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EDITORIAL

As We See It

In the preoccupation with our relations with the Kremlin and our own racial problems, have we forgotten our all but desperate need of better management of our fiscal affairs? There never was very much hope of really constructive work in the control of public outlays and the achievement of tax reform. As matters now stand, however, the outlook must be regarded as definitely worsened, so disturbing are the implications of some of the plans of the Administration and so vital is the need for really constructive action. True, the Secretary of the Treasury has now presented revised estimates of the deficit for the coming year which indicate some improvement. He is even more optimistic about the years a little farther in the future.

The fact is, though, that to those who believe that fiscal soundness is essential to real future progress, the future seems anything but bright. Merely to be told that the deficit will not (or should we say, may not?) be quite so large as formerly estimated, and that tax changes which may or may not ever reach the statute books will after a while greatly increase revenue by stimulating general business activity is hardly conducive to great faith in what is being planned or what is likely to occur in Washington.

It has long been clear that the Kennedy Administration had no intention of effecting, indeed had no desire to effect, really significant reduction in Federal outlays. It has now again once more been made doubly clear in what the Secretary of the Treasury has to say. What is more, the Secretary finds it convenient to ignore, or at events not to have anything to say about, plans of the Chief Executive for several programs of a semi-socialistic nature which would add very (Continued on page 19)

Our Crucial Balance of Payments Situation: Facts and Fiction

By G. A. Costanzo, Vice-President, First National City Bank of New York*

Banker strongly disagrees with Brookings Institution Study; and predicts it will entail further erosion in dollar confidence and support skeptics' expectation of exchange control. Asserts need of further research. Urges top priority be given to correction of our balance of payments deficits, with confidence that a solution is within our control, if we refrain from financing them. Urges problem be attacked on these three fronts: (1) Flexible domestic monetary policy; (2) fiscal policies to stimulate growth of our domestic economy, with reduction of our military expenditures abroad; and (3) wage-price restraints to benefit our national competitive position in world markets.

The future of the U. S. economy in the next 10 or 20 years as well as that of the Free World depends to a large extent on whether we find the economic and political wisdom to solve our balance of payments problem. While balance of payments disequilibrium is a familiar phenomenon in the rest of the world, it is something new for us. It was not too long ago that economists wrote about the chronic dollar shortage and the need for structural changes in the U. S. economy. Although we have been running balance of payments deficits since 1949, it is only recently that the problem has come to public attention. Economists have done surprisingly little work in this field. For this reason, I welcome the Brookings Institution Study even though I find myself in deep disagreement with its conclusions and recommendations. I hope that the study will serve to provoke public discussion and help clarify the choices and risks before us.

G. A. Costanzo

The labeling of our balance of payments problem as structural and recommendation of a "do-nothing" policy except to beg for foreign credits is surprisingly similar to the reaction of many of the underdeveloped countries in seeking a solution to their economic problems by exporting them abroad. There is no doubt in my mind that the report will result in a further erosion of confidence in the dollar. It will convince the dollar skeptics more than ever that we are headed for exchange controls and/or devaluation. In saying this, however, I do not mean to deprecate the excellent statistical work and analysis contained in the first seven chapters of the book. These chapters make a real contribution in pointing out the intricate inter-relationships and the fruitful areas for corrective action.

I have little quarrel with the projections themselves. In the time available, the authors have done an excellent job of applying the available statistical knowledge to the problem. But I repeat that the previous work in this area has been very scanty and a great deal of research is needed on the basic relationships, especially the inter-relationships between domestic monetary liquidity and external balance. Moreover, as the authors themselves warn us on page 31, "projections of net balance in international payments . . . are highly speculative, even more so than economic forecasts in general . . . relatively small errors in the projections of gross receipts and payments would make for large errors in the projection of the net balance." And, in fact, a reduction in the assumed rate of inflation in Western Europe (Continued on page 20)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 23.

The Security I Like Best...

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

JOHN McNIVEN

Partner, Barclay & Crawford, Toronto, Canada

Noranda Mines, Limited

Beginning with the discovery of the Horne ore body in 1922, Noranda has grown into a vast mining and industrial complex. Its operations today encompass exploration, development, financing, mining, custom smelting, refining and metal fabricating.

Noranda's principal operation is still the Horne Mine, in the Rouyn area of Northwestern Quebec, but some of its producing mines, as well as certain outside enterprises, are assuming increasing importance in the overall corporate sphere. The Horne operation is made up of a 3,000 ton concentrator and a 4,200 ton copper smelter, plus a cyanide plant for recovering gold. Current reserves total approximately 7 million tons, grading 2.32% copper and 0.18 oz/ton gold.

For many years, Noranda has pursued a policy of vertical integration until today operations are complete from mining to finished products. Included in the family are: Canada Wire and Cable (63% owned), Canada Copper Refineries (92% owned), and Noranda Copper and Brass (100% owned). Horizontal growth has been achieved through investments in a long list of mines and properties, both base metals and golds.

Base Metals	Direct Int. by Noranda	Total Int. Inc. Assoc. Co's
Geco Mines	12%	55%
Craigmont Mines	20%	65%
Gaspe Copper	95%	97%

Golds	Direct Int. by Noranda	Total Int. Inc. Assoc. Co's
Empreso Minera	61%	61%
Hallnor Mines	95%	95%
Aunor Gold Mines	55%	55%
Pamour Porcupine	46%	47%
Kerr-Addison	13%	35%

Zinc

Noranda, through subsidiaries and outside holdings, is currently readying several zinc mines for production, and in the years ahead will become an important factor in Canada's zinc industry. Mattagami Lake Mines will start supplying its 3,000 tons/day mill later this year, while Orchan Mines, located near Mattagami, will start operations at about the same time at its 1,900 tons/day mill. Until the discovery of the Mattagami Lake zinc ore body, eastern Canada could not economically justify a zinc refinery, and those mines producing zinc shipped their concentrates to U. S. refineries. Currently, however, a Noranda-sponsored smelter is being constructed near Valleyfield, Quebec. Its 200 tons/day capacity will cost $18½ million and is being financed as follows: Mattagami Lake — 62½%, Orchan — 18¾%, Geco—9%, Quemont—5¾% and Normetal—4%. Noranda will hold no direct interest in the new refinery, but its entire financing is being contributed by Noranda affiliates, and Noranda will manage the new company and will handle all sales. Initial annual capacity will be 75,000 tons of zinc metal, with the balance of the approximate 250,000 tons of zinc concentrates produced each year being shipped to the U. S. and Europe. In future years the capacity of this refinery will be augmented to match demand. The aggregate production of these five mines will be the world's largest source of zinc.

Holding Companies

Besides its investments in producing and near-producing mines, as well as fabricating companies, Noranda has major investments in four holding companies.

Holding Co's & Major Holdings	Direct Int. by Noranda	Total Int. Inc. Assoc. Co's
Mining Corp	24%	47%
Geco, Quemont Normetal		
Anglo-Huronian	37%	71%
Kerr-Addison		
Placer Develop.	23%	23%
Craigmont, Mattagami Lake		
Waite Amulet	100%	100%
Northwood Mills		

These holding companies have large investment portfolios, principally in mining securities, and they work in close association with Noranda in financing exploration and development work.

Consolidation of Interests

It is apparent from the foregoing that Noranda is well on the way to becoming a giant holding company, and the undistributed earnings of its unconsolidated subsidiaries must be carefully considered. Noranda's cash flow is strong at present, and would increase materially as consolidation of subsidiaries progresses.

Recently a major move toward the consolidation of several subsidiaries and associated companies was announced. The first step was an offer to acquire the assets of Mining Corporation on the basis of 1 Noranda share plus $2 cash for two Mining Corp. shares. Noranda and associates now own about 47% of the outstanding shares of Mining Corp. which controls Quemont, Normetal and Torbrit Silver Mines.

The second phase involves the amalgamation of the assets of Anglo-Huronian, Kerr-Addison, Prospectors Airways and Bouzan Mines into one new company—as yet unnamed. It is reasonable to anticipate that Noranda will absorb this new company in the months ahead.

Metal Prices

Noranda is Canada's largest producer of gold, and a major factor in copper output, producing about two-thirds of the refined copper total. In addition, the company is an important producer of silver, brass products and wire and cable. Zinc, iron ore and molybdenum will assume sharply increased importance in the years ahead.

Copper prices have been maintained at unusually stable levels in recent months and it is a good bet that this trend will continue. Gold too, will keep its present price for the foreseeable future, in spite of speculation to the contrary, but pressure on the Canadian dollar will increase in the short term, and profitability of gold operations would be augmented by any further devaluation of the Canadian dollar. There is an excellent possibility that zinc prices could be increased before long, but silver cannot be expected to gain much, in spite of the fact that demand far exceeds current supplies.

Summary

Management has proved itself astute and aggressive, and growth of this mining complex has been outstanding to date, but future developments could well exceed past performance, particularly if metal prices are maintained or bettered, and if the policy of consolidation is continued. The shares are highly attractive vehicles for growth in both the mid and long terms, and their price should advance well beyond the current $36 level in the months ahead. There are 9,281,606 shares outstanding at present and the $1.20 annual dividend yields 3.34%. Cash flow amounted to $2.88 per share last year, while earnings were $1.85.

This Week's Forum Participants and Their Selections

Noranda Mines, Limited—John McNiven, Partner, Barclay & Crawford, Toronto, Canada. (Page 2)

Consumer National Life Insurance Co.—Thomas H. Roulston, President, Roulston & Company, Cleveland, Ohio. (Page 2)

THOMAS H. ROULSTON

President, Roulston & Company, Cleveland, Ohio

Member Midwest Stock Exchange

Consumers National Life Insurance Co.

One of the most attractive long term equity investments has been the small life insurance company that makes the grade. The search for such a company can be lengthy but very rewarding for the investor desiring long term growth. Consumers National Life Insurance Company wrote its first policy in the spring of 1958, and since that time has shown a steady growth to today's total insurance in force of over 65 million dollars. During these same first five years the Company's assets have increased from two million to over four million dollars while premium income hit a high of $1,495,171 in 1962.

Growth in small life insurance companies is not uncommon, but two things are unique in Consumers National Life. First, the Company is managed and operated by a group of frugal yet energetic men located in Evansville, Indiana. Every cost is watched and no reckless spending or new commitments made without thorough deliberation. This hard-nosed business sense is coupled with a zealous sales force who delight in competing in monthly sales contests where a couple of shares of Consumers stock goes to the highest producer of the month. The sales force is spotted throughout nineteen states from California to Pennsylvania with applications for admittance pending in a dozen other states. This combination of management and sales force produced an operating profit for Consumers in their third, fourth, and fifth year of operation, a feat which we haven't seen duplicated in any other young life insurance company showing equal growth in high premium business.

Consumers National Life compares favorably in many aspects against 1962 insurance company

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

Uranium After 1966

By Rafford L. Faulkner,* *Deputy Director, Division of Raw Materials, U. S. Atomic Energy Commission*

AEC official notes recent important developments affecting uranium industry, as decisions by additional utility companies to build large nuclear-fueled electric power plants; and proposals by the Commission for deferral until 1967-68 of contracts now due through 1966. Reports special consideration given to small mining properties. Discloses AEC's intention to limit its purchases under present contracts to the uranium it would have purchased had there been no stretch-out. Over long-term predicts rest of world will probably be using more uranium than U. S.; with present reserves, if not augmented by new discoveries, used up well before year 2000.

Since the seventh annual uranium symposium at Riverton last Spring, there have been several important developments affecting the uranium industry.

Rafford L. Faulkner

First, and probably foremost from the long-range point of view, a number of additional utility companies have announced decisions to build large nuclear-fueled electric power plants on the premise that nuclear power can successfully compete with conventional fuels in the areas in which the plants will be built.

The second development, one of major importance in the near term, was the invitation by the AEC last November to uranium producers to submit proposals for the deferral until 1967 and 1968 of some of the uranium presently under contract for delivery through 1966, with the Commission agreeing to purchase during 1969 and 1970 a quantity equal to that deferred.

The new uranium procurement program was designed to achieve a better balance between uranium receipts and requirements and to help assure a continuing production capability to meet the growing commercial markets in the 1970s. The stretch-out program has as its objective the deferral of 16,000 tons of U_3O_8; and this, together with the purchase of an equal additional quantity, would bring about a better balance between supplies and requirements and, at the same time, provide for continuing uranium production operations for an additional four years at a reasonable level.

A combination deferral plus additional purchases appeared to offer the most practicable route for maintaining a broadly-based uranium industry capable of meeting possible future military requirements and supplying the developing commercial market. The advantages to both the Government and industry are evident.

New Procurement Program

Although some, perhaps most, of those present are familiar with the new procurement program, I will outline briefly the major provisions. Uranium producers were invited to submit proposals involving deferral until after 1966 if some of the uranium contracted for delivery between Jan. 1, 1963, and Dec. 31, 1966. Material so deferred would be purchased in calendar years 1967 and 1968. As an incentive for the deferral, the Commission would purchase in 1969 and 1970 a quantity equal to that deferred and delivered in the preceding two years. Although the quantity deferred from the present contracts would carry the $8.00 price, the uranium delivered in 1969 and 1970 is to be purchased at a fixed price determined for each producer by applying a formula to the cost of production for the period 1963-1968. The fixed price per pound of U_3O_8 in concentrate will be 85% of the average production cost per pound plus $1.60, subject to a maximum price of $6.70 a pound.

Special consideration was given to small mining properties, that is, those producing less than 20,000 pounds of U_3O_8 per year, because it was evident that many of these could not reduce their scale of operations. Such small mining properties may produce in 1967-1970 up to 20,000 pounds of U_3O_8 in ore a year, subject to an annual maximum production of one million pounds by the group as a whole. The price paid for concentrates from such ores will be $8.00 a pound of U_3O_8 in 1967 and 1968 and $6.70 in 1969 and 1970. Also, under paragraph 12 of the announcement, we have endeavored to deal with the problems which might be encountered by those properties whose allocations exceed 20,000 pounds per year but which for various reasons might not be able to qualify under the other provisions of the stretch-out arrangement. Such properties may obtain a market in 1967-68 by agreeing with the milling company to reduce the quantities of ore under their ore sales agreements to 20,000 pounds per year. Producers in this category who wish to take advantage of paragraph 12 should negotiate amend-

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The Norton Company

By Dr. Ira U. Cobleigh, *Economist*

A summary of the achievements of this old line New England company as the world's largest producer of coated and bonded abrasives; together with some comment about its common stock which began trading on the N. Y. Stock Exchange June of this year.

All of us who took up manual training in our youth are familiar with sandpaper. That is perhaps the best known abrasive, even though it usually contains no sand and in our burnished industrial age, has been replaced by a broad line of more sophisticated smootheners, grinders and polishers. These modern abrasives are the meat and potatoes of the $200 million a year business of the Norton Company of Worcester, Mass.

Corporate Origin

There were, and are, no "Nortons" in the company's management but the name goes back to 1885 in which year a group of men bought out, for $12,000, the grinding wheel operations started as an offshoot of a pottery business run by one Frank Norton. The families of these founders still continue as major stockholders, and are important in the direction of Norton Company today.

Abrasive Ingredients and Types

Modern abrasives come from the Norton plants in two principal forms—"bonded" on wheels, or in flat "coated" sheets, strips or belts. Abrasives are for the most part produced in high temperature electric furnaces. The basic elements are aluminum oxide and silicon carbide. These are "bonded" with resin, shellac rubber or clay to make grinding wheels. Such wheels are vital tools in the shaping, smoothing, cutting and finishing of metal, stone, glass or plastic, and in great demand for the manufacture of paper, plastic products of every description, precision and machine tools, engines and motors, missiles and aircraft, and in iron and steel foundries. When you talk about the "daily grind" in industry, it is importantly dependent on Norton wheels!

The "coated" abrasive is made by adhesive application of the basic elements, spread evenly on fabrics of paper, cloth or fiber. In many industrial applications these "coated" abrasives run on endless belts and grind or polish products of wood, metal, plastic glass, leather or concrete. Wood and metal working industries are the primary customers for this "coated" variety, and the smooth surfaces of building flooring and paneling, auto bodies, and of hi fi cabinets, built by hobbyists, all depend on these ultra modern sandless sandpapers.

Plants

Norton "wheels" are produced mainly in some of the 120 building facilities in the Company headquarters in Worcester. The coated abrasives, in some 37,000 different variations of size and fineness flow from some of the 40 buildings at the Behr-Manning Division of Norton at Troy, New York. Annual production here creates, in total, a ribbon of abrasives longer than three full orbits around this planet we live on.

This abrasive output serves, as you can see, a vast spectrum of industrial companies here, and all over the world (25% of sales come from abroad.) As a result, Norton has a most effective built-in diversification and no one customer accounts for as much as 4% of sales. Another attractive feature of the Norton Company is its "Gillette - type" operation — abrasives wear out and have to be constantly replaced like razor blades; hence a big volume of "repeat business. (We forgot to mention diamonds as a raw material for grinding wheels—Norton is the largest buyer, in carats, of industrial diamonds in the world.)

In addition to the aforementioned plants in Worcester and Troy, Norton Company has eight other plants in the United States, and Canada, and 14, abroad. Foreign business is actually growing at a faster rate than American business.

Product Diversification

While Norton is the leader in the abrasive field (Carborundum Co. with $150 million in annual sales is its closest competitor), 25% of annual volume comes from other lines—machine tools, including grinding and lapping machines; refractory products starting with specially coated bricks for kilns and including unique coatings for missile components, and fuel elements for atomic reactors. In the pressure tape field, Norton is a substantial producer (at the Troy plant) of masking, cellophane and electrical tapes.

National Research Corp.

The most dramatic diversification step at Norton was its acquisition (by delivering 361,633 shares of Norton common in exchange) of National Research Corp. in May of this year. National Research brings to Norton a successful scientific organization with a splendid staff or resident scientists and over 170 patents already issued. National has specialized in development and manufacture of equipment to create and control high vacuum, including vacuum furnaces and chambers for atmospheric and outer space conditioning of metals and components. National is also a major producer of tantalum, a difficult metal to work with, but highly useful for reliable capacitors, and for ultra frigid superconductors which operate in temperatures as low as 459 degrees below zero (F).

National grossed only $12.6 million in 1962, but its business has been growing rapidly and its research team adds significantly to the over-all research competence of the company. Before the merger, Norton was itself spending over $4½ million a year on its R and D effort.

For Investors

Investor have only recently had opportunity to become stockholders in Norton. For over ¾'s of a century the shares were closely held. During that time, however, the equity performed well, with constant long-term increases in sales and net earnings, and it paid cash dividends in all but two of the last 78 years.

In the second week in June, 1963, Norton Company common became listed on the New York Stock Exchange where it has ranged between 36 and 44½. The current quotation is 38½ with a $1.20 regular dividend rate and the possibility of a small cash extra. Company sales last year reached an all time high of $201 million and net was $2.68 a share, somewhat below the high of $3.10 per share reported in 1956. 1963 earnings have been running a little below 1962. The 5,665,000 common shares are now owned by over 4,700 stockholders, and participate in a total equity, at the 1962 year end, of $166,348,000. Working capital at 12/31/62 stood at $94.4 million.

Management

Something should surely be said about management here. About 40% of the common is controlled by families long identified with management, and most of the 17 directors are full time officers as well. Mr. Ralph Gow, President, has been with the company for almost 40 years and provides talented, aggressive and genial leadership to this increasingly diversified and growing enterprise. There are 14,500 employees and management reports it "has never experienced a serious work stoppage."

While Norton common lacks lengthy market seasoning, judged by all the standard investment criteria for the appraisal of industrial shares, it is a quality issue with a rewarding past and an attractive future.

Reinholdt & Gardner Admit

ST. LOUIS, Mo. — Reinholdt & Gardner, 400 Locust Street, members of the New York Stock Exchange and other leading Exchanges, on Sept. 1 will admit Earl L. Hagensieker and J. Wilson Rainer, Jr. to partnership.

Earl L. Hagensieker

Mr. Hagensieker, comanager of the trading department, is President of the National Security Traders Association. Mr. Rainer has been with the firm for many years and is comptroller.

Bache & Co. To Admit Willmore

CHICAGO, Ill.—Effective Sept. 1, Thomas F. Willmore, Jr. will become a partner in Bache & Co., members of the New York Stock Exchange. Mr. Willmore will make his headquarters at the firm's Chicago office, 140 South Dearborn Street. He was formerly manager of one of the Detroit offices of Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Shearson, Hamill To Admit Lowell

Effective Sept. 1 Shearson, Hammill & Co., 14 Wall Street, New York City, members of the New York Stock Exchange, will admit James Russell Lowell, Jr. to partnership. Mr. Lowell will withdraw from partnership in Paine, Webber, Jackson & Curtis.

OBSERVATIONS...

BY A. WILFRED MAY

INVALUABLE SELF-POLICING

Mutual Fund selling abuses are so particularly hard to crack, as we have previously noted, because of the difficulty of controlling the salesman's verbal sales pitch—the Investment Companies Act of 1940 and the government - industry Statement of Policy's effective restraint being necessarily limited to sales *literature*.

Hence the self-imposed supervisory routine reported by the Investors Diversified Services, sponsors of the largest group of funds in the nation, is important. The check-up on the salesman begins right after the buyer has signed a receipt for the prospectus. The IDS people say that while the investor's purchase is customarily thought of as the end of the sales procedure, with them it is the beginning of another routine, starting with scrutiny of the customer's application and of other forms submitted by their representative.

Also included are its following prescriptions for weeding out undesirable sales:

The current application form, attached to the prospectus, the receipt of which must be signed, the prospectus' major caveat via a check-list, are pointed out to the purchaser.

Switching Barred

A sale resulting from a *switch* induced by the salesman, through money coming from redemption of another fund holding, entails rejection of the order.

If there seems to be any doubt of the long term holding intentions of the buyer, the order is rejected.

A purchase made with money borrowed on existing fund holdings is frowned on.

An "Explanation of Investment" form is provided each customer within approximately 30 days after acceptance of his application. On this form he certifies that specific significant facts have been explained and fully understood by him. The signed form is checked by the home office.

Follow-up Field Service

But it is in a unique far-flung field service that the IDS organization functions most interestingly and valuably. A staff of Customer Relations Field Service representatives work out of nine strategically located regional headquarters.

These men do not sell; their function being to ascertain whether there was a full and fair disclosure afforded by the salesman and complete customer understanding at the time of the sale.

Either through sampling or by a follow-up of inquiries from customers, these Customers Relations men visit thousands of the new buyers, interviewing them and checking their understanding of facts pertaining to their investments, including the purchase load and the management fee.

This routine operating in this way, functioning wholly apart from the salesmen, seems to go far in counteracting the verbal selling abuses which are so hard to control. In keeping the wrong people from fund investing, it brings in the material reward of reducing redemptions, which are now running so high.

In a broader consideration, this routine goes far towad effecting the self-regulation segment of the difficult combined industry-and-government regulation.

The Regulatory Mix

The situation with its difficulties, of joined self- and government-regulation was ably set forth in a major speech last week by Milton H. Cohen who directed the Special Study for the SEC.*

Since the Stock Exchanges and Over-the-Counter Markets were already in existence as private groups when the Securities Exchange Act was enacted in 1934, public or government regulation was necessarily superimposed on an existing system of self-government through the newly created SEC.

In short, there was to be a multiple system of protection, with the Stock Exchanges and the N.A.S.D. regulating their members' conduct, and the SEC overseeing the regulators, with the commission also having some powers of direct regulation over the members and non-members.

As Mr. Cohen further pointed out, a basic question remains whether self-regulation shall continue to be the first line of investor protection; and if so, how it can be strengthened.

The Study reiterates the finding that the advantages and benefits of self-regulation outweigh its shortcomings (high-lighted by the self-purge of the American Stock Exchange); and concludes that it should be continued, but with improvements and strengthening.

The role of the Commission should be that of a continuing active *overseer*, with power in depth kept in reserve. On the other hand, says Mr. Cohen, the government "must avoid the stifling of initiative and responsibility that would inevitably result from seeking to control each act of a self-regulatory agency as if it were a mere puppet."

A factor reducing reliance on self-regulation, invocation of the anti-trust laws, has recently come to light in the case of Silver vs. the New York Stock Exchange. An Over - the - Counter securities dealer who was not a member of the Stock Exchange, the Silver firm, had its wire connections and ticker service discontinued, without statement of the reasons, by the Exchange. The U. S. Supreme Court reserved the lower Court's ruling that self regulation precluded any liability under the anti-trust laws.†

Whatever the government self-regulatory proportionate mix, self-policing in Fund selling as above cited constitutes a uniquely constructive contribution.

*Before the Section Corporation, Banking and Business, Chicago, Ill., August 13, 1963.

†For a fuller discussion of this case, cf. OBSERVATIONS, May 30, 1963.

The General Outlook

By Dr. Emerson P. Schmidt,* *Director of Economic Research, Chamber of Commerce of United States*

Dr. Schmidt expects the economic expansion which began in the spring of 1961 and since paused, to continue into 1964. Predicts second half of 1963 will see less expansion than the first half. Forecasts GNP gain of \$10 billion or \$11 billion in the second half of this year, and \$590 to \$595 billion in the fourth quarter, with prospects of a good gain in the first quarter of 1964.

The economic expansion which began in March, 1961, and paused in the last half of 1962, should continue throughout 1963 and into 1964. During the last half of 1962, the "standard forecast" envisaged a recession in the fall of 1962 or early 1963. Actually, manufacturers' inventories declined (2 months) or were stable from July, 1962, to March, 1963 and the Federal Reserve Index of production seemed trapped at a fixed rate of about 119 (1957-59 = 100) from July, 1962 through January of this year. From January to May of this year, however, the index increased about 4% (to 123.8). Personal income was nearly level from May to October and factory payrolls in December were little above April. GNP and national income, nevertheless, increased moderately in every quarter and personal income showed a rise in every month (except one).

Dr. E. P. Schmidt

Depending on how one defines a recession, it can be argued that we did have one, or at least a pause within the past year. This is not merely a matter of interesting statistics of concern only to economists; rather it raises the question whether the current recovery and expansion should be viewed as starting after February, 1961 or about 6 or 7 months ago. Thus we have difficulty in determining the age of the current recovery, and age does have some bearing on probable duration.

Most analysts seem to base their current outlook on the view that around the turn of the year, our economy did make a fresh start and now the "standard forecast" assumes that the expansion will continue through this year and well into 1964, or even longer—although, as always, there are a number of skeptics who are less optimistic.

However hazardous it may be for economists to assess the future, the business executive must make future commitments based on the information and analysis at hand.

Recent trends do not speak with a single voice, although the majority seem to point favorably for the short run. A number of them, such as construction and automobiles, may support the present levels of output, but are not likely to indicate much further expansion.

Figures on strike-hedged steel inventories are hard to judge. One informed estimate states that as much as one fifth of steel output in the months immediately preceding the steel wage settlement went into inventories. This will mean a reduction in the steel operating rate in the second half of 1963. Steel scrap prices have softened. Recent production of both steel and automobiles has been outrunning consumption or sales.

Steel production plunged by nearly one-half last year after the wage settlement. This year the steel inventory build-up was much less; business prospects, furthermore, are better now than last year so the steel operating rate in the second half of this year will not drop as drastically as a year ago, but drop it will, by perhaps 20%.

As is not unusual, the week to week business news is spotty. However, the favorable trends exceed the unfavorable. The majority of so-called "leading economic indicators" are pointing downward, as shown in the June issue of *Business Cycle Developments*, Department of Commerce. But they have been wrong before.

Durable goods orders in the hands of manufacturers dropped 1.5% in May as against April to a seasonally adjusted figure of \$17.8 billion. Nevertheless, the backlog of unfilled orders has continued to rise throughout this year as against a general erosion in 1962.

Contrary to this figure on durable goods orders, machine tool orders in May, sparked by an upsurge in foreign buying, rose 25% from a year earlier. They also were above the April total, the fourth consecutive monthly gain. Orders from overseas for metal cutting tools last month jumped nearly 50% from April and were double the May, 1962, figure. June bookings of tool builders and distributors have continued at the May rate or better. Incoming business thus supports industry expectations of a sustained 1963 rise in demand after several years of sluggish orders, but the rise in foreign buying is not likely to accelerate.

Plant and Equipment Expenditures

Plant and equipment expenditures, after a slow start this year, should rise throughout the year from about \$37 billion rate in the first quarter to \$39.2 billion for the year—5% above 1962 and the fourth quarter about 9% above a year earlier. A new high rate of over \$41 billion is anticipated for the fourth quarter of this year, although McGraw-Hill's latest figure is \$1 billion higher. The improvement will be widespread with the exception of mining, electrical machinery and equipment and a few others. The new depreciation guidelines and the investment credit help to account for this improvement.

A few industries are now operating at over 90% of capacity (aluminum production, for example). If markets expand and more industries cross the 90% capacity threshold, plant and equipment expenditures may firm up, although some 70% of these expenditures now are for modernization and cost reduction, rather than for added capacity.

Construction

The construction industry is stronger than expected last autumn. Some \$63.3 billion of construction was forecast by the Department of Commerce for 1963, 3.3% or about \$2 billion above 1962. But in the first five months the rise was actually 5%.

Total private construction through April was up 5% over 1962 as against last November's expectation of 2.7%. Public construction was expected to rise 4.8% but is 7% above 1962.

Residential construction has reached new high levels although the FHA and VA sectors are showing some declines—partly because of the integration Executive Order. Road building will rise substantially in the year ahead. Plant construction is strong, but the construction of shopping centers, office buildings and hotels may soon pass a peak, if they have not already done so.

Mortgage rates have been softening somewhat and while there is a difference of opinion, it does not appear that the cost of mortgage money will rise substantially in the remainder of this year. The unresolved race relations issues may yet have an adverse effect on residential construction and, indeed, on business in general, particularly in certain sections of the country and certain types of business, but this is by no means certain; it is merely a matter to watch.

Prices

Spot commodity prices have been relatively stable. The wholesale price index, is marginally lower than it was in 1958. Most of the United States Government strategic stockpile of materials is regarded as excessive and will be reduced in the months and years ahead. This will have a restraining influence on material prices.

The consumer price index, were it fully corrected for quality improvements, would show no increase over the last several years. The stated increase is only about 1% above a year ago, and only 6% above 1958.

In short, prices in general are relatively stable and provide little basis for forward buying. Price behavior does not indicate any pending boom.

Corporate profits have not kept up with the recent rise in GNP—indeed, they have recently slipped slightly from the foruth quarter of 1962.

Consumer Attitudes

Consumer optimism is strong but not rising. When debt repayments reach about 13.5% of disposable income, consumers tend to cut back on new debt obligations unless incomes are rising rapidly. Repayments are now running above 13.5%.

If income should continue to rise, new instalment purchases should also rise. But personal income which increased at annual rates of several billion dollars per month early this year, may rise somewhat less from now on through early 1964, unless we get a retroactive or early tax cut.

Since February both total retail sales and department store sales have shown a smaller improvement over 1962 than they did prior to March of this year.

The Survey Research Center of the University of Michigan announced on June 26 that consumer optimism has weakened although it is still slightly higher than in the fall of 1962. Two-thirds of the American people now favor a tax cut.

Production has displaced consumer sales as the strong factor in the economy and if production is maintained we can assume that the consumer will not lag, although he may hesitate to shoulder a bigger proportion of debt. But the consumer tends to spend his income promptly.

Government expenditures (national, state and local) are likely to rise about \$8.5 billion above last year.

Farm income is expected to be marginally lower than last year, but income per farm will not suffer.

Savings and Money Supply

Savings are running at high rates. Liquid asset holdings by individuals are at a new high.

New financial institutions are being established and older ones are expanding. Pension funds are rising. Apart from international balance of payments considerations, there is no strong likelihood of a scarcity of loan funds or any serious rise in interest rates. A number of savings institutions recently have cut the rate paid to depositors or shareholders.

But free reserves of member banks have dropped by one-third or more in the last year, and member bank borrowing at the Federal Reserve banks have tended to rise. This suggests a shift by the Fed in the direction of monetary restraint. Probably for balance of payments reasons.

Perhaps the most favorable single factor for the short-term outlook is the rise in the money supply—a matter related to loan funds, but of more basic significance. In 1962 the money supply (currency and demand deposits) was relatively stagnant until the autumn of that year. But since September it has risen by \$4 billion (seasonally adjusted). This suggests further expansion of the economy.

Summary

All of this adds up to no boom, but continued improvement throughout this year and possibly further gains in early 1964. The business impact of the strife and turmoil generated over race relations is difficult to assess. Some retailers and service enterprises have already reported sales declines from this cause. If this situation does not worsen, the adverse impact should be minimum.

The second half of 1963 will show less expansion than the first half. GNP increased by more than \$8 billion in the first quarter and a similar gain is likely in the second quarter. The gain in the second half is more likely to be in the neighborhood of \$10 billion or \$11 billion, with a prospect of a good gain in the first quarter of 1964. GNP in the fourth quarter of this year should reach \$590 to \$595 billion.

A tax cut with adequate emphasis on saving, innovation and risk taking, could well assure gains in 1964 equal to or better than those of 1963.

*Text of statement by Dr. Schmidt before U. S. Chamber's Conference on the Business Outlook, Washington, D. C.

Named Director

Paul Hallingby, Jr., a General Partner of the investment banking firm of White, Weld & Co., New York, has been elected a Director of Atlas Credit Corporation, Philadelphia, Pa., it was announced by J. L. Wolgin, Chairman and President of Atlas Credit. Mr. Hallingby becomes the 11th Director of the Corporation which was recently listed on the New York Stock Exchange.

Paul Hallingby, Jr.

Walsh To Be Walston V. P.

CHICAGO, Ill.—As of Sept. 1, John J. Walsh, Jr. will become Vice-President of Walston & Co., Inc., members of the New York Stock Exchange, with headquarters in the Chicago office, 201 So. La Salle Street. Mr. Walsh is manager of the firm's Chicago municipal department.

Tax-Exempt Bond Market

*BY GEORGE L. HAMILTON**

Since last reporting, banks, institutions and investors generally have been dealing more cautiously in tax-exempt bonds with the resultant inactive but slightly lower municipal bond market level. A week ago the *Commercial and Financial Chronicle's* high grade yield Index averaged out at 3.032%. Currently, the yield averages out at 3.05%. This small increase in yield represents a sell-off of about a quarter of a point per bond. This computation is averaged from a pre-selected list of 20-year general obligation bond offerings and is less sensitive to market change on the downside than if the actual bid side could be found and used.

The technical position of the market has changed with but two exceptions (and one of these is not new but bears repeating) since last week and continues to be moderately good. A week ago we were concerned with the $60,000,000 of bonds which remained unsold from the California loan of Aug. 7. Now this issue has company as there are presently $61,000,000 various Public Housing bonds which are also unsold from the issue of Aug. 14. This combined total when added together with other bonds currently available brings the Street float to today's figure of $633,362,000. Two weeks ago this float was only $509,570,000. This amount of bonds is one of the main deterrents at present to a more stable market. When this float goes over $600,000,000 many of the investors with money sit on their hands and wait to see what is going to develop.

Over Competition in Bidding And Gluts

As we have mentioned previously, the need for higher yields by the banks has brought about the glut of large new issue balances which are presently available. Whether it be a dealer headed syndicate or a bank led group, pre-sale orders have resulted in reoffering scales being tailored to fit specific orders and in turn making the remaining bonds unsalable. It would be much better if all pre-sale orders were thrown out and prices backed down to where general investor demand could be attracted. In that way the banks might even get their bonds at more attractive terms. Over competition in bidding is killing the municipal bond fraternity.

The other deterrent in the technical position is of more fundamental importance and has to do with the adverse balance of payments and the gold situation. This country's deficit in the balance of payments rose in the second quarter to a seasonably adjusted annual rate of $5.2 billion from the first quarter's $3.2 billion rate. This is a shocking figure and is a cause of deep concern to all citizens not just bond people. The nation's gold stock declined by $50 million in the past week and so far this year the gold outflow totals close to $400 million. We don't know all the answers but we are of the opinion that the U. S. needs higher interest rates, less easy credit, less defense spending, less foreign aid and less managed money.

One Bright Spot

One of the bright spots in the tax-exempt bond market continues to be the new issue calendar which stands at $258,900,000 for the next 30 days. This total was lower last week but the inclusion of $37,750,000 State of Washington various purpose bonds for Sept. 4 and $25,000,000 Los Angeles, California Unified School District bonds for Sept. 17 has brought it to today's figure.

The negotiated issue calendar is void of any issues with the possible exception of $50,000,000 Lewisport, Kentucky tax-exempt revenue bonds to build a rolling plant for Harvey Aluminum Co. This issue has been cleared by the Courts and is in the process of being readied for market possibly in late September.

Other sections of the bond market continue steady and very quiet. The Treasury has seen to it that bill rates stay considerably above 3¼% and the 90 day bill rate is at 3.355% compared with 3.335% last week and the 182 day bill borrowing ran to 3.462% vs. 3.441% last week and is in the process again, reached new three year highs. Federal funds have been generally at 3½% and the Federal Reserve, whenever possible, has sold bills in the three month area. Such bill-yield increases as have taken place have been achieved by Fed action alone, without more than a verbal assist from the Treasury. The stability in the intermediate and longer-term Treasury market continues with the Federal Reserve making its presence known almost every day. The result has been market price quotations higher than would have prevailed in the absence of Fed buying. However, in the absence of this buying the government bond market would be just like the tax-exempt market without the banks.

Corporate bonds of prime grade continue firm with investor demand non-existent. Here again, the calendar of new flotations scheduled through summer is very light and should continue this way well into the fall. The largest sale presently on the calendar is $35,000,000 Lone Star Gas (1988) debentures for Aug. 27. An interesting fact which ties in with the corporate bond market and which was released by the Securities and Exchange Commission shows that private placements during the second quarter of this year amounted to a record $1.8 billion—$200 million above the previous high in the fourth quarter of 1962.

New Jersey's "Hughes' Plan"

Turning away from the technical features of the bond market for a moment, battle lines are fast forming and the war is on in our neighboring state of New Jersey for an all out fight to decide whether or not the State should issue $750,000,000 of bonds for highway and institutional construction. The "Hughes' Plan" calls for the State to issue general obligation bonds and to finance them with earnings of the New Jersey Turnpike. The toll road will be turned over to the State after all of its revenue bonds are retired probably around late 1972 or early 1973.

Daily developments indicate that this plan has raised a storm not seen in the Garden State since the days of the State Sinking Fund Bond and Bank Scandals back in the early 1950's. Democratic Governor Richard J. Hughes, who surprised many by winning the election in 1961 on his ability and fight, aroused the ire of Republicans and New Jersey's largest daily newspaper when he recently warned that unless the bond issue was passed he would ask the 1964 Legislature to approve a combination sales and income tax for the citizens of the State.

This created a furor among Republicans who charged government by fear, political blackmail and many other statements unfit for publication. The Democrats countered with the threat of across the board taxes and that the plan would not cost New Jersey citizens any money because most of the users of the turnpike are out of state residents.

Both Republicans and Democrats agree that this money must be raised but how is the vital question. What seems to be overlooked is that this issue would have to mature out to about the year 2002 and that the interest charges will almost equal the principal of the borrowing. Also, this financing will only take care of the State's need for the next five years and then what? This fiscal Frankenstein is to be placed on the ballot for a November vote for hopeful passage on the proposition that it will set back the date for the need of broad base taxation.

It is our judgement that the ballot question should be "Do you want a broad base tax and if so, what kind?" Thus, the State's institutional and highway needs could be reasonably disposed of through taxation. This, of course, is what both Republicans and Democrats are ducking in New Jersey.

Recent Sales

Although the new issue calendar was not particularly heavy this week, there were a number of issues of general market interest which came up for sale. This week was in contrast to the past three

Continued on page 31

*Pinch-hitting for Donald D. Mackey

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California, State	3½%	1982	3.25%	3.15%
*Connecticut, State	3¾%	1981-1982	3.15%	3.05%
New Jersey Hwy. Auth., Gtd.	3%	1981-1982	3.10%	3.00%
*New York State	3¼%	1981-1982	3.00%	2.90%
*Pennsylvania, State	3⅜%	1974-1975	2.80%	2.70%
*Delaware, State	2.90%	1981-1982	3.15%	3.00%
New Housing Auth. (N. Y., N. Y.)	3½%	1981-1982	3.15%	3.00%
Los Angeles, California	3¾%	1981-1982	3.30%	3.15%
*Baltimore, Maryland	3¼%	1981	3.20%	3.10%
*Cincinnati, Ohio	3½%	1981	3.20%	3.10%
Philadelphia, Pennsylvania	3½%	1981	3.30%	3.20%
*Chicago, Illinois	3¼%	1981	3.30%	3.15%
New York City	3%	1980	3.25%	3.19%

August 21, 1963 Index=3.05%

*No apparent availability.

Larger Issues Scheduled For Sale

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

August 22 (Thursday)			
Ashland, Mass.	1,888,000	1964-1978	--------
Douglas, Ga.	1,250,000	1966-1993	2:00 p.m.
Slidell, La.	1,100,000	1967-1993	7:00 p.m.
Tampa, Florida	4,000,000	1965-1990	11:00 a.m.
Tyler Indep. Sch. Dist., Texas	2,000,000	1965-1983	7:30 p.m.
August 26 (Monday)			
Long Key Sewer Dist., Fla.	2,300,000	1964-1987	8:00 p.m.
Maricopa Co. Phoenix Union H. S. Dist. No. 210, Ariz.	1,600,000	1966-1976	11:00 a.m.
Sacramento Redev. Agency, Calif.	2,800,000	1970-1983	11:00 a.m.
August 27 (Tuesday)			
Birmingham, Ala.	2,000,000	1965-1993	--------
Danville, Va.	2,350,000	1964-1988	Noon
Fort Wayne Comm. Schools, Ind.	3,000,000	1965-1974	1:00 p.m.
Hanford Jt. Union H. S. D., Calif.	1,800,000	1965-1983	10:00 a.m.
Hempstead U. F. S. D. No. 9, N. Y.	1,549,000	1964-1992	11:00 a.m.
Holyoke, Mass.	4,600,000	1964-1982	11:00 a.m.
New Haven, Conn.	7,678,000	1965-1983	11:00 a.m.
Norwin School Authority, Pa.	6,300,000	--------	--------
White Bear Lake Ind. S. D., Minn.	1,500,000	1967-1989	8:00 p.m.
August 28 (Wednesday)			
East Haven, Conn.	1,685,000	1964-1983	2:00 p.m.
Edison Township School, N. J.	3,250,000	1964-1985	8:00 p.m.
Evansville-Vanderburgh Airport Authority, Ind.	1,075,000	1964-1979	2:00 p.m.
Kirkland, New Hartford, etc., Cent. School District No. 1, N. Y.	1,682,000	1964-1983	2:00 p.m.
New Mexico State Univ., Board of Regents	11,060,000	1965-1993	10:00 a.m.
Okla. Colleges, Board of Regents, Northeast State College, Okla.	1,479,000	1965-1990	10:00 a.m.
Providence, R. I.	7,100,000	1968-1987	11:00 a.m.
Scotch Plains-Fanwood, S.D., N. J.	2,160,000	1964-1984	8:00 p.m.
Waltham, Mass.	1,100,000	1964-1983	11:00 a.m.
August 29 (Thursday)			
McKinley Co. Gallup-McKinley Co. Sch. Dist. No. 1, New Mex.	2,000,000	1964-1971	2:00 p.m.
Oneonta City, Sch. Dist., N. Y.	2,730,000	1963-1991	2:00 p.m.
Riverview Mich.	1,700,000	1964-1992	7:30 p.m.
September 3 (Tuesday)			
Cook Co. Forest Preserve Dist., Ill.	4,000,000	1965-1979	10:00 a.m.
Houston, Texas	11,070,000	--------	--------
Savannah District Authority, Ga.	8,500,000	--------	--------
September 4 (Wednesday)			
Saxman, Alaska	1,500,000	1966-1988	2:00 p.m.
Washington (Olympia), Public Sch. Fac. and Buildings	35,750,000	--------	--------
September 5 (Thursday)			
Hennepin County Park Reserve District, Minn.	3,000,000	1965-1985	11:00 a.m.
Indiana State College Board, Ind.	2,865,000	1963-2000	11:00 a.m.
Pierce Co. Tacoma SD #10, Wash.	1,000,000	--------	10:00 a.m.
University of Alaska	1,106,000	1965-2002	2:30 p.m.
September 6 (Friday)			
Cuyahoga County, Ohio	2,262,000	1964-1988	11:00 a.m.
Wash. State Univ., Bd. of Regents	2,294,000	1964-2001	10:30 a.m.
September 9 (Monday)			
Mahtomedi, Minn.	1,000,000	--------	--------
South-Western City S. D., Ohio	2,750,000	1965-1936	Noon
University of North Carolina	1,800,000	1965-2002	10:30 a.m.
September 10 (Tuesday)			
Boston Metropolitan Dist., Mass.	3,415,000	1964-1993	11.00 a.m.
Franklin Sch. Construction., Va.	1,500,000	--------	--------
Fridley Ind. S. D. No. 14, Minn.	1,730,000	1966-1988	8:00 p.m.
Jackson, Mich.	1,000,000	1964-1989	5:00 p.m.
Pittsburgh School District, Pa.	5,000,000	1964-1988	2:00 p.m.
Pompano Beach, Fla.	1,000,000	1964-1979	11:00 a.m.
Rhode Island (State of)	9,000,000	1964-1993	12:30 p.m.
South Co. Jt. Jr. Col. Dist., Calif.	8,250,000	1964-1988	10:00 a.m.
Washoe Co. Central S. D., Nev.	3,000,000	1966-1983	8:00 p.m.
September 11 (Wednesday)			
Clark County Vancouver School District No. 37, Wash.	2,000,000	--------	11:00 a.m.
Hempstead Cent. HSD No. 3, N. Y.	4,789,000	1965-1993	--------
Pittsburgh, Pa.	4,680,000	1964-1983	11:00 a.m.
September 12 (Thursday)			
Akron City Sch. Dist., Ohio	3,000,000	--------	--------
September 17 (Tuesday)			
Deptford Township S. D., N. J.	1,895,000	1965-1984	8:00 p.m.
Detroit, Mich.	12,820,000	--------	--------
Howell Township S. D., N. J.	1,090,000	1965-1984	8:00 p.m.
Lafourche Parish. Hospital Service District No. 2, La.	1,000,000	1964-1988	2:00 p.m.
Los Angeles Unified S. D., Calif.	25,000,000	1964-1988	9:00 a.m.
September 18 (Wednesday)			
New Orleans, La.	14,700,000	1965-1988	10:00 a.m.
September 20 (Friday)			
Hammond, La.	1,275,000	1964-1978	10:00 a.m.

Bank Branching— The New York Story

By G. Russell Clark, *Chairman of the Board, Commercial Bank of North America, New York City, Former Superintendent of Banking of the State of New York*

Former New York State Superintendent of Banks cites the Omnibus Bill devised by him and passed in 1959, to deal with hampering of their national growth of commercial banks and other financial regulation by restrictive laws—with the effect of widening the branch powers of savings banks, savings and loan associations, New York City and Nassau County commercial banks; while providing for state regulation over bank holding companies; and also permitting savings banks and New York City banks to branch out into the suburban areas. Traces favorable results. Cites changes prepared by present N. Y. Superintendent during recent legislative session. Notes hindrance to progress stemming from "evident imbalance" existing between Washington regulatory authorities.

Early in 1959, as the newly-appointed Superintendent of Banks of the State of New York, it became my task to frame a measure that would attempt to eliminate certain inequities in the banking law.

G. Russell Clark

Not only commercial banks, but other financial organizations had been hampered in their natural growth by restrictive laws of the States. A decade of bickering between the various segments of our financial community had produced nothing to clarify or alleviate the situation. The new bill proposed to widen the branch powers of savings banks, savings and loan associations, and New York City and Nassau County commercial banks, while at the same time providing for state regulation over bank holding companies operating within New York State.

With respect to branch banking, the general effect was to permit savings banks and New York City commercial banks to branch out into the suburban areas from which they had been previously barred, and to permit savings and commercial banks in the suburbs adjoining New York City to branch into the city. After a series of statewide hearings, and a vigorous educational program among the legislators as to the objects of the bill, the legislation was passed and is commonly called the Omnibus Bill.

Problems to Solve

Prior to 1934, banks could open branches only in the community in which their head office was located. The difficulties in the banking field in the '30s led to discussions both on Federal and State levels as to whether additional branching powers might not be in the public interest.

In New York State, viewpoints on the proposal ranged from espousal of statewide branch banking to maintain the *status quo*. The compromise reached involved the concept of regional branch banking with the State divided into nine banking districts within which commercial banks might apply for branches. New York City commercial banks, however, were limited to branching privileges within the confines of the City, due mainly to the fears that they might otherwise dominate banking within the State or any area in which they were permitted to operate. Branching by savings banks continued to be restricted to their home office communities.

In the studies made of branching prior to the adoption of the new Omnibus Bill, it was indicated that the interest rates on loans for small business and consumer credit purposes were significantly lower at New York City banks when compared with the charges of a number of suburban area banks. Inasmuch as the bill purported to be in the public interest, it was only reasonable that these lower costs should be made available to the borrowing public in the suburban areas. That the objectives of that time are being presently fulfilled was evidenced recently when a large New York City bank took over the ownership of a Nassau County bank, and on the first day of business the discounts on instalment loans were cut from 6% to 4¼% on auto loans, and to 4¾% on unsecured personal loans.

Favorable Results

Inasmuch as the essence of a competitive system in any field of endeavor is to offer the public a choice of institution with which it wishes to do business, it was clear that such choice was unduly restricted by previously existing branching laws. That the public has chosen to take advantage of the liberalization of the branching law is apparent from figures showing branch openings since its adoption.

There have been 94 branches opened, and these branches have received approximately $360,000,000 in deposits. Represented in this total are 39 branches of commercial banks, 45 branches of savings banks, and 10 branches of state savings and loan associations. If one were to consider the national bank branches, and branches of Federal savings and loan associations, in addition to the foregoing figures, there would be a total of approximately several hundred new branches created within the State of New York.

Some feeling has been expressed about the so-called "home office protection" feature of the bill which has led into present-day discussions of its desirability. It must be remembered, however, that progress is many times accomplished when the various parties are willing to be flexible —and, perhaps, patient. I doubt that the Omnibus Bill would have successfully passed the Legislature three years ago if the "home office protection" feature had been omitted from its provisions.

To clarify this term, it means that in a community where the head office of a commercial bank is located, except in New York City, the law prohibits any outside institution, whether a commercial bank, a savings bank, or a savings and loan association, from opening *de novo* branches in such community. An exception to this prohibition is that when an independent bank becomes a holding company subsidiary, the protection is removed. In addition, savings banks have home office protection against the entry of other savings banks, while savings and loan associations have such protection against other state-chartered savings and loan associations.

New Proposals

In the recent legislative session just ended, the Superintendent of Banks proposed a change in Section 105 (home office protection section) which would reduce the population maximum of such communities enjoying this protection from 1,000,000 to 15,000. In addition, he recommended that mutual savings banks and savings and loan associations be given privileges similar to those of commercial banks. While the bill was withdrawn prior to the conclusion of the session, there were many in favor of this proposal. He also proposed to reduce the present nine banking districts to three.

As might be expected, the strongest advocates of the proposal were the large city banks, and those taking a position against were, in the main, the smaller community banks. It must be noted here that under the present law, cities like Buffalo, Rochester, and Syracuse are closed to branching by out-of-area banks.

Parenthetically, it might be said that the expected progression of the pattern laid down under the Omnibus Act has been somewhat beclouded by the evident imbalance which exists between Washington regulatory authorities on questions of mergers, branches, etc.

The Banking Law with respect to branch powers is merely permissive in nature, and obtaining a branch approval is quite a different matter since the burden of proof is upon the applicant institution to demonstrate to the Superintendent of Banks and the Banking Board that such branch would serve the public convenience and advantage in the area proposed; that it has reasonable assurance of successful operation within a reasonable period of time and that it will not engender unsound or destructive competition.

Independents Can Compete

Much has been said about the ultimate fate of independent banking units under present branching patterns. Studies made by the Banking Department in preparation for the Omnibus legislation showed, in the overwhelming majority of cases, that neither growth nor earnings of the independent bank were adversely affected by competition. It seems to me that if a small independent bank wishes to continue in that role, and if it is adequately providing to its community the necessary banking services under aggressive management, it is in fact then able to compete effectively even against a branch of a large institution. Several years ago, Mr. Lewellyn Jennings, the then Assistant Comptroller of the Currency, made similar analyses on a nationwide basis and arrived at similar conclusions.

It does not seem too long ago that the population deemed necessary to support a branch was mainly guaged on what might be called a *horizontal* development basis, and as the years have passed it has become more and more *vertical*, particularly in our larger cities.

Our own city of New York seems to be dotted, particularly on street intersections, by branches of banks.

The rapid increase in population in our suburban areas; the location of thousands of newly organized or transferred industries and the expansion of facilities of those previously in existence, has required an over-increasing expansion of bank services in these areas. Many banks have large, well organized and experienced staffs continuously seeking locations in expanding trade areas. Competition for the most desirable locations is keen, and there is a growing recognition by builders that a bank occupying ground floor facilities is not only a desirable tenant, but also provides a most convenient servicing agent for the banking needs of the building tenants.

In certain instances the main trade or industry in an area may relocate for a variety of reasons, and a bank may find itself in a position where it is impossible to replace those lost customers on its books. A merger with another institution, or an aggressive branching or main office relocation program, are the only solutions to this problem.

The approval of branches is primarily based on the business located in the trade area of the branch; if located in a large building, the tenant population has an important hearing; the pedestrian traffic in the vicinity and the character of businesses conducted in the neighborhood are also taken into consideration.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Balance of Payments, Gold Outflow and the Budget — Review — David L. Babson and Co., Inc., 89 Broad St., Boston, Mass. 02110.

Banks — Review — Carl M. Loeb, Rhoades & Co., 42 Wall St., New York, N. Y. 10005. Also available are comments on **Aluminum Ltd., Coca Cola, Copeland Refrigeration, Kentucky Utilities** and **St. Joseph Lead** and a memorandum on **Scott Foresman.**

Banks and SEC Legislation—Detailed report—M. A. Schapiro & Co., Inc., 1 Chase Manhattan Plaza, New York, N. Y. 10005.

Building Materials—Discussion—Goodbody & Co., 2 Broaway, New York, N. Y. 10004. Also available is a review of **Savings & Loan Shares** and of **McCormick & Co.**

Canadian Dollar — Discussion — Greenshields Inc., 507 Place d'Armes, Montreal, Que., Canada.

Canadian Securities — Bulletin — Equitable Brokers Ltd., 60 Yonge St., Toronto 1, Ont., Canada.

Canadian Wheat Outlook—Review —Bank of Nova Scotia, 44 King St., West, Toronto, Ont., Canada.

Containers and Packaging — Review — Calvin Bullock, Ltd., 1 Wall St., New York, N. Y. 10005.

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

Gold and the Balance of Payments —Analytical brochure—First National Bank of Chicago, Dearborn, Monroe & Clark Sts., Chicago, Ill. 60690.

Gold: Past and Future—Study—W. E. Hutton & Co., 14 Wall St., New York, N. Y. 10005. Also available are comments on **Kendall Co., Mountain Fuel Supply, National Lead Co., Prentice Hall** and **Safeway Stores.**

Growth Stocks—Data on ten issues which appear interesting—Auchincloss, Parker & Redpath, 2 Broadway, New York, N. Y. 10004.

Japanese Shipbuilding Industry—Review—Yamaichi Securities Co. of New York Inc., 111 Broadway, New York, N. Y. 10006.

Life Insurance Stocks for Lifetime Gains—Ira U. Cobleigh—Basic information, highlighted for investors, about the attractiveness of life stocks, the historic growth of representative life insurance companies, and criteria for prudent current selection of seasoned life stocks with a view to long term capital gains—Cobleigh & Gordon, 220 East 42nd Street, New York, N. Y. 10017—$2 per copy (quantity prices on request).

New York City Bank Stocks—Comparison and analysis of 10 New York City bank stocks — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Oil Company Earnings—Data on 26 companies—Burnham & Co., 60 Broad St., New York, N. Y. 10004.

Oil Stocks—Review—Richard S. Graham, Dept. CFC, Reynolds & Co., 120 Broadway, New York, N. Y. 10004. Also available are reviews of **Columbia Broadcasting System** and **Consolidated Edison Company of New York.**

Our International Deficit—Review —In current issue of "Investornews"—John Fitz Randolph, Dept. FC, Francis I. du Pont & Co., 1 Wall Street, New York, N. Y. 10005. Also in the same issue are analyses of the **Drug Industry, C. I. T. Financial Corp., Purolator Products** and **A. E. Staley Manufacturing** and comments on **Westinghouse Air Brake Co., U. S. Steel Corp.** and **Pittston Co.**

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 25-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Petroleum Industry in Australia—A series of two articles in the "Monthly Summary of Australian Conditions"—The National Bank of Australiasia Limited, 271-285 Collins Street, Melbourne, C. 1., Australia.

Radiation's Resourceful Rays—Article in August issue of "The Exchange"—Exchange Magazine, 11 Wall Street, New York, N. Y. 10005, 25 cents per copy; $2 per year. Also in the same issue are data on **Electronic Specialty Co., Technical Materiel Corporation, Overnite Transportation Company, Pennzoil Company** and **Interstate Motor Freight System.**

Savings & Loan Associations—Review—Hill Richards & Co., Incorporated, 621 South Spring Street, Los Angeles, Calif. 90014.

Special Situation Growth Stocks are selected with the aid of an intrinsic value formula recently developed by **Valucraft** Growth Situations Research. Information on formula together with current issue which features pertinent statistics, formula estimates of intrinsic value, and analyses-in-brief on over 50 undervalued special situation growth stocks available on request from **Valucraft,** 550 Fifth Avenue, New York, N. Y. 10036.

Western Massachusetts Companies —New research report—Dept. ED, Commercial and Financial Chronicle, 25 Park Place, New York, N. Y. 10007.

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Alberto-Culver Company—Review—Orvis Brothers & Co., 30 Broad Street, New York, N. Y. 10004. Also available are reviews of **Bigelow Sanford Inc., Minneapolis Honeywell** and **Motorola.**

Arvin Industries—Analysis—J. R. Williston & Beane, Inc., 2 Broadway, New York, N. Y. 10004.

Arvin Industries — Comments in current issue of "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine Street, New York, N. Y. 10005. Also available are comments on the **New York World's Fair Corp., Goodyear Tire & Rubber Company, Sterling Drug, Inc., Bulova, Dymo Industries, Lowe's Companies Inc.,** and **Plastics.**

Belmont Savings & Loan Association—Bulletin—Mitchum, Jones & Templeton, Inc., 650 South Spring Street, Los Angeles, Calif. 90014. Also available are analyses of **Commerce Clearing House, General Telephone & Electronics Corp.** and **See's Candy Shops Inc.**

Boise Cascade Corp.—Analysis—Walston & Co., Inc., 265 Montgomery Street, San Francisco, Calif. 94104.

Bradley Industry, Inc.—Report—Russell & Saxe, 50 Broad Street, New York, N. Y. 10004.

Caterpillar Tractor — Report — Henry Gellermann, Dept. FC, Bache & Co., 36 Wall Street, New York, N. Y. 10005. Also available are reports on **General Motors** and **Toledo Edison** and comments on **Deere & Co., A. O. Smith, Airline Stocks, Combustion Engineering, H. J. Heinz,** and **Rochester Gas & Electric.**

Central Maine Power Company—Analysis—Chas. W. Scranton & Co., 209 Church Street, New Haven, Conn. 06507. Also available are analyses of **Ludlow Corporation, New Haven Water Company,** and **Stanley Works.**

Central National Bank of Richmond, Va.—Analysis—Craigie & Co. Inc., 616 East Main Street, Richmond, Va. 23215.

Champion Papers Inc.—Survey—Fahnestock & Co., 65 Broadway, New York, N. Y. 10006. Also available is a report on **Arizona Public Service.**

Colgate Palmolive Company—Analysis—Hornblower & Weeks, 1 Chase Manhattan Plaza, New York, N. Y. 10005. Also available are comments on **U. S. Rubber, Electric Storage Battery, Arvin Industries, Alco Products, Midland Ross, Armstrong Cork** and **Trans-America.**

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

Crocker-Anglo National Bank—Analysis — Birr, Wilson & Co., Inc., 155 Sansome Street, San Francisco, Calif. 94104.

Diners Club Inc.—Analysis—H. Hentz & Co., 72 Wall Street, New York, N. Y. 10005.

First National City Bank—Analysis—Shearson, Hammill & Co., 14 Wall Street, New York, N. Y. 10005.

Getty Oil Company—Analysis—Filor, Bullard & Smyth, 26 Broadway, New York, N. Y. 10004.

Globe Security Systems Inc.—Analysis—Glore, Forgan & Co., 45 Wall Street, New York, N. Y. 10005.

W. R. Grace & Co.—Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago, Ill. 60603. Also available are analyses of **Interstate Power Company** and **Talon, Inc.**

Halo Lighting Inc. — Analysis—A. G. Becker & Co., Incorporated, 120 South La Salle St., Chicago, Ill. 60603.

Lear Siegler — Analysis — J. A. Hogle & Co., 40 Wall Street, New York, N. Y. 10005.

Max Factor & Co. — Analysis—Halle & Stieglitz, 52 Wall Street, New York, N. Y. 10005.

Midland Guardian Co.—Analysis —Westheimer and Company, 124 East Fourth Street, Cincinnati, Ohio 45202. Also available is a memorandum in **O. M. Scott & Sons Co.**

Northrop Corporation—Analysis—Parrish & Co., 40 Wall Street, New York, N. Y. 10005.

Norton Co.—Report—Jas. H. Oliphant & Co., 61 Broadway, New York, N. Y. 10006. Also available are comments on **American Can Co.**

Radio Corp. of America — Comments—Hirsch & Co., 25 Broad Street, New York, N. Y. 10004. Also available are comments on **Richfield Oil, American Air Lines, Coastal States Gas Producing, Quaker Oats** and **Arvin Industries.**

Revere Copper and Brass Inc.—Analysis—Freehling & Co., 120 South La Salle Street, Chicago, Ill. 60603.

Safran Printing Co.—Analysis—Watling, Lerchen & Co., Ford Building, Detroit, Mich. 48226.

Singer-Friden Merger—Review —Dean Witter & Co., 45 Montgomery Street, San Francisco, Calif. 94106.

Talon Inc.—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York, N. Y. 10005.

U. S. Steel Corp.—Report—The Illinois Company, Inc., 231 South La Salle St., Chicago, Ill. 60604.

Virginia National Bank—Analysis —Investment Corporation of Virginia, Seldon Arcade, Norfolk, Virginia.

Walt Disney Production—Review —L. F. Rothschild & Co., 120 Broadway, New York, N. Y. 10005. Also available are comments on **United States Fidelity and Guaranty Company** and **Schlumberger Limited.**

Wisconsin Power and Light Company — Analysis — Loewi & Co., Incorporated, 225 East Mason St., Milwaukee, Wis. 53202. Also available is a memorandum on **Jim Walter Corp.**

Woolworth Named By Hugh W. Long

ELIZABETH, N. J. — Philip M. Woolworth has been named Director of Dealer Relations for Hugh W. Long & Company, Inc., Parker at Westminster, it has been announced by Edward B. Burr, Chairman.

Philip M. Woolworth

For the past five years, Mr. Woolworth has been manager of sales development for the Mutual Fund Division of Bache & Co. For nearly five years previous to that he was zone sales manager for Investors Diversified Services in South Bend, Indiana.

Before entering the investment business, Mr. Woolworth was manager of service sales promotion for Studebaker Corp. in South Bend for 10 years and prior to that was assistant to the sales manager of a division of General Foods Company in Evansville, Indiana.

Form Binn & Co. Inc.

Binn & Co., Inc. has been formed with offices at 50 Broadway, New York City, to engage in a securities business.

Forms Brown & Co.

LAS VEGAS, Nev.—Dewaine M. Brown is engaging in a securities business from offices at 707 South Fourth St. under the firm name of Brown & Co. Mr. Brown was formerly a partner in Brown, DeMille & Co.

Proposed Tax on Purchase Of Foreign Securities

By Douglas Dillon, Secretary of the Treasury*

Administration's fiscal chief summarizes the "compelling" reasons behind the proposed tax, citing its short and long-run purposes; and describes its detailed provisions. Lists as specific purposes the achievement of prompt and lasting improvement in our balance of payments, and reduction of immediate strains ensuing from rising outflow of long-term portfolio capital. Terms tax a transitional measure. Maintains savings in Government spending abroad will not do the trick. Asserts major motivation of placing many foreign issues in New York is the ready availability of funds at low rates of interest, rather than pressing need of capital. Lists the procedures for the application of the proposed tax.

My purpose in this presentation is to review the compelling considerations that have led the President to propose an Interest Equalization Tax on purchases of foreign securities, to describe the proposed tax, and to urge its early enactment.

Douglas Dillon

In the most general terms, the Interest Equalization Tax is designed to bring the cost of capital raised by foreigners in the United States market into closer alignment with the costs prevailing in the markets of most other industrialized countries. This would be achieved by means of an excise tax on the acquisition from foreigners of foreign securities with maturities of three years or more.

This tax has been assigned a key role in our total effort to achieve prompt and lasting improvement in our balance of payments. Its specific purpose is to reduce the immediate strains on our position caused by a swelling outflow of long-term portfolio capital from this country—an outflow that threatens to delay beyond prudent limits the progress toward the external balance that we so urgently need. The tax will complement actions being taken to improve every other major sector in our international accounts.

Today, a disproportionate share of the demands for capital from all the world—from deficit and surplus countries alike—converges on the United States. In the short space of 18 months, the volume of new foreign issues reaching the United States market has more than tripled, increasing from an an average of less than $600 million over the years 1959-1961, to $1.1 billion in 1962, and to an annual rate of almost $2 billion over the first six months of this year. A substantial portion of these rising demands must be diverted to markets in other nations, particularly those now in a strong external position, if the stability of the international financial system as a whole is to be protected.

A Transitional Means

The Interest Equalization Tax is a transitional means for achieving this purpose. The need will end as longer-range measures to raise the profitability of investment in the United States, to restore external equilibrium, and to build more effective capital markets abroad become more effective. And, the tax is essential for ensuring progress in reducing our own payments deficit over the difficult period that lies immediately ahead. It will help achieve our objectives in a manner fully consistent with our responsibilities to spur growth at home, to meet the most pressing needs of other nations particularly dependent on access to our capital market, and to maintain the framework of free markets.

This deficit on so-called "regular transactions"—that is, all transactions that emerge from the interplay of market forces and the established policies of this and other governments—totaled over $3½ billion in 1962, up about $500 million from 1961. During the first six months of this year, the annual rate moved still higher, to well over $4 billion. Preliminary figures for July indicate some improvement reducing the annual rate for the first seven months to approximately the $4 billion level.

The Increased Deficit on Regular Transactions

The increase in our deficit on regular transactions has developed despite a continued large surplus on exports of goods and services, concerted efforts to reduce the balance of payments cost of Government spending abroad, and substantial military offset arrangements with Germany and Italy. It is due almost entirely to the accelerating outflow of long-term portfolio capital into new foreign issues.

For instance, while our deficit on "regular transactions" increased by $530 million in 1962 as compared to the previous year, U. S. purchases of new foreign issues grew by $553 million. During the first six months of 1963, this trend not only continued but accelerated and the annual rate of new foreign issues exceeded the 1962 rate by some $875 million. Once again growing purchases of new foreign issues accounted for the entire increase in our deficit on "regular transactions" during the first six months of this year. The continuation of purchases of new foreign issues at any such rate, threatens to deprive us of the time needed to improve our payments balance by the fundamental adjustments in other areas that necessarily take time to work themselves out.

The Capital Outflow

For many years, the United States has been an exporter of long-term capital, with the net flow of direct and long-term portfolio investment averaging over $2 billion a year since the mid-1950's. Following the widespread return of convertibility at the beginning of 1959, and the related elimination of restrictions on the use of foreign short-term funds in the industrialized countries of Europe, a large outward flow of short-term capital has developed as well. Since 1959 short-term U. S. investment abroad—including unrecorded transactions, changes in which are believed largely to reflect variations in the movement of short-term capital that are not covered by our reporting system—has also averaged close to $2 billion a year.

Faced with this outward flow of capital—netting out to roughly $4 billion during recent years—we have recognized that measures to reduce the imbalance in the flows of capital must be a key element in our over-all balance of payments program.

This Ways and Means Committee has played an active role in reducing tax incentives to direct investment abroad, which have been one important element in the over-all problem. The investment credit in the Revenue Act of 1962, together with depreciation reform, brought the tax treatment of new investment in machinery and equipment in the United States more closely in line with that extended by other industrialized countries. In addition, that Act sharply curtailed the use of so-called tax haven countries as a device for reducing tax liabilities. With a reduction in the corporate tax rate to 48%, as proposed in the bill you are now completing, and with your decision to restore the full effectiveness of the 1962 investment credit by the repeal of Section 48 G, differences in tax treatment should be a far less significant element in decisions to undertake direct investments in other industrialized countries. More important for the longer-run, the strong impetus to economic growth in the United States that will be provided by the new tax bill, and the enlarged opportunities for sales and profits that this growth will bring, will greatly increase the relative attractiveness of investment in the United States, and thus reduce the net outflow of direct investment.

However, the problem of capital outflow has, during the past months, shifted to the area of portfolio transactions, as foreign borrowers have taken increasing advantage of the lower long-term interest rates and ready availability of capital in our domestic capital markets. It is these surging demands by foreigners on our market, which if allowed to continue unchecked could seriously undermine the stability of the dollar, that have forced us to act.

The Accelerating Outflow of Portfolio Capital

Evidence of this accelerating outflow of portfolio capital first appeared during the latter part of 1962, when a spate of new foreign issues resulted in total purchases by Americans for the entire year of $1.1 billion, more than double the 1961 level. The administration made no recommendations for action at that time, although the situation was carefully reviewed, since a large portion of the outflow could be traced directly to the Canadian difficulties in the spring of 1962, difficulties which gave rise later in the year to an exceptionally large volume of borrowings by that country to rebuild its foreign exchange reserves. Our official efforts were limited to informal suggestions for spacing out the timing of the larger Canadian borrowings. The full dimensions of the problem only became apparent during the first half of this year when the volume of new issues from other areas also rose sharply, bringing the total purchases of foreign bonds and stocks for the 12 months ended in June to $1.6 billion.

These enormous demands on our capital market have come from a wide variety of sources. One of the most striking characteristics has been the sudden rise in sales of new issues by foreign corporations, particularly those in Europe and Japan, which in the past have been much less active than foreign governments in using our market facilities. The Securities and Exchange Commission recently reported that over $400 million of new foreign corporate issues were offered in New York during the period from April 1 to June 30. That figure, covering a period of only three months, amounted to three quarters of the comparable total for the entire year 1962—and to nearly three times the total for the year 1960. Nor is the flow abating—over $200 million of new foreign corporate issues have been informally reported to us as in registration, committed, or in the final negotiation stages, at the date of the President's Message, all of them from industrialized countries and (many) from Europe.

At the same time foreign governments—including cities and provinces—have also been borrowing substantially more than in earlier years. In many instances, these borrowings, at least in the case of the developed countries of Europe, do not arise from any need for foreign exchange, nor are they related, in any direct or ascertainable way, to import requirements from the United States. Instead, the loans have frequently been designed to finance construction projects with relatively small import content, or in some instances to cover the internal budgetary deficits of a central government; there have even been notable occasions in which the proceeds of large dollar bond issues have been devoted to the purchase of already existing domestic facilities. Clearly, the many of these issues in New York major motivation for placing has been simply the ready availability of funds at a relatively low rate of interest, rather than a pressing need for capital from outside the borrower's own country.

There are no signs that this flood of new issues will, of its own accord, fall back to the more sustainable levels of earlier years. To the contrary, the information now becoming available points toward the definite possibility that—unless effective action is taken—the tide of foregin sales may rise still further.

Foreign businessmen are becoming much more aware of the efficient facilities and relatively low rates available here, and much more accustomed to their use. At the same time, there are indications that the profit margins of many European business firms have come under increased pressure during recent years, so that their ability to finance their growth almost wholly from retained earnings—the normal practice for many years—is now more limited. This is leading to increased demands for borrowed funds at a time when European capital markets are, by and large, not yet adequately organized to efficiently supply business needs from the growing savings of their own peoples. Somewhat similar forces seem to be at work in the case of many local government authorities abroad, hard-pressed to finance a backlog of local improvements.

U. S. Underwriters' and Investors' Increasing Interest

These rising demands on our market have a counterpart in the increasing familiarity with, and interest in, foreign securities by U. S. underwriters. At the same time, the appetite of American investors for new foreign issues has been wheted by the huge flow of savings in this country, by the relative shortage of profitable domestic investment outlets, and by the opportunity to earn a higher return on foreign issues. The unfortunate experiences of the twenties and thirties, which long restrained the demand for foreign securities, have now been largely forgotten. Moreover, the fear of difficulties in obtaining

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The State of TRADE and INDUSTRY

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

The private economy should be preparing now for adjustment to possible reduction in U. S. defense spending. This point is urged in an article in the August issue of the *Morgan Guaranty Survey*, published by Morgan Guaranty Trust Co. of New York.

Well before signing of the agreement to limit nuclear testing, the article says, "a number of developments were suggesting the possibility of a break in the pattern of steadily increasing outlays for national security." The kind of reduction that might come is described as "a gradual, modest step-down" rather than the "massive, idealistic kind of disarmament that is a remote dream in today's world of tension."

Even the hope of modest cuts could be wiped out "overnight," the articles concedes. "Subject to such qualification, however," it states, "it seems more reasonable now than at any time in the cold war to begin looking for a turn in the long road of higher and higher military costs."

Cited in support of this view is the downtrend in budget requests for funds for "strategic retaliatory forces." The figure, at $7.3 billion for fiscal 1964, was down $1.2 billion from the estimated 1963 appropriation and down $1.8 billion from the amount actually committed for fiscal 1962. "The tapering-off suggests," says the bank publication, "that the building of a massive nuclear strike-back force — a program which in its present phase began about 1958—has reached a level where further build-up can safely proceed at a more modest pace."

Other developments are noted as indicating that the rising trend of defense budgets may be halted or even reversed. They include:

—The recently announced decision of the Atomic Energy Commission to reduce production of fissionable materials for use in weapons;

—A "growing economy-mindedness" on defense and space matters in Congress;

—Signs, including the partial test ban, of a "new basis for international negotiation."

Preparing for Defense Spending Reduction

With defense accounting for one-tenth of U. S. gross national product, the publication states, either reductions in defense spending or changes in its composition would require adjustments by individuals, companies, and communities. The prospect thus far "appears to have been rather broadly neglected," the article comments. It mentions a sampling canvass of defense contractors by a Senate subcommittee, which indicated that only about one in six had conducted any kind of study of how it would respond to the loss of business presumably involved in a defense cutback.

Financial aid from Federal or state governments probably will be needed in the adjustment process, the bank review says. "The assistance should be temporary and should aim at helping individuals, companies, and communities integrate as soon as possible into the ongoing private economy," it adds. "The governmental role in any gradual phasing down of defense expenditures ought to be one of lubricating the friction points rather than stoking the engine."

Possible forms cited for such aid include relocation allowances, payment during retraining, improved placement services, and credit assistance. Also suggested is a "modest allowance" to defense contractors for research aimed at conversion to nonmilitary activity.

"Encouragement of research looking to conversion," the article states, "is an especially attractive idea for two reasons: first, the development of new products is a prime source of the kind of lift and excitement that will be needed to perk up demand in one sector of the economy if demand is being withdrawn from another; second, research geared to the civilian economy has suffered heavily in recent years from the pre-emptive requirements of defense and space."

A Balance of Payments Tax Minded Program

Another article in the *Morgan Guaranty Survey* for August recommends income tax reduction as a "positive and broad" approach to the U. S. balance-of-payments problem. By contract, it characterizes the proposed taxing of certain foreign securities as "negative and narrow."

"Not only would relief from the high rates of income levy make the U. S. more appealing to both domestic and foreign capital," the article says; "it also would permit more aggressive use of monetary policy as a deterrent to capital outflows."

The bank review notes that recent revision of the Administration's original tax-cut program "left two major sources of Congressional reluctance intact." These are the proposed repeal of the 4% dividend credit and the continued upward trend of Federal spending. The article continues: "A tax-reduction program further simplifying the 'reform' aspects and including a meaningful cut in Federal outlays, if put forward as the main thrust of this country's attack on the balance-of-payments problem, could be expected to command broad support in Congress, among the electorate, and in the world financial community where confidence in the dollar must be maintained as well as at home."

Choosing tax reduction instead of interest equalization "would have avoided the tangle of administrative complications woven around the proposed tax on securities," the Morgan Guaranty publication states. "It would have steered clear of all sticky discriminations among foreign countries—and also among individuals and institutions in the U. S.—that are implicit in the evolving format of the tax. It would have kept the dollar clean of the slightest tinge of exchange control."

Bank Clearings 6% Above 1962 Week's Volume

Bank clearings in the latest statement forged ahead of a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Aug. 17 clearings for all cities of the United States for which it is possible to obtain weekly clearings were 6% above those of the corresponding week last year.

Our preliminary totals were $32,547,916,598 against $30,715,672,700 for the same week in 1962.

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

Week End. Aug. 17—	1963 (000 omitted)	1962 (000 omitted)	%
New York	$17,988,724	$16,270,024	+10.6
Chicago	1,400,435	1,423,724	— 1.6
Philadelphia	1,230,000	1,186,000	+ 3.7
Boston	847,647	855,138	— 0.9
Kansas City	538,050	547,416	— 1.7

Steel Output Off 0.3% From Prior Week Marks Smallest Drop in 11 Weekly Declines of Past 12 Weeks, but Is 7.8% Above Year-Ago and Cumulative 1963 Output Is 12.2% Above 1962 Period

According to data compiled by the American Iron and Steel Institute, production for the week ended Aug. 17 was 1,742,000 tons (*93.5%) as against 1,748,000 tons (*98.8%) in the Aug. 17 ending week.

This change in output was but a mere 0.3% below that of last week and marked the smallest drop out of 11 weekly declines in the past dozen weeks. Last week's decline was 6.5 percentage points below the 1957-59 base period's average weekly output and was the lowest production since Sept. 22, 1962 (1,715,000 tons)—ignoring the Dec. 29, 1962 holiday week's tonnage identical to Sept. 22, 1962 week.

The year's weekly high was 2,626,000 net tons achieved May 25-ending week unequalled in the past two years and last equalled in mid-March, 1960. The Aug. 17-ending week's output exceeded last year's week by 7.8%.

For the 13th week in a row this year, the cumulative total output of ingots and castings since Jan. 1 topped the year-ago period with a total of 72,590,000 net tons (*118.1%) which is 12.2% above the Jan. 1-Aug. 18, 1962 production of 64,695,000 net tons. This cumulative total, however, declined slightly compared to the week-to-week gain for the Aug. 10, 1963 over Aug. 3, 1963's aggregate year's output.

District—	*Index of Ingot Production for Week Ending Aug. 17	Aug. 10
North East Coast	89	91
Buffalo	71	67
Pittsburgh	88	90
Youngstown	76	75
Cleveland	93	92
Detroit	133	136
Chicago	92	93
Cincinnati	111	109
St. Louis	99	98
Southern	108	109
Western	108	102
Total industry	93.5	93.8

*Index of production based on average weekly production for 1957-59.

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Is U. S. Silver Coinage Really Necessary?

By Paul Einzig

Almost a year ago Dr. Einzig suggested that we utilize our Treasury silver stocks and minted coins for balance of payments purposes. Here he reports on the growing recognition, though belated, now being accorded his proposal, sums up the unanswerable arguments favoring the acceptance of his proposal, and cites approving reasons recently advanced by Mr. Herbert Bratter—a well known American monetary student and writer.

LONDON, England — Ever since the appreciation of silver in the autumn of 1962 I repeatedly pointed out the need for taking advantage of the rise in its value by using the American silver supply in support of the U. S. balance of payments. For many months mine was a lone voice crying in the wilderness. It is all the more gratifying that at last the idea is beginning to receive support also from other quarters. Congressman Clarence B. Long has now adopted my suggestion that the U. S. Treasury's big stock of silver should be sold gradually to support the dollar and that silver coinage should be withdrawn. Quite recently Mr. Herbert Bratter, in a closely argued article appearing in the Aug. 12 issue of the *Baltimore Sun*, urged the United States Government to proceed on the lines suggested.

When I first suggested, in an article appearing in the *Commercial and Financial Chronicle* almost a year ago, the use of silver to meet the balance of payments deficit, the lack of response to my suggestion may have been due to the then prevailing optimism about the prospects of eliminating the balance of payments deficit within a relatively short time. Such hopes have been abandoned, however, in the meantime, and the stern measures taken recently by the American authorities show that the importance of effective action has at long last come to be realized.

A Painless Remedy

Most action that could conceivably be taken for the sake of improving the balance of payments is bound to hurt either the American economy or the economies of friendly countries. It would be all the more absurd if the United States authorities abstained from resorting to the one remedy which would hurt nobody, except possibly producers of silver who would be deprived of the additional profit they would earn if in the absence of official American selling the price were to continue to rise. But considering that the present price of silver is far above their most optimistic anticipations even they would have no legitimate grievance.

Mr. Bratter points out that, in addition to the balance of payments argument in support of my suggestion, its adoption would also benefit by the U. S. Treasury to a considerable extent. When the Treasury issues silver coins it makes a profit of nine cents for each ounce used. If, instead of silver cupro-nickel were used, the profit would be $61.40 per ounce. And, as Mr. Bratter remarks, the cupro-nickel coins "would serve the purpose just as well as silver coins."

Mr. Bratter draws attention to yet another argument. In 1962 silver imports of the United States for industrial purposes amounted to over $100 million. This is by no means a negligible drain on the balance of payments, and it is likely to grow bigger in the course of time, owing to the expansion of industrial demand for silver. Admittedly, the copper and the nickel required for the coinage would also have to be imported, unless the surpluses left over from wartime stockpiles were used to cover the requirements of coinage. Mr. Bratter recalls that the Defense Production Administration has in its disposable inventory more than enough copper and nickel to replace all the present subsidiary silver coins. He reckons that the government's profits on the re-coinage would be over $1,600 million.

In addition, the Treasury would mobilize the funds at present tied down in its substantial silver stock. So apart altogether from the advantages from the point of view of the balance of payments there is much to be said for the use of silver in the way I suggested also from the point of view of American domestic finance.

It would indeed be a great pity if out of mistaken considerations of prestige the United States Government failed to respond to the suggestion, or even if its application were to be delayed until after the rise in the market price of silver to above the official American price of $1.29 per ounce would make the execution of the plan less advantageous. Considering that gold coinage has long been replaced by inconvertible notes, reluctance to replace silver coins by cupro-nickel coins is really like straining at a gnat after have swallowed herds of camels.

Silver Coinage Held Wasteful

The present declared intention of the government is to use the Treasury's silver stock for issuing more coins. That would be utter waste of an asset which is badly needed in support of the balance of payments. According to Secretary Dillon, the existing supply of silver would only cover coinage requirements for ten years. "With our growing population and economy what shall we do then for additional coins?", asks Mr. Bratter. "Even as our coinage need grows so too will the industrial demand for the white metal. With or without a balance of payments crises in the long run we will be obliged to use less valuable metals. . . . If we wait until our silver is gone before replacing silver subsidiary coins with cupro-nickel ones, the job of substitution will be much bigger, because the volume of coins in circulation will be greater. Also some of the silver in the coinage will have been wasted through abrasion while part of the outstanding coins will be lost entirely."

For all these reasons Mr. Bratter urges the Administration to lose no time in deciding to apply the silver for balance of payments purposes. It may well be asked whether there are any valid arguments in justification for the present policy? For none of the publicly stated arguments carry any conviction in face of the unanswerable case against wasting a valuable international asset on an expensive luxury.

Elizabeth A. Hogan Joins Mabon & Co.

Mabon & Co., 115 Broadway, New York City, members of the New York and American Stock Exchanges have announced that Elizabeth A. Hogan has joined their federal funds department.

Miss Hogan previously was associated with the federal funds depart. of Garvin, Bantel & Co.

Blaine & Co. Inc. In Philadelphia

PHILADELPHIA, Pa.—Announcement has been made of the formation of Blaine & Company, Inc., to engage in the investment securities business, with offices at 1421 Chestnut Street.

The new firm, headed by Walter F. Blaine, Jr., as president, will act as underwriters, distributors and dealers in investment securities.

Mr. Blaine has been active in the investment securities business since 1949 when he joined Blyth & Co., Inc. Before starting his own business, Mr. Blaine was associated with Goldman, Sachs & Co., in their Philadelphia office.

M. A. Spinogatti Opens

BRONX, N. Y. — Mario Angelo Spinogatti is engaging in a seurities business from offices at 3477 Knox Place.

McCorvey Opens Office

GALENA PARK, Texas — Donald L. McCorvey has opened offices at 1330 Fourteenth Street, to engage in a secruties business under the firm name of D. L. McCorvey and Company.

Jack Falcon Opens

NEW YORK CITY—Jack Falcon is conducting a securities business from offices at 520 Fifth Avenue. He was formerly with Stern & Stern.

Form E. D. Brody Co.

E. D. Brody & Co. is engaging in a securities business from offices at 530 East 23rd Street, New York City. Eugene D. Brody is a general partner in the firm.

CORRECTION

In the *Financial Chronicle* of August 15 it was reported that Willard C. McNitt had become President of Byllesby Securities Co. of Chicago. This was in error. Mr. McNitt, President of the parent company, H. M. Byllesby & Co., Inc., has been named a Director of Byllesby Securities Company.

$5,000 Minimum Net Capital Requirement for N. Y. Broker-Dealers

Llewellyn P. Young, Administrator of the New York Regional Office of the Securities and Exchange Commission, Aug. 21, advised broker-dealers in State of New York registered with the Commission that, effective Sept. 1, 1963, New York law will require such broker-dealers to have and maintain a minimum net capital of not less than $5,000. Under the New York law, "net capital" will be computed generally in the same way as under the Federal Securities Exchange Act of 1934.

Unlike the New York statute, the Federal law does not specify a minimum dollar amount of net capital. It requires only that a broker-dealer's aggregate indebtedness to all other persons not exceed 20 times its net capital. Hence, it would be possible for a broker-dealer to be in compliance with the Federal net capital requirement but in violation of that of New York, or vice-versa.

Mr. Young stated that the Commission's New York Office would regard it as a violation of the anti-fraud provisions of the Federal securities laws for a New York broker-dealer registered with the Commission to carry on business in violation of New York's minimum net capital requirement. Current financial reports filed with the Commission reflect that a substantial number of New York broker-dealers do not have $5,000 in net capital. Accordingly, such broker-dealers are advised to increase their net capital to that amount by Sept. 1, 1963, or thereafter to cease doing business until they have done so. Failure to adopt this course could result in administrative, injunctive or other proceedings against them by the Commission. The Commission and the courts have long viewed net capital requirements as vital to the protection of public investors.

Named Area Dir. Of Sales Organization

Russell H. Eichman, Vice-President of Central National Bank of Cleveland, has been appointed an area director of the Sales and Marketing Executives - Internatoinal. This is a world-wide organization composed of professional executives in the fields of sales and marketing.

The Sales - Marketing Executives Club of Cleveland, which Eichman has served as president and director, is an affiliate of the international organization. Mr. Eichman was made an honorary life member of both organizations in 1959.

Area 17 of the international organization embraces northeast Ohio.

Now head of the National Division of the Commercial Banking Department at Central National, Mr. Eichman joined the bank in 1932 as a messenger. Following assignments throughout most of the bank's operations, he was elected an assistant cashier in 1947 and an assistant vice-president in 1950. Two years later he was promoted to vice-president of the commercial business development department. In March, 1957 he assumed the additional responsibility of his present position.

He and his wife make their home at 33076 Woodleigh Road, Pepper Pike, a suburb of Cleveland.

BANK AND INSURANCE STOCKS

This Week — Insurance Stocks

UNITED STATES FIDELITY AND GUARANTY COMPANY—

United States Fidelity & Guaranty Co. is one of the nation's largest fire and casualty insurance underwriters with premium volume of $355 million in 1962.

The company was incorporated in Maryland in 1896 and began operations in that year. Only fidelity and surety bonds and burglary insurance were written until 1910 when general casualty underwriting commenced. In 1947 the fire and allied insurance field was entered, and in 1959 complete underwriting facilities were attained through the formation of a new life insurance affiliate. In addition to the parent organization, there are five wholly-owned subsidiaries—Fidelity and Guaranty Insurance Underwriters, Inc., Fidelity Insurance Co. of Canada, the newly formed Fidelity and Guaranty Life Insurance Co., Merchants Fire Assurance Corp. and Merchants Indemnity Corp. The latter two companies were acquired late last year through an exchange of stock.

U. S. F. & G. is principally a casualty underwriter, with 61% of 1962's premium volume in liability lines. Multiple line coverages represent 8.3% of premiums and fire lines the remaining 30.7%. Operations are conducted on a nationwide basis through approximately 200 branch and claim service offices and over 9,300 agents.

Net premiums written have increased for 24 consecutive years and have doubled over the past decade. A high standard of underwriting quality has been maintained despite the impressive growth record. Over the past ten years, only 1957 has been an underwriting loss year for the company. The underwriting profit margin for the decade has been 2.5%, one of the best records in the industry.

The increase in income from investment over the years have paralleled the gain in premium volume. Net investment income has steadily risen thorugh the plow back of earnings, reinvested capital gains and higher gross yields. The company has traditionally followed a conservative investment policy in line with most companies with an emphasis on casualty lines. Common stocks as a percentage of total assets amounted to 30% of total assets at year end 1962.

The past year was a highly successful one for the company. A 1.4% underwriting profit margin was recorded desp te the sharp rise in the number and severity of highway and industrial accidents experienced throughout the country. Net investment income rose 8% to $2.81 per share, however, total earnings declined due to the lower underwriting profit margin. The highlight of the year was the addition of the Merchants Fire Assurance Corporation to the U.S.F. & G. team. The acquisition of this long-established and highly-respected company brings improved balance to the underwriting portfolio, and adds materially to U.S.F. & G.'s capital funds, which historically have been low in relation to premium volume.

During the first quarter of the current year, U.S.F. & G. was one of the few major fire and casualty underwriters that did not sustain a sizable underwriting loss. The company's operations were on a break-even level compared with a combined loss and expense ratio of 103.1% in the first quarter of 1962. Net investment income rose 4%. In view of the excellent first quarter experience, U.S.F. & G. should be one of the few major insurance companies to post a gain on underwriting for the year.

The common stock of U.S.F. & G. is presently selling at $68 per share, its high for the year. At the current price, the common stock is selling at an estimated premium of 28% over June 30 adjusted book value and at 22.6 times estimated net investment income for the year, providing a yield of 2% from the $1.32 annual dividend.

Selected Statistics

	Admitted Assets	Premiums Written	Policyhldrs' Surplus	Underwriting Results— Loss Ratio	Expense Ratio	Profit Margin
	(millions)					
1958	$487.8	$250.3	$144.7	61.2%	38.4%	0.4%
1959	558.7	277.9	188.3	59.8	36.4	3.8
1960	609.7	301.3	203.4	62.0	35.2	2.8
1961	683.0	303.3	252.4	60.9	35.7	3.4
1962	789.4	354.8	290.5	62.9	35.7	1.4

Per Share Data

	Net Investment Income	Total Earnings	Dividends	Liquidating Value	Price Range
1958	$2.26	$2.45	$0.83	$37.92	$34 - 23
1959	2.45	4.28	0.89	44.85	38 - 25
1960	2.42	3.65	0.91	43.90	40 - 31
1961	2.61	4.02	1.09	52.50	74 - 38
1962	2.81	3.31	1.17	55.12	74 - 47

"Commercial Banking Centennial" Convention of Bankers Association

When representatives of the nation's banks assemble in Washington, D. C., October 6-9, at the 89th Annual Convention of The American Bankers Association, they will be participating in an observance of the 100th Anniversary of the National Currency Act, which gave this country its dual system of state and national banks. The theme of the big meeting is "Progress Through Service—A Century of Commercial Banking," and the attention of the bankers will be focused on the years which lie ahead, even more than on the historical significance of banking developments since 1863.

Among prominent speakers who will address the general sessions are: Secretary of the Treasury C. Douglas Dillon; A.B.A. President M. Monroe Kimbrel, Chairman of the Board, First National Bank, Thomson, Ga.; Senator A. Willis Robertson, Chairman of the Senate Banking and Currency Committee; Ben H. Wooten, Chairman of the A.B.A. Centennial Commission and Chairman of the Board, First National Bank, Dallas, Texas.

At the meetings of A.B.A. divisions, speakers will include: Comptroller of the Currency James J. Saxon; Mortimer M. Caplin, Commissioner of Internal Revenue; Abraham J. Multer, member of the House Banking and Currency Committee; David Rockefeller, President, The Chase Manhattan Bank, New York; and Gaylord A. Freeman Jr., member of the A.B.A. Federal Legislative Committee and Vice Chairman of the Board, First National Bank of Chicago, Ill. The speakers will also include the four Presidents of the divisions. Secretary of Agriculture, Orville L. Freeman will address the annual agricultural breakfast on Monday.

Registration for the convention will open on Saturday afternoon at the United States Chamber of Commerce Building, 1615 H Street. Information desks will be located at the Chamber of Commerce Building, the Statler Hilton Hotel, the Mayflower Hotel, International Inn, the Washington Hotel and the Sheraton Park Hotel.

As usual, the convention will officially open on Sunday with executive meetings of A.B.A. Committees and other working groups. The annual meetings of the four divisions will be on Monday, Oct. 7, with the Savings Division meeting in the Congressional Room of the Statler Hilton Hotel, and the State Bank Division at Constitution Hall in the morning. In the afternoon, beginning at 2 o'clock, the Trust Division will meet in the Congressional Room of the Statler Hilton Hotel, and the National Bank Division in Constitution Hall.

At the general sessions, from 9:15 to 9:45 each morning, there will be a musical program by the South-Western Graduate School of Banking Chorus. On Tuesday, there will be a report by the Nominating Committee and the election of officers for the association. On Wednesday, the convention session will include a report from its Resolutions Committee, and the new officers will be installed. The Treasurer of the association will be elected on Wednesday afternoon, during an executive session of the new Executive Council.

There will be three workshop sessions for bankers held simultaneously Tuesday afternoon, beginning at 2 o'clock. The first will be the credit workshop in which the bankers will consider the competitive situation for bank credit and will explore developments in such areas as commercial credit, instalment credit mortgage lending and credit union competition. This workshop will be held in the Federal Room of the International Inn. The second workshop, on bank management, will be held in the Presidential Ballroom of the Statler Hilton Hotel. The third workshop on public relations and business development will be held in the Grand Ballroom of the Mayflower Hotel.

As usual, the convention program includes several entertainment features. On Sunday, from 4:30 to 6 p.m., there will be an informal reception at the Mayflower Hotel. On Monday at 12 noon, there will be a ladies' luncheon and fashion show at the Sheraton Park Hotel. On Monday evening the National Symphony Orchestra of Washington, D. C., will present a musical program beginning at 8:30 p.m. at Constitution Hall. On Tuesday evening at 8:30 p.m., at Constitution Hall, Fred Waring and his Pennsylvanians will present a commemorative program based on the Centennial.

The tentative program for the convention is as follows:

MONDAY, OCT. 7, 1963

Agricultural Subscription Breakfast

Statler Hilton Hotel — 8 A.M.

Presiding—T. P. Axton, Chairman, Agricultural Committee, The American Bankers Association; President, Lafayette Savings Bank, Lafayette, Ind.

Address—The Honorable Orville L. Freeman, Secretary of Agriculture, Washington, D. C.

Savings Division

Statler Hilton Hotel — 9:30 A.M.

Address of the President—S. Edgar Lauther, President, Savings Division, The American Bankers Association; President, Irwin Union Bank & Trust Company, Columbus, Ind.

Visual Presentation—"One Hundred Years of Commercial Banking in the Savings Business," Gaylord A. Freeman, Jr., former President, Savings Division, The American Bankers Association; Vice-Chairman of the Board, First National Bank of Chicago, Chicago, Ill.

State Bank Division

Constitution Hall — 9:30 A.M.

Address of the President—Carl G. Breeze, President, State Bank Division; President of The Bank of Kremmling, Kremmling, Colo.

Remarks—Newly Elected President, National Association of Supervisors of State Banks.

Address—The Honorable Abraham J. Multer, Member, House Banking and Currency Committee, United States Representative from New York.

Address—David Rockefeller, President, The Chase Manhattan Bank, New York, N. Y.

National Bank Division

Constitution Hall — 2 P.M.

Address of the President—Paul M. Jones, President, National Bank Division, The American Bankers Association; President, Old Phoenix National Bank, Medina, Ohio.

Address—Mortimer M. Caplin, Commissioner of Internal Revenue, Department of the Treasury, Washington, D. C.

Remarks—The Honorable James J. Saxon, Comptroller of the Currency, Washington, D. C.

Trust Division

Congressional Room, Statler Hilton Hotel — 2 P.M.

Address of the President—LeRoy B. Staver, President, Trust Division, The American Bankers Association; Executive Vice-President, United States National Bank, Portland, Ore.

TUESDAY, OCT. 8, 1963

First General Session

Constitution Hall — 9:15 A.M.

Presiding—M. Monroe Kimbrel, President, The American Bankers Association; Chairman of the Board, First National Bank, Thomson, Ga.

Address of the President.

Report—Official Acts and Proceedings of the Executive Council.

Report of the Nominating Committee and Election of Officers.

"Centennial Report"—Ben H. Wooten, Chairman, Centennial Commission, The American Bankers Association; Chairman of the Board, First National Bank, Dallas, Texas.

Address—The Honorable C. Douglas Dillon, Secretary of the Treasury, Washington, D. C.

WEDNESDAY, OCT. 9, 1963

Second General Session

Constitution Hall — 9:15 A.M.

Presiding—Mr. Kimbrel.

Report of the Resolutions Committee.

Address—The Honorable A. Willis Robertson, Chairman, Senate Banking and Currency Committee, Lexington, Va.

Address—
Speaker to be announced.

Inauguration of Officers.

Now T. W. Shipton Co.

MIAMI, Fla.—The firm name of Planned Futures, 2721 Southwest 22nd Avenue, has been changed to Thomas W. Shipton & Co.

Now Byrd Brothers

NEW YORK CITY—The firm name of Byrd Brothers, King, 11 Broadway, has been changed to Byrd Brothers.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Reduce Your Mailings and Improve Them

Every time you contact a client or a prospect you should have a specific idea to present. This is particularly so when you use the mails. The huge amount of "junk mail" that is deposited every day on the desks of busy people all over the country is rapidly becoming a nuisance and a burden. It is no wonder that much of it goes right into the waste basket unopened. Busy people do not have the time to read written communications unless it is of particular interest to them. Every time you send a letter to a customer, or prospect, your letter is competing with all the other mail he is receiving. You, therefore, can always obtain better attention with first class stationery and postage. But that is only one aspect of your problem. Unless you have information to impart that will be of interest, the quality of your stationery will not matter. It is what you have to say that is important.

You have probably heard the statement that "almost any mailing is better than none at all, because it keeps your name before your clients." This is not necessarily so. If you use several master lists that are kept up to date by your secretary be sure that the material you are sending to these people will be of interest to them. For example, if you are acquainted with some people who are interested in trading, send them market letters or technical material, not general studies dealing with fundamentals. If you have a list of those who may be interested in offerings of tax exempt bonds, your offering list should contain sufficient descriptive information regarding each bond, and a wide enough choice of maturities and yields so that it will be of interest to individuals as well as institutional investors. Many offering lists of tax exempt bonds are too institutional in character to mail to individuals. In such a case, no mailing is often better than an offering list that is not competitive.

If you mail material that is not of specific interest to individual investors, or if you send offering lists that may be valuable to institutions but not to individuals, you are only placing yourself in an unfavorable position. You are not telling the proper story, and you may even annoy the person who has to open your mail, give it a quick glance, and then say to himself: "I wonder why he is sending me this stuff, doesn't he know I have no interest in it?" You will get attention this way, but it is the same kind of attention you will receive if you walk into someone else's office and throw a cigarette on his floor.

A More Efficient System

If you work in an office where you share the services of a secretary with other men, or if you have your own secretary, request her to compile a complete list of your clients and prospects and their proper mailing address. Each week add to this list, or delete the names you should remove. Then when a particular news item comes before you, or you have a SPECIFIC COMMUNICATION to mail to anyone, clip out the information from the publication, attach the person's name that is to receive it and pass it on to your secretary. She should have a rubber stamp with your name on it and your address and telephone number included. If there is a note you wish to send along with the material you can write it in long hand and enclose it. Long-hand notes are personal and they can be short — saving your time and that of the person who receives your message. If you have a large mailing, write the names on a memo and give it to your secretary along with the material. In this way you can "spot mail" specific reports, or news items, to those who will be interested. You will send less mail, but it will not annoy anyone and it will be more effective.

Also, keep your list up to date. Remove all those who are no longer clients or prospects. Correct address changes promptly. Since there is too much time that must be devoted to unproductive desk work in the investment business, stay an extra hour one day a week, or come in early some morning and make the necessary changes in your list. Also, use this time to plan any general mailings you wish to send to specific individuals.

Another time saver is to prepare several form letters that your secretary can use to follow up after you have met a prospective client for the first time, or to say thank you for some business, or after a new account is opened. You can also send a brief letter to introduce yourself and your firm and have it ready for mailing when you wish to contact a specific prospect. Here is a sample:

Dear Mr. Prospect:

Enclosed is a copy of our *Monthly Invesment Letter*, that you may find of interest. There is a return card enclosed if you would like to receive it regularly without obligation to you.

For many years our firm has offered a personal investment service to many people in our community. Our experienced research department may also be of assistance to you.

I would appreciate the opportunity of making a brief telephone call to you in the next few days —just to become acquainted and to see if there is any further investment service we can offer you.

Respectfully yours,

SALESMAN.

Form letters such as this will save your time. Number them and refer to them by number and your secretary can follow through. No repeat dictation will be required.

Some top investment men use the mails very infrequently. They prefer "spot mailings" and follow up with telephone calls when this procedure is indicated. The investment business should always be placed on a personal basis where it belongs. That is why less mail, but meaningful mail, will interest your clients and create good will for you. Be brief, save your own time, and don't write or send mail unless you have sometihng worthwhile to say.

Exch. Comments On Tax Proposal

A spokesman for the New York Stock Exchange issued the following statement in answer to requests for comment on the action of the House Ways and Means Committee:

"The Committee's decision to cut the dividend credit to 2% next year and to abolish it altogether in 1965 is regrettable and inconsistent with the decision to increase the dividend exclusion to $100. In passing the credit and exclusion in 1954, Congress recognized the inequity of taxing corporate earnings twice—once in the hands of corporations and again in the hands of shareowners receiving dividends.

By increasing the exclusion, the Committee has reaffirmed its awareness of the unfair and unjustified double taxation of dividend income. The $100 exclusion would end double taxation for 7½ million of the nation's 17 million shareowners.

Repeal of the 4% credit, on the other hand, would subject millions of other shareowners to increased double taxation and add greatly to their tax burden. This penalty on equity investment is contrary to the announced objective of the tax program—namely to increase investment and stimulate economic growth. As the Exchange has already testified to Congress, a tax law based on consistent principles of fairness and economics would include the $100 exclusion and a 10% dividend tax credit."

Chicago Trade Board Member

ST. LOUIS, Mo. — Jerome F. Tegeler, President of Dempsey-Tegeler, & Co., Inc., 1000 Locust Street, has announced that E. J. Lambur, Jr., Vice-President, has been accepted as a member of the Chicago Board of Trade.

Paul Rejoins Law Firm

Richard H. Paul has rejoined the firm of Paul, Weiss, Rifkind, Wharton & Garrison as a partner. He has recently been chief counsel of the Securities & Exchange Commission's special study of the securities markets.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The money and capital markets led by the action of Government near-term and long-term issues continue pretty much on an even keel because the supply of funds looking for an outlet in the various Treasury and non-Federal obligations is as large as ever. It is still a demand and supply situation with the buyers of fixed income bearing obligations having the choice of taking the new issues when they first come along if they are priced right or waiting for them to go down to levels which make them attractive enough to be bought after price restrictions have been removed.

The very modest increase to far in money and capital market rates is not going to make much if any change in the method of financing the Government deficit, with the next new money operation not expected until fall.

The economy is expected to flatten out at or near the current level of 127 on the FRB and this might last for several months. Then the outlook will be determined by forces that have not been cleared yet with the tax reduction bill one of these factors which will be very important in the future course of the business pattern. The economy as a whole will quite likely be on a high plateau for the foreseeable future. Yet, such a plateau does not indicate any recurrence of the boom and bust conditions which result in the inflation psychology and damages the business picture. Even with the economy in a favorable position this does not necessarily mean that money and capital market conditions will change very much if at all, because this is what we have been striving to accomplish. And it does not appear as though there would be another increase in interest rates and a decrease in credit which would slow if not definitely end the upward progress of the business pattern unless the balance of payments get out of hand.

No Hedge Buying Yet

In a managed economy, such as we have, there is not likely to be retarding measures taken which would put limitations on the business recovery unless there is a very strong inflation psychology or the balance of payments problem should become unmanageable. Even though certain money and capital market operators are at sixes and sevens because there is some concern and caution in the minds of the buyers of these obligations there is no attempt yet by these buyers of debt securities to put funds into equities and other hedge obligations. This means that sooner or later this very large supply of investible money will find an outlet in money or capital marekt obligations. Until it does, these funds will continue to press on both the short-term and long-term markets.

The opinions are still strong that the not distant future will bring with it another advance refunding operation. This will help extend the maturity of the Federal debt while at the same time owners of the obligations involved in the operation will be given favorable maturity dates and coupon rates so that a significant amount of the refundable securities will be exchanged for the new or reopened securities. This is an instrument which the Treasury has been able to use with considerable success in its efforts to extend the maturity date of the Government debt.

Although the 4% due Aug. 15, 1970 received a very fine reception from those who wanted a short-bond with a good rate of return it will take a bit more time before this issue is fully settled in the hands of the real and ultimate investor. However, there are very good signs around that the digesting of this short bond is going on at a favorable rate of speed.

There are growing indications that business as a whole is financing much of its short-term credit needs through the sale of commercial paper instead of borrowing from the banks. This is taking some of the pressure off the near-term loaning market since it means that the banks will have more funds available for loans. This is a favorable money market force.

NEWS ABOUT BANKS AND BANKERS

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

First National City Bank, New York, announced that H. W. Tripp, has been elected to its Trust Board. Mr. Tripp will also serve on the bank's investment Policy Committee and other internal committees of the Trust and Investment Division of the bank.

* * *

Dwight G. Allen, Vice-President, **Manufacturers Hanover Trust Company, New York,** has returned to the bank's international division at 44 Wall St., New York, after serving for two years as officer in charge of the Manila, Philippines, representative office.

* * *

Hugh R. Chace, Senior Executive Vice-President, has been elected to the Board of Trustees of **The Bank of New York.**

* * *

The appointment of Paul R. Dotterer as Vice-Chairman of the trust investment committee of **The Bank of New York** was announced, today.

* * *

Lincoln Paige a Vice-President of the **Empire Trust Company, New York,** died Aug. 15 at the age of 49.

* * *

The **Royal National Bank of New York,** elected Jack Gutstein a Vice-President. He will be in charge of the branch of 326 East 149th Street, the Bronx.

Mr. Gutstein had been Assistant Vice-President of the **Manufacturers Hanover Trust Company, New York.**

* * *

G. Robert Leslie, Jr., has been appointed a Vice-President of the **Royal National Bank of New York.**

Mr. Leslie previously was Assistant Vice-President of the **Irving Trust Company, New York,** which he joined in 1941.

* * *

The Bank for Savings, New York, and the **New York Savings Bank, New York,** with combined assets of $1,318,000,000, have merged, it was announced Aug. 20 by Alfred S. Mills, President of the new bank.

The combined institution is now known as **The New York Bank for Savings.**

UNCLAIMED DEPOSITS

NOTICE OF NAMES OF PERSONS appearing as owners of certain unclaimed property held by SWISS BANK CORPORATION, NEW YORK BRANCH, NEW YORK, N. Y.

The persons whose names and last known addresses are set forth below appear from the records of the above-named banking organization to be entitled to unclaimed property in amounts of twenty-five dollars or more.

AMOUNTS DUE ON DEPOSITS

Compania Industrial Financiera e Inmobiliaria "FOMEL" S.A., En Liquidacion
Suipacha 512, 5, Piso
Buenos Aires, Argentina

Shraga F. Wachsman
Palm Court Hotel, Richmond,
Surrey, England

A report of unclaimed property has been made to the State Comptroller pursuant to Section 301 of the Abandoned Property Law. A list of the names contained in such notice is on file and open to public inspection at the principal office of the bank, located at 15 Nassau Street, in the City of New York, N. Y., where such abandoned property is payable.

Such abandoned property will be paid on or before October 31st next to persons establishing to its satisfaction their right to receive the same.

In the succeeding November, and on or before the tenth day thereof, such unclaimed property will be paid to Arthur Levitt the State Comptroller and it shall thereupon cease to be liable therefor.

All members of the Board of Trustees of both banks prior to the merger continue to serve as trustees of The New York Bank for Savings.

Top officials of the new savings banks are, in addition to Mr. Mills; Robert F. Marchant, Executive Vice-President; Arthur J. Quinn, Executive Vice-President; Casimir J. F. Patrick, Senior Vice-President and General Counsel; Dolson W. Rauscher, Senior Vice-President; Albert F. Kendall, Senior Vice-President and Comptroller.

* * *

Marking the 40th anniversary of his service with the bank, Clinton L. Miller, President of **The Dime Savings Bank of Brooklyn, N. Y.,** was tended a luncheon Aug. 20 by the bank's officers and trustees.

In his 40 years with The Dime of Brooklyn, Mr. Miller has seen it become the second largest mutual savings bank in the nation with resources in excess of $1,584,900,000 and deposits totaling more than $1,404,000,000.

He spent the first six years of his career as a clerk and teller at the bank's main office on DeKalb Avenue. Then in September, 1929, he was transferred to The Dime's Bensonhurst office—the bank's first branch. In December, 1931, he was appointed Assistant Manager of the branch and on Aug. 30, 1932, attained officer rank with his appointment as an Assistant Secretary and Manager of the Bensonhurst branch. He was transferred to the main office on Oct. 20, 1941, as officer-in-charge of advertising and public relations.

Promotions followed steadily. Mr. Miller was appointed an Assistant Vice-President on June 21, 1946; Vice-President on July 16, 1954 and Vice-President and Secretary on March 20, 1959.

He held that latter position until April 19 of this year when he was elected President and a Trustee.

* * *

The **Meadow Brook National Bank, West Hempstead, N. Y.** announced that Frederick J. Emmenegger had joined the bank as a Vice-President and Controller. He will be based at the bank's headquarters.

* * *

The **Community Bank, Lynbrook, N. Y.,** elected Dr. Hyman Hendler, Anthony Gilas and Louis Ohland Directors.

* * *

Stockholders, on Aug. 14, of the **First National Bank of Brewster, N. Y.** and **The County Trust Company, White Plains, N. Y.,** approved a plan to merge the Brewster bank into County Trust.

The merger, voted by the banks' boards of directors in June, must await approval of the Superintendent of Banks of the State of New York and the Federal Reserve Board before becoming effective.

Upon the merger, each of the 1,000 shares of First National Bank of Brewster now outstanding would be converted into 22.5 shares of The County Trust Company.

On June 30, 1963, the First National Bank of Brewster had deposits of $3,508,090. County Trust's deposits on the same date were $614,062,249.

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The **Tappan Zee National Bank of Nyack, Nyack, N. Y.** changed its title to **Tappan Zee National Bank.**

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The Connecticut Bank and Trust Company, Hartford, Conn., and **Union Bank and Trust Company, New London, Conn.,** merged under charter and title of **The Connecticut Bank and Trust Company.**

* * *

The Comproller of the Currency James J. Saxon on Aug. 14 announced that he has given preliminary approval to organize a new National Bank in Orange, Conn.

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

* * *

The Board of Governors of the Federal Reserve System on Aug. 16 announced its approval of the merger of **New Jersey Trust Company of Long Branch, Long Branch, N. J.,** into **Asbury Park and Ocean Grove Bank, Asbury Park, N. J.** The resulting bank would be operated under the title of **New Jersey Trust Company.**

* * *

The **Philadelphia National Bank, Philadelphia, Pa.,** elected J. M. Pope, a Director.

* * *

John D. Iversen has been elected a Director of **Commonwealth Bank and Trust Company, Pittsburgh, Pa.**

* * *

The Comptroller of the Currency James J. Saxon on Aug. 14 approved the application to merger the **Gettysburg National Bank, Gettysburg, Pa.,** and the **Biglerville National Bank, Biglerville, Pa.,** effective on or after Aug. 16.

* * *

The Farmers and Merchants Bank of Rich Creek, Rich Creek, Va., converted to a national bank under title of **First Valley National Bank.**

* * *

The Comptroller announced on Aug. 14, preliminary approval to organize a new National Bank in Fairfax County, Va.

Initial capitalization of the new bank will amount to $1,800,000, and it will be operated under the title **National Bank of Commerce of Fairfax County.**

* * *

The Comptroller of the Currency, James J. Saxon, on Aug. 14 approved the application to consolideta **The Security National Bank of Manistee, Manistee, Mich.,** and **Kaleva State Bank, Kaleva, Mich.,** effective on or after Aug. 21.

* * *

The Commercial National Bank of Grand Island, Grand Island, Neb., changed its title to **Commercial National Bank & Trust Company, Grand Island, Neb.**

* * *

The Comptroller of the Currency James J. Saxon on Aug. 19 announced that he has given preliminary approval to organize a new National Bank in Weatherford, Okla.

Initial capitalization of the new bank will amount to $400,000, and it will be operated under the title **First National Bank of Weatherford.**

* * *

The Comptroller on Aug. 15 approved the conversion of the **Merchants and Planters Bank, West Memphis, Ark.,** into a National Banking Association. The bank will be operated by its present management under the title **First National Bank in West Memphis.** The capital structure for the converted bank remains the same $574,953.50.

* * *

The Comptroller of the Currency James J. Saxon Aug. 14, announced preliminary approval of an application for the organization of a National Bank in Joplin, Missouri.

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

* * *

The Florida National Bank of Key West, Key West, Fla., changed its title to **Florida First National Bank at Key West.**

* * *

Philip E. Simon and Benjamin Cohen, have been elected Chairman of the Board and Vice-Chairman, respectively of the **Bank of Miami Beach, Fla.**

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The **Industrial National Bank of Miami, Fla.,** elected Frederick W. Campbell Vice-President in charge of mortgage financing.

* * *

The **First National Bank in Dallas, Texas** made M. T. York, Jr., Vice-President and Trust Officer in charge fo corporate trusts.

* * *

The Comptroller on Aug. 14, approved the conversion of **Airline State Bank of Houston, Texas,** into a National Banking Association. The bank will be operated by its present management under the title **Airline National Bank of Houston.** The capital structure for the converted bank remains the same, $760,570.54.

* * *

Comptroller of the Currency James J. Saxon on Aug. 15 announced preliminary approval of the applications of groups to organize new National Banks in Colorado, as follows:

At Burlington, with the title **First National Bank at Burlington,** with an initial capitalization of $252,000.

At La Salle, with the title **South Platte National Bank,** with an initial capitalization of $350,000.

* * *

The following official appointments at **The Bank of California, San Francisco, Calif.,** were announced by Charles de Bretteville, President.

San Francisco Head Office: James J. Schrieber (Cashier's Division) advanced to Vice-President; Michael Y. King (Computer Section) advanced to Assistant Vice-President; Fred Van Elk and Duane Machtig (Staff Training) elected Assistant Cashiers; Reto Campbell (international Department) named Assistant Cashier.

Southern California Headquarters at Los Angeles: Peter H. Ulrich (Real Estate Loans) elected Vice-President and Robert S. Dulin (Marketing and Customer Services) named Assistant Vice-President.

* * *

On Aug. 16, almost on the eve of its 100th Anniversary, The **Bank of California, N. A., San Francisco, Calif.,** opens its Southern California Headquarters in Los Angeles and **with this accomplishment becomes the nation's only coastwide bank.** "Los Angeles," notes President Charles de Bretteville, is now the southern anchor point of our bank system which spans 1,100 miles and three states with offices in all major financial centers of the Pacific Coast, including Seattle, Tacoma, Portland, San Francisco, Los Angeles, and 28 Notrhern California offices."

The bank's Southern California Headquarters Building, is located at 550 South Flower Street (at Sixth).

Parking has not been overlooked by the bank which offers excellent parking facilities for more than 260 cars.

The Southern California Headquarters is headed by John M. Schutt, Senior Vice-President

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The **Crocker-Anglo National Bank, San Francisco, Calif.,** elected Philip S. Dalton, James A. Keeley, Herbert E. Shultis and N. Edward Bell Vice-Presidents.

* * *

The Board of Governors of the Federal Reserve System on Aug. 19 announced its approval of the merger of **State Center Bank, Fresno, Calif.,** into **Wells Fargo Bank, San Francisco, Calif.**

* * *

The **San Fernando Valley Bank San Fernando Valley, Calif.,** elected Richard E. Crane President and Chief Executive Officer, and Louis J. Galen, Chairman.

* * *

The First National Bank of Orange, Orange, Calif., changed its title to **The First National Bank of Orange County.**

* * *

The **Crocker-Anglo National Bank, San Francisco, Calif.,** elected Philip S. Dalton, James A. Keeley and Herbert E. Shultis, Vice-Presidents.

* * *

The **Century Bank, Los Angeles, Calif.,** elected J. H. Hadfield a Senior Executive Vice-President.

* * *

The Comptroller of the Currency James J. Saxon on Aug. 5 announced that he has given preliminary approval to organize a National Bank in San Luis Obispo, Calif.

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

* * *

The **First National Bank of Nevada, Reno, Nev.,** elected Gaylord K. Prather Executive Vice-President and Vice-Chairman of the Executive Committee.

* * *

Mr. Cyril Robert Parke Hamilton has been appointed a Director and Deputy Chairman of the **Standard Bank Limited, London, England.**

Pyne, Kendall Appoints Goldsmith Dept. Company Manager

Pyne, Kendall & Hollister, 60 Wall Street, New York City, members of the New York Stock Exchange, have appointed Smith Ely Goldsmith co-manager of the investment advisory department.

Kampel Joins L. F. Rothschild

Daniel S. Kampel has become associated with L. F. Rothschild & Co., 120 Broadway, New York City, members of the New York Stock Exchange, as manager of the pension and welfare fund department.

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

With things shaping up as they are, the voters in 1964 will have a variety of choices, the conservative Republicans failing to vote and the dissentient Democrats either voting for a third party or for electoral delegates pledged against the Democratic party. It is now becoming apparent that the conservative Republicans are a determined lot and increasing in numbers. They will be sorely disappointed, even bitter, if they do not nominate Senator Goldwater, while the feeling will be just as strong among the liberal Republicans if they do not nominate their man.

Nothing made the division in the Democratic party more serious than the recent statement of Senator Russell of Georgia that he was not wedded to President Kennedy next year. This coming from a dyed in the wool Democrat as Senator Russell has been all his life reveals the real seriousness of the situation in the Democratic party. "I am a Democrat," said Senator Russell, "but I have no intention of knocking myself out to support the Kennedy administration next year." In addition Senator Russell said Senator Barry Goldwater of Arizona, Republican conservative, stands politically higher in Georgia than any other Republican ever has and, further, that if the presidential election were held today, Senator Goldwater probably would carry the state. Georgia never has wavered in its support of a Democratic presidential candidate since the Civil War and Reconstruction Days.

This is a pretty kettle of political fish for the Kennedy administration and the "National Democratic Party." Also, Senator Russell's comment about Senator Goldwater's strength in Georgia is as strong a boost for the Arizona Senator, or stronger, than was Governor Rockefeller's attempt to beat down Goldwater's chance for a presidential nomination by calling the Senator a possible "captive of the radical right."

While Vice-President Johnson was extolling President Kennedy's civil rights program in an address before the Democratic State Central Committee in Sacramento, Calif., Senator Russell leader of the Southern Democratic bloc in the Senate, was denouncing the President's civil rights bill as unconstitutional. The Georgia Senator, speaking particularly of the so-called public accommodations section of the Kennedy bill, said the real trouble, if this and other provisions of the bill are enacted into law, would not come in Richmond, Va., Charlotte, N. C., or Birmingham, Ala., where the police forces are adequate, but in the hundreds of small towns in Georgia and other states of the South where the Negro population exceeds that of the whites. The Georgia Senator was being interviewed on the NBC's television and radio program "Meet the Press."

Vice-President Johnson used equally strong words and arguments but in support of President Kennedy and his civil rights program. Referring to the public accommodations clause of the civil rights measure, Mr. Johnson said: "We know today—as we have known for 100 years—that it is wrong for tax-paying, arms-bearing, vote-casting Americans to be unable to find a bed for the night or meals for their children along the highways of our free and decent society." It was Senator Russell's contention that both accommodations could be found for the Negroes in virtually all of the main traveled routes and in others. He insisted that hotels for Negroes and restaurants are provided.

Going further in his support of the Kennedy civil rights bill, Vice-President Johnson declared: "We know that it is wrong that Americans who fight alongside other Americans in war should not be able to work alongside them, win promotions alongside them, or send their children to sit in schools alongside children of other Americans." It was the Vice-President who, as Democratic leader of the Senate, steered the civil rights act of 1957 and of 1960 through the Senate, the first legislation on civil rights in 80 years' time to get through that body. It is Senator Russell who will lead the Southern Democrats in a determined fight—a filibuster if necessary—to prevent passage of the new Kennedy civil rights bill.

What does all this portend for the presidential election next year, when President Kennedy will be seeking a second term in the White House? If Senator Russell is correct, and if the feeling in the South remains as strong against Mr. Kennedy as the Georgia Senator believes it is today, there could be a big upset, with all 11 States of the old Solid South voting either for a Republican candidate for President, or for unpledged electors, with the effect of throwing the election into the House of Representatives, if neither President Kennedy nor his Republican opponent obtains a clear majority of the Electoral College vote in the general election.

Prescott Absorbs First Cleveland

CLEVELAND, Ohio — Prescott & Co., National City Bank Building, members of the New York Stock Exchange and other leading exchanges, have announced that the organization of The First Cleveland Corporation has combined with their firm.

Admitted to general partnership in Prescott & Co. are Clarence F. Davis, Richard W. Cook, Robert E. Bulkley, Edgar E. Legros, Richard N. Kapp and Edmund A. Orrell. Emile A. Legros, who was President of First Cleveland, has become a limited partner in Prescott & Co.

Slade With Capital Inv.

DENVER, Colo. — Russell Slade has become associated with Capital Investment Corporation. He was formerly with Amos C. Sudler & Co.

ASE Announces Staff Apptments

Edwin D. Etherington, President of the American Stock Exchange, has announced three major staff appointments and the establishment of two new Exchange Divisions, effective Sept. 3, 1963. Mr. Etherington described the new staff arrangements as "part of the Exchange's program to expand its services and facilities for the membership and for the public."

Graham Bell, Vice-President of Hayden, Stone & Co., Inc., a regular member and former Governor of the Exchange and a former member of the New York Stock Exchange, will become Vice-President of the new Market Procedures Division. He will be responsible for staff services on the trading floor, ticker and quotation operations and related matters. Mr. Bell has been active as a broker-member on the trading floor's of both the American and New York Stock Exchanges.

H. Vernon Lee, Jr., Exchange Secretary, staff member since 1946, will become Vice-President in charge of the new Office Procedures Division. He will be responsible for admissions, arbitration, examination and approval of registered representatives and the administration of rules concerning margins, capital and commissions.

Colin G. Campbell, Assistant to the President since June 1962, will become Secretary of the Exchange. He will be Secretary of the Board of Governors and of the Advisory Committee of the Exchange and will work closely with the Exchange President on civic and governmental affairs.

Mr. Bell and Mr. Lee will report to Mr. Paul Kolton, Executive Vice-President. Mr. Campbell will report to the Exchange President.

Messrs. Bell and Lee will join a new Operations Committee which will be headed by Exchange Vice-President William D. Moran. The Committee will coordinate the activities of the Market Procedures and Office Procedures Divisions with other Exchange operations.

Chicago Municipal Club Field Day

CHICAGO, Ill. — The Municipal Bond Club of Chicago will hold its 27th annual field day Sept. 12 and 13. Registration, cocktail party and dinner will be held Sept. 12 at the Abbey in Fontana, Wisc. Field day will be all day Sept. 13 at the Big Foot Country Club in Fontana. Field day fee for guests is $50; for nonresident members, $20; and for active and associate members, $10. Room reservations should be made by those attending directly with the Abbey on a special form supplied by the Municipal Bond Club.

Reservations should be made with John X. Kennedy, White, Weld & Co., General Chairman of the Field Day, by September 3.

Field day committees are:

Arrangements: Frank B. Hutchinson, Hutchinson, Shockey & Co., Chairman; William C. B. Magoun, Bacon, Whipple & Co.; Robert H. O'Donnell, William Blair & Company; Glenn R. Schultz; and Thomas H. Shockey, Hutchinson, Shockey & Co.

Prize Committee: Wilbur G. Inman, John Nuveen & Co., Chairman; George L. Barrowclough, First of Michigan Corporation; Vincent Newman, Channer Newman Securities Co.; and Thomas J. O'Connor, Shearson, Hammill & Co.

Special: Roland C. White, Harris Trust & Savings Bank, Chairman; Richard J. Brashler, Barcus, Kindred & Co.; Milton S. Emrich, Julien Collins & Co.; Walter J. Fitzgerald, R. W. Pressprich & Co.; Thomas L. Kevin, Glore, Forgan & Co.; and Charles E. Lundfelt, McCormick & Co.

Sports: Clayton F. Brown, The Northern Trust Company, Chairman; Robert E. Simond, Jr., Halsey, Stuart & Co., Inc., baseball; Peter C. McCabe, Jr., Hornblower & Weeks, golf; Lawrence H. Brown, and Thomas E. Leafstrand, Blyth & Co. Inc., tennis; and Harry J. Wilson, Harry J. Wilson & Co., horseshoes.

Transportation: Walter E. Knowles, III, First Boston Corporation, Chairman, Gustav T. Drabik, A. G. Becker & Co., Inc.; Richard A. Erley, Shearson, Hammill & Co.; Bert Nelson; Robert L. Nelson, Weeden & Co.; Richard N. Strang, R. W. Pressprich & Co.

The Market . . . And You

BY WALLACE STREETE

Stocks took a breather this week, but with the major sections still showing sizable August gains and Wall Street cautiously optimistic that better times are ahead.

For one, the economy, while not bursting at the seams from a resounding boom, is still heading upward, chances of tax relief are still alive and corporate news is good, with second quarter earnings reports generally showing good gains.

Dividend news has been good with a spate of increases, stock payments and extras showing and, providing the business picture continues to improve, hinting at more good news of this variety in the remaining months of the year.

Technical Aspects

Technically, the market was entitled to a rest particularly since a crippling railroad strike is still a live threat, so a consolidating pause was not only normal but fully in line with expectations.

The debate was still not over whether the market will carry the industrial average to new recovery peaks, but whether it will be accomplished before, or after, Labor Day.

In the October-May upsurge from last year's depressed levels, the industrial average worked to nearly 727 against the all-time high of around 735. In the orderly recovery from the uneasiness of June and July, it has worked back to around 720.

Since sentiment is a powerful influence in the stock market, any new strength that could carry above the 727 level again would rekindle investor confidence and almost guarantee that the all-time peak would be bettered in time.

For rail and utility averages, the story is that they already have worked to new bull market peaks and levels not seen in years. So the overall picture of the market is not a discouraging one.

Disappointing Issues

There were some disappointments around in individual issues but they were well contained and didn't lead to any general uneasiness. In a few cases, sizable blocks were sufficient to drop the affected issues into the new lows column without upsetting the general list.

Loral had to contend with bribery charges against one of its officers but it steadied after the initial chagrin without appearing on the list of new lows. News of a $3 million libel judgment against Curtis Publishing, however, put it on the list in a rush. In United Artists, which was on the week's list of new lows, it was unclear whether its appearance on the dour roster triggered block selling, or vice versa.

There was some disenchantment evident in the defense issues, in part traceable to the debate over the atomic bomb test ban treaty. Since some of the trouble with the nation's balance of payments drain stems from overseas military expenditures, in some circles it was thought that the treaty would permit an easing of the military requirements and assist in solving this problem. But few of the market analysts were sufficiently convinced to be championing the defense issues with much emphasis.

Satisfactory Oil Profits

Profit results in the oil industry have been fully in line with the gains made in other industries. Except for sizable bundles of oil issues in fund portfolios, there has been little in the way of investor demand for oils generally. The favorites have been the candidates for takeovers or special situations such as Skelly Oil where hopes still recur that someday Getty Oil, Skelly, Tidewater and the two Mission companies would all be tossed together to set up a new corporate giant.

Skelly currently has a tender offer that expires this week for up to $21 million of shares at prices up to $70 which is a peak the stock hasn't reached this year. The tender offer did spur hopes that maybe the big consolidation was around the corner but management's version is that the tender is to increase treasury holdings for options and acquisitions. A side effect, if Mission Corp. as it announced doesn't tender any of its shares, would be to solidify even more Mission's absolute control of Skelly.

Socony was one of the high-rated oils that was able on occasion to nudge to new highs but without much gusto since its plan to acquire Virginia-Carolina Chemical was still not cleared by the government. The latest word was that the government had called for supplemental material on the merger from the companies.

Acquisition of Virginia-Carolina, however, would put Socony solidly in the phosphate rock, fertilizer and industrial chemical fields and add some $100 million to its sales. Socony is no stranger to chemical operations which it has been enlarging for the last several years. It will, undoubtedly, add vastly to the outlets for its petrochemical products if it is able to acquire Virginia-Carolina.

Interesting Tobacco Item

A bit prominent on the new highs list was DWG Cigar, an item that is immune to the health problem that crops up repeatedly to chill the cigaret makers. With a profit-ratio that averages out to less than 13 times, and an above average yield well into the 4% bracket, DWG at least is an issue that hasn't shown any excess enthusiasm.

One bit of hope in the DWG picture is the prospect of important manufacturing economies from a vast new plant in Ohio where the company hopes to concentrate some 85% of its cigar-making facilities. These economies aren't expected to show until next year.

It could lead to a different earnings picture for DWG since its results have been rather static recently. Sales were up more than $5 million from 1953 to 1962. But profit per-share that was $1.08 in 1953 and rose to $1.97 in 1958 and 1959, was $1.22 last year and about steady in the first-half of this year—62 cents against 64 cents.

Any improvement in the profit picture would be reflected starkly on the limited capitalization outstanding which is less than half a million shares. And in the dividend classification, the company has been very conservative, its payout averaging only about 40% of earnings. Additionally, the price of the shares is still well under last year's peak.

The acquisition-minded company that is something of a question is Genesco, the old General Shoe Corp. It now spreads over operations ranging from shoe stores, men's and women's apparel and the Bonwit Teller department stores, and is bidding for S. H. Kress, which ranks as the nation's sixth largest variety chain. The rub here is that 43% of the common of Kress is held by the family Kress Foundation. And the foundation has rejected Genesco's tender offer. So it won't be until early next month that it will become public whether this deal is on, or off, and permit any responsible evaluation.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

William J. Burns Detective Agency Secondary Offer

Public offering of 150,000 Class A common shares of the William J. Burns International Detective Agency, Inc. (New York, N. Y.) is being made by a group headed by Smith, Barney & Co., Inc., New York. The stock is priced at $20.25 a share.

The shares, constituting approximately 21.7% of the total number outstanding, are being sold by members of the Burns family, who after the sale will continue to hold slightly more than 50% of the company's capital stock.

The Burns Agency is one of the largest private organizations in the United States engaged in the business of furnishing protective services to industrial and commercial clients, principally by means of uniformed guards. The company also provides other services to clients, including investigations, undercover operations, and the furnishing of up-to-date information on the habits and characteristics of criminals.

Laidlaw V.-P. of Smith, Barney Inc.

A. Marvin Laidlaw has been elected Vice-President of Smith, Barney & Co. Inc., 20 Broad St., New York City.

Zeckendorf Opposes Stock Exchange Move

In a recent talk to the Overseas Press Club of America, William Zeckendorf, Chairman of Webb & Knapp, spoke out against the proposed move of the New York Stock Exchange to a location at the edge of Manhattan's financial district which the City of New York would acquire through condemnation. Instead, he suggested, the Exchange should remain close to the heart of the district and consider some other site—including—but not exclusively—one assembled by Webb & Knapp, of which he is Board Chairman.

NY Hanseatic Names

William S. Mason, Jr. has been named Controller by New York Hanseatic Corporation, 60 Broad Street, New York City.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Bangor Hydro-Electric

New England utilities are not noted for rapid growth but even in this area there is at least one company which, based on its record for the past five years, could be described as a rapid growth utility. (See table below.) During the past decade revenues have doubled, share earnings more than doubled and the price increased nearly two-and-one-half times. The company is Bangor Hydro-Electric, a small utility (revenues $10 million) supplying electricity to areas in Penobscot, Hancock, Washington and Piscataquis counties in the eastern part of Maine. While the area is largely rural it includes Bangor, Bar Harbor and 105 other communities, the total population served being 168,000.

Generating capacity is over 107,000 kw, of which only one-third is hydro, compared with last year's peak load of 88,000 kw. The company generates over 90% of its power requirements and is interconnected with Central Maine Power, Maine Public Service and Eastern Corporation, a paper manufacturer. It has a power-pooling agreement with Central Maine Power covering both "economy flow" operation and firm power purchase, which has proved advantageous; it may decide to make a more adequate interconnection with Maine Public Service for power interchange.

A 30,000 kw generating unit will be installed by July 1964 and will increase to over 70% the proportion of fuel-burning capacity in the total system. The new plant is expected to cost only about $115 per kw and should take care of peak loads through 1966. In later years it is possible that the company may build an atomic power plant, probably in cooperation with other utilities, as the Yankee Atomic Plant in southern New England has proved quite successful.

The company has realized substantial operating economies from relatively small capital expenditures, in a program of automation. The only attended substation was made automatic in 1961, the Stillwater hydro plant went automatic in October 1962 and the Orono hydro plant will become fully automatic early in the third quarter of 1963.

Residential sales contribute 50% of revenues, commercial 22%, industrial 14% and wholesale and miscellaneous 14%. The company had an excellent year in 1962, with a gain of 8% in earnings per share. Kilowatt-hour sales, revenues, and net income were at higher levels than in any previous year, reflecting the increased annual consumption per customer as well as the continued greater demands for electricity in all sections of the service area, including the new defense loads at Corea (Navy) and Charleston (Air Force).

Capitalization as of Dec. 31, 1962 was as follows:

Bonds	$16,000,000	49%
Preferred Stock	4,734,000	14
Common Stock & Surplus	12,104,243	37
	$32,838,243	100%

The company has done no public financing since 1958 but earlier this year arranged for private placement of $3.5 million bonds, this financing being primarily to take care of the new steam generating plant being built at Veazie.

The company's accounting is conservative. While Maine is regarded as a flow-through state, Bangor Hydro-Electric uses straight-line depreciation for both stockholders and tax accounting, hence has no special tax savings to be accounted for. The 3% investment tax credit was taken in the company's tax return but in the operating statement was accounted for so as to have the benefits accrue over the life of the property earning the credit. The company took advantage of depreciation "guide lines" only with respect to depreciation rates on the hydro plant and the change was not significant.

Earnings for calendar 1963 are expected to show a moderate gain over last year's $1.30, despite higher fuel costs due to adverse hydro conditions, as compared with an excellent water supply in 1962. Depreciation was higher in the first half but in the second half the comparison will be less unfavorable.

Increasing customer usage and new demands for military installations are expected to result in future gains in earnings though probably not at the rapid pace of the past five years. At the recent over-counter price around 21½ the present 88 cents dividend rate affords a yield of 4.1%, with a payout of only about 65%. The price-earnings ratio approximates 16, which is extremely low as compared with P-E ratios ranging as high as 23-30 for most "growth" utilities.

		Common Stock Record*		
Year	Revenues (millions)	Earned	Paid	Approximate Range
1962	$9.7	$1.30	82¢	23 - 18
1961	9.1	1.20	77	22 - 14
1960	8.5	1.11	70	15 - 13
1959	8.0	1.03	66	14 - 12
1958	7.1	.84	63	12 - 10
1957	6.9	.74	63	11 - 10
1956	6.8	.90	61	12 - 10
1955	5.9	.73	60	12 - 11
1954	5.4	.82	60	11 - 9
1953	5.2	.69	57	10 - 9
1952	4.8	.62	53	10 - 9

*Adjusted for 3-for-1 split in 1961.

MUTUAL FUNDS

BY JOSEPH C. POTTER

Not Improvident

"It's difference of opinion," Wall Streeters never tire of saying, "that makes stock markets."

Mutual funds, on balance, have been bullish this year, showing a good deal more enthusiasm than the general public for equities. But all funds were not of one mind, just as small investors, acting for their own portfolio, were not reaching in unison for sell-order slips.

We are reminded of this difference of opinion by the semi-annual report of Provident Fund for Income, in which Douglas K. Porteous, President of the firm, reminds us that his people were trimming holdings of common stocks during the first half of this year. Common stocks were reduced from 58% of Provident's net assets at the end of 1962 to 47% by the middle of 1963. Relative "price stability" holdings over the six-month period were increased: bonds and cash to 42% from 35% and preferreds to 11% from 7%.

At the end of 1962, total net assets amouted to $9.1 million, or $3.80 per share. Six months later, assets were up to $11.3 million, equal to $4.24 a share. And during the period two 5-cent dividends were paid. So, while Provident was a good deal less aggression than most other funds, it nevertheless had rather pleasant news for its shareholders.

A primary objective of Provident, of course, is liberal income. But, as President Porteous says, the fund also has a secondary aim: long-term growth.

And how does Provident hope to attain these ends?

Well, Provident is staking a great deal on just four companies —American Airlines, Jonathan Logan, Dan River Mills and Symington Wayne. These four are its largest holdings and account for nearly 20% of the assets. You will look in vain for anything here akin to Polaroid, Xerox and the stocks so dear to the new breed of moon watchers.

Why this quartet of stocks as a mainstay of the fund?

"There has been a heavy concentration in this group," says Mr. Porteous, "because the dividend returns are ample and we believe the growth records and growth prospects are most attractive. The gross sales volume of this group, on the average, has tripled in the last 10 years, and the net income of the group averages three times its 1953 level. Over this recent period of years, its dividends have increased by two-thirds."

Incidentally, this is a fund that fancies railway equippers (Pullman, Poor, Westinghouse Air Brake and Budd), a field that has yet to be richly rewarding for Provident.

In any case, Provident is the kind of fund that inevitably appeals to conservative-minded folk looking for professional management that puts emphasis on preservation of capital, liberal income and still doesn't overlook the growth element.

Funds such as Provident underscore an aspect of the trade that isn't generally appreciated: the existence of a vast array of enterprises designed to serve every investor. Fitting the fund to the customer is a tailoring task that sometimes leaves much to be desired, a shortcoming that has not gone unnoticed in Washington and in Wall Street.

The Funds Report

Affiliated Fund's total net assets were $865,552,959 as of last July 31, 1963, or $8.05 for each of the 107,502,484 shares outstanding marking a new high for the reporting period. A year ago, the comparable data were $701,584,610 or $7.12 on 98,505,560 shares. The Fund's capital stock value advanced $1.45 a share in the first three quarters of the fiscal year ending July 31, or 22% gain after 32-cent capital gains distribution adjustment. The Fund's management fee currently amounts to 26/100 of 1% of net assets per year ($2.60 per $1,000 of value).

* * *

Atomics, Physics & Science Fund in its annual report for the year ended June 30 puts net asset value per share at $4.76, compared with $4.09 a year earlier. Total assets increased to $44,457,009 from $40,693,190 a year earlier.

* * *

Canadian International Growth Fund in its semi-annual report announces that net assets on June 30 totaled $7,807,728, down from $8,107,664 on Dec. 31, 1962, and $6,765,988 at June 30, 1962. But asset value per share was up to $11.09 at the middle of 1963, compared with $10.20 at the end of 1962 and $9.31 at June 30, 1962.

* * *

Colonial Growth & Energy Shares reports that in the quarter ended June 30 it acquired stock in Citizens & Southern National Bank and Mid-America Pipeline. It added to holdings of Polaroid, Millipore Filter, Corning Glass Works, Frito-Lay, Gulf Oil and International Business Machines. Meanwhile, it reduced holdings of Beckman Instruments, Cummins Engine and High Voltage Engineering while eliminating Kingwood Oil, Liberty National Life Insurance, Midwest Oil Corp., United States Rubber.

* * *

Delaware Fund reports it "recently completed a position" in J. P. Stevens.

* * *

Value of each share of **Diversified Growth Stock Fund** rose to $8.66 from $7.92 in the six months ended June 30. Total net assets amounted to $116,959,541 at June 30, against $109,502,246 at the end of 1962.

* * *

Energy Fund reports that at June 30 net assets totaled $31,592,571, or $22.07 a share, compared with $22,491,082 and $17.36 a share at June 30, 1962.

* * *

Eurofund reports that net assets on June 30 were $29,912,102, or $18.22 per share, compared with $29,545,809 and $18 a share at the end of 1962 and $29,958,684 and $18.12 a share at the end of June 1962.

* * *

Financial Industrial Income Fund reports that at the end of the fiscal year on June 30 net assets totaled $4,429,913, or $9.82 a share. This compares with $3,432,882 and $8.91 at Dec. 31, 1962, and $2,631,573 and $8.25 a share at the close of the preceding fiscal year.

* * *

Medical Securities Fund completed its first full year on Aug. 13. Net asset value per share increased from $9.06 on Aug. 14, 1962, to $11.25 on Aug. 13, 1963. Total assets during the year rose from $2,732,810 to $4,000,181.

* * *

Westminster Fund share value rose from $8.78 to $10.82 in the fiscal year ended June 30. Total net assets amounted to $69,238,858 on June 30, compared with $58,820,307 a year earlier.

The Expanding Aluminum Industry

New record levels of production and consumption of aluminum, new uses for the metal, sharply fallen inventories, long-term expansion of its uses, together with its price problems, are discussed in *Business Comment*, a monthly publication by Northern Trust Co. of Chicago as follows:

"Domestic production and consumption of aluminum were at new record levels in 1962. Output of primary aluminum totalled 2.1 million tons, a gain of more than 11% over 1961's depressed volume and some 5% above the previous high of 2.0 million tons achieved in 1960. Consumption of aluminum, as measured by shipments of primary and secondary metal and net imports, climbed to a new high of 2.7 million tons, an advance of some 16.5% over 1961. The expansion in aluminum demand has continued into 1963, with primary production totalling an estimated 1.1 million tons during the first half of the year, some 5% higher than in the corresponding period of 1962. These gains reflect the improved levels of general business activity, further penetration of existing markets and the continuing development of new and improved uses for aluminum.

Primary Output at 95% of Rated Capacity

"Rising production has brought about the most favorable domestic supply-demand relationship for the industry since 1957. In recent months additional potlines have been reactivated and aluminum operations are currently at 95% of rated capacity. This compares with an average of 85% in 1962 and 77% in 1961. Inventories of primary aluminum at reduction plants also have fallen sharply in recent years. Although this reduction largely reflects the expanding trend in aluminum marketings, the need to carry a higher level of inventories has been lessened more recently by the government's announced plan to dispose of surplus aluminum from the Federal stockpile.

"Despite the generally improving statistical position for the industry, prices of aluminum products have shown some signs of firmness only in the past few months from the substantial downward pressures experienced during 1962. Since mid-April there have been reports of price markups and reductions in discounts and allowances for several types of aluminum products. The published price for ingots, however, remains at $0.225 per pound, the level to which it was reduced from $0.24 last December. The price declines experienced in 1962, which continued the downward trend of more recent years, were caused by a number of factors. Producer efforts to increase or retain their share of existing markets were intensified. Foreign firms sought to enlarge their penetration of U. S. markets, with imports of aluminum expanding sharply from 259,000 tons in 1961 to 373,000 tons in 1962, a gain of 44%. Underlying the growth in imports was a further decline in the value of the Canadian dollar, improving the competitive position of producers in that country. In addition, several foreign manufacturers were able to increase aluminum shipments to the U. S. by acquiring additional fabricating plants here. Despite rapidly growing markets abroad, foreign producers were also under pressure to utilize enlarged capacity and to create markets for planned increases in capacity.

Substantial Additional Supplies Available

"Even though domestic aluminum firms are currently producing at high rates, available supplies can be substantially increased. The rated capacity of the industry represents a conservative estimate of production capabilities. Several companies have announced that rated capacity of their operations could be increased 15% to 20% by improving current production techniques and modernizing existing facilities. The completion of capacity now partially constructed will add another 192,000 tons to rated capacity. Finally, the government has determined that approximately 727,000 tons of aluminum in its stockpiles are excessive. A program to effect an orderly disposal of 135,000 tons of this aluminum over the next two years was announced early this year, of which some 24,500 tons were sold at auction to the aluminum companies in June.

"The development of expanding markets for aluminum represents an important part of industry efforts to overcome the problems of price weakness and excess capacity of recent years. A number of industry observers anticipate that the availability of large supplies of aluminum at attractive prices should afford substantial opportunities for the development and promotion of new applications for the metal as well as for enlarging existing markets.

Industry Prospects

"Aluminum producers should benefit from expanding uses for the metal in the years ahead. The light weight, corrosion resistance, easy machineability and low cost of aluminum all contribute to the large potential for future growth. Marketing policies of the industry are aggressive, aiding in the penetration of new markets. However, competition for markets will be intense, not only among the domestic producers but from expanding low-cost foreign sources. In addition, producers of alternative materials are stepping up their marketing and research efforts, and in some cases have already been able to meet or limit the inroads of aluminum. Nevertheless, the prospects for growth in aluminum consumption are substantial, though the profitability of future operations will depend importantly on balancing the expansion in industry capacity with the increases in market requirements."

Now Norton Co.

NEW YORK CITY—The firm name of Needell & Co., 80 Pine Street has been changed to Norton & Company.

Uranium After 1966

Continued from page 3

ments to their ore sales agreements at an early date so they may be included in stretch-out agreements.

Through Dec. 31, 1968, purchases by the AEC will be limited to U_3O_8 in concentrates produced from ores derived from property units which are eligible under the Nov. 24, 1958, program and which are producing under contracts with the AEC or AEC-approved ore sales contracts with milling companies. The contracts which will be in existence on Jan. 1, 1969, may generally be filled by the mining and processing of ores from any domestic source.

Consolidating Facilities

In setting up this program it was recognized that a substantial stretch-out was more likely to be achieved if consolidations of mining and milling facilities were permitted. Consequently, the program provides a basis for such consolidations and several have been approved, generally on a temporary basis pending completion of contract negotiations. Other requests for consolidation are currently under consideration. I should point out that consideration of consolidation of mining properties is being limited to those properties which are in production. A mine which has produced a substantial portion of its total allocation in the current fiscal year is obviously in production. In most cases we would regard mining properties which did not do so as not being in production and not, therefore, entitled to consideration as a producing property.

It is the AEC's intention to limit its purchases under present contracts to the uranium it would have purchased through 1966 had there been no stretch-out. This means that stretch-out proposals and proposals for consolidation will be carefully examined, with particular attention being paid to the capability of the property unit to produce its allocation through 1966. We recognize that some disagreement between the AEC and the operators may be inevitable. We hope that few such cases will arise. In the event of failure to reach agreement, the property involved would still be entitled to produce its current allocation.

Nearly all of the companies having sufficient ore reserves to support an extended operation have indicated a desire to participate in the stretch-out. Several of the small milling operations, however, which have ample reserves, are giving close study to the economics of participation and at least one has advised the AEC that it will not stretch out. Although the precise pattern has not yet been established, it now appears that the 19 milling companies operating 24 mills at the beginning of 1963 will, by the beginning of 1967, have been reduced to 12-13 companies operating 12-14 mills.

Major industry changes already announced include the sale of the Phillips mines and mill to United Nuclear Corporation and the closing of the mill in favor of treatment of the ore in the nearby Homestake-Sapin Partners mill. Thus, on the basis of the proposed stretch-out arrangements, the Grants, New Mexico, area would be served by three mills rather than four and be assured of a reasonable level of operation through 1970. Other moves toward mill consolidations have taken place in Colorado and Wyoming. In Colorado, the Vanadium Corporation of America has acquired the mines and mill of Kerr-McGee Oil Industries at Shiprock, New Mexico, and is doing all of its ore processing at the Shiprock facility. The mill at Durango is now closed as well as the upgrader at Naturita. In Wyoming, as you know, Susquehanna-Western has suspended ore treatment at its Riverton mill and has made arrangements to toll through the Federal-Gas Hills Partners mill some of the ore formerly being shipped to Riverton.

Community Problems

If, as industry response indicates, the total amount of uranium deferred into the post-1966 period falls between 15,000 and 16,000 tons of U_3O_8, domestic uranium production in the four years 1967-1970 will be at a level of approximately 8,000 tons a year. This is just under half the amount purchased by the AEC in calendar 1962. Obviously, a constriction in production operations of this magnitude will bring about substantial changes throughout the industry and will cause some difficulties and dislocations in those communities which are heavily dependent on uranium for their livelihood.

Although some reductions in operations have already taken place, and more are in prospect, the full reduction to the 8,000-ton-per-year level will not occur until 1967. Compensating for this is a nearly 25% increase in the total purchase commitment and the extension of the government market for four more years, at a substantial level. There is every reason to believe that the beneficial effect to the uranium-producing communities in the long run will outweigh the problems arising in the early years.

Estimates of future deliveries are preliminary in nature since there have been no contracts signed as yet under the stretch-out program; hence, the quantities to be deferred and the additional purchases by the AEC have not been fully identified. Actually, some effect is being felt in F. Y. 1963, and domestic receipts will be about 15,800 tons of U_3O_8, down some 1,200 tons from earlier expectations. F. Y. 1964, the first full year under the stretch-out, should see receipts at about 12,900 tons. F. Y. '65 and '66 are expected to show additional reductions to 10,700 tons and 10,200 tons, respectively. During the first half of F. Y. 1967, receipts should be at an annual rate of 9,400 tons. Receipts for the subsequent four years are expected to be about 8,000 tons U_3O_8 annually.

Nuclear Power Developments

Although the details of the current procurement program are of immediate concern to this group, it is always interesting to examine trends which may illustrate the shape of things to come. Although only a few months ago Jesse Johnson, Director of the AEC's Division of Raw Materials, summarized the information available, a series of recent moves toward nuclear power by utility groups have given the nuclear industry a lift and have tended to reinforce the views of those who are optimistic on the growth of nuclear power and on the creation of a significant demand for uranium fuel by the early 70's. In addition, the private ownership of enriched uranium and toll enrichment, which have been proposed, may present some market opportunities for domestic producers before the end of the stretch-out program.

In the report to the President issued last fall, the Commission expressed a belief that a policy of toll enrichment or the equivalent should be adopted. Reactor operators or fuel elements fabricators could purchase natural uranium in the form of yellow cake or perhaps as refined oxide, convert or arrange for conversion of this uranium to UF_6 in privately-owned plants and depend on the government only for the enrichment service. Legislation has been proposed by the Commission which would permit the private ownership of enriched uranium by domestic users and also permit the Commission to undertake toll enrichment under long-term contracts.

The estimate given by Mr. Johnson of a nuclear fuel requirement in the U. S. of 10,000-20,000 tons of U_3O_8 annually by 1980 assumed about 40,000 megawatts of installed capacity by that date.

Recent events suggest that this forecast will be reached, and it seems to me there is some basis for optimism that it might be exceeded. Let us look at the developments which tend to support such a conclusion. The utilities appear to believe that the costs achieved by reactors now in the planning or construction stage may be in the neighborhood of six mills or less. If borne out by experience, then nuclear power might take hold more rapidly than has been predicted. Nuclear generating capacity in the U. S. is approaching 1,000 MW. Plans have been announced for additional large nuclear plants which, when completed, will increase this total to about 4,000 MW by 1970. Two additional large plants would bring the total to the 5,000 MW earlier predicted for 1970.

Jersey Central Power and Light which last fall considered and shelved plans for a nuclear power plant in favor of joining with several other utilities in the construction of a large fossil-fueled plant in the western Pennsylvania coal fields, has now decided upon a 500 MW plant at Oyster Creek, N. J., to come into operation in 1969. Significantly, the company is quoted as believing that the new plant will, after a period of 8-10 years' operation, produce power at a cost competitive with the coal-fueled plant located near the mines. There are other straws in the wind, which seems to be blowing stronger in the direction of nuclear power growth. Pacific Gas & Electric has estimated its installed nuclear capacity by 1980 at a minimum of 10,600 MW; a Pennsylvania-New Jersey-Maryland interconnection group involving 12 companies projects its probable nuclear capacity by 1980 at 12,900 MW. These two systems alone could thus account for about half of the nuclear power installation projected for that date.

As in the United States, foreign utility operators are turning toward nuclear plants more rapidly than anyone expected. Japan, India, Germany, Sweden, Spain, and other countries have announced schedules for the construction of one or more nuclear-fueled power plants. Canada is considering an 1,800 MW station.

Nuclear Surface Ships

Here, at home, the Navy is seeking approval of a policy of going nuclear for all large surface ships. A study for the Maritime Administration concludes that fast nuclear-powered merchant vessels could be competitive with conventional-powered ships. Although a single ship reactor uses only a relatively small quantity of uranium, the construction of a large number of ship reactors could appreciably increase the demand.

One could conclude from all this that the current estimates of the requirements for uranium for civilian power in the early 1970's are low and that a sizable market will develop faster than we dared hope a year ago. Indeed, this may turn out to be the case but many elements of uncertainty remain. New developments as they come along should more clearly define the trends and, I hope, justify the optimism which now prevails.

A factor which could influence the amount of uranium required for nuclear power, and one whose impact is difficult to assess, is the outcome of the competition between reactor systems depending on enriched uranium and those based on the use of natural uranium. Most reactor specialists in this country still hold that enriched uranium will provide the best economics except, perhaps, in very large installations where the capital cost advantage enjoyed by the enriched uranium reactor is no longer important.

An interesting development which tends to promote the use of enriched uranium versus natural uranium is the decision by the U. K. to furnish an enrichment service. The U. K. is offering toll enrichment services at prices which for enrichments of up to 2% are competitive with present costs of purchasing enriched uranium from the U. S., based on U_3O_8 at $5.00 a pound. The U. K. is also prepared to make straight sales at prices comparable to those published by the U. S. for uranium involving higher enrichment. This move provides an alternative to those countries that would not wish to be solely dependent upon the U. S. for enriched uranium. Countries with indigenous uranium supplies have

NSTA NOTES

NATIONAL SECURITY TRADERS ASSOCIATION

National Security Traders Association, Inc. nominating committee met on July 29, 1963 and selected the following slate of nominees for office for the year 1964:

Alfred F. Tisch

Allen L. Oliver, Jr.

S. J. Sanders

Joe E. Hutton

Edgar A. Christian

President: Alfred F. Tisch, Fitzgerald & Co., New York.

First Vice-President: Allen L. Oliver, Jr., Sanders & Co., Dallas.

Second Vice-President: Sidney J. Sanders, Foster & Marshall, Incorporated, Seattle.

Secretary: Joe E. Hutton, Equitable Securities Corp., Nashville

Treasurer: Edgar A. Christian, Suplee, Yeatman, Mosley & Company, Philadelphia.

Members of the nominating committee presenting the slate are: Charles A. Bodie, Jr., W. E. Hutton & Co., Baltimore, Chairman; George H. Angelos, Chas. W. Scranton & Co., New Haven; Gary A. Galdun, Wm. J. Mericka & Co., Cleveland; Clemens T. Lueker, Hill Richards & Co., Los Angeles; James B. McFarland, Glore, Forgan & Co., New York; Morey D. Sachnoff, Cook Investment Co., Chicago; and Lewis H. Serlen, Josephthal & Co., N. Y.

endeavored to develop them and may wish to use their own uranium, even though high cost, in order to conserve foreign exchange.

If however, any substantial proportion of the projected nuclear capacity is provided by natural uranium heavy water reactors, the estimates of requirements which have been discussed probably would no longer hold. The Canadians, who have concentrated on these reactors, believe that their systems will find broad application. The significance to the uranium producer of the use of enriched versus natural uranium in reactors lies in the wide difference in the amount of uranium needed for initial fueling. The 200,000 kwe Candu reactor which is scheduled for operation in 1965 will, for example, require only about 45 tons of uranium metal for the charge. This compares with from 150-250 tons to charge an enriched uranium reactor of like capacity.

On the other side of the coin, any advances which cheapen the cost of electric power from nuclear fuel will increase the market for reactors and in the end create a larger market for uranium. Proponents of heavy-water moderated natural uranium reactors see large savings from scale-up in size and predict power costs which can successfully compete with coal-fueled plants located at the mine mouth.

Long-Term Projection

As long as we are looking into the crystal ball, we might as well go another 20 years to the end of this century to try to round out the long-range picture. Although most of us may not expect to be here by the year 2000, this longer look may give us a better perspective, and it is bound to have an effect upon the type and scope of activities in the more immediate future.

In the appendices to the Report to the President, there were estimates of cumulative domestic requirements — again for central station power only—for the period through the year 2000 at one million tons U_3O_8 for converter reactors with plutonium recycle. The plutonium recycle permits a somewhat higher burnup than is accomplished with present power reactors. On the other hand, it is estimated that by the introduction of a sufficient number of breeder reactors, this figure could be reduced to 600,000 tons. In either case, an equivalent additional amount would be committed in the sense that such an amount of additional uranium would be needed to continue operation of the reactors already built at that time throughout a plant life of 30 years.

The impact that these figures may have depends upon your point of view. If we assume that all of the depleted uranium accumulated by the AEC can be burned, then this quantity taken with presently estimated reserves yields an available supply of about 400,000 tons. An additional 200,000 to 600,000 tons would have to be found and produced to meet requirements through the year 2,000, the actual amount depending on the impact of breeder reactors during this period. If the amount needed to operate the reactors throughout their useful life is counted, then we must find and produce an additional equivalent quantity.

Another interesting fact is the rate at which these requirement curves become steeper in the later years. For example, in the case of converter reactors, 440,000 of the one million tons needed by the year 2000 will be needed in the last five years, or at a rate of nearly 90,000 tons a year. Under the projection involving breeders, this rate would be from 40,000 to 50,000 tons a year by the year 2000. Although such figures are large in relation to present production rates and presently known reserves, they are far in the future. They point up the eventuality of a much larger uranium industry, but the scheduling of requirements indicates ample time for careful, well-planned exploration and production expansion even after the period of low requirement with which the industry may be faced in the early 1970's.

In addition to domestic requirements for uranium it is almost certain that the rest of the world will be using at least as much as, and probably substantially more than, the United States. World reserves, including those of the United States, are now estimated at between 500,000 and 600,000 tons, most of which can be produced at about \$8.00 or less per pound. These reserves, if not augmented by new discoveries, would be used up well before the year 2000. If the projected requirements prove to be correct, I am confident that the necessary exploration will be carried out and that the requirements will be met without resorting to the mining and processing of such low-grade resources as Chattanooga shale for uranium or granite for thorium at costs of \$50.00 or more per pound.

*Remarks by Mr. Faulkner before Eighth Annual Uranium and Minerals Symposium, Riverton, Wyoming.

Hardee's Food Systems Inc. Securities Sold

Powell, Kistler & Co., Fayetteville, N. C., and associates report that their recent offering of securities of Hardee's Food Systems, Inc., has been all sold. The offering consisted of \$150,000 of 6½% subordinated convertible debentures due July 1, 1978, priced at par and accrued interest, and 37,500 common shares at \$4 per share.

Net proceeds to the company will be used to expand its restaurant chain, continue its licensing operations, and increase working capital.

The company, headquartered in Rocky Mount, N. C., is engaged in the business of operating and licensing limited-menu, self-service, drive-in restaurants under the name "Hardee's," featuring hamburgers, cheeseburgers, french-fried potatoes, milk shakes and soft drinks.

Financing for R. E. D. M. Corp.

R.E.D.M. Corp., Little Falls, N. J., reports that it has sold privately \$325,000 of 6% series B convertible subordinated debentures due August 1, 1968. Schweickart & Co., New York, assisted in arranging the financing.

The company manufactures mechanical timing and fusing devices for military use. Hugh H. Eby Co., a subsidiary, manufactures supplies and parts for the electronics industry. A second subsidiary, Micro Pen Corp., manufactures ballpoint pens and pencils.

As We See It

Continued from page 1

considerably to public expenditures during those years for which he is now so sure there will be declining deficits and ultimately a balanced budget.

Prospective Deficits

More realistic is his admission of prospective deficits of major proportions for several years to come. We may as well tell ourselves plainly and repeatedly that there will be no really sound fiscal situation in this country until Federal outlays are brought more nearly into the realm of reason and prudence. With or without tax "reform," a volume of outlays of the dimensions now being reported and predicted must of necessity continue to be a heavy burden for the people to carry. Such is particularly true of the very elements in the population in whose names the fancy programs of aid and the like are being advocated.

As to true tax reform, if there ever was any likelihood of real progress in this direction, it appears to have disappeared amid political bickering about who gets what and how much. It may not be realistic to expect Congress, or any other group of politicians, to take a plain look at this system of taxation that has grown up in this country. Before this state of affairs ever developed to the point it now occupies, it might have been possible to persuade the politician and the ordinary garden variety of voter to view the facts with greater realism. Few, if any, now retain a realizing sense of the truth that the tax system now in effect is definitely an outgrowth of New Deal emotionalism and alleged war necessity. Unfortunately, Franklin Roosevelt laid the impression deeply in the mind of the rank and file that the best way to further progress is to "soak the rich." A world war of killing proportions, meanwhile, had to be financed and the people were told that it was only a little short of criminal for any man to have an income of sizable proportions. It has, in consequence, grown to be viewed as a perfectly normal situation for a man to be required to give up nearly all of his income of over a relatively modest amount.

They Should Never Have Been!

Thus it has become a political question as to whether the individual with large income (before taxes) is to be relieved of more of his burden than some other man with lower income. We should regard these excessively progressive rates as something which never should have come into existence. We should clearly understand that to reduce excessive surtax rates would be merely to correct a situation which never should have been permitted to arise. In the actual event the presumption is widespread that to afford any sort of relief to the man who has, say, \$400,000 annual income and accordingly must pay the Federal Government 91% of his income over that amount, seems to be regarded as doing him some sort of favor, or at least of relieving him of some obligation which is his due in accordance with some sort of law of justice and right. The warrant for any such change is then measured by the amount by which the individual with taxable income of only, say, \$2,000, is granted "relief" under any new statute.

Then, of course, there is the question of various "loopholes." Of course, if the complex nature of the problem permitted it would be far better to set a rate of tax payment and make no exceptions and leave no way under the sun for any one to escape the necessity of paying the amount so determined. There are two problems involved, however. One of them is the very complexity of determining the taxable income of individuals in the higher brackets whose income comes from varied sources and whose outlays often are somewhere between business expenses and private outlays. The other is that, in any system of taxation when the rates become very high, the pressure to find ways and means of avoiding or evading them becomes very great. In point of fact some of these loopholes, which are cited as much more favorable to large taxpayers than to the small, are essential to prevent serious damage to the very industry which in the last analysis provides the wherewithal for the payment of all these taxes.

Other Damage, Too

It is usually forgotten that the very high rates of income taxation coupled with various possibilities of avoiding them in some part serve to do other kinds of damage. Individuals are driven to seek out the various ways in which these avoidances can be achieved, a process which absorbs energies and time which might well be devoted to the production of goods and services we all want and need, and in most instances would be so devoted.

It promotes the development of devices whereby the owners, or men who should be owners, of enterprises may continue control and at least some of the advantages of ownership without having to pay excessive rates of income taxes on earnings therefrom. It has grown to be a regular practice to work out arrangements by which enterprises are able to attract abilities that would otherwise not be available. Let such facts as these not be forgotten when evident abuses of "business entertainment and expense accounts" are aired.

Then let us not forget that we have chosen to place business as such at a definite tax disadvantage vis-a-vis state and municipal borrowers. No one can say how much money these governmental units are able to draw to themselves at lower interest costs by reason of the fact that the interest on their obligations are tax free. This whole question of tax reform, so-called, is almost infinitely complex, but it must not be neglected for that reason.

Yale Express System, Inc. Securities Sold

Eastman Dillon, Union Securities & Co. and Hemphill, Noyes & Co., New York, as joint managers of an underwriting group, have announced that they are offering publicly two issues of Yale Express System, Inc., (New York, N. Y.). \$6,500,000 of 4¼% convertible subordinated debentures, due Aug. 15, 1983, priced at 100% and accrued interest, and 400,000 shares of class A stock at \$13.75 per share.

The debentures are convertible, unless previously redeemed, into class A stock, at \$16 per share, subject to adjustment in certain events. They are redeemable at prices declining from 104.25% to par. The debentures will also be retired through the operation of a sinking fund commencing Aug. 15, 1974, which is designed to retire 10% of the issue annually.

Proceeds from both issues will be used to repay short-term bank borrowings, used for the acquisition of Republic Carloading & Distributing Co., Inc., which is the nation's third largest freight forwarder operating in 50 states.

In addition to freight forwarding, Yale Express System, Inc., through its operating subsidiaries, is also engaged in the business of common carriage by motor vehicle.

Our Crucial Balance Of Payments Problem

Continued from page 1

in the seven year period from 20% to 11% with respect to the GNP deflator and 11% to 7% with respect to export prices, was largely responsible for the $2.5 billion difference in this projected 1968 U. S. basic balance under the two sets of assumptions.

My main criticism of the projections relates to the assumption with respect to the willingness and ability of Western Europe to cope with inflationary pressures. This is the assumption with the greatest weight in the final results of the projections. This factor alone contributes in the projections to an improvement in our balance of payments of $4.4 billion under the "initial" assumption and $1.3 billion under the "alternative" assumptions. While there is no doubt that the trend in money wages has been in our favor since the end of 1959, it would be imprudent on our part to assume that this trend will continue and even accelerate. The gains in productivity in Continental Europe since 1958 have been impressive, and there is no evidence of any substantial change in this trend as yet. In 1962, output per man-hour in the United States increased by 3.7%. The comparable percentages for France, Germany, Italy and the Netherlands were 4.4, 7.2, 11.9, and 4.5, respectively. Continental Europe, therefore, has a greater margin for money wage increases.

The "Bail Us Out" Fallacy

The assumtpion that political pressures and strong commitments to full employment policies will prevent Western European Governments from pursuing vigorous anti - inflationary policies runs counter to all evidence. Western Europe, especially the Continental countries, have had great experience in the post-war period with domestic inflation and balance of payments disequilibrium. The debate on the proper role of monetary and fiscal policies, which we are currently going through in this country, was resolved in most of the European countries 10 years ago. Flexible monetary policies won the day in Europe, and experience has taught them that there is no simple and direct relationship between either "easy" or "tight" money and economic growth. In spite of balance of payments surpluses, in the five year period from the end of 1957 to the end of 1962, the Bank of France and the Bank of Italy actually reduced their outstanding credit and the German Bundesbank expanded its credit by 24%. We in the United States, on the other hand, in spite of a cumulative deficit in the period of almost $16 billion, permitted an increase in Federal Reserve credit of over $9 billion, an increase of 32%. As we all know, the French earlier this year responded quickly to emerging pressures on prices with ceilings on commercial bank credit. Until a different breed of men emerge in positions of leadership in the Finance Ministries and Central Banks of Western Europe, a policy based on European inflation to bail us out would be a serious miscalculation.

The report concluded that our balance of payments problem is structural in nature, and its solution requires structural adjustments which require time. This is reminiscent of the chronic dollar shortage days and the need for structural adjustments in the U. S. economy. In the 1950's many economists argued that the Japanese and Greek economies were structurally out of balance and would require massive investments over many years to end inflation and restore balance of payments equilibrium. But in both countries these seemingly intractable problems responded quickly to correct monetary and fiscal policy. The same was true in France as late as 1958 and in Spain in 1959. Similarly, we find the results of financial mismanagement in underdeveloped countries explained away as structural problems. I find it difficult, therefore, to accept the structural changes thesis.

Can't Isolate Problems

The report complains that preoccupation with the balance of payments is increasingly threatening priority national objectives —full employment, military strength, development of underdeveloped areas, and freedom of "economically productive international transactions." This is an amazing statement and implies that in some way we can isolate this problem from the rest of the economy. There is no question but that sustained economic growth and full employment is the ultimate goal of national economic policy. But this is no mean objective and requires all the skill and wisdom we can muster in day-to-day management to achieve the right combination of monetary, credit, budgetary, debt management, price, wage and, yes, even balance of payments policies. And in the kind of world we live in we will be in continuous pursuit of our ultimate objective, never quite reaching it. Of course, our balance of payments problem is bothersome, and so are all the other economic problems we must face. But the health and vigor of our economy will depend on our ability to face and solve these problems and not in finding rationalizations for running away from them.

Consider for a moment what would happen if the American public as well as foreigners lost confidence in our will and ability to balance our external accounts. While foreigners hold liquid dollar assets of some $22 billion, we should not overlook the fact that Americans hold liquid assets of almost $500 billion. How would these people behave if they were ever convinced of the inevitability of exchange controls or devaluation? They would seek refuge in some other currency. A shift abroad of 3% of this mass of liquid dollar assets would completely exhaust our gold stock. We are now in the sixth year of serious balance of payments disequilibrium. How many more years can this situation continue before confidence in the dollar gives way? We are here dealing with complex business psychology and no one can predict if or when the erosion of confidence will provoke a capital flight. This is the calculated risk in postponing decisive action to correct our balance of payments problem. And the costs of miscalculation are high. A flight of capital from the U. S. would mean a breakdown of our existing international monetary system and force deflationary policies on us with serious repercussions on the level of economic activity and employment throughout the Free World. Where would we then be with respect to our priority national objectives?

The authors warn us that "to allow balance of payments considerations to prevent the fuller utilization of its productive capacity that would accompany a fall in unemployment from 6% to 4% of the labor force would be to forego output estimated at about $30 billion to $40 billion per year." But to ignore the balance of payments runs the serious risk of a world depression with a loss of output in the United States and the rest of the world many times the potential gain of $30 to $40 billion. Can we afford to gamble the fate of the American people and the whole Free World with a policy of "going for broke?"

Suggested Program

In conclusion, I would like to summarize what I would consider a constructive approach to our balance of payments problem:

(1) Our broad political, economic, and national security objectives require that we give a top priority to the correction of our balance of payments deficit.

(2) In doing so, we can be confident that the solution is within our control. As Mr. Triffin points out in his *Gold and Dollar Crisis*, a balance of payments gap "can arise only if it's financed, and its financing for a country as a whole can come from two sources: net foreign disinvestments by the non-bank sectors of the economy, or net borrowings from the domestic banking system." Since the overall volume of credit which the banking system can create is in the hands of the Federal Reserve System, our balance of payments deficit can be eliminated at any time by simply refraining from financing them. It is within our power to reduce or eliminate our balance of payments deficit by not fully offsetting gold losses.

(3) However, in view of the lack of agreement in this country on the effects of such a monetary policy on the domestic economy and since we still have time for an orderly solution, the problem should be approached on a coordinated basis on three fronts:

(a) A flexible monetary policy permitting our monetary authorities on a practical day-to-day basis to weigh the needs of our domestic economy against the need for domestic price stability and continuous progress towards balance of payments equilibrium;

(b) Fiscal policies to stimulate the growth of our economy accompanied by efforts to reduce dollar military expenditures abroad or a more equitable sharing of this burden by our Allies; and

(c) Wage-price restraints to maintain and improve our competitive position in world markets.

(4) Provided we can show actual progress and convince the world that we have a firm policy and program for restoring balance of payments equilibrium, I would favor IMF drawings to curb gold losses in the interim pending full balance. However, I believe it would be a mistake to tamper with the gold reserve requirement at least until the U. S. dollar is again beyond suspicion.

(5) There is no evidence of a shortage of international liquidity today. In fact, except for the dollar, the world currencies are in remarkably good balance. In contrast with the post World War I experience, great strides have been made since the end of World War II in establishing an efficient international financial system. The results have been a more than doubling in the value of world trade compared with a 50% decline in the inter-war period of 1920-1938. We have today a network of convertible and realistically valued currencies unknown for more than 50 years. It would be a serious mistake to drastically redo the International Monetary Fund which has proven its effectiveness by these results. It is no mean accomplishment that the Fund today enjoys the confidence of the Free World's business and financial community. A different institution with people of a different philosophy might or might not enjoy this confidence. The Fund has ample resources today to deal with any foreseeable problem threatening the international monetary system. Moreover, the Fund's charter has proven itself a flexible instrument, and problems of international liquidity can be dealt with within the existing framework of the Fund, when and if such problems should arise. We have far too many problems requiring solution now to warrant dissipating our efforts on problems which may or may not be with us at some future date.

*A statement presented by Mr. Costanzo to the Joint Economic Committee of the United States Congress, Washington, D. C.

Robert Morris Associates Announces New Officers and Directors

PHILADELPHIA, Pa.—William W. Mitchell, Executive Vice-President, First National Bank, Memphis, Tenn., was elected President of Robert Morris Associates for 1963-64 at the Annual Meeting held Aug. 19 in the RMA National Office in Philadelphia.

William W. Mitchell

Arthur L. Nash

R. L. Hock

Mr. Mitchell will be installed in office during the Associates' 49th Annual Fall Conference at the Statler-Hilton Hotel in Detroit, Sept. 15-18.

The organization, founded in 1914, is the National Association of Bank Loan Officers and Credit Men. It counts as members over 960 banks and more than 3,400 individuals in 25 Chapters throughout the country and Puerto Rico.

To assist the new president in his administration, the organization also elected Arthur L. Nash, Manager of the bank and senior loan and credit executive, Brown Brothers Harriman & Co., New York, as First Vice-President; and R. L. Hock, Senior Vice-President, Citizens National Bank, Los Angeles, as Second Vice-President.

New Directors, elected for three-year terms are: Lloyd A. Bimson, President, The Arizona Bank, Phoenix; John B. Gray, Vice-President, The First National Bank of Boston, Boston; James H. Styers, Senior Vice-President, Wachovia Bank & Trust Co., Winston-Salem; and R. Austin Tydings, Vice-President, Union Trust Co. of Maryland, Baltimore.

Form V. G. White Inc.

V. G. White, Inc. has been formed with offices at 30 East 42nd St., New York City, to conduct a securities business. Victor G. White, Jr. is President of the firm.

Proposed Tax on Purchase Of Foreign Securities

Continued from page 9

prompt payment of income and principal has abated with the ready convertibility of currencies and the growing volume of foreign reserves.

Similar forces could, of course, easily stimulate larger American purchases of outstanding foreign issues, and this possibility would be greatly enlarged if the burgeoning supply of new issues reaching our market is successfully curtailed.

The Interest Equalization Tax, applying to purchases of portfolio securities with maturities of 3 years or more, will be a margin measure in the long-term area. It will achieve—by means of a tax that generally increases the cost of money to foreigners by about 1%—the dampening impact on foreign borrowing that we cannot accomplish under present circumstances by restricting credit to the degree that would be necessary to achieve a substantial rise in rates throughout the whole structure of our long-term domestic credit.

The Nature of the Interest Equalization Tax

The Interest Equalization Tax will be a temporary excise tax imposed on the acquisition of a foreign security from a non-resident foreigner by a United States person, regardless of the place where the transaction actually is completed. The American lender or purchaser can be expected to demand about the same net return, after allowing for the tax, as he would for a comparable issue not subject to tax. Consequently, a foreign issuer of new securities will need to provide more attractive terms to compensate for the impact of the tax. In the case of bonds, the tax has been graduated by maturity in a manner that will introduce a differential of approximately 1% in the effective interest rate before and after tax; the tax on equities would be the same as for bonds of the longest maturity.

The result will be that costs to foreigners of capital in the United States market will be much more closely aligned with costs prevailing in most of the leading countries abroad. This will substantially eliminate the existing incentive to raise money in the American market simply to achieve a saving in interest costs.

In only two countries, Switzerland and the Netherlands, are long-term rates below or closely comparable to those prevailing in the United States. It is not accidental that we find in these two countries the best developed capital market facilities on the Continent of Europe—for inefficient, cumbersome markets inevitably mean high interest rates. Nor is it accidental that they both very strictly limit, by direct controls, the amount of foreign borrowing in their markets. The United Kingdom, with potentially the broadest and largest of all the foreign markets, has limited foreign access even more narrowly, until very recently confining its lending almost exclusively to Commonwealth countries in the sterling area. And in the United Kingdom, as with virtually all other industrialized countries, prevailing rates paid by domestic borrowers are 1% or more above those in the United States.

Less Developed Countries—The tax would not be applied to acquisition of securities issued by less developed countries, as defined by Executive Order of the President, nor to acquisition of securities issued by less developed country corporations, whether or not these securities are guaranteed by a developed country. At the present time, it is contemplated that this exclusion would apply to the securities of Latin American countries, African countries with the exception of South Africa, Asian countries except for Japan and the Crown Colony of Hong Kong, and to a few other nations outside the Sino-Soviet bloc.

This exclusion is designed to avoid any impediment to the flow of private capital to those nations with chronic capital shortages, urgent development needs, and limited capability for foreign borrowing on normal commercial terms. The United States, through its aid programs and otherwise, has long recognized a responsibility for assisting these nations in their struggle to achieve improved standards of living, and application of the tax to issues of these countries would work against that objective. The outflow of portfolio capital to these areas has been limited, never exceeding $200 million during recent years and usually running closer to $100 million.

Application of the Tax

The detailed provisions of the tax, and the way in which it will be applied, are fully explained in the technical description already in the hands of your Committee. I will simply summarize the main provisions here.

The Rate Schedule—The tax on debt obligations will be assessed as a percentage of their actual value, according to a schedule graduated by maturity, with the rates ranging from 2.75% for a 3 to 3½ year maturity to 15% for an obligation maturing in 28½ years or more. In the case of stock, the tax would be 15%, the same as for bonds of the longest maturity.

Liability for Tax—The tax would be imposed only on United States persons who acquire foreign securities from non-resident foreigners. In cases of acquisitions from other Americans, a certificate of American ownership executed by the seller will serve as proof that the transaction is exempt from tax.

To faciiltate and encourage the placement of new foreign issues abroad, American underwriters participating in the distribution of new foreign issues would receive a credit or refund of the tax on any sales directly to foreigners. Similarly, dealers maintaining markets in foreign bonds denominated in U. S. dollars will be given a refund from tax on any such securities purchased from foreigners and resold to foreigners within a reasonable time. This treatment will provide incentives to place a maximum portion of new flotations in foreign hands, and will assure potential foreign buyers that an active secondary market will be available for such new foreign dollar bonds as they may purchase.

Returns—The tax will be paid on the basis of returns due by the last day of the month following each calendar quarter. These returns will require a listing of all taxable and certain exempt acquisitions during the calendar quarter.

Effective Date and Expiration—Under the terms of the bill before you, this tax with certain limited exceptions, would be applicable to acquisitions made after July 18, 1963, the date of the President's Message proposing the tax, and through Dec. 31, 1965. The choice of the July date is necessary to avoid markedly perverse and inequitable effects. The nature of the tax was disclosed in the President's Special Message on the Balance of Payments, and the essential features were fully described in material released by the Treasury at the same time. Market participants were informed of the proposed effective date and forms easing the task of compliance were made promptly available.

In a situation of this kind, any appreciable lapse of time between the initial announcement and the effective date would clearly create problems of the most serious character. A very large volume of contemplated transactions could be advanced to this interval, resulting in a sharply accelerated outflow of dollars. In the space of only a few weeks, or even days, strains on the foreign exchange market could reach the point of threatening to set off self-reinforcing speculative movements. The ensuing disturbance and unsettlement would inevitably linger on, with possibly prolonged effects on trade and economic activity.

An exemption for issues in registration on July 18, or for which there were unconditional or partly performed purchase commitments, will avoid any undue impact on transactions in process at the time of announcement.

The practicability of the procedures for the application of the proposed tax has been established. With the help of certificates of ownership provided by the Treasury, the large over-the-counter market has already been operating for more than a month just as if the tax were already in effect. An exemption for Stock Exchange transactions prior to Aug. 16 provided ample time for resolution of technical problems arising in trading on an Exchange, and those markets have now begun to operate under procedures that permit both purchasers and sellers to comply with a minimum of difficulty.

*From Secretary Dillon's statement before the House Ways and Means Committee, August 20, 1963.

THE SECURITY I LIKE BEST...

Continued from page 2

averages. Their average return on investments in 1962 was 5.7% compared to the industry average of 4.2%. Their average policy size was $10,300 compared to an industry average of $3,760. Their two year persistency rate was 84.9% compared to an industry-wide average of 72%.

There are currently 1,000,000 shares of Consumers National Life Insurance stock outstanding with no stock options for organizers or employees. The stock is widely held by more than 4,000 shareholders and a number of good markets exist for the stock, which similar to most insurance companies is traded in the Over-the-Counter Market.

On April 30, 1963, Consumers shareholders voted to merge with Green Shield Life of Colorado. This acquisition will more than double the premium income and insurance in force of Consumers while greatly increasing their sales force in the Southwest. The six hundred thousand plus shares which will go to the current Green Shield shareholders will offer even broader distribution for the Consumers' shares in the national market.

Results for the first six months of 1963 show Consumers once again breaking records in the sale of ordinary life insurance. Although Consumers used a participating policy at the start of their business, they have now made the complete transition of their efforts to writing ordinary life policies. This transition is one of the most important steps in the growth of a life insurance company and one which proves too big a step for many small companies.

With their high rate of return on their investments and their low expenses in writing and maintaining policies, Consumers National Life should be able to bring home to earnings the most dollars for every policy that their agents write. Add to this management picture the aggressive sales force of both Consumers and the newly acquired Green Shield Life and you have a young insurance company with unlimited potential.

Pittsburgh Bond Club Outing

PITTSBURGH, Pa.—On Friday, Sept. 20, 1963, The Bond Club of Pittsburgh will hold its Annual Fall Outing at the Allegheny Country Club.

Reservation Chairman is Linford S. Macdonald, Kay, Richards & Company.

James C. Chaplin, IV, Chaplin, McGuiness & Co., is Golf Chairman.

L. Franklin Opens

SILVER SPRING, Md. — Lafayette Franklin is conducting a securities business from offices at 880 Bonifant St. He was formerly with Balogh & Co., Inc. and Matthew Corporation.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Steel ingots and castings (net tons)	Aug. 17	1,742,000	1,748,000	2,077,000	1,578,000
Index of production based on average weekly production for 1957-1959	Aug. 17	93.5	93.8	111.5	84.7
Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960	Aug. 17	0.57	0.57	0.676	54.0
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Aug. 9	7,634,210	*7,621,560	7,567,760	7,256,660
Crude runs to stills—daily average (bbls.)	Aug. 9	8,765,000	8,699,000	8,845,000	8,546,000
Gasoline output (bbls.)	Aug. 9	30,477,000	30,849,000	30,840,000	30,535,000
Kerosene output (bbls.)	Aug. 9	2,908,000	2,955,000	3,146,000	3,024,000
Distillate fuel oil output (bbls.)	Aug. 9	14,532,000	13,741,000	14,407,000	13,888,000
Residual fuel oil output (bbls.)	Aug. 9	4,929,000	4,816,000	5,210,000	5,176,000
Stocks at refineries, bulk terminals, in transit, in pipe lines					
Finished gasoline (bbls.) at	Aug. 9	184,694,000	187,472,000	192,181,000	180,906,000
Kerosene (bbls.) at	Aug. 9	34,305,000	34,147,000	32,876,000	34,065,000
Distillate fuel oil (bbls.) at	Aug. 9	146,014,000	*142,671,000	128,666,000	145,411,000
Residual fuel oil (bbls.) at	Aug. 9	50,633,000	49,997,000	48,714,000	52,075,000
Unfinished oils (bbls.) at	Aug. 9	90,059,000	89,313,000	89,958,000	85,055,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Aug. 10	559,714	558,295	507,725	565,806
Revenue freight received from connections (no. of cars)	Aug. 10	458,456	469,586	411,343	476,857
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Aug. 10	9,350,000	9,170,000	2,460,000	8,257,000
Pennsylvania anthracite (tons)	Aug. 10	448,000	396,000	146,000	316,000
CONSTRUCTION ADVANCE PLANNING — ENGINEERING NEWS-RECORD—NEW SERIES (000's omitted):					
Total advance planning by ownership	Aug. 15	$670,100	$603,600	$596,900	$363,000
Private	Aug. 15	407,100	338,800	353,800	143,200
Public	Aug. 15	263,000	264,800	243,100	219,800
State and Municipal	Aug. 15	234,100	245,200	183,500	217,300
Federal	Aug. 15	28,900	19,600	59,600	2,500
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE = 100	Aug. 10	105	*104	100	100
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Aug. 17	18,053,000	18,713,000	18,501,000	16,838,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Aug. 15	387	264	230	285
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Aug. 12	6.279c	6.279c	6.279c	6.196c
Pig iron (per gross ton)	Aug. 12	$63.11	$63.11	$63.33	$66.44
Scrap steel (per gross ton)	Aug. 12	$26.83	$26.83	$25.50	$27.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Aug. 16	30.600c	30.600c	30.600c	30.600c
Export refinery at	Aug. 16	28.450c	28.475c	28.425c	28.525c
Lead (New York) at	Aug. 16	11.250c	11.250c	11.000c	9.500c
Lead (St. Louis) at	Aug. 16	11.050c	11.050c	10.800c	9.300c
‡Zinc (delivered at)	Aug. 16	13.000c	13.000c	12.500c	12.000c
Zinc (East St. Louis) at	Aug. 16	12.500c	12.500c	12.000c	11.500c
Aluminum (primary pig, 99.5%) at	Aug. 16	22.500c	22.500c	22.500c	24.000c
Straits tin (New York) at	Aug. 16	115.250c	114.875c	116.125c	108.500c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Aug. 20	89.25	89.11	88.82	88.54
Average corporate	Aug. 20	88.81	88.81	88.81	86.91
Aaa	Aug. 20	91.91	91.91	91.77	90.91
Aa	Aug. 20	90.20	90.34	90.34	89.09
A	Aug. 20	89.09	89.09	89.23	86.65
Baa	Aug. 20	84.43	84.43	84.30	81.54
Railroad Group	Aug. 20	87.05	87.05	87.05	83.40
Public Utilities Group	Aug. 20	89.92	89.78	89.78	88.81
Industrials Group	Aug. 20	89.64	89.64	89.64	88.67
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Aug. 20	3.92	3.93	3.96	3.88
Average corporate	Aug. 20	4.50	4.50	4.50	4.64
Aaa	Aug. 20	4.28	4.28	4.29	4.35
Aa	Aug. 20	4.40	4.39	4.39	4.48
A	Aug. 20	4.48	4.48	4.47	4.66
Baa	Aug. 20	4.83	4.83	4.84	5.06
Railroad Group	Aug. 20	4.63	4.63	4.63	4.91
Public Utilities Group	Aug. 20	4.42	4.43	4.43	4.50
Industrials Group	Aug. 20	4.44	4.44	4.44	4.51
MOODY'S COMMODITY INDEX	Aug. 20	359.3	361.4	371.0	370.4
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Aug. 10	402,763	399,727	276,350	346,263
Production (tons)	Aug. 10	382,958	377,383	229,828	362,201
Percentage of activity	Aug. 10	98	98	63	98
Unfilled orders (tons) at end of period	Aug. 10	615,224	601,098	547,283	524,704
OIL, PAINT AND DRUG REPORTER PRICE INDEX— 1959 AVERAGE = 100	Aug. 16	98.94	*99.02	99.29	98.80
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	July 26	2,221,120	2,303,370	2,692,710	1,961,560
Short sales	July 26	479,910	504,350	526,220	541,800
Other sales	July 26	1,733,790	1,762,380	2,144,410	1,285,360
Total sales	July 26	2,213,700	2,266,730	2,670,630	1,827,160
Other transactions initiated off the floor—					
Total purchases	July 26	378,170	374,090	463,570	309,820
Short sales	July 26	51,200	92,000	48,050	90,000
Other sales	July 26	313,800	333,450	537,850	206,550
Total sales	July 26	365,000	425,450	585,900	296,550
Other transactions initiated on the floor—					
Total purchases	July 26	859,491	844,980	864,060	614,281
Short sales	July 26	141,120	146,190	147,210	96,140
Other sales	July 26	684,219	721,675	813,860	603,676
Total sales	July 26	825,339	867,865	961,070	699,816
Total round-lot transactions for account of members—	July 26	3,458,781	3,522,440	4,020,340	2,885,661
Total purchases					
Short sales	July 26	672,230	742,540	721,480	727,940
Other sales	July 26	2,731,809	2,817,505	3,496,120	2,095,586
Total sales	July 26	3,404,039	3,560,045	4,217,600	2,823,526
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	July 26	1,229,478	1,296,857	1,325,022	1,189,302
Dollar value	July 26	$65,446,196	$67,852,565	$70,615,112	$35,565,900
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	July 26	1,363,787	1,505,534	1,638,244	1,117,814
Customers' short sales	July 26	21,254	20,871	17,817	40,160
Customers' other sales	July 26	1,342,533	1,484,663	1,620,427	1,077,654
Dollar value	July 26	$65,649,288	$71,022,525	$81,951,450	$52,962,030
Round-lot sales by dealers—					
Number of shares—Total sales	July 26	466,740	550,330	697,830	331,900
Short sales	July 26	------	------	------	------
Other sales	July 26	466,740	550,330	697,830	331,900
Round-lot purchases by dealers—Number of shares	July 26	337,830	310,470	304,860	433,930
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	July 26	919,970	1,000,340	925,560	1,124,240
Other sales	July 26	16,036,850	16,723,280	19,420,200	13,304,380
Total sales	July 26	16,956,820	17,723,620	20,345,760	14,428,620
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	Aug. 13	100.4	*100.3	100.5	100.7
Farm products	Aug. 13	96.5	*96.1	97.1	98.0
Processed foods	Aug. 13	101.3	*100.7	102.4	101.9
Meats	Aug. 13	95.1	*93.2	95.6	101.1
All commodities other than farm and foods	Aug. 13	100.8	*100.8	100.6	100.8

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound. (a) Not available.

	Latest Month	Previous Month	Year Ago
BANKERS DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of July 31:			
Imports	$555,104,000	$535,773,000	$484,898,000
Exports	791,017,000	806,908,000	704,735,000
Domestic shipments	19,832,000	20,832,000	23,150,000
Domestic warehouse credits	44,203,000	45,607,000	69,491,000
Dollar exchange	128,490,000	129,985,000	142,920,000
Based on goods stored and shipped between foreign countries	1,173,625,000	1,158,222,000	881,007,000
Total	2,712,301,000	2,697,327,000	2,306,201,000
COAL EXPORT (BUREAU OF MINES)— Month of June:			
U. S. exports of Pennsylvania anthracite (net tons)	286,208	339,699	158,934
To North and Central America (net tons)	83,256	35,051	105,706
To Europe (net tons)	187,429	287,450	52,773
To South America (net tons)	731	11,366	------
To Asia (net tons)	14,792	5,325	455
To Australia (net tons)	------	507	------
COPPER INSTITUTE — For month of July:			
Copper production in U. S. A.—			
Crude (tons of 2,000 pounds)	92,690	*109,611	110,409
Refined (tons of 2,000 pounds)	141,118	139,655	149,767
Delivered to fabricators—			
In U. S. A. (tons of 2,000 pounds)	113,621	*139,161	105,391
Refined copper stocks at end of period (tons of 2,000 pounds)	92,996	75,349	100,517
COTTON GINNING (DEPT. OF COMMERCE):			
As of August 1, running bales	244,709	------	287,366
COTTON PRODUCTION (DEPT. OF COMMERCE):			
500 lb. gross bales, as of August 1	13,984,000	------	14,864,180
CROP PRODUCTION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE— Crop as of Aug. 1 final (in thousands):			
Corn, grain (bushels)	3,861,640	3,849,133	3,643,615
Wheat, all (bushels)	1,150,527	1,110,578	1,092,562
Winter (bushels)	895,537	875,010	817,154
All spring (bushels)	254,990	235,568	275,408
Durum (bushels)	52,604	43,708	71,809
Other spring (bushels)	202,386	191,860	203,599
Oats (bushels)	974,977	965,736	1,031,743
Barley (bushels)	388,430	373,054	429,495
Rye (bushels)	29,828	29,322	41,175
Flaxseed (bushels)	31,453	30,831	31,952
Rice (100-lb. bag)	64,462	63,769	64,458
Sorghum grain (bushels)	497,069	------	509,137
Cotton (bales)	13,984	------	14,867
Hay, all (tons)	108,358	109,418	121,034
Hay, wild (tons)	9,180	8,989	10,899
Hay, alfalfa (tons)	63,774	64,673	71,651
Hay, clover and timothy (tons)	19,735	20,144	21,986
Hay, lespedeza (tons)	2,835	2,880	2,942
Beans, dry edible (cleaned) (100-lb. bag)	18,962	19,288	18,827
Peas, dry field (cleaned) (100-lb. bag)	4,710	4,386	4,947
Soybeans for beans (bushels)	723,178	------	675,197
Peanuts (pounds)	1,838,230	------	1,809,880
Potatoes, winter (cwt.)	3,952	3,952	4,160
Early spring (cwt.)	5,196	5,196	3,433
Late spring (cwt.)	24,027	24,027	21,690
Early summer (cwt.)	12,471	12,431	12,685
Late summer (cwt.)	31,637	32,552	33,710
Fall (cwt.)	189,667	------	191,025
Total (cwt.)	266,950	------	266,703
Sweetpotatoes (cwt.)	16,623	16,656	19,009
Tobacco (pounds)	2,236,889	2,221,513	2,309,055
Sugarcane for sugar and seed (tons)	13,311	13,311	10,097
Sugar beets (tons)	21,689	21,672	18,240
Broomcorn (tons)	25	------	26
Hops (pounds)	50,981	50,981	44,231
Apples, commercial crop (bushels)	117,930	116,330	125,425
Peaches (bushels)	72,988	73,133	75,789
Pears (bushels)	20,112	20,147	29,294
Grapes (tons)	3,562	3,486	3,210
Cherries (tons)	143	148	287
Apricots (tons)	220	220	166
Pecans (pounds)	278,800	------	70,800
RUBBER MANUFACTURING ASSOCIATION, INC.—Month of June:			
Passenger & Motorcycle Tires (Number of)—			
Shipments	10,583,847	11,103,047	10,536,840
Production	9,888,514	10,705,969	10,608,434
Inventory	26,953,660	27,603,082	23,784,574
Tractor Implement Tires (Number of)—			
Shipments	323,662	338,890	341,017
Production	311,211	351,779	373,833
Inventory	1,129,952	1,133,058	988,857
Passenger, Motorcycle, Truck and Bus Inner Tubes (Number of)—			
Shipments	2,932,569	3,167,778	3,393,310
Production	3,182,988	3,694,239	3,277,054
Inventory	10,436,617	10,110,626	9,066,226
Tread Rubber (Camelback)—			
Shipments (pounds)	35,199,000	40,819,000	40,103,000
Production (pounds)	37,278,000	41,928,000	41,388,000
Inventory (pounds)	17,705,000	15,920,000	17,468,000
Truck and Bus Tires (Number of)—			
Shipments (pounds)	1,359,086	1,400,106	1,336,215
Production	1,306,901	1,427,723	1,366,317
Inventory	4,272,474	4,316,402	3,842,537
TIN—CONSUMPTION OF PRIMARY AND SECONDARY TIN IN THE UNITED STATES BUREAU OF MINES—Month of May: (in long tons):			
Stocks in beginning of period	27,780	27,950	33,575
Receipts	6,730	7,010	5,860
Supply	34,510	34,960	39,435
Stocks at end of period	26,960	27,780	32,055
Total processed	7,550	7,180	7,380
Intercompany scrap transactions	130	110	150
Consumed in manufacturing	7,420	7,070	7,230
Primary	5,290	5,085	5,170
Secondary	2,130	1,985	2,060
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of July:			
Net sales	$59,009,500	------	$61,901,000
Net purchases	------	$73,860,400	------
U. S. GOVT. STATUTORY DEBT LIMITATION As of July 31 (000's omitted):			
Total face amount that may be outstanding at any time	$309,000,001	$307,000,000	$308,000,000
Outstanding—			
Total gross public debt	304,834,516	305,859,632	297,876,050
Guaranteed obligations not owned by the Treasury	647,394	606,610	447,528
Total gross public debt & guaranteed obligations	$305,481,910	$306,466,243	$298,323,578
Deduct—Other outstanding public debt obligations not subject to debt limitation	367,324	367,743	432,602
Grand total outstanding	$305,114,585	$306,098,500	$297,890,976
Balance face amount of obligations issuable under above authority	3,885,414	901,499	10,109,023

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

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

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

Aileen, Inc. (9/10)
Aug. 9, 1963 filed 200,000 common, of which 100,000 will be sold by company and 100,000 by stockholders. **Price**—By amendment (max. $25). **Business**—Design, manufacture and distribution of popular priced sports and casual wear coordinates for women and girls. **Proceeds**—For plant expansion. **Office**—29 West 38th St., New York. **Underwriter**—Goodbody & Co., New York.

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

Allegheny Ventura Corp.
July 12, 1963 filed 37,231 outstanding common shares to be offered for subscription by stockholders of Allegheny Corp., parent, on the basis of one Ventura share for each 25 Allegheny shares held. **Price**—By amendment (max. $10). **Business**—Car rental. **Proceeds**—Allegheny will receive the proceeds and loan them to Ventura. **Address**—Washington National Airport, Washington, D. C. **Underwriter**—None.

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

American Mortgage Insurance Co.
Jan. 10, 1963 filed 31,070 common being offered for subscription by stockholders on the basis of one share for each five shares held of record Aug. 17. Rights will expire Sept. 2. **Price** — $18. **Business**—A mortgage insurance company. **Proceeds**—For investments. **Office**—300 Salisbury St., Raleigh, N. C. **Underwriter**—None,

American Vitrified Products Co.
Aug. 6, 1963 filed 79,137 common to be offered for subscription by stockholders on the basis of one share for each three shares held. **Price**—$19. **Business**—Manufacture of various clay and concrete products. **Proceeds**—For debt repayment, plant improvement, inventories and accounts receivable. **Office**—700 National City Bank Bldg., Cleveland. **Underwriter**—None.

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

• **Atlas Finance Co., Inc. (9/9)**
July 29, 1963 filed 37,500 shares of 6% cumulative convertible preferred. **Price**—By amendment (max. $20). **Business**—Consumer and dealer financing. **Proceeds**—For working capital and debt repayment. **Office**—262 Spring St., N. W., Atlanta, Ga. **Underwriters**—Marshall Co., Milwaukee, and McCormick & Co., Chicago.

Atlas Management Co.
March 28, 1963 filed $1,500,000 of 6% conv. subord. debentures due 1978. **Price**—At par. **Business**—A holding company for two insurance subsidiaries. **Proceeds**—For loan repayment, investment, and advances to subsidiaries. **Office**—112 California Ave., Reno, Nev. **Underwriter**—None.

Bay State Exchange Fund, Inc.
May 29, 1963 filed 10,000 $1 par capital shares to be offered in exchange for certain acceptable securities on the basis of one share for each $25 of deposited securities. Exchange is believed by counsel for the Fund to be tax-free for Federal income tax purposes. **Business**—A closed-end investment company seeking long-term growth of capital and income. **Proceeds** — For investment. **Office**—35 Congress St., Boston. **Underwriter**—Kidder, Peabody & Co., New York. **Note**—The exchange will not be consummated unless $25,000,000 of securities are deposited and accepted. This means that the Fund expects to issue a minimum of 1,000,000 capital shares. **Offering**—Indefinite.

Bede Aircraft, Inc.
July 16, 1963 filed 600,000 common. **Price**—By amendment (max. $3). **Business**—Company is engaged in the design and development of several airplanes, including a light sports plane. **Proceeds** — For debt repayment, product development, working capital and other corporate purposes. **Office** — 350 South Fountain Ave., Springfield, Ohio. **Underwriter**—Consolidated Securities Corp., Pompano Beach, Fla. **Offering**—In early Sept.

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

Bradford Speed Packaging & Development Corp.
July 22, 1963 filed 819,024 common to be offered to stockholders of Atlas General Industries, Inc., parent, on the basis of one Bradford share for each two Atlas shares held. **Price**—About $9.44 per share. **Business**—Company holds a 40% stock interest in Maryland Logging Corp., which conducts logging operations in Liberia and will acquire from Atlas, Kliklok Automated Packaging Division, engaged in the manufacture and leasing of packaging machinery. Bradford also owns 69,509 shares (9.59%) of Foster Wheeler Corp. **Proceeds**—For selling stockholder, Atlas General. **Office**—62 William St., New York. **Underwriter** — Burnham & Co., New York. **Offering**—Expected in late September.

Brantly Helicopter Corp.
July 23, 1963 filed 588,780 common to be offered for subscription by stockholders on the basis of three new shares for each share held. **Price**—50 cents. **Business**—Production of a light two-place helicopter. **Proceeds**—For debt repayment, product development, working capital and other corporate purposes. **Office**—1129 Club House Road, Gladwyne, Pa. **Underwriter**—None.

Bridges Investment Fund, Inc. (9/3-6)
July 25, 1963 filed 200,000 capital shares. **Price**—Net asset value (max. $10). **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—8401 W. Dodge Rd., Omaha. **Underwriter**—None.

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

Castle Hospitality Services, Inc.
Dec. 14, 1962 filed $500,000 of 8% debentures due 1969 **Price**—At par ($1,000). **Business**—Company plans to offer management and consultant services to motels and furnish them with equipment. **Proceeds**—For general corporate purposes. **Office**—1068 S. Ocean Blvd., Pompano Beach, Fla. **Underwriter**—None.

Chemair Corp. (9/9-13)
Dec. 28, 1962 filed $150,000 of 6% subordinated income debentures due 1973 and 30,000 common shares to be offered in units consisting of one $10 debenture and two common. **Price**—$12 per unit. **Business**—Production and sale of chemicals designed to control odors, bacterial growth and air pollutants; and development, production and sale of an electronic vaporizing unit for dispensing such chemicals. **Proceeds**—For debt repayment, equipment, sales promotion and working capital. **Office**—221 N. La Salle St., Chicago. **Underwriter**—Price Investing Co., New York. **Note**—This company formerly was named Chemair Electronics Corp.

Chestnut Hill Industries, Inc.
Nov. 29, 1961 filed 300,000 class A common, of which 225,000 are to be offered by the company and 75,000 by stockholders. **Price**—$5. **Business**—Design and manufacture of women's, misses' and junior sportswear, coordinates, and dresses. **Proceeds**—For debt repayment, equipment and working capital. **Office**—2025 McKinley St., Hollywood, Fla. **Underwriter**—Clayton Securities Corp., Boston, Mass. **Offering**—Indefinite.

Citadel Life Insurance Co. of New York
March 26, 1963 filed 40,000 capital shares to be offered for subscription by stockholders on the basis of two new shares for each three held. **Price**—By amendment (max. $26). **Business**—Writing of life, accident, health and disability insurance, and annuities. **Proceeds**—For expansion. **Office**—444 Madison Ave., N. Y. **Underwriter**—Alex. Brown & Sons, Baltimore. **Offering**—Indefinite.

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

Colorado Imperial Mining Co.
Sept. 20, 1962 filed 200,000 common. **Price**—$1. **Business**—General mining. **Proceeds**—For exploration and operating expenses. **Office**—Creede, Colo. **Underwriter**—None.

Commercial Life Insurance Co. of Missouri
Nov. 26, 1962 ("Reg. A") 46,000 common to be offered for subscription by stockholders on the basis of one share for each 3.36 common shares held. **Price**—At-the-market. **Business**—Sale of health, accident, life and hospital insurance. **Proceeds**—For working capital. **Office**—3570 Lindell Blvd., St. Louis. **Underwriter**—Edward D. Jones & Co., St. Louis. **Offering**—Indefinite.

Common Market Fund, Inc.
March 7, 1963 filed 2,000,000 capital shares. **Price**—Net asset value plus 8.5%. **Business**—A new mutual fund specializing in securities of foreign and American companies operating in the European Common Market. **Proceeds**—For investment. **Office**—9465 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Kennedy, Cabot & Co. (same address). **Offering**—Indefinite.

Community Health Associations, Inc.
April 12, 1963 filed 150,000 common, of which 100,000 are to be offered by company and 50,000 by Harry E. Wilson, President. **Price**—$15. **Business**—Sale of hospital and surgical insurance contracts. **Proceeds**—For investment, sales promotion, and other corporate purposes. **Office**—4000 Aurora Ave., Seattle, Wash. **Underwriter**—None.

• **Computer Sciences Corp. (9/18)**
Aug. 6, 1963 filed 200,000 common, of which 175,000 shares are to be offered by the company and 25,000 shares by stockholders. **Price** — By amendment (max. $13). **Business** — Company provides various computer services to industry, government agencies and scientific institutions. **Proceeds**—For working capital and other corporate purposes. **Office**—650 N. Sepulveda Blvd., El Segundo, Calif. **Underwriter**—White, Weld & Co., Inc., New York.

Continental Reserve Corp.
May 13, 1963 filed 45,000 class B common. **Price** — $40. **Business** — Company plans to acquire, organize, and manage life, accident and health insurance concerns. **Proceeds** — For investment in subsidiaries. **Office**—114 East 40th St., New York. **Underwriter**—None.

Defenders Insurance Co.
Jan. 30, 1963 filed 100.000 common. **Price**—$12.50. **Business** — Company plans to write automobile insurance. **Proceeds**—For general corporate purposes. **Office**—146 Old Country Rd., Mineola, N. Y. **Underwriter**—None.

Deuterium Corp.
Sept. 28, 1962 filed 120.000 common with attached warrants to purchase an additional 120,000 shares to be offered for subscription by holders of its stock and debentures in units (of one share and one warrant) on the basis of 3 units for each 5% prior preferred share held, one unit for each 5% preferred A stock held and 40 units for each $1,200 face amount of non-interest bearing subordinated debentures held. At the same time, the company will offer the securities to the public. **Price**—To subscribers, $20; to public, $22.25. **Business**—Company plans to erect a small size production and experimental plant for the limited manufacture of deuterium and deuterium oxide, and to establish and equip a general research laboratory. **Proceeds**—For working capital, construction, equipment and other corporate purposes. **Office**—360 Lexington Ave., N. Y. **Underwriter**—None.

• **Diversified Collateral Corp.**
June 13, 1962 filed 77,050 common. **Price**—By amendment (max. $11.75). **Business**—A real estate investment company. **Proceeds**—For investment. **Office**—8397 N. E. Second Ave., Miami, Fla. **Underwriter**—None. **Note**—This statement was withdrawn.

Doman Helicopters, Inc.
April 19, 1962 filed 418.680 common to be offered for subscription by stockholders on the basis of two new shares for each three held. **Price**—By amendment (max. $1.25). **Business**—Research, development and construction of experimental helicopters. **Proceeds** — To obtain certification of models, train service personnel, repay debt, etc. **Address**—Municipal Airport, Danbury, Conn. **Underwriter**—None. **Note**—The SEC has issued a stop order suspending this registration statement.

Dominguez Water Corp.
Aug. 5, 1963 filed 70,000 common. **Price**—By amendment (max. $8). **Business**—A public utility engaged in supplying water in a service area located within Los An-

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geles County. **Proceeds**—For selling stockholder, Dominguez Estate Co., parent. **Office**—21718 South Alameda St., Long Beach, Calif. **Underwriter** — Eastman Dillon, Union Securities & Co., Los Angeles. **Offering**—Expected in mid-September.

● Dorchester Gas Producing Co. (9/10)
July 25, 1963 filed $3,500,000 of subordinated convertible debentures due Aug. 1, 1975. **Price** — By amendment. **Business**—Production of natural gas and its various byproducts. **Proceeds**—For debt repayment and working capital. **Office**—1501 Taylor St., Amarillo, Tex. **Underwriters**—A. C. Allyn & Co., Chicago; Allen & Co., New York; Metropolitan Dallas Corp., Dallas.

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

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

● Eastern Investors, Inc. (8/26)
June 4, 1963 filed 100,000 class A shares. **Price**—$4. **Business**—A small loan company. **Proceeds** — For expansion and working capital. **Office** — 147 Northeast Main St., Rocky Mount, N. C. **Underwriter**—Paul C. Kimball & Co., Chicago.

Eberstadt Income Fund, Inc.
May 31, 1963 filed 2,000,000 capital shares. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund seeking current income. **Proceeds**—For investment. **Office**—65 Broadway, New York. **Distributor**—F. Eberstadt & Co., Managers & Distributors, Inc., New York.

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

Electronic Associates, Inc. (9/9-13)
Aug. 1, 1963 filed 100,000 capital shares. **Price** — By amendment (max. $70). **Business**—A diversified computer and instrument manufacturer. **Proceeds**—For loan repayment, equipment, working capital and other corporate purposes. **Address**—Long Branch, N. J. **Underwriter**—W. C. Langley & Co., New York.

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

● Enzyme Corp. of America (9/3)
Feb. 21, 1963, filed 120,000 common. **Price**—$2. **Business**—Company plans to market a new drug known as "Clinizyne" to be used for treatment of a variety of tumor related diseases. **Proceeds**—For equipment, sales promotion, research and development, and working capital. **Office**—727 Land Title Bldg., Philadelphia. **Underwriter**—Bristol Securities Inc., New York.

Equity Fundng Corp. of America
March 29, 1962 filed 240,000 common. **Price**—By amendment (max. $6.50). **Business**—A holding company for firms selling life insurance and mutual funds. **Proceeds**—For new sales offices, advances to subsidiaries and working capital. **Office**—5150 Wilshire Blvd., Los Angeles. **Underwriter**—To be named. **Offering**—Indefinite.

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

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

Federal Services Finance Corp.
July 1, 1963 filed 64,000 common to be offered for subscription by stockholders. **Price**—By amendment (max. $20). **Business**—A holding company whose subsidiaries are engaged in the sales finance business and the writing of marine and credit life insurance. **Proceeds**—For redemption of outstanding second preferred stock, working capital, and other corporate purposes. **Office**—1701 Pennsylvania Ave., N. W., Washington, D. C. **Underwriter**—Mackall & Coe, Washington, D. C.

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

First American Israel Mutual Fund
Aug. 15, 1962 filed 2,750,000 shares of beneficial interest. **Price**—$10. **Business**—A mutual fund which plans to invest primarily in equity type securities of Israeli companies. **Proceeds**—For investment. **Office**—141 Milk St., Boston. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston. **Offering**—Indefinitely Postponed.

Florida Jai Alai, Inc.
June 28, 1962 filed 300,000 common. **Price**—$5. **Business** — Operation of Jai Alai games and pari-mutuel betting. **Proceeds**—For rent, purchase of leased quarters, building improvements, working capital. **Office** — Fern Park, Fla. **Underwriter**—Consolidated Securities Corp., Pompano Beach, Fla. **Offering**—Indefinite.

● French Market Shopping Center, Inc. (8/30)
June 24, 1963 ("Reg. A") $300,000 of 6% subordinated debentures due Aug. 1, 1978, and 30,000 common to be offered in units of one $500 debenture and 50 common. **Price**—$500 per unit. **Business**—Operation of a discount type department store in the Greater Kansas City area. **Proceeds**—For working capital, and other corporate purposes. **Address** — 95th & Metcalf Sts., Overland Park, Kansas. **Underwriter** — Midland Securities Co., Inc., Kansas City, Mo.

Garden State Small Business Investment Co.
Oct. 27, 1961 filed 330,000 common. **Price**—$3. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—1180 Raymond Blvd., Newark, N. J. **Underwriter**—Godfrey, Hamilton, Taylor & Co., N. Y. **Offering**—Postponed.

Gary Capital Corp.
Aug. 8, 1963 filed 60,000 common. **Price**—$10. **Business**—Company plans to engage in various phases of the finance business, with the exception of securities trading. **Proceeds**—For investment, executive salaries and working capital. **Office**—450 Seventh Ave., New York. **Underwriter**—Kordan & Co., Inc., New York.

● Global Construction Devices, Inc. (8/26)
June 29, 1962 filed 225,000 class A. **Price**—$3.20. **Business**—Manufacture, sale and lease of steel supports and beams used in construction. **Proceeds**—For debt repayment, expansion, research, and inventory. **Office**—545 Cedar Lane, Teaneck, N. J. **Underwriter**—Charles Plohn & Co., New York.

Great Continental Real Estate Investment Trust
Aug. 3, 1961 filed 300,000 shares of beneficial interest. **Price**—$10. **Business**—Real estate. **Proceeds**—For investment. **Office**—530 St. Paul Pl., Baltimore. **Underwriter**—To be named. **Note**—This firm formerly was known as Continental Real Estate Investment Trust.

Greater Miami Industrial Park, Inc.
Feb. 25, 1963, filed 136,094 common to be offered for subscription by stockholders on the basis of one share for each 4½ shares held. **Price**—$5.50. **Business**—Acquisition and development of real estate. **Proceeds** — For general corporate purposes. **Office**—811 duPont Plaza Center, Miami, Fla. **Underwriter**—None.

Greater Nebraska Corp.
Feb. 20, 1963, filed 3,000,000 common. **Price**—$2. **Business**—Company plans to operate subsidiaries in the fields of banking, insurance, finance, etc. **Proceeds**—For general corporate purposes. **Office**—1107 Federal Securities Building, Lincoln, Neb. **Underwriter**—None.

● Handleman Co. (9/9)
July 29, 1963 filed 330,000 common. **Price**—By amendment (max. $13). **Business**—Wholesaling of phonograph records, pharmaceuticals, beauty aids and sundries. **Proceeds**—For selling stockholders. **Office**—670 East Woodbridge, Detroit. **Underwriters**—E. F. Hutton & Co., Inc., New York, and Baker, Simonds & Co., Inc., Detroit.

Hawthorn-Mellody, Inc. (9/9-13)
Aug. 7, 1963 filed 497,500 common. **Price**—By amendment (max. $25). **Business**—Processing and distribution of milk, ice cream and other dairy foods in Chicago area. **Proceeds** — For the selling stockholder, Processing and Books, Inc., parent. **Office**—4224 West Chicago Ave., Chicago. **Underwriter**—Hemphill, Noyes & Co., New York.

● Heck's, Inc. (9/23)
June 12, 1963 refiled 180,000 class A common. **Price**—$2.50. **Business**—Operation of discount stores. **Proceeds**—To provide fixtures and inventory for a new store, and for working capital. **Office**—6400 MacCorkle Ave., S. W., St Albans, W. Va. **Underwriter**—Charles Plohn & Co., New York.

Hill Street Co.
Oct. 16, 1961 filed 2,265,138 common to be offered for subscription by stockholders of Union Bank of California on a share-for-share basis. **Price**—$3. **Business**—A management investment company. **Proceeds**—For investment. **Office**—760 S. Hill St., Los Angeles. **Underwriter**—None.

Holiday Mobile Home Resorts, Inc.
March 27, 1963 filed $1,250,000 of 6½% conv. subord. debentures due 1978, and 75,000 common to be offered in units consisting of $50 of debentures and 3 shares. **Price**—$68 per unit. **Business**—Development and operation of mobile home resorts throughout U. S. **Proceeds**—For debt, repayment, construction, and other corporate purposes. **Office** — 4344 East Indian School Rd., Phoenix. **Underwriters**—Boettcher & Co., Denver, and J. R. Williston & Beane, New York. **Note**—This statement will not be withdrawn as previously reported, but will be amended.

Horace Mann Life Insurance Co.
Feb. 1, 1963 filed 200,000 common, of which 80,000 are to be offered by company and 120,000 by stockholders. **Price** — $12.50. **Business**—Writing of life, accident and health insurance. **Proceeds**—For general corporate purposes. **Office**—216 E. Monroe St., Springfield, Ill. **Underwriter**—Horace Mann Investors Inc., (same address).

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

Investors Inter-Continental Fund, Inc.
July 3, 1963 filed 3,000,000 capital shares. **Price**—Net asset value plus 7½%. **Business**—A new mutual fund which will succeed to business of Investors Group Canadian Fund Ltd., and invest in securities throughout the Free World. **Proceeds**—For investment. **Address**—1000 Roanoke Bldg., Minneapolis. **Distributor**—Investors Diversified Services, Inc. (same address).

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

Iowa Public Service Co. (9/5)
July 19, 1963 filed $12,000,000 of first mortgage bonds due 1993. **Proceeds**—For loan repayment and other corporate purposes. **Address** — Orpheum - Electric Bldg., Sioux City, Iowa. **Underwriters**—(Competitive). Probable bidders: Kidder, Peabody & Co.-Blyth & Co., Inc. (jointly); Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; White, Weld & Co.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—Sept. 5 (11 a.m. EDST) at 20 Pine St. (10th floor), New York. **Information Meeting**—Aug. 28 (3:30 p.m. EDST) same address.

Israfund-Israel Fund, Inc.
July 29, 1963 filed 300,000 common. **Price**—$10. **Business**—Fund plans to own stock of companies which will invest in securities of Israeli enterprises. **Proceeds**—For investment. **Office**—17 East 71st St., New York. **Underwriter**—Israel Securities Corp., (same address).

Israel American Diversified Fund, Inc.
April 22, 1963 filed 550,000 common. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund specializing in Israeli and American securities. **Proceeds**—For investment. **Office**—54 Wall St., New York. **Distributor**—Israel Fund Distributors, Inc. (same address).

Israel Fund, Inc.
July 18, 1963 filed 500,000 common. **Price**—$12.50. **Business**—A closed-end investment company which plans to invest in Israeli firms. **Proceeds**—For investment. **Office**—4200 Hayward Ave., Baltimore. **Underwriter**—Investors Planning Corp. of America, New York.

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

Jaap Penraat Associates, Inc.
Jan. 30, 1962 filed 100,000 common. **Price**—$3. **Business**—Industrial designing, the design of teaching machines and the production of teaching programs. **Proceeds**—For expansion, new facilities and working capital. **Office**—315 Central Park W., N. Y. **Underwriter**—R. F. Dowd & Co., Inc., New York. **Offering** — Indefinitely postponed.

Janus Fund, Inc.
April 10, 1963 filed 500,000 capital shares. **Price** — Net asset value plus 8½%. **Business**—A new mutual fund seeking capital appreciation. **Proceeds**—For investment. **Office**—467 Hamilton Ave., Palo Alto, Calif. **Underwriter**—Mutual Fund Distributors, Inc. (same address).

Juniper Spur Ranch, Inc.
May 27, 1963 ("Reg. A") 300,000 common. **Price** — $1. **Business**—Construction of a gasoline and diesel oil filling station, a restaurant and allied facilities. **Proceeds**—For general corporate purposes. **Underwriter** — V. E. Anderson & Co., Newhouse Bldg., Salt Lake City.

Key Finance Corp.
June 7, 1963 filed 80,000 common. **Price**—By amendment (max. $5). **Business**—Operation of a small loan business in Puerto Rico. **Proceeds**—For loan repayment, expansion and other corporate purposes. **Address**—Rio Piedras, Puerto Rico. **Underwriters** — Morris Cohon & Co., and Street & Co., Inc., New York. **Offering**—Indefinite.

Krasnow Industries, Inc.
June 28, 1963 filed 125,000 common. **Price**—By amendment (max. $5). **Business**—Volume manufacture of inexpensively priced men's and children's belts. **Proceeds**—For debt repayment, sales promotion, and other corporate purposes. **Office**—33-00 Northern Blvd., Long Island City, N. Y. **Underwriter**—T. W. Lewis & Co., Inc., New York.

● Lewis Business Forms, Inc. (9/16)
July 22, 1963 filed $1,250,000 of convertible subordinated debentures due Sept. 1, 1975. **Price** — By amendment. **Business**—Manufacture of a diversified line of business forms. **Proceeds**—For plant expansion, loan repayment and working capital. **Office**—243 Lane Ave., North, Jacksonville, Fla. **Underwriters**—Reynolds & Co., Inc., New York, and Saunders, Stiver & Co., Cleveland.

Logos Options, Ltd.
April 11, 1962 filed 250,000 capital shares. **Price** — By amendment (max. $10). **Business**—A diversified closed-end investment company. **Proceeds**—For investment. **Office**—26 Broadway, N. Y. **Underwriter**—Filor, Bullard & Smyth, N. Y. **Note**—This company formerly was named Logos Financial, Ltd. **Offering**—Indefinite.

Lone Star Gas Co. (8/27)
July 30, 1963 filed $35,000,000 of sinking fund debentures due 1988. **Business**—Production and distribution of natural gas in Texas and Oklahoma. **Proceeds**—For loan repayment, construction and working capital. **Office**—301 South Harwood St., Dallas. **Underwriters** — (Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Aug. 27 (11 a.m. EDST) at Chemical Bank New York Trust Co., 20 Pine St., New York. **Information Meeting**—Aug. 22 (11 a.m. EDST), same address.

Lord Jim's Service Systems, Inc.
Jan. 14, 1963 ("Reg. A") 100,000 common. **Price** — $1. **Business**—Operation of drive-in restaurants. **Proceeds**—For leases, equipment and working capital. **Office**—1601 Mandeville Canyon Rd., Los Angeles. **Underwriter**—Keon & Co., Los Angeles.

Lunar Films, Inc.
Aug. 31, 1961 filed 125,000 common. **Price**—$5.75. **Business**—The production of television films. **Proceeds**—For filming and production and working capital. **Office**—543 Madison Ave., New York. **Underwriter** — Ingram, Lambert & Stephen, Inc., 50 Broad St., New York. **Offering**—Indefinite.

Mahoning Corp.
July 26, 1963 filed 200,000 common. **Price**—$3. **Business**—Company plans to engage in the exploration and development of Canadian mineral properties. **Proceeds**—For general corporate purposes. **Address**—402 Central Tower Bldg., Youngstown, Ohio. **Underwriter**—None.

Management Investment Corp.
Aug. 29, 1962 filed 2,000 common (with attached warrants). **Price**—$500. **Business**—Company plans to furnish equity capital to firms in the atomic, space and missile fields, and provide advisory and management counseling services on a fee basis. **Proceeds**—For repayment of loans, and general corporate purposes. **Office**—130 Fulton Federal Bldg., Atlanta. **Underwriter**—None.

Marshall Press, Inc.
May 29, 1962 filed 60,000 common. **Price**—$3.75. **Business**—Graphic design and printing. **Proceeds**—For publishing a sales catalogue, developing a national sales staff and working capital. **Office**—812 Greenwich St., N. Y. **Underwriter**—To be named. **Offering**—Indefinitely postponed.

Medic Corp.
Feb. 28, 1963, filed 1,000,000 class B common. **Price**—$1.25. **Business**—A holding company for three life insurance firms. **Proceeds**—For loan repayment, operating expenses, and investment in other insurance concerns. **Address**—714 Medical Arts Bldg., Oklahoma City. **Underwriter**—Lincoln Securities Corp. (same address).

Medical Industries Fund, Inc.
Oct. 23, 1961 filed 25,000 common. **Price**—$10. **Business**—A closed-end investment company which plans to become open-end. **Proceeds** — For investment in the medical industry and capital growth situations. **Office**—677 Lafayette St., Denver. **Underwriter** — Medical Associates, Inc. Denver.

Medical Video Corp.
Nov. 13, 1961 filed 250,000 common. **Price** — $1. **Business** — Manufacture of medical electronic equipment. **Proceeds** — For general corporate purposes. **Office**—Studio City, Calif. **Underwriter** — Financial Equity Corp., Los Angeles.

Meridian Fund, Inc.
March 4, 1963 filed 500,000 capital shares. **Price**—Net asset value plus 5%. **Business**—A new mutual fund to be offered initially to members of the medical profession. **Proceeds**—For investment. **Office** — 714 Boston Bldg., Denver. **Underwriter**—Centennial Management & Research Corp., (same address).

Middlesex Water Co.
June 5, 1963 filed 35,000 common. **Price**—By amendment (max. $36). **Business**—Collecting and distributing water in certain areas of New Jersey. **Proceeds** — For debt repayment. **Office**—52 Main St., Woodbridge, N. J. **Underwriter**—Kidder, Peabody & Co., Inc., New York. **Offering**—Expected in October.

Midwest Technical Development Corp.
Feb. 26, 1962 filed 561,500 common to be offered for subscription by stockholders on the basis of one share for each two shares held. **Price**—By amendment (max. $7). **Business** — A closed-end management investment company. **Proceeds** — For general corporate purposes. **Office** — 2615 First National Bank Bldg., Minneapolis. **Underwriter**—None.

● Mitsui & Co., Ltd.
July 9, 1963 filed 10,000,000 common (represented by 500,000 A. D. S.) being offered for subscription by stockholders on the basis of one new share for each two held of record July 20. Rights will expire Sept. 12. **Price**—$2.78 per A. D. S. **Business**—Domestic and foreign trading in a broad range of goods and commodities. **Proceeds**—For expansion of trading activities, and new investments. **Address**—Tokyo, Japan. **Underwriter**—None.

Mobile Home Parks Development Corp.
Jan. 28, 1963 filed 1,250,000 common. **Price**—$2.50. **Business**—Company plans to develop mobile home parks and residential and commercial real estate. **Proceeds**—For general corporate purposes. **Office**—82 Baker St., Atlanta. **Underwriter**—Overseas Investment Service, Seville, Spain.

Morton (B. C.) Realty Trust
June 21, 1963 filed 1,000,000 shares of beneficial interest. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—141 Milk St., Boston. **Underwriter**—B. C. Morton Funds Underwriters Co., Inc. (same address)

Municipal Investment Trust Fund, Series B
April 28, 1961 filed $15,000,000 (15,000 units) of interests. **Price**—To be supplied by amendment. **Business**—The fund will invest in tax-exempt bonds of states, counties municipalities and territories of the U. S. **Proceeds**—For investment. **Sponsor** — Ira Haupt & Co., 111 Broadway, New York. **Offering**—Indefinite.

National Equipment & Plastics Corp.
Sept. 28, 1961 filed 105,000 common. **Price**—$5. **Business**—Operation of a cleaning and pressing plant and affiliated stores. **Proceeds**—For debt repayment, store expansion and working capital. **Address** — Portage, Pa. **Underwriter**—Cortlandt Investing Corp., N. Y. **Note**—This registration will be withdrawn.

National Fence Manufacturing Co., Inc. (9/3-6)
Nov. 29, 1962 filed 100,000 common. **Price**—$8.75. **Business** — Manufacture of galvanized chain link fence welded concrete reinforcing fabric, gates and related products. **Proceeds**—For construction of a plant in Ireland, and working capital. **Office**—4301 46th St., Bladensburg, Md. **Underwriter**—Netherlands Securities Co., Inc., New York.

National Memorial Estates
Oct. 11, 1962 filed 4,750,000 common. **Price** — $1. **Business** — Company plans to engage in cemetery development and to establish and operate a life and disability insurance concern. **Proceeds**—For general corporate purposes. **Office**—13 S. Broadway, Red Lodge, Mont. **Underwriter**—Security Brokerage Co., Billings, Mont.

National Mortgage Corp., Inc.
Dec. 28, 1962 refiled $8,000,000 face amount certificates (series 20) and 300,000 common shares. **Price**—For certificates, $762; for stock, $1.15. **Business**—A mortgage loan company. **Proceeds** — For general corporate purposes. **Office** — 113 S. Hydraulic, Wichita, Kan. **Underwriter**—National Mortgage Agency, Inc., (same address). **Note**—This offering will be made only in the State of Kansas.

National Union Insurance Co. of Washington
Aug. 12, 1963 filed 64,000 common to be offered for subscription by stockholders on the basis of 1.78 shares for each share held. **Price**—$12. **Business**—Writing of fire, marine, casualty and property insurance. **Proceeds**—For general corporate purposes. **Office**—1511 K St., N. W., Washington, D. C. **Underwriters** — Ferris & Co., and Rouse, Brewer, Becker & Bryant, Inc., Washington, D. C.

Natural Gas & Oil Producing Co. (9/3-6)
Sept. 7, 1962 filed 180,000 class A common. **Price**—$5. **Business**—Production of natural gas and oil. **Proceeds**—For drilling expenses, working capital and other corporate purposes. **Office**—Tekoil Bldg., Oklahoma City **Underwriter**—Peter Morgan & Co., N. Y.

New Campbell Island Mines Ltd.
Oct. 13, 1961 filed 475,000 common, of which 400,000 are to be offered by the company and 75,000 by a stockholder. **Price**—50 cents. **Business**—Exploration, development and mining. **Proceeds**—General corporate purposes. **Office**—90 Industry St., Toronto, Canada. **Underwriter**—A. C. McPherson & Co., Toronto.

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NEW ISSUE CALENDAR

August 22 (Thursday)
Rollins Broadcasting, Inc. — Common
(New York Securities Co.) 166,376 shares

August 26 (Monday)
Eastern Investors, Inc. — Class A
(Paul C. Kimball & Co.) $400,000
Global Construction Devices, Inc. — Class A
(Charles Plohn & Co.) $720,000
Tourist Industry Development Corp., Ltd. — Debens.
(American-Israel Basic Economy Corp.) $5,000,000

August 27 (Tuesday)
Lone Star Gas Co. — Debentures
(Bids 11 a.m. EDST) $35,000,000
Russell Mills, Inc. — Common
(Hornblower & Weeks) 300,000 shares

August 28 (Wednesday)
Sprague Electric Co. — Debentures
(First Boston Corp. and F. S. Moseley & Co.) $15,000,000

August 30 (Friday)
French Market Shopping Center, Inc. — Units
(Midland Securities Co., Inc.) $300,000
New England Telephone & Telegraph Co. — Com.
(Offering to stockholders—no underwriting) $94,493,565

September 3 (Tuesday)
Bridges Investment Fund, Inc. — Capital Shares
(No underwriting) 200,000 shares
Enzyme Corp. of America — Common
(Bristol Securities Inc.) $240,000
National Fence Manufacturing Co., Inc. — Common
(Netherlands Securities Co., Inc.) $875,000
Natural Gas & Oil Producing Co. — Common
(Peter Morgan & Co.) $900,000
Resort Corp. of Missouri — Units
(R. L. Warren Co.) $1,000,000
Teaching Machines, Inc. — Common
(S. D. Fuller & Co.) $750,000

September 4 (Wednesday)
Southern Pacific Co. — Equip. Trust Ctfs.
(Bids 12 noon EDST) $7,200,000

September 5 (Thursday)
Iowa Public Service Co. — Bonds
(Bids 11 a.m. EDST) $12,000,000
Southern Ry. Co. — Equip. Trust Ctfs.
(Bids 12 noon EDST) $6,420,000

September 9 (Monday)
Atlas Finance Co., Inc. — Preferred
(Marshall Co. and McCormick & Co.) 37,500 shares
Chemair Corp. — Units
(Price Investing Co.) $180,000
Electronic Associates, Inc. — Capital Shares
(W. C. Langley & Co.) 100,000 shares
Foote, Cone & Belding, Inc. — Common
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 500,000 shares
Handleman Co. — Common
(E. F. Hutton & Co., Inc., and Baker, Simonds & Co., Inc.) 330,000 shares
Hawthorn-Mellody, Inc. — Common
(Hemphill, Noyes & Co.) 497,500 shares
Norfolk & Western RR. — Equip. Trust Ctfs.
(Bids 12 noon EDST) $6,900,000
Rogers Brothers Co. — Common
(Dean Witter & Co.) 105,458 shares

September 10 (Tuesday)
Aileen, Inc. — Common
(Goodbody & Co.) 200,000 shares
Dorchester Gas Producing Co. — Debentures
(A. C. Allyn & Co.; Allen & Co.; Metropolitan Dallas Corp.) $3,500,000
Tektronix, Inc. — Common
(Lehman Brothers) 540,000 shares

September 11 (Wednesday)
N. Y., Chicago & St. Louis RR. — Equip. Tr. Ctfs.
(Bids 12 noon EDST) $6,540,000
Piedmont Natural Gas Co., Inc. — Common
(Offering to stockholders—underwritten by White, Weld & Co. Inc.) 139,940 shares

September 16 (Monday)
Lewis Business Forms, Inc. — Debentures
(Reynolds & Co., Inc. and Saunders, Stiver & Co.) $1,250,000
Recording Industries Corp. — Common
(Tennessee Securities Inc.) $1,485,000

September 17 (Tuesday)
Atlantic Coast Line RR. — Bonds
(Bids 12 noon EDST) $20,000,000

September 18 (Wednesday)
Computer Sciences Corp. — Common
(White, Weld & Co., Inc.) 200,000 shares
Northern States Power Co. (Minn.) — Bonds
(Bids 11 a.m. EDST) $15,000,000

September 23 (Monday)
Heck's, Inc. — Common
(Charles Plohn & Co.) $450,000

September 24 (Tuesday)
First Western Financial Corp. — Common
(A. C. Allyn & Co.) 600,000 shares

October 1 (Tuesday)
Chicago Burlington & Quincy RR. — Equip. Tr. Ctfs.
(Bids 12 noon CDST) $5,000,000
Jersey Central Power & Light Co. — Bonds
(Bids 11 a.m. EDST) $18,525,000

October 3 (Thursday)
Columbia Gas System, Inc. — Debentures
(Bids to be received) $25,000,000

October 8 (Tuesday)
Wisconsin Public Service Corp. — Bonds
(Bids to be received) $15,000,000

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

October 16 (Wednesday)
Nevada Power Co. — Bonds
(Bids to be received) $11,000,000

October 21 (Monday)
Gulf States Utilities Co. — Preferred
(Bids to be received) 100,000 shares

October 22 (Tuesday)
Public Service Electric & Gas Co. — Debentures
(Bids 11 a.m. EDST) $40,000,000

October 23 (Wednesday)
Otter Tail Power Co. — Bonds
(Bids to be received) $7,000,000

October 29 (Tuesday)
Southern Ry. Co. — Equip. Trust Ctfs.
(Bids 12 noon EDST) $6,420,000

November 7 (Thursday)
Georgia Power Co. — Bonds
(Bids to be received) $30,000,000
Georgia Power Co. — Preferred
(Bids to be received) $7,000,000

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

December 10 (Tuesday)
Northern Pacific Ry. — Equip. Trust Ctfs.
(Bids 12 noon EST) $4,800,000
Virginia Electric & Power Co. — Bonds
(Bids to be received) $30,000,000

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● **New England Telephone & Telegraph Co. (8/30)**
Aug. 1, 1963 filed 2,099,857 capital shares to be offered for subscription by common stockholders on the basis of one new share for each 12 held of record Aug. 27. Rights will expire Sept. 23. **Price** — $45. **Proceeds** — To repay advances from parent, A. T. & T., and for other corporate purposes. **Office** — 185 Franklin St., Boston. **Underwriter**—None.

New World Fund, Inc.
Feb. 21, 1963, filed 250,000 common. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—4680 Wilshire Blvd., Los Angeles. **Underwriter** — New World Distributing Co. (same address).

Nordon Corp. Ltd.
July 29, 1963 filed 60,085 capital shares. **Price** — By amendment (max. $3.25). **Business**—Acquisition of oil and gas properties, and the production of crude oil and natural gas. **Proceeds**—For selling stockholders. **Office**—5455 Wilshire Blvd., Los Angeles. **Underwriter**—Gregory-Massari, Inc., Los Angeles.

Northern States Life Insurance Corp.
March 26, 1963 filed 312,465 common being offered for subscription by stockholders on the basis of one new share for each 1½ held of record July 31. Rights will expire Sept. 7. **Price**—$2. **Business**—Writing of general life insurance. **Proceeds**—For expansion. **Office**—1840 North Farwell Ave., Milwaukee. **Underwriter**—None.

Northern States Power Co. (Minn.) (9/18)
July 26, 1963 filed $15,000,000 of first mortgage bonds due 1993. **Proceeds**—For construction and loan repayment. **Office**—15 S. Fifth St., Minneapolis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.-Blyth & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co.-White, Weld & Co. (jointly); Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers-Riter & Co. (jointly). **Bids**—Sept. 18 (10 a.m. CDST) at 111 W. Monroe St., Chicago. **Information Meeting**—Sept. 12 (2:30 p.m. EDST) at 57 Broadway, New York.

Nuclear Science & Engineering Corp.
March 29, 1962 filed 100,000 common. **Price**—By amendment (max. $15). **Business**—Research and development on contracts using radioactive tracers; precision radioactivity measurement; production of radioactive isotopes and the furnishing of consulting and radiation measurement services. **Proceeds**—For equipment, debt repayment, expansion and working capital. **Address**—P. O. Box 10901, Pittsburgh. **Underwriter**—Johnston, Lemon & Co., Washington, D. C. **Note**—This registration will be withdrawn.

Nuveen Tax-Exempt Bond Fund, Series 5
Aug. 2, 1963 filed $16,500,000 of units representing fractional interests in the fund. **Price**—By amendment. **Business**—The Fund will invest in interest-bearing obligations of states, counties, and municipalities of the U. S., believed to be exempted from Federal income taxes. **Proceeds**—For investment. **Office**—Chicago, Ill. **Sponsor**—John Nuveen & Co., 135 So. La Salle St., Chicago.

Old Florida Rum Co.
July 29, 1963 filed 338,755 common, and warrants to purchase an additional 338,755 common, to be offered for subscription by common stockholders in units of one share and one warrant, on the basis of one unit for each two shares held. **Price**—By amendment (max. $4). **Business**—Company is engaged in the production of rum and other alcoholic beverages. **Proceeds**—For working capital, loan repayment, sales promotion and equipment. **Office**—1035 N. W. 21st Terrace, Miami. **Underwriters**—Pierce, Wulbern, Murphey Inc., Jacksonville, and Consolidated Securities Corp., Pompano Beach, Fla. **Offering**—Expected in mid-September.

O'Malley Investing Corp.
Aug. 9, 1963 filed 300,000 common. **Price**—$10. **Business**—A real estate investment and development company. **Proceeds**—For investment. **Office**—1802 N. Central Ave., Phoenix. **Underwriter** — O'Malley Securities Co. (same address).

Outlet Mining Co., Inc.
Feb. 28, 1962 filed 900,000 common. **Price**—$1. **Business**—Mining. **Proceeds**—For equipment and working capital. **Address**—Creede, Colo. **Underwriter**—None.

PMA Insurance Fund Inc.
April 8, 1963 filed 200,000 common. **Price** — Net asset value plus 4%. **Business**—A new mutual fund specializing in insurance stocks. **Proceeds**—For investment. **Address** — Plankington Bldg., Milwaukee. **Underwriter**—Fund Management Inc. (same address).

Pacific Mines, Inc.
July 24, 1963 filed 100,000 common. **Price**—$1.50. **Business** — Company plans to explore iron deposits on its property. **Proceeds**—For mining operations, debt repayment and operating expenses. **Office**—1218 N. Central Ave., Phoenix. **Underwriter**—None.

● **Pan American Beryllium Corp.**
Feb. 28, 1962 filed 100,000 common. **Price**—$5. **Business**—Company plans to mine for beryl ore in Argentina **Proceeds** — For debt repayment, equipment, and other corporate purposes. **Office**—39 Broadway, N. Y. **Underwriter**—To be named. **Note**—This statement was withdrawn.

Philippine Oil Development Co., Inc.
June 11, 1963 filed 325,000,000 capital shares to be offered for subscription by U. S. resident stockholders on the basis of one new share for each two held. **Price**—By amendment (max. 1 cent). **Business**—Exploration for oil and gas in the Philippines. **Proceeds**—For debt repayment, and operating expenses. **Address** — Manila, The Philippines. **Underwriter**—None.

Potomac Real Estate Investment Trust
July 6, 1962 filed 1,000,000 shares of beneficial interest **Price**—By amendment (max. $5). **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—880 Bonifant St., Silver Spring, Md. **Underwriter**—None.

Powell Petroleum, Inc.
Sept. 28, 1962 filed 100,000 common. **Price**—$5. **Proceeds**—to drill for and operate oil wells. **Office**—418 Market St., Shreveport, La. **Underwriter**—None.

Power Cam Corp.
Jan. 28, 1963, filed 200,000 capital shares. **Price**—$4.75 **Business**—Company plans to manufacture a new type of brake unit for heavy duty automotive vehicles. **Proceeds**—For equipment, and working capital. **Office** — 2604 Leith St., Flint, Mich. **Underwriter**—Farrell Securities Co., New York.

Princeton Research Lands, Inc.
March 28, 1963 filed 40,000 common. **Price**—$25. **Business**—Purchase and sale of real property, chiefly unimproved land. **Proceeds**—For debt repayment, and acquisition of additional properties. **Office**—195 Nassau St., Princeton, N. J. **Underwriter**—None.

Provident Stock Fund, Inc.
April 11, 1963 filed 1,000,000 common. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—316 North Fifth St., Bismarck, N. D. **Underwriter** — Provident Management Co. (same address).

Recording Industries Corp. (9/16-20)
July 19, 1963 filed 297,000 common. **Price**—$5. **Business**—Company plans to engage in the recording and manufacture of phonograph records, and the publishing of sheet music. **Proceeds**—For construction of offices, working capital, and other corporate purposes. **Office**—801 Sixteenth Ave., South Nashville, Tenn. **Underwriter**—Tennessee Securities Inc., Nashville.

Recreation Industries, Inc.
Nov. 23, 1962 ("Reg. A") 75,000 common. **Price** — $2 **Business**—Sale of travel and entertainment. **Proceeds**—For capital investment, and working capital. **Office**—411 West 7th St., Los Angeles. **Underwriter**—Costello, Russotto & Co., Beverly Hills, Calif. **Offering**—Indefinite.

Resort Corp. of Missouri (9/3-6)
Nov. 27, 1962 filed 125,000 class A common and three-year warrants to purchase 1,250 class A shares to be offered in units consisting of four shares and one warrant. **Price** — $32 per unit. **Business** — Company will erect and operate a luxury hotel and resort facilities, and sell 80 acres of land for home sites. **Proceeds**—For construction. **Office**—3615 Olive St., St. Louis. **Underwriter**—R. L. Warren Co., St. Louis.

Retirement Foundation, Inc.
April 8, 1963 filed 100,000 memberships in the Foundation. **Price**—$10 per membership. **Business** — Company will operate retirement centers for the use of rent-free private homes and apartments by members upon their retirement. **Proceeds**—For working capital, construction and other corporate purposes. **Office**—235 Lockerman St., Dover, Del. **Underwriter**—John D. Ferguson, Dover, Del. **Offering**—Indefinite.

Rogers Brothers Co. (9/9-13)
Aug. 7, 1963 filed 105,458 common, of which 70,000 will be sold by company and 35,458 by a stockholder. **Price**—By amendment (max. $18). **Business** — Processing of potatoes, and the raising of high grade pea, bean and sweet corn seeds. **Proceeds**—For working capital. **Address**—P. O. Box 2188, Idaho Falls, Idaho. **Underwriter**—Dean Witter & Co., Los Angeles.

● **Rollins Broadcasting, Inc. (8/22)**
July 15, 1963 filed 166,376 common. **Price**—By amendment (max. $20). **Business**—Company and subsidiaries own seven AM radio stations, three VHF television stations and an outdoor advertising company. **Proceeds**—For selling stockholders. **Office**—414 French St., Wilmington, Del. **Underwriter**—New York Securities Co., New York.

● **Russell Mills, Inc. (8/27)**
Sept. 28, 1962 filed 300,000 common. **Price**—By amendment (max. $12). **Business** — Manufacture of athletic clothing, knitted goods, sleepwear for children, and woven cotton cloth. **Proceeds**—For loan repayment, and new equipment. **Address**—Alexander City, Ala. **Underwriter**—Hornblower & Weeks, New York. **Note**—This company formerly was named Russell Manufacturing Co.

Satawa Gold Mines Ltd.
Aug. 9, 1963 filed 1,000,000 common. **Price**—By amendment (max. 30 cents). **Business**—Gold prospecting. **Proceeds**—For debt repayment, construction of a mill and mining expenses. **Address**—Port Arthur, Ontario, Canada. **Underwriter**—None.

Selective Financial Corp.
Feb. 28, 1962 filed 500,000 common, of which 405,000 are to be offered for subscription by holders of the A, B and C stock of Selective Life Insurance Co., an affiliate, on the basis of 4 company shares for each class A or B share and two-thirds share for each class C share of Selective Life held. Remaining 94,822 and any unsubscribed shares will be offered publicly. **Price**—To public $6; to stockholders, $5. **Business**—Company plans to engage in the consumer finance, mortgage, general finance and related businesses. **Proceeds** — For general corporate purposes. **Office**—830 N. Central Ave., Phoenix. **Underwriter**—None.

Shaker Properties
Oct. 19, 1962 filed 215,000 shares of beneficial interest. **Price**—$15. **Business** — A real estate investment trust. **Proceeds**—For investment and working capital. **Office**—1956 Union Commerce Bldg., Cleveland, Ohio. **Underwriter** — McDonald & Co., Cleveland. **Offering** — Indefinite.

● **Sprague Electric Co. (8/28)**
Aug. 9, 1963 filed $15,000,000 of sinking fund debentures due Sept. 1, 1988. **Price** — By amendment. **Business**—Manufacture, distribution and sale of electronic and electrical circuit components. **Proceeds**—For debt repayment, and working capital. **Address** — 87 Marshall St., North Adams, Mass. **Underwriters** — First Boston Corp., and F. S. Moseley & Co., New York.

● **Squire For Men, Inc.**
July 9, 1963 ("Reg. A") $135,000 of 8% convertible debentures due 1969. **Price**—At par ($100). **Business**—Manufacture and sale of custom hair pieces. **Proceeds**—For new products and working capital. **Office**—328 S. Beverly Dr., Beverly Hills, Calif. **Underwriter**—Samuel B. Franklin & Co., Los Angeles.

Stein Roe & Farnham Foreign Fund, Inc.
July 1, 1963 filed 1,000,000 capital shares. **Price**—Net asset value. **Business**—Company was recently formed and will succeed to New York Capital Fund, Ltd., a Canadian corporation. It will provide investors a means of investing in Canada, Western Europe and other foreign areas. **Proceeds**—For investment. **Office**—135 S. LaSalle St., Chicago. **Underwriter**—None.

● **Summit National Holding Co.**
Aug. 9, 1963 filed 150,000 common. **Price**—$12. **Business**—Company plans to buy all the outstanding stock of Summit National Life Insurance Co., organized in February 1963 in Ohio as a legal reserve life insurance company. **Proceeds** — For investment in above stock, and working capital. **Office**—2003 West Market St., Akron, O. **Underwriter**—Fulton, Reid & Co., Inc., Cleveland. **Offering**—Expected in mid-September.

Sutro Mortgage Investment Trust
Feb. 1, 1963 filed 30,000 shares of beneficial interest. **Price**—$100. **Business** — A real estate investment trust. **Proceeds**—For investment. **Office**—4900 Wilshire Blvd., Los Angeles. **Underwriter**—None.

Teaching Machines, Inc. (9/3)
April 1, 1963 filed 150,000 common. **Price**—$5 **Business**—Company develops and sells teaching machines exclusively for Grolier Inc. **Proceeds**—For loan repayment and other corporate purposes. **Office**—221 San Pedro, N. E. Albuquerque. **Underwriter**—S. D. Fuller & Co., New York.

Tecumseh Investment Co., Inc.
Jan. 21, 1963 filed 48,500 common. **Price**—$100. **Business**—A holding company which plans to organize a life insurance company. **Proceeds**—For investment in U. S. Government Bonds and in new subsidiary. **Office**—801 Lafayette Life Bldg., Lafayette, Ind. **Underwriter**—Amosand Inc. (same address).

● **Tektronix, Inc. (9/10)**
Aug. 9, 1963 filed 540,000 common, of which 100,000 are to be offered by company and 440,000 by stockholders. **Price**—By amendment (max. $25). **Business**—Manufacture of precision cathode ray oscilloscopes. **Proceeds**—For working capital and other corporate purposes. **Underwriter**—Lehman Brothers, New York.

Texas Plastics, Inc.
July 27, 1962 filed 313,108 common. **Price**—$3.50. **Business**—Operation of a plant producing plastic film and packaging products. **Proceeds**—For working capital. **Address**—Elsa, Texas. **Underwriter**—To be named. **Offering**—Indefinite.

Top Dollar Stores, Inc.
May 1, 1962 filed 200,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders. **Price**—$6. **Business**—Operation of a chain of self-service retail stores selling clothing, housewares, etc. **Proceeds**—For expansion, equipment and working capital. **Office**—2220 Florida Ave., Jasper, Ala. **Underwriter**—Van Alstyne, Noel & Co., New York. **Offering**—Temporarily postponed.

Tourist Industry Development Corp., Ltd. (8/26)
March 29, 1963 filed $5,000,000 of 7% senior debentures due 1983. **Price**—At par. **Business**—Financing of tourist enterprises in Israel. **Proceeds** — For general corporate purposes. **Address** — Jerusalem, Israel. **Underwriter**—American-Israel Basic Economy Corp., New York.

Transarizona Resources, Inc.
May 28, 1962 filed 500,000 capital shares. **Price**—$1.50. **Business**—Exploration, development and production of the Lake Shore copper deposit near Casa Grande, Ariz. **Proceeds**—For equipment, exploration and working capital. **Office**—201 E. 4th St., Casa Grande, Ariz. **Underwriter**—None.

Transpacific Group, Inc.
July 26, 1963 filed 155,000 common. **Price**—By amendment (max. $15). **Business**—An insurance holding company. **Proceeds**—For expansion. **Office**—520 S. W. 6th Ave., Portland, Ore. **Underwriter**—None.

Trans World Life Insurance Co.
July 31, 1963 filed 465,000 common. **Price**—By amendment (max. $5). **Business**—Company plans to sell general life and disability insurance policies. **Proceeds**—To increase capital and surplus. **Office**—609 Sutter St., San Francisco. **Underwriter**—Alex. Brown & Sons, Baltimore.

United Investors Corp. (Minn.)
July 29, 1963 filed $500,000 of 6% convertible debentures due 1973 to be offered for subscription by stockholders on an unlimited basis. **Price** — At par. **Business**—

A holding company for United Investors Fund Corp. (a broker-dealer which sells mutual funds) and United Capital Life Insurance Co. of Minnesota. **Proceeds**—To increase capital and surplus of United Capital Life Insurance Co. of Minnesota. **Address**—1300 First National Bank Bldg., Minneapolis. **Underwriter**—None.

● United Saran Plastic Corp. Ltd.
Feb. 25, 1963, filed $330,000 of 7% convertible debentures due 1975 and 16,500 shares of 8% preferred ordinary "B" shares to be offered in units consisting of two $100 debentures and 10 shares. **Price** — $305 per unit. **Business** — Manufacture of light household and office furniture. **Proceeds** — For general corporate purposes. **Address**—Rehovoth, Israel. **Underwriter**—Brager & Co., New York. **Note**—This statement was withdrawn.

U. S. Controls, Inc.
Aug. 8, 1963 filed $210,000 of 6¾% debentures due 1973 and warrants to purchase 31,500 shares to be offered for public sale in units of one $100 debentures and 15 warrants. **Price**—$100 per unit. **Business**—Development and manufacture of heating equipment and automatic control systems. **Proceeds**—For inventory, sales promotion, note prepayment and working capital. **Office** — 410 Fourth Ave., Brooklyn, N. Y. **Underwriter**—M. H. Meyerson & Co., Inc., New York.

United Variable Annuities Fund, Inc.
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo. **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo.

Urethane of Texas, Inc.
Feb. 14, 1962 filed 250,000 class A and 250,000 common to be offered in units of one share of each class. **Price**—$5.05 per unit. **Business**—Manufacture of urethane foams. **Proceeds**—For equipment, working capital leasehold expenses and other corporate purposes. **Office**—2300 Republic National Bank Bldg., Dallas. **Underwriter** — First Nebraska Securities Corp., Lincoln, Neb. **Offering**—Temporarily postponed.

Valley Investors, Inc.
Jan. 23, 1963, filed 328,858 common. **Price**—$1. **Business**—A new mutual fund. **Proceeds**—For investment. **Address**—Sidney, Montana. **Underwriter**—To be named.

Warwick Fund
June 17, 1963 filed 300,000 units of participation in the Fund to be offered in exchange for certain acceptable securities on the basis of one unit for each $100 of deposited securities. **Business** — A new exchange type mutual fund which plans to continue indefinitely to exchange its units for additional contributions of securities, and to seek long term growth of capital and income. **Office** — 3001 Philadelphia Pike, Claymont, Del. **Distributor**—Wellington Co., Inc., Philadelphia.

Waterman Steamship Corp.
Aug. 29, 1961 filed 1,743,000 common. **Price**—By amendment. **Business**—The carrying of liner-type cargoes. **Proceeds**—For the purchase of vessels, and working capital. **Office**—71 Saint Joseph St., Mobile, Ala. **Underwriter**—Shields & Co., Inc., N. Y. **Note**—This registration will be withdrawn.

Western Steel, Inc.
Jan. 17, 1963 ("Reg. A") 245,000 common. **Price** — $1. **Business**—Company plans to erect a mill to produce certain types of iron by the new "Taylor Process." **Proceeds**—For plant construction and general corporate purposes. **Address**—Suite 412-413 Hynds Bldg., Cheyenne, Wyo. **Underwriter**—C. B. Hoke Agency, Cheyenne, Wyo. **Note**—The SEC has issued an order temporarily suspending this issue.

Western Union International, Inc.
March 29, 1963 filed $4,000,000 of 6¼% subordinated debentures due 1983, and 400,000 common. **Price**—For debentures, at par; for stock $3.50. **Business**—Company will take over and operate Western Union Telegraph's international telegraph operations. **Proceeds**—For selling stockholder, Western Union Telegraph Co., parent. **Office**—60 Hudson St., New York. **Underwriters**—American Securities Corp., and Glore, Forgan & Co., New York. **Offering**—Indefinite.

William Penn Racing Association
March 8, 1963 filed $1,000,000 of 6½% sinking fund debentures due 1978 and 100,000 class A non-voting common shares to be offered in units of one $100 debenture and 10 shares. **Price**—$220 per unit. **Business**—Company has been licensed to conduct harness racing with pari-mutual betting. **Proceeds** — For debt repayment and working capital. **Office**—3 Penn Center Plaza, Philadelphia. **Underwriter**—Stroud & Co., Inc., Philadelphia. **Offering**—Indefinite.

Winslow Electronics, Inc.
Dec. 28, 1961 filed 125,000 common. **Price**—$4. **Business**—Design and manufacture of precision electrical and electronic measuring devices and test equipment. **Proceeds** — For debt repayment and other corporate purposes. **Office**—1005 First Ave., Asbury Park, N. J. **Underwriter**—To be named.

Wyomont Petroleum Co.
May 10, 1963 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—Production and sale of petroleum products. **Proceeds**—For debt repayment, construction and working capital. **Address**—P. O. Box 670, Thermopolis, Wyo. **Underwriter**—Northwest Investors Service, Inc. Billings, Montana. **Note**—The SEC has issued an order temporarily suspending this letter.

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."

(William J.) Burns International Detective Agency, Inc.
150,000 class A common offered at $20.25 per share by Smith, Barney & Co., Inc., New York.

Bobbie Brooks, Inc.
201,150 capital shares offered at $24.375 per share through Bache & Co., New York.

Carolina Freight Carriers Corp.
100,000 common offered at $11.25 per share by The Ohio Co., Columbus. (Issue was exempted from SEC registration.)

Mohawk Rubber Co.
$4,000,000 of 4½% convertible subordinated debentures due Aug. 15, 1983 offered at par and accrued interest by Kidder, Peabody & Co., Inc., New York.

Yale Express System, Inc.
$6,500,000 of 4¼% convertible subordinated debentures due Aug. 15, 1983 priced at par and accrued interest, and 400,000 class A shares at $13.75 per share, both offered through Eastman Dillon, Union Securities & Co., and Hemphill, Noyes & Co., New York. (Issue was exempted from SEC registration.)

Issues Filed With SEC This Week

★ Adkins-Phelps Co.
Aug. 7, 1963 ("Reg. A") 50,000 common. **Price**—$6. **Business** — Wholesale distribution of agricultural products. **Proceeds**—For working capital. **Office**—403 Magnolia St., North Little Rock, Ark. **Underwriter** — Trulock & Co., Inc., Pine Bluff, Ark.

★ Brown-Carr Humphries, Inc.
Aug. 12, 1963 ("Reg. A") 1,800 common. **Price** — $25. **Business**—Company plans to recover title to lands in Texas for heirs to these properties. **Proceeds**—For general corporate purposes. **Office**—302 Medical Arts Bldg., Knoxville, Tenn. **Underwriter**—None.

★ Cincinnati Insurance Co.
Aug. 12, 1963 ("Reg. A") 4,500 common to be offered for subscription by stockholders on the basis of one new share for each 11.1555 shares held. **Price**—$60. **Business**—Writing of fidelity, surety and other types of insurance. **Proceeds** — For expansion. **Address** — Cincinnati, Ohio. **Underwriter**—None.

★ First Western Financial Corp. (9/24)
Aug. 15, 1963 filed 600,000 common, of which 150,000 will be sold by company and 450,000 by stockholders. **Price**—By amendment (max. $25). **Business**—A holding company for First Western Savings & Loan Association and Nevada Bank of Commerce. Company also operates insurance and real estate agencies. **Proceeds**—For expansion. **Office**—112 Las Vegas Blvd., South, Las Vegas, Nev. **Underwriter**—A. C. Allyn & Co., New York.

★ Foote, Cone & Belding, Inc. (9/9)
Aug. 16, 1963 filed 500,000 common. **Price**—By amendment (max. $17). **Business** — Company is the seventh largest American advertising agency in terms of 1962 total volume. **Proceeds**—For selling stockholders. **Office**—200 Park Ave., New York. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc.

★ Hawaiian Telephone Co.
Aug. 20, 1963 filed 534,000 common to be offered for subscription by stockholders on the basis of one new share for about each nine held. **Price** — By amendment (max. $23). **Proceeds**—For expansion. **Office**—1130 Alakea St., Honolulu. **Underwriter**—None.

★ High Country Recreation, Inc.
Aug. 5, 1963 ("Reg. A") 9,500 common. **Price**—$10. **Business**—Operation of a commercial lodge, and recreational facilities near Winter Park, Colo. **Proceeds**—For construction of a new unit. **Address** — Winter Park, Colo. **Underwriter**—None.

★ International Data Systems, Inc.
Aug. 2, 1963 ("Reg. A") 11,000 common to be offered for subscription by stockholders of record Oct. 23, 1963, on a pro-rata basis. **Price**—At-the-market. **Business**—Development, design and manufacture of electronic devices. **Proceeds**—For a selling stockholder. **Office**—2925 Merrell Rd., Dallas. **Underwriter** — A. G. Edwards & Sons, St. Louis.

★ Jersey Central Power & Light Co. (10/1)
Aug. 15, 1963 filed $18,525,000 of first mortgage bonds due Oct. 1, 1993. **Proceeds**—To refund outstanding 5⅜% first mortgage bonds due 1990, and reimburse company's treasury for construction expenditures. **Address**—Madison Ave., at Punch Bowl Rd., Morristown, N. J. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler - Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Kidder, Peabody & Co.; Harriman Ripley & Co. **Bids**—Oct. 1 (11 a.m. EDST) at 80 Pine St., New York. **Information Meeting**—Sept. 26 (10 a.m. EDST) at same address.

★ Keystone International Fund, Inc.
Aug. 13, 1963 filed 200,000 common. **Price** — Net asset value plus 7½%. **Business**—A new mutual fund which will acquire assets of Keystone International Fund, Ltd., a Canadian corporation, and invest in securities throughout the Free World. **Proceeds**—For investment. **Office**—50 Congress St., Boston. **Underwriter**—Keystone Co. of Boston.

★ Life Insurance Co. of Florida
Aug. 16, 1963 filed 400,000 common. **Price**—By amendment (max. $6). **Business** — Writing of industrial life, accident and health insurance as well as ordinary life insurance. **Proceeds**—For investment and eventual expansion. **Office**—2960 Coral Way, Miami. **Underwriter**—Pierce, Wulbern, Murphy, Inc., Jacksonville.

★ Macin, Inc.
Aug. 7, 1963 ("Reg. A") $116,000 of 15-year 6% subordinated sinking fund convertible debentures, series A, due 1978. **Price**—At par. **Business**—Production and sale of lime and limestone products. **Proceeds**—For expansion, and working capital. **Address**—P. O. Box 109, Ellwood, Pa. **Underwriter**—None.

★ Midwestern Industries Corp.
Aug. 13, 1963 ("Reg. A") $300,000 of 7% convertible sinking fund debentures due 1975. **Price**—At par. **Business**—Manufacture of small pleasure craft. **Proceeds**—For debt repayment, equipment, research and working capital. **Address** — Harlan, Ind. **Underwriter** — Smith, Houston & Co., Inc., Fort Wayne, Ind.

★ Milliken (D. B.) Co.
Aug. 1, 1963 ("Reg. A") 54,000 capital. **Price** — $5.50. **Business**—Design and manufacture of high speed motion picture cameras. **Proceeds**—For expansion, equipment, debt repayment and working capital. **Office**—131 N. Fifth Ave., Arcadia, Calif. **Underwriters**—Lester, Ryons & Co., Los Angeles; Dempsey-Tegeler & Co., Inc., St. Louis; Crowell, Weedon & Co., and Bateman, Eichler & Co., Los Angeles.

★ Monarch Marking System Co.
Aug. 14, 1963 filed $2,500,000 of convertible subordinated debentures due Sept. 1, 1983. **Price** — By amendment. **Business**—Manufacture and distribution of price-marking tickets, tags and labels, and machines for imprinting and affixing such tickets. **Proceeds**—For a new plant and moving expenses. **Office** — 216 South Torrence St., Dayton, O. **Underwriter**—McDonald & Co., Cleveland. **Offering**—Expected in mid-September.

★ Newcastle Manufacturing Co.
Aug. 13, 1963 ("Reg. A") 296,000 common. **Price**—At par. **Business**—Manufacture of aluminum and zinc castings. **Proceeds**—For equipment, a new building and, advertising and sales promotion and other corporate purposes. **Office**—1979 Division St., Denver. **Underwriter**—None.

★ Piedmont Natural Gas Co., Inc. (9/11)
Aug. 19, 1963 filed 139,940 common to be offered for subscription by stockholders on the basis of one new share for each 10 held. **Price** — By amendment (max. $18). **Business**—Distribution of natural gas in North and South Carolina. **Proceeds**—For construction. **Office**—4301 Yancey Rd., Charlotte, N. C. **Underwriter**—White, Weld & Co., Inc., New York.

★ U. S. Citrus Corp.
Aug. 13, 1963 ("Reg. A") 100,000 common. **Price** — $3. **Business**—Acquisition and development of desert land for agricultural purposes. **Proceeds**—For debt repayment, planting, equipment and other corporate purposes. **Address**—Murray, Utah. **Underwriter**—None.

Prospective Offerings

Atlantic Coast Line RR. (9/17)
Aug. 12, 1963 it was reported that this road plans to sell $20,000,000 of first mortgage bonds due 1988 in September. **Proceeds**—To refund $8,100,000 of bonds maturing June 1, 1964, and for working capital. **Office**—220 E. 42nd St., New York. **Underwriters** — (Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; White, Weld & Co.; Salomon Brothers & Hutzler-Blyth & Co.-Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly). **Bids**—Expected Sept. 17 (12 noon EDST), at above address.

Bethlehem Steel Co.
Feb. 26, 1963, Arthur B. Homer, Chairman, announced that the company will embark on a $750,000,000 capital improvements program to be completed by 1965. He said that approximately two-thirds of the financing for the program will be generated internally and the balance secured externally. Mr. Homer added that this would not be required until at least 1964. **Office** — 25 Broadway, New York. **Underwriters**—To be named. The

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last public sale of securities in May, 1955, was handled by Kuhn, Loeb & Co., and Smith, Barney & Co., New York.

Canon Camera Co.
June 26, 1963 it was reported that the company plans to sell $5,000,000 of convertible bonds in the U. S. **Business** — Manufacture of cameras and other photographic equipment. **Proceeds**—For expansion. **Address**—Tokyo, Japan. **Underwriter** — Yamaichi Securities Co. of New York, Inc.

Chesapeake & Ohio Ry.
July 16, 1963 it was reported that the company plans to sell about $3,780,000 of equipment trust certificates in late September. This will be the second instalment of a total $10,305,000 issue. **Address** — Terminal Tower, Cleveland, O. **Underwriters** — (Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc.

Chicago Burlington & Quincy RR. (10/1)
May 20, 1963 the company announced tentative plans to sell $5,000,000 of equipment trust certificates in October. **Office**—547 W. Jackson Blvd., Chicago. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Expected October 1 (12 noon CDST) at above address.

Columbia Gas System, Inc. (10/3)
May 6, 1963 the company stated that it plans to sell $25,000,000 of debentures in October to raise money for construction. **Office** — 120 East 41st Street, New York. **Underwriters** — (Competitive). Probable bidders: Morgan Stanley & Co.-First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Halsey, Stuart & Co. Inc.; Blyth & Co.-Lehman Brothers-Salomon Brothers & Hutzler. **Bids**—Expected Oct. 3.

Communications Satellite Corp.
Feb. 20, 1963 it was reported that papers of incorporation have been filed for this company, in Washington, D. C. Company's common voting shares, without par value, will be divided into two series. Series I will be issued to the public, firms that produce space exploration equipment and other non-communications concerns. Series II will be issued to FCC-approved communications common carriers, with the provision that no more than half the company's total shares can be held by these carriers, and no individual or group may hold over 10% of the remaining 50%. **Price**—Maximum of $100 per share. **Business**—Congress has authorized the company to provide satellites and ground facilities for the international transmission of telephone, telegraph, television and other communications. **Office**—3029 Klingle Rd., N. W., Washington, D. C. **Underwriters**—To be named. **Note** — Leo D. Welch, Chairman, has announced that the company hopes to make a public offering of its stock "not later than the early part of 1964."

Connecticut Light & Power Co.
June 4, 1963 it was reported that the company is considering the issuance of about $25,000,000 of bonds in late 1963. **Proceeds**—For construction. **Address**—Selden St., Berlin, Conn. **Underwriters**—To be named. The last public offering of bonds on Jan. 20, 1960 was handled by Morgan Stanley & Co.-Putnam & Co.-Chas. W. Scranton & Co.-Estabrook & Co. (jointly).

Connecticut Yankee Atomic Power Co.
April 23, 1963 it was reported that the 12 utilities which jointly own this new firm, have petitioned the SEC for exemption from the Public Utility Holding Company Act to permit the negotiated sale of $55,000,000 of the firm's bonds. The request has been opposed by a major underwriter who wants the bonds to be sold at competitive bidding. **Business**—Company was formed in December, 1962, to own and operate a 500,000 kw. atomic power plant at Haddam Neck, Conn. **Proceeds**—For construction of the $70-$80,000,000 plant. **Office**—441 Stuart St., Boston. **Underwriters**—To be named.

Consolidated Edison Co. of New York, Inc.
May 22, 1963 the company stated that it will have to raise approximately $800,000,000 through the sale of securities, to finance its five-year construction program. In addition, it will have to refinance $52,000,000 of maturing bonds in the period ending 1967. **Office**—4 Irving Place, New York. **Underwriters**—To be named. The last public bond issue, in December, 1962, was won at competitive bidding by Halsey, Stuart & Co. Inc. Other bidders were Morgan Stanley & Co., and First Boston Corp.

● Consumers Power Co.
Aug. 16, 1963, it was reported that the company plans to sell $20,000,000 of straight debentures in the 4th quarter of 1963. **Office**—212 W. Michigan Ave., Jackson, Mich. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Shields & Co. (jointly); Harriman Ripley & Co. Inc.-First Boston Corp. (jointly); Morgan Stanley & Co., Salomon Brothers & Hutzler-Blyth & Co.-Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Duke Power Co.
April 22, 1963 it was reported that the company has tentative plans to issue $50,000,000 of first mortgage bonds in the first quarter of 1964. **Office**—30 Rockefeller Plaza, New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co.; Stone & Webster Securities Corp.

Eastern Freight Ways, Inc.
Oct. 9, 1962 the ICC authorized the company to issue 100,000 common. **Price**—By amendment (min. $5). **Business**—A motor vehicle common carrier operating in nine eastern states from Vermont to Virginia. **Proceeds**—For working capital, debt repayment and advances to subsidiaries. **Office** — Moonachie Ave., Carlstadt, N. J. **Underwriter**—Allen & Co.. New York.

First National Bank of Toms River, N. J.
July 24, 1963 it was reported that the bank is offering its stockholders the right to subscribe for an additional 24,000 common shares on the basis of one new share for each 19½ held of record June 26. Rights will expire Aug. 26. **Price**—$24. **Proceeds**—To increase capital funds. **Address**—Toms River, N. J. **Underwriter**—None.

Florida Power Corp.
March 12, 1963 the company announced plans to offer stockholders, sometime in 1963, the right to subscribe for about 457,265 additional common shares on a 1-for-20 basis. **Proceeds**—For loan repayment. **Office**—101 Fifth St., South, St. Petersburg, Fla. **Underwriters**—To be named. The last rights offering in May 1959 was underwritten by Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith, Inc., New York

General Aniline & Film Corp.
April 3, 1963 Attorney General Robert F. Kennedy announced that the Justice Department had reached an out-of-court agreement with Interhandel, a Swiss holding company, designed to settle the 20-year old dispute over control of the 540,894 class A and 2,050,000 class B shares of General Aniline seized by the U. S. Government in 1942 as a German asset. The stock represents 98% of the voting control of the company. Mr. Kennedy said that if General Aniline should be sold for $200 million, the Government would receive about $140 million and Interhandel about $60 million. The settlement terms, recently approved by Interhandel stockholders, also must be approved by the U. S. District Court at Washington, D. C. **Business**—Company is a leading domestic producer of dyestuffs, chemicals and photographic materials. **Office**—111 W. 50th St., New York. **Underwriters**—(Competitive). Probable bidders: Blyth & Co.-First Boston Corp. (jointly); Lehman Brothers-Kuhn, Loeb & Co.-Glore, Forgan & Co. (jointly); Bache & Co.

Georgia Power Co. (11/7)
Jan. 22, 1963 it was reported that this subsidiary of The Southern Co., plans to sell $30,000,000 of first mortgage bonds and $7,000,000 of preferred stock in November. **Proceeds**—For construction. **Office**—270 Peachtree Bldg., Atlanta. **Underwriters** — (Competitive). Probable bidders: (Bonds): Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); Blyth & Co.-Kidder, Peabody & Co.-Shields & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.; Harriman Ripley & Co.; Morgan Stanley & Co.; Lehman Brothers. (Preferred): First Boston Corp.; Lehman Brothers; Blyth & Co.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Morgan Stanley & Co. **Bids**—Expected Nov. 7, 1963.

● Gulf States Utilities Co. (10/21)
Jan. 29, 1963 the company announced plans to sell 100,000 shares of preferred stock (par $100) in the second half of 1963. **Office**—285 Liberty Ave., Beaumont, Tex **Underwriters**—(Competitive). Probable bidders: Stone & Webster Securities Corp.; Lehman Brothers-Equitable Securities Corp. (jointly); Glore, Forgan & Co.-W. C Langley & Co. (jointly); Lee Higginson Corp. **Bids**—Expected Oct. 21.

Hartford Electric Light Co.
April 30, 1963 the company announced plans to sell $15,-$20,000,000 of securities in 1964 to help finance its $26,000,000 construction program. **Office**—176 Cumberland Ave., Wethersfield, Conn. **Underwriters** — First Boston Corp., New York; Putnam & Co., Hartford; Chas. W Scranton & Co., New Haven.

International Milling Co.
July 8, 1963 the company announced that it expects to file a registration statement covering its first public offering of common stock. The sale will include both a primary and a secondary distribution. **Business**—Company is one of the world's largest flour millers with operations in five countries. **Proceeds**—For expansion, research and debt repayment. **Address** — 1200 Investors Bldg., Minneapolis. **Underwriter** — Kidder, Peabody & Co., Inc., New York.

Iowa Power & Light Co.
Jan. 16, 1963 it was reported that the company plans to sell $10,000,000 of bonds in the first half of 1964. **Office**—823 Walnut St., Des Moines. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; White, Weld & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Lehman Brothers; Blyth & Co

Japan (Government of)
May 1, 1963 it was reported that the Government plans to sell an additional $35,000,000 of external loan bonds in the U. S. during the fiscal year ending March 31, 1964 It is expected that the majority would be sold by Dec 31, 1963. **Underwriter**—First Boston Corp., New York.

Jersey Central Power & Light Co. (10/15)
June 12, 1963 company announced plans to sell $9,000,000 of debentures due 1988. **Proceeds**—For construction. **Address**—Madison Ave., at Punch Bowl Rd., Morristown, N. J. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Kidder, Peabody & Co.; Harriman Ripley & Co. **Bids**—Expected Oct. 15 (11 a.m. EDST) at 80 Pine St., New York. **Information Meeting**—Oct. 10 (10 a.m. EDST) at same address.

Louisiana Power & Light Co.
Feb. 20, 1963 it was reported that this subsidiary of Middle South Utilities, Inc., may issue $25-$30,000,000 of bonds early in 1964. **Proceeds**—For construction. **Office**—142 Delaronde St., New Orleans. **Underwriters**—(Competitive.) Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.- Kidder, Peabody & Co.-Harriman Ripley & Co., Inc. (jointly); White, Weld & Co.-Blyth & Co., Inc.- Shields & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.-Glore, Forgan & Co. (jointly); Salomon Brothers & Hutzler-Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly).

Massachusetts Electric Co.
Jan. 16, 1963 it was reported that this company plans to sell $10,000,000 of bonds in the fourth quarter. **Office**—441 Stuart St., Boston. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co.; Blyth & Co.-White, Weld & Co. (jointly).

★ Merrill Lynch, Pierce, Fenner & Smith Inc.
Aug. 19, 1963, Michael W. McCarthy, Chairman, stated that the company has held informal discussions with the staff of the New York Stock Exchange as to the feasibility of "going public." He added that, "when the time is appropriate," Merrill Lynch will request the governors to recommend that member firms approve the required changes in the Exchange's constitution to permit this. Industry sources believe that the move is several years away. **Business**—Company is the largest brokerage house in the U. S. with 139 domestic offices and over 2,300 account executives. **Office**—70 Pine St., New York.

Mexico (Government of)
July 16, 1963 following the public offering of $40,000,000 of external bonds, it was reported that the Government is authorized to sell an additional $65,000,000 of bonds in the U. S. and abroad. **Underwriters**—Kuhn, Loeb & Co., Inc., and First Boston Corp., N. Y.

Nevada Power Co. (10/16)
July 29, 1963 it was reported that the company plans to sell about $11,000,000 of first mortgage bonds in October. **Address**—Fourth and Stewart Ave., Las Vegas. **Underwriters**—(Competitive). Probable bidders: White, Weld & Co.; Eastman Dillon, Union Securities & Co.—Kidder Peabody & Co. (jointly); Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith—Lehman Bros.—Salomon Bros. & Hutzler **Bids**—Expected Oct. 16. **Information Meeting**—Oct. 4 (11 a.m. EDST) at 20 Broad St., New York.

Nevada Power Co.
July 29, 1963 it was reported that the company plans to sell about 120,000 common shares in October. Transaction is subject to approval by Federal and State regulatory authorities. **Address**—Fourth and Stewart Ave., Las Vegas. **Underwriter**—White, Weld & Co., New York.

New England Power Co. (11/19)
July 10, 1963 it was reported that this utility plans to sell $10,000,000 of bonds and $10,000,000 of preferred stock in the fourth quarter. **Office**—441 Stuart St., Boston. **Underwriters** — (Competitive). Probable bidders: (Bonds) Halsey, Stuart & Co. Inc.; Lehman Brothers-Equitable Securities Corp. (jointly); Kuhn, Loeb & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co.-White, Weld & Co. (jointly); First Boston Corp. (Preferred) First Boston Corp.; Dean Witter & Co.-Smith, Barney & Co.-Wertheim & Co. (jointly); Equitable Securities Corp.-Kidder, Peabody & Co.-Lee Higginson Corp.-White, Weld & Co. (jointly); Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—Expected Nov. 19.

New York, Chicago & St. Louis RR (9/11)
July 30, 1963 the company announced plans to sell $6,540,000 of 1-15 year equipment trust certificates in September. **Address** — Terminal Tower Bldg., Cleveland. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Salomon Bros. & Hutzler. **Bids**—Sept. 11 (12 noon EDST) at the above address.

New York State Electric & Gas Corp.
April 3, 1963 it was reported that the company plans to sell $20,000,000 of debt securities to finance its construction program for 1964 and 1965. **Office**—108 East Green St., Ithaca, New York. **Underwriters** — (Competitive). Probable bidders: Kidder, Peabody & Co. - Salomon Brothers & Hutzler (jointly); First Boston Corp.-Glore, Forgan & Co. (jointly); Halsey, Stuart & Co.; Harriman Ripley & Co.; Blyth & Co.

Norfolk & Western RR (9/9)
July 2, 1963 it was reported that this road has scheduled the sale of about $6,900,000 of 1-15 year equipment trust certificates for September. **Office**—8 North Jefferson St., Roanoke, Va. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Salomon Bros. & Hutzler. **Bids**—Expected Sept. 9 or 10 (12 noon EDST) at the company's Philadelphia office.

Northern Pacific Ry. (12/10)
July 2, 1963 it was reported that this road plans to sell about $4,800,000 of equipment trust certificates in December. **Office**—120 Broadway, New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Salomon Bros. & Hutzler. **Bids**—Expected Dec. 10 (12 noon EST).

Northern States Power Co. (Minn.)
May 14, 1963 it was reported that the company plans to offer about 771,110 additional shares to stockholders on a 1-for-20 basis in 1964, to raise an estimated $25,000,000. **Office**—15 South Fifth St., Minneapolis. **Underwriter**—To be named. The last rights offering in July 1959 was underwritten by Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

● Otter Tail Power Co. (10/23)
Aug. 21, 1963 it was reported that this company plans to sell $7,000,000 of bonds in the fourth quarter. **Office**—215 South Cascade St., Fergus Falls, Minn. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. Inc.; Glore, Forgan & Co.-Kalman & Co. (jointly); White, Weld & Co. **Bids**—Expected Oct. 23.

★ **Pacific Gas & Electric Co.**
Aug. 19, 1963 the company announced plans to sell $70,-000,000 of first and refunding mortgage bonds in the fourth quarter. **Office** — 245 Market St., San Francisco. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp.

Pacific Telephone & Telegraph Co.
June 19, 1963 the company stated that it will need $650 million of new money in the years 1964 through 1966 to help finance its $1.3 billion construction program. This means that the company must sell about $217 million of securities a year, it was stated. **Office**—140 New Montgomery St., San Francisco. **Underwriters**—To be named. The last issue of debentures on Feb. 16, 1960 was underwritten by Halsey, Stuart & Co. Inc. One other bid on the issue was tendered by Morgan Stanley & Co.

Pennsylvania Power & Light Co.
March 18, 1963 the company stated that it expects to sell $75,000,000 of bonds in the period 1963 through 1967. **Proceeds** — For construction and the retirement of $8,-000,000 of maturing bonds. **Office**—9th and Hamilton St., Allentown, Pa. **Underwriters**—To be named. The last sale of bonds on Nov. 29, 1961 was won at competitive bidding by White, Weld & Co., and Kidder, Peabody & Co. Other bidders were Halsey, Stuart & Co. Inc.; First Boston Corp.-Drexel & Co. (jointly).

Philadelphia Electric Co.
March 5, 1963 the company reported that it plans to spend $478,000,000 for construction during the five-year period 1963-67. It added that about half the money required will be generated internally, and the balance obtained by bank loans to be converted into permanent financing, from time to time, through the sale of bonds and common stock. **Office**—1000 Chestnut St., Philadelphia. **Underwriters**—To be named. The last sale of bonds on Oct. 15, 1959 was handled by Morgan Stanley & Co., and Drexel & Co. Other bidders were: Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co. The last sale of common was a rights offering on June 2, 1959, underwritten by Drexel & Co., and Morgan Stanley & Co.

● **Potomac Edison Co.**
Aug. 16, 1963 it was reported that this subsidiary of Allegheny Power System, Inc., plans to sell $12,000,000 of bonds in the first quarter of 1964. **Office**—200 East Patrick St., Frederick, Md. **Underwriters**—(Competitive). Probable bidders: W. C. Langley & Co.-First Boston Corp. (jointly); Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; White, Weld & Co.-Shields & Co. (jointly); Lehman Brothers, Eastman Dillon, Union Securities & Co.-Harirman Ripley & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc (jointly).

Potomac Electric Power Co.
July 30, 1963 the company stated that it will need $50,-000,000 of new money in 1964 for its construction program and expects to do permanent financing in the early part of the year. However, it has not determined the amount or type of security to be offered. **Office**—929 E St., N. W., Washington, D. C. **Underwriters**—To be named. On Feb. 19, 1963 the company sold $50,000,000 of bonds to Dillon, Read & Co., Inc.; Lehman Bros., Eastman Dillon, Union Securities & Co., Stone & Webster Securities Corp., and Johnston, Lemon & Co. Other bidders on the issue were Kidder, Peabody & Co.—Merrill Lynch, Pierce, Fenner & Smith, Inc.—White, Weld & Co.—Salomon Bros. & Hutzler (jointly); First Boston Corp.; Halsey, Stuart & Co.

Public Service Co. of Colorado
June 4, 1963 it was reported that the company plans to sell $35,000,000 of 30-year first mortgage bonds in April, 1964. **Proceeds**—For construction. **Office**—900 15th St., Denver, Colo. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Harriman, Ripley & Co., Inc.-Eastman Dillon, Union Securities & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc.-Dean Witter & Co. (jointly); First Boston Corp.; Lehman Brothers-Kidder, Peabody & Co.-White, Weld & Co. (jointly); Blyth & Co., Inc.-Smith, Barney & Co. (jointly).

● **Public Service Electric & Gas Co. (10/22)**
July 23, 1963 the company announced plans to issue $40,000,000 of debentures due 1983. **Proceeds**—To redeem $36,000,000 of outstanding 3% debentures maturing Nov. 1, 1963 and for construction. **Office** — 80 Park Place, Newark, N. J. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Lehman Brothers-Salomon Brothers & Hutzler (jointly); Blyth & Co.; Goldman, Sachs & Co.-Harriman Ripley & Co. (jointly); First Boston Corp. **Bids**—Expected Oct. 22 (11 a.m. EDST) at above address. **Information Meeting**—Oct. 17 (2 p.m. EDST) at One Chase Manhattan Plaza (28th floor), New York.

Rochester Telephone Co.
May 7, 1963 the company announced plans to sell $16,-000,000 of debentures in the first quarter of 1964, but may do so earlier if market conditions are favorable. **Proceeds** — For construction. **Office** — 10 Franklin St., Rochester, N. Y. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Eastman Dillon, Union Securities & Co.-Kidder, Peabody & Co. (jointly); Kuhn, Loeb & Co.; Halsey, Stuart & Co. Inc.

Sears, Roebuck & Co.
Feb. 19, 1963, Allstate Enterprises, Inc., subsidiary, announced that it had delayed its plans to form a new mutual fund until it received clarification of an SEC ruling which "has been construed by some to mean that registered investment companies could not purchase Sears' stock or would be required to divest themselves of it, if Sears' itself owned a mutual fund." Earlier, Allstate said that the fund would be in operation late in 1963 on a "very small scale," and would be started on a state-by-state basis as approval was granted. **Office**—925 So. Homan Ave., Chicago. **Distributor**—Allstate Enterprises, Inc., Chicago.

● **Southern California Edison Co.**
Aug. 21, 1963 it was reported that the company plans to sell $50,000,000 of first mortgage bonds in the first quarter of 1964. **Office**—601 West Fifth St., Los Angeles. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.-Dean Witter & Co. (jointly); Blyth & Co.-Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc.-Salomon Brothers & Hutzler (jointly).

Southern Co.
Aug. 12, 1963 the company stated that it is considering the sale of $35 to $40,000,000 of common stock early in 1964 to help finance its $570,000,000 construction program. **Office**—1330 West Peachtree St., N. W., Atlanta, Ga. **Underwriters**—To be named. The last sale of common on Feb. 15, 1961 was made to a group headed by Eastman Dillon, Union Securities & Co., Blyth & Co., and Equitable Securities Corp. Other bidders were: First Boston Corp.-Lehman Brothers (jointly); Morgan Stanley & Co.-Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Southern Counties Gas Co. of Calif.
Jan. 2, 1963 it was reported that this subsidiary of Pacific Lighting Corp., plans to sell $27,000,000 of first mortgage bonds in the fourth quarter. **Address**—P. O. Box 2736, Terminal Annex, Los Angeles 54, Calif. **Underwriters**—(Competitive) Probable bidders: White, Weld & Co.; Blyth & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Halsey, Stuart & Co. Inc.; First Boston Corp.

● **Southern Pacific Co. (9/4)**
July 23, 1963 it was reported that the company plans to sell $7,200,000 of one-to-fifteen year equipment trust certificates. **Office** — 165 Broadway, New York. **Underwriters** — (Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Sept. 4 (12 noon EDST) at above address.

Southern Railway Co. (9/5)
Aug. 5, 1963, the company announced plans to sell $6,-420,000 of equipment trust certificates in September. This is the first instalment of a proposed $12,840,000 offering. **Office**—70 Pine St., New York. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Sept. 5 (12 noon EDST) at 70 Pine St., New York.

Southern Railway Co. (10/29)
Aug. 5, 1963, the company announced plans to sell $6,-420,000 of equipment trust certificates in October. This is the second instalment of a proposed $12,840,000 offering. **Office** — 70 Pine St., New York. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Oct. 29 (12 noon EDST) at 70 Pine St., New York.

Subscription Television, Inc.
Aug. 14, 1963 it was reported that this company, jointly-owned by Lear-Siegler, Inc., and Reuben H. Donnelley Corp., plans to file a registration statement shortly covering about $22,000,000 of common stock. **Business**—Company plans to offer pay-TV to subscribers in the Los Angeles and San Francisco areas. **Office**—3171 So. Bundy Drive, Santa Monica, Calif. **Underwriter**—William R. Staats & Co., Los Angeles.

Tokyo (City of)
May 1, 1963 it was reported that the Diet had authorized the sale of $20,000,000 City of Tokyo bonds in the U. S. during the fiscal year ending March 31, 1964. **Underwriter**—To be named. The last issue of Tokyo bonds in March, 1927, was handled by Kuhn, Loeb & Co. **Offering**—Indefinite.

Transcontinental Gas Pipe Line Co.
May 6, 1963 it was reported that the company plans to issue $30,000,000 of debt securities in September. **Proceeds**—For expansion. **Office**—3100 Travis St., Houston. **Underwriters**—White, Weld & Co., and Stone & Webster Securities Corp., New York.

Ultronic Systems Corp.
May 28, 1963 it was reported that a registration will be filed shortly covering the first public sale of this firm's common stock. While the size of the offering has not been determined, it is said to be a relatively small deal, involving over 50,000 shares. **Business** — Manufacture, rental and service of the "Ultronic Stockmaster," a desk unit used to provide stock brokers with instantaneous information on stock and commodity market action of selected issues. **Proceeds**—For working capital. **Address**—Pennsauken. N. J. **Underwriter**—Bache & Co., N. Y.

Union Electric Co.
March 19, 1963 the company stated that it plans to issue $20,000,000 of preferred stock and $40,000,000 of bonds by the end of 1964. **Office**—315 N. 12th Blvd., St. Louis. **Underwriters**—(Competitive). Probable bidders: (Preferred): First Boston Corp.; Dillon, Read & Co., Inc.; Lehman Brothers; White, Weld & Co.; Blyth & Co., Inc. (Bonds): Halsey, Stuart & Co. Inc.; Lehman Brothers-Blyth & Co., Inc. (jointly); White, Weld & Co.-Shields & Co. (jointly); First Boston Corp.

Utah Power & Light Co.
July 2, 1963 it was reported that this utility plans to sell about $20,000,000 of bonds and $10,000,000 of preferred stock in the second quarter of 1964. **Office**—1407 West North Temple St., Salt Lake City. **Underwriters**—(Competitive). Probable bidders (bonds): Salomon Bros. & Hutzler; Halsey, Stuart & Co., Inc.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); White, Weld & Co.-Stone & Webster Securities Corp. (jointly); First Boston Corp.-Blyth & Co. (jointly); Eastman Dillon, Union Securities & Co.-Smith, Barney & Co. (jointly); Lehman Brothers-Bear, Stearns & Co. (jointly). (Preferred Stock) White, Weld & Co.-Stone & Webster Securities Corp. (jointly); First Boston Corp.-Blyth & Co. (jointly); Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.-Smith, Barney & Co.-Salomon Brothers & Hutzler (jointly); Lehman Brothers.

Virginia Electric & Power Co. (12/10)
July 30, 1963 the company announced plans to sell $30,-000,000 of securities, probably first mortgage bonds, in December. **Address**—Seventh and Franklin Sts., Richmond. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Salomon Bros. & Hutzler—Goldman, Sachs & Co. (jointly); Eastman Dillon, Union Securities & Co.—Merrill Lynch, Pierce, Fenner & Smith Inc.—Lehman Bros. (jointly); White, Weld & Co.; Stone & Webster Securities Corp. **Bids** — Expected Dec. 10. **Information Meeting**—Dec. 5 (11 a.m. EST) at One Chase Manhattan Paza, 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., N. W., Washington, D. C. **Underwriters** (Competitive). Probable bidders: Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; Kidder, Peabody & Co.; First Boston Corp.; Halsey, Stuart & Co. Inc.

Western Transmission Corp.
April 17, 1963 it was reported that this newly-formed natural gas pipeline company plans to file a registration statement covering an undetermined number of common shares to be offered initially to stockholders of U. S. Natural Gas Corp. **Address**—9601 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—None.

Wisconsin Public Service Corp. (10/8)
March 19, 1963 it was reported that this company plans to sell $15,000,000 of bonds later this year. **Office**—1029 North Marshall St., Milwaukee. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly); First Boston Corp.; White, Weld & Co.; Kidder, Peabody & Co. **Bids**—Expected Oct. 8.

If Only All Were So Enlightened!

"I doubt that there is any substantial area of disagreement between the business community and the enforcement officers of the Justice Department's antitrust division on matters of broad policy.

"I think we all recognize the merits of a vigorous competitive system. It would seem to me that the posture of the antitrust division and the business community should be one of mutual support and understanding, not of adversaries with fists clenched.

* * *

"There is scarcely a company today that does not face important competitive pressures from sources entirely outside its own field.

"Interchangeability of materials has created a wide latitude of choice, depending on price, availability and service. It is a kind of competition in which no monopoly, legal or otherwise, can stand pat."—Crawford H. Greenewalt, Chairman of E. I. du Pont de Nemours & Co.

If all on both sides were only as understanding as Mr. Greenewalt shows himself to be, there certainly would not need be and probably would not be any "adversaries with fists clenched."

Clayton Brokerage Opens New York Office

Clayton Brokerage Co., Inc., domestic and international commodities brokers, have announced the opening of New York offices at 82 Beaver Street. The company, with headquarters at 7 North Brentwood Boulevard, Clayton, Mo., is a member of all North American commodity exchanges and two in Europe. Clayton Brokerage Co., Inc., has recently become a clearing member of the New York Coffee & Sugar Exchange and the New York Cocoa Exchange.

STATE of TRADE and INDUSTRY

Continued from page 10

Steel Production Decline Appears Ended

The decline in steel production, which started in early June, appears to have ended, *Steel* magazine reported.

The market for scrap, a steelmaking material, is marking time. *Steel's* price composite on No. 1 heavy melting grade held last week at $26.67 a gross ton.

Producers think there is a chance for a modest upturn of finished steel shipments next month. They will welcome any improvement they can get because August shipments will be the lowest of any month so far this year—15 to 20% less than those of July.

Steel Consumption Rises

Steel consumption is also on the uptrend. Plant vacations are tapering off and automakers are starting to turn out new models.

Although automakers will take 15 to 20% more steel tonnage in September than they will in August, their September buying will be only two-thirds of normal volume. Reason: They will get the rest of the steel from strike hedge inventories.

As steelmakers await a pickup in automotive demand, they are encouraged by continuing strength in their second biggest market, construction.

Activity is brisk across the board—in highways, defense work, pipelines; and residential, commercial, and industrial building. Result: Good demand for shapes, plates, bearing piles, reinforcing bars, wire mesh, and galvanized sheets.

Producers of oil country goods are encouraged by reports that the outlook is promising for improved activity in the U. S. and Canadian oil fields. A gain in new well completions, increased drilling, and more wildcatting are anticipated.

September-October orders for wire products are being booked. Most of the orders are coming from automakers, but some fair sized government orders are appearing.

Depreciate Tax Allowance

Nearly a half billion more dollars were made available last year for the metalworking industry to use in improving its production machine through the new depreciation guidelines and investment tax credit rules instituted in the last half of 1962, *Steel* reported.

Metalworking firms claimed nearly a fourth of all the additional depreciation tax allowances taken in 1962. On metalworking's 1962 tax bill, this meant an estimated $300 million saving (plus another $157 million via the investment tax credit).

Among steelmen and their suppliers today, perhaps no topic is of greater interest than the continuous casting process of steelmaking. *Steel* has learned that McLouth Steel Corp.'s continuous casting facility at Trenton, Mich., will begin operation in September. Copperweld Steel Co., Warren, Ohio, announced it expects to have a continuous casting machine in operation by May or June, 1964.

Automakers Orders Critical to Steel Industry

The first days of September will be the critical point for the steel market, *Iron Age* magazine reported.

The national metalworking weekly pointed out that this is the time when automakers are expected to place the first real orders for October and later delivery. These will reflect the automakers intentions and the rate at which they expect to order steel through the final quarter of the year.

Iron Age said the steel industry has been muddling through the low level of a cycle. A lift from a major user is needed to give momentum to any real autoumn recovery.

The magazine pointed out that demand for construction steel has been the strong point in the market. The resulting demand for galvanized sheet has put a strain on production facilities and raises the question of whether steelmakers will be expanding galvanized capacity.

With galvanized sheet running hot and heavy, buyers are getting concerned about supplies, *Iron Age* says. They wonder if producers are falling behind their market or running ahead of it.

The *Iron Age* study indicated suppliers are expanding just fast enough to stay one jump ahead of the rapidly expanding market. The gap between supply and demand is so small that one major market breakthrough would wipe it out.

In another product report, *Iron Age* said recent price cuts in stainless steel indicate open price competition has broken out in the stainless industry. Last week's cuts ended the interlude of stability that began last March, *Iron Age* said.

The following regional market reports were made by *Iron Age:*

Pittsburgh—Production is turning upward slowly in Pittsburgh. With the exception of the July 4 fluctuation, this is the first rise since May and it suggests the market has hit the bottom of the cycle. Production has dropped to a point where inventories are being liquidated rapidly. The Pittsburgh district has been benefiting from a strong demand for galvanized and wide plates.

Chicago — Demand for steel used in construction has been the strongest factor in the Chicago market. An upturn in September is not yet reflected in orders received to date by Chicago mills. However, the Chicago warehouse market is above average for the country.

Detroit—Indications from automakers point to a strong fourth quarter. Most auto producers have firmed up plans for a real kickoff of 1964 model production and are starting to get on the books in Detroit sales offices. Production is getting off smoothly, but one major division is apparently having trouble with the changeover and may be slow in placing its steel orders.

Philadelphia — August will be the low month of the year for eastern mills. Orders are slow, but no worse than expected. Mills are operating in the 50 to 60% of capacity range, with some variation depending on product mix. Automakers are not expected to place orders until September.

Cleveland—The pattern of incoming orders for September delivery continues to improve, and more definite gains for the month are a strong possibility for the Cleveland area.

Auto Model Changeovers Coincide With Auto Sales Dip

Tightening dealer inventories held Aug. 1-10 new car sales 4.5% below the same 1962 period but gains of 1.0% in used cars and 3.0% in new trucks kept a bright glow in the auto market according to *Ward's Automotive Reports.*

The statistical service counted 159,837 Aug. 1-10 sales, or 4.5% less than 167,381 in the same period last year, but forecast that entire August sales would strike close to the 492,000 sold in August last year.

Ward's said that GM Corp. dealers bit off 52.0% of the Aug. 1-10 new car sales, Ford Motor Co. 28.0%, Chrysler Corp. 12.7%, American Motors 6.6% and Studebaker 0.7% The statistical service said the GM share was its lowest for the initial 10 days of any month this year, reflecting a tightening inventory condition.

Meanwhile, only three of seven Ford Motor Co. 1963 model car lines were assembled last week. Ford slated 3,357 cars for the period with production of all '63s ending Aug. 17, placing the industry's '63 model total at a record 7,340,000, according to *Ward's.*

All divisions of General Motors were inactive last week as manufacturing plants busied themselves with preparations for model changeovers. Chrysler Corp. continued into the second week of its '64 production, with all manufacturing plants but one — Los Angeles — concentrating on new models. *Ward's* said some 8,550 units were programmed by the company last week with a gradual production buildup underway.

American Motors Corp. started '64 output last week on a one-shift basis; regular two-shift output will commence this week as lines begin the move into normal routine.

At Studebaker Corp., two weeks ago, Lark and Hawk model making joined Avanti. The South Bend (Ind.) auto producer scheduled 1,175 cars last week on a regular five-day basis.

The statistical agency noted that of 17,982 cars slated for production last week, GM Corp. accounted for nil; Ford 18.7%: Chrysler 47.5%; American Motors, 27.2% and Studebaker, 6.6.%

Freight Car Loadings Dip Below Year-Ago Week But Not Ton-Miles

Loading of revenue freight in the week ended Aug. 10, totaled 559,714 cars, the Association of American Railroads announced. This was an increase of 1,419 cars or three-tenths of 1% above the preceding week.

Dip Follows 13 Consecutive Weekly Rises Over 1962's Weeks

The loadings represented a decrease of 6,092 cars or 1.1% below the corresponding week in 1962, and a decrease of 31,348 cars or 5.3% below the corresponding week in 1961.

Ton-miles generated by carloadings in the week ended Aug. 10, 1963, are estimated at approximately 11.9 billion, an increase of 2.8% over the corresponding week of 1962 and 3.9% over 1961.

Fears of a rail strike have led to shipments being shifted to trucks. As a result, rail car loadings fell below last year's week for the first time in the past 14 weeks. As noted below, truck tonnage has exceeded last year's weeks in the past eight weeks in a row.

There were 15,557 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Aug. 3, 1963 (which were included in that week's over-all total). This was an increase of 1,505 cars or 10.7% above the corresponding week of 1962 and 4,796 cars or 44.6% above the 1961 week.

Cumulative piggyback loadings for the first 31 weeks of 1963 totaled 464,171 cars for an increase of 54,328 cars or 13.3% above the corresponding period of 1962, and 125,641 cars or 37.1% above the corresponding period in 1961. There were 61 class I U. S. railroad systems originating this type traffic in this year's week compared with 60 one year ago and 58 in the corresponding week in 1961.

Truck Tonnage 1.9% Ahead A Year Ago

Intercity truck tonnage in the week ended Aug. 10 was 1.9% ahead of the volume in the corresponding week of 1962, the American Trucking Associations announced. This continues a series of increases which has now lasted for eight consecutive weeks. Truck tonnage was 2.9% below the volume for the previous week this year. The week-to-week decline is consistent with the pattern experienced during comparable periods in past years.

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

The terminal survey for last week showed increased tonnage from a year ago at 22 localities, with 12 points reflecting decreases from the 1962 level. Truck terminals at Birmingham and Los Angeles registered the largest tonnage gains—up 19.6 and 11.2%, respectively. Omaha terminals experienced a decline of 16.5%.

Compared with the immediately preceding week, eight metropolitan areas registered increased tonnage, while 26 areas reported decreases.

Lumber Production Down 15.3% From 1962 Week

Lumber production in the country totaled 198,992,000 board feet in the week ended Aug. 10, according to reports received from regional lumber associations.

Compared with 1962 levels, production fell 15.3%, shipments fell 13.5% and new orders fell 16.1%.

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

	Aug. 10 1963	Aug. 3 1963	Aug. 11 1962
Production	198,992	185,196	235,208
Shipments	197,008	196,614	228,002
New orders	197,409	184,461	235,462

Electric Output Shows 7.2% Gain Over 1962 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Aug. 17, was estimated at 18,053,000,000 kwh. according to the Edison Electric Institute. Output was 660,000,000 kwh. less than the previous week's total of 18,713,000 kwh., and 1,215,000,000 kwh. above the total output of 16,838,000,000 kwh. in the corresponding 1962 week or a year-to-year gain of 7.2%.

Business Failures Climb in Latest Week

Commercial and industrial failures rebounded to 287 in week ended Aug. 15 from 264 in the preceding week, reported Dun & Bradstreet, Inc. Casualties in the current week edged slightly higher than a year ago when 285 occurred but they remained considerably short of the 366 in 1961 and were 13% above the pre-war total of 253 in 1939.

Failures with liabilities topping $100,000 inched up to 36 from 35 in the preceding week and 39 in the similar week last year. While smaller casualties, those with losses under $5,000, also rose to 251 from 229 a week earlier and 246 in the similar week of 1962.

The toll among manufacturing rebounded to 52 from 34 and among construction contractors to 57 from 42. All of the week's upturn stemmed from these two types of operation. On the other hand wholesaling casualties held steady at 25 and retailing casualties stood at 130 as against 132. The only decline occurred in commercial service where failures slid to 23 from 31 in the previous week.

Canadian failures dropped to 31 from 36 in the preceding week and 48 in the corresponding week last year.

Wholesale Commodity Price Index Hits Lowest Point Since December 1960

The lowest point since December, 1960, was reached by the general wholesale commodity price level last Friday as it hit 264.11 but it had edged slightly higher by this past Monday, reported Dun & Bradstreet, Inc. The dip from last week was a fractional one as the index has been trending downward since the latter part of May. Hogs sold at the weakest prices in two months and also ran below last year. Approaching new crop harvests and the rumor that the government may sell more corn from Federal bins pushed corn prices down, while sugar made a small decline causing it to trail 1962 for the first time this year.

The Daily Wholesale Commodity Price Index eased to 264.33 on Monday from 265.31 a week ago. It fell sharply below the 268.22 of last month and the 272.54 of a year ago.

Wholesale Food Price Index Falls From Last Week and Year Ago

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., slipped to $5.91 on Aug. 20, down 0.5% from last week and 0.3% from a year ago. This is the third week out of the past four that the index has fallen since the record high for 1963 of $5.98 on July 23.

Nine prices eased at wholesale with hams, cocoa and eggs making the sharpest downturns followed by lesser declines in corn, oats, lard, coffee, cottonseed oil and potatoes. Partially offsetting these were rises in five prices namely flour, rye, raisins, steers and lambs.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meat in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Buying Lively Despite In-Between Season

Although weather and retail purchases varied widely across the nation in the week ended Wednesday, Aug. 14, an odd mixture of early fall buying, late summer clearances, special furniture and linens sales kept over-all volume surging ahead of last year's comparable levels. Some shoppers were purchasing apparel for travel and vacations, while others were turning their attention to children's back-to-school wear. Excellent results were chalked up in August furniture and white goods sales, although activity in appliances and entertainment goods ran an uneven course.

The total dollar volume of retail trade in the latest statement week ranged from 4 to 8% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1962 levels by the following percentages: New England —5 to —1; Pacific —1 to +3; West North Central +1 to +5; East South Central and Mountain +2 to +6; South Atlantic and West South Central +3 to +7; Middle Atlantic +6 to +10; East North Central +8 to +12.

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

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index were up 5% for the Aug. 10 ending week compared with the like period in 1962. The week's gain over the year-ago week marked the twelfth encouraging weekly uptrend in a row.

In the four-week period ended Aug. 10, 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 Aug. 10, gained 5% over the comparable year-ago week's figure. New York City's department store sales were up 7% for the four week period ending Aug. 10.

A *flash figure* for New York City's sales for the Aug. 17-ending sales week revealed a plus 1% increase. In every week since June 1, there has been a gain for the N. Y. C. department stores notwithstanding the N. Y. 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 rise. The four-week N. Y. C. flash figure was plus 2% over a year ago.

So far this year (Jan. 1 to Aug. 10), the 12 department store districts' retail dollar volume increased 4% (adjusted) over that rung up for corresponding period a year ago.

A broader set of data encompassing *total* retail sales, compiled by the Bureau of the Census, U. S. Department of Commerce, put the Aug. 10-ending week's total sales 4% above a year ago, or 1% less than that of sales registered by department stores alone. The year-to-year contrast for the latest four-week period showed a gain of almost 5% — about the same increase in department store sales for the same period.

J. K. Mullen Adds

DENVER, Colo.—Charles E. Carlson has been added to the staff of The J. K. Mullen Investment Co., 621 Seventeenth Street. He was formerly with Midwest Planned Investments, Inc.

TAX-EXEMPT BOND MARKET

Continued from page 6

weeks when interest each week was principally centered in one very large issue.

A week ago Thursday two issues sold at Public bidding. The syndicate headed by *The Northern Trust Co.* was the successful bidder for $4,300,000 Woodbridge Township, New Jersey, School District (1965-1981) bonds at a dollar price of 100.4186 for a 3¼% coupon. The runner-up bid of 100.117 for a 3.30% coupon was made by the account headed jointly by B. J. Van Ingen & Co. and National State Bank, Newark, New Jersey. Other major members of the winning syndicate include Continental Illinois National Bank and Trust Co., Philadelphia National Bank, Shields & Co., Paribas Corp., Francis I. duPont & Co., Wells & Christensen and Kugel, Stone & Co. Scaled to yield from 2.10% to 3.35%, the present balance in syndicate is $3,337,000.

Wyandotte County, Kansas awarded $2,400,000 Turner Unified School District #202 Building (1964-1983) bonds to the group headed by *The Northern Trust Co.*, at a net interest cost of 3.175%. The second bid of a 3.253% net interest cost came from a local Kansas group of dealers headed by Ranson & Co. Associated with The Northern Trust Co. as major members of the successful group are Harriman Ripley & Co., Eastman Dillon, Union Securities & Co., Dean Witter & Co. and R. W. Pressprich & Co. Reoffered to yield from 1.70% to 3.30% for various coupons, the initial reception to these bonds by investors has been disappointing with the present balance in group $1,275,000.

Friday and Monday were Quiet

Friday was void of any important issues and Monday saw only one issue of note sell at public bidding. The account led by the *First National Bank of Chicago* submitted the best bid of a 3.045% net interest cost for $3,000,000 Dallas County, Texas Road Dist. (1965-1983) bonds. The runner-up bid of a 3.066% net interest cost came from the First National City Bank group and there were sixteen additional bids made for this popular issue. Other major members of the winning syndicate include Mercantile Trust Co., St. Louis, Industrial National Bank of Rhode Island, W. E. Hutton & Co., Bacon, Whipple & Co. and J. A. Hogle & Co. Only $800,000 of the bonds maturing 1965 to 1974 were offered at prices to yield from 2.00% to 2.85%. The remaining $2,200,000 of bonds were sold pre-sale. Today's balance is $150,000.

Smith, Barney & Co. and associates was the successful bidder on Tuesday for $11,350,000 Alexandria, Louisiana Utilities revenue (1965-1993) bonds at a net interest cost of 3.5605%. The runner-up bid, a 3.5969% net interest cost, was submitted by the group led by F. S. Smithers & Co. Other major members of the winning group are Harriman Ripley & Co., Inc., Kidder, Peabody & Co., Kuhn, Loeb & Co., Goldman, Sachs & Co., Shields & Co., Alex. Brown & Sons, L. F. Rothschild & Co. and Weeden & Co. The group priced the bonds to yield from 2.20% in 1965 to 3.60% in 1993. Insurance company and bank demand was good with the present balance in account $1,025,000.

Gastonia, North Carolina awarded $2,000,000 Water and Sanitary Sewer (1965-1994) bonds to the syndicate headed by *John Nuveen & Co.* at a 3.2158% net interest cost. The second bid of a 3.24% net interest cost was made by the Wachovia Bank and Trust Co. group. Associated with John Nuveen & Co in this underwriting are First Union National Bank of North Carolina, Charlotte, McCarley & Co. and Powell, Kistler & Co. Scaled to yield from 2.10% in 1965 to 3.40% in 1991, all of the bonds were sold during the order period and the syndicate marked closed. The 1992 to 1994 maturities carried a 1/10 of 1% coupon and were sold pre-sale.

The *Industrial National Bank of Rhode Island* was the successful bidder for $1,900,000 Natick, Massachusetts (1964-1982) bonds at a dollar price of 100.799 as 3s. The second bid of 100.199 also for 3s was made by The First Boston Corp. group. No reoffering was made and all of the bonds were taken by the Bank for portfolio account.

Wednesday's largest loan was $15,950,000 Fulton County (Atlanta), Georgia various purpose (1967-1988) bonds. The group managed by the *First National Bank of Chicago* was the successful bidder at a net interest cost of 3.09%. The second bid, a 3.1117% net interest cost, was submitted by the account headed jointly by the First National City Bank, Chase Manhattan Bank and Trust Co. of Georgia group. Other major members of the winning group are Drexel & Co., C. J. Devine & Co., Equitable Securities Corp., J. C. Bradford & Co. and Wertheim & Co. The winning syndicate priced the bonds to yield from 2.30% in 1967 to 3.25% in 1988 and initial sales have amounted to $5,490,000.

Also on Wednesday a group headed by the *First National Bank of Chicago* submitted a 2.99% net interest cost bid to win $5,000,000 Tulsa County, Oklahoma Independent School District No. 1 (1965-1983) bonds. The runner-up bid, a 3.01% net interest cost, was submitted by the First National Bank in Dallas. Other members of the successful group are John Nuveen & Co., Hayden, Stone & Co. and Liberty National Bank and Trust Co., Oklahoma City. The bonds were priced to yield from 2.10% in 1965 to 3.10% in 1983. As we go to press a balance of $2,240,000 remains in account.

Long-Term Revenue Bond Index

Our long-term revenue bond Index, which averages the toll road and certain other revenue bond issues on a weekly basis, indicates further market declines since last week. These bonds at the offered side of the market yield 3.487% when averaged. This Index was 3.456% last week. Trading in these bonds has been light and this loss of about $3.50 per bond has come about from dealers simply marking down quotes rather than from actual selling.

A quiet order market seems in prospect for next week and dealers are expected to exert their talents to try and move bonds out of older syndicates and off the shelves.

OTC Stock Price Average Outpaces Listed Averages

NQB-OTC industrial average reveals larger relative price gains for the OTC sector it represents than what transpired in the listed stock sectors depicted in the D-J and S & P averages in the Jan. 1-Aug. 15, 1963 period. Study made shows OTC stock price index correlates closely with all OTC stocks published in newspaper tables —a finding highly gratifying to the compilers of the index.

The OTC Market Information Bureau of the National Security Traders Association, New York City, has issued the accompanying comparative information pertaining to the OTC and the listed stock markets as to their respective price performance. Data depict percentage increases since the end of last year for the stock indexes covered, and compares NQB average to the average of stocks in the OTC national list.

OTC industrial, life insurance and casualty insurance stock price averages continue to show relatively larger gains for 1963 than leading listed stock averages. On Aug. 15, 1963, the National Quotation Bureau's OTC industrial index was up 17.1% over the 1962 year end close. This compares with gains of 10.19% in the Dow-Jones industrial listed stock average and 13.1% in Standard & Poor's 500 average for the same period. The S&P averages of OTC insurance stocks showed the life insurance index up 20% and the casualty insurance index up 16%. Trailing were S&P's fire insurance up 4.4% and N. Y. banks up 9.3% since the first of the year. S&P's average of outside New York bank stocks showed a gain of 12.3% for the same period.

OTC Stock Index Correlates Closely With All OTC Stocks

Stock price averages are generally regarded as a yardstick to indicate market trends but there are differing opinions as to how closely they reflect the movements of all stocks in a particular classification or stock market. The OTC Information Bureau has just completed a study which reveals a rather remarkable correlation between the movement of the National Quotation Bureau's OTC industrial stock average and the average price of stocks in the most widely published OTC stock table for the first half of 1963.

Just as most listed stock price averages are based on the prices of selected blue chip issues, or are weighted to give more influence to large blue chip companies in computing their index, the NQB industrial average is based on the prices of 35 representative blue chip OTC stocks and is comparable to the Dow-Jones industrial average which is based on 30 NYSE listed stocks. Records of the NQB daily average are maintained back to 1938 and are considered an indicator of trends in this OTC market rather than an actual average of all stocks.

However, the average price of stocks which appear in the newspapers in the NASD national list of approximately 600 OTC industrial and utility stocks, shows an increase for the first six months of 1963 almost identical with that of the NQB-OTC industrial average. The NQB average registering a rise of 14.11% vs. a rise of 14.38% for 538 stocks listed in the table.

The national list includes the most actively traded OTC industrial and utility stocks. It does not include bank and insurance stocks or foreign securities which appear in separate tables.

The OTC Information Bureau comparison is based on the June 30 prices of 538 issues in the national OTC table, and the 1962 year end prices of the identical companies. At the beginning of the year one share of each of the 538 companies totaled $10,772.50. At the end of the six month period, with adjustments for stock dividends, the same shares represented a total value of $12,321.95. The average price per share increased from $20.02 to $22.90 when adjusted for stock dividends over this period.

During the six month period in the Dow-Jones average of NYSE listed industrial stocks showed a gain of 8.4% and Standard & Poor's 500 listed stock average a gain of 9.9% vs. the 14.11% gain in the NQB-OTC industrial index. Since October 1938 the NQB average has registered a gain of 678% compared with an increase of 395% in the Dow-Jones industrial average for the same period.

Preliminary estimates of a similar comparison of the actual average of stocks in the most widely published OTC bank and insurance stock tables indicate fairly close correlation of these actual averages and the leading bank and insurance stock indices. This is to be expected, according to the OTC Information Bureau, since the samples used for these averages constitute a relatively larger proportion of the total stocks listed in the OTC bank and insurance stock tables than do the samples for OTC and listed industrial stock price averages.

Percentage Increase Over 12/31/62:	6/30/63	7/31/63	8/15/63
NQB-OTC Industrial	+14.11%	+14.07%	+17.10%
S&P Life Ins. (OTC)	+17.6	+17.65	+20.04
S&P Casualty Ins. (OTC	+12.3	+13.7	+16.0
S&P NY Banks (OTC)	+ 3.8	+ 7.2	+ 9.3
Outside NY Banks (OTC)	+ 9.8	+10.0	+12.3
S&P Fire Ins. (80% OTC)	+ 2.6	+ 2.5	+ 4.4
Dow-Jones Ind. (NYSE)	+ 8.4	+ 6.6	+10.19
S&P 500 (NYSE)	+ 9.9	+ 9.5	+13.12

Table of Averages:	61-62 High	62 Low	12/31/62	6/30/63	7/31/63	8/15/63
NQB-OTC Industrial	144.31	100.23	120.03	136.97	136.93	140.56
S&P Life Ins. (OTC)	304.00	190.53	264.36	310.92	311.03	317.36
S&P Cas. Ins. (OTC)	101.83	69.47	85.57	96.15	97.28	99.30
S&P NY Banks (OTC)	40.85	28.28	34.52	35.83	37.01	37.72
Outside NY Banks (OTC)	86.95	55.06	68.07	74.80	74.89	76.44
S&P Fire Ins. (80% OTC)	53.28	35.28	45.20	46.41	46.37	47.22
Dow-Jones Ind. (NYSE)	741.30	524.55	652.10	706.88	695.43	718.55
S&P 500 (NYSE)	72.64	52.32	63.10	69.37	69.13	71.38

With Stone, Altman

DENVER, Colo.—William H. Lohmeyer is now affiliated with **Stone, Altman & Company, Inc.**, First National Bank Building. He was formerly with B. J. Leonard & Co.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — A few days ago Chairman Wilbur D. Mills and his colleagues of the tax-writing House Ways and Means Committee approved tax reductions for individuals and for businesses in the colossal sum of $11 billion a year.

The cuts would not all become effective until 1965. The $11 billion figure approved by this Committee, where all tax legislation must originate, compares with $10.3 billion in the original legislation submitted in the major proposals and reforms by the Kennedy Administration in January.

The proposed new legislation to a major extent rejects most of the major reform revenue-raising provisions originally recommended by Secretary of the Treasury Douglas Dillon at the beginning of this year.

The total tax reduction suggested in the January plan would have amounted to $13.7 billion, but the Treasury would have gotten $2.6 billion back after closing so-called loopholes, and $750 million from capital gain taxes as a result of amendments to the present capital gains law.

Both President Kennedy and Secretary Dillon still believe there is a chance the legislation can be passed at this session.

Sen. Byrd Doubts Tax Bill for This Year

Senator Harry F. Byrd of Virginia, Chairman of the Senate Finance Committee, however, is extremely doubtful that Congress can complete tax legislation this year. He does not believe Congress is in the mood to stay in session until late this year.

Before any House-passed legislation can reach the floor of the Senate, it must be sanctioned by the Senate Finance Committee. His Committee is greatly divided on the legislation.

Senator Byrd, who would like very much to have a tax reduction, is not in favor of a cut until Congress reduces spending by the Federal Government in a comparable amount. The Federal debt is already over $305 billion.

A tax reduction was listed by President Kennedy as the No. 1 aim of his Administration at the beginning of the new Congress in January. Furthermore, a sizable tax cut would be of tremendous political advantage. The "Average Man" would be pleased a great deal if his pay check or pay envelope was a little fatter each week.

It is generally felt in Washington by a number of longtime qualified observers with no political axes to grind that the Kennedy Administration has lost some ground in the last year and a half. The Administration leaders themselves acknowledge privately they have lost ground in some areas, but they hope to recoup some of it.

"If we can get a tax bill through and get the civil rights legislation settled," said one Administration leader, "we will make a comeback. I believe we are going to be able to resolve both issues before long."

Dividend Credit

Some of the House Ways and Means Committee actions will not meet with strong popular favor. The Committee by a vote of 13-to-12 voted to end the dividend credit. Of the 12 who voted against it, all but two were Republicans. Thus 10 Republicans and two Democrats were against it. No Republicans voted to end the dividend credit.

The dividend credit, so-called, was first approved in 1954 during the Eisenhower Administration. The Republicans rightfully contend that the dividend credit provision partially corrects a tax wrong — double taxation of dividends. The corporations that pay the dividends first must pay the corporation taxes. After the 52% corporation tax is paid, if there is anything left, the stockholders can receive dividends. Then the stockholders must pay individual income taxes on the dividends.

The proposed new change as voted by the House Committee would eliminate in two stages, the present 4% credit. This sum would be reduced by 2% on dividends paid during 1964 and would be done away with altogether at the end of the year.

Some of the other major Committee actions include:

Voted to trim the corporation income tax rate from the current 52% to 48% over a two-year period, and made provisions with the idea of helping the small business.

Effective Jan. 1, 1964, the normal tax rate applicable to the first $25,000 of corporate profits, would drop to 22% from 30%, and the surtax rate, which is added to the normal tax for profits over $25,000, would increase to 28% from 22%, thus providing for a 50% rate for 1964.

It is estimated that if finally approved by Congress and fully effective, it would reduce taxes by about $2.2 billion.

The Committee voted to cut personal income tax rates to a range of 14% to 70% from the current rates ranging from 20% to 91%. The individual rate reductions alone under the proposed new schedule would total about $9.5 billion as compared to $11 billion in the Administration's original plan.

The Committee approved the rate schedule which Mr. Dillon submitted on Aug. 12, two days before.

In January, when Mr. Dillon appeared before the Congressional group, the Administration was seeking individual tax reductions ranging from 14% to 65%, with the first reduction to take effect on July 1, 1963.

Capital Gains

The House Committee has voted to reduce the capital gains tax on numerous kinds of assets. At the same time it lengthened the holding period required for the taxpayer to obtain the new, lower rate. The Committee originally approved a series of changes in the capital gains area in May, but slightly altered this provision a few days ago.

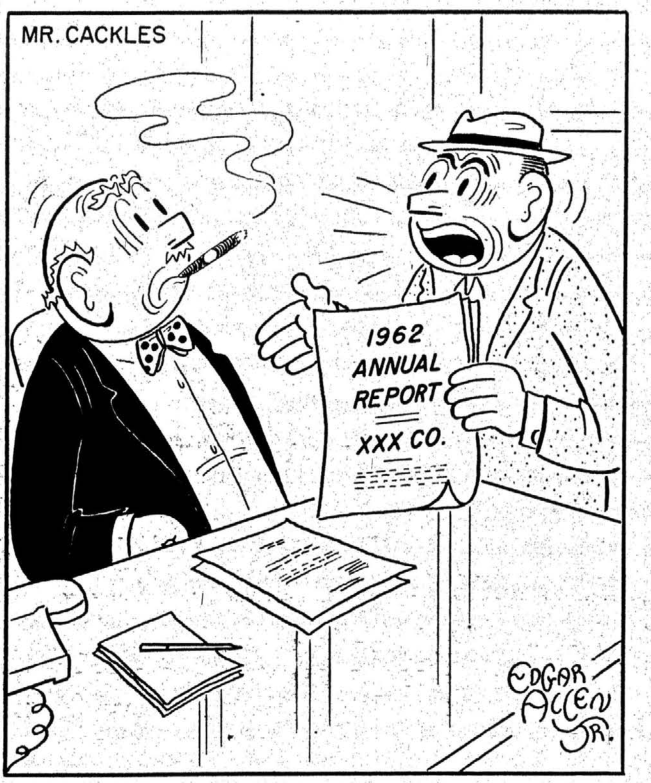
As it now stands, the *Congressional Quarterly*, after a study of these provisions, explained there would be three categories of taxation for capital gains.

Class A capital gains: 40% of the gain taxed at ordinary rates or the entire gain taxed at 21% for assets held for two years. Eligible for this new tax category would be most forms of capital assets.

Class B capital gains: 50% of the gain taxed at ordinary rates or the entire gain taxed at 25% for assets held six months to two years, and for assets, regardless of how long they are held.

Short term capital gains, on assets held less than six months, would continue to be taxed at ordinary rates.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]



"Some investment! They don't even have enough money to go bankrupt!"

COMING EVENTS

IN INVESTMENT FIELD

Aug. 27, 1963 (New York City)
American Stock Exchange 23rd annual golf tournament and dinner at the Siwanoy Country Club, Bronxville, N. Y.

Sept. 11-13, 1963 (Pebble Beach, Calif.)
Investment Bankers Association Board of Governors Meeting at the Del Monte Lodge.

Sept. 12-13, 1963 (Chicago, Ill.)
Municipal Bond Club of Chicago 27th annual field day; registration, cocktail party and dinner at the Abbey, Fontana, Wis. Sept. 12; field day at Big Foot Country Club, Fontana, Wis. Sept. 13.

Sept. 18-20, 1963 (New Orleans, La.)
Thirteenth Annual Tulane Tax Institute.

Sept. 20, 1963 (Pittsburgh, Pa.)
Bond Club of Pittsburgh annual fall outing at the Allegheny Country Club.

Sept. 22-26, 1963 (Colorado Springs, Colo.)
National Security Traders Association Annual Convention at the Broadmoor Hotel.
CHRONICLE's Special Pictorial Supplement Oct. 17.

Sept. 23-24, 1963 (Salt Lake City, Utah)
Association of Stock Exchange Firms fall meeting of the Board of Governors at the Hotel Utah.

Sept. 27, 1963 (Philadelphia, Pa.)
Bond Club of Philadelphia 38th annual outing and field day at the Huntingdon Valley Country Club, Huntingdon Valley, Pa.

Sept. 27, 1963 (New York City)
Municipal Bond Club of New York 2nd Annual Fall Sports Outing at the Sleepy Hollow Country Club, Scarborough-on-Hudson, New York.

Oct. 6-9, 1963 (Washington, D. C.)
American Bankers Association Annual Convention.

Oct. 20-24, 1963 (Bal Harbour, Miami Beach, Fla.)
National Association of Bank Women 41st annual convention at the Americana Hotel.

Nov. 20, 1963 (New York City)
Association of Stock Exchange Firms Annual Meeting of members for election of new officers and governors; Governors' Dinner at the University Club.

Dec. 1-6, 1963 (Hollywood Beach, Fla.)
Investment Bankers Association of America Annual Convention at the Hollywood Beach Hotel.
CHRONICLE's Special Pictorial Supplement Dec. 19.

Dec. 2-3, 1963 (New York City)
National Association of Mutual Savings Banks 17th Mid-Year meeting at the Commodore Hotel.

April 8-9-10, 1964 (Houston, Tex.)
Texas Group Investment Bankers Association Annual Convention at the Shamrock Hilton Hotel.
CHRONICLE's Special Pictorial Section April 30.

Apr. 22-23-24, 1964 (St. Louis, Mo.)
St. Louis Municipal Dealers spring party at the Chase Park Plaza Hotel and Glen Echo Country Club.

May 16-24, 1964 (New York City)
National Association of Mutual Savings Banks 44th Annual Meeting at the Commodore Hotel.

Dec. 7-8, 1964 (New York City)
National Association of Mutual Savings Banks 18th Annual Mid-Year meeting at the Commodore Hotel.