As We See It

In some ways, of course, a democracy is at a disadvantage in dealing with a dictatorship, especially a democracy which makes it a practice of dealing from the top of the deck and keeps no spare cards up its sleeve to speak. We are being forcefully reminded of the fact in our dealings with the Soviet Union and in such relationships as we must have with Communist China. And candor forces the admission that not all of the difficulty originates in the externalities. The test ban agreement recently reached in Moscow is not always in all quarters being greeted with sweet reasonableness, high statesmanship or even full candor, or at least such appears to us to be the case. Current accounts of over-riding fear in opposition quarters that the Kennedy Administration may reap large dividends from this compact may or may not be fully in accord with the facts. In any event it would appear to us that if the agreement is so popular with the great rank and file of voters as is thus implied, then any and all who oppose it or make trouble about its ratification would be taking a very large political risk.

In any event, we shall assume that the opposition, particularly the more vocal and active members of it, are not really being goaded on by any such consideration but are quite sincerely in doubt about the wisdom of entering into any such pact with the Kremlin, which, as everyone knows, has not always been particularly scrupulous about fair dealing with anyone in the outside world. There are many facets of this situation, including a proposed non-aggression agreement, disarmament pacts, and any others that may grow out of current conversations with the Russian dictators—to say nothing of the activities of Mao and his puppets. Many of these we gladly leave to others better

(Continued on page 28)

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SAN FRANCISCO LOS ANGELES

CHRONICLE’s analysis of 100 leading investment companies’ portfolio operations during the June quarter’s narrowly moving stock market disclosed continued strong demand for common stocks. Total net buying was up 10% over the comparable March quarter figures as fund managers continued to display overall bullishness. Stock selection became less concentrated and a more widespread buying policy evolved. Although the prime emphasis remained centered on quality issues, buying was also indicated in better grade secondary issues. Preferred industry groups included Aircraft, Airline, Beverage, Chemical, Drug, Electronic, Finance, Insurance, Metal, Oil (international), Paper, Public Utility, Railroad and Rubber. Buying in Steel issues initially appeared. Most popular issue was Gulf Oil with Standard Oil (N. J.) and Royal Dutch shares up. Sold on balance were Natural Gas stocks. Most widely liquidated issue was Gillette. Interest in foreign securities, shrank. Ratio of share redemptions to funds net assets was 1.4% in the second quarter.

The CHRONICLE’s comprehensive analysis of the June quarter portfolio operations of the nation’s principal companies embraces a period in which business activity steadily expanded throughout various sectors of the economy. Similarly, it enveloped a span during which the stock market was largely buoyant. The favorable business trend during the three months period April through June is best reflected in the fact that the Federal Reserve Board’s index of industrial production, the most significant barometer of business activity, climbed to a new high of 125.1 (1957-59=100) during the quarter.

Although the improvement in the economy took place on a broad front, much of the renewed rise in industrial activity resulted from the high level of automobile production and expanded output of...
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United Nuclear Corporation

To quote the chairman of the Atomic Energy Commission in his 1962 year-end report to the President, “nuclear power is on the threshold of a great and economic expansion in areas consuming a significant fraction of the nation’s electrical output.” A relative modest assistance by the AEC will assure the crossing of that threshold and bring about widespread acceptance by the utility industry. With this quotation in mind, I decided to look to the nuclear energy field for an investment medium. After many weeks I decided that United Nuclear Corporation was a company fulfilling all of the requirements.

United Nuclear reached its present stage through several mergers in the Nuclear Development Corporation of America, an independent nuclear power company controlled by leading financial interests including Rockefeller, J. H. Whitney and William Bordens Capital, combined its operations with the nuclear divisions of well known Old Matheson Chemical and Mallinckrodt Chemical to form United Nuclear. The merger last year with Saxton-Pinion Corporation was the final step to form the only fully integrated company in the nuclear power field. United Nuclear controls the full range of production cycle — from the raw materials through the design and building of the end product. Of the present outstanding stock, Old owns 23% and Mallinckrodt owns 44%

Besides the mining end of the divisions of the company included:

The Development Division in White Plains, New York, which helps diverts the production of General Motors to build for the Army a 3000 KW Mobile Compact Reactor. The construction is expected to cost between $50-$80 million of which United Nuclear has about 50% interest. If successful, this program could be far reaching both as to the commercial users as well as defense agencies.

The Chemical Division in St. Louis, Missouri, converts enriched uranium into fuel elements which are sold to the manufacturers.

The Fuel Division in New Haven, Connecticut, fabricates nuclear fuel into its final form. This division also provided the reactor cores for the Savannah, the world’s first nuclear powered merchant ship, and for the new generating plant at MOL, Belgium.

Reactor cores and fuel also have been produced for the Army’s outpost at Camp Century, Greenland, for the S.S. Bainbridge and several atomic submarines.

The excellent management that exists at United Nuclear is shown by the fact that, at the time of the merger in 1962, these divisions had a net loss of only $8 million. Yet for the first year of operations under United Nuclear, the loss was only $77,000. This loss was further reduced for the first quarter of the current year the loss was $8,000.

The company recently modified its uranium concentrate procurement program. Under this plan domestic purchases of the raw uranium were scheduled to be made during the four-year period ending Dec. 31, 1965. The schedule was accelerated out over a six year period ending Dec. 31, 1970. With the additional charges at an annual rate of $17-$18 million over the first five years of $4 million per year in the sixth year, four costs would have increased and profit decreased. To correct this condition, the management of United Nuclear on March 28, 1963 purchased the Phillips Petroleum Company’s uranium interests in the Ambrosia Lake District of New Mexico. Recently, to further strengthen their ore reserves, the stockholders approved the acquisition of Quinata Corporation and the Bigbee and Stephenon Group Inc., the together control the Church Rock Uranium Properties in New Mexico.

As a result of the purchase of the Phillips’ contract together with its 65% interest in the Homemade-Spinnaker properties property, United Nuclear will deliver 25,000,000 pounds of yellow cake from April 1, 1963 and Dec. 31, 1970.

In the wake of the outstanding performance of the nuclear powered aircraft carrier Enterprise during the recent Cuban crisis, the department of the Navy announced its desire to shift to nuclear powered surface fleet. The Marine Administration has indicated its interest in increasing the nuclear power merchant vessels. Over the long range, nuclear power for utilities is expected to contract from General Motors to power plants operating in the United States today. Many are being built or considered. The growing need for fresh water in various parts of the world might be met by using nuclear power to desalinate water. This with the need for nuclear power in underdeveloped countries, where fossil fuel is scarce, is another natural market.

Since United Nuclear deals largely in fuel and as more and more nuclear equipment is getting on stream, the replacement market increases. This kind of repeat business could reach a sizeable magnitude when one considers the replacement of the fuel elements in a medium reactor cost between $7-$15 million. However, this fuel lasts up to three years and except for capital outlay, it has an important advantage to its users.

The overall earnings for the first year of the merger showed sales for the year ended March 31, 1963 of $45 million vs. $35 million. There was also earnings per share of $4 vs. a loss of $4 million during the previous period. Earnings per share for the first quarter ended June 30, 1963 were $2c with a cash flow of over $7c.

United Nuclear has the know how; it has adequate capital and uranium reserves and excellent management. Selling at 11 times estimated earnings for 1964, we believe that United Nuclear, which is qualified for listing on the NYSE, is a sound purchase. The stock is now traded in the Over-the-Counter Market.
What Lies Behind the Railroad Merger Moratorium?

By Daniel P. Loomis, President, Association of American Railroads, Washington, D.C.

Rail mergers to permit economies of scale and survival against competition, according to government subsidies, have been grounded to a halt despite the government's policy to encourage rational organization of our rail structure. In forced amalgamations, governments are not only neglecting an age-old part of public policy by laying aside the basic problems of the ineffective and uneconomic mergers, but is it even possible to say that this has produced any progress in tackling the real problems of the railroads.

A thick cloud of confusion currently surrounds the subject of railroad mergers. As state regulatory officials see the truth, much of this has been created by calculated efforts on the part of some who seek to scare the public, to con the found authoritites and thereby to delay, if not defeat, one of the most beneficial management moves in transportation history.

The public deserves the truth in this vital area. The people deserve to have their eyes opened of confusion blown aside and to see clearly what is behind the merger movement, which is throwing monkey wrenches and where mergers are taking the railroads and the vital services these carriers provide America.

Some 25 major railroads are now engaged in merger negotiations. This looks like a lot, and it is in present-day terms. But not in historical context. Compared with the 400 line-haul railroads in the U.S. today, 103 of which are Class I systems, there were 1,300 railroads just half a century ago—and up to 6,000 since the first railroad was founded on this continent. So the urge to merge in railroadings is as old as the industry itself.

In view of current proposals to halt mergers, just imagine the situation today if all these past consolidations had never taken place. Imagine, for instance, if instead of the integrated entity of the Pennsylvania Railroad, you still had the 600 original companies that went into the Pennsiana's formation. Not only would competitive chaos exist, but every line would probably be bankrupt.

In contrast, the Kefauver resolution calling for a halt to major mergers pending further study, is instructive to note that government policy in modern terms has been pointed toward encouraging more rational organization of the railroad structure. This is certainly as it should be, for if you look at the reasons behind mergers, it becomes clear that the industry be given the maximum encouragement to continue on the present course toward shaping a less cumbersome and more efficient structure. Failure to do so could prove disastrous.

The Facts That Speak Alone

Why are so many railroads now merging? Mainly because of the giant squeeze exerted by rising internal costs on the one hand and intensified competition on the other. It must not be ironed to railroad officials that the upward pressure of wage rates, coupled with wasteful work practices, has done much to spur this movement which they now fear and so hopefully oppose. Indeed, if it were not for this opposition, we probably would not have a problem to discuss today.

Yet I don't want to imply that mergers are wholly an outgrowth of financial distress. Consolidations among general businesses are seldom based on that motive alone; they are aimed at eliminating duplicate facilities and unnecessary divergent operating and cutting costs, improving earnings and strengthening competitive position. This is good for business generally; it is good for railroad as well.

Railroads are in particular need of a green light for mergers because of a unique problem not faced by other industries, however. The major transportation problem of today is seen most clearly as one of too many carriers and too much transport capacity and too little traffic. It's as though a rooming-house dinner table was set for five people, and seven or eight showed up.

Continued on page 28

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Lead—Its Uses, Production, and Prospects

By Dr. Ira U. Coblach, Economist

A swift look at the demand for lead, production and price trends, and the investment merits of the shares of the two largest lead mining companies

Lead is a very ancient metal, one of the first used by man. Lead coins and medallions have been found in Egyptian ruins 4,000 years old. Lead pipes, still in serviceable condition after 2,000 years, were used in ancient Rome. Lead was used in Roman excavation, and early use of lead pipes and castings has been documented in ancient Egyptian tombs. Lead has been created for it a steady demand over the centuries; while the applications in our industrial age and with synthetic research, have added the industrial lustre to lead in recent years.

Modern Uses of Lead

About 30% of the lead consumed in the United States is used for the automobile batteries. Automobiles, at 3700 million, is used as an additive (tetroxide) to gasoline to reduce knock and stop motor performance. The construction industry accounts for about 10% of the consumption: 5% goes for leadable covering (with some countries purchasing about 7% in chemical uses (paint, principal in which production titanium and aluminum are desirable business). Lead is also widely used for sodas, type metal, plumbing, and metal fabric.

From these various demands, lead consumption has remained relatively stable, with newer new use making up for some of the decline in cars and cables. The most stable business has been in automobile batteries with 7 million car years created, and about half of the 100,000 tons used annually for batteries. Going into replacements.

Newer Uses

There are some interesting, and even significant uses of lead which may, however, significantly increase its world-wide demand. Lead is used, for example, as a shielding material. In nuclear reactors and in containers for atomic waste. Lead is used in attracting wide architectural interest on its sound damping qualities. Lead-lined doors and windows can be given wide areas in the fashion industry to the investor. Lead is a new member of the steel group.

The full year per share net earnings will probably exceed the 30 cents actual net income from operations last year, and we would expect the $1.00 dividend maintaion. Dividends have been paid continuously since 1934.

Source of lead income, in addition to domestic and zinc, are operations from a large Arizonan operation (with a $2 million net in 1962), a lead-zinc silver mine in Peru, a 17% interest in a lead-zinc mine in Bolivia, and a large number of mining companies, and a $48 million lead-zinc mine in Galicia, Spain. The Steel to process 2 million tons of concentrated iron pellets from ore produced by the company.

Common stock, increased to 2,999,928 shares by 10% stock dividend at end of last year, pre-cited by $19 million in long-term debt. At $35 a share, SO common is a major value in a mining company whose prospects substantially improve over the next two years.

Concentrated Mining and Smelting

This company is the third largest producer of lead in the world and second largest producer of zinc. Current production comes principally from the big Sullivan mine and the Chapeau mine, with two smaller mines in the area; and the company's huge smelters process about 400,000 tons of lead and 220,000 tons of lead annually. In addition, "Smelters" is a major producer of lead, gold, copper, iron, manganese, and tin. The company is also a major producer of fertilizer (720,000 tons of fertilizers), and is the lead producer of electric power in Canada.

Lead is a very important importance of the shareholders, of 78% of Pine Point Mines, Ltd., and 48% of the 10 largest producers of electric power in Canada.

Possible Extensive Nova Scotia Orebody

These two big companies operate from the largest known lead-zinc reserves in North America. The considerable recent interest has, however, attached to the eastern provinces of Nova Scotia, and has been described by the possibilities of rich stores of lead and zinc in the immediate deposit formation extending for several hundred square miles. Exploration is being carried on by sophisticated and successful mining companies including Gulf Mines, Ltd., Phelps Dodge Corporation of Canada and other industries. The availability of the orebodies is such that for low cost open pit mining of the orebody, the cost of water development will be $6 per ton, including special 51c credit and agrees to $21.2 for development. In the first 3 months of 1963, a loss of $434,000 reported (after strike charges estimated at $1,256,000). For the

For Banks, Brokers and Dealers

Foreign Securities

Bought Sold Quoted

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<th>貨品</th>
<th>New York Stock Exchange</th>
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<th>Private Wireless System to Canada</th>
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OBSERVATIONS...

TREND-CHASING

Particularly in view of the prevailing facts about short-selling, including recurring attachment of special short-selling moratorium for market preventive measures, even allowing its use by the political party out of office, the section devoted to this activity by the SEC's Special Study of Securities Markets is important. Also it is now in order to mention the effect of the restrictions imposed via the instance of the Act of 1923— as allowing a short sale only on an up-tick, that is, only at a price above the last common one and the prescription to mark them "short" on the order slips.

The results garnered by the Study highlight the role of speculative short selling, including arbitrage, odd lot deals, and other groupings, and another group along with the chartists, as trend-chasers—rather than trend-cumhacers.

The short selling, the Study finds, has varied from a low of about 7% to a high of total total of N. Y. Stock Exchange volume, illogically dropping to the lower percentages and rising to a peak, and rising in volume as market prices scrape bottom. These present indications leads the Study's way-down is indubitable by the professional as well as the non-professional. As a percentage of their own total sales specialists' short selling appears to be, say, 15% and 20%, then decreasing as prices decline further. This decreasing the "shorting" to other "pro group", of floor members in their short sales represent $20 to 25% of total short selling, and range from 8 to 25% of their own total sales. More markedly than specialists, the Study finds, do they decrease their short activity on advances and increase it on declines.

The professional floor trader, the Study finds represent another group participating in the short sale.

The Study's analysis of short selling over an eight-year period is correct in excelling both short players as well as nonmembers the ratio of short sales to total sales. This is interesting to the market, but the decreasing the market awareness.

Performance During the Market Break

The Study's inquiry into the circumstances of the market break, which occurred in 1962 market break confirms the short sellers' trend-chasing proclivities. Mista buying in the markets prior to the climax has been that the market price is the lowest the value, and the market has the more reasonable valuation.

Centering its attention on the recent concentration of many of these factors, the Study finds the remarkable phenomena in the market interest rising as the market falls, and decreasing as the market rises.

Donald G. Rundle

Rundle Acquires L. Cook & Co.

CLEVELAND, Ohio — Donald G. Rundle and Lawrence Cook have signed an agreement whereby Mr. Rundle acquires Lawrence Cook & Co., Mr. Cook will re main as Chairman of the firm. Mr. Rundle will become President and Chief Executive Office.

Randle Acquires L. Cook & Co., and Mr. Rundle will become President and Chief Executive Officer.

For Banks, Brokers and Dealers

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The Commercial and Financial Chronicle . . . Thursday, August 8, 1963
The Aerospace Industry’s Problems and Prospects

By Reginald D. McKenzie, V.P. Research and Treasurer, Aerojet-General Corp., El Monte, Calif.

After tracing the dynamic changes in and phenomenal growth of the aerospace industry, Mr. McKenzie points out how increased in Research and Development, Mr. McKenzie discusses the industry’s major problems and expresses optimism for its growth prospects. Most serious problem singled out deals with the Government’s demand to shift R & D onto private industry without removing requirements of a profitable payoff. Cognizance is taken of industry’s feeling that it is a closely controlled area of the economy, and criticism is made of the proliferation of bidders in an industry where one customer in the market where free competitive conditions do not exist. Mr. McKenzie concludes: “Business as is fast changing or as likely to face as many challenges as the aerospace business which he is certain will be successfully mastered making aerospace a “blue-chip” industry.

We do not need to emphasize that the aerospace field is an unusual industry insofar as we are involved not in mass production of a single unit, but largely in Research and Development which leads to a small production of relatively few units that in turn become obsolete as R & D produces new breakthroughs in technology. It can be said of the entire aerospace industry, in the words of the slogan of a widely known electric company now engaged in aerospace work, that “progress is our most important product.”

This progress is complex and costly. It can best be exemplified by pointing out that the speed of aircraft at the end of World War II, less than 20 years ago, was approximately 400 miles per hour and their cost roughly $10,000 a pound. Today, if we are making winged aircraft capable of 4,000 m.p.h. or space vehicles traveling at 17,000 m.p.h., and their cost is roughly $1,000 a pound.

All, never in history, has there been such a technological revolution. It imposes upon the basic industry which produces these space systems, and upon the government which supports them financially, problems of unheard of magnitude and complexity.

Annually a greater percentage of the gross national product is devoted to defense and concurrently a greater percentage of defense or quasicompetitive expenditure are devoted to misirracy and space exploration. R & D Growth Like Topsy With Government Dollars

To top this all off, annually a greater percentage of aerospace expenditures is devoted to Research and Development.

In California we are well aware of this because we get approximately 21% of the aerospace business and 16% of all the Government’s Research and Development work.

Currently, out of an estimated GNP of $80 billion, approximately $16 billion will be spent for R & D, with the Government outlay about 70% of this total and private industry furnishing less than $4 billion.

These figures, while significant in themselves, do not begin to tell the whole story of the problem increased by the aerospace industry as a whole and the aerospace industry in particular. What does tell this story is the growth of National Research and Development during the last 25 years and the prospect for the next five years.

Back in 1937, virtually all R & D was privately financed, and totaled approximately $1 billion. During the war years that total increased to $3.5 billion. Today, about half of which is for the Government. Ten years ago, the total was nearly $5 billion and the percentage had shifted to nearly two-thirds for Government R & D. Today the total was about $10 billion, with more than two-thirds under Government contract.

Today’s figures are a total of $38 billion, with about 70% Government, as I have just noted.

Can Industry Absorb R & D On Its Own?

Looking ahead to the next few years, it has been reliably estimated that total R & D will reach $30 billion in 1967, and of this, about $22 billion will be for the Government. You can appreciate the effect that would have on the aerospace industry if Government continuously held to insist, as it is beginning to do now, on industry-wide and space facilities and personnel for such an extensive R & D program.

Let me now outline a few of the problems which changing circumstances have brought to the industry in the last few years. They are all related to growth and simply stated, they include: the problem of space booster and space vehicles which is bound to restrict the number of types that will eventually be needed; yet, more and more, in the aerospace field, particularly in recent years, we are seeing increasingly restrictive in funding our R & D programs. It is forcing the private industry to share in the cost of these programs.

At the same time, it is now the expressed policy of the Government to shift control from the Government, which we shall call the controlling party, to the contractor, who shall be called the controlled party, and the contractor will have to make a decision of the incentive contracts. The intense pressure of the work, the performance and penalize poor performance. This is a worthy objective, but it should reverse itself, and elicit profit rates for those companies who are good ones.

We wholeheartedly endorse this action but we should state that the Government must make a commitment on the application of the incentive formula on major multimillion dollar contracts. Otherwise, the contractor will not be able to determine the actual research and development cost changes beyond the control of a contractor, and they should be encouraged by our experience to date.

(2) The second problem is the rapid advancement in the development of new things, which puts new emphasis on research and Development work.

We are wholeheartedly aware that there are some rather long delays between the time the research is done and the time the product is available.

(3) The third problem is the speed of the development of new things, which puts new emphasis on research and Development work.

We are wholeheartedly aware that there are some rather long delays between the time the research is done and the time the product is available.

(4) A certain amount of public opinion has been created in the form of criticism of the "black boxes" and "garbage cans" that are of such a nature that we must discourage an encouragement by our experience to date.

(5) And, of course, the effect on profits and the availability of increased programs increases and additional pressures for congressional action to give the work a competitive advantage in the market; there is only one cus-
Tax-Exempt Bond Market

BY DONALD D. MACKEY

In view of the record-breaking volume underwritten during the first seven months of 1963, the market's situation can be judged by the various price and yield averages and indexes that have been remarked. The market is essentially a competitive one, in which called-in bidders, underwriters and others seek to obtain the best prices for their bonds. The market for 20-year tax-exempt bonds was strong in the week ending July 14, with yields falling from 3% to 3.5%.

Statistical Improvement Only?

During this past week the market has continued to do well as measured by The Commercial and Financial Chronicle's high-grade 20-year annual obligation bond yield index. The index stands at 3.02% on Aug. 7 against 3.05% a week ago, 3.07% on July 24 and 3.10% on July 14. The market for high-grade 20-year tax-exempt bonds would not seem to be as strong as it was a year ago, but there is some indication that the market is on the upswing.

This market measure, as an indicator, has not been conun sheen by the market. In fact, it has been consistently strong and active during the past year. Actually, the market has been strong for the first time since the market is started. The market for bonds that seem to be fairly well taken as progressively brought to market.

Dull Days Ahead

Should recent municipal finance history repeat itself, the new issue volume should continue at the same rate for the remainder of the year. August and September are very light months for new issues, so the market shape for the remainder of the year is expected to be similar to the market during the past year.

Investor Bond Shy

This expected reduction in new issue volume will mean that the market will be able to continue to function smoothly. The market is expected to function smoothly in the future as well, with new issues continuing to be sold at competitive prices.

MARKET ON REPRESENTATIVE SERIAL ISSUES

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<tr>
<th>State</th>
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<td>Wisconsin</td>
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<td>Florida</td>
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Larger Issues Scheduled For Sale

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

August 8 (Thursday)

- Arlington Ind. Sch. Dist., Texas, 1,000,000 1984-1993 7:00 p.m.
- Jefferson Township S. D., N. J., 3,400,000 1961-1989 8:00 p.m.
- University of Tennessee, 11,100,000 1960-2005 11:00 a.m.

August 10 (Saturday)

- Utah State University, 3,500,000 1952-2002 10:00 a.m.

August 12 (Monday)

- Goose Creek Cons. Ind. S. D., Tex., 4,200,000 1964-1988 7:30 p.m.
- St. Joseph S. D., Mich., 3,425,000 1964-1992 8:00 p.m.

August 13 (Tuesday)

- Columbus & Franklin Cos. Met. Park Dist., Ohio, 11,000,000 1966-1994 7:00 p.m.
- Florida, 2,000,000 1964-1988 7:00 p.m.
- Naples, Fla., 2,000,000 1964-1988 8:00 p.m.
- Orange, Conn., 1,120,000 1964-1988 11:30 a.m.
- Former Torr E. S. No. 202, Kan., 3,400,000 1964-1984 1:00 p.m.
- Ridley Tp., Pa., 1,240,000 1965-1979 11:00 a.m.
- Shelby Co., Minn., 4,935,000 1964-1988 7:00 p.m.
- Sweetwater Jr. Coll. Dist., Calif., 2,000,000 1964-1992 7:00 p.m.
- Wash. Sub. San. Dist., Md., 4,000,000 1964-1993 11:00 a.m.
- Wayne Twp. Sch. Bldg. Corp., 4,000,000 1967-1991 8:00 p.m.

August 14 (Wednesday)

- King Co. Renton S. D. No. 430, Wash., 1,200,000 1965-1993 8:00 a.m.
- Local Housing Authorities, 116,100,000 1964-1973 11:00 a.m.
- Maryland Roads Commission, 4,000,000 1964-1975 11:00 a.m.
- Turner Hts. S. D. No. 202, Kan., 3,500,000 1964-1984 1:00 p.m.
- Woodbridge Twp. S. D., N. J., 11,070,000 1965-1983 11:00 a.m.

August 15 (Thursday)

- Northeast Mo. State Teachers Coll., Board of Regents, 2,350,000 1965-2002 2:00 p.m.
- Richfield, Minn., 3,275,000 1965-1983 5:00 p.m.

August 16 (Friday)

- 3,200,000 1966-2003 11:30 a.m.

August 19 (Monday)


August 20 (Tuesday)


August 21 (Wednesday)

- Fulton Co., Ga., 15,950,000 1977-1988 11:00 a.m.
- Lowell, Mass., 1,599,000 1964-1984 11:00 a.m.
- Gastroin, N. C., 2,000,000 1965-1983 11:00 a.m.
- Martin Tp. S. D., N. A., 4,935,000 1965-1983 8:00 a.m.

August 22 (Thursday)

- Douglas, Ga., 1,520,000 1963-1990 2:00 p.m.
- Talladega, Ala., 1,200,000 1965-1973 2:00 p.m.
- Slidell, La., 200,000 1965-1990 2:00 p.m.
- Tampa, Florida, 1,000,000 1966-1978 2:00 p.m.

August 26 (Monday)

- Sacramento Redevel. Auth., Calif., 3,000,000 1965-1974 8:00 a.m.
- Port Wayne Comm. Schools, Ind., 3,000,000 1965-1974 1:00 p.m.
- White Bear Lake Ind. S. D., Minn., 1,500,000 1967-1983 8:00 a.m.

September 2 (Tuesday)

- Ohio State University, N. D., Ohio, 1,479,000 1960-1968 10:00 a.m.

September 5 (Thursday)

- Indiana State College Board, 2,965,000 1963-2001 11:00 a.m.

September 10 (Tuesday)

- Franklin Sch. Construction, Va., 1,500,000 1960-1968 11:00 a.m.

September 25 (Wednesday)

- Mason City Ind. S. D., Iowa, 2,500,000 1960-1968 11:00 a.m.

October 9 (Wednesday)

- Cincinnati, Ohio, 20,000,000 1960-1968 11:00 a.m.
International Liquidity
Proposals Gaining Support

By Paul Einzig

Forecasting major rise in proposals to increase international liquidity of the coming International Monetary Fund annual meeting, Dr. Einzig argues for changes in an opposing attitude to its realization that solution of our balance of payments problem is unexpectedly difficult. British economist maintains there is inadequacy of the measures because world prices have been permitted to trouble. Asserts that only prices can be held stable can liquidity plans finance increased foreign trade without causing balance of payments crises.

LONDON, England—Proposals to increase international liquidity are likely to figure prominently at the annual meeting of the International Monetary Fund. At last year’s meeting Mr. Maudling’s proposal had a cold reception, but in the meantime the atmosphere appears to have changed, and quarters which formerly flatly rejected the idea are now inclined to consider it. Foremost among these quarters is the Washington Administration which, judging by President Kennedy’s recent message, is no longer prepared to discuss the solution of some arrangement, even though he is at least not prepared “to recommend any specific prescription for the long-term improvement of the international monetary system.”

Changed U. S. Attitude

This change in the official American attitude is attributed here to the realization that the solution of the balance of payments problem of the United States is more difficult than it had been assumed to be. In view of the probability of further gold losses through balance of payments deficits, the American authorities are now prepared to consider a solution which in given circumstances would help the United States. The favoring of such a solution has always been regarded as an admission of weakness. While the British authorities have long ceased to be influenced by this consideration, the admission of the possibility that even the United States might have to favor such a remedy is certainly a new departure.

Curiously enough, quarters on this side of the Atlantic which are inclined to become converted in favor of some liquidity scheme are inclined to convert in favor of other schemes. The American authorities are now prepared to consider a solution which in given circumstances would help the United States. The favoring of such a solution has always been regarded as an admission of weakness. While the British authorities have long ceased to be influenced by this consideration, the admission of the possibility that even the United States might come to favor such a remedy is certainly a new departure.

IMF’s Discussion Limits

It is doubtful whether the International Monetary Fund meeting would get far in discussing the respective merits of the various plans put forward for increasing international liquidity. There is really nothing much to choose between them. The London economist is right in saying that any reasonably articulate economist could work out some such scheme on the back of an envelope in ten minutes. Before the comparative advantages of the various schemes could be discussed at all, an unexpected rise in prices would have made it necessary to say, in 1967.

This statement on the question of whether it would be otherwise if, instead of having the plans in 1945, they were to apply them in, say, 1967. For a few years a number of governments would have to be able to inflate with impunity—first, with impunity in respect to the effect on their balance of payments, the gaps would be filled by means of additional borrowing of international liquid resources. The punishment would assume the form of a steeper rise in domestic prices.

Prices the Crucial of the Mater

The only way in which any international liquidity plan could possibly produce lasting beneficial effects would be if the inflationary effect of the expanded purchasing power were to be kept down to a minimum. This could only be done through the adoption of sensible incomes policies in every country based on cooperation between the government, employers and employees. If prices could be kept reasonably stable then the additional international purchasing power created by the liquidity plan would permanently increase the volume of foreign trade that could be financed. Then and only then would it be possible to expand national economies without running the risk of an immediate balance of payments crises.

Unfortunately the adoption of national incomes policies and their acceptance by all parties is a much more difficult task than the increase of international liquidity by a stroke of the pen. The chances are, therefore, that most people will favor the latter solution even though, taking the long view, it is no solution at all. To say that a sensibly conceived and executed incomes policy would obviate the necessity to increase international liquidity is stating the obvious. Unfortunately the obvious is often ignored.

Schmidt NY Mgr. For Courts & Co.

Louis H. Schmidt, Jr., has joined Courts & Co., members of the New York Stock Exchange, as vice-president. Mr. Schmidt will be devoted to the use of the New York City office at 25 Broadway, New York, to be served by R. Kidder, Peabody & Co.
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IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

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Japanese Shipping Industry—Review—Yamashiri Securities Co., Inc., New York, N. Y. 10005. Also are available is a comparison of New York City bank stocks with the Key Bank of the Midwestern United States and the city of Chicago.

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《The Commercial and Financial Chronicle》, Thursday, August 8, 1963
The Market . . . And You

BY WALLACE STREET

Although action, were to Memorial Day, “Summer” in Wall Street art somewhat earlier than on the calendar.

To the extent that the industrial average was higher on the day after Memorial Day this year, followers of the theory can claim that the seasonal pattern was present.

Those who apply the theory more broadly, specifically the standing of the industrial average sometime during June, July and August, have already been frustrated for two-thirds of their Summer.

It was the first time in a decade that July had missed out on a Summer rally excepting only the election year of 1960. In the entire history of the Dow industrial average, dating back to 1897, July has produced a decline for the market many times as it showed declines.

Over the years the record for bullish action during August has been almost as good as for July and, in starting off the month by jumping a dozen points in a handful of sessions, August was off to a good start at the very least.

Independent Individual Situation

For individual situations, the action of the month of August was of no interest, and no help.

Brunswick Corp., once the pet of the “growth” advocates, was one such.

Brunswick had long run as a group situation, with a minuscule yield and a high price-earnings ratio were the identification badges it had. When the split in four years from 1957 through 1960 when its market price was sold on the basis of its growth, its price fell. It reached the ignomious point where its dividend had to be cut. And in the process the present shares that had sold at 50 or better earlier since the last split, were down to less than a fourth of that value.

The multiple splits had raised the capitalized value from a million to 17½ million shares. Per share earnings in 1958, when there was some optimism for the company, had split in four years from 1957 through 1960 when its market price was sold on the basis of its growth, its price fell. It reached the ignomious point where its dividend had to be cut. And in the process the present shares that had sold at 50 or better earlier since the last split, were down to less than a fourth of that value.

For 1961 the company reported $2.56 a share, including earnings for the first half of this year, 13 cents after having reported a deficit of three cents for the first quarter. Clearly, there was little discussion around the growth potential inherent in this company.

As Uncertain Item

Sperry Rand has never, even by the long-suffering, the “grower’s” mantle despite its participation in space age projects and office automation, which spurred other industries in the fields to good market action in recent years. It has been a disappointing story, and one foreboding hold with investors to account for the better action.

A few data points: three of which were produced some nebulous thing, at best. To purists it means that stocks will sell themselves during the summer than they did just prior to Memorial Day, “Summer” in Wall Street art somewhat earlier than on the calendar.

Phillip H. Lohnan, President of Waltham & Co.

Phillip H. Lohnan has become associated with Waltham & Co. Inc., 74 Wall St., New York City, members of the New York Stock Exchange, as Vice-Pres. Mr. Lohnan was Converse Professor and Chairman of the Department of Commerce and Economics at the University of Vermont.

To Be V.P. Of Carreau, Smith

Effective August 15, Conrad N. Normann will acquire a membership in the New York Stock Exchange and will become Vice-President of Carreau, Smith, McConnell, Dimond, Inc., 115 Broadway, New York City, members of the New York Stock Exchange.

THE SECURITY I LIKE BEST...

Continued from page 2

both ranked fourth out of the five companies in its bracket.

As so often happens, however, a turn to the title page itself. From 1956 through 1962 Indiana's product volume grew 16% versus a 13% increase in U.S. demand. Cash flow per share increased 22%, a gain three times that of Standard Oil and twice that of Cities Service. Cities Service showed a cash flow last year which was unchanged from 1955. On a cents per share basis the comparisons are as follows: Indiana plus 38%, Shell plus 25%, Phillips plus 27%, Sinclair minus 22%, and Cities Service plus 19%.

The foregoing figures indicate Indiana's sharp "turn around." But the stock's present price of $64 suggests that the unfavorable "image" created by disappointing results of the mid-1950's still lingers in the minds of many investors. Despite the record of the past five years Indiana is selling at 12 times net earnings per share for the 12 months ended June 30, 1963 versus a multiple of 15 for Shell, 16 for Phillips, 11 for Sinclair and 13 for Cities Service.

We consider the present price of Indiana very reasonable both in relation to comparable companies and in relation to the market as a whole. We estimate 1963 earnings at $3.00 per share with moderate growth over the next few years. The present $2.00 cash dividend is the lowest earnings payments by any of the five comparable companies. For several years the cash dividend has been supplemented by fractional shares of Standard Oil Company (New Jersey) as an equivalent last year to 50 cents per Indiana share.

The First Boston Corporation Eastman Dillon, Union Securities & Co.

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Due August 1, 1993

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The offering is made only by the Prospectus.

NEW ISSUE

August 7, 1963

$45,000,000

Indiana & Michigan Electric Company

First Mortgage Bonds, 4½% Series due 1993

Dated August 1, 1963
Due August 1, 1993

Price 100.75% and accrued interest
Encouraging Factors Easing World Dollar Pressures

By Oscar L. Altman,* Assistant Director, Research and Statistics Department, International Monetary Fund, Washington, D.C.

Contrary to predictions, our payments imbalance in the first quarter of 1962 has not increased. I believe there are several very significant factors contributing to the lessened concern over the balance-of-payments problem in the United States and in the world. It may well be that this is a momentary lull in the international monetary system, but it is also possible that we have reached a turning point that could lead to more stable conditions in the future.

International financial trends are more encouraging today than they would have been 10 years ago. This is not to say that the problems of the 1930s and 1940s are no longer with us. The United States and the world are concerned about the problems of inflation and deflation, and about the need for a new and more stable international monetary system. But there are signs that the situation has improved significantly since the 1930s and 1940s.

One encouraging factor is the stability of the dollar. Although the dollar has fluctuated somewhat in recent years, it has generally been strong. This stability has helped to reduce the pressures on other currencies and has made it easier for countries to adjust to changes in the world economy.

Another encouraging factor is the increase in international trade. Trade is a key factor in the global economy, and the growth of trade has helped to stabilize the world economy. The United States has been a large participant in this growth, and our trade surplus has helped to support the dollar.

A third factor is the progress made in international monetary cooperation. The international monetary system is a complex and dynamic system, and it is only through cooperation that it can be made stable. The International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) have played a key role in this cooperation, and their efforts have helped to reduce the pressures on the dollar.

These encouraging factors have helped to lessen the concern over the balance-of-payments problem in the United States and the world. But we must not be complacent. The problems of inflation and deflation, and the need for a new and more stable international monetary system, remain. We must continue to work towards a solution to these problems, and we must be prepared to take action if necessary.

Consumer Durables Market And Related Financing

By William F. Butler, Vice-President and Economist, The Chase Manhattan Bank, New York City

A tax cut would assure spending our long-term economic growth ac-
terminating factor. Butler predicts that 1964 will be a year of
positive-Cat trends in the economy that would be driven by a
extension of consumer credit but at a somewhat slower pace and
faster rates if taxes are cut.

My analysis pertains to the out-
look for consumer durable goods other than autos. The most encouraging trend in this market is the
inflation in the rate of credit. Before doing so, however, it is necessary to set forth some
assumptions about the behavior of the economy in 1964
and subsequent years. The first three months of the year
should show a slower rate of new durables than in the
previous year. If the rate of 8% in the first quarter of 1963 is
maintained, new durables in the first quarter of 1964 will
rise at a rate of 5% or 6%.

Trends in Real Income

The concept of real income includes not only the reference to
money income, but also the price level. If the price level remains
constant, the rate of real income will be the same as the rate of
nominal income. However, if the price level rises, the rate of
real income will be lower than the rate of nominal income. The
rate of real income is important because it indicates the
amount of goods and services that can be purchased with a
given amount of money income. The expected rate of real income growth for 1964 is about 3%.

Trends in Consumer Credit

Consumer credit has been expanding rapidly in recent years. In
1963, consumer credit reached a new high, with outstanding balances
rising to $58 billion. This represents a 13.6% increase over the previous year. The rate of
consumer credit growth in 1964 is expected to be about 6%.

Outlook for the Upcoming Year

Looking ahead, it is anticipated that consumer demand for
durables will continue to grow. However, the rate of growth is expected to be lower than in
previous years. The rate of new durables is expected to fall to about 5% in the first quarter of 1964,
and to 4% in the second quarter. The rate of new durables for the year is expected to be about
6%.

The outlook for consumer credit is also favorable. The rate of
consumer credit growth is expected to be about 6% in 1964.

In conclusion, the outlook for consumer durables and consumer credit is
encouraging. The rate of new durables is expected to be about
5% in the first quarter of 1964, and to 4% in the second quarter. The rate of new durables for the
year is expected to be about 6%. The rate of consumer credit growth is expected to be about 6% in
1964.

William F. Butler

New Fort Wayne Firm

YT. WAYNE, Ind.—McMeen &
Shimet, Inc., Fort Wayne Bank Building,
formerly J. Allen McMeen & Company, has
changed its name to McMeen & Company.
Robert K. Freres & Sachs, Inc., has changed
its name to McMeen & Company. Mr. Freres
is Vice-President and Treasurer, and
Arthur C. Wright, Secretary. Mr. Freres
conducted his own investment business in Fort
Wayne for many years and recently has
been with Westheimer & Company. Mr. McMeen
was sole proprietor of J. Allen Mc
Meen & Company.

In Rockville Centre

ROCKVILLE CENTRE, N.Y.—E. J.
Waters Co., Inc., 111 North Village
Avenue, Officers are Richard J.
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Robert B. Fiskland, Vice-
President; and George L. E.
Combes, Jr., Secretary.

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The corporation is offering to holders of its Common Stock the right to subscribe for 4½% Subordinated Debentures on the basis of $100 principal amount of Debentures for each 15 shares of Common Stock. The Subscription Offer will expire at 3:30 P.M., Eastern Daylight Time, on August 20, 1963.

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Avenue, Officers are Richard J.
Waters, President and Treasurer;
Robert B. Fiskland, Vice-
President; and George L. E.
Combes, Jr., Secretary.

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The corporation is offering to holders of its Common Stock the right to subscribe for the 4½% Subordinated Debentures on the basis of $100 principal amount of Debentures for each 15 shares of Common Stock. The Subscription Offer will expire at 3:30 P.M., Eastern Daylight Time, on August 20, 1963.
Minimum Wage Laws
Breed Unemployment


The problem of unemployment resolves itself into governmentally caused incongruities with the workings of the free labor market according to Mr. Phillips who argues that free competition would create the higher level of efficiency. The inefficiencies of labor laws and trade practices are said to be the root cause of today's unemployment and not, as many charge, automation, and/or scarcity of natural resources that the government is no longer a referee but has usurped the market's function by increasingly giving disruptive orders. Among nefarious effects said to disparage the free market are the actions of a hire more employees, the unwillingness of the jobless to seek work, and the claimed urgent need, new, for the State to create jobs below the "free market" level in order to return to the free market system and the ending of monopolies.

One of the most often-repeated "liberal" slogans today is that automation is responsible for unemployment because (as it is said) automation has eliminated a great many unskilled jobs. No one can contest the fact that many of today's unemployed are unskilled. It is an easily proven statistical fact that the ranks of the unemployed are proportionate to share-of-high-school dropouts with no training or skills at all.

It is also easily proven fact that today, relatively few jobs exist for unskilled workers. This is in spite of a steadily rising standard of living and a rapidly growing economy. This would seem to point to a significant extent, unemployable, 1.6 million unemployed persons are labeled as "long-term" or "chronic" unemployed, and one would wonder if the accounts given by the economists are not a reflection of their wish to have unemployment counted.

Let's break this situation down into component parts, and consider separately the economic, social, political, and various alternative solutions. It should be clear, on the basis of all these facts and their implications that unemployment is a vicious cycle, of which the factors which have caused it. And it will also be shown that automation is not really the cause of unemployment. As a matter fact, it can be demonstrated that automation, while necessary, should be recognized as a force contributing to more jobs and a fuller, richer life for the American people. They have created a mechanical age, of which they are a part, and a frightening new concept that has reversed all past expectations as to the future of work and leisure. (All too many people have swallowed this lie, uninformed.) Automation is no longer the driving force as a force so destructive of the American economy. Automation is a threat to society itself, a menace to the Welfare State... or even more total socialism... is nothing more than a figment of some imaginative minds with a collective bent. Automation is merely one more tool used by man in the furtherance of his economic activities. It should be no more frightening to us today than the steam engine, weaving loom, railroad, telegraph, telephone, internal combustion engine, airplane, automobile, radio, television, airplane, steamboat, automobile, and even print press. All of these are merely additions to men's ingenuity. In every case, these new innovations disrupted established systems of thought and action. In every case, the defenders of the status quo predicted that society as we know it would be completely disrupted as a result of such innovations. But in every case, society quietly adjusted itself to these changes and innovations. Without exception, the men who had not been prepared were proven to be groundless. Each of these innovations lifted the level of man's work to a new level. As that happened, business affairs became more complex. In itself, it created millions of jobs where none had existed before. Some of these jobs required specialized skills. Some required no skills. There was a real "mix" or balance more or less conforming to the natural "mix" or balance of talents and work specialties of the population. True, jobs did not automatically appear exactly where and when they were needed. But the skills required happened to live. But no one gave much thought to where they would come from.

America had been founded, and by the struggle of souls, and the struggle of the ambition of the old World. Ours had become from the beginning a free and fluid society where men could move across the wide country to faraway California if need be. Jobs were plentiful in their day. But the economy created them. Workers moved to find the jobs, and adjusted unskilled, and skilled, as the situation demanded and as the market price for particular skills. No matter what the economic scene, there was always a need for more jobs. But it has been only since the early 1930's that the laws have been altered over the short-term by specific innovations, the subsequent lack of a skilled labor force, and the activity never to fail to create many more jobs than had been before.

Automation, which merely carries the process begun with the steam engine, and which was developed with Ford's assembly line to its ultimate end, is so different from the other innovations. True, it eliminates some jobs over the near term. But, by raising the economy to a higher level of sophistication and complexity, it has provided a base for the creation of potential new jobs. Or at least, the natural forces of supply and demand were allowed to operate in the labor market.

Reform Laws Interfere with Job Mix

This brings us to the second point in this matter. The second point is the job of "mix" or balance. As it has always been the case in the past, the economy has always in the past created jobs in close balance to the natural "mix" of available talents. It was only when the Collectivists interfered with the workings of the natural law and the free economy that this "balanced" job mix became seriously disrupted. In their zeal for social justice, the Collectivists have tried to impose through a host of what they self-righteously call "reform" laws. These collectivized the wage laws, tried to set the balance of nature by leveling wages across the board. The energetic and ambitious individuals who created wealth and became more money than unskilled labor were favored, and unskilled labor was made heavily under a progressive tax system. On the other hand, those who pulled themselves, or were pulled, up to the top were happy... because the jobs suited their talents and temperament... which... it was merely a matter... to be taxed. With the advent of the welfare state, the government began to take over the wages paid out in industry and set their rates and costs and leave a profit. (And this was not enough. The Collectivists for much of this century, was the "seed-oney" that perverted the market. In attacking profits, the Collectivists have themselves attacked the free market."

Unions and Minimum Wage Impediments

As an aside, there seems to be a failure to understand that the economy seems determined to correlate rewards with acceptable goods and services. An individual could be pretty certain that he would go just as far in life if he had a fun and attractive, ambitious, intelligent, well trained... as he would with an ordinary worker. The wages paid out in industry were probably higher for the same amount of work. But no one gave much thought to how the work was done. In any case, it was natural that many a young man sought all that was free in life and the money he would need to make it. The wages paid out in industry were probably the wages that most people would have been more than willing to pay. To have our foremost figures were men who had educated themselves by reading books at home. Benjamin Franklin and Abraham Lincoln are two such men... and hundreds of thousands of others who have emulated their example. The Horatio Alger formulas of "rags-to-riches" was not the futility of an American writer's imagination. It was the facts of human circumstances. It was the facts of the American scene at that time. The reason people bought the Horatio Alger formulas was because it was true. It was the facts of human circumstances, that they knew the books spoke of the truth in regard to opportunities in our free enterprise society. The collectivists, anxious to justify their "reform" laws, have tried to "re-write" history to picture the old days as a time of abundance for every man. The truth is the opposite. A careful scrutiny of reliable historical documents will convince even the most skeptical of the collectivists' picture of the past. The Horatio Alger formula... in Propaganda. If we returned total to the natural concept of rewarding individuals on the basis of their actual competitive abilities, there is no need to interfere with the natural processes of industry. The "free market" system and the free economic...
The Aerospace Industry’s Problems and Prospects

Continued from page 5

This is a growth industry—and despite its present growing pains, it will fight in coming years to define the position of stability and public confidence which today characterizes our so-called “blue chip” industries. It is the latest phase of the American dream on the verge of realization.

*An address by Mr. McKenzie to the National Association of Retail Financial Dealers, Baltimore, Maryland, June 24.

Volume 198 Number 6288... The Commercial and Financial Chronicle

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(Par Value $1)

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Pittsburgh, Pa.

Chicago Utility Club Elects

CHICAGO, III. — Joseph Sondheimer, President of Stein Roe & Farnham, LaSalle Street investment advisors, will serve as President of the Public Utility Securities Club of Chicago during the coming year, it was announced July 29.

The Chicago Utility Stock Exchange is an organization of investment, advisory and analysts who have a special interest in publicly-held utility companies.

Mr. Sondheimer announced that the 1963-1964 program is being readied and that Donald Power, chairman of General Telephone & Electronics, will address the first meeting on Sept. 11. He will be followed by Elmer Lindsey, Chairman of Cleveland Electric Illuminating on Sept. 25. Other definite arrangements that have already been made include Texas Utilities Co. on Oct. 2, represented by George MacGregor, President, and Virginia Electric & Power Company on Oct. 3, represented by Erwin H. Will, Chairman.

Richard J. Magnuson, Jr., Assistant Secretary of The Northern Trust Company, has been named Vice-President of the Club and William N. George, Assistant Vice-President of Continental Bank has been named Treasurer. Miss Doris M. Kemper of The Harris Trust and Savings Bank will continue as Secretary the coming year.

This advertisement is neither an offer to sell nor a solicitation of securities. The offering is made only by the filing Circular copies of which may be obtained from the Underwriter.

NEW ISSUE

July 31, 1963

90,000 Shares

Chicago Utility Club Elects

90,000 Shares

Kelly & Cohen, Inc.

AMSABRY, ALLEN & MORTON, INC.

1301 Law & Finance Bldg.

Pittsburgh, Pa.
"Gold Is a Sterile Asset. It Earns No Interest"

By Haller Bell, San Francisco, Calif.

Gold is the opposite of being sterile, Mr. Bell declares in his illuminating brief tract calling for the adoption of a "sterile assets" amendment to the Woods Agreement. After stressing the need for gold as a monetary standard, Mr. Bell explains why his "sterile assets" amendment would provide our country with an introductory course on money; and insists we need a thorough investigation of our financial-credit structure to enable us to understand the "grey area" of interest and pass over to protect the dollar's soundness.

The title of my article is a brief extract from the formal statement made by the vice-president and economist of one of our largest banks, before the House Banking & Currency Committee, during the Hearings on Monday, July 16, 1940. He indicated an interest rate of over 100 per cent in deposits of foreign governments. A thorough consideration of a somewhat comparable statement by the vice-president of a leading bank of New York City to the effect that gold is the icing on the cake since one is to go over to query the actual knowledge and understanding of the existing banking fraternity of the splendid fundamentals of the Gold Standards Agreement; that is, the actual fundamentals of "sound money." Such a lack, however, is not limited solely to the members of the banking fraternity for one has but to glance over the roster of the Commission on Money & Credit, at their 1961 "Report of the Commission on the Understanding of Credit and..." and, too, at the various statements of the many witnesses that appeared before the Joint Economic Committee of the Congress at the hearings of Aug. 14-16, 1941, on the "Report of the Commission on the Understanding of Credit and..." and, too, at the various statements of the many witnesses that appeared before the Joint Economic Committee of the Congress at the hearings of Aug. 14-16, 1941, on the "Report of the Commission on the Understanding of Credit and..." and, too, at the various statements of the many witnesses that appeared before the Joint Economic Committee of the Congress at the hearings of Aug. 14-16, 1941, on the "Report of the Commission on the Understanding of Credit and..."

Our Unfitness Is Hardly "Sterile"
The word, "sterile," as defined by Webster, means "producing little or no crop; unfruitful; barren; and incapable of reproduction." Hence, for an economist to state that America's gold is a "sterile assets," actually, is an unfortunate and somewhat criminal misuse of the word, particularly so, when consideration is given to the fact that our stock of monetary gold, presently less than $10.0 billion, is the root and final reserve for any greatly inflated volume of $458.3 billion of "Selected Liquid Dollar Assets Held by the Public." True, "GOLD EARNS NO INTEREST" but it is the one stable monetary standard, universally accepted, that fixes the convertible parity of all the currencies of the entire unit of every nation of the free world (even the heavy ruble of the Soviet Union). It is also the least fine, and, in so doing, it provides equally for the maintenance of stable rates of exchange in international monetary transactions. Also, it final monetary standard upon which the creation of a central bank is based, the so-called "gold points", and instrumental in the maintenance of a stable currency. Too, it ultimately causes confusion and instability in the economic price structure of this nation.

"We Forget Our History's Lessons"
As a people, we Americans are grossly ignorant of monetary matters; we have learned nothing whatsoever from the Great Depression and the manifold failures of the late 1920's, the Market Crash of 1929, nor the inflationary condition of the 1930's—all due primarily to our national disregard of the maintenance of a sound and stable managed currency.

"Sterility" for the concept of managed money, demastically convertible into gold content, is directly in line with the late Lord John Maynard Keynes, British monetarist, who "wished to convert the following precautionary extract from the Preface of the very first of his several volumes on monetary matters, Monetary Reform and Its Importance." "Unemployment, the precarious life of the worker, the disappointments and losses of savings, the profit—will proceed, in large measure, from a lack of understanding of the standard of value."

These disturbing thoughts, combined with my careful studies of the reports of recent years of various Hearings on monetary aff airs before the Senate Finance Committee and, especially, those before the Joint Economic Committee of the Congress and its several Sub-Committees have led to an enjoyable but serious inter¬change of correspondence with the president of one of our leading banks.

Letter To A Banker
In a recent letter, I commented, as follows, upon the colloquies between the members of the Committee, as well as upon the Hearings at the Hearings to the effect that gold is being a "sterile asset" with every conceivable plus of mone¬mental matters:

"In fact, the colloquies run the gamut of every possible aspect of monetary matters; Li¬quid Dollar Assets Held by the Public, Inflation, Unemployment, Credit Ex¬pansion, Government Loans, Pay¬ments, Deficits, Monetary Ease, Free Reserves, etc., etc., of infinitum.

The very completeness of the various reports leaves one with the strong conviction that there is a definite and almost total lack of understanding of "Sound Money" and the very funda¬mental nature of the Gold Standards and its proper management.

To my great pleasure, I received a prompt and exhaustive reply from which I am taking the liberty of quoting:

"The collateral which you have sent me on the gold situation are very difficult, if not impossible, to the average public level of understanding, and as you have said, even those who are generally familiar with the gold question have wide, if not complete, differences of opinion. I have had many meetings of bank groups and government officials where the maintenance of the actual value of the dollar is the primary interest and the effects on the price structure of our mone¬y.

As for the gold content of the dollar, the price of $35 per fine ounce was set by the Proclamation on Jan. 31, 1934, and we have assured the world of our determination to hold the dollar at that value in prompt liquidity, on demand, of our short-term dollar obligations.

This, actually, is a very vague and nonsensical threat about the integrity of our dollar, for against the great diminishing stock of our currency, the $35 billion, the total volume of our short-term liabilities to foreigners during the past year is up to sum of $25.0 billion—all of which, easily, could become Official.

The real purpose of gold created mone¬

The Gold Reserve Act of 1934
This Act, approved and signed by the President on Jan. 30, 1934, established a gold and free domestic circulation of gold and silver and a nominal gold in the Federal Reserve System. Further, it authorized the Presi¬dential Board to fix a new value for the price of gold and, with such au¬thorization, President Franklin D. Roosevelt, on November 7, 1934, established the price, current day, of $35 per fine ounce (13 3/7 grains, 10 karats).

The Bretton Woods Agreement of 1945
Great credit is due the former Secretary of the Treasury, Henry Morgenthau, Jr., and his staff of technical experts for their far¬sighted preparations, during the last two years of the War, and looking toward the necessary post-war monetary cooperation between this and other associated nations. Early in 1943, with the authorization of the President and based on the recommendations of the Finance Ministers of the allied nations, the Bretton Woods Agreement was signed by the United States, Great Britain, China, France, Belgium, and the Netherlands. As a result of these informal conferences, the Finance Ministers of the United States, Great Britain, the Netherlands, and the Netherlands, in conjunction with the Board of Directors of the International Monetary Fund and of the International Bank for Reconstruction and Development, met in Washington, D. C., on July 22, 1944 and concluded their meetings with the unanimous ap¬proval and signing of the Bretton Woods Agreement that, finally, culminated the approval and signature of the "Bretton Woods Agreement" on July 31, 1945.

The Act provided for the or¬ganization of the International Monetary Fund and of the International Bank for Reconstruction and Development, with headquarters in Washington, D. C.

We are particularly interested in the International Monetary Fund for its Articles of Agree¬ment make full provision for the fixing of the par value of the currency units of the member nations in terms of gold, for stable rates of international monetary exchange and for the international stabilization of these rates.

Unfortunately, for the United States, the Articles of Agreement, in its par value provisions, provide that the par values of the various currencies are to be expressed in terms of gold, and that the dollar is "in terms of the United States dollar of the weight and fineness of 0.8924 fine, 412.916 grains," which phrase, "in terms of the United States dollar of the weight and fineness of 0.8924 fine, 412.916 grains," should be deleted from the Articles for it places upon the Federal Reserve System an unnecessary burden of assuring and protecting the stability of the managed paper currency and our obligation to our fellow members of the Fund.

Conclusion
Our domestic debt, public and private, both gross and net, to-
SECURITY SALESMAN'S CORNER BY JOHN DUTTON

Customer Service Makes Friends for Mutual Fund Salesmen

One of the principal reasons why mutual fund salesmen is that they can obtain customer cooperation. People who are informed about the advantages of their mutual fund and have a positive outlook for the future can be most enthusiastic boosters for a soundly conceived form of investment.

In most cases people who make an investment in a fund, or continue to hold a position, are not as familiar with the features, advantages, and limitations of the fund as they are with the investment that they acquired. In fact, they are so limited in their understanding of the investment that they are more impressed by the words of a professional than by the facts.

For example, it is generally recognized that the best way to invest is to select a mutual fund and then to invest in the fund. But during the weeks and months that precede the time when an investor actually makes his investment decision, he may be more impressed by the words of a professional than by the facts.

Many experienced mutual fund investors have said that they have invested in a fund that they selected because they knew that they could come to you any time for advice and information—and that you have the best interest of building his mind whether he has more business to place with you or not—then you will create a friend and a booster who will help you to meet others who can use the services of a financial adviser. It is the reason you should consider this first sale an opportunity to resell your customer on the real advantages of his investment. Then call on him again—not as a salesman but as an interested friend and advisor.

There are many reasons why people should be pleased with mutual funds but the salesman who can appeal to the importance of having satisfied customers always makes a service call. The time when he or his face is bolted to a customer, and a customer into a friend. Satisfied customers will be pleased to recommend your services to others. When you call on a customer and all through referrals you can be sure you are creating a solid structure.

Due to customer service, improvements, increased public confidence in you and your investment needs, your business will become a pleasure and your future program will be assured. Service calls and conservatve mutual fund investing makes this possible.

Bank Women to Convene in Oct

The 41st Annual Convention of the National Association Bank Women, Inc. will begin Oct. 20, 1963, at the 22-story Sheraton-Miami, Beach. Florida. The four day meeting will assemble women bankers from throughout the United States and we hope for at least two or three representatives from abroad.

"Global Banking—Present—Future" is the theme of the convention and the program is being built to focus attention on the shrinking world—economically and bank-wise. Naturally, as this occurs new problems in Anytown, USA will arise and women wish to be thoroughly informed on them.

Well renowned speakers in the field of economics, education and human relations will be our guests. Many prominent bankers of the U. S. will be on hand to give first-hand help from 'our' point of view on these changing times.

DIVIDEND NOTICES

Jothil Dividend

Pullman Incorporated

97th Consecutive Year of Quarterly Cash Dividends

A quarterly dividend of thirty-five cents ($0.35) per share will be payable on September 13, 1963, to stockholders of record August 23, 1963.

SP innovations, Inc.

Common stock

Quarterly Dividends

121c4 per share

Payable September 27, 1963

Record September 6, 1963

Declared July 31, 1963

MURPHY CORPORATION

COMMON STOCK

QUARTERLY DIVIDENDS

DIVIDEND NOTICE

CENTRAL LOUISIANA ELECTRIC COMPANY, INC.

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

COMMON DIVIDEND NO. 88

A quarterly dividend on the Common Stock in the amount of 7.2 cents per share, payable August 15, 1963, to shareowners of record as of August 1, 1963, will be payable on August 15, 1963.

The declared quarterly dividend rate is 714% per share on the 1955 Series Preferred Stock, payable September 1, 1963, to shareowners of record as of the close of business August 15, 1963.

1955 SERIES PREFERRED DIVIDEND NO. 9

The regular quarterly dividend of $1.35 per share on the 1955 Series Preferred Stock, payable September 15, 1963, to shareowners of record as of the close of business on August 15, 1963.

1955 SERIES PREFERRED DIVIDEND NO. 29


T. P. Stebb, Secretary

Standard Oil Company

DIVIDEND NOTICE

The approximately 710,000 owners of Standard Oil Company (New Jersey) will share in the earnings of the Company by a dividend declared by the Board of Directors on August 1, 1963, and payable September 10, 1963, to shareholders of record August 12, 1963 at the rate of 615 cents per share of capital stock.

1963 is the 81st consecutive year in which cash dividends have been paid.

New York, N. Y.

THE FLINTKOTE COMPANY

quarterly dividends have been declared as follows:

Common Stock . $0.32 per share.

$4 Cumulative Preferred Stock: $1 per share.

$4.50 Series A Convertible 2nd Preferred Stock: $1.275 per share.

$4.50 Series B Preferred Stock: 2.5% per share.

These dividends are payable September 16, 1963 to stockholders of record at the close of business August 25, 1963.

JAMES K. McCauley, Treasurer

National Cash Register Company
The degree of success in business activity during the past months is per-
haps best exemplified in the au-
thoritative analysis of corporate
profits in the trade. Today, the
results. The chemical companies as a
whole. They were, however,
profitable and not entirely free of
companies. Despite the increased
profit, the chemical companies
were subject to considerable price
pressure, especially in the
material at a price of $2.50 per
newspaper. The chemical industry
must be able to exhibit a
balance sheet which shows
profitable operations. The
situation, therefore, is
promising for the future, but
the chemical companies
must maintain a balance of
profit and loss.

Bank Clearings 7/6 Above 1962
Week. Bank clearings in the
latest stated as a
percentage of the year
bank clearings. This
also is true of the
new business
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Incorporated Income Fund

A mutual fund invested in a list of securities selected for current income.

Incorporated Investors est. 1963
A mutual fund investing in a list of securities selected for possible long-term growth of capital and income.

A prospectus on each fund is available from your investment dealer.

THE PARKER CORPORATION
200 Berkeley Street, Boston, Mass.

EATING & HARD

STOCK FUND
A professionally managed mutual fund investing primarily in common stocks for possible growth of capital and income.

BALANCED FUND
A professionally managed mutual fund investing in common and preferred stocks and bonds, objectives: current income and possible future growth, established in 1963. Write for free prospectus today.

EATON & HOWARD, INCORPORATED
36 Federal Street, Boston, Mass.

PARKER CORPORATION
200 Berkeley Street, Boston, Mass.
Fund Managers Bullish Despite Market's Slowdown

Continued from page 17
ored 23 industry groups while disfavoring 1 during the June quarter. This compares with 18 industries favored and 3 sold in the March quarter.

In the June quarter, the following groups were predominantly bought: aircraft and aircraft equipment, banks, automotive, beverage, chemical, drug, electronic, finance, glass, insurance, machinery, metal (international), paper, utility, printing, radio-TV, railroad, rubber, steel and iron, textile and tobacco issues. The following industries were mildly favored by managers in this survey; automotive equipment, building and construction, and tobacco.

In the mixed grouping we find agricultural equipment, banks, containers, food products, office equipment and retail trade.

The lone group sold on balance during the June quarter was natural gas.

POPULAR ISSUES

Top stock as the most widely bought stock during the second quarter was approved by Gulf Oil. This large crude producer was strongly in demand with 21 fund managers making commitments.

In second and third position were two other leading petroleum enterprises—Standard Oil (N.J.) and Royal Dutch. SONJ was 14 buyers while RD had 13.

UNANIMOUS FAVORITES

The following issues, bought by four or more fund managers met no selling. Aluminum Co. of America, Bank of America, Bristol-Myers, Colgate Palmolive, W. R. Grace & Co., Grumman Aircraft, Halliburton, Household Finance, International Nickel, International Tel. & Tel., Linen Industries, Socony-Mobil, Timken Roller Bearing and United Airlines.

Other issues which were heavily, but not unanimously purchased, included American Airlines, American Tel. & Tel., Allied Chemical, Aluminum Ltd., Columbia Broadcasting, and IBM.

DEBUTANTS PARADE

Within this category we endeavor to unveil issues with relatively no prior investment fame in any one manager's portfolios. These issues are generally traded in the Over-the-Counter Market or on small regional exchanges. Issues making such an appearance in investment company portfolios during the recent survey were: Bibb Mfg.; Caled Corp.; Carrier Corp.; Crompton Industries; Empire Financial; Empire States Oil; Epoxy-Grille Equipment; Garrett Corp.; General Electric Co.; Liberty National Life; Mac's Basket; Sierra Pacific Power; Society Corp.; and Taylor Instrument.

DIS-FAVORITED STOCKS

Among stocks markedly dis favored during the June quarter were American Broadcasting; Gillette; National Cash Register; and North American Aviation.

COMPLETELY FRIENDLESS

There was only one issue which was bought by four or more managers, with no buyers—CIT Financial.

TRANSACTIONS IN THE FAVORED GROUPS

Aircrafts Pick-Up

Sentiment toward aircraft issues showed improvement as total group activity increased over the March quarter. Several large contract awards during the period may be influencing better buying in Avco, Grumman and Lockheed. Grumman, a unanimous favorite, was newly bought by Institutional Investors (16,600); and New England Fund (4,400). Lockheed continued to attract the greatest interest, with eight buyers and only three sellers in this issue. Among the top buyers in LK were Fundamental Investors (10,000) Selected American Shares (5,000); and Dreyfus (5,000). Avco was best bought by United Science (20,000); and bought newly by T. Rowe Price (17,000). On the sell side, North American Aviation was the prime target. Top seller in this issue was T-V Electronics Fund (18,000); Wisconsin Fund eliminated (3,000).

Airlines Continue to Fly High

Based on continued improvement in operating results and recent traffic gains, the air industry is expected to show considerable recovery in 1963. This in turn has created a greater interest for shares of the more rapidly improving Canadian companies. Although some profit taking was indicated for the first time during the June quarter, overall buying remained strong. Best bought issue was American, with Pan American a close second. Although the case of American, which stands to reap much business from the 1964 New York World's Fair, buying was exceptionally heavy; the issue had eight buyers, six newly; Dreyfus, with a huge block of 97,600 shares, was tops in the bull market contingent toward American. Managers making new commitments in AMR included: Breid Street (63,400); Dominion (13,000); de Vegh (15,000); Madison (10,000); Tri-Continental (35,400); New England (20,000); and Wisconsin Fund (3,000). Changes in Common Stock Holdings of 75 Investment Management Groups

The following transactions include only those issues in which more than one management group participated. Issued in which more management sold than bought are in italics. Numerals in parentheses following buying estimates are completely eliminating the stock from their portfolios. (Purchases exclude share increases resulting from stock splits, dividends, etc. Number of shares bought or sold prior to stock splits are expressed giving effect to the split.)

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"A BALANCED FUND"

PUTNAM GROWTH FUND

Emphasizing possible long-term Capital Growth

The Putnam Fund Distributors, Inc.

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New York Chicago Cleveland Los Angeles San Francisco Washington Pompano Beach, Fla.

Massachusetts Life Fund

A balanced mutual fund providing for distribution of income and prin-
cipal in accordance with an individual trust account for each investor.

Prospectus from your Investment Dealer or MASSACHUSETTS LIFE FUND DISTRIBUTORS

120 S. Wadsworth Blvd., Denver, Colo.

Do the Investment Possibilities in ELECTRONICS Interest You? WHY NOT INVESTIGATE

TELEVISION-ELECTRONICS FUND, INC.

A Mutual Investment Fund whose assets are primarily invested in possible long-term capital gains in companies actively engaged in the electronics field.

Supervised Investors Services, Inc.

130 S. Wadsworth Blvd., Denver, Colo.

27,670 Air Products & Chemicals

5,800 Allied Chemical

4,900 American Can

1,800 American Cyanamid

900 American Home

540 American National

336 American Smelting

23,410 American Steel

12,400 Allegheny Ludlum

4,500 Allegheny National

4,000 Allis-Chalmers

4,000 Alcoa

3,900 Alcoa

3,600 Alliant

3,300 Aluminum

5,000 American Cyanamid

10,000 Allis-Chalmers

3,500 Amer...
<table>
<thead>
<tr>
<th>Bought— No. of Mgs.</th>
<th>Sold— No. of Mgs.</th>
<th>Shares</th>
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<tbody>
<tr>
<td>1 4,000 Air Reductions</td>
<td>20,000</td>
<td>2(1)</td>
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<tr>
<td>None</td>
<td>None</td>
<td>2(1)</td>
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<tr>
<td>1 17,200 American Chemical</td>
<td>3,500</td>
<td>2(1)</td>
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<tr>
<td>None</td>
<td>None</td>
<td>2(1)</td>
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<tr>
<td>None</td>
<td>None</td>
<td>2(1)</td>
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<tr>
<td>3,000 du Pont (E.I.)</td>
<td>12,900</td>
<td>3</td>
</tr>
<tr>
<td>10,000 Eastman Kodak</td>
<td>36,100</td>
<td>3</td>
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**Containers**

<table>
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<tr>
<th>Container Type</th>
<th>Mgs.</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 19,500 Beauty Counselors</td>
<td>500</td>
<td>None</td>
</tr>
<tr>
<td>2(1) 6,700 Cheesbrough Pond's</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>2(1) 3,400 Revlon</td>
<td>None</td>
<td>None</td>
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<tr>
<td>2(1) 5,200 Gillette</td>
<td>57,200</td>
<td>7(4)</td>
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**Cosmetics**

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<tr>
<th>Drug &amp; Drug Products</th>
<th>Mgs.</th>
<th>Shares</th>
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<tbody>
<tr>
<td>4(2) 90,700 Abbott Laboratories</td>
<td>3,200</td>
<td>2(1)</td>
</tr>
<tr>
<td>2 1,250 American Home Products</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>4 6,200 Borden</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>2(1) 2,600 Carter Products</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>4(1) 82,000 Mead Johnson</td>
<td>55,200</td>
<td>2(2)</td>
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<tr>
<td>1 15,900 Merck</td>
<td>1,500</td>
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<tr>
<td>2(1) 6,650 Richardson-Merrill</td>
<td>None</td>
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<tr>
<td>3 3,000 Searle, G. D.</td>
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<tr>
<td>1(1) 200 Smith, Kline &amp; French</td>
<td>2,500</td>
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<tr>
<td>2(1) 67,600 Parke Davis &amp; Co.</td>
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<tr>
<td>1 1,500 U. S. Vitamin &amp; Pharmaceutical</td>
<td>32,600</td>
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</table>

**Electronics and Electricals**

<table>
<thead>
<tr>
<th>Electronics and Electricals</th>
<th>Mgs.</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>3(3) 210,000 Ampex</td>
<td>18,500</td>
<td>1</td>
</tr>
<tr>
<td>3 4,820 Bechtels</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>1 14,000 Emerson Electric</td>
<td>34,600</td>
<td>1</td>
</tr>
<tr>
<td>6(1) 32,500 General Electric</td>
<td>6,000</td>
<td>2(1)</td>
</tr>
</tbody>
</table>
| 2(1) 30,000 

**Finance Companies**

<table>
<thead>
<tr>
<th>Finance Companies</th>
<th>Mgs.</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 28,200 American Credit</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>4 35,250 National Finance</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>3 42,850 First Charter Financial</td>
<td>70,000</td>
<td>3(2)</td>
</tr>
<tr>
<td>2 29,100 Great Western Financial</td>
<td>20,837</td>
<td>1(1)</td>
</tr>
<tr>
<td>4(1) 130,000 House Finance</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>None</td>
<td>None</td>
<td>C I T Financial</td>
</tr>
</tbody>
</table>

**Food Products**

<table>
<thead>
<tr>
<th>Food Products</th>
<th>Mgs.</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>3(2) 71,600 American Sugar</td>
<td>18,000</td>
<td>1(1)</td>
</tr>
<tr>
<td>4(2) 17,000 Armour &amp; Co.</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>1 600 Bonden Co.</td>
<td>14,500</td>
<td>1</td>
</tr>
<tr>
<td>2 33,600 California Packing</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>2 2,700 General Foods</td>
<td>50,000</td>
<td>3(1)</td>
</tr>
<tr>
<td>2(1) 10,800 Kellogg Co.</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>4(2) 10,600 United Fruit</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>2(1) 11,500 Wilson &amp; Co.</td>
<td>25,000</td>
<td>2</td>
</tr>
<tr>
<td>None</td>
<td>Beetrice Foods</td>
<td>57,100</td>
</tr>
<tr>
<td>None</td>
<td>Campbell Soup</td>
<td>14,500</td>
</tr>
<tr>
<td>None</td>
<td>Carnation Co.</td>
<td>6,610</td>
</tr>
<tr>
<td>None</td>
<td>Dreyfus-Mott</td>
<td>10,000</td>
</tr>
<tr>
<td>None</td>
<td>General Milling</td>
<td>None</td>
</tr>
<tr>
<td>None</td>
<td>Heinz (H. J.) &amp; Co.</td>
<td>15,000</td>
</tr>
</tbody>
</table>

**Mutual Investment Funds**

<table>
<thead>
<tr>
<th>Mutual Investment Funds</th>
<th>No. of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Series</td>
<td>None</td>
</tr>
<tr>
<td>Growth Stocks Series</td>
<td>None</td>
</tr>
<tr>
<td>Dividend Series</td>
<td>None</td>
</tr>
<tr>
<td>Income Series</td>
<td>None</td>
</tr>
<tr>
<td>Preferred Stock Series</td>
<td>None</td>
</tr>
<tr>
<td>Balanced Series</td>
<td>None</td>
</tr>
<tr>
<td>Bond Series</td>
<td>None</td>
</tr>
</tbody>
</table>

**Newspaper of the Day**

* A Common Stock Investment Fund
* An Investment company managing for its shareholders' purposes capital, income, and a reasonable current income.
* Prospectus upon request

**WELLINGTON**

* A Name to Remember
* When Investing

**WELLINGTON FUND**

* A diversified mutual fund
* Nurturing in common stocks chosen for potential of growth of capital and for income.
* For information and free copy of prospectus, send to
**WELLINGTON FUND**

Continued on page 22
Fund Managers Bullish
Despite Market's Slowdown

Continued from page 18

and Pioneer (12,200). United, a
unanimous favorite, was newly ac-
quired by National Investors (10,000), Ford, American, which remained one
of the popular issues, was acquired
by Putnam (5,000); Putnam (25,000),
and Fidelity (34,700). Northwest was
the only issue that made a good two
quarter. The carrier, incidentally,
was recently ordered by the CAB to
sell its Southern Pacific (50,000)
automobiles.

Beverages
Remained
Favored

In the soft drink field, Pepsi-
Cola was again actively sought.
Buyers included Eaton Howard,
and T. Rowe Price, each with 10,
000 shares; Johnston Mutual (1,
000); and Aberdeen (500). Coca-
Cola was heavily acquired by One
William Street (16,000).

Chemicals
Elicit
Good Buying

Sensitivity toward the chemical
issues showed improvement over the
previous three months. In keeping with the bet-
ner earnings displayed by the group, Good
buying was indicated in Allied; F M C Corp.; and W. R. Grace. The
same was the case for a second block share
issue, which was newly acquired by Selected
Investors (18,000); and in Illini-
"dustrians" Investors (25,000).
Making a surprising appearance
during the quarter was Olin Mathieson, which was bought by share-
holders Trust of Boston (20,
000 newly); and by Selected
Investors (11,000). Rhein Hall
Co., an OTC market issue, was
picked up by Bullock (10,000)
and disposed of by Putnam (1,
000). Tennessee Corp., merged
with Cities Service during the
quarter, and will therefore no
longer appear in our surveys.

Drug Demand
Remains
Bullish

The popularity of drug issues,
which have lagged in recent
March survey, continued to attract

to good buying in the June quarter."'Tobacco
is a universal favorite," with five
unanimous favorites, Dividend Shares (10,
000), City Life (10,000), Fidelity
(150,000); Lyondell (100,000);
and Standard Oil (35,000). Heavy buying in Public Utilities Again Increased
Continued strong fund demand
for utility shares was experienced
during the June quarter. The ex-
cceptionally good buying indicated in our previous survey continued in the following issues: AT&T; Consolidated Edison (N. Y.); and Southern California Edison showing good buying of utilities, which included the United Organization (Accumulative Dividend and Income) and Institutional Investors Mutual.

Printing and Publishing Bought

Interest in this group remained
unchanged. Best bought issues
were McGraw Hill Publishing with
new purchases made by Putnam
(20,000); Fidelity (18,000)
and Lehman (15,000). Dreyfus, heavy
in the 'buy' side in M&O John-
son with a block of 65,400 shares.
Liquid Assets vs. Security Holdings of 89 Investment Companies
With Aggregate Net Assets of $17.0 Billion (6-30-63 vs. 3-31-63)

Open-End Balanced Funds:

<table>
<thead>
<tr>
<th>Net Cash &amp; Governmental Securities</th>
<th>Net Cash &amp; Governmental Securities</th>
<th>Investment Bonds &amp; Foreign Securities</th>
<th>Common Stocks</th>
<th>Percent of Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>106,000</td>
<td>130,000</td>
<td>252,100</td>
<td>8,400</td>
<td>10%</td>
</tr>
<tr>
<td>110,000</td>
<td>150,000</td>
<td>300,000</td>
<td>12,700</td>
<td>15%</td>
</tr>
</tbody>
</table>

Open-End Stock Funds:

<table>
<thead>
<tr>
<th>Funds</th>
<th>Shares</th>
<th>Percent of Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Min.</td>
<td>Max.</td>
<td></td>
</tr>
<tr>
<td>100,000</td>
<td>150,000</td>
<td></td>
</tr>
<tr>
<td>110,000</td>
<td>160,000</td>
<td></td>
</tr>
</tbody>
</table>

Total Open-End Bal. Funds:

| Min.                               | Max.   | 30%                  |
| 400,000                            | 650,000| 30%                  |

Security Transactions by the 89 Investment Companies During April, 1963

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Date of transaction</th>
<th>Purchased</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3 Billion</td>
<td>March 31, 1963</td>
<td></td>
<td>3.9 Billion</td>
</tr>
<tr>
<td></td>
<td>March 31, 1963</td>
<td>1.3 Billion</td>
<td>3.9 Billion</td>
</tr>
</tbody>
</table>

---

*Excludes corporate short-term notes where so included by reporting fund.

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Volume 198 Number 6288 ... The Commercial and Financial Chronicle
The Commercial and Financial Chronicle  ... Thursday, August 8, 1963

Fund Managers Bullish Despite Milder Market

Continued from page 29

merger of Investment Co. of America (30,000), making new commitments.

Cosmetics Show Continued

The popularity of cosmetic issues continued to show a fair amount of interest during the June quarter, and the Investment Co. of America newly bought 19,000 shares of Beauty Counselors. One transaction in Alberto-Culver was also indicated. The issue was newly bought by General Investment Trust (2,800); Gillette continued to experience heavy selling pressure, but the issue was widely sold in the June quarter. This may be due to the fact that a competitive balance in recent innovations in shaving has yet to be introduced. Dreyfus was a heavy buyer of the issue in June of 7,000 shares. Gillette was completely eliminated by Federal Street (150,000 shares), Dreyfus Life (9,000) and Eaton Howard (3,800).

INDUSTRIES MEETING MIXED REACTION

Banks Turn Mixed

Bank stocks were bought to a lesser extent than was the case during the March quarter. Greater interest was experienced as over-all a mixed picture was presented. Good buying was indicated by Commercial Bank of America; First National City (N. Y.); and Wells Fargo; selling pressure was registered by Continental Bank of New York Trust; First National Bank of Boston; and Manufacturers Hanover Trust. This group may have been adversely influenced by the Supreme Court ruling that the leveraged bank could block bank mergers under the Clayton Anti-Trust Act.

Containers Not Robust

Another general theme appeared in our analysis during the June quarter. Continental was best bought by National Securities (45,000), while American was being eliminated by Fundamental Investors (50,000 shares) and Williams (10,000); and Fidelity, (9,000).

Food Products Present Mixed Picture

Once again an over-all mixed performance was indicated in this glockenspiel group. However, the meat packers were better bought, issues. In the case of Armour, a unanimous favorite, both Overseas Securities (1,000), Mutual Bank (4,000) made new commitments. Dreyfus bought (14,000) and Eaton Howard (6,000). Another bright spot was the attention devoted to American Biscuit. This issue was newly acquired by United Income (45,000).

Office Equipments Meet Mixed Reaction

This group presented a mixed showing during the June quarter, after being bought in the March quarter. It was continued to attract fair good buying; the issue was newly acquired by T.V. Elec...
DISTRIBUTION OF FOREIGN INVESTMENTS

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>4.3</td>
</tr>
<tr>
<td>France</td>
<td>15.1</td>
</tr>
<tr>
<td>Germany</td>
<td>24.5</td>
</tr>
<tr>
<td>Italy</td>
<td>18.8</td>
</tr>
<tr>
<td>Netherlands</td>
<td>17.1</td>
</tr>
<tr>
<td>Switzerland</td>
<td>0.6</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>11.2</td>
</tr>
</tbody>
</table>

FOREIGN ISSUES TAX PROPOSAL

Of significant interest to those investing in foreign securities was the Administration's proposal in July to impose a tax on American purchases of foreign securities as part of a program designed to help reduce the balance of payments deficit and the resulting continuous gold loss.

Originally, the plan called for a levy of 15% on most foreign stock investments and imports ranging between 24% and 15% on debt securities. This proposal came as a shock to the investment and economic community, particularly as it indicated a sharp reversal of our policy of not interfering with the free flow of capital and also partial retreat in the trade relations with other nations. Following a protest by Congress, certain new issues of Canadian securities would be exempt from the tax, but it is unlikely, too, that a real reform of exemption already granted, and others in prospect, and the true importance of such a "capital levy," it is a matter of conjecture as to how the proposal itself will fare in Congress.

One of the largest revenue bond refunding offerings in the country and the second largest issue ever sold in the State of Washington was completed with payment by representatives of a headed by Leonard & Sullivan to the Commissioners of Public Utility District No. 2 of Grant County, for $1,970,000,000 of Wanapum Hydroelectric Refunding Revenue Bonds, Series of 1963.


The Comptroller of the Currency has approved this issue for national bank investment and the bonds have been purchased by many banks, insurance companies, trust companies and individuals throughout the nation, as well as one tax-exempt bond fund.

The bonds were offered to the public on July 30 to finance the refunding of currently outstanding Grant County Wanapum Hydroelectric 4.4%, 4.40% and 4.45% revenue bonds initially sold in 1959 in the aggregate of $185,000,000 to provide funds for the construction of the Wanapum Dam and its 831,250 kilowatt hydroelectric generating plant on the Columbia River in Washington.

The refunding program will effect approximately $45,000,000 reduction in the cost of electrical output from Wanapum over the next 40 years. Wanapum has been under construction for about four years and is now 90% completed. Initial generation is expected in September and full commercial operation by January 1964.

Second Largest Revenue Bond Offering in Washington State Completed

From the Stock Exchange


Robert T. Arnold of White, Weld & Co. is Chairman of the Tennis Committee with Clifford C. Collings, Jr. and Robert McElroy as members. Richard O. Smith of Stroud & Company, Incorporated is Chairman of the Trophy Committee and John R. Weeford of American Securities Corporation, Chairman of the Trap Shooting Committee.

Mr. McCoy is associated with Wright, Wood & Co.
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:

American Iron and Steel Institute—

<table>
<thead>
<tr>
<th>Latest</th>
<th>Previous</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,702,000</td>
<td>1,600,000</td>
<td>2,050,000</td>
<td>1,978,000</td>
</tr>
</tbody>
</table>

NATIONAL ASSOCIATION OF COMMERCIAL ROADS—Finance freight forwarded (motor cars) July 24...
The Revenue freight received from connections (ts. of cars) July 24—...

COAL—

<table>
<thead>
<tr>
<th>Latest</th>
<th>Previous</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,058,000</td>
<td>4,052,000</td>
<td>4,250,000</td>
<td>4,277,000</td>
</tr>
</tbody>
</table>

Strokes at refractories, bell terminals, in tunnel, in pipe line...

ASSOCIATION OF AMERICAN RAILROADS—Revenue freight forwarded (motor cars) July 24...

Revenue freight received from connections (ts. of cars) July 24—...

DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59

FOREIGN TRADE OF THE UNITED STATES—1957-59

EDISON ELECTRIC INSTITUTE—Electricity (in Mwh):...

FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET

Iron, steel, aluminum, other.

MONTHLY REVIEW—BUSINESS—1957-59

<table>
<thead>
<tr>
<th>Latest</th>
<th>Previous</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>89,550</td>
<td>89,050</td>
<td>89,250</td>
<td>89,350</td>
</tr>
</tbody>
</table>

Dues per month (minimum of dollars)

LIFE INSURANCE BENEFITS PAYMENTS TO POLICYHOLDERS—LIFE INSURANCE—May (in thousands):

SILVER PRICE (LONDON)—July 6:

COTTON—July 6:

<table>
<thead>
<tr>
<th>Latest</th>
<th>Previous</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>53,130,000</td>
<td>52,950,000</td>
<td>52,950,000</td>
<td>52,950,000</td>
</tr>
</tbody>
</table>

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PUBLIC UTILITY SECURITIES
by OWEN ELY

Utilities & Industries Corp. is the former New York Water Service Corp., the name having been changed about 10 years ago in order to indicate the more diversified nature of the company's activities. The utility was organized in 1842, whose corporate history dated back to 1888, had owned a number of larger city water systems in addition to operating major urban and suburban sections in New York City. However, some of these properties were taken in condemnation by municipalities or public agencies, and the awards realized approximated twice the book values for regulatory purposes.

The important funds thus realized have been employed temporarily in the purchase of securities and used to acquire interests representing very wide diversification in industries and utilities, and to acquire control of the New York Water Service Corp. and the New York Water Service Corp. of Nassau County.

Increasingly, the company has purchased and held the stocks of other utilities or its own subsidiaries, with the result that the capital of the company is now composed of the equity of major utilities throughout the country. The company continues to own about 40 other companies, and all its securities are actively traded on the New York Stock Exchange, making it one of the largest interests in the utility field.

The company's strategic acquisitions have included a number of large acquisitions, including the New York Water Service Corp., the New York Water Service Corp. of Nassau County, and the New York Water Service Corp. of Suffolk County. These acquisitions have been made in order to add to the company's diversified portfolio and to increase its control over the utility industry. The company has also made a number of smaller acquisitions, including smaller utilities and service companies, which have been integrated into the company's overall strategy. Overall, the company has expanded its presence in the utility industry, diversifying its investments and increasing its control over the industry.

Utilities & Industries Corporation have a long history of serving the communities they operate in. Their focus on reliability, customer service, and environmental stewardship has been a cornerstone of their operations. The company's dedication to providing safe and sustainable water and wastewater services has helped to improve the quality of life for millions of people. As they continue to grow and evolve, Utilities & Industries Corporation will continue to be a leader in the utility industry, providing innovative solutions to meet the needs of their customers.
The promotions of Adam C. Heck and Jemze H. Lawrence to the positions of Chief Maitland National Bank, New York were announced July 28. Both men are in the Bank's Operations Department.

Also announced was the promotion of Donald A. Baidyga to Assistant Vice-President in charge of the costs and standards division of the Bank's Operations Dept.

First National City Bank, New York, and Rotterdam Bank N.V., Rotterdam, announced July 21 the conclusion of arrangements whereby the former will acquire through its subsidiary, the International Banking Corporation, a 30% interest in the Mercuriale Bank of Canada, Montreal, Canada. Until now, the Mercure Bank N.V. has been owned by the Rotterdamse Bank through its subsidiary, National Bank of Canada N.V. These arrangements are subject to the approval of the Federal Reserve Board.

The Mercure Bank, as of May 21, 1963, had capital funds of $5,000,000 and total resources of $50,651,000.

Vincent B. Potter a Vice-Presiden of Merchants Guaranty Trust Company of New York, died Aug. 1 at the age of 61. Mr. Potter started his banking career in 1917 with Guaranty Trust Company, the predecessor of Merchants Guaranty Trust.

He later became an Assistant Manager by 1929. He was elected a Vice-President in 1932.

Edna O. Craig has been elected Secretary of the Lime Savy Bank of New York, N.Y., and will head the Investment department.

The National Bank of Newark, N.J., opened its new Lincoln Park Office. Located at 1404 Passaic Avenue, the new Lincoln Park Office replaces the former location at 1605 Broad St.

The Boardwalk National Bank of Atlantic City, Atlantic City, New Jersey, changed its title to The Boardwalk National Bank.

The title of the Farmers & Mechanics National Bank of Wil¬ liamston, Williamston, Virginia, was changed to Williamston National Bank.

Anker C. Studebaker has been elected Vice-President and Controller of National City Bank, Cleveland, Ohio.

Shareholders of Continental Illinois National Bank and Trust Company, Chicago, III., on Aug. 5 voted to approve a four-for-one stock split and a stock option plan for key personnel at a special meeting of the Bank's sharehold¬ ers room.

The split, approved by the Comptroller of the Currency, was accomplished through a simulta¬ neous change in par value of the common stock and a 20% stock dividend.

At the four-for-one stock split basis, the par value was changed from $33 1/2 to $10, resulting in an increased number of outstanding shares, with the stock dividend producing the additional two-for-one stock split.

These changes increased the number of outstanding shares from 472,500 to 12,880,000. Outstanding capital was increased by a return of $3,150,000 increase from transfers from the surplus and undivided profits accounts.

Stockholders also approved the stock option plan for key em¬ ployees, involving a maximum of 10,000 of the new $10 par value stock, with any option granted not be more than the fair market value of its present management at the time the option is granted.

The Bank announced that new certificates of its stock split will be mailed to shareholders about Aug. 16.

The First Hennepin State Bank, Minneapolis, Minn., elected James D. Cullom, Jr., Chairman of the Board, and Ralph V. Hagen, Vice-President of First National Bank of Minneapolis, Minn.

The Comptroller of the Currency James J. Saxon on Aug. 1 an¬ nounced preliminary approval of the application to organize a new National Bank in Minnesota, at Cloquet, with the title "City Na¬ tional Bank of Cloquet," with an initial capitalization of $500,000.

The Planters National Bank & Trust Company of Rocky Mount, N.C., changed its title to The Planters National Bank and Trust Company.

The Comptroller, approved on Aug. 1 the conversion of Johnston County Bank, Smithfield, N.C., into a National Banking Association. The Bank will be operated by its present management under the title "First National Bank of Smithfield."

The capital structure for the converted Bank remains the same: $236,575.19.

The Comptroller on July 31 ap¬ proved the conversion of North Miami Beach, Fla., into a National Banking Association. The Bank will be operated by its present management under the title City National Bank of Miami Beach.

The capital structure for the converted Bank remains the same: $2,347,404.01.

The Comptroller of the Currency James J. Saxon on July 31 an¬ nounced preliminary approval of the application of a group of Chicagoans to open a new National Bank in Clearwater, Fla.

The proposed title is third City National Bank in Clearwater, Fla. Initial capitalization is $400,000.

The Comptroller of the Currency James J. Saxon on Aug. 1 an¬ nounced preliminary approval of the application of a group to organize a Second City National Bank in Clearwater, Fla., at Clearwater, with the title Second City National Bank in Clearwater, with an initial capitaliza¬ tion of $500,000.

The Comptroller of the Currency James J. Saxon on Aug. 1 an¬ nounced preliminary approval of the application of a group to organize a National Bank in Huntsville, Ala.

Initial capitalization of the new Bank will amount to $800,000, and it will be operated under the title First National Bank of Huntviie.

The Comptroller of the Currency James J. Saxon on Aug. 1 an¬ nounced preliminary approval of the application of a group to organize a National Bank in Texas, at Lub¬ lock, with the title Security Na¬ tional Bank, with an initial capitalization of $500,000.

The Comptroller of the Currency James J. Saxon on July 31 an¬ nounced preliminary approval of the application of a group to or¬ ganize a National Bank in Colorado, at Denver, with the title National Bank of Denver, with an initial capitalization of $500,000.

The Comptroller of the Currency James J. Saxon on July 25 an¬ nounced preliminary approval of the application of a group to organize a National Bank in Colorado, at Denver, with an initial capitalization of $500,000.

The opening of a representative office in Caracas to facilitate client relationship with new clients, was announced Aug. 5 by Bank of America, N. A.

In charge of the new office will be Chester M. Torres.

The first office is located in the Edificio Banco Industrial de Venezuela at University Avenue and Trapano.


Donald W. Henney, Vice-President and head of Security First National Bank, Los Angeles, Calif., has retired (effective July 31) after more than 37 years of service with the Bank.

Starting with Security as a clerk, he rose through the ranks, to Assistant Vice-President in 1936 and an Assistant Vice-President in 1945. He was named Vice-President in charge of central transit in 1951.

Joseph R. Jones, also retired from Security, began his career of more than 46 years—36 of which were spent with Security—on July 1, 1927.

Mr. Jones, who has been associated with the Bank's real estate department, has been named Vice-President and Senior Loan Administrator.

He joined in his banking career as a clerk with the First National Bank of Alhambra in 1917. He became a predecessor Bank of Security in 1927 and was promoted to Vice-President in 1943.

The First Western Bank & Trust Co., Los Angeles, Calif., elected Robert A. Baillie, a Vice-President, to the Board of Directors in the business development and advertising and public relations departments.

The Fidelity Bank, Beverly Hills, Calif., made Eugene Bowner a Vice-President and Senior Loan Officer.

The Comptroller of the Currency James J. Saxon announced July 22 that he has given preliminary approval to organize a National Bank in El Segundo, Calif.

Initial capitalization of the new Bank will amount to $2,000,000, and it will be operated under the title, Gateway National Bank.

The Comptroller of the Currency James J. Saxon on July 22 announced preliminary approval of the application to organize a new National Bank in El Segundo, Calif.

At Anaheim (in the vicinity of Orange) arrangements for the title, First National Bank of Anaheim, with an initial capitalization of $1,000,000, have been announced.

The Comptroller of the Currency James J. Saxon on Aug. 1 announced preliminary approval of the application of a group to organize a new National Bank in Florida.

The Comptroller of the Currency James J. Saxon on Aug. 1 announced preliminary approval of the application of a group to organize a National Bank in Washington, at Edmonds, with the title, American National Bank, with an initial capitalization of $200,000.

The First National Bank of Carter.
United Aircraft Rights Offering To Stockholders

United Aircraft Corp. is offering to common stockholders the right to subscribe for shares of $4.50 cumulative debentures due Aug. 15, 1988, at the rate of one share for each 15 shares of common stock held on record as of Aug. 4, 1983. The subscription price is $100.

The debentures are convertible into common stock on or prior to Aug. 15, 1973, unless previously redeemed, at a conversion rate of two shares of common stock for each $40 principal amount of debentures, a rate equivalent to a conversion price of $20 a share. The debentures will mature Aug. 4, 1983.

Tulane Tax Inst. In September

NEW ORLEANS, La.—The Thirteenth Annual Tulane Tax Insti¬tute will be held at the University's West Bank campus on Sept. 19-20, 1963, at the University Center here at Tulane. Judge John Minor of the United States Court of Appeals for the Fifth Circuit will preside over all major sessions of the Institute.

During luncheon the speakers for each day's meeting will hold informal quiz sessions in separate dining rooms during the buffet-style luncheon. Registrants may meet with the speaker of their choice.

Two Workshop Sessions will be held each day from 1:30 to 2:15 p.m.

The registration fee of $75 covers all sessions of the Institute as well as all meals and refreshments. One day registration fee is $30.00.

Selected Financial

KANSAS CITY, Mo.—Selected Financial Plans, Inc. has been formed with offices at 10112 Baltimore Avenue to engage in a secu¬rities business. Officers are Ed¬ward D. McDonald, President; Arthur W. Stoenner, Treasurer, and Robert J. Zerach, Secretary. Elmer W. Paully is a director. All were with Prescott, Wright, Snell¬er Co.

for the three months ending June 30, 1963.

The Fund's first report was sent in June 30, 1962. Since then, these reports have noted much of the same. The shortening of the booming 20s, the early depression 30s, economic recovery, 40s and the growth of alternating business recession and growth that followed. In the current report, William A. Parker (a founder of the Fund) and President Charles Dennis put in their third full-year for the year—the aftermath of the May-June market break.

Last year at this time, the economy seemed to be in serious trouble, but the severe mar¬ket drop. Now, feeling in the investment community has consid¬erably brightened.

Reflecting this general move¬ment, Incorporated Investors closed the quarter on June 30 with total net assets of $266,033,728 and a net asset value per share of $70.00. These figures com¬pare respectively with $235,226,224 and $61.01 on March 31, 1962. After adjusting for the 2% capital gain paid during 1962, the net asset value per share is $72.80 or a gain of 21%.

Portfolio changes during the quarter are designed to reflect the consolidation described in Incorporated Investors' Quarter¬ly Report issued in June 1962, "to achieve greater concentration in those companies we believe are undervalued.

Further increases were made in the financial holdings as well as in the aluminum, chemical, con¬sumer product and utility indus¬tries. No new securities were added. Securities decreased were American Potash & Chemical Corp., Campbell Soup Co., Plough, Inc., Stearns & Lloyds, Ltd. and Wachovia Bank & Trust Co.; those decreased more than 5% were Gulf Oil Corp., Gulf Oil Corp., Johns-Man¬ville Corp., New York Air Brake Co., The Pennsylvania Steel Corp. and U. S. Steel Corp.

Incorporated Investors, along with Incorporated Investors Fund, is managed by The Parker Corpo¬ration. Founded in 1923, The Parker Corporation stock only re¬presents more than $20,000,000 for over 100,000 investors.

Smith, Barney Co. Appoints R. B. Markus

SAN FRANCISCO, Calif.—Richard B. Markus has been ap¬pointed sales manager of the San Fran¬cisco office of Smith, Barney & Co., 131 Montgomery Street.
As We See It

Continued from page 1

What Lies Behind the Rail Merger Moratorium?

Continued from page 3

Continued from page 1

sweet reasonableness there exists or seems to exist in the Kremlin. If both Russia and the United States can find a way safely to reduce armaments substanti-

ally in the years just ahead, both countries and the people thereof would be immeasurably benefited.

And China, Too

Some of the enlightenment that the United States can have in its dealings with the other Communist countries is probably due to the fact that

these governments are faced with so many problems that they are by no means content to assume that their complete isolation from the

rest of the world is the right policy. The Soviet government, for example, was forced to look at the realities of the world in which we all live,

and they have made a number of moves, both financial and political, which would have been impossible a few years ago. They have even

agreed to allow foreign companies to invest in their country, and they have opened up trade with several countries, including the United States.

A Change of Heart

The real big question in all of these is whether the Kremlin has now reached the conclusion that it is to its advantage to give the term

"peaceful co-existence" real meaning in terms of everyday life. If so there is real cause for optimism. While the Russians are still an "enigma"

or a "mystery" to us, certainly we make no claim to the possession of any key to their mental processes—there are some signs that maybe, just maybe, there is some sort of change of heart in the Kremlin.

It would appear at least on the surface that the Russian rulers are now convinced that they have not outstripped the United States in the

development or production of lethal armament, and that there is nothing they are at present able to do. They do have enough, however, in all probability to lead them to the conclusion that there is nothing to be gained by trying to ram communism down the throat of the rest of the world with bayonets or bullets.

We hear little these days about being buried under an avalanche of Russian industrial production. Mr. Krushchev himself has been

convincing us that it is not in the economic sphere that capitalism must be outdone and outmatched. He may well still hold that idea, but it must be clearer to him now than some years ago, and to all the others in the Kremlin, that the task thus imposed upon Russian workers and Russian technology is a much harder one than he had supposed and a much longer time consuming task.

If current reports insistently coming out of Russia and the satellite countries are even in substantial part to be believed, there may

be solutions to many more pressing and immediate problems in the economic sphere—everything from deciding how to melt down a

divine economy of barter to dreaming about any far-off future. And the world may judge in some measure that this is one of the factors

responsible for whatever understanding with Russia, such as those now being suggested — and they actually worked out — the saving to the people of the United States of the world for that matter would be almost beyond calculation. Even if all this appears to be pie-in-the-sky, "ideal possibilities are at least worth consideration and exploration.

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development or production of lethal armament, and that there is nothing they are at present able to do. They do have enough, however, in all probability to lead them to the conclusion that there is nothing to be gained by trying to ram communism down the throat of the rest of the world with bayonets or bullets.

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convincing us that it is not in the economic sphere that capitalism must be outdone and outmatched. He may well still hold that idea, but it must be clearer to him now than some years ago, and to all the others in the Kremlin, that the task thus imposed upon Russian workers and Russian technology is a much harder one than he had supposed and a much longer time consuming task.

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divine economy of barter to dreaming about any far-off future. And the world may judge in some measure that this is one of the factors

responsible for whatever
Denies Mergers Exclude The Weak Rails

Another loaded question is, can the big, profitable carriers and the big, unprofitable ones be, or should they be, in competition? The answer, of course, is the big, profitable carriers and the big, unprofitable ones need to be in competition. The real question to be asked is: can the big, profitable carriers and the big, unprofitable ones be, or should they be, in competition? The answer, of course, is the big, profitable carriers and the big, unprofitable ones need to be in competition.

Financial Distress Is Documented

When, then, are we occasionally making the assertion that the railroad merger proposals of the last several years are not competitive in the sense that they will not affect competition? The answer is that the railroad merger proposals of the last several years are not competitive in the sense that they will not affect competition. The answer is that the railroad merger proposals of the last several years are not competitive in the sense that they will not affect competition.

The most significant competitive element in all of transport, however, is the competitive force that comes from the public. A year ago, 95% of all passenger travel between American cities was by private automobiles. Likewise, shippers are more and more hailing their own products over railroad lines with nearly as much now moving by rail as by road. Though railroads are but a small fraction of the nation's economy, as a railroader, I must tell you that the railroader is a competitive force that comes from the public. A year ago, 95% of all passenger travel between American cities was by private automobiles. Likewise, shippers are more and more hailing their own products over railroad lines with nearly as much now moving by rail as by road. Though railroads are but a small fraction of the nation's economy, as a railroader, I must tell you that the railroader is a competitive force that comes from the public. A year ago, 95% of all passenger travel between American cities was by private automobiles. Likewise, shippers are more and more hailing their own products over railroad lines with nearly as much now moving by rail as by road. Though railroads are but a small fraction of the nation's economy, as a railroader, I must tell you that the railroader is a competitive force that comes from the public. A year ago, 95% of all passenger travel between American cities was by private automobiles. Likewise, shippers are more and more hailing their own products over railroad lines with nearly as much now moving by rail as by road. Though railroads are but a small fraction of the nation's economy, as a railroader, I must tell you that the railroader is a competitive force that comes from the public. A year ago, 95% of all passenger travel between American cities was by private automobiles. Likewise, shippers are more and more hailing their own products over railroad lines with nearly as much now moving by rail as by road. Though railroads are but a small fraction of the nation's economy, as a railroader, I must tell you that the railroader is a competitive force that comes from the public. A year ago, 95% of all passenger travel between American cities was by private automobiles. Likewise, shippers are more and more hailing their own products over railroad lines with nearly as much now moving by rail as by road. Though railroads are but a small fraction of the nation's economy, as a railroader, I must tell you that the railroader is a competitive force that comes from the public. A year ago, 95% of all passenger travel between American cities was by private automobiles. Likewise, shippers are more and more hailing their own products over railroad lines with nearly as much now moving by rail as by road. Though railroads are but a small fraction of the nation's economy, as a railroader, I must tell you that the railroader is a competitive force that comes from the public. A year ago, 95% of all passenger travel between American cities was by private automobiles. Likewise, shippers are more and more hailing their own products over railroad lines with nearly as much now moving by rail as by road. Though railroads are but a small fraction of the nation's economy, as a railroader, I must tell you that the railroader is a competitive force that comes from the public. A year ago, 95% of all passenger travel between American cities was by private automobiles. Likewise, shippers are more and more hailing their own products over railroad lines with nearly as much now moving by rail as by road. Though railroads are but a small fraction of the nation's economy, as a railroader, I must tell you that the railroader is a competitive force that comes from the public.
Securities Now in Registration

NOTE — Registration statements filed with the SEC since the last issue of the "Chronicle" are listed below. Dates given are the day immediately 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 expiration of the registration hour but not necessarily the date of a general, firm offering dates.

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

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Airway Hotels, Inc.

Allegheny Venture Corp.

Amerel Mining Co., Ltd.

Atlantic International Corp. (8-26-61)

Atlantic Finance Co., Inc. (9-16-61)

Atlantic Management Co.

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.

TRADING MARKETS in over-the-counter securities

...specializing in all NEW ISSUES</p>

Dri-Zit Corp. May 19, 1963, filed 130,000 shares. Price—$2.50. Business—Manufacturer of drieriit (a home product used to absorb odors and moisture); a cleaner for oven and barbecue 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.


Eagle's Nest Mountain Industries, Inc. June 26, 1963 filed 400,000 of 8% subord. conv. deb. due 1983; also 400,000, 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—$30 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. Offering—1962 South Atlantic Ave., Dayton Beach, Fla. Underwriter—Alpha Investment Securities, Inc., Tampa, Fla.


Horse Man Life Insurance Co.


Investors Inter-Continental Fund, Inc.

July 12, 1963 filed 17,500,000 common of which 9,000 are to be offered by company and 12,000 by stockholders.

Israfund Israel Derivatives Fund, Inc.

Aug. 29, 1963 filed 2,500,000 common of which attached warrants.

Israel American Derivatives Fund, Inc.

July 11, 1963 filed 500,000 common.

Israel Fund, Inc.

July 10, 1963 filed 500,000 common.

Jaan Penrat Associates, Inc.

Jan. 26, 1963 filed 100,000 common—Price—$3. Business—Industrial designing, the design of teaching machines and the production of loanable funds.

Janus Fund, Inc.

Apr 10, 1963 filed 500,000 capital shares.

Juniperr Spur Ranch, Inc. (8/19-23)

May 27, 1963 ("Reg. A") 300,000 common.

Key Finance Corp.


Kraft (John) Sesame Corp.

May 16, 1963 filed 60,000 common of which 40,000 are to be offered by Johns A. G. of California, Inc. and 20,000 by shareholders.

Krasnow Industries, Inc.

June 28, 1963 filed 125,000 common. Price—By amendment (max. $3.63). Proceeds—For expansion, expansion and working capital.

Kraft (John) Sesame Corp.

May 26, 1963 filed 60,000 common of which 40,000 are to be offered by Johns A. G. of California, Inc. and 20,000 by shareholders.

Krasnow Industries, Inc.

June 28, 1963 filed 125,000 common. Price—By amendment (max. $3.63). Proceeds—For expansion, expansion and working capital.

Mann Inter-Continental Investors, Inc.

July 21, 1963 filed 500,000 common of which 500,000 are to be offered by company and 25,000 by shareholders.

Marcian 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 on a test basis to new investors.

Medicaid Corp.


Medical Video Corp.


Midwest Technical Development Corp.

Feb. 28, 1963 filed 561,000 common to be offered for subscription by stockholders.

First National Bank of Minneapolis.

Underwriter—None.
Federal Reserve Bank of St. Louis

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New 6, 1962

July—For Jam Bonifant

N. W.

Business—Company.

Potomac

States

1962

repayment, sales promotion and

production

Proceeds—For loan repayment and general corporate purposes.

Offer—26, 1963 (max. 4%).

and

Offering—Indefinite.

Richmond Corp.


Rolling Mills, Inc.

Sec. 22, 1963 filed 312,500 common. Price—by amendment (max. $12). Business—Manufacture of steel bars, structural shapes and other fabricated steel products. Proceeds—For debt repayment, equipment and other corporate purposes. Office—120 Broad St., N. Y. Underwriter—To be named.

Royalton Photo Corp.

Nov. 29, 1961 filed 300,000 common, of which 100,000 are to be offered to the public. Proceeds—For office trailers and other equipment and working capital. Office—655 Madison Ave., New York, N. Y. Underwriter—None.

Russet Mills, Inc.


Selective Finance Corp.


Shaker Properties


Stein Roe & Farnham Foreign Fund, Inc.


Sutro Mortgage Investment Trust

Feb. 1, 1963 filed 30,000 shares of beneficial interest. Price—by amendment and Indefinite.

Sutro Trust Co.

Feb. 1, 1963 filed 30,000 shares of beneficial interest. Price—by amendment and 

Sutecor Industries, Inc.


Surplus Steel Corp.


Teaching Machines, Inc. (8:26-30)


Theurmes Investment Co., Inc.


Top Dollar Stores, Inc.

May 1, 1963 filed 200,000 common, of which 100,000 are to be offered to the public. Price—$4. Business—Operations of a chain of self-service drug stores. Proceeds—For expansion, equipment and working capital, due 1972 to be offered for subscription by stockholders on an unlimited basis. Price—At par. Business—A holding company for United Investors Fund Corp. (a master dealer, which sells mutual funds) and United Capital Life Insurance Co. of Minnesota. Proceeds—to invest in United Investors Life Insurance Co. of Minnesota. Address—1200 First National Bank Bldg, Des Moines, Iowa. Underwriter—None.

Transarizona Resources, Inc.

May 10, 1963 filed 150,000 common. Price—by amendment (max. $5). Business—A company to engage in the business of purchasing consumer loans on individual credit and installment obligations. Proceeds—For loan repayment. Underwriter—None.

TransPacific Group, Inc.

July 29, 1963 filed 150,000 common. Price—by amendment (max. $5). Business—A company to engage in the business of purchasing consumer loans on individual credit and installment obligations. Proceeds—For loan repayment. Underwriter—None.

United Aircraft Corp.


United Capital Life Insurance Co.

The United States Co.


United Saran & Plastic Corp. Ltd.


United States Steel Corp.


United States Steel Corp.


Valley Investors, Inc.


Waterman Steamship Co.


Wyoming Investment Co., Inc.


Yale & Towne Mfg. Co.

**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."
Consolidated Edison Co. of New York, Inc.

May 22, 1963 the company stated that it will have to raise approximately $13,000,000 to finance new securities, to finance its five-year construction program. In addition, the company announced plans to sell $20,000,000 of preferred mortgage bonds and $30,000,000 of preferred mortgage bonds for 1964.

July 3, 1963 the company announced that it plans to sell $15,000,000 of preferred mortgage bonds and $30,000,000 of preferred mortgage bonds for 1964.

Hawaii Electric Light Co.

April 30, 1963 the company announced plans to sell $15,000,000 of preferred mortgage bonds and $30,000,000 of preferred mortgage bonds for 1964.

International Milling Co.

July 3, 1963 the company announced that it expects to file a registration statement covering its first public offering of $26,000,000 of common stock. The company plans to use the proceeds from the sale of the common stock to finance its operations in five countries.

Jersey Central Power & Light Co.

July 12, 1963 the company announced that it expects to sell $18,000,000 of mortgage bonds due 1990. Proceeds—For general purpose.

Louisiana Power & Light Co.

Feb. 20, 1963 the company reported that this subsidiary of The Southern Co. has sold $10,000,000 of first mortgage bonds and $7,000,000 of preferred stock in November. Proceeds—For general purpose.

Massachusetts Electric Co.

July 29, 1963 it was reported that the company plans to sell $10,000,000 of bonds in the fourth quarter. Underwriters—Kuhn, Loeb & Co., Incorporated.

Nebraska Power Co.

July 3, 1963 the company announced plans to sell $15,000,000 of preferred mortgage bonds and $30,000,000 of preferred mortgage bonds for 1964.

New York State Electric & Gas Corp.

April 3, 1963 the company announced plans to sell $20,000,000 of debenture securities to finance its construction and expansion program.

Norfolk & Western RR (9/9)

July 2, 1963 it was reported that this road has scheduled the sale of about $8,000,000 of 1-15 year equipment trust certificates for September. Offerees—North Jefferson St., Roanoke, Va., Underwriters—Competitive. Probable bidders: Halsey, Stuart & Co.; Smith, Foner & Smith, Inc. (jointly); Blyth & Co. (jointly).

Northern Pacific Ry. (12/10)

July 10, 1963 the company announced plans to sell $4,000,000 of equipment trust certificates in December. Proceeds—For construction.

Plant Telephone & Telegraph Co.

July 12, 1963 it was reported that the company plans to sell $95,000,000 of equipment trust certificates to cover its 1964 expansion program. Proceeds—For construction.

Piedmont Natural Gas Co., Inc.

July 22, 1963 the company announced plans to offer for sale about $140,000 common shares on a 1-for-10 basis. Proceeds—For construction.

Power Corporation of New York, Inc.

Jan. 16, 1963 it was reported that the company plans to sell $10,000,000 of bonds in the first half of 1964. Offerees—Bailard, St. Louis, Mo. Underwriters—Competitive. Probable bidders: Halsey, Stuart & Co.; Smith, Foner & Smith, Inc. (jointly); Blyth & Co. (jointly).
ASE Automatic Quote System

American Stock Exchange President Edwin D. Ethridge reported at a meeting with officials from the New York Stock Exchange who were proceeding with plans to list on the New York Stock Exchange. Ethridge, who is the chairman of the New York Stock Exchange, said that listing would be approved by the Securities and Exchange Commission on Wednesday. The new system would be available by the end of the first quarter of 1964. Ethridge said that the new system would be a "tidal gauge" for the New York Stock Exchange.

Southern States Gas Co. of Calif.
Jan. 2, 1963 it was reported that this subsidiary of Pacific Southern Gas Corp., plans to sell $80,000,000 worth of debentures and $10,000,000 of Preferred stock.

Southern Pacific Co. (9/4)

Southern Railway Co. (9/5)
Aug. 29, 1963 it was reported that the company plans to sell $40,000,000 of equipment trust certificates in October. This is the first installment of a proposed $12,400,000 offering. Probable Underwriters—(Competitive): Probable bidders: First Boston Corp.; Eastman Dillon, Union Securities & Co.—Salomon Brothers & Hultzer (jointly); Halsey, Stuart & Co.; Kidder, Peabody & Co.—White, Weld & Co. (jointly). Bids—Sept. 5 (12 noon EST) at 70 Pine St., New York.

Southern Railway Co. (10/29)
Aug. 29, 1963 it was announced that the company plans to sell $60,000,000 of equipment trust certificates in October. This is the second installment of a proposed $12,400,000 offering. Probable Underwriters—(Competitive): Probable bidders: First Boston Corp.; Eastman Dillon, Union Securities & Co.—Salomon Brothers & Hultzer (jointly); Halsey, Stuart & Co.; Kidder, Peabody & Co.—White, Weld & Co. (jointly). Bids—Oct. 29 (12 noon EST) at 70 Pine St., New York.

Tokyo (City of)
May 6, 1963 it was reported that the Diet had authorized the sale of $20,000,000 of City of Tokyo bonds in the U.S. during the fiscal year ending March 31, 1964. Underwriters—(Competitive): Probable bidders: Kidder, Peabody & Co.—White, Weld & Co. (jointly); Halsey, Stuart & Co.—Kidder, Peabody & Co. (jointly); Bids—Sept. 29 (12 noon EST) at 70 Pine St., New York.

Transcontinental Gas Pipe Line Co.
May 6, 1963 it was reported that the company plans to sell $150,000,000 worth of debentures in the first quarter of 1964, but may do so earlier if market conditions warrant. Proceeds—For expansion. Office—315 Travis St., Houston. Underwriters—Salomon Brothers & Co., Inc., and Bum & Co. Underwriters—N.Y.

Union Electric Co.
March 19, 1963 it was reported that the company plans to sell $30,000,000 of preferred stock and $10,000,000 of bonds in the second quarter of 1963. Underwriters—(Non-competitive): Probable bidders: Halsey, Stuart & Co.—White, Weld & Co. (jointly); Kidder, Peabody & Co.—White, Weld & Co. (jointly); Blyth & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Brothers & Co.—Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co.—Kidder, Peabody & Co. (jointly); First Boston Corp.—Blyth & Co. (jointly); Kidder, Peabody & Co.—Eastman Dillon, Union Securities & Co.—Salomon Brothers & Co.—Kidder, Peabody & Co.—White, Weld & Co. (jointly). Bids—Sept. 5 (12 noon EST) at 70 Pine St., New York.

Union Trust Co.
March 19, 1963 it was reported that the company plans to sell $30,000,000 of securities, probably first mortgage bonds, in the second quarter of 1963. Underwriters—(Competitive): Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co.—Eastman Dillon, Union Securities & Co.—Merrill Lynch, Pierce, Fenner & Smith Inc.—Kidder, Peabody & Co.—White, Weld & Co. (jointly). Bids—Oct. 29 (12 noon EST) at 70 Pine St., New York.

Union National Trust & Savings Bank
July 29, 1963 it was reported that the company plans to sell $20,000,000 of bonds and $10,000,000 of preferred stock in the second quarter of 1964. Office—1407 West North Avenue, Chicago. Underwriters—(Competitive): Probable bidders: Salomon Brothers & Co.—Halsey, Stuart & Co.—White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.—Kidder, Peabody & Co.—Eastman Dillon, Union Securities & Co.—Merrill Lynch, Pierce, Fenner & Smith Inc.—Kidder, Peabody & Co.—White, Weld & Co. (jointly); Blyth & Co. Inc.; Securities & Webster Securities Corp. Bids—Expected Dec. 10. Information Management—(11 a.m. EST) at One Chase Manhattan Plaza, New York.

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., Washington, D.C. Underwriters—(Competitive): Probable bidders: Kidder, Peabody & Co.—Eastman Dillon, Union Securities & Co.—Equitable Securities Corp.—Kidder, Peabody & Co.—First Boston Corp.; Halsey, Stuart & Co. Inc.

Western Transmission Corp.
April 7, 1963 it was reported that this newly-formed company will issue a $5,000,000 of notes with a registration statement covering an underdetermined number of certificates, in both New York and Chicago. Probable Underwriters—(Competitive): Probable bidders: Kidder, Peabody & Co.—White, Weld & Co. (jointly); First Boston Corp.—Blyth & Co. (jointly); Kidder, Peabody & Co.—Eastman Dillon, Union Securities & Co.—Kidder, Peabody & Co.—White, Weld & Co. (jointly); Blyth & Co. Inc.; Kidder, Peabody & Co.—Eastman Dillon, Union Securities & Co.—Salomon Brothers & Co.—Hultzer (jointly); Lehman Brothers, New York.

Wisconsin Public Service Corp. (10/8)
March 19, 1963 it was reported that this company plans to sell $10,000,000 of preferred stock in the third quarter of 1963. Office—129 North Marshall St., Milwaukee. Underwriters—(Competitive): Probable bidders: Kidder, Peabody & Co.—White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.—Salomon Brothers & Co.—Hultzer (jointly); First Boston Corp.; White, Weld & Co. (jointly); Kidder, Peabody & Co.—Bids—Expected Oct. 8.

Yale Express System, Inc. (8/19-23)
July 29, 1963 it was reported that this company has filed an application with the ICC for permission to sell $3,300,000 of convertible subordinated debentures and $400,000 of preferred stock. Applications for subsidiary electric services and another $1,200,000 of preferred stock will be filed at a later date. Applications for subsidiary motor service will be filed in the near future. Applications for subsidiary trucking, etc. Proceeds—For loan repayment. Underwriters—White, Weld & Co. Inc.; Eastman Dillon, Union Securities & Co.; and Hemphill, Noyes & Co., New York.
Encouraging Factors Easing World Dollar Pressures

Continued from page 10

gold used by the United States. These may be repre-
ented in foreign currencies, and drawings under swap arrange-
ments with the Swiss National Bank and other leading banks.

It is quite possible that the Federal Reserve Bank of St. Louis, in
the new account, will be able to sell gold at a price in the London gold
market, at least comparable to the United States gold price. In
the event that the Federal Reserve Bank of St. Louis is able to
sell gold at a price in the London gold market, at least comparable to
the United States gold price, it is possible that the Federal Reserve Bank of St. Louis may be able to sell gold at a price in the London gold
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market, at least comparable to the United States gold price. In
the event that the Federal Reserve Bank of St. Louis is able to
sell gold at a price in the London gold market, at least comparable to
the United States gold price, it is possible that the Federal Reserve Bank of St. Louis may be able to sell gold at a price in the London gold
market, at least comparable to the United States gold price.
STATE OF TRADE AND INDUSTRY

Continued from page 16

net profits in the second quarter doubled that of the first quarter; profit before income and taxes jumped to 63% from the first quarter's 4% and were almost double the levels of the second quarter of last year.

Contributing to the improvements in earnings was a 28% increase in the company's sales, primarily on the strength of demand; in addition, the company's gross margin increased 27% in the dollar volume of sales over the first quarter's 5%. Also significant was a 12% increase in the company's operating expenses, largely a result of higher wages and interest costs.

Second quarter earnings are all the more impressive considering that steel employment costs continued to climb and that operations, including increased overhead amounts set aside for depreciation and depletion under the new guidelines for tax purposes.

So far in the third quarter, industrial activity in the eastern and the Midwest have matched the fast pace set in the second quarter, mirroring the growth in national output. The index of industrial production which is only 2% under the 1963 high.

That business is better than expected is also reflected in Steel and Steel Institute production figures compiled on the component inventories. Respondents indicate that inventories will take three months' production, which is seven weeks longer than steel is used in the industry. The outlook is for the inventory level to rise by 19% in the next six months. The report, which is based on samples of 5 companies, indicates that inventories will rise by 23% in the next six months.

Steel's 4% Decline Marks Nort Drop in Past Ten Weeks But Cumulative Decline 13.4% Above 1963 Period

According to data compiled by the American Iron and Steel Institute, production for the week ended Aug. 3 was 1,782,000 tons (98.7%) of the year's 1,817,000 ton capacity (99.0%), in the July 27 ending week. The 1963 weekly output dropped 4% and in the ten-weeks ending July 27 the weekly output slipped 4% below the recent high.

The index of industrial production for the week was 100.0 based on 1959-59 base year period, which is 7% above the Jan.-Aug. 1962 production of 1,653,000 net tons.

Car and Truck Output Reached All-Time High in July

Combined car and truck production for the week ended July reached an all-time record for the month, Ward's Automatic weekly index shows an increase of 15,000 units above the corresponding period of 1962, and 11,000 units above the corresponding period in 1961. There were 61 class 1 railroad and 110 foreign-carrier railroads reporting weekly shipments in car and truck production, which exceeded 1,650,000 units. This is an increase of more than 1,650,000 units above the corresponding period in 1961. There were 61 class 1 railroad and 110 foreign-carrier railroads reporting weekly shipments in car and truck production, which exceeded 1,650,000 units. This is an increase of more than 1,650,000 units above the corresponding period in 1961.

InterCity Truck Tonage Volume

Aegis Tops 1963 Week

Intercity truck volume in the week ended July 27 was 4.1 million tons, up 1.9% from the corresponding period of 1962, the American Trucking Associations report.

The 4.1 million tons of truck traffic represents an increase of 2.0 million tons over the corresponding period of 1961.

Settlement of a Local Labor Dispute at a number of Western States, and reports of week increases for Denver, Portland, and San Francisco, These marks this week.

These findings are based on the weekly survey of 24 metropolitan areas conducted by the ATA Department of Inter-Communications Data.

Lumber Production Down 16.4% From 1963 Level

Lumber production in the country totalled 194,405,000 board feet in the week ended July 27, according to reports received from regional lumber associations.

Comparing with 1962 levels, lumber production fell 18.5%, shipments dropped 14.6% and new orders fell 9.2%.

Following are the figures for the corresponding weeks indicated:

<table>
<thead>
<tr>
<th>District</th>
<th>1963 Production</th>
<th>1962 Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago</td>
<td>108,900,000</td>
<td>108,900,000</td>
</tr>
<tr>
<td>Cleveland</td>
<td>70,300,000</td>
<td>70,300,000</td>
</tr>
<tr>
<td>St. Louis</td>
<td>60,800,000</td>
<td>60,800,000</td>
</tr>
<tr>
<td>New York</td>
<td>70,300,000</td>
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<tr>
<td>Boston</td>
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<td>Seattle</td>
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</tr>
<tr>
<td>Portland</td>
<td>20,000,000</td>
<td>20,000,000</td>
</tr>
<tr>
<td>Denver</td>
<td>15,000,000</td>
<td>15,000,000</td>
</tr>
<tr>
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<td>10,000,000</td>
</tr>
<tr>
<td>Portland</td>
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</tr>
<tr>
<td>Seattle</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Total</td>
<td>300,000,000</td>
<td>300,000,000</td>
</tr>
</tbody>
</table>

Carloadings Show Gain of 5.5% Over 1962 Week

Loading of revenue freight in the week ended July 27, reached 600,850 cars, the Association of American Railroads announced Aug. 1. This was an increase of 12,157 cars or 2.2% above the corresponding period of 1962.

The loadings represented an increase of 33,719 cars or 5.9% above the corresponding period of 1962, and an increase of 9,549 cars or 1.6% above the corresponding period of 1961.

Tons-miles generated by carloadings in the week ended July 27 stood at 307,710,000, approx. 12.8 billion, an increase of 10.7% over the corre¬ sponding period of 1962 and 12.0% over the same period of 1961.

There were 15,000 cars reported in the week ended July 27, with 14,000 of them being revenue freight cars (75% of which were reported in the week's over-all total). This was an increase of 1,823 cars or 12.8% above the corresponding period of 1962 and 4,212 cars or 39.0% above the year ago period.

Cumulative piggyback loadings for the first 29 weeks of 1963 were 433,000 cars, an increase of 30,700 cars or 13.3% above the corresponding period of 1962, and 11,000 cars above the corresponding period in 1961. There were 61 class 1 railroad and 110 foreign-carrier railroads reporting weekly shipments in car and truck production, which exceeded 1,650,000 units. This is an increase of more than 1,650,000 units above the corresponding period in 1961.

The loadings represented an increase of 33,719 cars or 5.9% above the corresponding period of 1962, and an increase of 9,549 cars or 1.6% above the corre¬ sponding period of 1961.

Downsizing in Business Failures

Following an erratic pattern of weekly ups and downs, the number of weekly business failures dropped back to 238 in the week ended Aug. 1 after an upturn to 263 in the previous week. Dun & Bradstreet, Inc. reported that 629 failures were reported for the week ended Aug. 1, after having reported 623 for the week ended July 25. As a result, the failure rate for the year-to-date remains at 0.11%.

Retail Buying Wills in Heat But Still Tops Year Ago

With shopping zest willing in extreme heat and humidity and with summer vacations losing momentum, retail purchases weakened in the week ended July 31. However, over-all the week ended July 31 represents the year's comparable level although by a narrowed margin. Under¬ normal weather caused commodity prices to soar. The result was a cost-of-living index. The chief function is to show the general trend of prices at the wholesale level.

The Commercial and Financial Chronicle . . . Thursday, August 8, 1963

$100,000 or more to dipped from 37 a week earlier and were down 21.3% week-to-week from comparable week a year ago. A decline also occurred in the number of new business failures involving liabilities of under $100,000, which fell to 205 from 235 in the previous week and 286 last year.

Wholesale Commodity Price Index

The Consumer Price Index slipped to 265.41 on Mon¬ day, Aug. 5, down from last Mon¬ day's 265.67. The index had trended the 265.67 of a month ago and fell drastically from the 266.53 of June 27.

Wholesale Food Price Index

Below Last Week But Even With Year Ago

The Food Price Index, compiled by Dun & Bradstreet, Inc., eased 0.3% to 53.93 on Aug. 5, from the previous week's 53.96. The index has risen more than 2% over last year for the past eleven weeks, this week stood exactly with the same index of 53.96 of 1962.

Eggs, hogs and bellies fell most sharply though cost with less declines registered in flour and coffee. Higher quotations were made in prices for foodstuffs—corn, rice, cyan, oats, lamb, butter, milk, cocoa, potatoes, hogs, hogs and bellies fell most sharply through cost with less declines registered in flour and coffee. Higher quotations were made in prices for foodstuffs—corn, rice, cyan, oats, lamb, butter, milk, cocoa, potatoes, hogs, hogs and bellies fell most sharply though cost with less declines registered in flour and coffee. Higher quotations were made in prices for foodstuffs—corn, rice, cyan, oats, lamb, butter, milk, cocoa, potatoes, hogs, hogs and bellies fell most sharply though cost with less declines registered in flour and coffee. Higher quotations were made in prices for foodstuffs—corn, rice, cyan, oats, lamb, butter, milk, cocoa, potatoes, hogs, hogs and bellies fell most sharply though cost with less declines registered in flour and coffee. Higher quotations were made in prices for foodstuffs—corn, rice, cyan, oats, lamb, butter, milk, cocoa, potatoes, hogs, hogs and bellies fell most sharply though cost with less declines registered in flour and coffee.
than last year, according to spot estimates collected by Dun & Bradstreet, Inc. estimates varied from comparable 1962 levels by the following percentages: (1) 1-1; Pacific 0-1; (2) East North Central and West North Central 1-2; (3) East South Central 1-2 to 5; Middle Atlantic 1-2 to 7; West South Central and Mountain States 1-2, and Atlantic 5 to 7.

**Nationwide Department Store Sales Rise 5% Above Last Year**

Department store sales on a county-wide basis as taken from the Federal Reserve Bank of St. Louis Index were up 3% for the July 27-29 week compared with the like period a year ago. Only the New York City index was down, 1.3% below the year ago level. The Chicago index gained 5.2% over last year.

In the four-week period ended July 27, 1963 sales gained 5%, 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 July 27, 1963, gained 4% one week after an 8% gain in the previous week's figure. New York City's department store sales were up 11% for the four-week-period ended July 27.

A flash figure for New York City's sales for the Aug. 3-9 ending week revealed a plus 3% gain over the same period a year ago. June 1, there has been a gain for the N. Y. C. department store, notwithstanding the N. Y. C. city sales tax hike from 3% to 4% commencing last June 1. No one can surmise, however, how much higher it might have been in the absence of the sales tax hike, which four-week N. Y. C. flash figure was plus 5% over a year ago.

A winner after set of data encompassing total retail sales, compiled by the Bureau of the Census, U. S. Department of Commerce, put the July 27-29 week's total sales 5% above a year ago, almost the same as the gain recorded by department stores alone. The year-to-year contrast for the Federal Reserve System showed a gain of almost 4%—or three percentage points less than department store sales for the same period.


Scaled to yield from 1.75% to 2.75%, the quarterly balance in account is $1,065,000.

California's Off to Fast Start

The group led jointly by Bankers Trust Company, First National Bank of California, Loaners & Company, Inc. submitted the best bids for two issues of State of California debt, $100,000,000. The group's bid for various coupons on $50,000,000, School Bond (1963-1987) notes, net interest cost of 2.996% and the group's bid for a variety of coupons on $50,000,000 4% mortgage bonds, Federal Home Loan Bank Board (1963-1983) notes, net interest cost of 3.265%, was selected. The only competing bids for the securities, offering a 3.022% net interest cost on the School Bond and a 3.006% annual net interest cost on the State Construction Commission notes, was made by Commercial National Bank in America N.T.& S.A. and associates.


The combined offering is released to the public at prices to yield from 1.35% in 1963 to 3.15% for 1987. If sold by banks and banks and special orders were said to amount to $35,000,000. It is estimated that over 50% of the bonds have been sold. The 1960 maturity was initially set at 20%, and certificates were sold for $1,000.


**TAX-EXEMPT BOND MARKET**

*Continued from page 6*


Scaled to yield from 2.10% in 1966 to 3.25% in 1992, the present balance in syndicate is $3,050,000. The 1963 maturity cost a 3.5% coupon and was sold pre-sale.

First Southwest Company and associates submitted the best bid for $5,000,000, New York, New Jersey, School and General Improvement (1964-1983) bonds, net of 3.75% coupon. The second best bid, 100.33 also for a 3.5% coupon, came from the account led by Glore, & Forgan Company.


Reoffered to yield from 1.85% in 1966 to 4.00% in 1995, the present balance of about $3,000,000 remains in group. The 1966 maturity carried a 3.5% coupon and was sold pre-sale.

Active Tuesday

On Friday (Aug. 2) and Monday (Aug. 5) of the past week, there were no important new issue sales but Tuesday was an active day with 10 issues making their initial appearance on the calendar. The largest loan of the day, $12,000,000, City of Philadelphia System revenue (1969-1990) bonds, was awarded to The First Boston Corporation syndicate at 3.25% net interest. The runner-up bid, a 3.25% net interest.

James S. Saxton, Comptroller of the Currency, in a statement issued Aug. 8, made no effort to interpret the regulations whereby commercial banks would be permitted to underwrite agency issues in the 3.25% to 4.25% range. The Comptroller stated that the effective date of the broadened investment authority had been deferred in response for additional time for submission of comments by interested parties.

In citing objections voiced to his proposal, the Comptroller apparently had particularly in mind the letter to the President of the Investment Bankers Association of America, and Senior Partner in Kidder, Peabody & Company, Inc., New York City. The full text of Mr. Ames' letter to the Comptroller on the subject was published in the Aug. 1 issue of the CHRONI-

CURRENCY.

Mr. Saxton's statement indicated that the amended regulations regarding banking investment powers would become effective sometime in August.

Below we give the full text of the Comptroller's August 2 statement:

**STATEMENT BY COMPTROLLER OF THE CURRENCY JAMES S. SAXTON**

A broad cross-section of the Comptroller's letter to the request of this Office for comment on the proposed Investment Securities Regulation. The comments range from enthusiastic approval through strong criticism on detailed points and include some strong opposition.

Comments in opposition raise two principal objections: (1) that obligations as defined by the proposed regulation would include those obligations not directly supported by the United States, and (2) that the Comptroller does not have the authority to interpret terms used in the Federal Banking Laws relative to obligations of state and local government. Careful consideration is being given to all comments received.

Because of the volume of comments, several more weeks will be required to receive, examine and prepare a revised draft of the regulation. The Comptroller's intention is not to become effective prior to the adoption and publication of a revised draft.

In addition to comments from banks, we have received communications from issuers of public debt and other interested parties. The comments received are summarized by the Comptroller.

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WASHINGTON, D. C.—The Congress of the United States in modern times has had more important legislation than any other congressional body has in history. It has passed laws affecting every part of American life, including public health, education, financial regulations, and national defense. The work of the Senate and the House of Representatives has not only affected the people of the United States but has also had an impact on the world's stage.

The paramount issues facing Congress are the proposed ratification of the nuclear test ban treaty, which Congress has not yet approved or rejected. The treaty, if ratified, would halt nuclear testing and provide a framework for international cooperation on nuclear disarmament. The treaty was proposed by President Kennedy and has been the subject of debate in Congress for several months.

In addition to the nuclear test ban treaty, Congress is also considering several other important bills, including proposals to increase military spending, provide aid to European nations, and address domestic issues such as poverty and education. The House and Senate are divided on many of these issues, and the final outcome is uncertain.

Congressional members have expressed their views on these issues through speeches and committee hearings. The Senate Majority Leader, Robert Byrd, a Democrat from West Virginia, has expressed concerns about the proposed spending levels in the defense budget. He has called for a more balanced approach to defense spending, emphasizing the need for increased funding for social programs.

The House Appropriations Committee has criticized the proposed budget cuts, arguing that they would have a devastating effect on domestic programs. The committee has called for increased funding for programs such as education, healthcare, and social services.

The proposed legislation will be debated in Congress over the next few weeks. The outcome of these debates will have a significant impact on the future of the United States and the world.

Mr. Cackles

"If your market advice isn't any better today—there'll be one on the moon TONIGHT!"