possible to obtain weekly clearings were 4.1% above those of the corresponding week last year. Our preliminary totals stand at $30,515,226,379 against $29,326,330,906 for the same week in 1962. Our comparative summary for some of the principal money centers follows:

Week End. July 6—	(000s omitted) 1963	1962	%
New York	$17,112,326	$16,762,182	+ 2.1
Chicago	1,361,043	1,270,544	+ 7.1
Philadelphia	1,127,000	1,087,000	+ 3.7
Boston	854,254	775,599	+10.1
Kansas City	502,985	483,273	+ 4.1

Steel Drop of 11.6% Marks Sixth Weekly Decline in a Row, but Stays at Three-Year High and 65% Over Year-Ago Week

According to data compiled by the American Iron and Steel Institute, production for the week ended July 6, which includes the July 4 holiday period, was 2,045,000 tons (*109.8%) as against 2,313,000 tons (*124.2%) in the June 29 ending week. The week to week output fell 11.6% marking the sixth weekly decline in a row and the lowest weekly output since Feb. 16 of this year when it totalled 2,054,000 tons. Prior to then, last week's output exceeded every week's going back three years until mid-May, 1960.

The years' weekly high was 2,626,000 net tons achieved May 25-ending week. The July 6-ending week's output exceeded last year's week by 65% and, despite the holiday drop, was at the highest level for a Fourth-of-July week since 1953. The week's decline, however, was the sharpest since the year-ago 17.5% Independence Day week plunge.

Out of the 27 weeks of this year's steel output, production declined in eight of those weeks and rose for 13 consecutive weeks from the week ending Feb. 2 through April 27 out of 16 weekly periods of steel output advances in 1963. During those 13 weeks of consecutive weekly increases, 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).

Since the June 21 steel labor-management contract settlement, the output decline which had commenced mid-May in anticipation of an amicable (non-strike) agreement became more marked. Evidence of a returning buyers' market is now beginning to appear and will dampen any further price hike thoughts until real demand resurges, as in the Feb.-May period just past, equivalent to, or more than, the totals, recently experienced as a result of real increase in demand and Strike-hedge buying. European excess capacity will also serve to keep prices from rising until GNP growth in the ECM countries resumes its previous noteworthy pace.

June's steel output came to 10,700,000 ingot tons — down from nearly 11,500,000 in May but 60% above June, 1962's total output for the year's first half was almost 59,600,000 tons or 5,509,000 more than January-June, 1962.

For the sixth week in a row this year, the cumulative total output of ingots and castings since Jan. 1 topped the year-ago period with a total of 61,446,000 net tons (*122.2%) which is 10.4% above the Jan. 1-July 7, 1962 production of 55,651,000 net tons.

District—	*Index of Ingot Production for Week Ending July 6	June 29
North East Coast	105	115
Buffalo	96	123
Pittsburgh	97	124
Youngstown	93	114
Cleveland	118	133
Detroit	150	150
Chicago	119	129
Cincinnati	133	135
St. Louis	92	106
Southern	117	121
Western	116	122
Total industry	109.8	124.2

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

Inventory Reduction to Be Completed Early in Fourth Quarter

Steel inventories built up in protection against a strike that didn't occur will be liquidated by the early part of the fourth quarter, *Steel* magazine predicted.

Users added 2 million tons of steel during the inventory buildup that started in February. This is equal to 1½ weeks' consumption. To use up this excess, a 12 week period will be required, *Steel* estimated.

A high rate of consumption and a reduction in the placement of new orders will bring the inventories into line by early October. The adjustment would be completed quicker were it not for summer vacations in consuming plants.

Because of the high rate of consumption, setbacks and cancellations of orders in the wake of the steel labor settlement have been less than expected by steelmakers, *Steel* said. In general, buyers are accepting on schedule the steel they had ordered before the labor settlement, but they are slowing down in their placement of new orders.

Mills that in April were booking orders in excess of shipping capacity report sales rates now are only half of capacity.

Steelmakers believe, though, that they've passed the year's low point on bookings. Sales were curtailed sharply by the July 4th holiday. Plant vacations and inventory cutbacks will hold down demand through September.

Deferments and cancellations of orders have had no effect on demand for galvanized steel sheets. Still in brisk demand from automakers and builders, they're seldom available in less than eight weeks. Other steel items in good demand are long ternes, railroad products, bearing piles, high strength steels, small shapes, heavy plates, and merchant wire.

Procurement has eased on cold rolled sheets, hot rolled sheets, tin plate, structural shapes, hot rolled bars, and alloy steel products.

The inventory reduction that has set in is gradually curtailing steel ingot production. For the sixth consecutive week, output declined in the week ended July 6. Estimated total for that week was 2,160,000 net tons of steel for ingots and castings. *Steel* predicted that another decline will be registered in the week that will end July 13. Operations this week will be around 70% of capacity. At the year's high point in early June, the operating rate was 85%.

Steelmakers are shutting down marginal facilities that they had pressed into use and are reducing big inventories of semifinished stock they had built up.

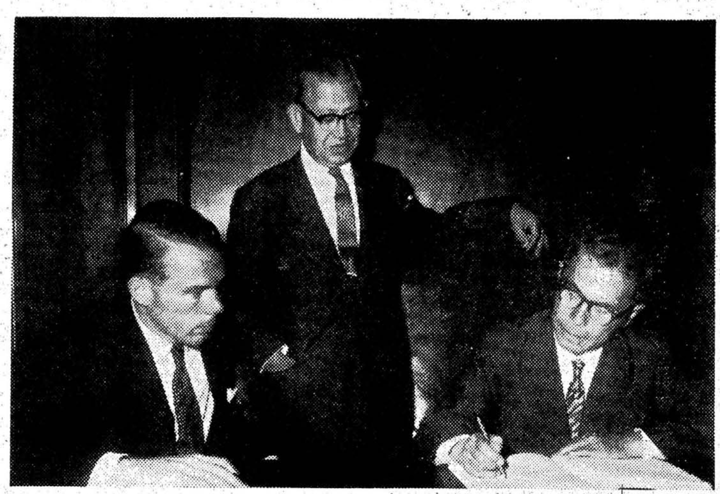
Steel Imports Felt Far Inland

Steel imports continue to be felt by U. S. steelmakers. Japanese wire rods, which are being shipped in increasing quantities into the U. S., undersell the U. S. product by $25 a ton as far inland as Nebraska, despite a $15 a ton price increase on the Japanese product. The U. S. is importing

Continued on page 27

Hitachi Sells Stock in United States

Takatoshi Takemata, (center) Managing Directors of Hitachi, Ltd., Mark M. Collins (left), Vice-President of Dillon, Read & Co., Inc., and Konosuke Koike (right), Chairman of Yamaichi Securities Co., Ltd., sign underwriting agreements for the sale of 937,500



American Depositary Shares of Hitachi, Ltd., which represent 75,000,000 shares of common stock, par value 50 Japanese yen per share of the company. The American Depositary Shares are being offered in the United States at $22.25 per share. Hitachi, Ltd. is Japan's largest privately owned industrial enterprise and the largest and most diversified manufacturer of electrical equipment and industrial machinery in Japan.

Loss of Control of The Public Purse

By Walter E. Spahr, *Executive Vice-President, Economists' National Committee on Monetary Policy, New York City; Professor Emeritus, New York University*

One of the most potentially dangerous peacetime phenomenons is the burgeoning pace of Federal spending and expanding powers, and its ability to elude control by elected officials from the President on down who have pledged, and are in a position, to snare this will-o'-the-wisp. Widely respected monetary economist urges immediate reinstitution of a redeemable gold standard, at present mint value, to provide the public with an optional check on what our monetary managers do. Note is taken of our blind spot to perceive the seemingly unnoticeable, perniciously slow consequences resulting from the deprivation of the people's control over the public purse, and of today's low ratio of gold stock to nongold money and deposits. The step recommended is seen reversing the gold flow and effectuating other necessary corrections.

I
U. S. Government Spending Out of Control

We should not fail to understand that spending by our national government is out of control—out of control of Congress and of our people. The most serious aspect of this state of affairs is that the people of this nation have lost control of the public purse. They have lost it because they were deprived of it when an irredeemable currency was thrust upon them in 1933. When a people lose control of the public purse, they lose control of their central government.

Walter E. Spahr

Perhaps the most significant single manifestation of the consequences in this country is the fact that the ratio of our gold stock to nongold money and deposits has fallen from 24.6% in 1941 (average of monthly ratios) to 4.6% at the end of May, 1963. Other fundamental consequences are the spending orgy by our central government and the centralization of powers in that government.

II
How the People Lost Control Of the Public Purse

When an irredeemable currency was inflicted on our people in 1933, the holders of the promises of the U. S. Treasury and banks to redeem in gold on demand were deprived of the right to present these promises for redemption, and the Treasury and banks were freed from their obligations to redeem their promissory notes —except in the case of various foreign central banks, governments, and international institutions. This exception rests upon a recognition of the fact that these groups are beyond the control of our national government.

With the Treasury and banks freed from the obligation to redeem in gold, domestically, their promises to pay upon demand, they gained a great freedom—freedom from fear of such demands and freedom to expand the number and volume of the nongold money and deposits. Since banks convert Treasury promises to pay into money and bank deposits, Congress was given a great and new freedom in the issuance of its credit instruments. Thus was the door opened for a spending orgy by our national government.

At the same time, the people were made impotent in the exercise of any power over such government spending and the conversion by banks of government promises to pay into money and deposits (monetization of national debt).

When a currency is redeemable in standard gold coin, any individual disturbed by the behavior of the government or banks can attempt to protect himself by presenting for redemption such nongold currency as he may command. It is this power of individuals that holds, or tends to hold, banks and government in check. Without this power, the people, as individuals, are helpless insofar as control over their banks and government is concerned. If they attempt group action of some kind, they are still impotent because of the power of the banks and government to ignore or to curb the activities of the group. Nor does the power of the ballot provide protection since the banks, Treasury, and Congress are free of any effective control; and fears of such control become, practically nonexistent. Thus, because of the use of irredeemable currency, the central government can become, and tends to become, unrestrainable, and the people are rendered impotent against a government with such powers.

III
The Significance of This Loss Of Control

This method of losing control over the public purse opens the way to government dictatorship and to a governmentally-managed economy. Human freedom, of the type our U. S. Constitution was designed to protect and to foster, can disappear. The variety of ways in which such freedom is impaired or destroyed is practically countless as a government takes more and more power from the people and to itself.

It is an old and oft-repeated story in human history that the use of irredeemable currency may lead to the destruction of the essential freedoms of a people and to the downfall of the government and nation.

The lesson seems equally clear that each new generation involved in the use of irredeemable currency fails to comprehend its implications and are generally carried along to the common ultimate consequences without any keen awareness of the direction in which they are being taken.

Our Republic is caught in this current which many generations of mankind have seen in operation. But like people, who think only of the useful power and of the cooling pleasures in a river of water, and who fail to think of its potential destructiveness when it reaches the flood stage, our people today look in general at the exhilarating aspects of irredeemable currency and fail to understand how destructive it can be and tends to be. It seems quite clear that very few of our people are aware of the drop in the ratio of our gold stock to nongold money and deposits from 24.6% in 1941 to 4.6 in 1963 or of the implications of this drop. It is the lack of such awareness that provides the basis for national catastrophe.

IV
The General Failure to Deal With Fundamentals

The common and general discussions of government spending practices, of government centralization, of our loss of gold, do not deal with the most fundamental causal factor involved—the use of irredeemable currency. They concentrate superficially on various manifestations which commonly flow from the use of irredeemable currency. They employ the supposedly virtuous platitudes which are deemed acceptable in these times. They engage in futile activities which nevertheless tend to elicit popular approval. They turn away from any thorough and careful consideration of the nature of irredeemable currency and of the consequences being reaped, and which we should expect to reap, from the use of such a currency.

Indeed, the common attitude today seems to be that a careful consideration of the use of irredeemable currency is not pertinent to our monetary, fiscal, and related problems, such as the rapid centralization of powers in our government and the heavy spending by that government. This attitude has developed to such a degree that such consideration appears to be regarded as a manifestation of a lack of wisdom. Respectability, it seems, is no longer associated seriously with such consideration. The prevailing procedure is to seek comfort and respectability by avoiding in our discussions of problems in economics and government, a subject as distasteful and disconcerting as our use of irredeemable currency.

Irredeemable currency is definitely accepted in the best of circles as a virtuous device which need not be examined. It is taken for granted that the virtues of irredeemable currency are so well established that it no longer requires serious discussion in respectable circles. An irredeemable currency is assumed to be a good currency, preferable to a redeemable currency. A gold standard is subject to ridicule, and little or no effort is made to understand its nature and implications. Leading critics of various consequences resulting from the use of irredeemable currency seem to find no inconsistency in the fact that they have been advocates of "managed" irredeemable currency. They are still able to convince the common type of readers or listeners that they are thoughtful, careful, and virtuous men. The thought that managers of a nation's currency should be subjected to objective controls is intolerable in these days. It is deemed defensible to provide such controls over a locomotive engineer responsible for the safety of a few hundred passengers, but not over the managers of a nation's currency responsible for the monetary well-being of 180 million people. Such controls, so the common contention runs, may operate to frustrate such managers, and they should be free from such possible frustration. They should be trusted. Our procedures today embody these common and generally-accepted contentions.

This popular attitude and these prevailing contentions deny the validity of the lessons of monetary history; but apparently most of our people do not understand, and are not interested in trying to understand, these well-established and oft-repeated lessons.

A nation is in deep trouble when this state of affairs prevails; and our nation is in that trouble. But we apparently are so constituted that we will not believe it until disaster once again provides the world with another example of a nation having to relearn a very old lesson which in its recklessness it would not study.

V
The Correct Solution

The proper solution to our monetary and fiscal problems, to our centralization in government, to our government's inordinate spending, to our low and falling ratio of gold to nongold currency, to our loss of gold, lies in the institution of a redeemable currency at the present statutory rate of $35 per fine ounce of gold. Such action would give all types of our dollars the quality of integrity. It should be expected as a consequence that gold would flow to the United States; that a large portion of the gold held under earmark for foreign governments and their central banks would be released and become a part of our monetary gold stock; and that the ratio of our gold to nongold currency would rise, probably sharply. The control of the public purse would once again be in the hands of the people where it belongs. All the other problems mentioned should tend toward relatively rapid correction. The fears of our people in respect to these problems and their proper solution should soon be dissipated. There should be a new and more wholesome type of optimism and confidence in what the future holds for us as individuals and as a nation.

Implications of Accelerated Public Works Financing

By David M. Ellinwood,* *Vice-President, Moody's Investors Service, Inc., New York City*

Moody's top state-local credit rating authority uncovers behind the noble motives of recent Federal programs to alleviate unemployment and to revitalize the economy a direct threat to independence of local governments and to their obtainance of a dollar's purchasing value for each dollar expended. He cites illustrative examples of how the Federal Public Facility and Area Development programs, plus the accelerated Public Works Program, as tempting as they may seem, have as their net effect the supplantation of Federalism with Centralism with no added creation of jobs or savings of money. Moreover, the bond authority shows how, in several different directions, the Federal Government is striving to end tax-exemption which would, he charges, also put an end to the doctrine of separation of powers and States' rights. Mr. Ellinwood exposes fallacies in tempting claims of windfall or cut-rate cost savings; notes contradictions in anti-tax-exemption arguments in Government's sponsorship of industrial-revenue bonds and use of tax-collected funds to bestow favors on specially selected groups; and points out why proposal of "alternate compensation" for giving us tax-exemption would not work satisfactorily.

A discussion of the implications of the Federally-sponsored program of accelerated public works permits me to outline a discernible trend toward Centralism in our Federal-local fiscal relationships. I regard this as one of the few basic political philosophical conflicts of our time, one that is deeply founded in emotionalism and crosses party lines. The grass is always supposed to be greener in the other pasture. I rather imagine that some groups in this country would like to borrow some of the principal governing Canadian intergovernmental relationships while some of them look enviously at ours.

David M. Ellinwood

Although many are familiar with the Public Works Acceleration Act of 1962, it might be well to review its provisions and background. It is theoretically the first congressional enactment since the great depression, specifically designed to reduce unemployment thereby revitalizing the economy. Even though the President had submitted a $2.6 billion proposal, Congress appropriated merely $400 million. The law authorizes the Chief Executive to allocate funds for both direct Federal construction and grants-in-aid to state and local governments for between 50% and 75% of a project's total cost.

An eligible project is one located in either a so-called depressed area or in communities with a 6% or more rate of chronic unemployment, according to Department of Commerce definition. Finally, eligible projects must be completed within 12 months. Most work will involve additions to or construction of water and sewer plants, recreational facilities, streets and public buildings.

The motives prompting Federally-sponsored public works may be sincere enough — the importance of reducing unemployment and creating jobs is generally unquestioned. And, enthusiasm for public works projects is running high. Politicians applaud construction projects when it seems they don't have to pay for them; the man in the street sees tangible evidence that "something is being done" about unemployment; labor unions applaud public works because they create more jobs for skilled union members at high wage rates.

Says Public Works Do Not Create Jobs

But, do public works projects actually create jobs for the unskilled laborer who makes up the hard core of unemployed? The answer is no. In fact, there is much evidence that sustained programs of public works, by creating artificial demand for construction, push construction costs and wage rates even higher, adding impetus to existing inflationary pressures.

However, I am not here to evaluate the program's effectiveness as an economic stimulant but rather to examine the consequences of a local government's involvement.

Let us assume that your local governing body is considering participation, which, of course, assumes that it qualifies under the Federal guide lines. The prospect of Federal aid seems tempting.

First, the public works project to be undertaken must fit into your long-range capital program. We must presume that you indulge in long-range planning. If you do not, yours is certainly not a well-managed local government.

Second, if the proposed project is one which you have deferred pending completion of prior commitments, why has it been deferred?

Most importantly, before you rush to accept a proposal, stop a moment to appraise your own costs. A completed facility's operating and maintenance expenses will have a bearing on your future operating budgets. To the extent that you must make a capital contribution yourself, to what extent will this reduce your available borrowing powers? Do you wish to encumber these powers to the extent required? Can you accommodate your participation within the confines of your existing tax limitation?

Perhaps the project before you for consideration fits into your long-range plan, but the project to which you grant first priority does not seem appropriate to the Federal lending agencies as a proper object of aid. If the project, acceptable to the Federal agencies, is well down below the top of your list of priorities, what will its acceptance mean in terms of deferring projects which possess a higher priority from your own point of view?

Should a project which rates your top priority be acceptable to the Federal lending agencies, you properly would be strongly tempted to accept the proffered aid thereby reducing your own direct costs.

But first, pause a moment and take stock.

Is It Something for Nothing?

Is further Federal involvement in local affairs really desirable? Is it really something for nothing?

Turning first to the latter of the two questions, Federal aid is usually passed off by the Washington authorities as a matter of largesse. To your fellow citizens back home, at first glance, it seems like a chance to get something for nothing, or at least a chance to get a lot for something less.

Any Federal expenditure, whether it is of current expense or capital nature, has a direct effect on the Federal budget ultimately influencing the general level of interest rates, business conditions, wage levels and the balance of payments. State and local governments can separate their capital and current spending and insulate the budget impact of capital expenditures to some degree. The Federal Government cannot do so.

In the long run, all Federal expenditures have to be matched by Federal revenues. To emphasize the obvious, everyone contributes to the financial support of the Federal Government. If one is to consider that communities are in competition among themselves, and few qualify for aid under a Federal program, then those privileged few who receive, probably get more in the form of aid than their proportional share of the cost to the Federal Government which falls upon their own citizens. On the other hand, if all receive, you can rest assured that all will get back something less than the cost to their citizens; the truth of this statement follows from the certainty that no Federal program has yet been devised which did not involve substantial administrative costs. Obviously, if all are to receive and receive in pro rata amounts, the program of Federal aid is self-defeating.

Advantage and Disadvantage

I do not argue that such an aid program is bad *per se* for it accomplishes something if it induces some poorly managed municipality to adopt some of the techniques of enlightened management. Many local governments seem to drift along from year to year with little thought to the future. To the extent that the prospect of aid stimulates long-range planning, it has accomplished something.

I do not condemn all programs of Federal aid as such. My contention is that a lesser, rather than a greater, degree of Federal participation and involvement in local affairs is desirable.

As I understand the concept of governmental organization, in an absolute monarchy, the monarch is the complete sovereign, and the common citizen is free to do only those things which the monarch specifically authorizes him to do. In a democracy, sovereignty rests in the individual citizen; citizens are organized into groups of mutual protection, and assign to the group, which is government, certain powers which the individual cannot utilize effectively by himself. In the United States and Canada, the government is organized on three levels: Federal, state or provincial and local. Each has a proper role in the total action. Certainly, the Federal Government exercises powers in the fields of national defense and foreign relations, for example, which clearly could not be administered efficaciously at the state or provincial level.

Federal grants to states are often conditioned upon the existence of one central "master" plan. The type of centralized planning inherent in any large scale expansion of public works, as in large Federally-sponsored projects, can only remove initiative from the local level. And, as the Federal Government extends its participation into public works and other locally administered projects, local and state responsibilities are atrophied. Often, Federal participation in public works is an emergency measure to combat floods, wars or depression. But, once established, the measures rarely are repealed. They achieve a permanency which shifts the balance of power from local governments to state or provincial to the national administration.

Local Government Held Sacrosanct

As a native New Englander, I suppose that I am so imbued in the tradition of the town meeting, the epitome of strong, local self-government that by bias in favor of the preservation of Federalism embodying states' rights and the doctrine of separation of powers can never be changed. I believe that Federalism is the only means by which we can retain our individual identities with responsive, efficient government tailored to our area needs.

I hate to think that everything is for sale. It will take more than a new post office or a major Federal contribution to my community's sewage treatment plant to buy my vote. For to me, local government is sacrosanct. Our nation has grown so complex that an individual's community is the only place where he can participate directly in government. It is the only body of officialdom which always stands ready to give him a hearing, and is responsive to his needs.

Federal financial assistance to local governments has made amazing strides in the past decade in a successful campaign to break down the traditional fiscal barriers between Federal and state and local governments established by our constitution and legislative law.

Cessation of Tax-Exemption —The Ultimate Goal

The motives are a matter of conjecture. The front page of the *Wall Street Journal* (issue of May 28) reports and I quote . . . "The White House is grinding out state-by-state and district-by-district breakdowns of specific local benefits of various Federal spending programs, so the voters will know exactly how much they are helped by the New Frontier." This is not cited as an indictment of a particular political party but to illustrate that fiscal aid is fast becoming an integral part of the national political scene. After all, both of the major parties have their conservative and progressive factions and all are quick to adopt a proven vote-getting formula. Then too, there are those who sincerely believe that state governments have outlived their usefulness and should be governed by the departments of an omnipotent central government.

These philosophies have been storming the gates of Congress for the better part of three decades. The Centralists launched their major legal offensive against tax exemption in 1938 with an official pronouncement by the Department of Justice. It held that the Federal taxing power was supreme and included the power to tax all of the functions and instrumentalities of the state governments. It further asserted that the national government's power to tax income "from whatever source derived" admits no exception whatsoever and that in the department's own language, "the principal of immunity protected the Federal Government against taxation by the states, but did not shield the states against the Supreme taxing power of the Central Government."

The legislative fight was resumed by Secretary of the Treasury Morganthau in 1942 when he recommended repeal of statutory exemption not only as to future issues, but also those then outstanding.

Defeated in Congress, the Department of Justice turned to the judicial front, trying to tax the obligations of the Port of New York Authority in 1944 and municipal housing and industrial revenue bonds in 1954 and 1958.

I recall this bit of history to stress that this is a running battle. Regardless of how many times the principal is successfully defended, in all probability, it will always be under attack.

Cites the Atlas Case

The current challenge has resulted in the Atlas Case which moved to trial last Dec. 27 with a judgment entered for the defendant on May 2, 1963.

This litigation was initiated by the Atlas Life Insurance Company of Tulsa challenging the legality of an automatic tax increase resulting from the inclusion of the plaintiff's earnings on tax-free state and municipal bonds in its 1958 tax return. Simply stated, the issue appears to be whether a taxpayer can be required to pay an income tax on tax-exempt income if that tax is computed on a *pro rata* basis. Informed observers believe that the administration's intentions are far more sinister, however, and that it is maneuvering to secure a Supreme Court review of the larger constitutional issue. This may be in the offing, for Atlas plans an appeal.

The battle is not to be restricted to the courts, however, for the Centralists believe that slow erosion could be a far easier and more politic course than an all out frontal attack.

Government Underbids Private Market

Charleston, W. Va. opened bids on $4 million sewer revenue bonds at 11 a.m. on July 31, 1961. Approximately 10 minutes later Charleston's sanitary board was advised that a representative of a Federal agency was present who was willing to buy the city's bonds at an average interest cost of 3⅝% versus the winning competitive bid of 3.94%. Under the circumstances, the board felt obliged to adjourn without making an award and investigate the government's offer. The Community Facilities' Administration

Continued on page 26

Air Conditioning More Than Pays for Itself

By Roger W. Babson

Yesterday's luxury is today becoming more and more a necessity. Mr. Babson makes that point in reference to air condition's widespread growth, and predicts electricity consumption's peak by 1970 may occur in the summer instead of the winter.

I have always been extremely interested in air conditioning, and the summer's first real hot spell prompts me to look again at this industry. Some years ago I wrote an article on air conditioning in which I said that merchants would have to universally adopt cooling systems during the summer in order to hold their trade. This now seems just about a fact accomplished. I do happen to know one department store not far from Babson Park that for some reason still has no air conditioning; but it is easy to see on a hot afternoon that customers dash in to buy what they want and then dash right out. I believe sales totals would be double what they are if the store were air conditioned. This likewise applies to churches and all public buildings.

Cool Air for Homes

As air conditioning is now a commonplace in business establishments of all types, it seems to be gradually becoming a necessity in our houses and automobiles. Only a short time ago it was considered a luxury, but those days are already gone. Contractors in climates where the summers are inclined to be warm and muggy usually include a cooling system in original construction plans, as a matter of course.

You can have air conditioning installed in your own home at a considerably lower price than was the case a few years ago. For a medium-size house, an efficient system can be put in for $1,500-$2,000. In connection with this matter, I should warn you that the proper size of the system is important. Too large a unit will chill the interior too quickly, then shut off and permit the accumulation of humidity. Naturally, this means, too, a high cost of operation for your system. So avoid oversized units.

Compact Cooling Systems

Even for those who can't afford a completely air - conditioned home, there are inexpensive units that can make a room or two quite comfortable during the sweltering weather. They may be hitched to a window to reduce the temperature nicely in a kitchen, a living room, or a bedroom. Most are sufficiently powerful to cool at least a couple of small rooms. Generations to come will want their homes entirely air conditioned; it will be considered one of the necessities of everyday living.

I must admit that originally I thought cooling units for the interiors of automobiles were a passing fancy and would never last. But I now believe that air conditioning units will be considered accessories in practically all new models before long.

Whether for commercial and business establishments or for homes, I am convinced that air conditioning more than pays for itself. In a government survey it has been revealed that general office employees turn out 9.5% more work, on average, with air conditioning, while absenteeism is reduced by some 2.5%. On production lines output gains appear to be sometimes nearly 100% in cooled-off areas. It is estimated that a saving of only seven minutes a day for each worker will more than make up the cost of air conditining installation and operation.

In the home it may not be so immediately easy to see how such units can pay for themselves. But the health angle should never be forgotten. Heat is bad for weak hearts — and even strong hearts are not helped any by prolonged hot spells. If your home is temperature - controlled, you will sleep better, eat better, have relief from many allergies, and be fresh to face each day's work. Hot weather breeds fatigue, and fatigue is the enemy of accomplishment and success.

In closing, let me remind you that air conditioning means additional boosts for your local electric companies. As usage of this convenience becomes more widespread, summer electric power consumption will increase. I predict that by 1970 peak consumption of electricity may occur in summer, rather than in winter.

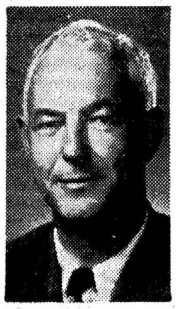
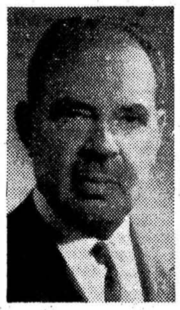
With N. C. Roberts

DENVER, Colo.—John F. Tice has become associated with N. C. Roberts & Co., Inc., American National Bank Building. Mr. Tice was formerly with Quinn & Co. and A. L. Greenberg & Co.

Form Pakas, Kern & Norman

NEW YORK CITY—**Pakas, Kern & Norman,** 115 Broadway. Partners are Frederic A. Pakas, Reuben R. Kern and Arthur R. Norman. Mr. Pakas was formerly with Bruns, Nordeman & Co. and Shearson, Hammill & Co. Mr. Kern was with Walston & Co., Inc. and Cruttenden, Podesta & Miller. Mr. Norman has been active as an individual floor broker on the American Stock Exchange.

Harper 70 Years in Seattle


Sherman Ellsworth Dickinson C. Harper Hugh R. Schlicting Willard B. Vadman

SEATTLE, Wash.—Wm. P. Harper & Son & Company announced in the first week of May that they had moved their offices from the fourth to the eighth floor of the Harper Building at 1504 Third Avenue, Seattle. In connection with this move, they got out an attractive invitation to customers to visit them in their new and enlarged quarters. This attractive brochure emphasized their longevity in the investment business of more than 70 years of service to Pacific Northwest investors and the brochure gave a roster of the personnel of the firm, their length of service to Wm. P. Harper & Son & Company and their length of service in the investment business in general. The executives of the firm are as follows:

Sherman Ellsworth, President
41 years in the investment business
31 years with Wm. P. Harper & Son & Company

Dickinson C. Harper, Vice-President
Sales Manager (grandson of founder)
34 years in the investment business
33 years with Wm. P. Harper & Son & Company

Hugh R. Schlicting, Vice-President
Manager Trading and Syndicate Departments
29 years with Wm. P. Harper & Son & Company

Willard B. Vadman, Vice-President
Manager—Municipal Department
17 years with Wm. P. Harper & Son & Company

Talbot Hartley, Treasurer and Cashier
15 years with Wm. P. Harper & Son & Company

Because of its long period in business it has many more experienced men amply equipped to take care of the investors' needs and to quote from the brochure:

"Wm. P. Harper & Son & Company is one of the oldest investment firms doing business continuously in the State of Washington, having been founded in 1892. It does a general underwriting, investment and brokerage business and is especially well equipped to serve investors interested in local securities with special reference to municipal bonds in the Pacific Northwest. It also mantains a municipal buying department for the purpose of serving municipalities in preparing bond issues for sale and in reporting currently on bond issues already outstanding in the hands of the public. In addition, it maintains an active trading department which makes primary trading markets in many Northwest securities. The trading department can furnish net markets in many of the securities traded Over-the-Counter in the national market as well as a large number of active listed securities. This is made possible through a private wire system with connections to all principal domestic markets."

Doherty Roadhouse Absorbs Hall

VANCOUVER, Canada — One of Canada's biggest stock brokerage firms, Doherty Roadhouse and McCuaig Brothers, entered the general brokerage field in Vancouver June 17, when it took over the old, established retail business of Hall Securities Ltd.

The entire retail staff of Hall Securities, including partners Frank E. Hall and Carl I. Hall, will be associated with the new enterprise, headed by Resident Partner George Tapp, whose experience with Doherty Roadhouse and other investment firms in Vancouver and Calgary goes back 25 years.

While Doherty Roadhouse and McCuaig Brothers operates as a general brokerage house across the country, with 18 offices from Vancouver to Montreal, its operations in Vancouver have been confined strictly to the "wholesale" business up to now, servicing investment dealers by means of wire connections with all principal stock exchanges in North America and Europe.

The company holds membership on all principal exchanges. In Toronto alone, it operates three seats with 12 floor attorneys.

Wholesale service of the Vancouver branch will be maintained, according to Mr. Tapp, who stresses that "we have no intention of neglecting our investment-dealer clients."

Ian Falconer will continue as manager of the wholesale department.

Frank and Carl Hall have been identified with the financial business on the west coast since 1928, the year Hall Securities Ltd. first opened its doors. In recent years, the partners have been engaged in underwriting much of British Columbia's industrial, oil and mining securities.

Five representatives of Hall Securities will also make the move to the new enterprise. Included are Arthur M. Lungley, Robert M. Hall, S. Bruce Howard, Mrs. Mary MacDonald and William D. Taylor.

Retail business will continue to be conducted in the present offices in the Hall Building, 789 West Pender, until July 2, at which time they will move to new offices, accommodating both retail and wholesale staffs of Doherty Roadhouse and McCuaig Brothers, at 734 West Hastings St.

Until then, the wholesale department will continue to service investment dealers at the old Doherty Roadhouse address, 848 West Hastings St.

Warren Joins Hugh Long Co.

SAN FRANCISCO, Calif. — James D. Warren has been named a regional representative in Northern California for Hugh W. Long and Company of Elizabeth, N.J.

James D. Warren

Mr. Warren's headquarters will be at the Long Company's San Francisco office in the Mills Building. Other Long Company officials who serve investment dealers from that office are Frederic C. Coltrin, western states Vice-President, and James W. Hoogs Jr., regional Vice-President. The office serves investment dealers and shareholders in Northern California and neighboring states in the northwest.

For the past two years, Mr. Warren operated a securities business under the firm name of James D. Warren & Co. in San Francisco. Previous to that he had served as a registered reresentative for New York Stock Exchange member firms in San Francisco.

Reynolds & Co. Appoints Graham

Reynolds & Co., 120 Broadway, New York City, members of the New York Stock Exchange, have announced the appointment of Richard S. Graham as the firm's director of administration. He joined the firm in 1953 as an account executive. Among his present functions are director of personnel and operational training, and director of advertising.

Richard S. Graham

Mr. Graham is a past president of the Association of Training Directors New York Stock Exchange Member Firms, and is chairman of the membership committee of the Metropolitan chapter of the National Association of Training Directors.

The Market . . . And You

BY WALLACE STREETE

The seesaw, indecisive action of the stock market continued this week, with rails joining in on the act as the possibility of a crippling nationwide strike waxed and waned, and authorities came up with various suggestions trying to avert it.

The activity was pretty much centered on the New York Stock Exchange, again hinting at the domination of the market that institutional investors have acquired recently. Elsewhere it was mostly a sleepy Summer doldrums, neglect predominating.

The same old wide-moving items were in action, both up and down, and by some sizable margins that, for one thing, enabled Xerox to push to a new peak in a rush. The other gyrating specialities, Polaroid and IBM were still not in any position to tackle their old peaks which, in the case of Polaroid, dates back to 1960 and for IBM to 1961.

Some of the oils showed occasional popularity which, in the case of Standard Oil of New Jersey was enough to carry it to its highest reading ever. The new note was some revived interest in the finance issues that have been relatively quiet for some time.

Chartists Uncertain

Chartists were busy watching the market but, so far, were able to make little out of the wandering of the industrial average. This index at worst in the present corrective phase was only within half a dozen points of the upper limit of the 695-700 support area delineated by their chart work. And in rebounding it never came close to the previous peak of 726 posted more than a month ago.

According to such work, penetration of the supply level on the downside, or a distince rebuff on an challenge of the high, would be required before the overall picture would become ominous. So the best they can come up with at the moment is that the industrial average is holding in a basically sidewise consolidating phase.

If that picture stands up, the market is in no serious trouble and could, before long, complete its correction and resume the upside progress that came to a halt late in May.

With the strike threat overhanging, there was little serious discussion of the action of the rail average. When such external and explosive situations are rife, and could bounce either way, few technicians are bold enough to take a flat stand. Past predictions that have proven wrong are recalled with embarrassing frequency by the clientele, as any market commentator can attest.

The summer doldrums, and the market's pause, weren't conducive to any flood of individual recommendations although inexorably the flow never completely stops. As has been the case for a long while, such as did emerge were stressing undervalued situations, above-average yield and superior price-earnings ratios against the average for the market as a whole.

High-Yielding Quality Issue

One such that met the bill on more than one count was L-O-F Glass, the old Libbey-Owens-Ford Glass Company. For one, its yield running around 5% is high for a quality issue. For another, it has been pretty much neglected in this year's market, holding in a range of only a hair more than four points.

The company, with a 30-year dividend record, was considered one of the top glass companies until its earnings peaked out in 1959, and it subsequently lost its complete domination as the sole supplier of General Motors' glass requirements.

The company isn't out of the GM picture and is still the major supplier to the auto colossus which is busy racking up what could be record sales, which tends to minimize the reduced business with its good customer. The company is pioneering expanded use of glass and new types of products to broaden its sales base.

As far as earnings are concerned, L-O-F Glass is something of a question mark at the moment. Last year it was able to show a definite improvement over 1961 results, which was when its GM business was trimmed. But for the first quarter of this year there was a slip in its profit. It is a company of convincing financial strength, however, determined and able to work its way back uphill and, on the basis of last year's earnings, selling at only a bit more than 14-times earnings, which is a below average ratio. Meanwhile the shares are priced half a score of points under recent highs and more than a score under the 1959 peak.

The long-depressed aluminum industry seems finally to have snapped out of the doldrums but without, so far, making aluminum stocks overly prominent. One that has been edging higher is Olin Mathieson which moved into the industry on a major scale just before the business bumped into troubles.

Diversified Aluminum Item

There were other problems for Olin which in the immediate postwar era was busy with many acquisitions and had little time to consolidate them all into the solid, black-ink column. With the aluminum industry prospering for a change, Olin's activities in this sphere could show, for the first time, a contribution to profits, since its sinking fund charges on debt assumed to set up the aluminum operation is due to expire.

Rail Potentialities

The rail situation, while currently confused, is still one that can offer above-average value and good yields—with a new trend onted that could change investor interest in some of these issues once the overriding interest in merger candidates subsides.

Kansas City Southern Industries, for instance, is a holding company now. It has a 91% interest in Kansas City Southern Railway but is also acquiring a 40% interest in an investment management company as a diversification program gets underway.

Its principal holding, the railroad, is not one to act as a drag on the new entity. Kansas City Southern over the years has built up a reputation of being one of the more efficiently operated railroads, which factor was pretty much ignored in the general distaste for rail issues generally. The indications are that the present holding company operation will show a price-earnings ratio of around 11-times, and offers a 4½% dividend, which is above average. Neither the low price-earnings ratio nor the dividend give any indication of anticipating any future diversification to an exorbitant degree.

The new confusion added to the railroad merger situation is Chicago, Rock Island & Union Pacific. Union Pacific originally sought to take over the line via a stock exchange. Then a competing offer, more intricate, was posted by Chicago & North Western. The directors of the Rock Island up to here are on record favoring the Union Pacific offer. It is still not clear whether North Western will go directly to Rock Island shareholders with their counter offer. But in any case, clearing a merger with the Interstate Commerce Commission is an arduous and time-consuming chore. But Rock Island seems destined for some sort of takeover and, meanwhile, is available with an above-average yield of around 4%.

[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.]

No. Natural Gas Company Debens. Sold

Public offering of an issue of $30,000,000 Northern Natural Gas Co. 4⅜% sinking fund debentures, due Nov. 1, 1983, is being made by Blyth & Co., Inc., New York, and associates. The debentures are priced at 99.66% and accrued interest to yield 4.40%.

Net proceeds will be used to pay a portion of the costs incurred in connection with the 1963 construction program of the company and its subsidiaries, including repayment of bank loans incurred therefor. The 1963 construction program is presently estimated at $70,000,000.

The 1983 debentures will have the benefit of a mandatory sinking fund of $1,000,000 in each of the years 1966 through 1979 and $4,000,000 in each of the years 1980 through 1982, calculated to retire 87% of the issue prior to maturity. They may not be redeemed prior to July 1, 1968, other than for current sinking fund installments, as a part of a refunding by the application, directly or indirectly, of funds borrowed at an interest cost to the company of less than 4.40%.

For sinking fund the debentures will be redeemable at par, and will be redeemable at the option of the company at regular redemption prices ranging from 104.13% until Oct. 31, 1964, to par after Oct. 31, 1982.

The company and its subsidiaries are engaged primarily in the production, transmission, distribution and sale of natural gas. Gas is purchased primarily from the Texas Panhandle, Hugoton and Hansford (Texas) gas fields and the Permian Basin and transmitted to points in Kansas, Nebraska, South Dakota, Iowa, Illinois, Minnesota and Wisconsin. Northern and its subsidiaries are also engaged in the production of natural gasoline, liquified petroleum gas, helium and oil. The firm is headquartered at 2223 Dodge St., Omaha.

Hornblower & Weeks to Acquire Southeastern Secs.

CHARLOTTE, N. C.—Hornblower & Weeks and Southeastern Securities Corp. have reached an agreement to consolidate their businesses, it was announced by Arthur R. Newcombe, manager of Hornblower & Weeks' Charlotte office, and James F. Clardy, President of Southeastern Securities Corp. The agreement is subject to the approval of the New York Stock Exchange.

Hornblower & Weeks, a member of the New York Stock Exchange, has its headquarters in New York City and operates 30 offices from coast to coast. Southeastern Securities Corp., headquartered in Charlotte, also has branch offices in Greensboro, Winston-Salem, and Southern Pines, N. C., and Spartanburg, S. C. It also has representatives in High Point and New Bern, N.C.

Howard E. Buhse, managing partner of Hornblower & Weeks, stated that his firm had been anxious for some time to expand in the southeast. "In Southeastern Securities, we saw an opportunity to merge with a highly successful, dynamic firm whose young, aggressive management team would spearhead their expansion."

Mr. Newcombe will continue as manager of the combined operation in Charlotte. Mr. Clardy will be appointed southeastern regional manager for Hornblower & Weeks; W. Leonard Robinson, Jr., currently Vice-President of Southeastern Securities Corp., will have charge of syndicate and institutional sales; and A. Richard Blair, now Vice-President and Treasurer of Southeastern Securities, will be in charge of the operations department.

Mr. Clardy pointed to the wide range of facilities to be made available to Southeastern Securities' clientele since Hornblower & Weeks is a member of all principal exchanges and underwrites a broad line of securities, both corporate and municipal, suitable both for individuals and institutions.

The consummation of the consolidation is expected prior to Sept. 1, 1963, the exact date to be announced later. In the interim period, the businesses will be conducted at their present addresses.

NEWS ABOUT BANKS AND BANKERS

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

First National City Bank, New York, opened its new two-level Grand Central Branch, July 9, in the Pan Am Building featuring a unique commuter facility to service the thousands of commuters using the terminal daily.

The commuter unit is "a bank within a bank" according to Douglas B. Hill, Vice-President in charge.

* * *

The Chemical Bank New York Trust Company, New York, has elected John T. Sargent to its Midtown Advisory Board, it was announced by Harold H. Helm, Chairman.

* * *

The election of Charles M. Bliss as Chairman of **The Bank of New York,** and the appointment of Samuel H. Woolley, President, as Chief Executive Officer, were announced July 9 following a meeting of the Board of Trustees.

These changes result from the recent death of Albert C. Simmonds, Jr., who had served since 1957 as Chairman and Chief Executive Officer.

The by-laws of the Bank were amended to permit the designation of the President as the Chief Executive Officer and for the creation of a new senior management position, Senior Executive Vice-President. Hugh R. Chace, formerly Executive Vice-President in charge of the Banking Division, has been elected to this new post and has been nominated as a member of the Board of Trustees.

Announcement also was made of the appointment of Elliott Averett, Vice-President, National Department, Banking Division, as head of the entire Division to succeed Mr. Chace. He will also serve as Chairman of the credit committee. Howard Poduska, Vice-President, National Department, has been named head of the National Department, replacing Mr. Averett.

* * *

The Bowery Savings Bank of New York, has been approved for membership in the Federal Home Loan Bank System. This institution becomes the only savings bank member of this Bank System in New York State.

* * *

George O. Nodyne, President of **East River Savings Bank, New York,** announced that the facilities of the 26 Cortlandt Street office are to be expanded, to include a Commuters' Banking Office on the Passenger Concourse level of the **Path Hudson Terminal.**

Scheduled to be opened before the end of July.

* * *

The Northern New York Trust Company, Watertown, N. Y. has changed its name to **"Marine Midland Trust Company of Northern New York."**

* * *

THE CHASE MANHATTAN BANK, N. Y.

	June 30, 1963	Dec. 31, 1962
	$	$
Tot. resources	10,825,434,767	10,932,323,095
Deposits	9,365,230,290	9,631,947,815
Cash and due from banks	2,434,824,892	3,054,215,053
U. S. Govt. secur. hldgs.	1,437,133,739	1,459,600,599
Loans & discs.	5,035,332,207	5,105,847,078
Undiv. profits	92,361,953	74,276,769

BANKERS TRUST CO., NEW YORK

	June 30, '63	Mar. 31, '63
	$	$
Total resources	3,733,884,511	3,862,590,480
Deposits	3,258,907,016	3,359,574,746
Cash and due from banks	790,294,515	1,106,080,663
U. S. Govt. secur. holdings	460,858,618	413,837,984
Loans & discts.	1,941,679,568	1,829,495,830
Undivid. profits	78,915,204	75,739,434

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FEDERATION BANK AND TRUST CO. NEW YORK

	June 30, '63	Dec. 31, '62
	$	$
Total resources	251,585,600	259,148,140
Deposits	222,550,000	234,588,230
Cash and due from banks	30,373,200	51,907,587
U. S. Government security holdings	33,173,100	37,055,765
Loans & discounts	145,898,600	145,807,165
Undivided profits	1,728,800	1,430,314

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J. HENRY SCHRODER BANKING CORP. NEW YORK

	June 30, '63	Dec. 31, '62
	$	$
Total resources	147,586,169	143,786,408
Deposits	95,559,920	91,791,468
Cash and due from banks	22,977,541	21,267,062
U. S. Government security holdings	26,318,451	27,985,249
Loans & discounts	48,632,613	41,246,701
Undivided profits	3,629,811	3,585,143

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SCHRODER TRUST CO., NEW YORK

	June 30, '63	Dec. 31, '62
	$	$
Total resources	109,270,560	87,853,658
Deposits	99,627,392	78,354,458
Cash and due from banks	19,471,968	14,533,468
U. S. Government security holdings	33,293,497	25,406,367
Loans & discounts	46,260,230	39,361,070
Undivided profits	1,649,908	1,623,956

* * *

THE MEADOW BROOK NATIONAL BANK JAMAICA, N. Y.

	June 30, '63	Dec. 31, '62
	$	$
Total resources	771,525,787	792,511,136
Deposits	684,443,296	704,298,716
Cash and due from banks	90,066,601	141,407,134
U. S. Government security holdings	140,884,068	122,534,966
Loans & discounts	441,914,870	449,091,902
Undivided profits	8,182,857	8,629,424

* * *

KINGS COUNTY TRUST COMPANY BROOKLYN, N. Y.

	June 30, '63	Dec. 31, '62
	$	$
Total resources	109,719,507	104,929,237
Deposits	97,419,987	92,891,731
Cash and due from banks	10,155,396	10,879,143
U. S. Government security holdings	28,879,025	25,886,267
Loans & discounts	33,096,802	31,739,412
Undivided profits	1,349,281	1,267,436

* * *

THE FRANKLIN NATIONAL BANK OF LONG ISLAND, MINEOLA, N. Y.

	June 30, 1963
Total resources	$1,118,759,862
Deposits	982,165,988
Cash and due from banks	78,403,432
U. S. Govt. security holdings	147,225,796
Loans and discounts	573,419,341
Undivided profits	5,755,563

* * *

SECURITY NATIONAL BANK OF LONG ISLAND, HUNTINGTON, N. Y.

	June 30, '63	Mar. 31, '63
	$	$
Total resources	285,536,186	270,647,866
Deposits	260,496,464	246,431,606
Cash and due from banks	37,175,365	20,938,743
U. S. Government security holdings	50,996,827	50,229,518
Loans & discounts	145,496,076	91,361,229
Undivided profits	1,470,779	1,407,895

* * *

NATIONAL BANK OF WESTCHESTER WHITE PLAINS, N. Y.

	June 30, '63	Mar. 31, '63
	$	$
Total resources	330,025,367	325,916,258
Deposits	304,181,625	284,055,090
Cash and due from banks	30,297,989	31,789,675
U. S. Government security holdings	74,551,351	79,377,443
Loans & discounts	97,682,201	164,949,818
Undivided profits	2,913,495	2,760,389

* * *

The Comptroller of the Currency James J. Saxon on July 2 approved the **First National Bank of Glens Falls, N. Y.** and the **First National Bank of Hudson Falls, N. Y.** permission to consolidate under the charter and with the title of the Glens Falls bank.

Total resources of the Glens Falls bank, as of March 13, were $54,000,000. Total resources of the Hudson Falls bank, as of the same date, were $11,000,000.

* * *

The Manufacturers & Traders Trust Co., Buffalo, N. Y. elected Laurence R. Goodyear, a Director.

* * *

The National State Bank of Newark, N. J. opens its new motor bank at the corner of Bloomfield and Central Avenues, Caldwell, N. J. on July 13.

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The Hudson Trust Company, Union City, N. J. elected Martin Levine to the Board.

* * *

The Comptroller of the Currency, James J. Saxon on July 1 approved the application to merge **The Marion National Bank, Marion, Va.,** into the **First National Exchange Bank of Virginia, Roanoke, Va.,** effective on or after July 8.

* * *

The Comptroller of the Currency James J. Saxon on July 3 announced that he has given preliminary approval to organize a National Bank in Jacksonville, Ill.

Initial capitalization of the new Bank will amount to $325,000, and it will be operated under the title **First National Bank of Jacksonville.**

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CONTINENTAL ILLINOIS NATIONAL BANK & TRUST CO., CHICAGO, ILL.

	June 30, 1963	Dec. 31, 1962
	$	$
Total resources	4,068,830,741	4,045,325,172
Deposits	3,551,389,890	3,542,054,783
Cash and due from banks	739,839,068	767,470,614
U. S. Govt. secur. holdings	465,041,130	513,130,789
Loans & discts.	2,163,818,559	2,032,047,646
Undivid. profits	35,628,441	29,630,278

* * *

THE NATIONAL BANK OF DETROIT MICHIGAN

	June 30, 1963	Dec. 31, 1962
	$	$
Total resources	2,461,098,617	2,395,409,833
Deposits	2,237,290,405	2,178,777,741
Cash and due from banks	500,210,075	535,591,438
U. S. Govt. secur. holdings	305,293,734	632,009,024
Loans & discts.	946,178,799	902,995,807
Undivid. profits	34,967,580	30,586,069

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The **First City National Bank, Houston, Texas,** has elected Kenneth H. Knop, Assistant Trust Officer.

* * *

The Comptroller of the Currency James J. Saxon on July 5 announced that he has given preliminary approval to organize a National Bank in Houston, Texas.

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

* * *

Harold B. Yundt, Vice-President, national and metropolitan banking department, retired the end of June to terminate a banking career of more than 45 years with **Security First National Bank, Los Angeles, Calif.**

A. Herman Lynch has been appointed a Senior Vice-President of **First Western Bank, Los Angeles, Calif.** effective Aug. 1.

Formerly a Vice-President of **First National City Bank, N. Y.,** where he had 34 years of extensive banking experience, Mr. Lynch specialized in commercial lending.

* * *

The San Francisco National Bank, San Francisco, Calif. elected C. T. Harding, formerly President of **Security National Bank, Reno, Nevada,** a Vice-President.

* * *

The Comptroller of the Currency James J. Saxon on July 2 announced that he has given preliminary approval to organize a National Bank in Newport Beach, Calif.

Initial capitalization of the new bank will amount to $1,500,000, and it will be operated under the title **Newport National Bank.**

* * *

The Comptroller of the Currency James J. Saxon on June 10 approved the conversion of **Security Bank of Lynnwood, Wash.,** into a National Banking Association. The bank will be operated by its present management under the title **Security Bank, National Association.**

* * *

The Governor of the Bank of Canada, announces that Mr. Alain-M. Jubinville has been appointed to succeed Mr. W. A. Cameron as Chief of the Foreign Exchange Department when the latter retires on Sept. 1.

He also announces the appointment of Mr. P. Watt as Deputy Chief of the Foreign Exchange Department, and Mr. A. C. Lord as Assistant Chief of the Foreign Exchange Department. Mr. Watt will continue to be located in Montreal and Mr. Lord in Ottawa.

Mr. Lord, was on the staff of **The Canadian Bank of Commerce** from 1928 to 1935.

Mr. Cameron had his early banking experience in **The Royal Bank of Canada.**

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

It is becoming apparent that the Congress cannot pass a more rigid Civil Rights Bill without the cooperation of the Democrats and the Republicans and it is also apparent that this cooperation will not be forthcoming. In fact, the Democrats are already trying to work out an alibi and place the blame upon the Republicans. This is impossible to do because the two parties are divided in the Congress, and both parties are divided upon the issue. The cold fact is that the Democrats in the Senate number 57 and the Republicans 33, a more than two-thirds lead.

The recent threat of the Negro leaders to stage a march has caused some cooling effect on liberal hot heads from the President on down.

It has become almost a recurring — a redundant — refrain in some Democratic quarters to say that Republican votes are necessary if the civil rights bill is to be voted on and to pass in the Senate. On one occasion or another both President Kennedy and Attorney General Robert F. Kennedy have admitted that Republican votes are necessary to put civil rights and other Kennedy programs across in the heavily Democratic Senate and almost equally preponderant Democratic House. It may be with sorrow and regret, but the Kennedys realize they must have support of liberal Republicans or any kind of Republicans they can get to offset their losses among conservative and Southern Democrats on crucial votes. Now this is not the responsibility of the Republican Party. It is due to the fact that the Democratic Party is harshly divided.

Republican members of Congress and their leadership see quite clearly what may be in store when and if this civil rights issue goes into next year's political campaign. The cries will go up that it was they—the Republicans in Congress — who killed or diluted civil rights legislation. Roy Wilkins, head of the NAACP, criticized Senator Everett M. Dirksen of Illinois, minority leader of the Senate, last Monday because he does not believe that the proposed ban on discrimination in privately-owned public accommodations is enforceable. He added that the Republican Party "has nothing of real value to offer the Nation." Obviously Mr. Wilkins relies on the Democratic Party and the Democratic Party relies on Mr. Wilkins when it comes to a political fight and elections.

So the Republican leadership of the House and Senate has subscribed to an indictment—a harsh indictment—of the Kennedy Administration and the Democratic Party for lack of real leadership.

Indeed, the G. O. P. leaders said the President cannot control his heavy Democratic majorities in the Senate and House; that this fact is shown by acknowledged Democratic dependence upon Republicans to carry administration programs. They claimed the President is heading "two minority parties" but has failed in leading them. Their statement referred to a news conference after the 1962 elections in which the President was quoted as saying: "If we get the kind of Republican support that we got at the beginning of last year on the (House) rules fight we can put some of these important programs through." The statement continued: "Only a few days ago, on June 23, the President's brother Robert F. Kennedy, Attorney General of the United States, pleaded the same lack of leadership in a television interview on civil rights in which he said: 'Obviously in order to obtain the passage of the bill we are going to have to have some Republican support. I think that is quite clear.'"

The Senate and House Republican leaders—all of them, including Senators Dirksen of Illinois, Saltonstall of Massachusetts, and Kuchel, of California, Representatives Halleck of Illinois, Arends of Illinois, Brown of Ohio and Ford of Michigan, asked this question: "If, as the President and the Attorney General now contend, important accomplishment is not possible without Republican votes, despite overwhelming Democratic majorities, then why should the American people continue to vote for such a divided and leaderless political party?

Federman Firm Elect Two V.-Ps.

Federman, Stonehill & Co. Inc., 50 Broadway, New York City, members of the New York Stock Exchange, have announced that Stanley W. Katz and David M. Weiss have been elected Vice-Presidents of the firm.

It was also announced that Harry H. Gordon has joined the company as registered representative.

BANK AND INSURANCE STOCKS

This Week — Insurance Stocks

HARTFORD FIRE-PACIFIC INSURANCE MERGER

Steps were taken towards the consummation of another in the long list of mergers within the fire and casualty insurance industry last week with the issuance of an exchange offer to the stockholders of Pacific Insurance Company, Limited (Hawaii) from Hartford Fire Insurance Company. Acquisitions continue to be the order of the day within the industry in the twin goals of achieving broad underwriting diversification and reduction of operating expenses.

The plan of the tax-free exchange, which has been approved by the appropriate governing authorities, provides for the issuance of 95,636 shares of Hartford's capital stock to the shareholders of Pacific on the basis of one share of Hartford for each two shares of Pacific. Upon the acceptance of the plan by 80% of the stockholders of Pacific by September 13, 1963, the plan will become effective. In addition to the proposed issuance of Hartford stock to the stockholders of Pacific Insurance, a 2% stock dividend, 213,884 shares, will be paid following the completion of the acquisition agreement.

The benefits of the acquisition to Hartford are clearly pointed out in the Plan of Exchange. Hartford has been unable to operate profitably in Hawaii since the late 1950's due to declining premium rate levels and increased losses. The contract for representation of Hartford by its principal agent in Hawaii was recently terminated, and although the company has proceeded to make other agency appointments there, the acquisition of Pacific was deemed desirable, particularly in view of the impracticality of Hartford establishing its own facilities in Hawaii.

In the acquisition, Hartford is picking up a well-managed company which has established an impressive record of growth and profitability in recent years. It is anticipated that Pacific's widely-diversified business will provide an excellent foundation upon which Hartford will be able to materially improve its position in Hawaii.

In addition to the benefits inherent in joining a major insurance organization such as Hartford Fire, the stockholders of Pacific Insurance will fare well under the one-for-two exchange ratio which was established after negotiation upon consideration of underwriting results, investment results, capital funds, reserves, market values and marketability. Hartford is willing to pay a fairly sizable premium for Pacific in line with the prices paid for other small, profitable, rapidly-growing companies that have been acquired by larger concerns in recent years. The Pacific shareholders will benefit in each of the principal areas of appraisal through the merger-book value, liquidating value, earnings per share, net investment income, and dividends received; as well as a substantial increase in market value as determined by the relative prices of the two stocks immediately prior to the announcement of the proposal of exchange.

In view of the advantages which will adhere to both companies through combination, it appears likely that the proposal of exchange will be accepted by the Pacific Insurance stockholders.

PACIFIC INSURANCE COMPANY, LIMITED

	Total Admitted Assets (000)	Net Premiums Written (000)	Loss Ratio %	Expense Ratio %	Profit Margin %	Total Earnings Per Share
1958	$5,510	$3,289	62.4	38.0	—0.4	$.33
1959	6,117	4,011	61.1	36.1	2.8	.64
1960	6,946	4,674	57.8	37.5	4.7	1.00
1961	8,295	4,742	54.8	38.9	6.3	1.58
1962	8,572	5,206	57.9	38.5	3.6	1.19

COMPARATIVE 1962 DATA

	Hartford	Pacific	Combined Pro Forma
Net Investment Income (Per Share)	$2.92	$1.31	$2.86
Total Earnings (Per Share)	$2.75	$1.19	$2.69
Total Net Asset Value (Per Share)	$44.73	$14.74	$43.73

	Price Ranges		Dividends	
	Hartford	Pacific	Hartford	Pacific
1958	$46½-31¾	$10- 6⅜	$.75	$.30
1959	51¾-42	10-10	.75	.33
1960	58¾-45¾	15-12	1.10	.36
1961	91 -57	20-15	1.10	.40
1962	83½-51	27-22	1.15	.60
1963 (to 3/11/63)	76¼-67½	28-26	.33	.15
March 15	69¼	33½		

W. P. Rogers Dir. Of Dreyfus Fund

William P. Rogers has been elected to the Board of Directors of the Dreyfus Fund Incorporated, 2 Broadway, New York City. Jack J. Dreyfus, Jr., President, has announced.

Mr. Rogers, formerly Attorney General of the United States, 1957-1961, is a partner in the law firm of Royall, Koegel & Rogers of New York, N. Y., and Washington, D. C. He is on the Board of Directors of the Washington Post Company and Newsweek Magazine and a Trustee of Colgate University and Clarkson College.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Pacific Gas & Electric Company

Pacific Gas & Electric, now the largest U. S. electric-gas utility with annual revenues of about $730 million, serves a population of some seven million in major parts of northern and central California. The larger cities served include San Francisco, Oakland, Berkeley, Richmond, San Jose, Fresno and Stockton; Sacramento and Alameda are served with gas. The area is well diversified with light manufacturing, agriculture, mining and lumbering. 1962 revenues were 63% from electric service, 36% gas and 1% miscellaneous. The electric revenues were obtained as follows: residential 35%, commercial (including small industrial) 17%, industrial 31%, farm 10% and wholesale and miscellaneous 7%. Gas revenues were 55% residential, 14% commercial, 30% industrial and 1% wholesale and miscellaneous.

Of the company's electric output, 58% was produced last year in its own steam generating plants, 34% in the hydro plants and 8% was purchased from other producers. In contrast with the three previous years when rainfall was subnormal, 1962 was a favorable year for hydro generation, reducing fuel costs. As a partial offset, however, the company sold less power for irrigation in certain areas since less irrigation pumping was necessary.

The company's available capacity last August was 6,627,000 kw (including 409,000 kw available from others) compared with the estimated maximum 1963 demand for 6,090,000 kw. This would indicate a rather low margin of excess capacity, but some 2,300,000 kw new capacity will be added in 1963-4. Moreover, the company plans to triple the size of the existing system by 1980. This program would include installation of nine thermo-type generating units of at least 660,000 kw each (the first of these is scheduled for operation in 1966) and seven others of at least 1,000,000 kw each. If the company's new nuclear power unit proves as successful as anticipated, many of the large generating units in the longer-term program will be atomic power plants The company is also commencing the construction of 1,200 miles of EHV transmission lines of at least 500,000 volts.

Pacific Gas & Electric has completed a 60,000 kw atomic power plant near Eureka which is now being tested. The Bodega Bay plant with a capacity of 330,000 kw is expected to go into commercial operation in 1967. The California Public Utilities Commission has already approved construction of the new plant (despite some local opposition) and beginning of construction is expected as soon as a permit is received from the Atomic Energy Commission.

Construction expenditures were $210 million last year, being somewhat less than the budgeted amount principally because of a strike in the construction industry. Some $238 million is budgeted this year and $296 million for 1964. New money requirements last year were obtained from the sale (in two installments) of $130 million 1st and Refunding Mortgage bonds. In addition to taking care of 1962 requirements this provided $25 million excess cash at the year-end which will be applied to the 1963 construction program.

On Jan. 11, 1963, the company and three other electric utilities comprising the California Power Pool made an offer to construct a 500,000-volt transmission line between the Oregon-California border and Los Angeles at an estimated cost of $100,000,000. The offer was made in response to a request of the Bonneville Power Administrator for "the most feasible and economical plan" to build and operate Northwest-California interties. The Administrator is also considering proposals made by public agencies for such an interconnection.

Pacific Gas & Electric requires large amounts of natural gas not only for distribution to its customers, but for use as boiler fuel in its steam generating plants (it also uses a relatively small amount of oil). Las year some $205 million was spent for gas of which $110 million was paid to El Paso Natural Gas, $42 million to Pacific Gas Transmission and the balance to others. In order to supplement its long-term contract reserves, the company built a 1,400 mile pipeline from Alberta to northern California in 1961. (Pacific Gas Transmission), which now supplies about one-fifth of the company's total requirements. With installation of additional compressor stations, this line can transmit over twice the present amount and with this additional take the price will decline somewhat from the present cost of about 36c per Mcf, which is above the revised prices paid El Paso.

El Paso was ordered in 1962 by the FPC to reduce rates, and Pacific Gas & Electric in turn reduced rates to its own gas customers by about $4.1 million in January this year. The Electric Department will also save about $2.4 million based on the new rates and the company has received the State Commission's permission to pass along this saving to its electric customers.

As of August, 1962, the company was earning about 5.4% on net plant account, according to Standard & Poor's calculation. However; this return reflected the use of "flow through" of tax savings resulting from the use of rapid depreciation. If the tax saving (which amounted to about $12.2 million in 1962 had been normalized, the return might have dropped to around 5%.

The 3% investment tax credit in 1962 reduced income taxes by about $2.5 million; but under FPC orders this was offset by a charge "below the line" so that net income was not affected. Also earnings do not reflect the use of the new "guidelines" since provision for book depreciation is being increased to offset this saving in taxes.

Earnings per share have increased rather steadily from 94c in 1953 to $1.64 in 1962. Because of warmer weather in the first quarter of 1963, earnings were 45c vs. 46c last year. The stock has been selling recently around 32 and based on the $1 current dividend rate yields 3.1%. The price-earnings ratio would be 19.5 based on 1962 earnings and 18.2 if based on Standard & Poor's estimate of $1.75 for 1963.

Tom Ball With Bache & Co.

HOUSTON, Texas—Tom Ball, Jr. has become associated with Bache & Co., Tennessee Building. Mr. Ball was formerly Vice-President

Tom Ball, Jr.

of Eddleman, Pollok & Fosdick Inc., in charge of the corporate department, and prior thereto was an officer of Brown, Wareing, Ball & Co.

Hitachi, Ltd. Shares Offered

Dillon, Read & Co., Inc. and Yamaichi Securities Co. of New York, Inc., as managers of an underwriting group, are offering publicly 937,500 American Depositary Shares of Hitachi, Ltd. representing 75,000,000 shares of common stock (par value 50 Japanese yen). The American Depositary Shares are priced at $22.25 per share. This sale represents one of the largest offerings of stock of a Japanese company in the United States to date.

Net proceeds will be added to Hitachi's general corporate funds to be available, together with funds from other sources, to meet construction expenditures, or for other corporate purposes. The company estimates that during the next three years total capital expenditures for the period will be approximately $237,000,000.

Headquartered in Tokyo, Hitachi, which began in 1910 as a repair shop for mining machinery, is now Japan's largest privately owned industrial enterprise and the largest and most diversified manufacturer of electrical equipment and industrial machinery in Japan. It is among the largest industrial companies outside the United States and is one of the few foreign companies which have supplied equipment for power projects in this country.

Hitachi produces over 10,000 different products, including a wide variety of electrical equipment designed to generate, transmit and utilize electricity and many types of industrial machinery, rolling stock, chemical and metallic products.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

They Bought From Him!

One of the leading salesmen for a prominent investment firm told me that he learned a lesson years ago that was the turning point in his career. He said that when he began selling securities about 20 years ago there was very little information that he could study to prepare himself, so that he could have at least a fundamental knowledge of investments as is the case today. Besides, he had practically no guidance in clientele building and he had to "jump in and swim" the best way he knew how.

He read all the books on intangible selling he could find. He studied the sales procedures that were used in the life insurance business. He tried to learn how to make appointments, how to approach a prospective client, how to present his firm's services, but he was floundering around and having a very difficult time of it.

He Found Out Why People Bought

In his office there was another salesman who was one of the easiest going Southerners you ever met. You know the type . . . always soft spoken, he just seemed to shuffle along, nothing ever seemed to upset him or get him excited. He acted as if he didn't give a hoot if he ever did any business or not. But what a volume of transactions this man produced month after month. He was one of the most quietly efficient salesmen this now successful man had ever known.

Day after day this slow moving, slow talking, easy going Southerner would come in with order after order, and he seemed to belie in every action and every word that any successful salesman should do.

One day my friend was sitting at his desk, wondering what was wrong with himself. He looked over at that easy going fellow at the next desk who was doing all that business and who looked like he didn't have a care in the world, and he decided to ask his advice. He said he will never forget the way that man responded to his request. He listened quietly and then suggested that they leave the office where they could have a quiet talk.

They found a little restaurant down the street and over a cup of coffee they had it out. "I've been watching you ever since you started on this job," the older salesman told this discouraged young man. "You are a nice fellow but no one would ever know it. You are all salesman. As soon as you start to talk you give others the feeling that you want to convince them of something. That way you put other people on the defensive. Then they automatically resist your suggestions. It's just human nature to do this. I sell but I do it another way. I let people think they buying. I ask them questions. 'How do you like it?' Or, after I make a suggestion, I ask, 'How does that sound to you, pretty good, don't you think?' **People like to be sold but they don't want anyone to sell them.** When you learn this you'll do more business than I ever will. You read a lot, you work hard, now just relax and stop trying to convince people . . . help them to buy and you'll see what a difference it will make in your sales."

Selling Securities Is a Long-Term Project

Here was one of the best lessons in salesmanship that anyone could learn. It made the difference between success and failure for this now every competant and well established registered representative. In the security business we are not selling a product . . . or a one time proposition. We are selling information, service, and we are handling the second most important asset in the lives of other people . . . their savings and their capital. We are not making a one call sale where we will never see the buyer again. We have to live with every security we recommend, as long as our customer owns it. There is no place for pressure, for arguments, or for placing our own self interest ahead of that of the client in the investment business.

We can help clients to make informed decisions . . . we can bring them information that is as reliable as possible . . . we can offer suggestions that are based upon mature judgment and a knowledge of the client's aims and objectives . . . we can help people preserve capital, build it sensibly, and produce income that is satisfactory . . . this is what we are striving to accomplish today in the investment business.

Although salesmanship is important in the investment business . . . we are not trying to make sales. We are building relationships that are very important to our clients and their families. And the only way we can do this is to help others to manage their investment accounts so that their interest will be well served. As that easy going man from the south would have put it . . . "Just help people make the right investment decisions and you'll soon see how much business will come to you."

Fidelity Group Adds Bingham

LOS ANGELES, Calif.—President George S. McEwan of The Crosby Corporation has announced the addition of Charles Curtis Bingham to the firm's wholesaling staff in the Southwestern United Staes region. Based at the Los Angeles office, 5410 Wilshire Boulevard, Mr. Bingham joins Crosby Vice-President, A. Clarke Fleehart, in distributing the Fidelity Group of Mutual Funds through registered investment dealers in Southern California, Arizona, and New Mexico. Previously associated with the Calvin Bullock and One William Street organization. Mr. Bingham brings several years of mutual fund wholesaling experience to his new position.

As We See It

Continued from page 1

China is to be the head and center of a communist world —which both, of course, hope will presently be the entire world.

Now these questions are important to the remainder of the world, the more since there are wide differences in the courses that are advocated and presumably would apply if one or the other becomes dominant. There are certain facts about all this that must be understood and properly appraised by all of us. It is obvious that the Chinese idea that communism must be rammed down the throat of the rest of the world by force of arms if it can not be quickly accomplished in any other way is hardly a very grave hazard of the day —that is if the Chinese are to do the ramming. A decade hence it might be, but by then experience and all the factors that have led to changes of mind in the Soviet Union may well have had about the same effect upon the Chinese. At present, in any event, China is hardly a military threat to the West except India or through the subversion of Asiatic millions of people. It does not seem able even to match the Russians in the matter of subversion in many distant lands —at least so far as may be judged from what one is able to learn. The Chinese communist party must of necessity concentrate its attention and its energies upon keeping its people from starvation.

Should Mao be able to oust Khrushchev and change the policy of Soviet Russia to his liking, the story would be quite different. It is apparently conceded even in Russia that to pursue the Chinese doctrine in practice would inevitably result in the all but total destruction of the Soviet Union, but it is evident enough that even in its death throes, Russia could do damage that is unacceptable. Fortunately, the Russian bosses apparently know what would inevitably happen to their country in case of a nuclear war and are determined to build their foreign policy on the facts. In short, it is vitally important to all of us that Russian foreign policy be quite different from that advocated by the Chinese leaders—and there is apparently no good reason to suppose that it will not be. Whether the Kremlin can make any great impression upon the Chinese is a matter of secondary importance at least for the time being.

Misleading Soft Talk

But we must not be misled by Kremlin soft talk. "Peaceful coexistence" is a term to conjure with — and it has been conjured with again and again of late. Khrushchev is probably sincere enough when he says that any undertaking to force communism on the rest of the world by use of soldiers can in present circumstances be the idea of only a madman, and the Kremlin is not a body of either madmen or imbeciles. But that is not the whole story by any means. The Russian dictator either does not know the meaning of ordinary words or has his tongue protruding far out into his cheek when he repeats and again repeats the assurances that his country will never interfere in the internal affairs of any other country. Of course, it is obvious that such interference wherever he thinks it would pay is his specialty.

The difference between what he likes to view as such interference and the fact is one of methods and technique. The Russian boss while saying all this about the internal affairs of another country adds that the Kremlin will always do all that lies within its power to bring all the world under communism — and Russian rule though this latter is usually not mentioned, of course. Now it is common knowledge that the favorite technique of the Russian communist is that of intrigue in foreign countries to inspire, aid and effect the overthrow of existing regimes. Naturally this is in evidence mostly in so-called undeveloped countries at present. It is there that there is most unrest, most poverty and most ignorance. But some of the more advanced nations are far from neglected. If this is not interference in the internal affairs of foreign countries, one would like to know what would be.

Other Types of Meddling

This type of more or less direct interference in the affairs of other countries may be and is largely confined to certain types of countries, but there is another type of interference, even if it can not be termed subversion, which is rife in all countries, including our own. It is an insidious attack upon the institutions and the established beliefs and policies through organizations composed of nationals, an undertaking to undermine the thinking of the rank and file. In this area it is often termed a struggle for men's minds. It may be that, but it is hardly an undertaking which appeals directly or in a straightforward way to anyone's intellect. It is rather a fomenting of unrest, a sly suggestion here and there at the expense of sound political and economic principles.

And let no one suppose that there has been no progress made even here at home. We are, of course, still far away from avowed belief in communism or anything approaching it, but we have —probably without in the least realizing it, come a long way in that direction and away from time-tested principles which our own experience has proved invaluable, not to say indispensable to social and economic progress. Let us not be deceived by smooth talk.

Eaton, Howard V.P. Discusses Inv.

The only commercial international radio station in the U. S., Radio New York Worldwide, which has a potential of reaching 90 million receivers, programmed recently, for the first time, a mutual fund industry leader to discuss problems of investing in today's world of highly competitive economies. The guest was William H. Gassett, Vice-President and economist for Eaton & Howard, Inc., sponsors of two of the nation's oldest and best known mutual funds.

William H. Gassett

Radio New York Worldwide, a non - government, independent broadcaster, with call letters WRUL, beams on short wave to about 5,000,000 regular listeners in Europe, Africa and South America 247 hours of music, features and news in English and Spanish, including a daily "Worldwide Investor's Digest" devoted to special business news and a roundup of closing stock prices from New York and foreign exchanges.

With the U. S. stock exchanges closed on Memorial Day, Mr. Gassett was asked by Mitchell Krauss, WRUL's news director, to point out for listening investors how the U. S. economy looks for the rest of the year and how investors could be affected by international competition, much of which comes from nations where listeners were tuned in.

Mr. Gassett said "the outlook for the balance of the year is reasonably optimistic in terms of gross national product, although the rate of growth is not high enough to absorb the current unemployment situation. We are now in the consolidation phase of the great expansion period of 1946-56, which came to a halt due to satisfaction of demands built up during the war."

He felt we would remain in this consolidation period for another year or two, he said, but there are signs that we are already coming out of it and going into another capital goods boom period which could last well into the mid-70s.

"Despite competition from abroad," Mr. Gassett stated, "the American economy has positive factors in it which hold promise for investors here and abroad. These factors are the emergence of a 'replacement demand', developing from the wearing out of 1954 and 1955 autos, old radios, washing machines and other appliances. Also, the World War II baby crop, now approaching marriageable age, will insert new dynamics into the economy with their durable goods demands. And finally, there is re-growth of liquidity in the economy, which had fallen to a low level in the past few years. Increases in public savings has mounted steadily and should be looking for markets soon."

"As far as our competitive position abroad is concerned," he said, "I think we're now going through the darkest part of the tunnel. Wage rates in Western Europe and some other countries are increasing at a much faster rate than ours. Of course, they have a long way to go before they catch up. But our competitive position should improve. I don't think any investor should worry about our being priced out of the world markets. We have a tremendous exportable surplus and we will improve our competitive position if we can contain wage and price increases. The position of the investor in American industry, I think, holds as much promise as it ever did."

MUTUAL FUNDS

BY JOSEPH C. POTTER

On the Move

Bustling Chicago and booming Los Angeles beckon, but first the mail must be cleared away:

There is the report that the funds hold stocks in the office equippers valued at well over $600 million. This is roughly equal to the outlay by investors throughout the nation during the first quarter of this year for fund shares of all kinds. Incidentally, International Business Machines accounted for more than two-thirds of the funds' holdings in this field. . . . Delaware Income Fund people may be giving up smoking for good. Not only have they eliminated their 10,000-share bundle of Lorillard, but they've also wiped out their 5,500-bundle of Bayuk Cigars. . . . American Business Shares over the six months to May 31 has managed to restrain its enthusiasm for common stocks. The company was buying Treasury certificates and Federal Land Bank obligations.

Apparently the funds still have steels for sale. Wellington Fund got rid of 100,000 of Armco and sold an equal number of shares in high-flying W. R. Grace. That fund, by the way, is back on the rails, picking up 100,000 Southern Railway and 76,300 shares of Norfolk & Western. . . . Massachusetts Investors Growth Stock Fund has raised a few eyebrows in the Financial District by dumping its 75,000 shares of Allied Chemical and 50,000 Bell & Howell. The gentlemen from Boston's Berkeley Street, at the same time, have tucked into their portfolio 25,000 Procter & Gamble and 22,500 Abbott Labs, both new commitments.

With Wall Streeters for the first time in a generation on a sustained rail diet, Calvin Bullock sounds a note of caution. Its investment management department emphasizes that the carriers have outpaced industrials and reasons that "some of the actual and anticipated benefits have already been accounted for in the current price level." . . .

Out in Los Angeles, Clair L. Peck, Jr. has been elected to the Board of International Resources Fund. He is a builder, banker and pillar of the California Southland. . . . While the Canadian lure is not nearly as strong as it was in 1950's, Canadian Fund makes some interesting points for investors who have turned elsewhere: employment is at record levels, personal income continues to rise and new highs have been attained in aluminum, iron ore and lumber output. . . . From Des Moines, T. C. Henderson, President of Supervised Shares, weighs in with the information that his fund has been stepping up its holdings of Borg-Warner, Iowa-Illinois Gas & Electric, Pittsburgh Plate Glass, Textron, Wrigley and Zenith. It has been trimming holdings in Kansas City Power & Light, Reynolds Metals and Sunray DX Oil.

And from a mile above sea level, Denver-based Financial Industrial Fund is still looking skyward. While it has been increasing some holdings and reducing others, the only two brand-new commitments are Delta Air Lines and Pan American. It has an old stake in American Airlines, which it has trimmed of late, and Northwest Airlines, to which it has been adding. No rail fancier, it has reduced its stake in Rock Island, its only representative in that field.

With the last of the mail cleared away, the one overriding impression as summer is well launched is that opinion within fund circles is strongly divided, both on the subject of the economy and the market. Fund stewards, of course, prefer to think and talk in terms of stocks, rather than the market. All they are doing—and can, indeed, do—is incessantly seeking out situations that will prove beneficial to their employers, the people who own something like $24 billion worth of mutual funds. If fund leaders stand the summer temperatures better than most of us, it's because, for them, the heat is on 12 months of the year.

The Funds Report

Axe-Templeton Growth Fund of Canada, Ltd. reports that during the quarter ended April 30 new commitments were made in Farbenfabriken Bayer, Gevaert Photo Products, Bank of Nova Scotia, Royal Bank of Canada, Crush International, MacMillan, Bloedell & Powell River, Hollinger Consolidated Gold Mines, International Nickel, Ericsson Telephone, Leland Publishing, Swedish Ball Bearing, British Petroleum, Shell Oil of Canada and Bell Telephone of Canada.

* * *

Canada General Fund reports that at May 31 net assets totaled $57,115,193, or $17.37 a share. This compares with assets per share of $16.01 at the end of the preceding quarter and $14.40 on May 31, 1962.

* * *

Carriers & General announces that at May 31 total net assets amounted to $19,581,547, up $1,649,920 since the previous report to stockholders as of Feb. 28. Per share net asset value on May 31 was $34.90, against $31.23 on May 31, 1962.

* * *

Guardian Mutual Fund reports that at June 28, marking the end of eight months of the fiscal year, net assets totaled $20,005,197, or $22.17 a share. At Oct. 31, 1962, end of the fiscal year, assets were $14,845,036, or $18.16 a share.

* * *

International Resources Fund reports that at May 31 total net assets amounted to $19,833,145, or $4.81 a share, compared with assets of $18,279,157 and $4.30 at the end of the fiscal year on Nov. 30, 1962.

* * *

Investment Trust of Boston reports total net assets of $74,849,270, or $11.68 a share, on May 31, end of the fiscal year. This compares with assets of $62,962,899, or $10.29 a share, at the close of the previous year.

* * *

Keystone Income Common Stock Fund S-2 reports that for the fiscal half-year to May 31 holdings of utility and railroad issues were increased and retail trade and chemicals reduced. Addition of 40,000 Allegheny Power System brought total holdings for nine utilities to 16.2% of the portfolio. The rail section was strengthened by addition of 27,000 Louisville & Nashville.

* * *

Total net assets of **Nation-Wide Securities Co., Inc.** at May 31 were at an all-time high of $53,907,726, or $22.99 a share. This compares with assets of $48,656,611, or $21.37 a share, at the end of prior quarter on Feb. 28.

* * *

Net assets of **Provident Fund for Income, Inc.** on June 30 were at a record $11,275,590, or $4.24 a share, against $9,119,739 of assets and $3.80 a share at Dec. 31, 1962.

W. Durdle With Halle & Stieglitz

BOSTON, Mass.—Warren E. Durdle has become associated with Halle & Stieglitz, 111 Devonshire Street. Mr. Durdle was formerly with Clayton Securities Corporation and Goodbody & Co.

OTC Companies With Long Records of Cash Dividend Payments

Thirty-six OTC companies, including three newcomers, appear in the latest *Commercial and Financial Chronicle* list of OTC companies with records of more than 100 years of consecutive cash dividend payments. The publication's 1963 annual booklet shows approximately 1,000 companies, whose securities are traded in the OTC market, which have paid consecutive cash dividends for from 10 to 179 years.

The North & Judd Manufacturing Company, the First National Bank of Cincinnati, and the Northeastern Pennsylvania National Bank and Trust Company joined the companies with cash dividend records of more than 100 years, including the Bank of New York and First National Bank of Boston with records of 179 years each. Companies with records of consecutive cash dividends since 1900 total 120, including Travelers Insurance Co. 97; American-Express Co. 93; Nicholson File Co. and Home Insurance Company 91; Stanley Works 87; and West Point Manufacturing and Whitin Machine Works 76 years.

Bradfield With Eppler, Guerin

WACO, Tex. — Max E. Bradfield has become associated with Eppler, Guerin & Turner, Inc. in charge of their newly opened office at 612 New Road. Mr. Bradfield formerly conducted his own investment business in Waco under the firm name of Max E. Bradfield Company.

Hugh Long Co. Elects R. G. Frank

ELIZABETH, N. J. — Robert G. Frank, regional Vice-President of Hugh W. Long and Company, has been elected Chairman of the organization's Sales Advisory Board.

Robert G. Frank

Mr. Frank makes his headquarters at the Long Company's Los Angeles office, 621 S. Spring Street. The office is also headquarters for Ernest J. Lewis, a member of the Long Company's board of directors, and John J. Hood, a regional Vice-President. The office serves investment dealers in Southern California, Southern Nevada, New Mexico, Arizona and Hawaii.

The new Sales Advisory Board Chairman succeeds C. Elwood Kalbach as head of the six-member group which is composed of investment men with experience totalling more than 100 years in the mutual fund industry.

The Sales Advisory Board makes recommendations on sales policy and procedures to be followed in the Long Company's national distribution of shares of Fundamental Investors, Diversified Investment Fund and Diversified Growth Stock Fund.

Members of the Board in addition to Mr. Frank and Mr. Kalbach are Frederic C. Coltrin of San Francisco, western states Vice-President; Donald C. Larrabee of Fair Haven, N. J., atlantic states Vice-President; J. Richard Werges of Mahtomedi, Minn., central states Vice-President, and Walter L. Angle of Norristown, Pa., regional Vice-President.

Texas IBA Group 1964 Meeting

HOUSTON, Texas—The Texas Group of the Investment Bankers Association of America will hold their 1964 convention April 8-10 at the Shamrock Hilton Hotel in Houston.

The Future of Investment In Tax-Exempt Bonds

Continued from page 3

the authority of the President under any previous Act.

Growth of the Tax Bite

A good deal of space has been given here to the possibility of the removal of tax exemption from municipal bonds. However, that is one of the vital advantages of owning such securities. In this area of continuing heavy Federal Government expenditures, those in the Administration in Washington are constantly searching for sources of additional revenue, and so every move in that direction should be carefully studied and watched. If the tax exemption feature of municipal bonds were somehow removed, however, the writer suggests that such a move would be extremely favorable to oustanding tax exempt bonds, because surely it would be illegal and a breach of faith to tax any but future issues. Our citizens have been fighting the income tax law since it started in 1913 with a 16-page pamphlet. The present income tax law has 1006 pages. Enforcement has now grown to a point where the Internal Revenue Service is steadily assuming domination over the financial affairs of all individual and corporate tax payers. Recent rulings on the tax treatment of expenditures for travel, gifts and entertainment of customers may be used as an example of this growing tendency.

In January 1965, a duly elected citizen is scheduled to be inaugurated as President of the United States. This position has gradually become a more powerful one in our country, due in part to the willingness of Congress to evade some responsibilities which could alienate the support of their constituents at the polls. It is important that investors generally approach the coming presidential election next year with caution, and that they use every effort to influence the citizens of their acquaintance to insist on the curtailment of expenditures by the government and on the true balancing of the Federal budget. For the statements being made currently by prominent persons regarding the possibilities inherent in a change in the official purchase price of gold, the recent announcement that the U. S. gold stock was now down to $15,878,-000,000, the lowest since May 10, 1939, and the enactment of legislation ending silver backing of the dollar, all of these developments are disquieting to bondholders, whether they hold tax-exempt or taxable bonds. For the threat to the dollar is a threat to the bond market, because one of the premises of bond investment is the theory that the holder will be repaid, both interest and principal, in money of the same true value as when the bonds were purchased. This shows how important it can be to investors in bonds to use every effort to prevent any further devaluation of the currency either directly or indirectly.

Seeking Safety in Municipals

The true municipal bond, payable from unlimited ad valorem taxation, is a prime investment. Quite evidently there are degrees of safety in municipal bonds. Investors should choose long and well established communities, with well diversified industries, intelligent, literate and thrifty citizens; the public officials should conduct the financial affairs of the municipality properly, collect the taxes diligently, and maintain the credit. There should have been no default since incorporation. It is well to stay away from areas of unusual growth, because where it would be true that an increase in population brings an increase in tax collections, yet schools, sewer and water systems, the police and fire departments, all have to be provided for, to say nothing of funds for relief. Moreover, there are certain areas where the climate is very delightful, warm and sunny. A large number of persons flock there in cold weather. Older people love to retire there. But in some examples of this situation, old age pensions, Townsend type plans, homestead tax relief, serve to increase the cost of living and tax burden for those not entitled to special benefits. Certain other ideal winter resort areas develop very expensive hotels and motels, race tracks, lavish restaurants and gaming rooms. In a depression, such municipalities find that hotels go bankrupt, together with a number of tax paying services. Real estate prices decline severely, hence assessed valuations have to be reduced and the service of the debt becomes threatened.

Look at Your Own State's Issues

Investors not used to purchasing tax exempt bonds may wish to take under consideration certain advice which might relieve them of at least a large part of the doubt that they may harbor as to their ability to make safe and sensible selections of such securities. To begin with, investors residing in a state having an income tax of its own should give first consideration to top grade municipals of their own state, including the bonds of the state itself. Besides being exempt from Federal taxation, interest on such bonds is also usually exempt from State taxation. The saving, incidentally, is on the coupon and not on the yield and therefore the higher coupon bonds have the advantage. For example, on a holding by a man and wife who reside in New York City of $50,000 City of New York 3% Corporate Stock due June 1, 1980 the saving would be $112.50 per year in New York State income tax, assuming a case where the husband's income was $35,000 per year and his wife's was $5,000, as entered on Page 1, line 17 b and c of the Form IT 208. If the couple had purchased the same amount of City of New York 2% Bonds due Aug. 1, 1983 the saving of New York State income tax on the holding would be only $75.50 per year.

What the Experts Buy

Another good guide for the beginner in the tax-exempt investment field is to investigate what the experts are buying. If one writes to any of the leading insurance companies, they will gladly send a copy of their latest list of securities holdings. Our investors will doubtless realize that those securities were only added to the list after the senior officers and the Investment Committee have approved the purchase on the basis of a thorough study of the merits of the investment.

Dollar Averaging

In buying securities there is a great deal of advantage in dollar averaging. This does not mean "averaging down" as stock traders are apt to do if purchases turn out disappointing. It refers to investing a given amount of money at regular intervals, whether it seems that the market is high or low, may rise or fall. This method can be very successful with municipal bond purchases. Moreover, since most tax-exempt bonds are issued in serial form, the dollar averaging investor can fill in holes in his list in an attempt to keep a continuity of maturing bonds.

In considering the investment of surplus funds it becomes a problem as to whether to purchase stocks or bonds, and, in the case of the latter, whether they should be corporate, tax exempt or government obligations. A great deal has been said and written about the advantage of stock to obtain capital gain and it is possible, by investing in prime corporate names at times when market conditions are weak or even thoroughly disorganized, to obtain some very handsome appreciation with stocks.

However, do not overlook the historical record of the tax-exempt market. Since the start of World War II in 1939 the average yield for twenty 20-year municipal bonds have varied from 3.20% in September 1939 to 1.40% in April 1946, then eventually to an all-time high yield (and consequent low actual price) of 3.81% on Jan. 11, 1960, and finally to its present recent reading of 3.26%. There is probably as much active fluctuation in the history of tax-exempt bonds as in stocks, but because municipals are customarily quoted on a yield instead of a price basis, also because the modest investor or speculator is inclined to regard tax-exempt bonds as too expensive to consider, the fluctuations in the municipal bond market are not given the publicity that stocks get. Did you ever, for example, hear tax exempt bonds quoted on a radio account of the "market"?

Tax-Savings

A good deal has been written and numerous tables published to show the savings that may be realized by investors in purchasing tax-exempt bonds. A taxable equivalent table is available, in which it is figured that if a taxpayer in the 75% bracket, for example, who has a taxable income of say $55,000, were to purchase a bond of a corporation with a yield of 4.00%, that bond would only net him 1% after Federal income tax. Likewise, the purchase of a tax-exempt bond on a 3.00% basis would actually give him the equivalent of a taxable bond or stock bought to yield 12.00%; and that such a yield would be unobtainable in a good taxable security. These tables are admittedly a guide in the right direction. However, if the investor takes his own income tax return and calculates the taxable equivalent in his own particular case, he will doubtless find that the saving is somewhat less than shown on the taxable equivalent table. Nevertheless, it is frankly and generally admitted that a good deal of money may be saved by investing in tax-exempt bonds, and so it is not necessary to be too particular about the actual saving down to the last dollar. If there is any question at all about the desirability of purchasing tax-exempt bonds it is better to have a tax accountant check the figures.

One point regarding the ownership of tax-exempt bonds which must not be overlooked has to do with retirement income. A taxpayer may be earning let us say $45,000 in salary per year, which together with dividends and interest on investments and savings bank balances would amount to $50,000 total. If he should retire, his income could drop to perhaps $10,000, considering a pension, plus social security and investment income. The social security payments to him would be tax-exempt. Those payments probably would be about $2,000 for the man and his wife, so he really would have a taxable income of only $8,000. Thus he would drop from a 72% tax bracket down to one of 30%. In that event it might be advisable for him to dispose of his tax-exempt bonds and reinvest in good grade corporate bonds or preferred stocks.

Conclusion

Summing up, it is safe to say that those issued by states or municipalities of high credit standing are quite as safe as one might reasonably expect any investment to be, they do have a broad market, and they do serve to afford their owners a considerable saving on income taxes. It is difficult to look into the future, but the way things are going with our Government at present one cannot escape the feeling that income taxes will continue to be imposed on our people for the foreseeable future, and that those taxes are more likely to be raised than lowered over the years to come.

In the old days, the captain of a sailing vessel would set his course, instruct the helmsman, and order him to "Keep her steady as she goes." Investors may apply this order to their advantage by keeping up steady purchases of securities to attain a designated objective. If the helmsman were young and inexperienced, he captain would add the command "By and Large!" That meant for the helmsman to take no chances; not to sail too close, to stay clear of possible disaster. Investors should bear this command in mind when they start to select their securities. They will stay clear of disaster, in so far as is possible, and will take a minimum of risk, if they stick to high-grade tax - exempt municipal bonds.

Wick, Others Join F. I. duPont

CHICAGO, Ill.—Robert E. Wick, formerly Manager of the Chicago office of Westheimer & Company, and three associates on his staff have joined Francis I. du Pont & Co., 208 South La Salle Street, as Registred Representatives, it was announced by Thomas W. Thompson, Chicago Managing Partner of Francis I. du Pont.

The other three men are George J. Singer, Harry Marmel and Joseph R. Vaughn.

Banks Would Be Exempt From SEC Jurisdiction

SEC legislative proposals to strengthen regulation of stock markets emerged July 9 from the Subcommittee on Securities.

H. A. Williams, Jr.

Senator Harrison A. Williams Jr. (D. N. J.) Chairman of the Subcommittee, said "This bill should offer substantial protection to the American investing public. I am strongly in favor of its passage by the full Banking and Currency Committee and by the Congress."

The Subcommittee adopted an amendment proposed July 9 by Senator Williams. It would delegate directly to the appropriate banking regulatory agencies the powers, functions, and duties to administer the full disclosure, proxy solicitation, and insider trading provisions of the Securities Exchange Act in so far as their application to banks would be concerned.

"This modification of the bill," said the Senator, "should meet the limited objections raised to the bill in the banking field during last month's Subcommittee hearings. I believe that the Full Committee will approve the bill in the near future. We should have Senate passage soon after. Prospects for the bill are excellent."

In addition to the Williams amendment, the subcommittee on Securities approved technical changes in the bill (S. 1642).

Brown Brothers Harriman Name

The banking firm of Brown Brothers Harriman & Co., 59 Wall Street, New York, has announced the appointment of Herbert E. Gernert, Jr. as a manager and Terrence M. Farley as a deputy manager in the New York office and the appointment of Joseph S. Hancort as a deputy manager in the Boston office, 10 Post Office Square.

H. E. Gernert, Jr.

Mr. Gernert, formerly a deputy manager, is in charge of the investment department in New York and has been with the firm since 1955.

Mr. Farley, formerly an assistant manager, has general responsibilities in the commercial banking department and was formerly in charge of the credit department. He has been with the firm since 1951.

Mr. Hancort is in charge of the investment advisory division of the Boston office. He was formerly an assistant manager and has been with the firm since 1937.

Numerous Forces Indicate Sustained Economic Growth

Continued from page 1

also no merit in putting down a whole lot of numbers to try to "prove" what is going to happen. There are far too many things which involve public psychology and reactions to new developments which we cannot hope to capture in a series of specific numbers. There is also grave danger in merely projecting recent trends in any statistical series. Doubt is always the rule in forecasting and the unexpected is always going to come in to alter our expectations. Suffice it to say that I have a point of view and it is an optimistic one. I would like to sum up my reasoning in the form of ten brief propositions.

(1) *The current upswing in business is no "flash in the pan;" it will go further than is generally expected.*

It is difficult to put 1963 into proper perspective. Last year the business community was full of doubts. Several economic indicators seemed to be pointed toward imminent recession and the setback in the stock market seriously affected business psychology. Yet here we are in mid-1963 with a whole new mood of optimism. The indicators have turned around —the stock market is exuberant, and talk of a recession has faded out almost completely.

What happened? One good explanation would be that the upward recovery movement last year was sharply jolted by the steel price crisis in the spring. Confidence was severely shaken, and emotionally the country began thinking in terms of recession. The word "recession" really implies correction, but what was there to correct? Inventories had not moved up to any considerable extent, capital expenditures were just beginning to rise, the use of consumer credit accompanying the bulge in automobile sales was not out of line, so the need to correct was not very compelling.

Other Forces Pushing Upward

Looking backward, now, we can say that there was a slowing down and a levelling off, but that's all! Meanwhile, a number of potent economic forces were still at work last fall leading to renewed expansion. Among these I would certainly stress consumer spending, including the continued automobile strength. In addition, business inventories were on such a conservative basis that the only way they could move was up. Beginning early this year, the threat of a steel strike and the possibility of price increases were enough to give inventories an upward push. But much more has happened than this. Industrial production, after following a flat trend that began last summer, has now broken through to new high ground. It seems to me that we have started a new upward phase in business activity taking off from the stalemate of last year, and that as of now we have quite a distance to go. It is hard to prove this contention but I would cite the following as partial evidence:

a. New orders for both durable and non-durable goods have increased strikingly. The ratio of new orders for durable goods to inventories of durable goods is currently more favorable than at any time in the past seven or eight years. Experience suggests that this kind of position is not suddenly altered for the worse, even allowing for a lessening of steel buying.

b. The consumer position continues strong and there are no signs as yet of the strength of automobile demand wearing out. On the contrary, the scrappage rate in automobiles has jumped so much in the last couple of years that gross sales of seven million cars are adding only 3% or so to the total car population. It seems likely that automobiles will continue to provide a good economic assist for some time to come.

c. Corporate profits continue to look better, and plant and equipment expenditures are slated to reach new highs. The latest surveys show that plant and equipment spending will be moving up through the rest of this year, for a 1963 total of 5 to 7% above 1962. Business capital outlays already planned for 1964 are not much below the totals expected for 1963, but these figures need to be interpreted since there is almost always some understatement at a time of improvement like the present.

d. Add a state of good confidence among consumers and businessmen and the short-run outlook becomes favorable indeed. We can make up a lot of lost ground in the next several months.

Yet in spite of the very favorable short-term outlook, we cannot escape the fact that economic growth for the past few years has been disappointing. Against the background of the doubts and fears about our growth rate, the prospects for the next 12 months are probably of far less significance to us here than the outlook for the next 12 years. Accordingly, I would like to turn now to the longer-term prospects for the economy. Certain underlying changes are taking place that promise to step up our rate of economic growth during the next several years.

Long Run Growth Push

(2) *A world-wide industrial revolution based on awakening desires for consumer goods and higher living standards is now under way.*

In this country, we have already witnessed this type of demand and we now take it for granted that most families should own a car, and sometimes two or three; that the full complement of household appliances is standard equipment in more and more homes; and that more than 60% of American families own the homes they live in. But when we extend our sights beyond our own borders, we find that this consumer revolution is just starting to gain momentum abroad. Postwar Europe has taken gargantuan strides, but still has a long way to go. Just before the war I visited Europe, and vividly recall the swarms of bicycles which were the standard means of transportation for a great many people. It was only a few years after the war that bicycles were replaced by the ubiquitous motor scooters —a real marvel of progress even if they were noisy. Last summer I was in Europe again and found the scooters increasingly replaced by an endless number of seemingly brand new automobiles. The traffic jams in Rome and Paris are a tangible sign of progress. The driving is a real thrill and the pedestrian has to be nimble indeed. Next month I expect to be in Rome again, and I dread to think what marvels of transportation may have replaced the automobile. If I meet one jet air car on the Via Veneto, I'll turn around and come straight home.

The point is that Europe is on the threshold of an explosion of consumer demands. These demands were always there potentially but now they are practical; they can be met by the rising level of income of European workers. Today, Europeans are starting to cash in on their remarkable progress by a new emphasis on consumer goods, with visions of refrigerators, washers, dryers, automobiles and all the things that Americans now take for granted. And they are showing every sign of achieving their aims. When you stop to think of it, the Common Market is a truly remarkable development even with Britain disappointedly on the sidelines: six nations with a tradition of hostility and nationalism willing to form a single trading area in order to enjoy the fruits of free markets and the benefits of economic specialization. And there is no reason that United States producers will not share in these larger, freer markets. European bankers are constantly reassuring me about our tremendous ability to compete. And with the passage of the Trade Expansion Act of 1962, the United States is in a better position to negotiate on trade barriers to secure a continuing place for American industry and share in the progress brought by expanding markets.

Looking beyond Europe, there are vast areas of the world that are just taking their first struggling steps toward industrialization, as they seek the advantages of modern economic life. Many of these nations during the next few years will be leap-frogging centuries of economic progress with the objective of better living standards. The United States has had to subsidize many of these countries and will doubtless continue to do so, but the effort to move forward under their own steam is growing. I believe that world markets will expand tremendously in the years ahead. There is a population explosion in this world of ours, and a large fraction of the three billion people on this globe live constantly on the brink of starvation. I am confident that over the next decade, the less-developed nations will make genuine progress toward their objectives of higher living standards and higher production.

Of course there will be headaches and problems of every variety as the whole world steps up the pace of the industrial revolution. But I doubt that progress ever occurs without problems.

Use of Government Direction

(3) *The great power of government is being used in various forms around the world to underwrite economic growth.*

Although we may have many philosophical questions about what government should or should not do, it seems clear that the peoples of the world are insisting that government accept a major responsibility for the level and growth of economic activity. In the United States, we are familiar with the role of government to combat recessions and curb inflation through broad fiscal and monetary policies, plus a wide range of support and aid programs in the fields of agriculture, electric power, and shipping, to mention a few. In many countries of Europe, the role of government is even more pervasive, taking the form of nationalized industries as well as extensive social welfare programs as in Sweden and the United Kingdom.

In the less-developed areas of the world, insistence on government action to raise living standards is less along the lines of stabilizing monetary and fiscal policies, and more in the direction of industrialization and development of resources with government acting as the principal driving force. In looking abroad, we usually tend to think of the broad issues as those of capitalism versus communism. Important as this is, I believe a more subtle distinction for most underdeveloped countries will be the question of trying to nurture the free market process versus a rush to pervasive government direct controls and actions. Will the role of government take the form of general, non-specific influences on the level of activity and the rate of economic growth, working to develop and strengthen a private enterprise system? Or will governments around the world respond to public demands for better living standards by taking a more direct role in business life and overriding the free market process?

Whatever the method used, we can be sure that the role of government throughout the world will be aimed at aggressively stimulating economic growth and employment, thereby creating a strong upward push in the long-term trend of world-wide economic activity.

Cold War Stimulus

(4) *The cold war is another factor that will promote economic expansion through military spending, space programs and foreign aid.*

The prospects for continuation of the cold war place a minimum floor under governmental expenditures, both in the United States and elsewhere. This point needs no elaboration. One of the reasons why the predicted letdown after World War II never materalized was that, in effect, peace never became a reality. We merely substituted the chronic tensions of a cold war for the hypertensions of a major shooting war. Although we hope and pray that the cold war will not erupt into a conflagration, it seems quite unlikely that international tensions will disappear. Until they do, world economic thinking must allow for high levels of spending for military preparedness, space programs and international aid of various kinds.

To summarize world factors briefly at this point, the outlook for markets over the next decade is for sharp expansion and possibly an explosion of consumer demands, as people everywhere exert their desires for higher consumption levels, backed by an active role of government to bring about faster growth and higher living standards. With a continuation of the cold war, governments of the advanced nations of the world will also have a major influence on economic life through the huge amounts spent for military programs and space exploration.

Basis for Our Country's Growth

(5) *The United States has a tremendous potential over the next 10 years for updating its stock of business plant and equipment in order to offset obsolescence.*

Much of our stock of business plant and equipment is rapidly becoming old and inefficient in relation to the needs of today, and quite inadequate in terms of tomorrow's needs. Figures recently released by the National Machine Tool Builders Association have given us a much needed statistical reminder of the fact that the nation's tools are aging rapidly and inexorably. Almost two-thirds of our machine tools are over 10 years old, and 10 years is old age for many kinds of machine tools. What is really startling, however, is that we have not been running fast enough to keep even. At the end of the war, only one-third of our machine tools was 10 years old. Further, many of the machine tools built during the plant and equipment boom of the mid-1950's are nearing obsolescence too — they are six or eight years old and will soon cross the 10-year age line.

A great deal has been said about excess capacity in our economy. Yet two major points should be recognized. First, we should distinguish carefully between physical capacity and sound economic capacity. A good part of the most visible unused capacity will never be used again —not because it is physically inoperative, but because it is being economically outdistanced by newer and better facilities. Second, many of those people who are unduly concerned about excess capacity are thinking in terms of today's levels of output. If our economy were operating at optimum levels of output—and at some time within the next few years it is quite likely to do just that — the simple mathematical increase in volume of output would erase all of the excess capacity now claimed for most industries. When consideration is given to the lead time necessary to create additional capacity in many lines, it seems clear to me that businessmen should pitch their thoughts ahead just two or three years. In many cases, they would find themselves and their industry operating far closer to optimum levels than they now realize.

Productivity — A Job Creator

(6) *Productivity is rising steadily but this may well create more jobs than it destroys.*

In the last three months factory employment has risen only two-thirds as much as factory output. And this is not a new or sudden change. Although industrial output has increased by 30% in the past 10 years, there are fewer factory workers today than a decade ago. And over the past 40 years, factory output has increased four-fold, while employment is only 52% larger. Gains in productivity account for most of these differences.

Through the years, man has always worried about being replaced by machines. It hasn't happened yet, and it's not in prospect. Progress involves the substitution of machine power for man power at those least rewarding tasks in our society. The machines do the hard work and much more of it. Yet this same progress has always created more than enough jobs to make up for it. Somehow there is always room for people to take care of the machines, keeping them going. And the higher real incomes made possible by machines and improvements in technology lead to greater demand for workers outside the factory — in the rapidly growing service area, for example.

Visualize just a few technological examples in recent decades. Only a generation ago, the dial telephone was coming into widespread use. There was serious concern at the time that this would cost the jobs of the thousands of lovely ladies who handled our switchboards. Actually, the Bell Telephone System now employs 2½ times as many people as it did then. We can be thankful for the dial system. Without it, it would take every single woman between the ages of 18 and 30 in the United States to handle the calls that are now being made, and if all these women were handling the switchboards, who would be left to do the talking?

The shift from manually operated elevators to automatic elevators has come quite rapidly. There are now fewer elevator operators than there were a decade ago. Yet it takes a small army to create, install and service the elaborate electronic devices that we are using now. The new electronic marvels don't smile and greet you as charmingly as the girls who used to control the hand-operated versions, but after all, some price must be paid for progress.

The ice-man who came around daily a generation ago, no longer makes his rounds. He's almost as extinct as the dodo and the great auk. Yet I wonder if perhaps there are not more men working today manufacturing, selling and servicing refrigerators than trudged up the stairs in the Nineteen-twenties to put a 50 lb. cake of ice in the ice-box of a third floor apartment.

Population's Changing Income Composition

(7) *Shifting patterns of income are supporting consumer markets and will lead to further record gains in retail sales.*

We can feel confident that consumer incomes will continue to rise, and the margin above minimum subsistence will increase rapidly. In 1947, less than one-third of American families received pre-tax incomes over $6,000 and only 3% had incomes over $10,000. By 1957, 44% were above the $6,000 level and 7% had incomes above $10,000. A part of these gains was lost in higher price levels and lower purchasing power, but there was real improvement nevertheless. Systematic estimates by the National Planning Association indicate that by 1972, almost two-thirds (63%) of American families will have incomes over $6,000 and 12% are expected to earn more than $10,000 a year.

As incomes rise, consumers spend more on luxuries and a smaller share of their incomes goes for necessities. One factor should be kept in mind, though. Our ideas of what are necessities and what are luxuries change over a period of time. As we become progressively more affluent, an increasing number of things that used to be thought of as luxuries are considered to be necessary. How many of the people we know look on an automobile as a luxury? To most of us it is an essential part of modern living, yet it seems like only yesterday that to buy a car fell in the category of whimsical expenditures which could be done without.

A good mental exercise for businessmen these days is to think ahead to what tomorrow's luxury will be, and what will count as a necessity. Certainly an increasing share of incomes will go into services of various kinds. Education, art, music, travel, recreation, self-improvement: a whole new vista of opportunities will open up in these areas in the years that lie immediately ahead. There seems to be a misapprehension that the provision of such services involves only minimal capital expenditures, only minimal investment. Yet if we are to spend more time in recreation, think of the tremendous market yet to come for recreational equipment, for capital to produce this equipment, for travel facilities to recreational areas, not to mention the enormous investment that must be poured into creating areas and facilities for recreation. There will be huge needs for roads, airports, airplanes, railroads, automobiles, boats, garages, public parks, hotels and private recreational facilities including camps and cottages.

Population's Burgeoning Growth

(8) *The bulge in the birth rate in the decade after the was is about to engulf the labor market and vastly stimulate demand for automobiles, apartments and many other products.*

In the seven years from 1940 to 1947, we had our own population explosion. Births rose from 2½ million in 1940 to 3¾ million in 1947. Every year this wave of new people moves nearer to the labor market. In the last 10 years our teenage population has jumped from 15 to 22½ million—an increase of 50%, or just about 2½ times as fast as the total population. The crest of the wave is now in high school; soon it will reach the age for college or for that first job. Our present-day teenagers are moving rapidly into the market for cars and later, as they marry, into a need for housing and many other things.

Population alone doesn't tell the story. If it did, China and India would be the most prosperous nations on earth. The almost fantastic shift projected for the composition of the U. S. population over the next several years tells different stories for different people. There is agreement that changes of major magnitude are in the offing. The pessimist looks at the figures and envisions dire consequences; to him the coming onslaught of youth is significant because jobs must be found for 3½ million young people every year, and later on this will increase to more than 4 million. He sees a spectre of idle youth competing with modern technology and fighting a losing battle.

There will no doubt be many problems associated with absorbing the coming bulge of new entrants to the labor force, at least as a transitional matter. But we should not lose sight of the optimistic side of this population wave, and the expansionary implications for the economy and for individual producers. These demographic figures also point to big new markets and a host of opportunities. Look at the marketing revolution of the past decade. The almost magic creation of the vast "teenage market" has already changed certain aspects of the retail trades. Think in terms of the new products and the reorientation of advertising and selling philosophy which have taken place in an effort — a successful effort—to exploit this market.

This same group of youngsters will similarly swell the ranks of young adults during the next few years. These are the years when they will get married, move into their first apartments and furnish them, buy their first appliances, and have their first arguments over how to stretch a limited income to cover an unlimited and growing list of wants and needs. A little later they will have babies, and want to move into houses that provide the space to put more furniture, more appliances, and more children. A tremendous economic stimulus seems inevitable to me from this wave of population, and all these people are here right now—we are not forecasting their existence.

(9) *A wave of new products and new techniques is in the offing.*

Progress has always been associated with the breaking of barriers of knowledge; the space age will inevitably bring forth a new surge of consumer wants, and a new surge of techniques and products. The size of our space program alone staggers the imagination; it may cost us $30 billion to reach and explore the moon. If we include other space activities and development of missiles, the overall cost is really going into orbit. Yet the real significance lies not only with the initial impact, but also with its derived effects.

Research in space and missile field, spurred by a sense of urgency stemming from political and military reasons, is already creating an impressive flow of new products and techniques. Last fall[1], Mr. M. G. O'Neil, President of the General Tire and Rubber Company listed a few of the new products harvested from space research. These include:

a. chemicals useful in the treatment of mental illness and tuberculosis, derived from research on liquid fuels;
b. improved X-ray equipment for doctors, derived from Polaris missile work;
c. miniature electronic hearing aids and electronic dental drills;
d. new high - temperature ceramics useful in home cooking;
e. portable radios powered by solar cells; and
f. many other commercial and industrial uses.

The whole area of electronic miniaturization, the packaging and preservation of foods, and the field of medical research have already felt the impact of space research. Telstar is another development that is revolutionizing worldwide communications.

Think of the flood of new products which man's infinite imagination will devise as we learn more about how materials behave in extremely high or low temperatures, about how to increase the reliability and decrease the size of devices which are already impressively reliable and intriguingly small, about packaging to meet the most severely specialized needs, about utilizing more efficient power sources. The impact on the makeup of our nation's production will undoubtedly be greater than we can now visualize. Certainly the demands for highly specialized technical and professional personnel will be immense: the number of scientists and engineers employed in research and development have doubled during the past 8 years, and it seems reasonable to expect our needs for scientific personnel to double again over the next decade.

Further, a strong stimulus will be given to consumer demand, simply as a psychological outgrowth of the broadening of our physical horizons. People generally identify themselves with events which pique their interest, and the population of much of the world will increasingly come to think of themselves as participating members of the space age. In such an atmosphere, change becomes desirable, established patterns quickly become old hat, and consumers are quick to adopt new products.

Tax Reform and Reductions

(10) *A new understanding of the deterrent effect of high taxes will lead to successive tax cuts and reforms in the next decade.*

One of the most heartening and perhaps one of the most surprising developments in the past half dozen years has been the extent to which the economic drag caused by high tax rates has come to be recognized in Congress on both sides of the aisle. It was only a very few years ago when it was safe to predict that high rates could never be reduced. The more statesmanlike approach now being taken promises a healthier, stronger economy in the years ahead.

Our tax structure is so overly progressive that the rates discourage incentive and the Federal government absorbs an ever rising portion of our incomes as profits, wages and salaries move to higher levels. For example, over the past seven years (1955-62), Federal tax collections averaged 18.8% of Gross National Product. But 22.4% of the **increase** in GNP from 1955 to 1962 went to Federal taxes. The point is that, as our economy grows, the average rate of tax moves inexorably up, and we should either cut taxes periodically or we'll wind up paying an even larger share of our incomes to Uncle Sam, with an increasing drag on economic activity.

I think our Congressmen will be quick to recognize this need as time goes on, and will enact cuts from time to time to avoid it. There will be much controversy in this area, but through it all, I think lower tax rates will keep coming along.

Back in 1918 personal income tax rates were pushed up to 77% on the top bracket. In the 1920's, however, we had a succession of tax reductions which brought the top bracket rate down to 25%, with a consequent release of buying power to the private economy and substantial stimulus to incentives to produce and invest during that decade. I think there is a real lesson to be learned from that experience.

In conclusion, I hope these 10 propositions have brought out why I think it is logical to be optimistic today. Although recent economic growth has been disappointing, we are on the verge of a substantial improvement and the next decade will see better growth than ever before. As I said at the outset, I have not emphasized the problems but rather the prospects. The biggest problem is likely to be the absorption of young, untrained adults into the labor force.

The world we live in is not the world of a generation ago. Demographic, social, political and economic conditions making for expansion are building up pressures which cannot and will not be contained. To paraphrase Lincoln, the world can no longer endure half modern and half primitive. The centuries that it took the western world to achieve its present level of technology will be telescoped into decades for much of the rest of the world. And the industrial world as we know it today will continue to move to new levels of prosperity, even though occasional corrective recessions will occur.

The need for updating our plant and equipment is becoming urgent, and a new wave of investment promises to coincide with a burst of technological advance and rising productivity. Important shifts in the structure of our population and rapidly rising incomes foretell unparalleled strength in consumer demand. And last but not least, widespread recognition of the dangers of a repressive tax structure lead to expectations that future tax policies will be more conducive to economic growth.

*An address by Mr. Lindow before the 13th Annual Business and Finance Forum of the First National Bank in St. Louis, St. Louis, Mo.

[1] Full text of Mr. O'Neil's article was published in the "Chronicle" of Sept. 20, 1962.—Ed.

Carl Marks Co. Honoring Zack

Abe (Al) Zack, senior trader at Carl Marks & Co. Inc., 20 Broad Street, New York City, will be honored this Friday evening, July 12, at a dinner in the Coachman Restaurant (13 William Street) given by his associates at the company to mark his forthcoming retirement.

Abe (Al) Zack

Mr. Zack, who has traded in foreign dollar bonds since 1921, and at Carl Marks since its organization in 1926, will retire on his 60th birthday, Aug. 30. For the last 37 years, he has maintained markets in foreign dollar bonds for what has become the largest foreign security house in the world. He has experienced many challenging transactions and recalls most vividly those that took place during the 1930s when Europe was beset by invasions and wars, and then at the entry of the United States into combat with the Axis forces.

Hayden, Stone V.-P.

LA JOLLA, Calif. — George A. Murray has been elected a Vice-President of Hayden, Stone & Co., Incorporated, 1127 Wall Street.

Implications of Accelerated Public Works Financing

Continued from page 14

subsequently advised Charleston's mayor that because Charleston had been designated a disaster area (the Kanawha River had flooded some downtown areas during a torrential downpour several weeks before) the Agency would be able to better its offer and loan the money at 3⅜% rather than 3⅝% as indicated previously. In short, the City of Charleston, prominent chemical center and situs of state government, quite properly readvertised for bids in compliance with regulations and awarded all but 485 bonds to the agency at a net interest cost of 3⅜%, considerably under the Federal Treasury's cost for comparable long-term money.

I do not condemn Charleston's administration for consummating this loan, for under these conditions they would be sorely pressed to explain a refusal to their electorate. However, it serves to illustrate that the will of Congress can be perverted to undesirable ends.

The Charleston loan was made under a Federal program appropriating $600 million to the House and Home Finance Agency and authorizing it to loan to municipalities with populations up to 50,000, or under 150,000 if the locality is an economically distressed redevelopment area, to finance construction of public facilities other than schools. Such loans are contingent upon financing not being available from other sources on "reasonable terms." The rate on long-term loans for this fiscal year is 3¾% with 3½% authorized in redevelopment areas in an attempt (and I quote Dr. Robert C. Weaver, Administrator of the Housing and Home Finance Agency) "to put small under-established credits on a footing with larger communities."

It is readily apparent that the criteria for eligibility is subject to broad interpretation. It requires little imagination to envision the day when all fiscal officers facing capital needs will journey to Washington, hat in hand to plead their need to a Federal Agency. Provided your project's specifications gain Federal approval, that your administration engages in fair employment practices, your public facilities are integrated and most importantly, that your citizens voted properly in the most recent Presidential and Congressional elections, you too might secure your capital at a preferential subsidized rate. More importantly, the bonds which you sell the agency may be taxable, the beginning of a trend.

The Unpublicized February 11th Message

In a little publicized action, President Kennedy on Feb. 11 of this year sent a message to the head of each Federal department or agency which administers an aid or loan program. This directive requires them in their future planning to adopt the guide rules laid down by the Special Committee on Federal Credit Programs. This committee was comprised of Secretary Douglas Dillon of the Treasury, David Bell, Director of the Bureau of the Budget, Mr. Walter Heller, Chairman of the Counsel of Economic Advisers and Mr. William McChesney Martin, Chairman of the Board of Governors of the Federal Reserve System.

In their report to the President, this committee emphasized that two existing loan guaranty programs, specifically those related to urban renewal and public housing, involve effective guarantees by the Federal Government of obligations brought out in the name of state and local governments. The committee strongly recommended that no Federal program in the future be authorized which would involve a Federal guarantee, directly or indirectly, of tax-exempt securities. Pointing out that state and local governments usually can sell their obligations at a lower interest cost than taxable issues of comparable quality, resulting in a sizable loss of Federal tax revenues, it was recommended that Federal fiscal policy be shaped so as to reduce rather than enlarge the volume of tax-exempt obligations to be outstanding.

As an alternative, it was suggested that if a community wished to borrow for a specific high priority need with the aid of a Federal guarantee, the community should be required to waive its tax exemption privilege. Alternatively, it was conceded that communities might be authorized to receive capital grants for part of the cost of a project, while borrowing the remainder in the tax-exempt market.

Parenthetically, one cannot but wonder about the meaning of the phrase: "Specific high priority needs" within the context where the phrase is found. It seems almost a foregone conclusion that it would be the Federal agency which would determine need, and not the local community.

Did you happen to note that, following the above mandate, the urban transit bill before Congress, which has passed the Senate and is now before the Committee of the House of Representatives for consideration, specifically provides that a community would be required to waive tax exemption as to any bonds which it might sell to the Federal Government?

A Federally-Sponsored Tax-Exempt Industrial Revenue Bond

Occasionally, some quirk in the law requires the Federal Government to utilize the tax-exempt principle with one hand even though it may be trying to eliminate it with the other.

Early this year, the Department of Commerce Area Development Administration bought $8.5 million tax-exempt bonds of the Oklahoma Lake Development Authority to finance the first installment of a $125 million project to build a 500,000 acre state-owned hotel resort centered on manmade Lake Eufaula. Neither the lake, golf course, convention auditorium nor any of the other hotel facilities are designed to provide anything more than 500 permanent jobs in one of the state's chronically depressed areas —all at a cost of $250,000 per job. It is intended that the tax-exempt portion of the cost be self-supporting with the balance contributed through Federal appropriation. Some municipal underwriters have long argued that it is perfectly proper to finance industrial plants through tax exempts so long as you broaden local employment opportunities.

However, critics may properly label this a Federally-sponsored tax-exempt industrial revenue bond. As you know, many abhor industrial aid financing in the fear that it cedes another argument to the foes of tax exemption. Frankly, I do not believe that the foes need further provocation. However given time, the problem of industrial revenue financing may solve itself.

Industrial Revenue Bonds May Fade Away

Recent court decisions holding that employers are obliged to retain old employees at their old wage rates in new industrial aid plants is bound to stop some plant pirating, for one of the prime motives for relocation is to reduce wage costs. Such pro-union decisions seem destined to restrict future industry-aid issues to plant expansions.

With many states armed with new industry-aid legislation and others jockeying for competitive position, we will probably be exposed to more experience this year, broader acceptance, and more interesting litigation. However, I do not believe that the nation will produce a universally acceptable test for reasonableness in terms of public benefit. In time, once every state authorizes them, industry-aid bonds will loose their competitive advantage, and some day, may fade away.

Which Is More Inequitable?

I view the accelerated Public Works financing program as part of a two pronged Federal attack on (1) a community's right to issue its own tailor-made tax-exempt obligations in a competitive market, (2) a community's right to administer its own business without Federal interference. This attack is veiled in the guise of social uplift either by providing employment or facilities which a state or community cannot presently afford as in the instance of Lake Eufaula or in a brazen pay-off of a political debt disguised as disaster relief in the instance of Charleston, W. Va. In each of these examples, Federal tax money collected from your own citizens is being channeled to bestow favors on specially selected groups. Is this any more inequitable than allowing individuals of means to effect tax avoidance through the purchase of municipal bonds? As you know, for something like 40 years officials of the U. S. Treasury have deplored the circumstance that persons of wealth could find it possible to find an escape from income taxation to the extent that capital funds are invested in state and local securities. Many economic theorists deplore this violation of the tax principle that persons of equal wealth and income should pay equivalent tax bills.

Because the volume of state and local bonds outstanding exceeds that part of the resources of very wealthy individuals invested in this medium, (about $30.5 billion privately held by individuals in 1962 of the $80.1 billion outstanding), a substantial part of municipal issues must be sold to investors subject to taxation at 52% or lower rates. Hence, it is possible to establish beyond reasonable doubt that the revenue loss to the Treasury resulting from tax exemption exceeds the savings in interest costs to the state and local governments.

Alternate Compensation Plan Held Unrealistic

Experience having demonstrated that state and local officials are loathe to yield the exemption privilege outright, several proposals have been advanced which would have the effect of causing interest on municipals to be taxable to the holder, while the Treasury would reimburse the local governments for part of their interest expense. To make such a plan palatable, the proposed Federal subsidy might exceed the interest savings which the local governments can now attribute to exemption. Of course, the idea of an alternative compensation in itself prompts many fears. For one, Congress might subsequently tamper with the original subsidy arrangements. Second, were a plan of alternative compensation devised, it is doubtful that it could in practice compensate each state and local borrowing unit exactly for its higher borrowing costs. Finally, it is questionable whether alternative compensation could be devised that would guarantee that the value of the compensation would be equivalent to the value of the exemption in future years. Most importantly, the alternative compensation should just offset the rise in interest costs to each borrower, so that the volume of borrowing would not be affected. A liberal settlement could encourage unnecessary borrowing.

It seems appropos to report that a conference on this subject sponsored by the Ford Foundation developed the revelation "that some Canadian municipalities were having so much difficulty in marketing their debt that observers there were suggesting the adoption of the exemption feature to preserve their fiscal independence."

If we allow our imagination to wander in search of compensating alternatives to exemption, we are in danger of overlooking the most sinister effect of its loss. It is this:

Tax-Exemption Stops Centralization

(1) If Congress has the statutory power to tax state and municipal bonds, it has the power to control state and municipal financing. Whether or not the power to tax is the power to destroy, it is the power to control.

(2) Without independent control of its own financing, no government, Federal, state or local, can continue as a free and independent entity.

In my opinion, the removal of exemption is a first step toward the elimination of the Federal system. Conversely, we will retain the principle of tax immunity only so long as we retain the doctrine of separation of powers and states' rights.

If you favor increasing centralization and transfer of local powers to the Federal Government, I submit that you are willing to forfeit some of the prerogatives and rights which you now exercise in your present office, in the belief that someone in Washington can do a superior administrative job.

But, if you share my belief that the only way we can get a dollar's worth of goods and services in return for each dollar expended is by investing our own hard earned money in the fulfillment of an honest need—prepare to educate your electorate to the existing peril.

If this job is not voluntarily undertaken by you—the officialdom elected and appointed to perfect and preserve local self government, I fear that all is lost. This is one of the few local problems that Washington will not volunteer to solve for you.

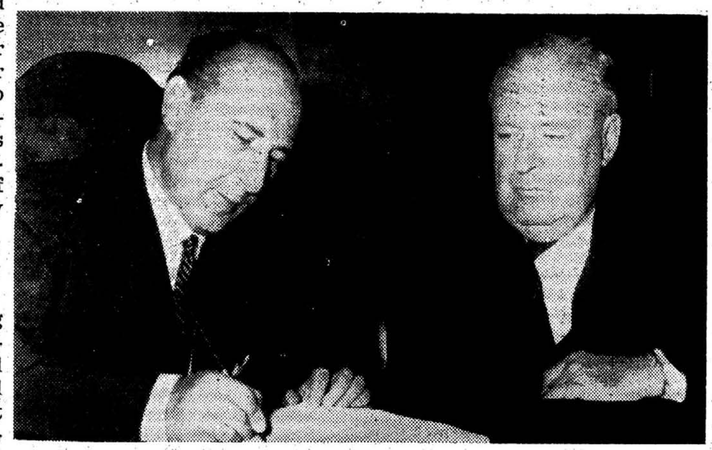
I do not condemn social welfare sincerely administered to meet a true need. But I do condemn governmental, social and economic change disguised in the garb of social uplift.

In equity, the standards of good and equal government for all should never be compromised or abused with lures of favoritism for the few.

Rather than accelerating our public works, we are accelerating our headlong rush to surrender rights and privileges which have been our heritage—our very way of life.

*An address by Mr. Ellinwood before the Municipal Finance Officers Association, Detroit, Mich.

City of Milan Borrows $20,000,000 In United States



Vittorio Cordero Di Montezomolo, (left). Consul General of the Republic of Italy at New York, and Frederic H. Brandi, Chairman of Dillon, Read & Co., Inc., sign agreements for the purchase of $20,000,000 City of Milan 5½% external loan bonds, due 1978. The bonds are being reoffered to the public at 98¾% to yield approximately 5.63%. They are payable in United States currency. Milan is Italy's leading commercial city.

STATE of TRADE and INDUSTRY

Continued from page 12

twice as much steel tonnage as it is exporting.

Recognition of the apparent ease with which the steel industry will ride through the inventory adjustment period has checked the decline in the prices of scrap, a raw material for steelmaking. *Steel's* price composite on No. 1 heavy melting steel scrap in the week ended July 3 remained at the preceding week's level of $24.83 a gross ton.

Cloudy Steel Picture Not to Clear Until After Labor Day

The steel market will not be clarified until after Labor Day, *Iron Age* magazine reported. The rest of July and August will be in a confused state as consumers try to assess their position in the market.

This is because the seasonal letdown in manufacturing will prevent an accurate assessment of consumer inventories. It will also prolong and aggravate liquidation of excess stocks. And the general rate of business activity through the rest of the year is still uncertain.

Further, the product picture is scrambled. This is reflected in an unexpected level of strength in some products and a real collapse in demand for others.

Most consumers will try to slide through the summer without making major commitments. Instead, they will fill holes in stocks, take care of immediate needs, and try to make an evaluation of their autumn business.

Then, after Labor Day, they will take a second look at their position and resume buying on a pattern that reflects their demand based on conditions then.

This will give the summer months a pale look compared with the robust first half of the year. Production is likely to sink to around 50% of capacity as vacation and other seasonal factors compound the general weakness caused by inventory liquidation.

The important auto industry has still not indicated what its September plans will be. August tonnage has been placed, with the usual cutbacks because of vacation and model changeovers.

One major division indicated it will go on the books July 22 for its September tonnage. Other auto steel buyers will also move in the last 10 days of July.

While some steel products held up remarkably well in the early days following the steel labor settlement, they are beginning to show weakness.

For example, galvanized had continued strong and is still out into August and September. But incoming orders are scarce. This reflects the wait-and-see attitude of steel buyers. Many have not disturbed the orders that are on the books, but indicate they have doubts about when they will be in the market again. Others cut back quickly and canceled what they could.

The best hope is that continued strong rates of steel consumption will prevent a more serious break in the market. One favorable indication is the rate of business at the warehouse level. While this varies geographically, generally service centers report continued good business. An exception is the East where warehouses have been among the leaders in canceling.

July's Car Output Seen Putting Year's Total at Historic High Exceeding 1955's

The U. S. auto industry's 1963 model run last week overtook output of passenger cars during the entire 1962 period, *Ward's Automotive Reports* indicated.

Production of cars for this model year reached 6.7 million units by end of operations Wednesday, July 3, according to *Ward's* and the count is put at 6,730,000 — well beyond the 6,687,000 cars made in all of the previous model term—as of last Saturday, July 6.

The statistical agency said that the 1963 model total now is also higher than in any like period except 1955, when the industry built some 7,130,000 cars. *Ward's* said that record will be overturned yet this month.

Assembly work this week resumed last Friday at most plants after all closed down for the July 4 holiday. A dozen plants — 10 Ford Motor Co. and two Chevrolet facilities — worked overtime Saturday, July 6.

Output this week, however, is expected to drop to 124,793 units, compared with 168,713 cars made in the final week of June. A year ago, the corresponding week yielded 112,327 cars.

Ward's fixed June passenger car making at 689,343 units, highest for any June since 1950. Truck output in June totaled 119,725, best since like 1951.

Of car making this week, GM Corp. is expected to account for 55.2%; Ford Motor Co., 24.7%; Chrysler Corp. 13.5%; American Motors 6.5%. Studebaker completed 30 units before model-year shutdown.

Rail Carloadings Up Nine Weeks In a Row Over Year-Ago Week And Ton Miles Show Greater Gain

Loading of revenue freight in the week ended June 29, totaled 601,879 cars, the Association of American Railroads announced. This was an increase of 2,659 cars or four-tenths of 1% above the preceding week.

The loadings represented an increase of 12,276 cars or 2.1% above the corresponding week in 1962, a gain for the ninth consecutive week over 1962s counterpart weeks, and an increase of 67,532 cars or 12.6% above the corresponding week in 1961 when loadings were affected by the first week of the coal miners' annual vacation.

Ton-miles generated by carloadings in the week ended June 29, 1963, are estimated at approximately 12.8 billion, an increase of 7.2% over the corresponding week of 1962 and 23.0% over 1961.

There were 16,157 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended June 22, 1963 (which were included in that week's over-all total). This was an increase of 1,553 cars or 10.6% above the corresponding week of 1962 and 4,243 cars or 35.6% above the 1961 week.

Cumulative piggyback loadings for the first 25 weeks of 1963 totaled 374,066 cars for an increase of 44,448 cars or 13.5% above the corresponding period of 1962, and 99,686 cars or 36.3% 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 60 one year ago and 58 in the corresponding week in 1961.

Motor Truck Tonnage Up 1.7% Over 1962-Week

Intercity truck tonnage in the week ended June 29 was 1.7% ahead of the volume in the corresponding week of 1962, the American Trucking Associations announced. For the second consecutive week, truck tonnage has shown a gain on a year-to-year basis. Truck tonnage also showed an increase of 2.9% over the volume for the previous week of this year.

These finding are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

The terminal survey for last week showed increased tonnage from a year ago at 19 localities, with 14 points reflecting decreases from the 1962 level. One terminal city, Salt Lake City, showed no change from a year ago. Truck terminals at Albuquerque, Pittsburgh, Oklahoma City, and Los Angeles showed tonnage gains of 15.3, 13.2, 12.0, and 10.5%, respectively. Only one center, Omaha, reflected a decrease of more than 10%—down 15.6%.

Compared with the immediately preceding week, 25 metropolitan areas registered increased tonnage, while nine areas showed decreases.

Lumber Production Plunges 11.8% Below 1962 Week

Lumber production in the United States in the week ended June 29 totaled 194,650,000 board feet compared to 203,655,000 in the year-ago week according to reports from regional associations.

Compared with 1962 levels, output fell 11.8%; new orders fell 15.4% and shipments fell by 11.7%.

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

	June 29 1963	June 22 1963	June 30 1962
Production ___	194,650	203,655	220,713
Shipments ___	220,858	224,397	250,200
New orders___	213,008	245,181	252,065

Electric Output Advances 10.6% Over Last Year's Level

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, July 6, was estimated at 17,076,000,000 kwh., according to the Edison Electric Institute. Output was 849,000,000 kwh. less than the previous week's total of 17,925,000 kwh., and 1,634,000,000 kwh. above the total output of the comparable 1962 week or an increase over the year ago week of 10.6%.

Failures in Holiday Week Drop Lowest This Year

Plunging to the lowest level so far in 1963, commercial and industrial failures dropped to 228 in the holiday week ended July 4 from 296 in the preceding week, reported Dun & Bradstreet, Inc. As well, casualties fell considerably short of the 284 occurring in the comparable week last year. However, they remained above the 1961 toll of 220 and exceeded by 10% the pre-war toll of 208 in the corresponding week of 1939.

The holiday decline was concentrated among failures involving dollar liabilities under $100,000. They dove to 186 from 251 a week earlier and 239 last year. Meanwhile, there was little change among casualties with losses of $100,000 or more, which numbered 41 as against 45 in both the prior week and a year ago.

Geographically, casualties lightened considerably during the holiday week in the Middle Atlantic States, off to 50 from 83, in the Pacific, down to 36 from 54, as well as in the South Atlantic, West North and West South Regions. On the other hand, four areas including the East North Central States, suffered about the same or more failures than in the preceding week. A similar mixed pattern prevailed in year-to-year comparisons, with five regions having lower business tolls than in the similar week of 1962 and four regions having heavier tolls.

Canadian failures increased to 36 from 27 in the previous week and 32 in the comparable week a year ago.

Wholesale Commodity Price Index Slides for Seventh Week

Although sliding throughout the past week, the general wholesale commodity price level edged up a little this Monday but the rise was too slight to change its week-to-week downward path now in effect for the seventh consecutive week, reported Dun & Bradstreet, Inc. Wheat prices were depressed by hedge selling, while prices of corn, rye, oats, flour, lambs and rubber also fell. Steel scrap quotations declined but not as drastically as had been expected. On the other hand, heavy demand especially from the auto and steel industries have pushed zinc prices up, while steers and tin also rose.

On July 8, the Daily Wholesale Commodity Price Index eased to 268.94, slightly down from 268.99 on Monday last week and substantially off from the 272.48 on the comparable day a month earlier and the 271.63 of a year ago.

Wholesale Food Price Index Sets a New 1963 Record

For the third week in a row, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., set a new record for this year, edging up 0.3% to $5.96 on July 9. The index moved 0.8% above the $5.91 on the comparable date of last year, making the eighth straight week of year-to-year gains.

Steers led the list of food items rising in wholesale cost, and gains were also chalked up for corn, bellies, lard, cottonseed oil and cocoa. Offsetting declines were registered in flour, wheat, rye, eggs and hogs.

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.

Pre-Holiday Burst of Retail Buying

A sustained heat wave across much of the nation, along with the approach of the July 4 weekend, led to a tidal rush of shoppers to buy air conditioners, fans, and sportswear in the week ended Wednesday, July 3. Over-all sales forged far ahead of last year's for the similar week, although rains plagued the Atlanta and Portland areas. Torrid temperatures gave the long-needed impetus to the demand for air conditioners, fans, refrigerators. The upcoming holiday sparked consumer interest in active sportswear, with gains in men's clothing outpacing those in women's. Good hardware volume was racked up, with brisk activity in outdoor cooking equipment and garden hoses and sprinklers. Car sales held at strong levels, while building materials dealers reported swelling demand.

The total dollar volume of retail trade in the Wednesday ending statement week ranged from 5 to 9% higher than last year, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1962 levels by the following percentages: New England and West North Central 0 to +4; East South Central +1 to +5; West South Central, Mountain and Pacific +4 to +8; East North Central +6 to +10; South Atlantic +7 to +11; Middle Atlantic +10 to +14.

Nationwide Department Store Sales Rise 9% Above Last Year's Level

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index were up 9% (adjusted) for the June 29-ending week compared with the like period in 1962. This impressive gain marked the sixth weekly rise in a row.

In the four-week period ended June 29, 1963, sales gained 4% over 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 June 29, gained 19% over the comparable year-ago week's figure.

New York City's department store sales were up 13% for the four week-period ending June 29. A *flash figure* for New York City's sales for the July 6 Independence Day holiday-ending week revealed a plus 7% increase notwithstanding the sales tax increase from 3% to 4% effective last June 1. In every week since June 1, there has been a gain for the N. Y. C. department stores. No one can surmise, however, how much higher it might have been in the absence of the sales tax rise. The four-week N. Y. C. flash figure was +10% over a year ago.

So far this year (Jan. 1 to June 29), the 12 department store districts' retail dollar volume increased 4% (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 put total sales 6% more than a year ago but 3 percentage points below that for department stores in the latest statement week ending June 29. The year-to-year contrast for the latest four-week period showed a gain of almost 5% — or one percentage point more than department store sales for the same period.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

NOTE — Registration statements filed with the SEC since the last issue of the "Chronicle" are now carried separately at the end of this section "Securities Now in Registration." Dates shown in parenthesis alongside the company's name, and in the index, reflect the expectations of the underwriter but are not, in general, firm offering dates.

Also shown under the caption "Effective Registrations" are those issues which became effective this week and were offered publicly.

Airway Hotels, Inc.
April 1, 1963 filed 200,000 common. **Price**—$5. **Business**—Company owns and operates a chain of motor hotels, apartment buildings and a shopping center. **Proceeds**—For loan repayment, expansion and other corporate purposes. **Office** — 901 Fuhrmann Blvd., Buffalo, N. Y. **Underwriter**—None.

● Alaska Power & Telephone Co.
April 1, 1963 filed $600,000 of 6% subordinated debentures due 1978, 240,000 common, and 10-year warrants to purchase an additional 180,000 common. The securities will be offered in 600 units each consisting of one $1,000 debenture, 400 common, and 300 warrants. Registration also covers an additional 92,500 outstanding common. **Price** — By amendment. **Business** — Company furnishes electricity and telephone service to Alaskan communities of Craig, Skagway, and Tok, and supplies electricity to Seldovia. **Proceeds**—For debt repayment, construction and working capital. **Address**—Fifth Ave., Skagway, Alaska. **Underwriter**—Jay W. Kaufman & Co., New York. **Note**—This registration was withdrawn.

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 Greetings Corp. (7/30)
July 1, 1963 filed $7,500,000 of con. subord. debentures due Aug. 1, 1983. **Price**—By amendment. **Business**—Manufacture of greeting cards, gift wrappings, and related items. **Proceeds**—For expansion, debt repayment, working capital, and other corporate purposes. **Office**—1300 West 78th St., Cleveland. **Underwriters**—Goldman, Sachs & Co., New York, and McDonald & Co., Cleveland.

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.

Associated Oil & Gas Co. (8/5-9)
June 26, 1963 filed $6,600,000 of conv. subord. debentures due July 1, 1975. **Price**—At par. **Business**—Acquisition, exploration and production of oil and gas, a subsidiary is engaged in the pipeline construction business. **Proceeds**—For redemption of outstanding debentures, and for working capital. **Office**—3703 Yoakum Blvd., Houston. **Underwriter**—Allen & Co., New York.

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 early August.

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.

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. **Offering**—Expected in late July.

● Beneficial Standard Life Insurance Co. of N. Y.
June 28, 1963 filed 200,000 common. **Price**—By amendment (max. $4). **Business**—Writing of life, accident and health insurance. **Proceeds**—For general corporate purposes. **Office**—122 East 42nd St., New York. **Underwriter**—None.

● Burroughs Corp. (7/19)
June 28, 1963 filed 742,144 common to be offered for subscription by stockholders on the basis of one new share for each nine held of record July 19. Rights will expire Aug. 5; also $25,000,000 of s. f. debentures due July 1, 1988. **Price** — By amendment (max. $31 per common share). **Business**—Production of a wide variety of business machines, business forms, and office accessories; also military products, primarily in the field of computation and control. **Proceeds**—For debt repayment. **Office**—6071 Second Ave., Detroit. **Underwriter**—Lehman Brothers, New York.

Canaveral Hills Enterprises, Inc.
May 10, 1962 filed 100,000 common. **Price**—$5. **Business**—Company was formed to own and operate a country club and golf course, swimming pool and cabana club, near Cape Canaveral, Fla., and develop real estate, erect homes, apartment houses, motels, etc. **Proceeds**—For debt repayment and expansion. **Office**—309 Ainsley Bldg., Miami, Fla. **Underwriter**—Willis E. Burnside & Co., Inc., New York. **Offering**—In early August.

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.

● Chemair Corp. (7/29-8/2)
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 (7/15-19)
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.

Coastal Chemical Corp.
June 26, 1963 filed 40,000 class A common; also 40,000 class D common to be offered by Mississippi Chemical Corp., parent. **Price**—For class A, $35; for class D, $30. **Business**—Manufacture of a variety of high analysis fertilizers, anhydrous ammonia, and other fertilizer materials and components. **Proceeds**—For working capital and other corporate purposes. **Address** — Yazoo City, Miss. **Underwriter**—None.

Coleridge Press Inc.
June 19, 1963 ("Reg. A") 50,000 common. **Price** — $5. **Business** — General book publishing. **Proceeds** — For working capital and purchase of equipment. **Office**—60 East 42nd St., New York. **Underwriter**—Hannibal Securities, Inc., 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.

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.

Community Public Service Co. (7/23)
June 19, 1963 filed $13,000,000 of first mortgage bonds due July 1, 1993. **Proceeds**—For loan repayment, construction, and redemption of outstanding 5⅜% and 5¼% first mortgage bonds due June 1, 1987-1991. **Office**—408 W. 7th St., 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.

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.

● Continental Telephone Co. (7/15-19)
June 18, 1963 filed 400,000 common. **Price**—By amendment (max. $12). **Proceeds**—For debt repayment and other corporate purposes. **Office**—111 S. Bemiston, St. Louis. **Underwriters**—E. F. Hutton & Co., Inc., and Allen & Co., New York.

Cooper Tire & Rubber Co. (7/30)
June 18, 1963 filed 150,000 cumulative convertible preferred shares (par $20). **Price**—By amendment. **Business**—Manufacture of automobile and truck tires, and industrial rubber products. **Proceeds** — For debt repayment, inventories and working capital. **Address**—Findlay, Ohio. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc.

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 was 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.

Dri-Zit Corp.
May 29, 1963 ("Reg. A") 115,056 common. **Price**—$2.50. **Business**—Manufacturer of dri-zit (a home product used to absorb odors and moisture); a cleaner for oven and barbeque grills; and a diaper garment for infants. **Proceeds** — For expansion, inventory and debt repayment. **Office** — 2 Ryland St., Reno, Nev. **Underwriter** — First Nevada Securities Corp., Reno, Nev.

Duval Corp.
June 18, 1963 filed $10,000,000 of convertible subordinated debentures due 1983 to be offered for subscription by stockholders on the basis of one $100 debenture for each 13 shares held. **Price**—At par. **Business**—Mining, milling and marketing of copper, molybdenum, and potash and the mining and marketing of crude sulphur. **Proceeds**—For construction, and other corporate purposes. **Address** — 1906 First National City Bank Bldg., Houston, Tex. **Underwriter**—None.

Dynapower Systems Corp.
Sept. 28, 1962 filed 750,000 common. **Price**—$1 **Business**—Manufacture of electro-mechanical vehicles and electronic devices for medical and marine purposes. **Proceeds**—For working capital, equipment and debt repayment. **Office**—2222 S. Centinela Ave., Los Angeles. **Underwriter**—None.

Eagle's Nest Mountain Estates, Inc.
June 26, 1963 filed $400,000 of 8% subord. conv. debs. due 1983; also 400,000 common, of which 300,000 are to be offered by the company and 100,000 by stockholders. The securities will be offered in units of one $100 debenture and 100 shares. **Price**—$350 per unit. **Business**—Company owns a 781 acre tract in Haywood County, N. C., on which it plans to build houses, a motor lodge, restaurant and an amusement complex. **Proceeds**—For construction, debt repayment, working capital and other corporate purposes. **Office**—2042 South Atlantic Ave., Daytona Beach, Fla. **Underwriter** — Alpha Investment Securities, Inc., Atlanta, Ga.

Eastern Investors, Inc. (7/29-8/2)
June 4, 1963 filed 100,000 class A shares. **Price**—$4. **Business**—A small loan company. **Proceeds** — For expansion and working capital. **Office** — 147 Northeast Main St., Rocky Mount, N. C. **Underwriter**—Paul C. Kimball & Co., Chicago.

Eaton Manufacturing Co. (7/30)
June 24, 1963 filed $25,000,000 of debentures due July 15, 1988. **Price**—By amendment. **Business**—Manufacture of various components used in the production of trucks, automobiles, tractors, airplanes, etc. **Proceeds**—For debt repayment and working capital. **Office**—739 East 140th St., Cleveland. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc.

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.

Electro-Optical Systems, Inc. (7/23)
June 11, 1963 filed 403,000 common, of which 140,000 are to be offered by company and 263,000 shares by stockholders. **Price**—By amendment (max. $10). **Business**—Design and manufacture of optical systems for the Defense Department and for private industry. **Proceeds**—For debt repayment and working capital. **Office**—300 N. Halstead St., Pasadena, Calif. **Underwriters** — White, Weld & Co., Inc., and Kidder, Peabody & Co., Inc., N. Y.

Electronic Dispenser Corp. (8/5-9)
Jan. 29, 1963, filed 50,000 common. **Price**—$2. **Business**—Manufacture of the SAFER Butter Chipping machine, and processing of tray-forming and chip-covering materials. **Proceeds**—For operating expenses, equipment, inventory and advertising. **Office**—118 E. 28th St., New York. **Underwriter** — L. D. Brown & Co., New York.

Enzyme Corp. of America (7/22-26)
Feb. 21, 1963, filed 120,000 common. **Price**—$2. **Business**—Company plans to market a new drug known as "Clinizyne" to be used for treatment of a variety of tumor related diseases. **Proceeds**—For equipment, sales promotion, research and development, and working capital. **Office**—727 Land Title Bldg., Philadelphia. **Underwriter**—Bristol Securities Inc., New York.

Equity Fundng 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**—To be named. **Offering**—Indefinite.

● **Evans, Inc. (7/15)**
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.

Farmers' Educational & Co-operative Union of America
April 1, 1963 filed $5,500,000 of 5½-6% serial debentures, series E and F, due 1974-83. **Price**—At par. **Business**—A non-profit organization of farmers devoted to the economic and educational betterment of its members. **Proceeds** — For debt repayment, working capital and advances to subsidiaries. **Office**—1575 Sherman St., Denver. **Underwriter**—None.

Fedco Corp.
Oct. 29, 1962 filed 20,000 common, of which 17,500 are to be offered by company and 2,500 by a shareholder. **Price**—By amendment (max. $15). **Business**—Design and manufacture of tools, dies, molds, beryllium castings and the distribution of plastic, metal and glass products for home use. **Proceeds**—For a recession offer to stockholders and reduction of accounts payable. **Office**—3600 W. Pratt Ave., Chicago. **Underwriter**—None.

Fidelity Mining Investments Ltd.
Nov. 30, 1961 filed 800,000 common. **Price**—By amendment. **Business**—Exploration and testing of mining properties. **Proceeds**—For general corporate purposes. **Office**—62 Richmond St., Toronto. **Underwriter**—G. V. Kirby & Associates, Ltd., Toronto.

Federal Services Finance Corp.
July 1, 1963 filed 64,000 common to be offered for subscription by stockholders. **Price**—By amendment (max. $20). **Business**—A holding company whose subsidiaries are engaged in the sales finance business and the writ-

Continued on page 30

NEW ISSUE CALENDAR

July 11 (Thursday)
Uris Buildings Corp. .... **Common**
(Kuhn, Loeb & Co., Inc.) 50,000 shares

July 12 (Friday)
Rona Lee Corp. .... **Common**
(Reuben Rose & Co., Inc.) $200,000
Rona Lee Corp. .... **Debentures**
(Reuben Rose & Co., Inc.) $250,000

July 15 (Monday)
Citadel Life Insurance Co. of N. Y. .... **Capital Stock**
(Offering to stockholders—underwritten by Alex. Brown & Sons) 40,000 shares
Continental Telephone Co. .... **Common**
(E. F. Hutton & Co., Inc. and Allen & Co.) 400,000 shares
Evans, Inc. .... **Common**
(Walston & Co., Inc.) 200,000 shares
Holiday Mobile Home Resorts, Inc. .... **Debentures**
(Boettcher & Co. and J. R. Williston & Beane) $1,700,000
Interstate Securities Co. .... **Common**
(Offering to stockholders—underwritten by A. G. Becker & Co., Inc.) 173,433 shares
Kelly & Cohen, Inc. .... **Common**
(Amsbary, Allen & Morton, Inc.) $247,500
Livestock Financial Corp. .... **Common**
(Charles Plohn & Co.) $1,000,000
Mil National Corp. .... **Common**
(Herbert Young & Co., Inc.) $376,000
Mutual Finance Co. .... **Debentures**
(Donald V. Stabell) $300,000
National Central Life Insurance Co. .... **Common**
(Cantor, Fitzgerald & Co., Inc.) $1,250,000
National Fence Manufacturing Co., Inc. .... **Common**
(Netherlands Securities Co., Inc.) $875,000
Sentinel Life Insurance Co. .... **Capital Shares**
(Paine, Webber, Jackson & Curtis) $1,197,047
Top Dollar Stores, Inc. .... **Common**
(Van Alstyne, Noel & Co.) $1,200,000

July 16 (Tuesday)
International Seaway Trading Corp. .... **Common**
(Hayden, Miller & Co.) 140,000 shares
International Seaway Trading Corp. .... **Debentures**
(Hayden, Miller & Co.) $750,000
Lease Plan International Corp. .... **Common**
(Hayden, Stone & Co., Inc.) 139,044 shares
Mexico (Government of) .... **Bonds**
(Kuhn, Loeb & Co., Inc. and First Boston Corp.) $35,000,000
Michigan Wisconsin Pipe Line Co. .... **Bonds**
(Bids 11 a.m. EDST) $30,000,000

July 17 (Wednesday)
Sierra Pacific Power Co. .... **Debentures**
(Bids 11 a.m. EDST) $8,000,000

July 19 (Friday)
Burroughs Corp. .... **Common**
(Offering to stockholders—underwritten by Lehman Brothers) 742,144 shares
Burroughs Corp. .... **Debentures**
(Lehman Brothers) $25,000,000

July 22 (Monday)
Enzyme Corp. of America .... **Common**
(Bristol Securities Inc.) $240,000
NuTone, Inc. .... **Common**
(Lehman Brothers) 75,000 shares
Warwick Fund .... **Units**
(Wellington Co., Inc.) 300,000 units

July 23 (Tuesday)
Community Public Service Co. .... **Bonds**
(Bids 11 a.m. EDST) $13,000,000
Electro-Optical Systems, Inc. .... **Common**
(White, Weld & Co., Inc. and Kidder, Peabody & Co., Inc.) 403,000 shares
Northern Illinois Gas Co. .... **Bonds**
(Bids 10:30 a.m. CDST) $20,000,000
Northwest Natural Gas Co. .... **Common**
(Lehman Brothers) 100,000 shares

July 24 (Wednesday)
Chicago, Rock Island & Pacific RR. .... **Eq. Tr. Ctfs.**
(Bids 12 noon CDST) $3,900,000
Nippon Tel. & Tel. Public Corp. .... **Bonds**
(Dillon, Read & Co., Inc.; First Boston Corp.; and Smith, Barney & Co., Inc) $20,000,000
Therm-O-Disc, Inc. .... **Common**
(Goldman, Sachs & Co. and McDonald & Co.) 124,072 shares

July 29 (Monday)
Chemair Corp. .... **Units**
(Price Investing Co.) $180,000
Eastern Investors, Inc. .... **Class A**
(Paul C. Kimball & Co.) $400,000
First American Israel Mutual Fund .... **Ben. Int.**
(Paine, Webber, Jackson & Curtis) $27,500,000
Juniper Spur Ranch, Inc. .... **Common**
(V. E. Anderson & Co.) $300,000
Natural Gas & Oil Producing Co. .... **Common**
(Peter Morgan & Co.) $900,000
Recreation Industries, Inc. .... **Common**
(Costello, Russotto & Co.) $150,000

July 30 (Tuesday)
American Greetings Corp. .... **Debentures**
Goldman, Sachs & Co. and McDonald & Co.) $7,500,000
Cooper Tire & Rubber Co. .... **Preferred**
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 150,000 shares
Eaton Manufacturer Co. .... **Debentures**
(Merrill Lynch, Pierce, Fenner & Smith Inc.) $25,000,000
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
Tokio Marine & Fire Insurance Co., Ltd. .... **A. D. S.**
(First Boston Corp.; Nikko Securities Co. Ltd.; and Shelby Cullom Davis & Co.) 400,000 shares
Trailer Train Co. .... **Equip. Trust Ctfs.**
(Bids 10:30 a.m. EDST) $4,800,000

July 31 (Wednesday)
Independent Shoe Discounters Association, Inc. .... **Common**
(Parker, Bishop & Hart, Inc.) $325,000
Lord Jim's Service Systems, Inc. .... **Common**
(Keon & Co.) $100,000
Southern Bell Telephone & Telegraph Co. **Debens.**
(Bids to be received) $70,000,000

August 5 (Monday)
Associated Oil & Gas Co. .... **Debentures**
(Allen & Co.) $6,600,000
Electronic Dispenser Corp. .... **Common**
(L. D. Brown & Co.) $100,000
Leeds Shoes, Inc. .... **Common**
(Strathmore Securities, Inc.) $315,000
Resort Corp. of Missouri .... **Units**
(R. L. Warren Co.) $4,000,000
Scheib (Earl), Inc. .... **Common**
(Shearson, Hammill & Co.) 200,000 shares

August 6 (Tuesday)
Indiana & Michigan Electric Co. .... **Bonds**
(Bids 11 a.m. EDST) $45,000,000
United Aircraft Corp. .... **Debentures**
(Offering to stockholders—underwritten by Harriman Ripley & Co., Inc.) $42,884,000

August 8 (Thursday)
Gulf, Mobile & Ohio RR. .... **Equip. Trust Ctfs.**
(Bids 12 noon CDST) $3,900,000

August 12 (Monday)
Heck's, Inc. .... **Common**
(Charles Plohn & Co.) $450,000

August 27 (Tuesday)
Lone Star Gas Co. .... **Debentures**
(Bids 11 a.m. EDST) $35,000,000

September 5 (Thursday)
Iowa Public Service Co. .... **Bonds**
(Bids to be received) $12,000,000

September 9 (Monday)
Norfolk & Western RR. .... **Equip. Trust Ctfs.**
(Bids 12 noon EDST) $6,900,000

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
Jersey Central Power & Light Co. .... **Bonds**
(Bids 11 a.m. EDST) $10,000,000

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

October 15 (Tuesday)
Jersey Central Power & Light Co. .... **Debentures**
(Bids 11 a.m. EDST) $9,000,000

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

November 19 (Tuesday)
New England Power Co. .... **Preferred**
(Bids to be received) $10,000,000
New England Power Co. .... **Bonds**
(Bids to be received) $10,000,000

December 10 (Tuesday)
Northern Pacific Ry. .... **Equip. Trust Ctfs.**
(Bids 12 noon EST) $4,800,000

Continued from page 29

ing of marine and credit life insurance. **Proceeds**—For redemption of outstanding second preferred stock, working capital, and other corporate purposes. **Office**—1701 Pennsylvania Ave., N. W., Washington, D. C. **Underwriter**—Mackall & Coe, Washington, D. C.

First American Israel Mutual Fund (7/29-8/2)
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.

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.

Founders Life Assurance Co. of Florida
June 11, 1963 filed 800,000 common. **Price**—By amendment (max. $3). **Business**—Company plans to engage in the writing of life, accident and health insurance. **Proceeds**—For general corporate purposes. **Office**—Marine Bank Bldg. Plaza, Tampa. **Underwriter** — Pierce, Wulbern, Murphey Inc., Jacksonville.

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**—Postponed.

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.

● **Heck's, Inc. (8/12-16)**
June 12, 1963 refiled 180,000 class A common. **Price**—$2.50. **Business**—Operation of discount stores. **Proceeds**—To provide fixtures and inventory for a new store, and for working capital. **Office**—6400 MacCorkle Ave., S. W., St Albans, W. Va. **Underwriter**—Charles Plohn & Co., New York.

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. (7/15-19)**
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.

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).

Independent Shoe Discounters Association, Inc. (7/31)
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.

Indiana Natural Gas Corp.
June 13, 1963 ("Reg. A") 50,000 common, of which 30,000 shares are to be offered for subscription by stockholders on a share-for-share basis until June 30, 1963; the remaining 20,000 shares will be sold to the public. **Price**—To stockholders, $5; to the public, $5.50. **Business**—A public utility supplying natural gas in Paoli and Orleans, Ind. **Proceeds** — For construction and working capital. **Address**—Paoli, Ind. **Underwriter**—Yates, Heitner & Woods, St. Louis.

Indiana & Michigan Electric Co. (8/6)
June 14, 1963 filed $45,000,000 of first mortgage bonds due 1993. **Proceeds**—For loan repayment, and other corporate purposes. **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 American Electric Power Service Corp., 2 Broadway, N. Y **Information Meeting**—Aug. 1 (3 p.m. EDST), same address

International Book Distributors, Inc.
June 24, 1963 filed 66,500 common. **Price**—By amendment (max. $4.50). **Business**—Sale of encyclopedias, dictionaries, atlases, etc. **Proceeds**—For working capital and sales promotion. **Office**—6660 Biscayne Blvd., Miami, Fla. **Underwriter**—Roman & Johnson, Fort Lauderdale, Fla.

● **International Seaway Trading Corp. (7/16)**
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 Securities Co. (7/15-19)**
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.

Investors Realty Trust
May 31, 1962 filed 200,000 shares. **Price** — $10. **Business**—A real estate investment trust. **Proceeds** — For construction and investment. **Office** — 3315 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—None.

Investors Trading Co.
Jan. 17, 1963 filed 200,000 capital shares. **Price** — Net asset value (max. $5), plus 8% sales charge. **Business**—A mutual fund. **Proceeds**—For investment. **Office**—460 Denver Club Building, Denver. **Distributor**—Nemrava & Co. (same address). **Offering**—Imminent.

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).

"Isras" Israel-Rassco Investment Co., Ltd.
June 28, 1963 filed 60,000 ordinary shares. **Price**—$55. **Business** — A real estate development company which also owns citrus plantations. **Proceeds**—For general corporate purposes. **Address**—Tel-Aviv, Israel. **Underwriter**—Rassco of Delaware Inc., New York.

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).

Japan Fund, Inc.
June 7, 1963 filed 625,000 common being offered for subscription by stockholders on the basis of one new share for each two held of record July 10. Rights will expire July 24. **Price**—$9. **Business**—A closed-end investment company seeking capital appreciation through investments primarily in Japanese common stocks. **Office**—25 Broad St., New York. **Underwriters**—Bache & Co.; Paine, Webber, Jackson & Curtis and Nikko Securities Co., New York.

● **Jefferson 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. **Note**—This company formerly was named New Industry Capital Corp.

Juniper Spur Ranch, Inc. (7/29-8/2)
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.

● **Kelly & Cohen, Inc. (7/15)**
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** — Amsbary, Allen & Morton, Inc., Pittsburgh.

Key Finance Corp.
June 7, 1963 filed 80,000 common. **Price**—By amendment (max. $5). **Business**—Operation of a small loan business in Puerto Rico. **Proceeds**—For loan repayment, expansion and other corporate purposes. **Address**—Rio Piedras, Puerto Rico. **Underwriters** — Morris Cohon & Co., and Street & Co., Inc., New York.

Krasnow Industries, Inc.
June 28, 1963 filed 125,000 common. **Price**—By amendment (max. $5). **Business**—Manufacture of men's and children's belts. **Proceeds**—For debt repayment, sales promotion, and other corporate purposes. **Office** — 33-00 Northern Blvd., Long Island City, N. Y. **Underwriter**—T. W. Lewis & Co., Inc., New York.

● **Kraft (John) Sesame Corp.**
May 24, 1962 filed $225,000 of 6% conv. subord. debentures, due 1972, and 150,000 common to be offered in units consisting of a $300 debenture and 200 shares. **Price** — $800 per unit. **Business** — Processing and distribution of sesame seed. **Proceeds**—For accounts receivable inventories, plant expansion and working capital. **Office** — 2301 N. Main St., Paris, Texas. **Underwriter**—John A. Dawson & Co., Chicago. **Offering**—Indefinite.

● **Lease Plan International Corp. (7/16)**
June 21, 1963 filed 139,044 common. **Price**—By amendment (max. $35.50). **Business**—Company leases trucks and cars, operates trucks as a contract carrier, and furnishes consultant and management services concerning fleet vehicle operations. **Proceeds** — For selling stockholders. **Office**—9 Chelsea Place, Great Neck, N. Y. **Underwriter**—Hayden, Stone & Co., Inc., New York.

● **Leeds Shoes, Inc. (8/5-9)**
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.

● **Livestock Financial Corp. (7/15-19)**
May 14, 1963 refiled 200,000 common. **Price**—$5. **Business**—An insurance holding company whose subsidiaries insure the lives of all types of animals. **Proceeds** — To form new subsidiaries. **Office**—26 Platt St., New York. **Underwriter**—Charles Plohn & Co., New York.

Logos Options, Ltd.
April 11, 1962 filed 250,000 capital shares. **Price** — By amendment (max. $10). **Business**—A diversified closed-end investment company. **Proceeds**—For investment. **Office**—26 Broadway, N. Y. **Underwriter**—Filor, Bullard & Smyth, N. Y. **Note**—This company formerly was named Logos Financial, Ltd. **Offering**—Indefinite.

● **Lord Jim's Service Systems, Inc. (7/31)**
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 Street, Brooklyn, N. Y. **Underwriter**—To be named. **Note**—This registration was withdrawn.

Marshall Press, Inc.
May 29, 1962 filed 60,000 common. **Price**—$3.75. **Business**—Graphic design and printing. **Proceeds**—For publishing a sales catalogue, developing a national sales staff and working capital. **Office**—812 Greenwich St., N. Y. **Underwriter**—To be named. **Offering**—Indefinitely postponed.

Medic Corp.
Feb. 28, 1963, filed 1,000,000 class B common. **Price**—$1.25. **Business**—A holding company for three life insurance firms. **Proceeds**—For loan repayment, operating expenses, and investment in other insurance concerns. **Address**—714 Medical Arts Bldg., Oklahoma City. **Underwriter**—Lincoln Securities Corp. (same address).

Medical Industries Fund, Inc.
Oct. 23, 1961 filed 25,000 common. **Price**—$10. **Business**—A closed-end investment company which plans to become open-end. **Proceeds** — For investment in the medical industry and capital growth situations. **Office**—677 Lafayette St., Denver. **Underwriter** — Medical Associates, Inc. Denver.

Medical Video Corp.
Nov. 13, 1961 filed 250,000 common. **Price** — $1. **Business** — Manufacture of medical electronic equipment. **Proceeds** — For general corporate purposes. **Office**—Studio City, Calif. **Underwriter** — Financial Equity Corp., Los Angeles.

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).

● **Mexico (Government of) (7/16)**
June 20, 1963 filed $15,000,000 of 6% external serial bonds due July 15, 1966-68 and $20,000,000 of 6¾% external sinking fund bonds due July 15, 1978. **Price**—For the 6% bonds—par; for the 6¾s—By amendment. **Proceeds**—For expansion of the country's electric power systems, and for public works, including highway and irrigation projects. **Underwriters**—Kuhn, Loeb & Co., Inc., and First Boston Corp., New York.

Michigan-Wisconsin Pipeline Co. (7/16)
June 18, 1963 filed $30,000,000 of first mortgage pipeline bonds due 1983. **Proceeds**—For redemption of outstanding 6¼% first mortgage pipeline bonds due 1977, loan repayment and construction. **Office**—500 Griswold St., Detroit. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. **Bids**—July 16 (11 a.m. EDST) at American Natural Gas Co., 30 Rockefeller Plaza, New York.

● **Middlesex Water Co.**
June 5, 1963 filed 35,000 common. **Price**—By amendment (max. $36). **Business**—Collecting and distributing water in certain areas of New Jersey. **Proceeds** — For debt repayment. **Office**—52 Main St., Woodbridge, N. J. **Underwriter**—Kidder, Peabody & Co., Inc., New York. **Offering**—Indefinitely postponed.

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. (7/15-19)**
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.

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.

Morton (B. C.) Realty Trust
June 21, 1963 filed 1,000,000 shares of beneficial interest. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—141 Milk St., Boston. **Underwriter**—B. C. Morton Funds Underwriters Co., Inc. (same address)

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.

Mutual Finance Co. (7/15)
June 10, 1963 ("Reg. A") $300,000 of 6% convertible subordinated debentures, series D, due July 1, 1978. **Price**—At par. **Business**—Engaged in various activities in the loan and discount fields. **Proceeds**—For working capital and other corporate purposes. **Office** — Wallace Bldg., Tampa. **Underwriter** — Donald V. Stabell, St. Petersburg, Fla.

National Central Life Insurance Co. (7/15-19)
Dec. 7 filed 125,000 common. **Price** — $10. **Business** — Writing of health and accident insurance. **Proceeds**—For general corporate purposes. **Address** — 2632 McGee St., Kansas City, Mo. **Underwriter**—Cantor, Fitzgerald & Co., Inc., Chicago.

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. (7/15-19)**
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.

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.

Natural Gas & Oil Producing Co. (7/29-8/2)
Sept. 7, 1962 filed 180,000 class A common. **Price**—$5. **Business**—Production of natural gas and oil. **Proceeds**—For drilling expenses, working capital and other corporate purposes. **Office**—Tekoil Bldg., Oklahoma City **Underwriter**—Peter Morgan & Co., N. Y.

New Campbell Island Mines Ltd.
Oct. 13, 1961 filed 475,000 common, of which 400,000 are to be offered by the company and 75,000 by a stockholder. **Price**—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.**
See Jefferson Capital Corp.

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).

Nippon Telegraph & Telephone Public Corp. (7/24)
July 3, 1963 filed $20,000,000 of 5½% guaranteed dollar bonds due 1978. **Price**—By amendment. **Business**—The company, wholly-owned by the Government, furnishes telephone, telegraph and related communication services in Japan. **Proceeds**—For construction. **Address**—Tokyo, Japan. **Underwriters**—Dillon, Read & Co., Inc., First Boston Corp., and Smith, Barney & Co., Inc., New York.

Northern Illinois Gas Co. (7/23)
June 14, 1963 filed $20,000,000 of first mortgage bonds due July 1, 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. (jointly); Glore, Forgan & Co. **Bids**—July 23 (10:30 a.m. CDST) at 231 South La Salle St. (11th floor), Chicago. **Information Meeting**—July 17 (11 a.m. EDST) at 60 Liberty St., New York.

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.

Northwest Natural Gas Co. (7/23)
June 20, 1963 filed 100,000 common. **Price**—By amendment (max. $36). **Business**—Distribution of natural gas in Oregon and Washington. **Proceeds**—For construction. **Office**—735 S. W. Morrison St., Portland, Oregon.. **Underwriter**—Lehman Brothers, New York.

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.

● **NuTone, Inc. (7/22-24)**
July 3, 1963 filed 75,000 common. **Price**—By amendment (max. $25). **Business**—Manufacture of a wide variety of built-in household appliances including exhaust fans, electric heaters, kitchen appliances, door chimes, etc. **Proceeds** — For selling stockholders. **Address** — Madison and Red Bank Roads, Cincinnati. **Underwriter**—Lehman Bros., 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.

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 Power & Light Co. (7/30)
June 14, 1963 filed 100,000 shares of preferred (par $100). **Proceeds**—To redeem outstanding 6.16% preferred, and to repay bank loans. **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. **Information Meeting**—July 25 (3:30 p.m.) at same address.

Pacific Power & Light Co. (7/30)
June 14, 1963 filed $30,000,000 of first mortgage bonds due 1993. **Proceeds**—To repay bank 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. **Information Meeting**—July 25 (3:30 p.m.) at same address.

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.

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. **Offering**—Indefinite.

Peoples Insurance Co.
June 10, 1963 filed 100,000 common. **Price**—$10. **Business**—Company plans to write general liability and automobile insurance. **Proceeds**—For general corporate purposes. **Office**—307 Lenox Ave., New York. **Underwriter**—None.

Philippine Oil Development Co., Inc.
June 11, 1963 filed 325,000,000 capital shares to be offered for subscription by U. S. resident stockholders on the basis of one new share for each two held. **Price**—By amendment (max. 1 cent). **Business**—Exploration for oil and gas in the Philippines. **Proceeds**—For debt repayment, and operating expenses. **Address** — Manila, The Philippines. **Underwriter**—None.

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**—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.

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 unimproved land. **Proceeds**—For debt repayment, and acquisition of additional properties. **Office**—195 Nassau St., Princeton, N. J. **Underwriter**—None.

Professional Men's Association, Inc.
Jan. 8, 1963 filed 40,000 common. **Price**—$5. **Business**—Company specializes in financial consulting, and servicing patients' accounts of member hospitals, physicians and dentists. **Proceeds**—For debt repayment and working capital. **Address**—100 W. Tenth St., Wilmington, Del. **Underwriter**—None.

Provident Stock Fund, Inc.
April 11, 1963 filed 1,000,000 common. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—316 North Fifth St., Bismarck, N. D. **Underwriter** — Provident Management Co. (same address).

Recreation Industries, Inc. (7/29-8/2)
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 West 7th St., Los Angeles. **Underwriter**—Costello, Russotto & Co., Beverly Hills, Calif.

● **Resort Corp. of Missouri (8/5)**
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.

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**—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

Continued on page 32

Continued from page 31

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.

● **Roadcraft Manufacturing & Leasing Corp.**
June 24, 1963 filed 100,000 common. **Price**—$12. **Business**—Manufacture of mobile homes and office trailers and the leasing of mobile office trailers. **Proceeds** — For working capital, inventory, sales promotion, and expansion. **Office**—139 W. Walnut Ave., Gardena, Calif. **Underwriter**—Rutner, Jackson & Gray, Inc., and Morgan & Co., Los Angeles. **Offering**—Expected in mid-August.

● **Rona Lee Corp. (7/12)**
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.

Scheib (Earl), Inc. (8/5-9)
June 28, 1963 filed 200,000 common. **Price**—By amendment (max. $12). **Business**—Company operates (through wholly-owned subsidiaries) a national chain of automobile paint shops. **Proceeds**—For selling stockholder, E. A. Scheib, President. **Office**—8737 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Shearson, Hammill & Co., New York.

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.

● **Sentinel Life Insurance Co. (7/15)**
June 17, 1963 filed 217,645 capital shares. **Price**—$5.50. **Business**—Company plans to conduct a life and disability insurance business exclusively in California. **Proceeds**—For investment and other corporate purposes. **Office**—360 Pine St., San Francisco. **Underwriter**—Paine, Webber, Jackson & Curtis, New York.

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.

● **Sierra Pacific Power Co.**
June 7, 1963 filed 172,341 common being offered for subscription by stockholders on the basis of one new share for each 10 common shares held of record July 9. Rights will expire July 29. **Price**—$31. **Proceeds**—To repay bank loans. **Office**—220 South Virginia St., Reno, Nev. **Underwriter**—None.

Sierra Pacific Power Co. (7/17)
June 7, 1963 filed $8,000,000 of debentures due July 1, 1988. **Price**—By amendment. **Proceeds**—To refund outstanding 5⅝% debentures due 1985, and repay bank loans. **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**—July 17 (11 a.m. EDST) at 49 Federal St., Boston. **Information Meeting** — July 12 (11 a.m. EDST) at 90 Broad St. (19th floor), New York.

Stein Roe & Farnham Foreign Fund, Inc.
July 1, 1963 filed 1,000,000 capital shares. **Price**—Net asset value. **Business**—Company was recently formed and will succeed to New York Capital Fund, Ltd., a Canadian corporation. It will provide investors a means of investing in Canada, Western Europe and other foreign areas. **Proceeds**—For investment. **Office**—135 S. LaSalle St., Chicago. **Underwriter**—None.

Sutro Mortgage Investment Trust
Feb. 1, 1963 filed 30,000 shares of beneficial interest. **Price**—$100. **Business** — A real estate investment trust. **Proceeds**—For investment. **Office**—4900 Wilshire Blvd., Los Angeles. **Underwriter**—None.

Teaching Machines, Inc.
April 1, 1963 filed 165,000 common, of which 120,000 are to be offered by company, and 45,000 by stockholders. **Price**—By amendment (max. $9). **Business**—Company develops and sells teaching machines exclusively for Grolier Inc. **Proceeds**—For debt repayment and other corporate purposes. **Office**—221 San Pedro, N. E., Albuquerque. **Underwriter**—To be named.

Tecumseh Investment Co., Inc.
Jan. 21, 1963 filed 48,500 common. **Price**—$100. **Business**—A holding company which plans to organize a life insurance company. **Proceeds**—For investment in U. S. Government Bonds and in new subsidiary. **Office**—801 Lafayette Life Bldg., Lafayette, Ind. **Underwriter**—Amosand Inc. (same address).

Texas Plastics, Inc.
July 27, 1962 filed 313,108 common. **Price**—$3.50. **Business**—Operation of a plant producing plastic film and packaging products. **Proceeds**—For working capital. **Address**—Elsa, Texas. **Underwriter**—To be named. **Offering**—Indefinite.

Therm-O-Disc, Inc. (7/24)
June 27, 1963 filed 124,072 common. **Price**—By amendment (max. $32). **Business**—Manufacture of thermostatic controls and devices, principally for use in electric and gas appliances. **Proceeds**—For selling stockholders. **Address**—South Main St., Mansfield, Ohio. **Underwriters**—Goldman, Sachs & Co., New York, and McDonald & Co., Cleveland.

Tokio Marine & Fire Insurance Co., Ltd. (7/30)
June 28, 1963 filed 400,000 American Depositary Shares. **Price**—By amendment (max. $25 per A. D. S.) **Business**—Writing of marine, fire and casualty and allied lines of insurance. **Proceeds**—For investment. **Address**—Tokyo, Japan. **Underwriters**—First Boston Corp., Nikko Securities Co., Ltd., and Shelby Cullom Davis & Co., N. Y.

Top Dollar Stores, Inc. (7/15-19)
May 1, 1962 filed 200,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders **Price**—$6. **Business**—Operation of a chain of self-service retail stores selling clothing, housewares, etc. **Proceeds**—For expansion, equipment and working capital **Office**—2220 Florida Ave., Jasper, Ala. **Underwriter**—Van Alstyne, Noel & Co., New York.

Tourist Industry Development Corp., Ltd.
March 29, 1963 filed $5,000,000 of 7% senior debentures due 1983. **Price**—At par. **Business**—Financing of tourist enterprises in Israel. **Proceeds** — For general corporate purposes. **Address** — Jerusalem, Israel. **Underwriter**—American-Israel Basic Economy Corp., New York. **Offering**—Expected in August.

Trailer Train Co. (7/30)
June 20, 1963 filed $4,800,000 of equipment trust certificates due 1964-68. **Business**—Acquisition and furnishing of flat cars to railroads. **Proceeds** — Purchase of additional equipment. **Office** — 6 Penn Center Plaza, Philadelphia. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler; R. W. Pressprich & Co. **Bids**—Expected July 30 (10:30 a.m. EDST) at the company's office.

Transarizona Resources, Inc.
May 28, 1962 filed 500,000 capital shares. **Price**—$1.50. **Business**—Exploration, development and production of the Lake Shore copper deposit near Casa Grande, Ariz. **Proceeds**—For equipment, exploration and working capital. **Office**—201 E. 4th St., Casa Grande, Ariz. **Underwriter**—None.

Tri-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.

UMC Electronics Co.
June 19, 1963 ("Reg. A") $250,000 of 7% subord. conv. debentures due 1971 to be offered for subscription by stockholders of record June 15, 1963. Rights will expire July 31, 1963. **Price**—At par ($200). **Business**—A holding company for subsidiaries engaged in the manufacture of aircraft and missile testing equipment, audio teaching devices and torque motors. **Proceeds**—For equipment, debt repayment and working capital. **Office**—41 Haig St., Camden, Conn. **Underwriter**—Wm. H. Rybeck & Co., Meriden, Conn.

United Saran & Plastic Corp. Ltd.
Feb. 25, 1963, filed $330,000 of 7% convertible debentures due 1975 and 16,500 shares of 8% preferred ordinary "B" shares to be offered in units consisting of two $100 debentures and 10 shares. **Price** — $305 per unit. **Business** — Manufacture of light household and office furniture. **Proceeds** — For general corporate purposes. **Address**—Rehovoth, Israel. **Underwriter**—Brager & Co., New York. **Offering**—Indefinite.

United Variable Annuities Fund, Inc.
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo

Urethane of Texas, Inc.
Feb. 14, 1962 filed 250,000 class A and 250,000 common to be offered in units of one share of each class. **Price**—$5.05 per unit. **Business**—Manufacture of urethane foams. **Proceeds**—For equipment, working capital, leasehold expenses and other corporate purposes. **Office**—2300 Republic National Bank Bldg., Dallas. **Underwriter** — First Nebraska Securities Corp., Lincoln, Neb **Offering**—Temporarily postponed.

● **Uris Buildings Corp. (7/11)**
June 18, 1963 filed 50,000 common. **Price**—By amendment (max. $30). **Business**—Construction and operation of office buildings. **Proceeds**—For selling stockholders. **Office**—850 3rd Ave., New York. **Underwriter**—Kuhn, Loeb & Co., Inc., New York.

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.

Warwick Fund (7/22-26)
June 17, 1963 filed 300,000 units of participation in the Fund to be offered in exchange for certain acceptable securities on the basis of one unit for each $100 of deposited securities. **Business** — A new exchange type mutual fund which plans to continue indefinitely to exchange its units for additional contributions of securities, and to seek long term growth of capital and income. **Office** — 3001 Philadelphia Pike, Claymont, Del. **Distributor**—Wellington Co., Inc., Philadelphia.

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**—Indefinite.

● **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 was 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.

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. **Note**—The SEC has issued an order temporarily suspending this letter.

Issues Filed With SEC This Week

★ **C & S Packing Co., Inc.**
July 1, 1963 ("Reg. A") 4,866 common. **Price**—$50. **Business**—Company plans to establish a food and processing plant. **Proceeds**—For working capital. **Office**—639 Kinley N. W., Albuquerque, N. M. **Underwriter**—None.

★ **Compass Exploration, Inc.**
June 28, 1963 ("Reg. A") 75,000 common. **Price**—$4. **Business**—Development of oil and gas properties. **Proceeds** — For working capital. **Office** — 101 University Blvd., Denver. **Underwriter**—None.

★ **Cordis Corp.**
June 26, 1963 ("Reg. A") 1,100 common. **Price**—$250. **Business**—Manufacture and distribution of clinical research instruments. **Proceeds** — For debt repayment, working capital, equipment and a new building. **Office**—241 N. E. 36th St., Miami. **Underwriter**—None.

★ Focus/Midwest Publishing Co., Inc.
June 28, 1963 ("Reg. A") 600 class A common. **Price**—$100. **Business**—Publication of a political and cultural magazine. **Proceeds** — For general corporate purposes. **Office**—884 Berick Dr., University City, Mo. **Underwriter**—None.

★ French Market Shopping Center, Inc.
June 24, 1963 ("Reg. A") $300,000 of 6% subordinated debentures due Aug. 1, 1978, and 30,000 common to be offered in units of one $500 debenture and 50 common. **Price**—$500 per unit. **Business**—Operation of a discount type department store in the Greater Kansas City area. **Proceeds**—For working capital, and other corporate purposes. **Address** — 95th & Metcalf Sts., Overland Park, Kansas. **Underwriter** — Midland Securities Co., Inc., Kansas City, Mo.

★ Hardee's Food Systems, Inc.
June 21, 1963 ("Reg. A") $150,000 of 6½% subordinated convertible debentures due July 1, 1973; also 37,500 common. **Price**—For debentures, $10; for common, $4. **Business** — Operation of self-service, drive-in restaurants. **Proceeds**—For expansion, and working capital. **Office**—1901 Sunset Ave., Rocky Mount, N. C. **Underwriters**—Powell, Kistler & Co., Fayettville, N. C.; Allied Securities Corp., Greensboro, N. C.; McCarley & Co., Inc., Ashville, N. C.; Strader & Co., Inc., Lynchburg, Va.; Willis, Kenny & Ayres, Inc., Richmond, Va.; and Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn.

★ Investors Inter-Continental Fund, Inc.
July 3, 1963 filed 3,000,000 capital shares. **Price**—Net asset value plus 7½%. **Business**—A new mutual fund which will succeed to business of Investors Group Canadian Fund Ltd., and invest in securities throughout the Free World. **Proceeds**—For investment. **Address**—1000 Roanoke Bldg., Minneapolis. **Distributor**—Investors Diversified Services, Inc. (same address).

★ Pineview Lodge & Resort, Inc.
July 1, 1963 ("Reg. A") 250,000 common. **Price**—$1.20. **Business**—Operation of a year round resort. **Proceeds**—For construction and debt repayment. **Address**—P. O. Box 1143, Ogden, Utah. **Underwriter**—None.

★ Southern Bell Telephone & Telegraph Co. (7/13)
July 10, 1963 filed $70,000,000 of debentures due 2003. **Proceeds**—To refund a like amount of 5% debentures due June 1, 1986. **Office**—67 Edgewood Ave., S. E. Atlanta. **Underwriters** — (Competitive.) Probable bidders: Morgan Stanley & Co.; Halsey, Stuart & Co. **Bids**—Expected July 31, 1963 at 195 Broadway, N. Y.

★ United Aircraft Corp. (8/6)
July 10, 1963 filed $42,884,000 subord. debentures due Aug. 15, 1988 to be offered for subscription by stockholders on the basis of $100 of debentures for each 15 common shares held of record Aug. 5. Rights will expire Aug. 20. **Business**—Manufacture of aeronautical engines, propellers and aircraft. **Proceeds**—For loan repayment. **Office**—400 Main St., East Hartford, Conn. **Underwriter**—Harriman Ripley & Co., Inc., New York.

★ Wakefield Seafoods, Inc.
June 27, 1963 ("Reg. A") $200,000 of 7½% convertible debentures due July 31, 1973 to be offered for subscription by stockholders. **Price**—At par. **Business**—Processing and marketing of frozen Alaska King Crab. **Proceeds**—For working capital. **Address**—Salomon Bay Terminal, Seattle. **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."

Bard (C.R.) Inc.
204,095 capital shares offered at $16.50 per share by Kidder, Peabody & Co., Inc., New York, and Blunt Ellis & Simmons, Chicago.

Donnelley (R.R.) & Sons Co.
160,000 common offered at $24.25 per share by Harriman Ripley & Co., Inc., New York.

Hitachi, Ltd.
937,500 American Depositary Shares offered at $22.25 per share by Dillon, Read & Co., Inc., and Yamaichi Securities Co. of New York, Inc.

Illinois Bell Telephone Co.
$50,000,000 of 4⅜% first mortgage bonds (series H) due July 1, 2003 offered at 100.282% and accrued interest, to yield 4.36%, by Salomon Brothers & Hutzler; Blyth & Co., Inc.; Lehman Brothers, and Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Inter-County Telephone & Telegraph Co.
50,000 common offered at $39.50 per share; also $2,000,000 of 4% conv. subord. debentures due July 1, 1978 offered at 101% and accrued interest, to yield 3.91%, by Dean Witter & Co., Chicago.

Japan Fund, Inc.
625,000 common being offered to stockholders at $9 per share on the basis of one new share for each two held of record July 10. Rights will expire July 24. Bache & Co.; Paine, Webber, Jackson & Curtis, and Nikko Securities Co. Ltd., New York are the principal underwriters.

Lightcraft-General
125,000 common offered at $10 per share by William R. Staats & Co., Los Angeles.

Milan (City of)
$20,000,000 of 5½% external loan bonds due July 1, 1978 offered at 98¾% to yield 5.63% by Dillon, Read & Co., Inc., New York.

Northern Natural Gas Co.
$30,000,000 of 4⅝% s. f. debentures due Nov. 1, 1983 offered at 99.66% and accrued interest, to yield 4.40%, by Blyth & Co., Inc., New York.

Sierra Pacific Power Co.
172,342 common being offered to stockholders at $31 per share on the basis of one new share for each 10 held of record July 9. Rights will expire July 29. No underwriting is involved.

Prospective Offerings

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.

Canon Camera Co.
June 26, 1963 it was reported that the company plans to sell $5,000,000 of convertible bonds in the U. S. **Business** — Manufacture of cameras and other photographic equipment. **Proceeds**—For expansion. **Address**—Tokyo, Japan. **Underwriter** — Yamaichi Securities Co. of New York, Inc.

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.

Chicago, Rock Island & Pacific RR (7/24)
June 18, 1963 it was reported that this road plans to sell $3,900,000 of equipment trust certificates in July. **Office**—139 West Van Buren St., Chicago. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids** — July 24 (12 noon CDST) in Room 1136, 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.

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

Foote, Cone & Belding, Inc.
June 18, 1963 it was reported that the company is considering the public sale of about 25% of its stock. **Business**—Company is one of the leading advertising agencies in the U. S. with 1962 billings of about $130,000,000. **Office**—247 Park Ave., New York. **Underwriter**—To be named. It was reported that negotiations are being conducted with Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

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, Mobile & Ohio RR. (8/8)
June 12, 1963 it was reported that this road plans to sell $3,900,000 of equipment trust certificates. **Office**—104 St. Francis St., Mobile, Ala. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Aug. 8 (12 noon CDST) at the company's Chicago office.

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.

Continued on page 34

Continued from page 33

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.

★ **International Milling Co.**
July 8, 1963 the company announced that it expects to file a registration statement covering its first public offering of common stock. The sale will include both a primary and a secondary distribution. **Business**—Company is one of the world's largest flour millers with operations in five countries. **Proceeds**—For expansion, research and debt repayment. **Address** — 1200 Investors Bldg., Minneapolis. **Underwriter** — Kidder, Peabody & Co., Inc., New York.

Iowa Power & Light Co.
Jan. 16, 1963 it was reported that the company plans to sell $10,000,000 of bonds in late 1963 or early 1964. **Office**—823 Walnut St., Des Moines. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; White, Weld & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Lehman Brothers; Blyth & Co.

Iowa Public Service Co. (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. **Information Meeting**—Aug. 28 (3:30 p.m. EDST) at 40 Wall St., New York.

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.

Jersey Central Power & Light Co. (10/1)
June 12, 1963 the company announced plans to sell $10,-000,000 of first mortgage bonds due 1993. **Proceeds**—For construction. **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. **Bids**—Expected Oct. 1 (11 a.m. EDST) at 80 Pine St., New York.

Jersey Central Power & Light Co. (10/15)
June 12, 1963 company announced plans to sell $9,000,000 of debentures due 1988. **Proceeds**—For construction. **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. **Bids**—Expected Oct. 15 (11 a.m. EDST) at 80 Pine St., New York.

Lewis Business Forms, Inc.
June 12, 1963 it was reported that the company is considering the issuance of $1,250,000 of 15-year convertible subordinated debentures. **Business**—Manufacture of specialized business forms and other business printing products. **Proceeds**—For expansion. **Office**—2432 Swan St., Jacksonville, Fla. **Underwriter**—To be named. The last public sale of securities in February 1960 was handled by C. E. Unterberg, Towbin Co., New York.

● **Lone Star Gas Co. (8/27)**
July 2, 1963 the company announced plans to file a registration statement covering $35,000,000 of sinking fund debentures due 1988. **Business** — Production and distribution of natural gas in Texas and Oklahoma. **Office**—301 South Harwood St., Dallas. **Underwriters**—(Competitive). Probable bidders: First Boston Corp., Halsey, Stuart & Co., Inc., Salomon Bros. & Hutzler. **Bids**—Expected Aug. 27 (11 a.m. EDST) at Chemical Bank New York Trust Co., 20 Pine St., N. Y. **Information Meeting**—Aug. 22 (11 a.m. EDST), same address.

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)
June 20, 1963, following the registration with the SEC of $35,000,000 of external bonds, it was reported that the Government is authorized to sell an additional $65,000,-000 of bonds in the U. S. and abroad. **Underwriters**—Kuhn, Loeb & Co., Inc., and First Boston Corp., N. Y.

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. (11/19)**
July 10, 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. **Bids**—Expected Nov. 19.

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.

Norfolk & Western RR (9/9)
July 2, 1963 it was reported that this road has scheduled the sale of about $6,900,000 of 1-15 year equipment trust certificates for September. **Office**—8 North Jefferson St., Roanoke, Va. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Salomon Bros. & Hutzler. **Bids**—Expected Sept. 9 or 10 (12 noon EDST) at the company's Philadelphia office.

Northern Pacific Ry. (12/10)
July 2, 1963 it was reported that this road plans to sell about $4,800,000 of equipment trust certificates in December. **Office**—120 Broadway, New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Salomon Bros. & Hutzler. **Bids**—Expected Dec. 10 (12 noon EST).

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 Telephone & Telegraph Co.
June 19, 1963 the company stated that it will need $650 million of new money in the years 1964 through 1966 to help finance its $1.3 billion construction program. This means that the company must sell about $217 million of securities a year, it was stated. **Office**—140 New Montgomery St., San Francisco. **Underwriters**—To be named. The last issue of debentures on Feb. 16, 1960 was underwritten by Halsey, Stuart & Co. Inc. One other bid on the issue was tendered by Morgan Stanley & Co.

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.

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.

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.

Utah Power & Light Co.
July 2, 1963 it was reported that this utility plans to sell about $20,000,000 of bonds and $10,000,000 of preferred stock in the second quarter of 1964. **Office**—1407 West North Temple St., Salt Lake City. **Underwriters**—(Competitive). Probable bidders (bonds): Salomon Bros. & Hutzler; Halsey, Stuart & Co., Inc.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); White, Weld & Co.-Stone & Webster Securities Corp. (jointly); First Boston Corp.-Blyth & Co. (jointly); Eastman Dillon, Union Securities & Co.-Smith, Barney & Co. (jointly); Lehman Brothers-Bear. Stearns & Co. (jointly). (Preferred Stock) White, Weld & Co.-Stone & Webster Securities Corp. (jointly); First Boston Corp.-Blyth & Co. (jointly); Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.-Smith, Barney & Co.-Salomon Brothers & Hutzler (jointly); Lehman Brothers.

Washington Gas Light Co.
July 2, 1963 it was reported that this utility plans to sell $20,000,000 of bonds in the second quarter of 1964. **Office**—1100 H. St., N. W., Washington, D. C. **Underwriters** (Competitive). Probable bidders: Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; Kidder, Peabody & Co.; First Boston Corp.; Halsey, Stuart & Co. Inc.

Western 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.

Study Advises Plowing Under Farm Price Support Program

Twentieth Century Fund study by Dr. Edward Higbee concludes our Federal farm program is an abysmal failure. Recommends return to free pricing and, in view of our unemployment problem, a concession to the numerous, small farmers of allowing them to accept or reject an official allotment which would preserve their present small share of the market.

Taking a sharp look at the farm problem from the city man's point of view, a new Twentieth Century Fund study says that Federal price support programs are excessive in cost, do not accomplish their intended purpose, and should be abandoned in favor of the free market.

Edward Higbee, author of the new report "Farms and Farmers in an Urban Age," finds that government subsidies go overwhelmingly to the already strong and prosperous upper crust of American agriculture that doesn't need them, and almost totally fail to reach the small and marginal farms at the bottom that may be in real distress.

Complete Re-Thinking Needed

The report calls for a thorough re-thinking of the farm problem now that nine-tenths of all Americans live in cities, towns and suburbs and it accuses farm organizations of "colossal indifference" to the views of this urban majority.

Documenting the process by which smaller, inefficient and undercapitalized farmers — large numbers of whom earn more income at work away from farms than on them—are going out of business while their lands are taken over by fewer, larger and more efficient operators, "Farms and Farmers in an Urban Age" cites these salient facts:

Today the top 3% of all farms produce more than the bottom 78%.

As poorer farmers drop out of the race for survival their lands are consolidated by a smaller, abler group of operators. In 1935 there were 6.8 million farms; now there are less than 3.7 million; by 1980 there may be less than one million.

In 1959, 2.2 million operators of 61% of all American farms averaged five times more income from work away from their farms than they got on farms.

Some 56% of the nation's farmers are in the small and marginal category but they get only an estimated 7% of government handouts.

On the basis of such findings, the new study says flatly:

"The history of price support efforts indicates that they do not shelter the small farmer, but they do stimulate his bigger competitors. They should be discontinued in favor of letting free enterprise determine price. As a concession to the marginal farmer, he should be offered the option to accept or reject an official allotment which would preserve for him his present small share of the market."

Pivotal Reasoning

Setting forth the reasoning that led to this basic recommendation, the author, Edward Higbee, says:

"No reasonable headway can be made in reshaping national policy toward agriculture until it is recognized that the players at the top and the players at the bottom are not in the same league, and the spread between them is getting wider. Eighty-seven per cent of the value of all farm products sold in 1959 was accounted for by 1.4 million farms, or 39% of the total. If the other 2.2 million farms were to go out of business by 1969 their output would not be missed.

"The big question is how will all these people who are not needed in agriculture find ways to make a living elsewhere? Already city slums harbor hundreds of thousands of rural refugees, many on welfare rolls.

"The only real solution to agriculture's major social problem is more city jobs for people who would gladly give up farm pursuits if there were a decent alternative. As it is, the Federal money being poured into agriculture does not keep farm and farm family together as press releases say it is intended to do.

The years of biggest Federal spending in agriculture have been the years of steepest decline in the numbers of farms and farmers. They have also been years of rising surpluses."

Noting the ever-mounting cost of present farm programs, Higbee says:

"As some farms get bigger and others liquidate, the Federal programs for agriculture expand and the Department of Agriculture itself puts on weight. In 1935 the Federal budget for agriculture was less than $1 billion. In 1962 it was over $7 billion, a sum exceeded only by expenditures for defense and interest on the national debt."

Food Costs Found Low in Comparison

Turning from such figures to some of the offsetting factors, the new Twentieth Century Fund study says: "Before the urban taxpayer begins to feel too sorry for himself he should look at another side of the farm ledger. Nobody in the world is fed for a smaller part of his take-home pay than the American grocery buyer. Most people elsewhere in the world spend at least half of their disposable incomes for food. In Western Europe food costs are 30 to 45%. . . . In the United States only 8% of the population lives on the farm and food costs are less than 20% of the average family budget."

"Farms and Farmers in an Urban Age" is careful to point out, also, that only a minority of the country's total agricultural production receives the benefit of price supports. "It should be emphasized that most agricultural commodities are not on the subsidy list; public aid has been concentrated in certain selected segments of agriculture where overproduction is critical. In 1960 five commodities—cotton, wheat, corn, grain sorghums and dairy products — received 91% of all price support aid, yet they represented only 40% of the value of all farm production. The producers of these comodities, however, are numerous, and they are heavily concentrated in the . . . distress group."

Pounding home the fact that those most in need of relief don't actually get it and setting forth the choices now facing the American public, Higbee writes:

"In between the 0.8 million farmers who constitute the prosperous and highly productive upper crust of American agriculture and (the) mass of 1.6 million part-time yeomen at the bottom, there are 1.3 million . . . farmers many of whom are in full-time commercial agriculture and want to stay there. They think they can survive even though their chances are poor. . . . Many of (them) want to grow bigger. Others, realizing that capital is hard to come by, would like to be frozen in their present positions and figure that tight government controls through allotments could protect them from further encroachment. . . .

"It is up to the taxpaying public to choose whatever side it wishes in this basic conflict between efficient, well-capitalized farmers and those who are less efficient largely because they lack the capital to apply modern technology. If the public chooses to protect weak farmers by means of stringent government allotments, it will in effect underwrite inefficiency and in the end it might be penalized in the form of higher food prices. The magnitude of this risk is not great, however. . .

"Without government floor prices, market levels are likely to be determined chiefly by what the 0.8 million farmers (at the top) will accept. As long as these producers, who account for 72% of all production, operate competitively prices will be low. The cost of food could only become unreasonable if, in addition to government allotments, the public were to continue to grant price supports as it has in the past."

Sees No Need for Subsidies

Higbee says there is no need to continue subsidies because with 72% of all farm income going to 22% of those whom the census counts as farmers, "it is fairly obvious that these 22% are the real producers and doing very well."

The 1.6 million operators at the bottom of the scale are 44% of all "census farmers." These "fringe" farmers take in only 5% of all farm income, says Higbee, and "are financially and physically incapable of producing surpluses. . . . Their misery, which in some cases is real but more often contrived, makes all agriculture look sick. By a kind of mathematical editing, which seldom takes into account off-farm incomes that usually exceed farm incomes, these people are made to appear destitute. . . . The financial distress of American agriculture, as it has been publicized in recent years, is largely a fiction evolved by lumping statistics and manipulating definitions in such a way as to make it appear that the plight of farmers in the lower brackets is the plight of all."

Agriculture's Attraction is Capital Gains

Higbee points out that even farms that show a relatively modest operating profit usually show a steady rise in the value of the land. "It is, of course, a fact that the labor income from farm operations in recent years has not been anything to brag about, but inflation in property values is the big story. For those more interested in capital gains than in current income, agriculture has been a natural." He cites this as one reason why "34% of all farms purchased in 1960 were bought by persons who were not farmers."

Giving figures on the growth in land values, the new Twentieth Century Fund study says: "In 1950 the average value of an acre of farm land was $65. By 1960 it had reached $120. . .

"The capital gain on farm real estate between 1950 and 1960 averaged 8.5% per year. . . . While farm mortgage debt increased only $6.5 billion between 1940 and 1961 the value of all farm assets went up $119 billion. This is hardly a symptom of serious illness. The 1961 farm mortgage debt was only 10.4% of farm real estate values. Few city people are so solvent."

Stressing the extraordinary diversity of American agriculture and the often sharply conflicting interests of different types of farmers and different kinds of crops, Higbee says, in a summary statement:

"No Secretary of Agriculture with a slide rule and the wisdom of Solomon could satisfy these competing demands. The only new development in the farm picture which may force a compromise decision is the conscious entry of the man from whose wallet the benefit payments come. . . . Now that farm subsidies run around $5.0 billion a year instead of about $0.3 billion as they did in 1952, the taxpayer is entitled to believe that the point of diminishing returns has been reached. . . . As city dwellers grow more articulate and reapportionment gives them a stronger voice in formulating those particular farm policies that involve public money, they will have a greater influence on legislative decisions. There is no solution which will not hurt some farmers and benefit others."

Author's Background

Edward Higbee, author of "Farms and Farmers in an Urban Age," is Professor of Land Utilization at the University of Rhode Island. He received his M.A. degree in soil science from the University of Wisconsin and a Ph.D. in geography from the Johns Hopkins University. He has taught at Yale, Johns Hopkins and Clark Universities. From 1938 to 1947 he served as conservationist and senior agronomist in the United States Department of Agriculture. His previous books include "The Squeeze: Cities Without Space" and "The American Oasis: The Land and Its Uses."

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)	July 6	2,045,000	2,313,000	2,513,000	1,239,000
Index of production based on average weekly production for 1957-1959	July 6	109.8	124.2	134.9	66.5
Unofficial indicated steel operations (per cent capacity) The American Iron & Steel Institute discontinued issuing this data late in 1960	July 6	0.665	0.755	0.82	42.5
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	June 28	7,507,660	7,541,410	7,453,260	7,252,310
Crude runs to stills—daily average (bbls.)	June 28	8,755,000	8,647,000	8,555,000	8,635,000
Gasoline output (bbls.)	June 28	31,251,000	31,760,000	30,214,000	30,957,000
Kerosene output (bbls.)	June 28	2,955,000	2,906,000	2,763,000	2,830,000
Distillate fuel oil output (bbls.)	June 28	14,097,000	14,290,000	13,348,000	13,652,000
Residual fuel oil output (bbls.)	June 28	4,939,000	4,829,000	4,987,000	6,014,000
Stocks at refineries, bulk terminals, in transit, in pipe lines					
Finished gasoline (bbls.) at	June 28	193,483,000	194,915,000	196,414,000	187,271,000
Kerosene (bbls.) at	June 28	30,878,000	30,329,000	28,301,000	29,682,000
Distillate fuel oil (bbls.) at	June 28	117,697,000	113,161,000	99,824,000	118,005,000
Residual fuel oil (bbls.) at	June 28	45,955,000	46,037,000	45,851,000	44,726,000
Unfinished oils (bbls.) at	June 28	89,740,000	89,737,000	88,769,000	87,747,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	June 29	601,879	599,220	548,021	589,603
Revenue freight received from connections (no. of cars)	June 29	509,014	519,527	505,709	483,173
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	June 29	9,685,000	*9,815,000	8,595,000	9,023,000
Pennsylvania anthracite (tons)	June 29	482,000	442,000	313,000	333,000
CONSTRUCTION ADVANCE PLANNING — ENGINEERING NEWS-RECORD—NEW SERIES (000's omitted):					
Total advance planning by ownership	July 4	$623,000	$748,600	$339,800	$301,600
Private	July 4	447,300	292,100	297,900	144,700
Public	July 4	175,700	456,500	91,900	156,900
State and Municipal	July 4	154,900	446,400	91,400	155,500
Federal	July 4	20,800	10,100	500	1,400
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100	June 29	102	103	100	94
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	July 6	17,076,000	17,925,000	17,368,000	15,442,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	July 4	228	296	303	284
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	July 1	6.279c	6.279c	6.279c	6.196c
Pig iron (per gross ton)	July 1	$63.33	$63.33	$63.33	$66.44
Scrap steel (per gross ton)	July 1	$25.17	*$25.83	$28.17	$24.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	July 5	30.600c	30.600c	30.600c	30.600c
Export refinery at	July 5	28.450c	28.350c	28.425c	28.525c
Lead (New York) at	July 5	11.000c	10.750c	10.502c	9.500c
Lead (St. Louis) at	July 5	10.800c	10.550c	10.302c	9.300c
‡Zinc (delivered at)	July 5	12.500c	12.000c	12.000c	12.000c
Zinc (East St. Louis) at	July 5	12.000c	11.500c	11.500c	11.500c
Aluminum (primary pig, 99.5%) at	July 5	22.500c	22.500c	22.500c	24.000c
Straits tin (New York) at	July 5	116.500c	115.875c	119.500c	111.625c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	July 9	88.63	89.01	89.43	87.42
Average corporate	July 9	89.09	89.09	89.23	87.05
Aaa	July 9	92.64	92.64	92.50	91.19
Aa	July 9	90.63	90.77	90.77	88.95
A	July 9	89.37	89.37	89.51	86.78
Baa	July 9	84.17	84.17	84.43	81.66
Railroad Group	July 9	87.18	87.18	87.18	83.53
Public Utilities Group	July 9	90.06	90.20	90.34	89.23
Industrials Group	July 9	90.06	90.06	90.20	88.54
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	July 9	3.98	3.93	3.86	4.00
Average corporate	July 9	4.48	4.48	4.47	4.63
Aaa	July 9	4.23	4.23	4.24	4.33
Aa	July 9	4.37	4.36	4.36	4.49
A	July 9	4.46	4.46	4.45	4.65
Baa	July 9	4.85	4.85	4.83	5.05
Railroad Group	July 9	4.62	4.62	4.62	4.90
Public Utilities Group	July 9	4.41	4.40	4.39	4.47
Industrials Group	July 9	4.41	4.41	4.40	4.52
MOODY'S COMMODITY INDEX	July 9	373.8	374.2	376.3	369.3
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	June 29	342,491	358,862	335,274	326,698
Production (tons)	June 29	374,787	369,080	358,205	361,631
Percentage of activity	June 29	99	96	93	99
Unfilled orders (tons) at end of period	June 29	471,991	507,233	470,503	450,536
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	July 5	111.31	*112.49	112.09	112.31
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	June 14	3,039,100	3,445,100	3,070,540	4,221,590
Short sales	June 14	605,970	831,790	713,590	754,260
Other sales	June 14	2,304,310	2,610,950	2,321,080	3,231,730
Total sales	June 14	2,910,280	3,442,740	3,034,670	3,985,990
Other transactions initiated off the floor—					
Total purchases	June 14	662,400	967,530	636,240	635,310
Short sales	June 14	82,200	160,900	73,400	115,620
Other sales	June 14	606,250	765,140	604,140	541,330
Total sales	June 14	688,450	926,040	677,540	656,950
Other transactions initiated on the floor—					
Total purchases	June 14	1,260,850	1,492,233	1,224,685	1,284,598
Short sales	June 14	193,220	293,980	208,040	169,460
Other sales	June 14	1,139,390	1,255,983	1,279,232	1,071,083
Total sales	June 14	1,332,610	1,549,963	1,487,272	1,240,543
Total round-lot transactions for account of members—					
Total purchases	June 14	4,962,350	5,904,863	4,931,465	6,141,498
Short sales	June 14	881,390	1,286,670	995,030	1,039,340
Other sales	June 14	4,049,950	4,632,073	4,204,452	4,844,143
Total sales	June 14	4,931,340	5,918,743	5,199,842	5,883,483
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	June 14	1,531,279	1,815,616	1,637,408	2,584,011
Dollar value	June 14	$74,392,194	$92,377,014	$79,096,134	$137,945,360
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	June 14	1,913,936	2,261,654	2,040,599	2,294,052
Customers' short sales	June 14	8,676	16,004	12,915	153,083
Customers' other sales	June 14	1,905,260	2,245,650	2,027,684	2,140,969
Dollar value	June 14	$88,818,630	$106,916,417	$91,829,943	$135,923,674
Round-lot sales by dealers—					
Number of shares—Total sales	June 14	781,500	884,210	832,350	630,470
Short sales	June 14	—	—	—	—
Other sales	June 14	781,500	884,210	832,350	630,470
Round-lot purchases by dealers—Number of shares	June 14	369,710	420,080	371,570	977,452
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	June 14	1,057,130	1,553,420	1,203,020	2,171,940
Other sales	June 14	22,446,620	26,459,340	24,610,800	26,008,830
Total sales	June 14	23,503,750	28,012,760	25,813,820	28,180,770
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	July 2	100.2	*100.1	100.0	100.1
Farm products	July 2	96.0	*95.1	95.3	95.6
Processed foods	July 2	100.1	100.9	100.5	100.0
Meats	July 2	92.6	91.9	92.0	95.4
All commodities other than farm and foods	July 2	100.6	100.5	100.5	100.7

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
AMERICAN GAS ASSOCIATION—			
For month of April:			
Total gas sales (M therms)	9,393,200	11,478,100	9,464,900
Natural gas sales (M therms)	9,181,800	11,169,600	9,246,600
Manufact'd & mixed gas sales (M therms)	211,400	308,500	218,300
AMERICAN ZINC INSTITUTE, INC.—Month of June:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	74,033	81,123	72,927
Shipments (tons of 2,000 pounds)	94,626	95,378	71,199
Stocks at end of period (tons)	105,870	126,463	147,068
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of May 31:			
Total consumer credit	$64,165	*$63,230	$58,318
Instalment credit	49,494	*48,836	44,495
Automobile	20,509	*20,120	18,032
Other consumer credit	12,512	*12,419	11,598
Repairs and modernization loans	3,272	3,229	3,169
Personal loans	13,201	13,068	11,696
Noninstalment credit	14,671	14,394	13,823
Single payment loans	5,696	5,596	5,400
Charge accounts	4,791	4,567	4,544
Service credit	4,184	4,231	3,879
CONSUMER PRICE INDEX — 1957-59=100—			
Month of April:			
All items	106.2	106.2	105.2
Food	104.3	104.6	103.4
Food at home	102.6	103.0	102.1
Cereal and bakery products	109.2	109.1	107.3
Meats, poultry and fish	98.3	100.7	100.1
Dairy products	102.9	103.5	103.7
Fruits and vegetables	112.0	109.6	108.6
Other food at home	96.2	96.7	95.1
Food away from home (Jan., 1958=100)	112.8	112.6	109.9
Housing	105.8	105.7	104.6
Rent	106.5	106.4	105.4
Gas and electricity	107.5	108.0	107.8
Solid fuels and fuel oil	104.2	104.8	102.4
Housefurnishings	98.5	98.6	99.3
Household operation	109.9	109.7	107.1
Apparel	103.8	103.6	102.7
Men's and boys'	104.1	103.9	102.9
Women's and girls'	101.4	101.1	100.3
Footwear	110.2	110.0	109.2
Other apparel	100.9	101.1	100.3
Transportation	107.0	107.0	107.2
Private	105.5	105.6	106.0
Public	116.5	116.4	115.6
Medical care	116.1	115.8	113.9
Personal care	107.6	107.3	106.3
Reading and recreation	111.0	110.1	109.4
Other goods and services	105.8	105.7	105.1
DEPARTMENT STORE SALES—FEDERAL RESERVE SYSTEM—1957-59 Average=100—			
Month of June:			
Adjusted for seasonal variation	120	*117	111
Without seasonal adjustment	114	*112	105
METAL OUTPUT (BUREAU OF MINES)—			
Month of April:			
Mine production of recoverable metals in the United States—			
Gold (in fine ounces)	123,299	*119,830	112,642
Silver (in fine ounces)	3,059,588	*2,910,464	3,236,886
Copper (in short tons)	105,000	*105,080	108,824
Lead (in short tons)	20,787	*14,792	24,049
Zinc (in short tons)	45,205	*43,622	41,929
METAL PRICES (E. & M. J. QUOTATIONS)—			
June:			
Copper—			
Domestic refinery (per pound)	30.600c	30.600c	30.600c
Export refinery (per pound)	28.396c	28.405c	28.571c
††London, prompt (per long ton)	£234.158	£234.136	£234.125
††Three months, London (per long ton)	£234.125	£234.120	£230.675
Lead—			
Common, New York (per pound)	10.713c	10.500c	9.500c
Common, East St. Louis (per pound)	10.513c	10.300c	9.300c
††London, prompt (per long ton)	£64.977	£60.611	£57.719
††Three months, London (per long ton)	£64.832	£60.543	£57.947
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)	£75.934	£76.016	£66.994
††London, three months (per long ton)	£75.849	£75.636	£67.841
Silver and Sterling Exchange—			
Silver, New York (per ounce)	127.685c	127.873c	102.274c
Silver, London (per ounce)	109.855d	109.946d	85.669d
Sterling Exchange (check)	$2.80020	$2.79964	$2.80828
Tin, New York Straits	117.806c	116.670c	113.137c
Gold (per ounce U. S. price)	$35.000	$35.000	$35.000
Quicksilver (per flask of 76 pounds)	$182.500	$183.364	$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	$2.35000	$1.75000
(Per pound) small lots	$2.40000	$2.40000	$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	79.000c
Bismuth (per pound)	$2.25	$2.25	$2.25
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of May (in billions):			
Total personal income	$458.2	*$456.2	$439.7
Wages and salary receipts, total	308.7	*307.2	296.0
Commodity producing industries	121.2	120.5	118.2
Manufacturing only	97.1	*96.4	94.5
Distributing industries	79.1	*78.8	76.1
Service industries	48.6	48.4	45.9
Government	59.7	59.4	55.8
Other labor income	12.9	12.8	12.3
Business and professional	38.1	37.9	36.8
Farm	12.4	*12.5	12.8
Rental income of persons	13.1	13.1	12.8
Dividends	16.6	16.6	15.8
Personal interest income	32.1	31.9	29.4
Transfer payments	36.2	*36.0	34.2
Less employees contribution for social insurance	11.9	11.9	10.5
Total nonagricultural incomes	441.4	*439.3	422.6
UNITED STATES GROSS DEBT DIRECT AND GUARANTEED—(000's omitted):			
As of June 28	$306,466,243	$305,780,799	$298,645,041
General funds balance	12,116,176	7,557,798	10,430,393
Net debt	$294,350,067	$298,223,001	$288,214,648
Computed annual average	3.361%	3.345%	3.240%

*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.

OTC Stock Avg. Up 14.11% During First Half of 1963

Barometer shows proportionately greater gain in six-month span than that recorded by Dow-Jones industrial Average and Standard and Poor's 500 listed stock index. Recent increase in volume of OTC trading cited.

The following study of the OTC market's movements in the first half of 1963 was prepared by the OTC Market Information Bureau of the National Security Traders Association:

During the first half of 1963 stock price averages indicated gains in OTC industrial, bank, and insurance stocks. The National Quotation Bureau's industrial stock average registered a proportionately greater gain for the six month period than the Dow-Jones industrial and Standard & Poor's 500 listed stock averages. Gains in S & P's averages for OTC life insurance, casualty insurance and outside N. Y. bank stocks were also proportionately larger than listed stock averages for the same period.

The NQB-OTC industrial average at 136.97 at the June closing was 14.11% above the 1962 year end close compared with gains of 8.4% in the D-J industrial average to 706.88 and 9.93% in S & P's 500 average to 69.37 over the same period. Standard & Poor's OTC bank and insurance stock averages registered the following increases at the end of the six month period: life insurance 17.6%; casualty insurance 12.3%; fire insurance 2.6%; N. Y. banks 3.8%; and outside N. Y. banks 9.8%.

Since the first of the year OTC averages generally followed the pattern of listed stock averages in rises and falls, but most lagged behind listed stock averages from two to three weeks in registering highs for the six month period during June. The OTC industrial moved from its January low of 120.15 to a high of 139.12 on June 25, about three weeks after the D-J industrial high for the six months of 726.96 on May 31, and S & P's 500 high of 70.80 on the same day.

Similarly S & P's life and casualty insurance averages registered six month highs late in June. The life insurance average, 310.92 at the June close, not only showed the largest gains over the six month period but established an all-time high of 311.27 on June 19, up from the previous high of 304 in November 1961. The casualty average closed at its high 96.15 at the end of June.

The S & P bank averages also registered highs for the six month period on June 12; 37.80 for N. Y. banks and 76.20 for outside N. Y. banks. Both averages backed down for June closings of 35.83 and 74.80. The fire insurance average was the exception to the general pattern with a high of 49.37 in February and closing the six month period at 46.41.

The OTC industrial average had lagged behind comparable listed stock averages during the last half of 1962 registering 19.7% above its June low at the year end, compared with gains of 24.3% in the D-J industrial and 20.6% in S & P's 500 averages in the same period. This relationship was reversed during the first half of 1963. As the result of proportionately larger gains the OTC industrial average was 36.6% above its 1962 low at the end of the six months compared with increases of 34.7% and 32.6% above 1962 lows for the Dow-Jones industrial and S & P's 500 s. averages.

At the June close the OTC industrial average had recovered to 94.9% of its all-time high, virtually the same as the recoveries of the Dow-Jones industrial and S & P's 500 averages to 95.3% and 95.5% of their all-time highs.

The relative movements of the OTC and listed stock price averages during the past twelve months was somewhat similar to those in previous years following sharp declines such as that of May-June 1962. The OTC average lagging behind in immediate recovery from the low, and later closing the gap. In most instances over the past 20 years the OTC average has moved ahead to proportionately higher peaks as indicated by a gain of 592% in the June 30, 1962 NQB industrial average from the 1942 year end close vs. a 493% gain in the D-J industrial average in the same period.

Unlike the stock exchanges, which reported a volume of trading for the first half which was considerably above that for the same period last year, trading volume in the OTC market was observed to be less than that for the first six months of 1962. While there are no records of the volume of trading in OTC stock markets several leading firms estimated the volume to be approximately 20% below last year. They noted that only during the past two months have there been indications of increasing volume. This, and the fact that OTC stock price averages have been showing relatively stronger forward movement than the market as a whole is regarded as a favorable indication and it is expected that volume for the second half of 1963 will run ahead of the last half of 1962.

The OTC stock price averages, like those for listed stocks are based primarily on representative blue chip issues, and are therefore comparable to leading listed stock averages and equally val in evaluating market performance according to the OTC Information Bureau. The Bureau points out that the samples are comparable in size and bear about the same relation to the number of stocks listed in each classification in the OTC tables of leading newspapers as the Dow-Jones and weighted listed averages do to the number of stocks in the listed stock tables.

Table of Averages:	61-62 High	62 Low	12/31/62	3/31/63	63 High	6/30/63
NQB-OTC Industrial	144.31	100.23	120.03	129.19	139.12	136.97
S&P Life insurance (OTC)	304.00	190.53	264.36	285.35	311.27	310.92
S&P Cas. Insurance (OTC)	101.83	69.47	85.57	90.05	96.15	96.15
S&P NY Banks (OTC)	40.85	28.28	34.52	36.03	37.80	35.83
Outside NY Banks (OTC)	86.95	55.06	68.07	73.43	76.20	74.80
S&P Fire Ins. (80% OTC)	53.28	35.82	45.20	48.31	49.37	46.41
Dow-Jones Ind. (NYSE)	741.30	524.55	652.10	682.52	726.96	706.88
S&P 500 (NYSE)	72.64	52.32	63.10	66.57	70.80	69.37

NOTE: Standard & Poor's OTC indexes: 10 OTC New York Banks; 16 OTC Banks Outside New York; 9 OTC Life Insurance Companies; 8 OTC Casualty Insurance Companies; 16 Fire Insurance Companies of which 13 are OTC-traded.

N. Y. Chamber Names Exec. V.-P.

The election of Mark E. Richardson as Executive Vice-President of the New York Chamber of Commerce has been announced by George Champion, President.


Mark E. Richardson

Mr. Richardson is a former partner of Lybrand, Ross & Montgomery. He has just completed a term as President of the New York State Society of Certified Public Accountants.

He succeeds B. Colwell Davis, Jr., who will retire on July 1 after 20 years as the Chamber's chief staff officer.

Nationally known as an expert in local, state and Federal taxation, Mr. Richardson is a member of the Advisory Committee of the Commissioner of Internal Revenue. He has also been an advisor to the subcommittee on internal revenue administration of the committee on ways and means of the House of Representatives.

He is a member and past Vice-President of the Federal Tax Forum, a member of the National Tax Association, and a member of the advisory council of the Tax Institute of America. He also is a member and past Vice-President of the American Institute of Certified Public Accountants, and a member of the National Association of Accountants.

Mr. Richardson is a former Chairman of the tax committee and a former member of the executive committee of the New York Chamber of Commerce.

Founded in 1786, the New York Chamber of Commerce is the nation's oldest business-civic organization. Mr. Richardson is the 25th person to be elected to the Chamber's chief staff position since its inception.

Haas V.-P. of Golkin, Bomback

Golkin, Bomback & Co., Inc., 67 Broad Street, New York City, members New York Stock Exchange and other principal exchanges, announce that Lloyd Haas joined the firm as a Vice-President.


Lloyd Haas

Mr. Haas has been a senior security analyst for 10 years with leading firms. He was Director of Research for Forbes Magazine's Special Situation Survey and Senior Partner in his own commodity and stock brokerage firm, Haas, Koch & Co. He is a member of the New York Society of Security Analysts.

NSTA NOTES

NATIONAL SECURITY TRADERS ASSOCIATION

The 30th Annual Convention of the National Security Traders Association will be held Sept. 22-26 at the Broadmoor Hotel, Colorado Springs, Colo.

Program for the convention will be as follows:

Sunday, September 23, 1963

12:00 N. Registration.
6:30 p.m. Reception—Special Recognition to those attending their first Convention.
8:00 p.m. Dinner.

Monday, September 23, 1963

10:00 a.m. National Committee Meeting.
1:30 p.m. Activities and Games on Broadmoor Lake.
4:00 p.m. Ice Skating Party (Prizes will be awarded).
6:30 p.m. Cocktail Party.
8:00 p.m. Dinner.
Speaker: Dr. Kenneth McFarland, Sponsored by General Motors Corporation; Subject: "Leadership that Leads."
10:00 p.m. Monte Carlo Night.

Tuesday, September 24, 1963

8:30 a.m. Past Officers and Affiliate Presidents Breakfast.
10:00 a.m. Ladies' Coffee Break.
10:30 a.m. "What Every Woman Should Know About Estate Planning," William R. Alexander, Vice-President and Trust Officer, The First National Bank of Denver.
William S. Hershberger, Assistant Trust Officer, First National Bank of Denver.
12:30 p.m. Luncheon.
Speaker: George B. Wendt, Vice-President, First National Bank of Chicago, Chairman of the Municipal Securities Committee of the I. B. A.
2:30 p.m. Tour of Cheyenne Mountain.
3:30 p.m. *Horseback Ride in Foothills.
6:00 p.m. Cocktails at Garden of the Gods Club.
8:00 p.m. Dinner at Hagensieker-Tisch Bier Stube.

Wednesday, September 25, 1963

9:00 a.m. Men's Golf Tournament—18-Hole Course.
9:00 a.m. Ladies' Golf Tournament—9-Hole Course.
Tennis Tournament and Other Sports.
9:00 a.m. *Fishing Trip.
1:30 p.m. Air Force Academy Tour or Pikes Peak Tour.
3:00 p.m. *Skeet Shooting.
7:00 p.m. Outdoor Steak Fry—Square Dance Lessons.

Thursday, September 26, 1963

10:00 a.m. National Committee Meeting.
2:00 p.m. S. E. C. Forum.
3:00 p.m. Ladies' Bridge and Gin Rummy Tournament.
6:30 p.m. Cocktail Party.
7:30 p.m. Dinner.
9:00 p.m. Awarding of Prizes and Presentation of New Officers.

*Items at Participant's Expense.

Reservations should be made Joe E. Hutton, Secretary of the N. S. T. A., c/o Equitable Securities Corporation, Nashville. Registration fee ($50 for members; $65 for non-members; $40 for ladies) should accompany the reservation.

Edward H. Welch, Sincere and Company, Chicago, and John P. O'Rourke, Jr., J. P. O'Rourke & Co., Chicago, are co-chairman of the Convention Committee.

TAX-EXEMPT BOND MARKET

Continued from page 6

less than $475,000,000. However in the negotiated issue sphere, a late July flotation of about $200,-000,000 Grant County, Washington P. U. D. #2, Wanapum Hydro Electric revenue (1971-1988, 1998 & 2009) bonds is expected. This advance refunding operation involving the outstanding 1959 issue of 4⅞% bonds appears as one of the most interesting issues being readied for sale.

The underwriting syndicate is being managed by *John Nuveen & Co., Inc., B. J. Van Ingen & Co., Inc., Blyth & Co., Inc., Kidder, Peabody & Co., Merrill Lynch, Pierce, Fenner & Smith, Inc.* and *A. C. Allyn & Co., Inc.*

Inventory Status Healthy

Inventories, too, appear to be in better volume than has obtained since sometime in the late spring period. Despite the record six month new issue volume bonds seem to be better falling into place.

The *Blue List* total of state and municipal bond offerings has been averaging between $575-$600 million for sometime. The July 10 total was $568,190,222. We believe this level to be a healthy enough average considering the expanded volume of public financing.

"Dollar" Bonds Soften

The dollar quoted toll road, toll bridge and public utility revenue issues, after showing some little strength a week ago, have eased back slightly along with the rest of the market. *The Commercial and Financial Chronicle's* revenue bond Index, which averages the available yields from 23 of the most actively traded revenue issues, averaged out at 3.446% on July 10. The Index a week ago averaged 3.45%. This represents an overall drop of about ¼ of a point. The Calumet Skyway bonds, upon which interest was not paid on July 1, traded up in the course of the past week. From a low of 54 flat for the 3⅜s, they have been bid as high as 59 flat.

As we go to press, even the dollar quoted long-term issues are less active than they have been for weeks. The market stimulation experienced a week ago is absent due to investor indecision. Now it would appear that a resumption of interest depends upon the Federal Reserve Board and its decision relative to the rediscount rate. This maybe resolved at the meeting today, July 11.

Week's Major Award

The week's largest new issue involved $50,000,000 Pennsylvania General State Authority (1966-1990) bonds which were sold on Tuesday, July 9. The issue was won by the *Halsey, Stuart & Company, Inc.* group on a net interest cost bid of 3.323%. The runner-up bid was made by the Chase Manhattan Bank-First National City Bank group with a 3.352% net interest cost bid. A bid was also made by the Drexel & Company group.

Other members of the successful group include C. J. Devine & Company, Goldman, Sachs & Company, Glore, Forgan & Company, Blair & Company, Inc., Merrill Lynch, Pierce, Fenner & Smith Inc., Stone & Webster Securities Corporation and Salomon Brothers & Hutzler.

The reoffering was made, with several coupons utilized, to yield from 2.10% to 3.50%. As we go to press about $29,858,000 bonds remain unsold.

Also on Tuesday the City of Memphis, Tenn. awarded $10,-000,000 (1964-1988) bonds to a group headed by the *Bankers Trust Company* and *First National Bank of Chicago.* The bid was a 3.0264% net interest cost. The next best bid was made by Harris Trust and Savings Bank-Chase Manhattan Bank group at a 3.05% net interest cost.

Other members of the winning group include Mercantile Trust Company, Drexel & Company, The Northern Trust Company, Kidder, Peabody & Company and First National Bank of Memphis.

The bonds were reoffered to yield from 1.75% to 3.25% with coupons varying from 6% in the short end to 1/10 of 1% in the long end. The 1/10s due 1987-1988 were priced to yield 4.60%. Press time balance was $3,220,000.

Wednesday's Principal Sales

On Wednesday there were several small issues of varying importance that were offered up for bids. The University of Texas, Board of Regents awarded $4,-000,000 Permanent University Fund (1964-1983) bonds to the group headed by *Drexel & Company* on a net interest cost bid of 2.929%. The runner-up bid was made by the Merrill Lynch, Pierce, Fenner & Smith Inc., group with a 2.94% net interest cost.

Other members of the winning group include Harriman Ripley & Company, Inc., Kidder, Peabody & Company, Braun, Bosworth & Company and J. A. Hogle & Company.

With coupons set from 4½% down to 3%, the reoffering was scaled to yield from 1.70% to 3.05%. The reported balance is about $1,120,000.

The City of Mobile, Ala., Board of Water and Sewer Commissioners awarded $3,750,000 revenue (1965-1984) bonds to the *Lehman Brothers* group on a 3.5729% net interest cost bid. The runner-up bid was made by the John Nuveen & Company syndicate with a 3.58% net interest cost bid.

Other members of the group include Kidder, Peabody & Company, Hallgarten & Company, William E. Pollock & Company, Inc. and The Milwaukee Company.

With coupons ranging from 2¾% to 3.60% the bonds were reoffered to yield from 2.40% to 3.65%. As we go to press, a balance of about $2,070,000 exists.

Another Wednesday new issue feature was the offering of $4,-500,000 City of Hamilton, Ohio, First Mortgage Electric Plant and System revenue (1964-1983) bonds. The winning bid was made by the *First Boston Corporation* and *The Ohio Company* group setting a 3.1052% net interest cost bid. The second bid was made by the Kidder, Peabody & Company group with a 3.12% net interest cost bid.

Other members of the winning group include White, Weld & Company, John Nuveen & Company, Hornblower & Weeks and the First of Michigan Corporation.

Coupons were named ranging from 3¾% to 3¼% and yields were scaled from 1.75% to 3.25%. The reported balance is $1,715,000.

The final new issue sale of the week to be mentioned involves $10,600,000 Racine County, Wisconsin Unified School District #1, Unlimited tax (1964-1983) bonds. This issue was purchased by the *Mellon National Bank,* bidding alone, with a net interest cost bid of 3.04%. The runner-up bid was made by the First Boston Corporation group with a net interest cost bid of 3.10%.

The Mellon Bank has scaled the reoffering to yield from 1.75% to 3.25%. A good investor reception is reported as we go to press.

Attended the Second IBA Municipal Conference

The following were in attendance at the recently held Second IBA Municipal Conference in Chicago, the editorial and pictorial coverage of which is contained in SECTION TWO of today's "CHRONICLE."

ABSHIRE, FRANCIS I.
Moroney, Beissner & Co., Inc., Houston
AGEE, RUCKER
Sterne, Agee & Leach, Birmingham
AGNEW, JOHN W.
The First National Bank of Boston, Boston
ALEXANDER, TED R.
Texas Bank and Trust Co. of Dallas, Dallas
ALIO, CONSTANTIN G.
A. Webster Dougherty & Co., Philadelphia
ALLEN, LEONARD S.
Chemical Bank New York Trust Co., New York
ALLISON, M. E.
M. E. Allison & Co., Inc., San Antonio
ALMON, DAN A.
Almon, McKinney & Dudley, Inc., Dallas
AMERICAN BANKER
New York
AMERICAN CITY MAGAZINE
New York
AMES, AMYAS
Kidder, Peabody & Co., New York
ANDERSON, C. P.
Goodbody & Co., Chicago
ANDERSON, HERBERT D.
United California Bank, Los Angeles
ARNOLD, Jr., HAZEN
Goodbody & Co., Chicago
ARNSPIGER, S. D.
Rowles, Winston & Co., Houston
BALOG, PAUL
Paine, Webber, Jackson & Curtis, New York
BANCROFT, E. M.
Stranahan, Harris & Company, Toledo
BANKERS MONTHLY
Chicago
BARBER, B. NEWTON
W. H. Newbold's Son & Co., Philadelphia
BARKER, FREDERICK F.
Denver United States National Bank, Denver
BARNETT, Jr., GEORGE E.
First National City Bank, New York
BARRY, DAVID J.
Manufacturers Hanover Trust Co., New York
BEARD, ALEX. R.
Philadelphia National Bank, Philadelphia
BEATTY, FLOYD H.
A. G. Edwards & Sons, St. Louis
BECK, EDWIN L.
Commercial & Financial Chronicle, New York
BEECROFT, HARRY
Beecroft, Cole & Co., Topeka
BELLINGER, RICHARD C.
Federation Bank & Trust Company, New York
BERGQUIST, P. ALDEN
The First National Bank of Chicago, Chicago
BERRYMAN, HOMER R.
The Marine Trust Company of Western New York, Buffalo
BIANCHETTI, ALFRED J.
J. A. Hogle & Co., New York
BLEWER, CLARENCE F.
Blewer, Glynn & Co., St. Louis
BOND BUYER
New York
BONEY, JACK R.
Ryan, Sutherland & Company, Toledo
BOWEN, FRANCIS
Government Development Bank for Puerto Rico, New York
BRECKENRIDGE, HUNTER
McCourtney-Breckenridge & Co., St. Louis
BRICKLEY, JAMES
Harris Trust & Savings Banks, Chicago
BRINKER, ROBERT R.
John Nuveen & Co., Chicago
BROOKS, GEORGE H.
Dick & Merle-Smith, New York
BROOKS, G. ROBERT
Schmidt, Roberts & Parke, Philadelphia
BROPHY, JAMES G.
William Blair & Company, Chicago
BROWN, CLAYTON F.
The Northern Trust Company, Chicago
BROWN, LAWRENCE H.
The Northern Trust Company, Chicago
BROWN, STEVE
Barret, Fitch, North & Co., Kansas City
BROWN, WILLIAM T.
C. J. Devine & Co., Chicago
BRUSSAT, ROBERT C.
The Milwaukee Company, Milwaukee
BUCHAN, ANDREW D.
Bacon, Whipple & Co., Chicago
BUNDY, ROBERT
Beecroft, Cole & Co., Topeka
BURKE, DONALD
Goodbody & Co., St. Petersburg
BURKHAM, Jr., ELZEY G.
G. H. Walker & Co., St. Louis
BUSINESS WEEK MAGAZINE
New York
BYRNE, WILLIAM D.
Phelps, Fenn & Co., New York
CACCOPOLA, JULIUS M.
Bankers Trust Co., New York
CALVERT, GORDON L.
Investment Bankers Association, Washington
CARMEL, WILLARD E.
Field, Richards & Co., Cleveland
CARPENTER, EDWARD E.
McDougal and Condon, Chicago
CARR, FRANK C.
John Nuveen & Co., Chicago
CARTER, Jr., F. E.
Equitable Securities Corporation, New York
CARTER, THOMAS L.
Loewi & Co., Incorporated, Milwaukee
CAVANAUGH, J. JAY
Philadelphia National Bank, Philadelphia
CHAMBERS, MICHAEL
R. W. Pressprich & Co., New York
CHANNER, F. W.
Channer Newman Securities Co., Chicago
CHAPDELAINE, RICHARD
J. J. Kenny Co., New York
CHESNUT, Jr., WM. G.
Eppler, Guerin & Turner, Inc., Dallas
CHICAGO DAILY NEWS
Chicago
CHICAGO SUN-TIMES
Chicago
CHICAGO TRIBUNE
Chicago
CHICAGO'S AMERICAN
Chicago
CHRISTY, WILLIAM L.
Reynolds & Co., Chicago
CLAPP, Jr., JOHN J.
R. W. Pressprich & Co., New York
CLARK, HAROLD W.
The Cherokee Securities Co., Nashville
CLARK, JOSEPH F.
Municipal Finance Officers Association, Chicago
CLAUSON, JOHN K.
Goldman, Sachs & Co., Chicago
CLEAVE, WALTER C.
Blyth & Co., Inc., Chicago
CLELAND, JOHN D.
Seltsam, Hanni & Co., Inc., Topeka
COCULO, T. ANTHONY
Fidelity-Philadelphia Trust Co., Philadelphia
COGHILL, R. GERALD
Wachovia Bank & Trust Company, Winston-Salem
COLE, Jr., WALTER I.
Beecroft, Cole & Co., Topeka
COLEMAN, FRANCIS X.
Dempsey-Tegeler & Co., Inc., New York
CONDON, RAYMOND
B. J. Van Ingen & Co., Inc., New York
COOK, Jr., ALEX. W.
White, Weld & Co., Chicago
COOK, R. J.
Ball, Burge & Kraus, Cleveland
CRONIN, Jr., CARLTON
Paine, Webber, Jackson & Curtis, Minneapolis
COUFFER, Jr., JAMES G.
United California Bank, New York
COX, CLARK
Harris Trust & Savings Bank, St. Louis
CRAWFORD, WILLIAM W.
W. L. Lyons & Co., Louisville
CREMER, GLENN
Bank of America, N. T. & S. A., San Francisco
CROAKE, ROBERT E.
John Nuveen & Co., Chicago
CRONIN, MICHAEL L.
Merrill Lynch, Pierce, Fenner & Smith Incorporated, Minneapolis
CROSS, Jr., JOSEPH G.
C. J. Devine & Co., New York
CUNNINGHAM, ROBERT J.
Singer, Deane & Scribner, Pittsburgh
DALERIANO, JOSEPH
Eastman Dillon, Union Securities & Co., New York
DALY, C. WILLIAM
Storz-Wachob-Bender Co., Omaha
DARMSTATTER, E. WM.
Stifel, Nicolaus & Co., Inc., St. Louis
DAVIS, DEWITT
Mullaney, Wells & Company, Chicago
DAVIS, E. H.
John Nuveen & Co., Chicago
DAVIS, G. POWELL
Investment Corporation of Virginia, Norfolk
DAVIS, JOHN S.
Republic National Bank of Dallas, Dallas
DAVIS, PHILLIP W.
Paine, Webber, Jackson & Curtis, Chicago
DAVIS, TYRUS R.
The Bankers Bond Co., Louisville
deBARY, MARQUETTE
B. J. Van Ingen & Co., Inc., New York
deMILHAU, JOHN W.
The Chase Manhattan Bank, New York
DEMPSEY, EDWARD J.
Bacon, Whipple & Co., Chicago
DEMPSEY, JOHN P.
Kidder, Peabody & Co., Philadelphia
DINKINS, LADD
Ladd Dinkins & Company, New Orleans
DORE, WILLIAM F.
Kuhn, Loeb & Co., New York
duBELL, FRANK S.
Granbery, Marache & Co., Inc., New York
DUDDY, THOMAS E.
Dominick & Dominick, Chicago
DUMPER, WILLIAM J.
Harris Trust & Savings Bank, New York
DUNN, STEWART A.
C. J. Devine & Co., New York
DUNNE, NEWMAN L.
Robert W. Baird & Co., Inc., Milwaukee
DURKIN, WILLIAM M.
The First National Bank of Chicago, New York
EATON, ELMER C.
Paine, Webber, Jackson & Curtis, New York
ECONOMIST
New York
EDWARDS, JOHN H.
R. J. Edwards, Inc., Oklahoma City
ELAM, RALPH
Sweney Cartwright & Co., Columbus
ELKINTON, JOHN H.
Hayden, Stone & Co., Inc., Chicago
ELLINWOOD, DAVID
Moody's Investors Service, New York
ELLSON, WILLIAM E.
Morgan Guaranty Trust Co., New York
ELLSWORTH, SHERMAN
Wm. P. Harper & Son & Co., Seattle
EMRICH, MILTON S.
Julien Collins & Company, Chicago
ERGOOD, Jr., RUSSELL M.
Stroud & Co., Inc., Philadelphia
EVANS, PEYTON
Cumberland Securities Corp., Nashville
EWING, ROBERT W.
A. E. Masten & Company, Wheeling
FAATH, Jr., HARRY W.
A. C. Allyn & Co., New York
FARRA, JOHN B.
W. E. Hutton & Co., Lexington
FAUST, JOHN N.
Kidder, Peabody & Co., Chicago
FINANCE MAGAZINE
Chicago
FITTERER, Jr., JOHN C.
Wertheim & Co., New York
FITZPATRICK, DANIEL E.
Fitzpatrick, Sullivan & Co., New York
FOLEY, NORMAN K.
Continental Illinois National Bank & Trust Company, New York
FOSDICK, JOHN JAY
Eddleman, Pollok & Fosdick, Inc., Houston
FOSTER, BYRON C.
Westheimer & Company, Cincinnati
FRANKE, RICHARD J.
John Nuveen & Co., Chicago
FRANKLIN, HARVEY
Merrill Lynch, Pierce, Fenner & Smith Incorporated, San Francisco
FRIDAY, WILFRED
Hornblower & Weeks, Detroit
FRIEND, Jr., WALTER W.
R. W. Pressprich & Co., New York
FULKERSON, W. NEAL
Bankers Trust Co., New York
FULLER, WILLIAM F.
White, Weld & Co., New York
GALLAGHER, JAMES P.
Rodman & Renshaw, Chicago
GALLAGHER, JOHN F.
The Marine Trust Company of Western New York, New York
GARLAND, Jr., CHARLES
Alex. Brown & Sons, Baltimore
GARRAWAY, R. C.
Deposit Guaranty Bank & Trust Co., Jackson
GASKELL, THEODORE A.
Hayden, Miller & Co., Cleveland
GATZ, JOSEPH F.
Manley, Bennett, McDonald & Co., Detroit
GAUGHAN, PHILIP P.
DeHaven & Townsend, Crouter & Bodine, Philadelphia
GENTRY, EDWIN A.
Pierce, Wulbern, Murphey, Inc., Birmingham
GERITY, Jr., JOHN F.
Goodbody & Co., Detroit
GERKEN, CHARLES
Salomon Brothers & Hutzler, Chicago
GISS, BOB
Stephens, Inc., Little Rock
GISS, VERNON J.
Stephens, Inc., Little Rock
GLASER, WILLIAM C.
Goldman, Sachs & Co., St. Louis
GOODWIN, ROBERT M.
First National City Bank, New York
GORMAN, ARTHUR
The First National Bank of Chicago, New York
GREEN, Jr., GEORGE H. C.
The Liberty National Bank & Trust Company, Oklahoma City
GREER, JOHN M.
McClung & Knickerbocker, Inc., Houston
GREGORY, ROBERT H.
Gregory & Sons, New York
GRIFFINGER, THEODORE A.
Bank of America, N. T. & S. A., San Francisco
GUERNSEY, DAVID
Drexel & Co., New York
GUMBINER, DONALD L.
Stern Brothers & Co., Kansas City
HAERTEL, JOHN S.
Northwestern National Bank, Minneapolis
HAGEMAN, ARTHUR G.
Childs Securities Corporation, New York
HAKANEN, PAUL A.
John Nuveen & Co., Chicago
HALL, GEORGE W.
Wm. E. Pollock & Co., Inc., New York
HALL, J. PAT
The Bankers Bond Co., Louisville
HAMILTON, GEORGE L.
Dominick & Dominick, New York
HAMMOND, W. H.
Braun, Bosworth & Co., Inc., Chicago
HANDS, Jr., H. E.
Boettcher & Company, Chicago
HANLON, THOMAS W.
The First National Bank of Denver, Denver
HARKNESS, ROBERT B.
Harkness & Hill, Inc., Boston
HARRISON, GEORGE G.
Harrison & Austin, Inc., South Bend
HASSMAN, ELMER G.
A. G. Becker & Co., Inc., Chicago
HATCHER, LLOYD B.
White, Weld & Co., New York
HATTIER, Jr., GILBERT
Hattier & Sanford, New Orleans
HAUPTFLEISCH, LOUIS A.
Goldman, Sachs & Co., New York
HAWES, HARDIN H.
Harris Trust & Savings Bank, Chicago
HAWKINS, THOMAS R.
Francis I. du Pont & Co., Chicago
HEGAMASTER, Jr., D. Z.
Saunders, Stiver & Co., Cleveland
HENSLEY, Jr., LOUIS S.
Indianapolis Bond and Share Corp., Indianapolis
HEINS, VERNON H.
Bache & Co., Chicago
HEWARD, JAMES W.
Butcher & Sherrerd, Philadelphia
HIEHLE, RUSSELL L.
Hayden, Stone & Co., Inc., Chicago

HILBORNE, TOM G.
The Liberty National Bank & Trust, Oklahoma City
HILL, HOYT G.
The Cherokee Securities Co., Nashville
HILL, MALVERN
Malverne Hill & Company, Inc., New York
HINTZ, WALTER A.
A. G. Becker & Co., Incorporated, Chicago
HITCHMAN, T. NORRIS
Kenower, MacArthur & Co., Detroit
HOLLAND, ROBERT W.
Rotan, Mosle & Co., Houston
HOLLISTER, HAROLD R.
City National Bank & Trust Company, Kansas City
HOOPER, TED
Fusz-Schmelzle & Co., St. Louis
HOWARD, JOHN
Industrial National Bank of Rhode Island, Providence
HOWELL, DEAN M.
Boettcher and Company, Denver
HOWE, JACK D.
F. W. Craigie & Co., Richmond
HURLEY, JAMES A.
L. F. Rothschild & Co., Chicago
HUTCHINSON, FRANK B.
Hutchinson, Shockey & Co., Chicago
INMAN, W. G.
John Nuveen & Co., Chicago
INVESTMENT DEALERS DIGEST
New York
JAHNS, WAYNE R.
John Nuveen & Co., Chicago
JAMES, C. E.
Valley National Bank of Arizona, Phoenix
JOHNSON, FREDERICK F.
Barcus, Kindred & Co., Chicago
JOHNSON, RUSSELL H.
United States Trust Co. of New York, New York
JOHNSTON, GEORGE
Paine, Webber, Jackson & Curtis, Boston
JONES, EDWARD
The Columbian Securities Corp., Topeka
JONES, II, HARRY H.
Kenower, MacArthur & Co., Chicago
JONES, WILLYS P.
Allison-Williams Company, Minneapolis
KAYLOR, D. DEAN
National Bank of Detroit, Chicago
KEATING, JOHN R.
John Nuveen & Co., New York
KEENAN, THAD M.
First National Bank in Dallas, Dallas
KEENER, Jr., ELMORE L.
C. S. McKee & Co., Inc., Pittsburgh
KELSEY, JOHN F.
William R. Staats & Co., Los Angeles
KENNEDY, JOHN X.
White, Weld & Co., Chicago
KENNY, JOHN J.
J. J. Kenny Co., New York
KERLEY, Jr., JAMES H.
First Southwest Company, Dallas
KIEPER, HENRY J.
New York Hanseatic Corporation, New York
KILROY, CHARLES J.
McDonald & Company, Cleveland
KINSMAN, Jr., JAMES M.
The Kentucky Company, Louisville
KIRTLEY, ARTHUR E.
The First Boston Corporation, Chicago
KLEIN, LEROY
Lebenthal & Co., Inc., New York
KLINGEL, JAMES E.
Juran & Moody, Inc., St. Paul
KNIGHT, NEWELL S.
First National Bank in St. Louis, St. Louis
KOCUREK, ARNOLD J.
Rauscher, Pierce & Co., Inc., San Antonio
KRAMER, J. H.
Braun, Bosworth & Company, Inc., New York
KRUG, Jr., HENRY J.
Robert Garrett & Sons, Baltimore
LAMBING, Jr., MALCOLM
Thomas & Company, Pittsburgh
LANGER, ALBERT G.
Girard Trust Corn Exchange Bank, Philadelphia
LANIER, Jr., CLIFFORD
Thornton, Mohr, Farish & Gauntt, Montgomery
LAPSYS, HOWARD M.
John Nuveen & Co., Chicago
LARSON, DAVID
Government Development Bank for Puerto Rico, New York
LAY, JOSEPH E.
Francis I. du Pont & Co., Atlanta
LEACH, RICHARD M.
The First National Bank of Boston, Boston
LEDGER, CHARLES L.
Schwabacher & Co., San Francisco
LEECH, FREDERICK C.
Arthurs, Lestrange & Co., Pittsburgh
LIPSCOMB, CHARLES S.
W. H. Morton & Co., Inc., New York
LUBY, JOSEPH M.
Paine, Webber, Jackson & Curtis, New York
LYNE, LEWIS F.
Mercantile National Bank at Dallas, Dallas
MacDONALD, LINFORD S.
Kay, Richards & Company, Pittsburgh
MacLEAN, Jr., ROLAND R.
The First National Bank of Boston, Boston
MacLEOD, GARY
Pacific Northwest Company, Seattle
MACKEY, KENNETH K.
Stone & Webster Securities Corp., New York
MAGNUS, WILLIAM S.
Magnus and Company, Cincinnati
MAGOUN, III, FRANCIS P.
The National Shawmut Bank of Boston, Boston
MAGOUN, WILLIAM C. B.
Bacon, Whipple & Co., Chicago
MARCUM, SARALYN B.
Bache & Co., Chicago
MARLIN, WILLIAM M.
Bache & Co., New York
MARTIN, CHARLES J.
Folger, Nolan, Fleming & Co., Inc., Washington, D. C.
MARTIN, JOHN G.
First of Michigan Corporation, Detroit
MARX, L. EUGENE
Bear, Stearns & Co., New York
MAXWELL, J. M.
The Northern Trust Company, Chicago
MAYFIELD, HARRY F.
Commerce Trust Company, Kansas City
McCABE, Jr., PETER C.
Hornblower & Weeks, Chicago
McCLELLAND, JOHN E.
J. H. Hilsman & Co., Inc., Atlanta
McCLINTICK, JAMES E.
Hayden, Stone & Co., Inc., San Francisco
McCONCHIE, T. RUSSELL
Peoples National Bank of Central Virginia, Charlottesville
McCONCHIE, T. RUSSELL
Virginia National Bank, Charlottesville
McINNES, RUSSELL
Wood, King, Dawson & Logan, New York
McKENNEY, RICHARD B.
Taylor and Company, Beverly Hills
MEYERS, EDWARD J.
Baxter & Co., New York
MILNER, HENRY
R. S. Dickson & Company, Inc., New York
MITCHELL, EARLY F.
The First National Bank of Memphis, Memphis
MOLANDER, WINSTON L.
Northwestern National Bank of Minneapolis
MORGAN, W. F.
Blyth & Co., Inc., New York
MORRIS, THOMAS E.
United California Bank, Los Angeles
MORRISON, ROBERT L.
J. H. Hilsman & Co., Inc., Atlanta
MUENCH, RICHARD
Mullaney, Wells & Company, Chicago
MULLENS, ROBERT J.
J. J. Kenny Co., New York
MULLIGAN, RICHARD F.
Robert Garrett & Sons, Baltimore
MUMMA, MURRAY
Warren W. York & Co., Inc., Allentown
MURPHY, LEE F.
Ladd Dinkins & Company, New Orleans
MURPHY, RICHARD
B. J. Van Ingen & Co., Inc., New York
MURRAY, WILLIAM J.
Stroud & Company, Inc., New York
MURRAY, Jr., WM. N.
The Illinois Company, Inc., Chicago
NASH, JOHN M.
Investment Bankers Association, Washington
NBC NEWS
Chicago
NAYLOR, J. ANTHONY
B. J. Van Ingen & Co., Inc., New York
NELSON, BERT
The Illinois Company, Chicago
NEWMAN, VINCENT
Channer Newman Securities Co., Chicago
NEW YORK HERALD TRIBUNE
New York
NEW YORK TIMES
New York
NIEBLING, WALTER W.
Merrill Lynch, Pierce, Fenner & Smith Incorporated, New York
NISSEN, ROBERT W.
Bache & Co., Chicago
NOONAN, Jr., WM. A.
Continental Illinois National Bank, Chicago
NORRIS, J. W.
John Nuveen & Co., Chicago
NORTHROP, ROBERT D.
First Nebraska Securities Corp., Lincoln
O'BRIEN, RICHARD
Baker, Watts & Co., Baltimore
O'CONNELL, DIARMUID
Blair & Co. Incorporated, Pittsburgh
O'CONNOR, THOMAS J.
Shearson, Hammill & Co., Chicago
O'DAY, DANIEL
Northern Trust Co. of Chicago, New York
O'DONNELL, ROBERT H.
William Blair & Company, Chicago
O'LEARY, EDMUND G.
Eastman Dillon, Union Securities & Co., New York
OLLMAN, CARL H.
Dean Witter & Co., Chicago
OLSON, LEE A.
Julien Collins & Company, Chicago
PAULUS, A. ALAN
Singer, Deane & Scribner, Pittsburgh
PERRIN, LORRAINE (Miss)
Flunt Ellis & Simmons, Chicago
PICKARD, ARTEMAS G.
Burns, Corbett & Pickard, Inc., Chicago
QUINN, ARTHUR P.
Quinn & Co., Albuquerque
PARTLOW, GEORGE
J. J. B. Hilliard & Son, Louisville
PATTERSON, DONALD C.
Chemical Bank New York Trust Co., New York
PEDRICK, Jr., PARKS B.
Howard, Weil, Labouisse, Friedrichs, New Orleans
PETERS, HARRY W.
Peters, Writer & Christensen, Inc., Denver
PETTIS, D. L.
Kirkpatrick-Pettis Company, Omaha
PFAU, GORDON W.
Woodcock, Moyer, Fricke & French, Philadelphia
PHILLIPS, T. WARD
Central National Bank & Trust Co., Des Moines
PICKELL, JARED K.
Continental Illinois National Bank, Chicago
PIERCE, RALPH M.
McDougal and Condon, Inc., Chicago
PLEASANTS, AARON W.
The First National Bank of Denver, Denver
PORTER, FELIX N.
First National Bank and Trust Company, Oklahoma City
QUANDT, BERNARD
John Nuveen & Co., Chicago
RADFORD, Jr., ROWLAND
The Robinson-Humphrey Co., Inc., Atlanta
RAND, RICHARD N.
Rand & Co., New York
RAWLES, ROBERT B.
Abbott, Proctor & Paine, Richmond
RAY, THOMAS L.
Mercantile Trust Company, St. Louis
REED, Jr., NORMAN E.
Curtiss, House & Co., Cleveland
REFSNES, JOSEPH E.
Refsnes, Ely, Beck & Co., Phoenix
REILLY, JAMES F.
Goodbody & Co., New York
REISNER, MAX L.
The First National Bank of Chicago, Chicago
RICHARDS, CLAUDE C.
R. H. Moulton & Company, Los Angeles
RILEY, WILLIAM J.
E. F. Hutton & Company, New York
RINKER, Jr., GEORGE
The Ohio Company, Columbus
ROBERTSON, CLARKE J.
Chapman, Howe & Co., Chicago
ROBINSON, ELLWOOD S.
Penington, Colket & Co., Philadelphia
ROBINSON, RAY
Hornblower & Weeks, Denver
ROETZER, HOWARD F.
Marine Trust Co. of Western New York, Buffalo
ROGERS, Jr., SAMPSON
McMaster Hutchinson & Co., Chicago
ROSE, JAMES F.
Howard, Weil, Labouisse, Friedrichs & Co., New Orleans
RODRIGUEZ, SALVADOR
Government Development Bank for Puerto Rico, New York
SANDERS, FLOYD W.
White, Weld & Co., Chicago
SANDERS, JESSE A.
Sanders & Company, Dallas
SARRIS, GEORGE C.
White, Weld & Co., New York
SATLER, FRANK L.
Moore, Leonard & Lynch, Pittsburgh
SAXON, JAMES J.
Comptroller of the Currency, Washington
SCHAEFFER, BOB
The Columbian Securities Corp., Topeka
SCHEETZ, Jr., EDWARD F.
Moore, Leonard & Lynch, Pittsburgh
SCHELKE, W. G.
Seattle-First National Bank, Seattle
SCHMIDT, W. MARSHALL
Hornblower & Weeks, Philadelphia
SCHOENEBERGER, C. A.
National Boulevard Bank of Chicago, Chicago
SCHULTZ, CECIL L.
Trust Company of Georgia, New York
SCURR, ELDRIDGE B.
Chiles & Company, Omaha
SEDLEY, ARTHUR (Mrs.)
The Bankers Bond Co., Louisville
SEXTON, Jr., T. WEBB
Continental Illinois National Bank, Chicago
SHAFTO, ELLSWORTH M.
George B. Gibbons & Co., Inc., New York
SHANAHAN, JACK
Bache & Co., Chicago
SHAUGHNESSY, LAWRENCE
Shaughnessy & Company, Inc., St. Paul
SHEEHY, JOHN J.
Reese & Company, Toledo
SHOCKEY, THOMAS H.
Hutchinson, Shockey & Co., Chicago
SHUMATE, J. B.
First National Bank, Miami
SIMON, WILLIAM E.
Weeden & Co., New York
SIPP, Jr., PAUL L.
Stern, Lauer & Co., New York
SMITH, DUANE T.
Stockyards National Bank, Wichita
SNODGRASS, ALAN C.
The First National Bank of Ft. Worth, Forth Worth
STALFORD, JOHN E.
The Chase Manhattan Bank, New York
STALLARD, SAM M.
Ira Haupt & Co., Chicago
STEPHENS, PAUL
Paine, Webber, Jackson & Curtis, Chicago
STEPHENSON, EDWIN A.
Paribas Corporation, New York
STEVENSON, JOHN B.
Hayden, Stone & Co., Inc., New York
STEVENSON, STUART D.
Bankers Trust Co., New York
STEWART, JAMES T.
John Nuveen & Co., Chicago
STOHL, WALTER H.
Fidelity Union Trust Co., Newark
STONE, Jr., FRED D.
Marine Trust Company of Western New York, New York
STRATZ, ALBERT
National Boulevard Bank of Chicago, Chicago
STURLA, ROBERT
Hallgarten & Co., New York
SULLIVAN, JOSEPH H.
Cunningham, Schmertz & Co., Inc., Pittsburgh
SWAGLER, RICHARD C.
First Alabama Securities, Inc., Birmingham
SWEENEY, CHRISTOPHER
John Nuveen & Co., New York
SWEET, Jr., PHILIP W. K.
The Northern Trust Company, Chicago
TANNER, LELAND E.
American Fletcher National Bank, Indianapolis
TENGDIN, ROBERT C.
Allison-Williams Company, Minneapolis
TERRY, JOHN F.
Saunders, Stiver & Co., Cleveland
THAYER, WILLIAM H.
Woodard-Elwood & Company, Minneapolis
THOMPSON, BYRON G.
City National Bank & Trust Co., Kansas City
THOMPSON, JOHN G.
Morgan Guaranty Trust Co., New York
THORNBURGH, R. W.
Merrill Lynch, Pierce, Fenner & Smith Incorporated, Cincinnati
TOMASIC, A. E.
Thomas & Company, Pittsburgh
TONNE, ALFRED E.
Salomon Brothers & Hutzler, New York
TOOLAN, JOHN P.
Hornblower & Weeks, New York
TOPLIKAR, FRANK A.
Zahner and Company, Kansas City
TRESCH, ARTHUR
A. E. Masten & Company, Pittsburgh
TRIPP, J. C.
Tripp & Co., Inc., New York
TROHAN, WALTER
Chicago Tribune Press Service, Inc., Washington
TULLER, ROBERT N.
Tuller & Zucker, New York
UHL, PAUL E.
United California Bank, Los Angeles
UNFER, CHARLES W.
The First National Bank of Chicago, Chicago
URICK, CHARLES A.
Continental Illinois National Bank, Chicago
VOSTAL, JOSEPH
Kidder, Peabody & Co., New York
WADE, GEORGE S.
Stranahan, Harris & Company, Toledo
WALL, BILL T.
Parker/Eisen/Waeckerle/Adams & Co., Kansas City
WALL STREET JOURNAL
Chicago
WALSH, JAMES A.
Childs Securities Corporation, Chicago
WARD, JOHN J.
The Chase Manhattan Bank, New York
WARD, Jr., NORMAN B.
Singer, Deane & Scribner, Pittsburgh
WARNER, A. J.
Stein Bros. & Boyce, Louisville
WARREN, M. J.
Storz-Wachob-Bender Co., Omaha
WATTERSON, WILLIAM H.
Fahey, Clark & Co., Cleveland
WEEDEN, ALAN N.
Weeden & Co., New York
WEIDEMANN, STEPHEN V.
Harris Trust and Savings Bank, Chicago
WEISENFLUH, F. ALLEN
Coffin & Burr, Boston
WENDT, GEORGE B.
The First National Bank of Chicago, Chicago
WHEELER, HENRY P.
William Blair & Company, Chicago
WHITBECK, BRAINERD H.
The First Boston Corporation, New York
WHITLOCK, DANIEL P.
Ladenburg, Thalmann & Co., New York
WHITMAN, G. PHILIP
Hartford National Bank & Trust Co., Hartford
WICK, ROBERT
Westheimer & Company, Chicago
WILSON, CHARLES R.
Smith, Barney & Co., Chicago
WINFIELD, ROBERT C.
A. G. Becker & Co., Inc., New York
WOLL, PETER
R. W. Pressprich & Co., Boston
WRIGHT, Jr., W. M.
Kidder, Peabody & Co., Philadelphia
WRIGHTSMAN, EDWARD F.
Ira Haupt & Co., New York
YARDLEY, THOMAS K.
Andersen & Co., Birmingham
ZAHNER, VICTOR H.
Zahner & Co., Kansas City
ZEBOLD, HAVEN L.
Prescott & Company, Cleveland
ZEITLER, JOHN R.
Third National Bank in Nashville, Nashville
ZENTZ, BILL
Investment Bankers Association, Washington
ZEVE, HARVEY L.
Singer, Deane & Scribner, Cleveland
ZIMMER, ROBERT J.
The First National Bank of Chicago, Chicago

City of Milan Bonds Offered

Dillon, Read & Co., Inc., New York, as manager of an underwriting group, has announced the public offering of $20,000,000 principal amount of City of Milan, Republic of Italy, 5½% external loan bonds, due 1978, priced at 98¾% to yield approximately 5.63% to maturity. Payable in United States currency, the bonds will be direct and unconditional general obligations of the city of Milan.

The bonds will be redeemable at the option of the city on or after July 1, 1973 at prices declining from 101% to 100%. A sinking fund, commencing Jan. 1, 1969, is calculated to retire approximately 93.6% of the issue prior to maturity. The sinking fund redemption price will be 100% plus accrued interest.

Net proceeds from the sale of the bonds, to be converted into lire, will be used for the construction of schools, sewerage systems, streets and water systems.

Milan, Italy's leading commercial city, is the center of the most important industrial district in Italy and is the headquarters of many of Italy's major industrial and financial concerns. Its population, second only to that of Rome among Italian cities, was estimated to be approximately 1,600,000 at Dec. 31, 1962.

Dealer-Broker Recommendations

Continued from page 8

Carondelet Street, New Orleans 12, La.

Studebaker Corporation—Report—Suburban Securities Company, 632 East 200th Street, Cleveland 19, Ohio.

Thriftway Foods—Memorandum—Boenning & Co., Alison Building, Philadelphia 3, Pa.

Tidewater Oil Co.—Memorandum—Kerr & Co., P. O. Box 727, Laguna Beach, Calif.

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

Walt Disney Productions—Analysis—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y.

Warner Brothers Company—Analysis—Wm. M. Rosenbaum & Co., 331 Madison Avenue, New York 17, N. Y.

Zale Jewelry — Memorandum — Sincere and Company, 208 South La Salle Street, Chicago 4, Ill.

Sees Rear-End Load Imposed on Mutual Funds by Keogh Act

The Smathers-Keogh Act imposes a rear-end load on mutual funds used in retirement plans by self-employed persons, Charles L. Bailey, President Aberdeen Management Corporation, charged recently, and the tax consequences, he added, are apt to be the very reverse of those anticipated.

Conferences at which officials of the company, which manages and underwrites Aberdeen Fund shares, and representatives from the Treasury Department or Congress were present indicate there is "no possibility in the immediate future of Congress revising the Act to eliminate the glaring inequities in plans for self-employed as against corporate plans," he said.

"The Keogh Act Plans have a rear-end load and the winner is the Internal Revenue Service," he added. Because distribution of the trust is mandatory during the payout period and is taxable as ordinary income (minus the dollar amount on which taxes have already been paid), the self-employed person applying a Smathers-Keogh Act Plan may very well end up paying more taxes than he would under a conventional systematic program, using the same underlying security.

In examining the adverse tax effects, Mr. Bailey further cautioned to bear in mind that only 50% of self-employed contributions are deductible; that taxes on dividends are deferred until payout period, premature distributions are subject to a penalty tax, and the only relief afforded the self-employed planholder is to apply a formula permitting him to average his tax bracket over a five-year payout period, but at ordinary income tax rates.

"If the proposal to reduce the capital gains tax Congress is now considering becomes effective, the tax advantages for an investor without the Keogh Act Plan will become even greater," Mr. Bailey said.

WASHINGTON AND YOU

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

WASHINGTON, D. C.—In January this year, one of the most astute Republican members of Congress confided to a couple of friends before sitting down to a roast beef dinner that the Presidential prospects for the GOP in 1964 appeared hopeless.

A few days ago, still talking privately, this prominent Republican, who for obvious reasons must remain unidentified, said: "There is no mistake about it—a change is underway nationally. Judging from my conversations with people from all parts of the country, and from my mail, the situation is no longer hopeless.

"I am convinced today we Republicans are going to give the Democrats a real scrap. Of course, I realize that national conventions and the election of the President are more than a year off, but confidence is growing among the rank and file Republicans, and many disappointed Democrats are advising Republican leaders that they have been disappointed in the New Frontier and want a change in 1964."

It was not too long ago that it was generally conceded among the professional politicians in Washington that Governor Nelson A. Rockefeller of New York was the front runner for the Republican Presidential nomination.

Although it is generally conceded among qualified Republican politicians in the Nation's Capital that Governor Rockefeller has done a lot of back sliding since his divorce and remarriage, the professionals recognize that he is not out of the picture—"not by a long shot," as one described the situation.

Speculation is that once the New York Chief Executive starts opening his purse strings, and the organization gets in action, the trend now going against him will be reversed.

Rockefeller vs. Goldwater

Meanwhile, the "Draft Goldwater" movement in certain parts of our country is currently bordering on the political spectacular.

As of today, it appears inevitable from Washington that the scrap for the Republican Presidential nomination at San Francisco just a year away will be between the distinguished Senator from Arizona, Barry Goldwater, and the distinguished Governor from the East.

The "Draft Goldwater" movement is increasing at a marked pace in the midwest and for all practical purposes the Western Senator has the South "sewed up."

No fair-minded politician who has been across this country a few times talking with people would deny that a substantial segment of our people are yearning for a chance to vote for a man who stands on conservative principles. These millions have a ready-made candidate in Senator Goldwater.

Big "Shindig" for the Man From Arizona

On the 4th of July in Washington, a real good political shindig was staged in the big National Guard Armory by the National Draft Goldwater Committee. The affair resembled a small National Presidential nomination convention.

There were parades in the aisles by many young people carrying Goldwater banners, and there were chants of "We Want Barry. . . . We Want Barry." A band played "Happy Days Are Here Again," and the crowd seemed to go into a near frenzy when the band struck up "Dixie," the pre-Civil War penned song by a "Yankee" minstrel man from Mt. Vernon, Ohio.

There were flags and buntings, speeches and movie and television actors, and some good looking girls wearing Western hats and Goldwater ribbons.

The speeches were naturally enthusiastic for Senator Goldwater, who was noticeably absent. Peter O'Donnell, Jr., of Dallas, Texas, Chairman of the National Draft Goldwater Committee, directed the holiday rally. Many attending were young people who are still in college or have not been out of college long.

"Last Best Hope for Freedom's Cause"

Governor Paul Fannin of Arizona, who is all-out to get Mr. Goldwater nominated, told the rally that millions and millions of Americans who have never seen Senator Goldwater are confident that "he represents the last best hope for truly effective leadership for freedom's cause . . . throughout the world."

Senator John G. Tower of Houston, Texas, the only Republican Senator ever elected to the U. S. Senate by popular vote from any of the former Confederate States, called for a Goldwater-for-President nomination and got a warm reception. Senator Carl T. Curtis was another speaker.

There was a great demonstration when a huge map was flashed on the screen that purported to show "How Goldwater Will Win the Presidency."

The map purported to show that Goldwater will capture 301 electoral votes. The map showed that the Senator would take all 128 electoral votes in the one-time 11 Solid South states. A total of 270 electoral votes are needed to win.

The Goldwater leaders gave President Kennedy, who will carry the banner again for his party, 197 votes with 40 votes doubtful. The 40 votes placed in the doubtful category are those of California.

President Kennedy was given New York's 43 electoral votes; and Pennsylvania's 29. The Goldwater "drafters" also gave Mr. Kennedy these states in their calculations, assuming Mr. Goldwater is his rival:

Massachusetts 14 electoral votes; Connecticut 8; Rhode Island 4; New Jersey 17; District of Columbia 3; Delaware 3; Maryland 10; West Virginia 7; Michigan 21; Missouri 12; Minnesota 10; Nevada 3; Oregon 6; Alaska 3, and Hawaii 4.

The rest of the states would be in the Goldwater column. Regionally they would include 11 votes in the Northeast, 17 in the border states, 128 in the South, 106 in the Midwest, 30 in the Mountain States and 13 in the Pacific States.

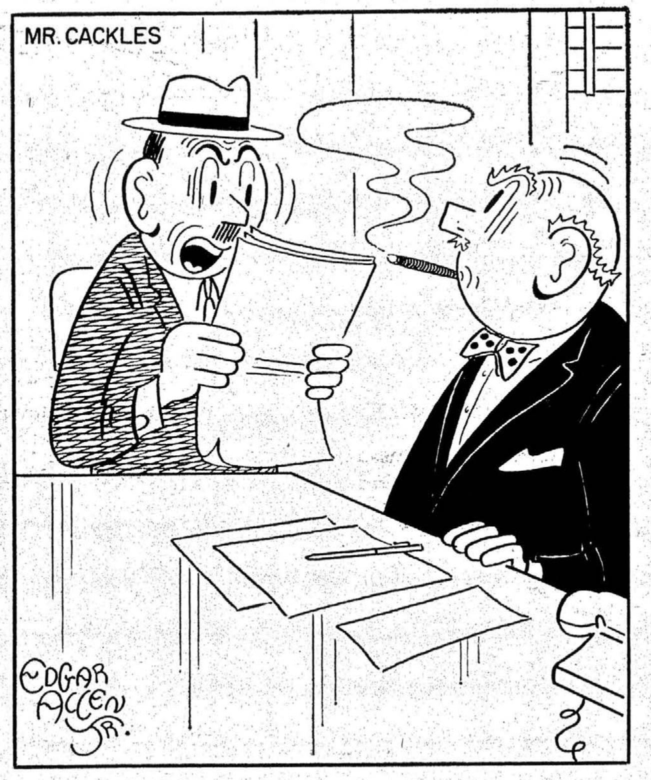
Will "Rocky" Again Yield?

There was private speculation among Goldwater attendants at the Armory whether Governor Rockefeller would stick it out in view of his apparent dwindling strength. It was recalled that he dropped out of the race for the nomination against Richard M. Nixon when it was shown that Nixon was far ahead.

Perhaps there will be many professional and amateur politicians and prognosticators who will challenge any prediction of the election of a Presidential candidate who doesn't carry at least two or three big states like New York, California, Michigan, Pennsylvania and Massachusetts.

In any event, the Republican National Convention, to be held in San Francisco, regarded by millions as America's most interesting city, should be an interesting Pow-Wow.

[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.]



"Hmm-mm?—What?—Huh?—Say, who wrote this prospectus—Casey Stengel?"

COMING EVENTS

IN INVESTMENT FIELD

Sept. 11-13, 1963 (Pebble Beach, Calif.)
Investment Bankers Association Board of Governors Meeting at the Del Monte Lodge.

Sept. 22-26, 1963 (Colorado Springs, Colo.)
National Security Traders Association Annual Convention at the Broadmoor Hotel.

CHRONICLE's Special Pictorial Supplement Oct. 17.

Sept. 27, 1963 (Philadelphia, Pa.)
Bond Club of Philadelphia 38th annual outing and field day at the Huntingdon Valley Country Club, Huntingdon Valley, Pa.

Sept. 27, 1963 (New York City)
Municipal Bond Club of New York 2nd Annual Fall Sports Outing at the Sleepy Hollow Country Club, Scarborough-on-Hudson, New York.

Oct. 20-24, 1963 (Bal Harbour, Miami Beach, Fla.)
National Association of Bank Women 41st annual convention at the Americana Hotel.

Dec. 1-6, 1963 (Hollywood Beach, Fla.)
Investment Bankers Association of America Annual Convention at the Hollywood Beach Hotel.

CHRONICLE's Special Pictorial Supplement Dec. 19.

Dec. 2-3, 1963 (New York City)
National Association of Mutual Savings Banks 17th Mid-Year meeting at the Commodore Hotel.

April 8-9-10, 1964 (Houston, Tex.)
Texas Group Investment Bankers Association Annual Convention at the Shamrock Hilton Hotel.

May 16-24, 1964 (N. Y. City)
National Association of Mutual Savings Banks 44th Annual Meeting at the Commodore Hotel.

Dec. 7-8, 1964 (New York City)
National Association of Mutual Savings Banks 18th Annual Mid-Year meeting at the Commodore Hotel.

May 17-18-19, 1965 (Washington, D. C.)
National Association of Mutual Savings Banks 45th Annual meeting at the Washington Hilton Hotel.

May 16-17-18, 1966 (Philadelphia, Pa.)
National Association of Mutual Savings Banks 46th Annual meeting at the BellevueStratford Hotel.

May 22-23-24, 1967 (Boston, Mass.)
National Association of Mutual Savings Banks 47th Annual meeting at the Hotel America.

Opens in Atlanta

ATLANTA, Ga. — **Alpha Investment Securities Inc.**, Healey Bldg. Officers are James E. Webb, President; Miriam P. Folmar, Secretary; and Laird W. Shull, Treasurer.

Forms Own Firm

WEST ROXBURY, Mass.—**L. & M. Securities Company**, 560 LaGrange Street. Charles J. Auditore is sole proprietor. He was formerly with Eastern Investment Corp.