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EDITORIAL

As We See It

That troublesome balance of payments problem was much in the news last week, and is still attracting a great deal of attention from government officials and others. The Department of Commerce on Aug. 19 made public a preliminary estimate of the second quarter deficit in our transactions with the rest of the world. Little detail was furnished. It was not possible to derive a great deal of information except that the deficit broke all records, and that the most conspicuous factor in the huge increase was the export of American capital. It was clear, however, that the sale of foreign securities in this country, as distinguished from so-called direct investment abroad had markedly increased in the second quarter. This somewhat early publication of the figures seemed to many to be motivated by a desire on the part of the authorities to bolster the capital export tax bill recently proposed by the President.

On the next day the President himself expressed the belief that there would be, or had been, substantial improvement in the situation during the current quarter, although he again strongly defended the idea of a tax on the sale of foreign securities in this market. But it was the Secretary of the Treasury who made the most urgent and emphatic defense of the so-called interest equalization tax. "This tax," he said, "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." It was also the Secretary of the *(Continued on page 20)*

Life Insurance Stocks—Astronauts Of the Investment World

By Edward N. Chapman, M. D.,* *Financial Counselor, Colorado Springs Nat'l Bank, Colorado Springs, Colo.*

Dr. Chapman lists reasons for long-term investment in these issues: best and surest growth industry with mathematical certainty of earnings; absence of inventory problems; decline in death rates; population growth; no labor troubles; terrific stockholder leverage; safeguarding of companies' investments through public regulation; and issues' paucitiy of investment distribution. Also cites drawbacks to this investment medium, such as limited marketability; very low yield; analytic difficulty; possible increased taxation, etc.

Life insurance company stocks are the Titan III's of the investment world. Some of them have moved in the market with the speed of the astronauts, as compared with only the jet speed of some of the industrial favorites since 1947.

There is probably no more difficult stock to analyze from an investment viewpoint than a life insurance stock. There are so many variables which have to be taken into consideration. I have been at the problem off and on ever since I spent two years in training at the Hartford Hospital in the early 20's. Hartford was then, and perhaps still is, though Dallas is now laying claim to the title, the insurance capital of this country. It probably is, insofar as stock life insurance companies are concerned. Some of the officials of the large Hartford companies were occasionally patients in the hospital when I was there and awakened my interest in insurance stocks as a medium for investment.

Dr. E. N. Chapman

I soon found the challenge of value determination was a real one. No one whom I consulted seemed to know how to go about it at that time. People were content to buy on mostly blind faith that since the stocks had done well in the past, they would continue to do well market-wise in the future.

In recent years a more scientific approach has been possible as more data have become available. The major difficulty presented in evaluating a life insurance stock, as stated above, is the number of variables which must be considered in company analysis, i.e., the percentage of participating insurance the company writes, if any, versus the percentage of non-participating insurance. The product mix is also all important, i.e., the percentage of total business in whole life and endowment, the more profitable lines, versus the less profitable term, group and industrial insurance. No two companies are exactly the same and thus, exact comparisons between companies are impossible without the aid of a high powered computer.

In view of these and other difficulties, one may ask why one should want to invest in the life insurance industry anyway. The yield on the stocks is negligible—mostly below 1%. The amount of stock outstanding is small and the market is so thin that wide fluctuations in price are frequent. The stocks are traded in the over-the-counter market only and this at times is a technically difficult medium of exchange. A large spread quite often exists between the bid and asked quotations. If one wants to buy, it is necessary, as a rule, to pay the asked price. If one wants to sell, one usually has to be content with the bid price. Sometimes there are no bid or *(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.

This Week's Forum Participants and Their Selections

Automatic Retailers of America, Inc. — Henry W. Meers, President Partner, White Weld & Co., Chicago, Ill. (Page 2)

Ethyl Corporation—Stephen I. Schneider, Director, Research Dept., Powell, Kistler & Co., Fayetteville, N. C. (Page 2)

HENRY W. MEERS

Resident Partner, White, Weld & Co., Chicago, Illinois

Automatic Retailers of America, Inc.

Automatic Retailers of America, Inc., which recently was listed on the New York Stock Exchange, is a rapidly growing organization and a leader in a wide variety of institutional vending and institutional food services. The origins of the company go back over 30 years.

The company has an excellent record evidenced by the sales and earnings figures shown below. It is estimated that revenues will reach a new high of $200 million in 1963 with net income projected at approximately $1.50 per share based on 2,998,088 common shares outstanding.

Year Sept. 30	Sales 000,000 Omitted	Net Income Per Share
1958	$44.0	$0.53
1959	54.7	0.76
1960	65.6	0.82
1961	123.1	1.00
1962	180.8	1.35
*1963	200.0	1.50

*Estimated

The institutional services of ARA are well diversified and account for 85% of total revenues. Clients include over 220 schools and colleges, more than 700 prominent commercial, industrial and financial corporations, over 160 hospitals and more than 125 government installations. These markets are recognized for their growth qualities. There is no dependence on any single customer — the 25 largest accounts total less than 12% of sales. Under 1% of the company's cigarette sales are represented by "on street" locations. Industrial business is well diversified between defense and nondefense accounts.

National demand for the many services offered by the company continues to grow in the U. S. at about twice the rate for the overall economy. The company's operations have exceeded the national experience. Over half of the company's service revenues and over three-quarters of its net profits now come from automatic vending operations. Despite its excellent record, the company remains small compared with the multi-billion-dollar-a-year institutional markets for food services and vending. A recent Stanford Research Institute Report estimated institutional food service markets to exceed $18 billion per year.

In the last four years ARA has grown from what was principally a regional operation to one that is now nation-wide in scope, successfully integrating in the process a large number of acquisitions as well as experiencing excellent internal growth. To give some idea of the company's present size, it operates over 80,000 vending machines in 39 states.

During the past year much has been done to improve the structure of the company via an effective line and staff type operation organized to provide experienced skills to selected client groups, i. e., schools, hospitals, business and industry and public locations plus government installations. This eliminates the overlapping functions that existed in a group of semi-autonomous subsidiaries. Although this program involves substantial moving and other essentially non-recurring costs, which are being charged against current operations, it is expected to result in improving profit margins starting in 1964.

The outstanding record of this management speaks for itself. Additionally it should be pointed out one of the strengths of this organization is its large number of experienced operating people, many of whom started and developed businesses that are now part of ARA.

The stock is owned by a number of leading financial institutions and is attracting increasing institutional interest particularly now that it has been listed. At current prices or at about 20 times projected earnings for 1963, it should be a rewarding investment for both the short- and long-term investor.

STEPHEN I. SCHNEIDER

Director, Research Dept., Powell, Kistler & Co., Fayetteville, N. C.

Ethyl Corporation

Formerly a privately-held corporation owned 50% each by General Motors and Standard Oil of New Jersey, Ethyl Corporation common stock became available to the public in late 1962 when an established paper company in Richmond, Va., Albemarle Paper Manufacturing Company, purchased Ethyl from its previous owners for cash and the assumption of debt. The companies were then merged under the name Ethyl Corporation. Members of the former Ethyl organization have remained with the company so that their knowledge and experience insure the continuation of efficient operation of the chemical activities. The infusion of the Albemarle management, with its aggressive ideas and attitudes, will complement this picture.

Ethyl's various modes of operation can be divided into three basic groups: (1) Chemical Division operations in anti-knock compounds —in particular tetra-ethyl lead. (2) Chemical Division operations in products other than anti-knock compounds and (3) Paper Division operations.

Since 1947, Ethyl's total share of the market for tetra-ethyl lead has declined to about 50%. At the same time total consumption of tetra-ethyl lead has declined due primarly to (1) the increasing market for compact cars using lower octane fuel, (2) the shift from piston to jet aircraft, (3) the development and installation at refineries of catalytic reformers which produce higher octane unleaded gasoline, (4) and, finally, the low operating rate of domestic refining capacity. Most industry sources generally agree that the impact of these factors had been felt by 1962; demand had stabilized, and that domestic demand will show annual increases of a modest nature from this point forward.

Ethyl's many years of experience in the tetra-ethyl field has resulted in the company moving into production of related chemical products. One area in which Ethyl has had particular interest is in antioxidents. One line of products in this group is used to keep gasoline from forming gums during lengthy storage periods. Another is used to keep lubricating oil from forming gums in the crank case. In addition, these products appear to have applications in the fields of foods, feeds, packaging and plastics. Ethyl currently produces substantial quantities of several chemicals which are used outside the petroleum industry. Vinyl Chloride, used in making plastics, is one and the company also manufactures quantities of sodium, ranking as one of the largest producers of this chemical. These various chemicals are the result of many years of research and effort on Ethyl's part. It has been estimated that since World War II some $10 million has been spent annually for research and development. Ethyl appears to possess the varied skills necessary to translate the research into profitable commercial products. Substantial cash flow should allow sufficient funds to explore the various opportunities which their research team develops. This area of Ethyl's operation appears to have the greatest growth potential.

Ethyl's paper division, which was formerly Albemarle Paper Corporation, has been characterized by long history of growth in its product lines, sales and profits. The division now produces some 62 products, including plain, colored and printed craft and board; waterproof bags; multiwall bags, handle shopping bags, folded paper boxes; corrugated shipping containers and blotting absorbent papers.

During the fiscal year ended March 31, 1963, this division set new records in the manufacture of pulp and paper, both in quality in production and lower costs. With continued improvement in industry operations and prices estimated for 1963, sales and profits of this division should make a good showing during the current fiscal year. The paper division is operated separately from the chemical division as there is little overlap in the two operations. However, one area of mutual interest that will be carried on is the research on combination paper-plastic items. Developments in this area could be of increasing importance in the future since special purpose-plastics and paper-plastics prod-

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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.)

Japan and the Proposed Interest Equalization Tax

By Albert H. Gordon,* *Senior Partner, Kidder, Peabody & Co., New York City*

Mr. Gordon offers his views on certain consequences for Japanese corporations of the proposed "Interest Equalization Tax." The position of opposition to this tax, taken by the Investment Bankers Association, is supported and, more specifically, it is suggested that exemptions be granted for new issues of securities, if the proceeds will be spent in the United States.

The House Ways and Means Committee has already received testimony by the Investment Bankers Association (IBA) in opposition to the proposed tax. . . While I support the position of the IBA, it is not my intention to go over the ground covered by the above-mentioned testimony. Rather, I wish to submit for the Committee's consideration some additional views on the consequences of this proposed tax, particularly as it relates to certain Japanese corporations which have come to depend upon access to the United States market for long term capital. Before passing on to the corporate consequences of the tax, I would like to make a few brief comments on some of the general economic consequences for Japan.


Albert H. Gordon

Economic Consequences

Japan is a key Far Eastern partner whose economic strength and well being are of material interest to the Free World in general and the U. S. in particular. Actions which would tend to inhibit her economic growth would be inimical to the long run interests of the United States. There is evidence already before the Committee indicating that the proposed tax will be detrimental to Japan—not the least of such evidence being the substantial decline in the Japanese stock market following President Kennedy's message and the recent visit to the United States of Japan's Foreign Minister Ohira. One of the underlying elements in Japan's official program for continued economic growth is the expectation of access to overseas capital to supplement domestic savings. Although Japan has one of the highest levels of savings of any country in the world, some additional overseas capital is necessary to sustain the high level of investment (gross investment averaged 35% of G.N.P during the five-year period ended March 31, 1962). The principal source of this overseas capital was expected to be the United States. While the needed funds are not large in relation to the size of the United States capital market, the amounts are important in relation to the Japanese long term capital market and particularly in relation to Japan's balance of payments requirements. Japan has been running a substantial import surplus from the United States (aggregating over $2 billion in the five years ended 1962, including over $400 million in 1962). A continuation of such surplus clearly requires financing in some form. Thus, as has been pointed out in earlier testimony, Japanese capital raisings in our market have been related directly or indirectly to United States exports and Japan has not been a country augmenting her gold reserves through conversion of dollar balances.

Main Theme

Turning now to my principal theme, I believe a generally accepted proposition underlying many of our own economic policies is the belief that the most efficient expenditure of investment funds is achieved by channeling this flow through the mechanism of private corporations. This belief is inherent not only in our tax legislation but also in our foreign assistance programs which encourage the development of private enterprise in foreign countries. Private corporations seeking new funds are under some very strong disciplines. Corporate managers must exercise great prudence when contemplating expansion programs. Faulty estimates of product demand and the need for new capacity generally carry the penalty of reduced profitability for the corporation or, in the extreme case, bankruptcy. New capital must be productive or existing capital may be jeopardized. Reviewing, and in the final analysis, confirming the judgement of the corporate manager seeking capital is the judgement of the investor who must be convinced that his funds will be prudently managed and provide him with a fair return. Under these circumstances, therefore, it seems not unreasonable to believe that there may be real advantages to channeling through private corporations an important part of any outflow of American capital.

While much has been said and written regarding the potential ef-

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OBSERVATIONS...

BY A. WILFRED MAY

VALUE PLUS TREND

Most welcome is a new volume on life insurance stocks that doesn't base its bullish expectations on their sensational past *market* performance octupling and more over the past decade ("**Life Insurance Stocks for Lifetime Gains" by Ira U. Cobleigh; 84 pp.; published by Cobleigh & Gordon, Inc., New York; $2.00**).

In this volume the author lists methods for evaluating and selecting rewarding issues, and for examining the resulting potentials for their long-term gains; cites their growth attributes in concrete terms, not just in glamorous generalities.

In contrast to the "cheap at any price" credo, Mr. Cobleigh suggests the proper price earnings the same as on the growth electric utilities. This actually gives the life stocks some leeway on the upside, since their current ratio of 22 compares with 25 for representative utilities.

Also on the specific quantitative phases the volume shows just how the life companies make their money as in benefitting from the powerful application of leverage and compound interest, how they gain from the ever-increasing longevity of our population, and from a constantly rising flow of premium income year after year, with an annual plowback of earnings.

Thus, it is shown as an instance of the "growth *stock*" being buttressed by *industry* growth; life insurance being our fastest growing major industry — this holding true midst depression as well as boom time.

Current data for release today (Thursday, August 29) by the Institute of Life Insurance show that investments of U. S. life insurance companies reached a new record total of $136.7 billion on June 30. This was an increase of more than $3.4 billion, or nearly 2.6%, during the first half of the year.

Also "meaty" earnings-wise is the fact that life insurance premium rates are calculated on shorter-than-actual life spans, there is a continuing extra profit from these mortality savings. (Mr. Cobleigh is among those who believe that premium rates are thus calculated relative to mortality.)

Income from investments, another major source of income, the volume points out, has been benefitting both from a swelling pool of assets and, in recent years, a rise in interest yields. The pretax interest yield has risen from 2.88% in 1947 to 3.75% in 1957, and 4.32% in 1962. Most existing policies, it is pointed out, are based on reserves calculated on rates of between 2½ and 3¼%.

"Overage" Profits

The steady rise in the rate of investment yield which has generated such "overage" profits on reserve portfolios, has also served as an earnings builder for invested capital and surplus funds, where the entire income, and its compounding, inure to the benefit of the stockholders.

Another source of supplementary income listed by this author is derived from *lapses, surrenders*, and policy loans. When actuaries, he explains, calculate the terms of a life contract, they set up reserves in such a way that the company will usually have something left over if a policyholder lapses or surrenders his policy. If a lapsed policy has no retaining stipulated values, then any sum left in reserves for it will not be needed to fulfill any later obligation to the policyholder, and can be transferred to surplus. A similar transfer to surplus of reserve funds no longer required can occur when a policy is surrendered for cash. (Quite a contrast between the impact of lapses and surrenders on the welfare of the company between insurance and the mutual funds meeting redemption demands.)

Valuation Techniques

In his desistence from the "cheap-at-any-price" thesis, Mr. Cobleigh devotes a major chapter to precise techniques of evaluation of the shares. A most important criterion is new insurance in force, with formulae for adding an allocation of value for new business.

Also listed are techniques for ferreting out values hidden in voluntary reserves. Another bench mark of valuation sets forth book value, with a suggested doubling of the book value stated in the annual report forwarding at a minimum market value for the stock.

Also offered as a valuation approach is calculation of the total value of all insurance in force, multiplying each $1,000 of ordinary or endowment life on the books by $15, and each $1,000 of group coverage by $5. Add these totals and divide their sum by the number of shares outstanding. It is suggested that this figure defines the per-share worth of insurance in force; to which is to be added the book value per share, to arrive at an estimate of the stock's true worth.

Business Performance

Also meaty and otherwise valuable is the author's description and tabulated record of performance of 16 leading companies. Here again constructively, Cobleigh sticks to business, not market, performance. Included in the five-year intervals from 1947 to 1962 are the total insurance in force, admitted assets, and capital and surplus, and in some cases, growth of stockholders' equity (evidencing quadrupling and quintupling).

About the only reservation we have about the volume is insufficient stress on some drawbacks to this excellent investing medium, as possible future tightening of the tax impact on the business, increasing competition (including the branching out here by new subsidiaries of fiscal casualty companies. There are now, as of June 30 last, 1,503 legal reserve life companies in the nation, an increase of 31 companies since mid-year 1962. Also discouraging are the analytical difficulties by the inexpert non-specialists. And some individuals find the frequent periods of market illiquidity on the buy as well as the sell side disadvantageous.

We hope that Mr. Cobleigh will do another volume on fire and casualty company values, less glamorous but usually affording substantial values—as, for example, in this period of underwriting reverses, when both assets and growing investment income can be bought at very substantial discounts.

J. J. Keenan With N. C. Roberts Co.

LOS ANGELES, Calif. — John J. Keenan has become associated with N. C. Roberts & Company, Inc., members of the New York and Pacific Coast Stock Exchanges, as an account executive in the Los Angeles office, 210 W. 7th St. Mr. Keenan, who has been on Spring St. for the past thirty-four years, was formerly with Currier & Carlsen Incorporated and in the past conducted his own investment business.

John J. Keenan

New Team For Ebasco

The Board of Directors of Ebasco Services Incorporated announced the retirement, effective Sept. 1, of Mr. F. C. Gardner, President, after 46 years of service to the company. Mr. Gardner will continue to serve as a Director. The following personnel changes were made:

Mr. J. T. Kimball, presently Executive Vice-President and Director of American & Foreign Power Company Inc. has been elected Chairman of Ebasco and a member of its Board of Directors and will assume his new duties Oct. 1. He succeeds Mr. George G. Walker who remains President of Electric Bond and Share Company, the parent company of Ebasco.

Mr. K. W. Reece, formerly Executive Vice-President of Ebasco, has been elected Vice-Chairman.

Mr. W. H. Colquhoun, formerly Vice-President of Ebasco, has been elected President and its Chief Executive Officer.

Ebasco Services Incorporated, a wholly owned susbidiary of Electric Bond and Share Company, renders engineering, construction and management consulting services to clients in this country and abroad.

To Be V.-P. of E. F. Hutton Co.

On Sept. 5 Frank William Van Kirk will become a Vice-President of E. F. Hutton & Company, Inc., 1 Chase Manhattan Plaza, New York City, members of the New York Stock Exchange, and other leading exchanges.

New York Bank Made Bond Trustee

Chemical Bank New York Trust Company has been appointed to act as bond fund trustee for $197,000,000 Public Utility Dist. No. 2 of Grant County, Wanapum Hydroelectric Refunding Revenue Bonds, Series of 1963.

Our Biggest Public Scandal— Takers, Pushers, and Electees

By Edwin P. Neilan, President, Chamber of Commerce of the United States and Chairman of the Board of the Bank of Delaware, Wilmington, Del.*

Spokesman for American business flays Congress for perpetuating an unparalleled public scandal affecting the morality of the nation which, though of infinitely greater proportion, receives none of the notoriety of the sex-and-spy scandal recently in Britain nor any of the publicity of less subtle events in past "spoils system" scandals. The self-described "country banker" from Delaware does not blanket all members of Congress and the public for subtle participation in the public trough but he was answered by the Senate's Democratic Leader for having charged . . . "that we in Congress are immoral, our constituents are immoral, the Federal Government is immoral and all Federal-State programs are immoral." Mr. Neilan candidly appraises the Area Redevelopment Assistance as an example of our new, subtle, all-embracing spoils system and asks that ARA be rejected in favor of local initiative and responsibility.

Those who manage the news have managed to convince the rest of us that moral standards have been battered into pretty bad shape everywhere.

Edwin P. Neilan

If anyone is doing anything right, you are helping him keep it to himself. To put it briefly, the evil that men do, ably reported, sells newspapers, the good is good only in autobiographies. Whether or not that's as it should be, in a Republic founded on the frequently unexpressed consent of the governed, a free and watchful press has the essential duty to expose wrongdoing and corruption in the conduct of government and of the men we elect to office.

Most recently, effective vigilance by your news colleagues on the other side of the water took a simple spy story, salted it with a dash of sex and scandal and almost turned a government upside down. It was a clear and vivid case of an alert press, pressing for action. Today I call attention to our own home-grown, still growing, scandal, a scandal of infinitely greater proportions for it involves public morality throughout our nation.

These remarks on "Our Own Public Scandal—Vote Buying and Selling" might well have been subtitled "Billions For Ballot Bribery," because our public scandal involves the wholesale purchase of votes on an unprecedented scale. The opening skirmishes of the 1964 national election campaign provide a clear and present danger that this election may be the biggest auction sale in history — the sale of ballots not solely for promises but for hard cash. The old-fashioned ward heeler who rounded up and delivered derelicts to the polls at a dollar a vote was an honest man compared to the widespread public immorality that has infected otherwise reputable, respectable American men and women who are willing, even eager, to turn their elected representatives into "bagmen."

No Blanket Indictment

Let me hasten to say that this is no indictment of many Members of Congress. There are some who bravely resist the selfish pressures from back home, and they are outstanding in their service to the country. Nor is the immorality confined to either major political party. It involves voters, candidates and elected officials of both parties, but inevitably the bulk of the spending—or buying—the bribing power if you will—rests with the party in office. Controlling a Federal budget of almost $100 billion, the talented politicians who will direct the Administration campaign for re-election in 1964 have more of your money and my money to spend than in any previous election in our history — and more ways to buy votes with it. They hold the purse strings on billions of dollars of vote-getting projects: accelerated public works, urban and rural area redevelopment, defense-space contracts, to name just a few. Who is so naive as to believe they will not use them or that our whole electorate is incorruptible?

The spoils system is not new in American political life, but it is more sophisticated, more sinister than ever before, and never have we seen such widespread public indifference to—even acceptance of—political bribery. Let's not put the blame entirely on the office holders and the office seekers. Your political office holder doesn't become a "bagman" all by himself: it takes two to make that kind of a deal. The voters who consider their elected representatives as "bagman" fall into two categories, but in both their moral guilt is inescapable.

"Pushers" and "Takers"

First are the voters who send their man to Washington not to promote good government but for the express purpose of getting Federal tax or deficit financed dollars for their own district or state, even for their own private companies. If he fails to deliver, they kick him out of office by electing someone who will. These are the pushers.

Second are the "takers," the people who vote for a candidate because he promises fatter Federal fund handouts than his opponent. If he doesn't deliver, he gets voted out, too.

In either case, the voter sells his ballot to buy a Congressmen; the Congressman sells his high office to buy votes. The voter doesn't support the candidate who deserves support, he casts his vote for the biggest briber. I find it difficult to rank such conduct higher in the moral scale than the association of politicians, party girls and spies in Great Britain. There is much less attractive *perfume* involved in seduction by

Continued on page 30

LETTER TO THE EDITOR:

The Gold Myth and The Dollar Dilemma

William Stix Wasserman maintains we are held in bondage by mythical essentiality of gold, whereas a nation's wealth is actually based on its productivity. Economist and investment banker proposes series of practical steps to increase free world's liquidity and liberate our economy from gold chains.

Editor, Commercial and Financial Chronicle:

For hundreds of years, sea exploration was retarded because most men believed that the earth was flat, and that should they venture too far to sea they would certainly encounter disaster at the earth's rim.

W. S. Wasserman

Today, men are held in equal bondage by the myth that gold is essential to their well-being, and that without it their money would lose value in an avalanche of inflated paper. Nothing could be further from the truth. A nations wealth is based not on its gold supply but its productivity. Two examples of staggering force have occurred within our life time to prove the truth of this basic maximum. At the height of the depression in the early thirties when 12 million unemployed walked the streets and this country was in the direst economic straits it has ever been in, our banks and treasury were bulging with gold. Conversely, despite the opinion of the majority of the banking world that Germany could never go to war because she had no gold, Hitler built the greatest war machine in the history of mankind. Dr. Schacht convinced him that production alone was the real source of wealth, and that if he could put the German people to work he need not worry about gold.

In both cases solutions to the problems of the times lay in a fresh appraisal and a new economic approach. Our chief problem is one of liquidity where a diminishing gold supply is called upon to finance an ever increasing volume of business at a time when our balance of payments is adverse.

Our Contemporary Bank Currency

It cannot be stated too often that the currency of our times no longer consists of gold or silver, or even a large number of paper dollars, but rather credit or bank currency in the form of checks. Almost all of our major business transactions are conducted on the basis of check or bank deposits. In the long run the Federal Reserve maintains the value of the dollar by regulating the total amount of bank credit outstanding in relation to the amount of goods and services available. Gold has ceased to have any bearing on the problem except as it effects Federal Reserve policies, which must be governed by the necessities of maintaining a balance between the country's credit needs on the one hand and a stable balance of international payments on the other. Today these are in conflict. Domestically we require low interest rates and easy credit. Internationally, to prevent further gold losses, we require tight money and high interest rates to attract foreign balances and to create a psychological climate of confidence by showing we mean to defend our gold position come what may. If the dollar was intrinsically weak there would be some justification for the latter course, but to defend the dollar at the expense of our economy by creating a condition of lessened rather than increased production (tight money always hampers production) seems completely absurd in view of the other steps available.

Logically, we might ignore our gold losses and permit our reserves to dwindle to the vanishing point secure in the knowledge that the intrinsic strength of our currency would eventually maintain its trading value. However, this might create a world panic. The psychological hold of gold on people's imagination is so great that pure logic must be abandoned and a more gradual approach substituted, embodying the retention of gold and acknowledgment of its mystique, while at the same time loosening its strangle hold on the economy.

The Dollar's Inherent Strength

Most people fail to realize the great inherent strength of the dollar. They become panicky at our continuing gold losses because they are unaware that we have been trading dollars and gold for the ownership of at least half the fuel resources of the free world, for oil fields in Arabia, Libya, and Venezuela, for refineries, pipe lines, and filling stations throughout Europe, Asia, and Africa; for the ownership of at least half the automobile factories of Europe; for a dominant position in the telephone manufacturing companies of England, France, Holland, and Germany; and for ownership in countless other industries where American industry has established profitable subsidiaries throughout the free world.

If the total income of these investments were returned to the United States instead of being used for expansion, a large part of our balance of payments problem would be solved. Or, if we decided to curtail our economic and military aid and call in part of our $20 billion of government loans abroad, the problem would disappear. But neither of these actions is feasible.

What constructive steps can be taken to increase the free world's liquidity and free our economy from its golden chains without upsetting world confidence? Ideally, individual gold speculation should be outlawed, and the tremendous supply now in private hands returned to the Central Banks to increase their liquid resources. To date, gold has been a one way street with the advantage to the hoarder. He could always exchange his gold for a useable currency at a rate never below his purchase price and often considerably above. Consequently, most of the free world's newly mined gold has not gone to the Central Banks but rather into individual hands, for hoarding.

To be sure, to persuade the governments of Europe to prohibit private purchases of gold will be no easy matter. London has for centuries been its leading market place and it will be difficult to induce the British Government to pass laws that will diminish London's importance in this respect. In France one will encounter formidable opposition from a people long accustomed to regarding the hoarding of gold as their chief protection against a currency continually devalued. The Swiss, who earn an important part of their living by acting as custodian of the world's private fortunes, and who view private property in all forms as sacrosanct from government interference, will not welcome these measures. Therefore, as a workable compromise the following steps are suggested.

A Conservative Compromise

(1) An agreement between the Central Banks of the free world that all THEIR dealings in gold will be restricted to transactions amongst themselves. They will not buy from or sell to private banks or individuals any gold whatsoever, with the exception that the purchase of newly mined gold will be permitted providing it is made from certified mining companies. The mining companies, in turn, will be permitted to sell only to the Central Banks. Present individual gold owners will be given a grace period to exchange their gold at present rates for the currency of their choice. This will leave the free markets of London, Zurich, and Paris intact, but without government support.

(2) In the event of the refusal of the Central Banks of London, France, and Switzerland to cooperate in respect to the above, an announcement on the part of the President should be made that the United States reserves the right to lower its buying rate for gold should such action be deemed adviseable.

(3) Abolition of the present statutory — note cover requirements, whereby some $12 billion of Treasury gold must be kept on hand as a reserve for our combined deposit and Federal note liabilities.

(4) The greater use of free world currencies as an acknowledged part of the Central Bank's reserve.

(5) Curtailment, by taxation if necessary, of the use of so-called "Euro-Dollar" transactions. "Euro-Dollars" consist of money borrowed on short-term from American banks by both European and Canadian banks, who have used these credits to help finance European speculation against the dollar as well as the boom on the European stock exchanges. Part of these funds have been used for long-term industrial credits and could easily help provoke a liquidity crisis, since their withdrawal would present serious problems. Their existence is one of the main reasons for the present imbalance of the American exchange position. It is estimated that more than $5 billion is currently being utilized to maintain the present "Euro-Dollar" position.

The steps outlined above, by denying the private speculator access to the gold reserves of our Central Banks, would remove the most potent threat to the free world's exchange position. The Central Banks at this point would be exempt from outside pressures. Gold movements would take place only in response to the coordinated economic planning of the Central Banks, whose basic interest must be to promote exchange stability and economic growth.

In the long run, exchange stability depends on confidence. In the 19th century, the British pound was supreme despite the fact that The Bank of England gold reserves were meagre, and that there were often adverse balances of trade and payment. The world knew that Great Britain was the world's leading industrial nation, that she had great invested wealth abroad, and most importantly, had wise economic leadership. Wisdom begins at home. We must teach the American people how strong the dollar really is. Part of our dollar weakness has resulted from our own ignorance and unjustifiable fears in regards to our budget position and balance of payments. Today, America is the world's greatest producer. Our wealth abroad is estimated at close to $100 billion an enormous sum in comparison with the few billions of adverse balances that have created so much alarm. With a realistic solution to our liquidity and gold problems, we need no longer be inhibited in following a policy of expansion, which is so essential for our own and the world's well-being.

William Stix Wasserman,
New York City

Estabrook & Co. To Admit Partner

Franklin A. Steele will acquire a membership in the New York Stock Exchange and on Sept. 5, will become a partner in Estabrook & Co., 80 Pine St., N. Y. C.

Telsey To Be V.-P. Of Lieberbaum Co.

As of Sept. 5, Steven Telsey will become a Vice-President of Lieberbaum & Co., Inc., 50 Broadway, New York City, members of the New York Stock Exchange.

Howe Named Gov. Of NASD

James M. Howe, partner in the Chicago investment firm of Chapman, Howe & Company, was appointed a member of the Board of Governors of the National Association of Securities Dealers. He succeeds on the board the late Merrill M. Cohen, former President of J. M. Dain & Company, Inc., Minneapolis, who also served as Chairman of the Board of Governors. Mr. Howe will represent District No. 8 which comprises the states of Illinois, Indiana, Iowa, Michigan, Minnesota and Wisconsin. He served as Chairman of this district in 1959 and was President of the Bond Club of Chicago in 1960.

James M. Howe

Merchant Marine Bonds Sold

American President Lines, Ltd., San Francisco, Calif., yesterday publicly sold $14,550,000 of United States Government Insured Merchane Marine Bonds, at a combined interest cost to the company of 4.22%.

The serial bonds were offered in the principal amount of $4,850,000, designated as the S.S. Presidents Monroe, Polk and Harrison Series. The interest rates on the serial bonds range from 3.75% to 4.10%. The rate on the term bonds is 4.25%. Lehman Brothers of New York and San Francisco, and International Bond & Share, Inc., of San Francisco, acted as agents for the company in the sale of the bonds.

Proceeds of the offering will be used to finance a part of American President Lines' costs of constructing three new cargo vessels, the S.S. Presidents Monroe, Polk and Harrison.

E. F. Henderson Branch

BROOKLYN, N. Y.—Edward F. Henderson & Co., Inc. has opened a branch office at 56-13 Catalpa Avenue under the direction of C. Wallace Loughlin.

Tax-Exempt Bond Market

BY GEORGE L. HAMILTON*

There has been very little activity in the tax-exempt bond market during the past five sessions. The closeness of the long Labor Day holiday weekend precluded heavy new issue financing and detracted generally from investor interest in recent new issue offerings. The market as a whole has marked time since last reporting although *The Commercial and Financial Chronicle's* high grade revenue bond yield Index shows that the market has slipped about one-quarter of a point. The Index went to 3.071% from 3.05% basis as reported a week ago. This small decline was accomplished by dealers simply marking down some of their older inventory and was not the result of any selling pressure or liquidation of dealer inventories. However, these markdowns did not spur any general buying interest and the only thing accomplished was a slightly lower market level. Dealers are presently groping for a level to attract general buying demand but as yet have not found it for secondary market items.

The technical position of the market has changed but little in the last week and if anything it may have improved somewhat. The new issue calendar is of very modest proportions totaling little more than $241,531,000 for the next 30 days. The only sizable sales presently on the schedule are $35,750,000 State of Washington Public School Facilities and Public Buildings revenue (1964-1981) bonds for Sept. 4; $25,000,000 Los Ageles, California Unified School District (1964-1988) bonds for public bidding Sept. 17 and $14,700,000 New Orleans, Louisiana Public Improvement (1965-1988) bonds for Sept. 18. Comptroller of the Currency James J. Saxon has again been busy and has ruled that the State of Washington revenue bonds are eligible for purchase, dealing in and underwriting by commercial banks.

Negotiated Industrial Expected

The negotiated issue schedule is void of any issues of importance with the possible exception of $50,000,000 Lewisport, Ky. tax-exempt revenue bonds to finance location and plant construction of a rolling mill for Harvey Aluminum Co. This issue has been validated by the courts and City Trustees are expected to offer the bonds possibly in late September.

The general inventory situation while still of manageable proportions is heavier than most municipal bond people would like. The *Blue List* total, which is the most accurate tally relative to street float, is currently about $551,503,000 of state and municipal bonds. However, that figure does not include $60,000,000 of various Public Housing Authority bonds which are presently unsold from the $116,095,000 issue of Aug. 14. That underwriting is managed jointly by the Bankers Trust Co. and The Chase Manhattan Bank. This float is not an unduly heavy item but it is a warning to many an underwriter and dealer of possible trouble in the near future. $600,000,000 of bonds generally sends storm warnings flying.

The U. S. Treasury and corporate bond markets are about unchanged from the previous week. The Treasury made is expected announcement that it would auction the first issue of a new monthly cycle of one-year bills. The amount will be $1 billion each month. Federal Funds remained firm at 3½% and yields on three and six month bills stood at 3.39% and 3.494%, new high levels for the last three years. The market for intermediate and long-term issues continued to drift slightly lower with the Fed making itself known whenever the situation got a little out of hand. The corporate bond market continued along in the summer doldrums with prices steady. The $35,000,000 Lone Star Gas Co. (1988) debentures were bought by the First Boston Corp. group as 4⅜s and reoffered at 100. Initial investor demand has been fair. There are no other important issues up for sale in the next few weeks.

House Hearings on Revenue Bonds for Banks

The House Committee on Banking and Currency has scheduled hearings to begin on Sept. 4 relative to the old controversy of should commercial banks be allowed to become uderwriters of revenue municipal bonds. These special securities sold to finance and construct projects such as toll roads, water and sewer systems, colleges and dormitories; power generating facilities and many other projects too numerous to mention are generally payable out of the funds collected from the users of the facilities and no taxes are utilized. This phase of the underwriting business has been closed to the commercial banks since the passage back in 1933 of the Glass-Steagall Act.

These hearings are expected to attract heated arguments and battles between the dealers and banks with the probable result that nothing at present will come out of the hearings except that old friends will become enemies and vice-versa. The Investment Bankers Association of America is already split on this problem and unfortunately this split looks like it can only widen during the coming weeks. With the Comptroller of Currency on the side of the banks they have gained a powerful ally and even though the banks may not be successful this time the Comptroller has already allowed these same banks through his rulings to have more than a foot in the door of underwriting revenue bonds. It seems inevitable that sometime in the next decade the commercial banks are going to get the authority to underwrite this type of bond.

Week's Sales

The new issue calendar for the past week was light and totaled only $82,049,000 of bonds. However, as is almost always the case, there were a half dozen issues of general market importance which are worthy of brief comment. Bidding for these issues was at a more relaxed pace than in recent weeks but initial investor demand for these loans has been only fair.

Thursday (8/22) saw two issues sell at public sale. The City of Tampa, Florida awarded $4,000,000 Water revenue (1965-1900) bonds to *Wertheim & Co.* and *Lazard Freres & Co.* at a net interest cost of 3.3040%. The runner-up bid of a 3.3073% net interest cost came from the group headed jointly by Blyth & Co. and Harriman Ripley & Co. Reoffered to yield from 2.15% in 1965 to 3.45% in 1989 for various coupons, the present balance is $1,430,000. The 1990 maturity carried a 1% coupon and is offered at a 4.00% yield.

Ashland, Massachusetts awarded $1,188,000 School Loan (1964-1988) bonds to the *Hartford National Bank and Trust Co.* on its dollar bid of 100.5299 for a 3% coupon. The second bid of 100.5199 also for a 3% coupon came from Smith, Barney & Co. and associates and there were six additional bids made for this popular issue. Scaled to yield from 1.90% to 3.00%, today's balance is $770,000.

The *Housing and Home Finance Agency* was the successful and only bidder Thursday evening for $1,250,000 Douglas, Georgia Gas System Revenue Certificates as 3¾s at 100.

On Friday (8/23) Tyler, Texas Independent School District sold $2,000,000 School House (1965-1983) bonds to the syndicate headed by *John Nuveen & Co.* at a net interest cost of 3.2153%. The runner-up bid of a 3.223% net interest cost was made by The First Southwest Co. group. Other major members of the winning syndicate include Ira Haupt & Co., Goodbody & Co., James A. Andrews & Co., Metropolitan Dallas Corp. and Moroney, Beissner & Co. Reoffered to yield from 2.05% to 3.20%, initial demand has been fair with the present balance in syndicate $1,136,000.

New Haven Won By Boston Bank

Monday was void of any important issues but Tuesday was an active day. The *National Shawmut Bank of Boston* and associates submitted the best bid for $7,678,000 New Haven, Connecticut various purpose (1965-1983) bonds. This group bid a net interest cost of 2.886% and the second best bid offering a 2.887% net interest cost came from the account led jointly by Bankers Trust Co. and Harris Trust and Savings Bank. Other

Continued on page 30

* 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	3.20%	3.10%
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	2.85%	2.75%
*Delaware, State	2.90%	1981-1982	3.15%	3.05%
New Housing Auth. (N. Y., N. Y.)	3½%	1981-1982	3.15%	3.00%
Los Angeles, California	3¾%	1981-1982	3.30%	3.20%
*Baltimore, Maryland	3¼%	1981	3.25%	3.15%
*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	3.23%	3.16%

August 28, 1963 Index=3.07%

*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 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.
Meiners Oaks San. Dist., Calif.	1,700,000	1969-2003	7:30 p.m.
Savannah District Authority, Ga.	8,500,000	-------	-------
September 4 (Wednesday)			
Bedford, Mass.	2,715,000	1964-1982	11:00 a.m.
Saxman, Alaska	1,500,000	1966-1988	2:00 p.m.
Washington (Olympia), Public Sch. Fac. and Buildings	35,750,000	1964-1981	-------
September 5 (Thursday)			
Douglas Co. S. D. No. 66, Neb.	1,500,000	1965-1990	11:00 a.m.
Fairfield, Conn.	3,135,000	1964-1983	-------
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.
Longmeadow Sch., Mass.	1,235,000	1964-1982	11:30 a.m.
Northeast Houston Ind. S. D., Tex.	1,300,000	1966-1993	7:00 p.m.
Pierce Co. Tacoma SD #10, Wash.	1,000,000	-------	10:00 a.m.
Seven Valleys-Spring Grove S. Building Authority, Pa.	1,[illegible]65,000	-------	-------
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	-------	-------
Massillon, Ohio	1,345,000	1964-1988	Noon
South-Western City S. D., Ohio	2,750,000	1965-1986	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	1967-1983	11:00 a.m.
Fridley Ind. S. D. No. 14, Minn.	1,730,000	1966-1988	8:00 p.m.
Houston Ind. S. D., Texas	10,000,000	1966-1992	-------
Jackson, Mich.	1,000,000	1964-1989	5:00 p.m.
Nashville & Davidson Co. Metro. Government, Tenn.	4,100,000	1965-1989	7:30 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)			
Aiken Co. S. D., So. Carolina	1,550,000	1965-1983	Noon
Athens, Ga.	1,000,000	1964-1993	Noon
Clark County Vancouver School District No. 37, Wash.	2,000,000	1965-1978	11:00 a.m.
Hempstead Cent. HSD No. 3, N. Y.	4,789,000	1965-1993	Noon
Mill Creek Comm. School Bldg. Corp., Ind.	1,500,000	-------	-------
Oakland Co., Mich.	2,120,000	1965-1989	11:00 a.m.
Pittsburgh, Pa.	4,680,000	1964-1983	11:00 a.m.
Pittsburgh School District, Pa.	5,000,000	1964-1988	2:00 p.m.
Plymouth, Cascade, Greenburgh, etc., Jt. Sch. Dist. No. 8, Wis.	3,410,000	1965-1983	1:30 p.m.
September 12 (Thursday)			
Akron City Sch. Dist., Ohio	3,000,000	1965-1984	1:00 p.m.
Maple Valley Sch. Dist., Mich.	1,420,000	1964-1992	8:00 p.m.
Ramapo Central S. D. No. 1, N. Y.	1,810,000	1964-1990	3:00 p.m.
Wayne Co., Mich.	2,185,000	1967-2002	11:00 a.m
September 16 (Monday)			
Lewisport, Ky.	50,000,000	-------	-------
September 17 (Tuesday)			
Deptford Township S. D., N. J.	1,895,000	1965-1984	8:00 p.m
Detroit, Mich.	12,820,000	-------	11:00 a.m
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
Universities & State College of Arizona, Board of Regents	1,750,000	1966-2003	10:00 a.m
September 23 (Monday)			
Las Virgenes Municipal Water District, Calif.	3,500,000	-------	8:00 p.m
September 24 (Tuesday)			
Monroe, La.	6,500,000	1965-1993	10:00 a.m
North Carolina Cap. Imp.	21,985,000	1964-1980	-------
William S. Hart U. H. S. D., Calif.	1,500,000	1964-1983	9:00 a.m
September 25 (Wednesday)			
Fort Myers, Fla.	1,700,000	1964-1980	11:00 a.m
Mason City Ind. S. D., Iowa	2,600,000	1964-1983	2:00 p.m

Not All "Worthless" Stocks Are Worthless After All

By Roger W. Babson

Do not be in a rush to discard what may mistakenly be believed to be worthless stocks and defaulted bonds. Mr. Babson admonishes owners to thoroughly check them out for reasons he suggests which normally are not thought of, and to notify corporation of any change of address even if at the time the stock was considered worthless.

Every now and again I receive a spate of questions from readers about what to do with old and apparently worthless stock certificates that have been found around the house. How can they be sure, they want to know, whether or not these stocks have any value at all?

Fortunes May Be Uncovered

My first advice to such people is not to let go of such investments for any amount until they check every possible source of information about the companies involved. I remember some years ago that a Wall Street banker asked me if I would help him get some "worthless" stocks from readers of my column for a few pennies per certificate (not per share). Looking into the situation, I found that 49 out of 50 certificates bought by this broker turned out to be actually worthless, BUT one out of every 50 might be worth as much as $1,000. This usually was a certificate needed by a company to dissolve or consolidate without any outstanding obligations or complications.

While I am in no position, of course, to tell my readers exactly what to do in such situations, I still insist that you should not throw away any certificate just because some member of the family or some other "helpful" person says it is valueless. Probably the best bet is to show it to your regular banker. He will know how to go about checking on the current value, if any, of your certificates.

How Values Can Come Back

You will find that lots of your "worthless" certificates that turn up in desk drawers or in your attic represent old mining companies. Maybe they never were any good, or perhaps they were issued by mines that petered out. Some companies didn't have the money to dissolve legally, so perhaps they let some rancher pay the taxes for the right to use the land. And so the company was forgotten after stockholders were told that it had "passed out."

But I can remember, for example, some instances in the 1950s when uranium was found on such lands, with an increase from, say, $5 an acre to $50,000 an acre resulting. Maybe an oldtimer who recalls the company gets himself a list of original stockholders and writes to them offering $10 a share for their certificates. Most families still having the certificates are probably glad to get $10 a share. What they don't know is that the shares may now be worth as much as $1,000 because of the new-found uranium. Who can tell what new changes might come about for such undissolved companies?

Disappearing Stockholders

I have often urged people who move from one address to another to be sure to write any company whose stock they hold and let them know of the change. If you have some "worthless" stock, spend five cents on a postage stamp and take the time to write a letter giving your new addresss.

If you move too many times and such shifts are not reported, a company gets back the letters they send to you—marked "unknown" — and after a time the firm puts you down on its records as "deceased."

My family for some time had large holdings in a national retail corporation. At one time this firm has had nearly 100 stockholders who could not be located. It may sound unlikely, but you actually might be one of these stockholders. There must be hundreds of other companies with the same difficulty. And don't forget that such stocks can double or triple in value, and you may not be found to be given your just share in the profits. Don't let that happen to you or your family.

Don't Dispose of Defaulted Bonds

While on this subject, let me warn you not to rush to sell bonds that you hold when they default. The price of the bond may plummet from par to 50 cents or so on the dollar, but I have seen many such bonds climb back up to $1,000 in the course of years. I remember that Sheraton Hotel chain bonds sold at $1,000 before the turn of the century, then they defaulted and fell to around $200 where they remained for years. Long after that, a courageous and imaginative financier named Ernest Henderson showed his faith in the hotel business by buying up these "undesirable" bonds. Since that time they have, of course, been paid off at par.

Edwards & Hanley To Admit Proffitt

Edwards & Hanley, members of the New York Stock Exchange, on Sept. 5, will admit Raymond Proffitt to partnership. Mr. Proffitt will make his headquarters at the firm's New York City office, 39 Broadway.

Form San Jose Inv. Co.

SAN JOSE, Calif.—Raymond F. Paxton and Ted G. Miodonski have formed a partnership, San Jose Investment Co., 485 North First St., to engage in a securities business.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Aluminum — Survey with particular reference to **Aluminium Ltd., Aluminum Co. of America, Reynolds Metals** and **Kaiser Aluminum & Chemical**—Thomson & McKinnon, 2 Broadway, New York, N. Y. 10004.

Apparel Industry — Review — Henry Bach Associates, Inc., 1290 Avenue of the Americas, New York, N. Y. 10019 ($1 per copy.)

Canadian Gold Mines — Analysis of outlook—Draper Dobie & Company Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada.

Canadian Gold Stocks — Analysis Greenshields Incorporated, 507 Place d'Armes, Montreal, Que., Canada.

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

Canadian Stock Market—Report—Watt & Watt Limited, 7 King St., East, Toronto, Ont., Canada.

Cigarette Stocks — Analysis—David L. Babson and Company, Incorporated, 89 Broad Street, Boston, Mass. 02110.

Credit Way of Life—An analysis of Budget Finance Plan and the Consumer Finance Industry—Detailed brochure — D. H. Blair & Company, 66 Beaver Street, New York, N. Y. 10004. Also available are reviews of **Carlisle Corporation, American Export Lines**, and **Ling Temco Vought.**

Finance Companies — Analysis—Goodbody & Co., 2 Broadway, New York, N. Y. 10004. Also available are reports on **American Sugar Co., Anaconda, Dow Chemical, Hewitt Robins, Inc., International Business Machines, International Nickel Company of Canada, Lehn & Fink, Maryland Casualty, Peoples Gas Light & Coke, Phelps Dodge, Taft Broadcasting Co.** and **Union Carbide.**

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.

Integrated Oil Companies—Study —G. W. Nicholson & Company Limited, 67 Richmond Street, West, Toronto, Ont., Canada.

Japan — Economic Report — The Fuji Bank, Ltd., New York Agency, 1 Chase Manhattan Plaza, New York, N. Y. 10005.

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

Life Insurance Stocks—Bulletin—Ralph B. Leonard & Sons, Inc., 50 Broadway, New York, N. Y. 10004.

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).

Natural Gas Utility Companies—Comparative figures — Richard S. Graham, Dept. CFC, Reynolds & Co., 120 Broadway, New York, N. Y. 10005. Also available is an analysis of **South Carolina National Bank.**

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—For the first-half—Study—Carl H. Pforzheimer & Co., 25 Broad Street, New York, N. Y. 10004.

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.

Peru — Report — J. Henry Schroder Banking Corporation, 57 Broadway, New York, N. Y. 10015.

Rails—Discussion in "Investment Report"—Arthur Wiesenberger & Company, 61 Broadway, New York, N. Y. 10006 (report is $2.50 per copy). In the same issue are discussions of **Grand Union Company**, and the **Paper Industry** with particular reference to **Scott Paper Company, Kimberly Clark Corp., Mead Corp.** and **West Virginia Pulp & Paper Co.** Also available are comments on **Boeing Company, Chrysler Corp., Firestone Tire & Rubber Co.** and **Owens Illinois Glass Co.**

* * *

A. V. C. Corp.—Report—Gerstley, Sunstein & Co., 211 South Broad Street, Philadelphia, Pa. 19107.

Admiral Benbow Inn, Inc.—Analysis—The Bankers Bond Co., Inc., 420 West Jefferson Street, Louisvill, Ky. 40202.

American Airlines — Analysis —Hornblower & Weeks, 1 Chase Manhattan Plaza, New York, N. Y. 10005.

American Photocopy—Report—Colby & Company, Inc., 85 State Street, Boston, Mass. 02109 (firm requests stamped addressed envelope when writing for reports). Also available are reports on **Bausch & Lomb** and **A. G. Spalding & Bros.**

Armco Steel Corporation—Analysis—Herzfeld & Stern, 30 Broad Street, New York, N. Y. 10004.

Arvin Industries—Analysis—Courts & Co., 11 Marietta Street, N. W., Atlanta, Ga. 30301.

Bonanza Air Lines, Inc.—Analysis —A. C. Allyn & Co., 122 South La Salle Street, Chicago, Ill. 60603. Also available are analyses of **Hayes Industries, Inc., Scott Aviation Corp.**, and **United Air Lines.**

C E I R Inc.—Report—Low Priced Investments, 11 Steuben Street, Albany, N. Y. 12207.

Calgon Corp.—Analysis—Butcher & Sherrerd, 1500 Walnut Street, Philadelphia, Pa. 19102.

Caribbean Cement Company, Ltd. —Analysis—Annett & Company Limited, 220 Bay Street, Toronto 1, Ont., Canada.

Carter Products — Analysis — Edwards & Hanly, 100 North Franklin Street, Hempstead, N. Y.

Cenco Instruments—Comments—Walston & Co., Inc., 74 Wall Street, New York, N. Y. 10005. Also available is a report on **Howard Johnson.**

Cerro Corp. — Analysis — Filor, Bullard & Smyth, 26 Broadway, New York, N. Y. 10004.

Cerro Corporation — Analysis — Shearson, Hammill & Co., 14 Wall Street, New York, N. Y. 10005. Also available is an anlysis of **Union Tank Car.**

Chrysler Corporation — Analysis —Roger Stevens, Dept. CFC, Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, New York, N. Y. 10005. Also available is an analysis of **G. D. Searle & Company.**

Chrysler Corp. — Comment — Oppenheimer, Newborg & Neu, 120 Broadway, New York, N. Y. 10005.

Classified Risk Insurance Corp.—Analysis—The Marshall Company, 111 East Wisconsin Avenue, Milwaukee, Wis. 53202. Also available are analyses of **Godfrey Company, House of Vision, Racine Hydraulics & Machinery, Civic Finance Corp., American Cyanamid, North American Car Corp.** and **Old Line Life Isnurance Company of America.**

Commonwealth Oil Refining Co. —Analysis—Hirsch & Co., 25 Broad Street, New York, N. Y. 10004. Also available are comments on **Rochester Telephone, A. V. C. Corp., Bausch & Lomb, Arkansas Louisiana Gas, Piper Aircraft, Bendix Corp., FMC Corp.** and **Polaroid.**

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

Easor Express, Inc.—Report—W. E. Hutton & Co., 14 Wall Street, New York, N. Y. 10005. Also available is an analysis of **United Fruit Company.**

F M C Corporation — Analysis — Evans & Co. Incorporated, 300 Park Avenue, New York, N. Y. 10022.

FMC Corp.—Analysis—J. R. Wiliston & Beane, Inc., 2 Broadway, New York, N. Y. 10004.

Far West Financial Corporation—Analysis—Hill Richards & Co., Incorporated, 621 South Spring Street, Los Angeles, Calif. 90014.

First Hartford Realty Corp.—Analysis—Putnam & Co., 6 Central Row, Hartford, Conn. 06104.

Ethyl Corporation—Analysis—Watling, Lerchen & Co., Ford Building, Detroit, Mich. 48226.

Fruehauf Corporation — Analysis —Eisele & King, Libaire, Stout & Co., 50 Broadway, New York, N. Y. 10004.

General Electric—Review—L. F. Rothschild & Co., 120 Broadway, New York, N. Y. 10005. Also available is a review of **Home Insurance Company.**

Ingersoll Rand—Chart Analysis—Reuben Rose & Co., Inc., 115 Broadway, New York, N. Y. 10006.

John's Bargain Stores—Analysis —Stanley Heller & Co., 44 Wall Street, New York, N. Y. 10005.

Kawecki Chemical Company — Analytical brochure—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York, N. Y. 10005.

Keystone Discount Stores, Inc.—Study—Suplee, Yeatman, Mosley Co., Incorpoarted, 1500 Walnut Street, Philadelphia, Pa. 19102. Also available is an anlysis of **Wilbur Chocolate Co.**

National Linen Corp.—Analysis—The Robinson Humphrey Company, Inc., Rhodes Haverty Building, Atlanta, Ga. 30301.

Noranda Mines Ltd.—Detailed analytical brochure—Burns Bros. & Denton Limited, 44 King Street, Toronto, Ont., Canada.

Northern Pacific—Comments—H. Hentz & Co., 72 Wall Street, New York, N. Y. 10005. Also available are comments on **Rock Island Merger** and **Soo Line.**

Pan American World Airways—Report—Henry Gellermann, Dept. CFC, Bache & Co., 36 Wall Street, New York, N. Y. 10005. Also available are comments on **Western Airlines, Kaufman & Broad, First Charter Financial, San Diego Imperial, Wesco Financial, Distillers Corp.-Seagrams, Roper, Corp., Manhattan Shirt**, and **Simplicity Pattern.**

Pickwick Organization Inc.—Circular—Theodore Arrin & Co., Inc., 82 Beaver Street, New York, N. Y. 10005. Also available is a circular on **Shatter Proof Glass.**

Polaroid Corporation—Analysis—Hemphill, Noyes & Co., 8 Hanover Street, New York, N. Y. 10004. Also available are comments on **Tobacco Stocks, Inland Steel, Textron, Meat Packing Industry** and **National Castings.**

Revelstoke Building Materials Limited—Analysis—Royal Securities Corporation Limited, 244 St. James Street, West, Montreal 1, Que., Canada.

SFC Financial Corp.—Analysis—Purcell, Graham & Co., 50 Broadway, New York, N. Y. 10004. Also available is a bulletin on **Capital Cities Broadcasting.**

South Coast Life Insurance Company—Analysis—Cartwright, Valleau & Co., Board of Trade Building, Chicago, Ill. 60604.

Star Industries, Inc.—Report—Westheimer and Company, 124 East Fourth Street, Cincinnati, Ohio 45202.

Traileurop Inc.—Analysis—Langley Howard, Inc., 2 Gateway Center, Pittsburgh, Pa. 15222.

Western Union Telegraph Company—Analysis—Parrish & Co., 40 Wall Street, New York, N. Y. 10005.

Winkelman Bros. Apparel, Inc.—Report—Murray Frumin & Company, Penobscot Building, Detroit, Mich. 48226.

N. C. Roberts Co. To Name V.-P.

LOS ANGELES, Calif.—Effective Sept. 5, Peter Montgomery, Jr. will become a Vice-President of N. C. Roberts & Co., Inc., members of the New York and Pacific Coast Stock Exchanges, making his headquarters at the Los Angeles office, 210 West Seventh Street.

J. L. Vogel Opens

Joseph L. Vogel is engaging in a securities business from offices at 110 West 42nd Street, N. Y. C.

O. M. Scott & Sons Company

By Dr. Ira U. Cobleigh, *Economist*

Containing seasonal comment on a long established company providing a vital service to suburban America in the creation and maintenance of verdant lawns, and the demise of weeds and crab grass.

In a New York newspaper ad last week, the public was informed that now is the ideal season for feeding and seeding a lawn—not in Spring, as three out of five week-end landscapers contend. This intelligence, plus some specific steps for the assured growth of green pastures, was supplied by O. M. Scott & Son Company of Marysville, Ohio, the dominant company in America specializing in the care and nurture of green lawns. To a lifelong battler of crab grass the advertisement, and the company, seemed attractive; and we learned that it had also attracted a substantial investor following with some 24 institutions owning about 378,000 shares of its Class A stock. It seemed that so renowned a company, serving so vitally the landscaping needs of home owners generally, and status seeking suburbanites in particular, should be an expanding and successful one. It is.

History

For years the O. M. Scott Company ran a strictly mail order business in seed. The seed was good and people continued to order and reorder but something was lacking. The growth of a good lawn consists of a lot more than just spreading on a little fertilizer, seeding and watering. The Scott people found there was a real need for a complete lawn care program. So first O. M. Scott broadened its selling horizons by the development of a national dealer sales force, and it is now training its dealers to sell and service complete lawn care programs. Where this merchandising technique has become established the average sale is three times as large as the comparable store sale and the customer "tie-in" is so effective that he tends to stop shopping around for lawn supplies, and to return regularly to the Scott dealer for guidance and goods. The long range implications of this "program selling" are most attractive.

Financing of Dealers

The development of dealer business presented certain problems to O. M. Scott, however. Selling of lawn seed is a quite seasonal business, and customers expect dealers to carry a full inventory when they're ready to start planting. To help dealers stock and carry these substantial inventories, and to stimulate sales, O. M. Scott began, in 1956, to use a financial device called a trust receipt, which gave the dealer legal title to merchandise shipped to him by Scott, and enabled him to purchase and carry an extensive line of merchandise without actually paying for it until it was sold at retail. Under the trust receipt, Scott retains a security interest in the merchandise, in the event the dealership is terminated before the stock is sold. This arrangement was most attractive to the dealer as it required no working capital; but carrying these accounts receivable for extended time periods did create a considerable financial strain on O. M. Scott. While the trust receipt technique expanded sales rapidly, it required that Scott borrow considerable sums of money. At the 1961 year-end, these receipt receivables totaled $16 million, and management decided that this volume was too high; and embarked on a definite program to reduce it. By the end of 1962 these receivables were reduced to $13,700,000, and on June 26, 1963, the total had been further contracted to $8.5 million.

Effect on Sales

Quite understandably sales blossomed under the trust receipt plan and, for 1961, reached an all time high of $42,640,000. The contraction of inventory on credit to dealers lowered net sales in 1962 to $28,820,000, and a deficit of $1.09 per share was reported against 97 cents a share (an all-time high), earned in 1961. On indicated results so far we should expect sales for fiscal 1963 in the $30 million area, and quite possibly an operating loss.

While these financial adjustments of the past 2 years seem fairly stringent, it should be noted that dealer inventories today are at their low point for several years and that actual sales of dealers to customers are at record levels. In other words, the demand for Scott products is dynamic, but the company has made a major change in its merchandising methods to meet this demand. The fiscal year ends Sept. 30 and results, reported then, will be eagerly awaited.

The foregoing account of recent operations should not, however, becloud the fact that Scott is essentially a growth company; and that in the 10 years period 1952-1961 sales rose from $8.1 million to $42.6 million and, in the same period, net earnings rose over 11 fold. The changeover from liberal to limited credit accommodation to dealers is now well on its way toward completion, and it would appear that in 1964 a substantial gain in sales and profitability should ensue. Costs have been studiously reduced and outside consultants have given useful advice on improving the efficiency of warehouse operating and traffic flow.

Respected Brand Names

To those who spend part of their week-ends behind lawn mowers, Scott lawn seeds brands, "Classic," "Play," "Family" are standard operating procedure; Scott Turf Builder is the preferred fertilizer; "Clout" and "Halts" are the renowned crab grass killers; "Haze" and "Dawn" spray the rose bushes; "Scutl" knocks out lawn fungus; and "Erase" rubs out your tired old turf so you can start fresh. And for the groundsman there's a whole assortment of manual and electric lawn mowers, spreaders, and a dust applicator with the romantic name of "Zephyr."

Investment Appraisal

Capitalization of O. M. Scott consists of $15.8 million in long term debt, $2,246,000 in $100 par, $5 Preferred Stock, 1,314,854 shares of Class A common (non-voting), and 189,584 shares of Class B common (closely held by management and voting). Management is also reported as owning about 30% of the Class "A" stock. Dividends were 10% in stock from 1958 through 1960, with a 10 cent cash dividend and 5% in stock in 1961; and 10 cent cash dividends in 1962 and 1963.

O. M. Scott Class "A" shares trade over-the-counter and are currently quoted 10½-11. For patient and understanding investors, Scott shares at this level may prove interesting for the long term. The low of the issue since 1958 was 6⅛ and, in the verdant year of 1961, the price range was between 30 and a towering 58¾. The path of Scott in the past two years may have been a bit weed strewn, financially speaking, but much in the current picture suggests that O. M. Scott may now be poised to resume the rather impressive growth trend it displayed in the 1950 decade. Lawn green may again flower into the "long green."

R. J. Buck To Admit Masius

Richard J. Buck & Co., 4 Albany St., New York City, members of the New York Stock Exchange, on Sept. 1 will admit Harold M. Masius to general partnership, and on Sept. 5, will admit Dorothy L. Masius to limited partnership. Mr. Masius, a member of the New York Stock Exchange, will retire from partnership in McMannus & Mackey as of Aug. 31.

Form Lincoln Securities

INDIANAPOLIS, Ind. — Lincoln Securities Corp. has been formed with offices at 4101 Massachusetts Ave., to conduct a securities business. Officers are John M. LaRosa, President; Charles Kellermeyer, Vice-President; and E. C. La Rosa, Secretary and Treasurer.

New Tax & Expense Account Answer

On the heels of the final regulations governing the new rules on travel and entertainment expenses the Internal Revenue Service has gone one step further to clarify the meaning of those rules, according to J. S. Seidman, of Seidman & Seidman, New York City. The Service has issued a Revenue Ruling containing 93 questions and answers by way of explanation which the CPA and tax consulting firm analyzes as follows:

The ruling, No. 144, of the 1963 series, clarifies several areas such as deductions for a wife's expenses, entertainment at home and when a meal is a business entertainment deduction.

The expense to a taxpayer of taking a customer out is deductable if the entertainment is associated with business. To meet this test, the entertainment must occur directly before or after a substantial business discussion. The major exception to this is the expense of a meal in circumstances conducive to business discussion. The Service explains that the cost of a meal with a customer in an atmosphere appropriate for business will be deductible whether or not before or after a business talk. Nor must business be a topic during the meal so long as it is in an atmosphere conducive to business.

In answering another question, the ruling points out that the expense of entertainment at home qualifies as a deduction when it takes place under circumstances conducive to a business discussion with a clearly commercial motive. In computing home entertainment expenses the cost of extra domestic help should be included.

In a series of answers concerning the wife's expenses, the Service explains that the travel expense for a wife on a business trip is deductible only if she goes along as a business necessity. Merely helping to entertain customers is not enough. Once on the business trip, although the wife's personal living expenses are not deductible, the entertainment costs applicable to her will be allowed under the regular rules. These apply where it is impracticable for the taxpayer to entertain without his wife. An example would be when the customer's wife comes along.

And what about the costs of the taxpayer's own meal in the typical entertainment situation? Deductible, says the IRS. Only in cases of abuse will the Service disallow the normal cost of the taxpayer's own meal.

This ruling is particularly significant because it is the first official, published indication of when the treasury considers the entertainment of wives to be deductible as an ordinary and necessary business expense.

Canadian Imperial Bank Appoints in Dallas

DALLAS, Texas — Canadian Imperial Bank of Commerce in Dallas, Texas, has announced the appointment of W. L. Brown as resident representative. He succeeds John P. Moreton who has been appointed resident representative in Chicago.

Mr. Brown, who has been associated with the Canadian Imperial Bank for 34 years, has had broad banking experience, including managerial positions in Western Canada.

The State of TRADE and INDUSTRY

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

Production and employment continued to expand in July and retail sales increased further according to the latest monthly "National Summary of Business Conditions" by the Federal Reserve Systems. The rate of unemployment changed little. Bank credit, which had increased sharply in June, declined in July. The money supply and time and savings deposits at commercial banks rose further. Between mid-July and mid-August, short-term interest rates increased while yields on some types of bonds declined.

Industrial Production Rises to 127 Despite Steel Dip

The industrial production index was revised upward for June and rose one point further in July to 127% of the 1957-59 average. In July, while output of steel continued to decline, production of most other materials and of many final products increased.

Auto assemblies declined 4% but, at 153% of the 1957-59 average, were still much higher than in the earlier months of the 1963 model-year. In July, however, increases in output were widespread among other consumer goods. Production of most types of business equipment also increased, and over-all output of final products was 3½% higher than during the second half of 1962.

Output of other durable materials and of nondurable materials continued to increase in July, more than offsetting the decrease in iron and steel production.

Employment

Seasonally adjusted employment in nonagricultural establishments rose further in July although, as in June, the increase was smaller than in most earlier months of this year. Employment continued to increase in constructions, services, and trade. Both employment and average weekly hours in manufacturing remained at their May-June levels. The unemployment rate was 5.6%, compared with 5.7% in June and 5.4% a year earlier.

Agriculture and Commodity Prices

Based on Aug. 1 conditions, the forecast of this year's output of crops was 1% below the record production of 1962 and 1960. Prices of lead, zinc, and aluminum products increased further between mid-July and mid-August, but prices of most other industrial materials and products continued to change little. Average wholesale prices of foods declined, mainly reflecting decreases in meats.

Metal Cutting and Forming Tools Show Improvement

Orders for both metal cutting and metal forming types of machine tools during July showed improvement over those of June, with increases in domestic orders offsetting decreases in foreign business.

Metal cutting machine tool orders for July, according to the National Machine Tool Builders' Assn., totalled $59,000,000, up 3% from the $57,100,000 of June. Domestic orders were $48,800,000, 10% higher than the $44,400,000 total for June; and foreign orders were $10,200,000, 20% less than the $12,700,000 for June. Compared with July, 1962, domestic orders were up 30%; foreign orders were up 11%; and total orders for July, 1963, were 27% higher than those of July, 1962.

For the first seven months of 1963, metal cutting tool orders were higher than during the same period of 1962. Domestic orders of $319,750,000 showed a 28% improvement over the $249,700,000 total for the 1962 period; foreign orders of $86,150,000 were 37% higher than the $62,850,000 total for the 1962 period; and total orders of $405,900,000 were 30% higher than the $312,550,000 total for the 1962 period.

Metal forming type machine tool net new orders for July, 1963, showed similar improvement. Domestic orders totalled $14,300,000, 9% higher than the $13,150,000 total for June and 52% higher than the $9,400,000 for July, 1962. Foreign orders totalling $1,400,000 were down 15% from the $1,650,000 for June and down 70% from the $4,600,000 total for July, 1962. Total orders for metal forming types for July were $15,700,000, which is 6% higher than the $14,800,000 for June and 12% higher than the $14,000,000 total for July, 1962.

Comparing total orders for metal forming types of machine tools for the first seven months of 1963 with those of the same period for 1962, an increase in domestic business just about offset the decrease in foreign business. Domestic orders were $90,400,000, or 12% higher than the $80,500,000 for 1962; but the $15,550,000 foreign order total was 39% less than the $25,650,000 total for 1962. This foreign order decrease just about balanced the increase in domestic business, so that total orders for the 1963 period were $105,950,000 and those for the 1962 period were $106,150,000.

Retailers See Annual Gains For 1963

A survey of expectations of 221 retailers in six major lines indicates that 1963 will on the average reflect a 6% increase in sales and 5.9% expansion in profits over 1962, according to a study just released by the Industry Studies division of Dun & Bradstreet, Inc.

Results within the various retail groups varied widely. As would be anticipated, the automotive group led all other retailers in both sales and earnings gains expected. In second place in expected sales growth were the furniture and furnishings stores seeing an 8.7% gain and a 5.6% increase in profits. This in large measure reflects expansion in the number of new family units being formed. Building materials and hardware retailers were least optimistic with an expected gain in sales of only .8%, although they showed a surprising expectation of 3.4% increase in profits.

Bank Clearings 9.3% 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. 24 clearings for all cities of the United States for which it is possible to obtain weekly clearings were 9.3% above those of the corresponding week last year.

Our preliminary totals were $31,478,681,639 against $28,789,415,807 for the same week in 1962.

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

Week End. Aug. 24—	1963 (000 omitted)	1962 (000 omitted)	%
New York	$17,136,880	$15,363,356	+11.5
Chicago	1,329,022	1,242,722	+ 6.9
Philadelphia	1,168,000	1,108,000	+ 5.4
Boston	877,125	812,086	+ 8.0
Kansas City	458,811	516,073	—11.1

Steel Output Gains 1.1% From Prior Week Marks First Upturn In Past 12 Weeks and Is 8.7% Above Year-Ago and Cumulative 1963 Output Is 12.1% Above 1962 Period

According to data compiled by the American Iron and Steel Institute, production for the week ended Aug. 24 was 1,761,000 tons (*94.5%) as against 1,742,000 tons (*93.5%) in the Aug. 17 ending week.

This modest upward change in output was the first net gain in the past 12 weeks, since the 1.6% weekly gain as of July 13-week. Last week's output was 5.5% percentage points below the 1957-59 base period's average weekly output and was the lowest production since October 20, 1962 (1,739,000 tons) — ignoring the Dec. 29, 1962 holiday week's tonnage identical to Sept. 22, 1962 week. The latest week's output was 8.7% above that for the year-ago 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.

For the 14th 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 74,351,000 net tons (*117.4%) which is 12.1% above the Jan. 1-Aug. 25, 1962 production of 66,306,000 net tons.

District—	*Index of Ingot Production for Week Ending Aug. 24	Aug. 17
North East Coast	91	89
Buffalo	72	71
Pittsburgh	91	88
Youngstown	73	76
Cleveland	101	93
Detroit	139	133
Chicago	95	92
Cincinnati	104	111
St. Louis	74	99
Southern	108	108
Western	106	108
Total industry	94.5	93.5

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

October Looks Better Than Expected for Steelmakers

October looks better than expected for steelmakers, *Steel* magazine said today.

The order upturn that started in late July will probably keep September shipments on a par with August's. Shipments will rise measurably—probably 10 to 15%—in October.

Steelmakers who are big suppliers to the auto industry are unanimous in saying that their shipments will rise in October, but some are poles apart in predicting how much.

Optimism is greatest in Chicago, where steel consumption has traditionally been higher than steelmaking capacity. A leading mill there booked 40% more business in a mid-August week than it averaged in three previous weeks.

But in Pittsburgh and the East, bookings continued to lag shipments and mills liquidated their backlogs.

September Let Downs

Steelmakers who find September disappointing complain about the "washout of expected tonnage."

Tin plate producers are especially unhappy. Reason: Can companies are releasing little tonnage as they grapple with problems of their own—bigger than usual tin plate inventories and smaller than usual food packs.

Fortunately for market stability, substandard shipments of tin plate are being counterbalanced by unusually brisk demand for construction products.

Building activity is at its seasonal peak, and steel inventories held by contractors and structural fabricators are relatively small. Some of the larger fabricators are reported booked up four and five months ahead, while medium sized shops are booked ahead about three months.

Steel service centers anticipate a traditional pickup in business next month. Volume so far this month is only slightly above that in July, which was about 10% below June bookings.

Some of the recent reduction in sales is due to the loss of business to mills which have shortened delivery promises.

Distributors face the challenge of rising steel imports in the Pacific Northwest. Competition is especially keen on flat rolled sheets and plates from Japan.

Steel Upturn After Labor Day Seen

A gradual uptrend in steel production is expected after Labor Day, depending to some extent on automotive steel bookings.

Steelmaking operations are holding close to 57% of unofficial capacity. Look for ingot production this week to be about the same as the 1,742,000 tons that *Steel* estimates the industry poured last week.

Prices of scrap, a steelmaking raw material, also are holding. *Steel's* price composite on the key grade, No. 1 heavy melting, was at $26.67 a gross ton for the third week. Exports to Mexico, Japan, and Canada are providing support to the market.

Peaceful Atoms Mean Billions of Dollars

The exploding realm of the peaceful atom means billions of dollars of business for the nation's industrial plants, *Steel* magazine said in its Aug. 26 issue.

Applications of peaceful atomic energy will set off a chain reaction of new needs for hardware, materials, instrumentation, components, and specialties.

An idea of the scope of these new markets can be gained from the range of anticipated applications.

The isotope market alone promises to become mammoth. Radioactive isotopes will be used to heal the sick, preserve food, change the atomic structure of materials, create new materials, and power lighthouses, navigational buoys, and spacecraft. Production of isotopes is already a $5 million-a-year business.

Atom smachers will be built—scientists are talking about facilities two miles in diameter. This market could run $550 million annually by 1974, $600 million by 1981.

Sophisticated instrumentation and safety equipment will be needed.

A big chunk of electric power capacity will be atomic within ten years.

The Navy would like to go all-nuclear for large combat vessels and an atomic Merchant Marine is receiving increasing attention.

The production and reprocessing of nuclear fuels will become a multi-million dollar market. And disposal of radioactive wastes will be a major activity.

Atomic explosions may be "harnessed" to dig harbors and canals or to mine ores. The big unknown: Effects of the test ban treaty on contained nuclear blasts.

Steel Market Ready to Move Says Iron Age

The national metalworking weekly reported that the auto industry, the biggest industrial consumer of steel, has indicated it will take full, normal tonnages of steel in October.

Further, *Iron Age* said there are new signs that steel inventory reduction will be at an end earlier than anticipated.

As a result of these major market developments, estimates of steel shipments and production for the fourth quarter are being rapidly revised. Some industry estimates of fourth quarter steel shipments have suddenly jumped from 16.5 million tons to as high as 18.5 million tons, *Iron Age* reported.

Iron Age pointed out that the orders are not yet on the books and opinion of a sharp jump in steel production in October is not unanimous. Nevertheless, industry sentiment is shifting from relative pessimism to comparative optimism.

Commenting on the recent actions by the steel industry to counter inroads of foreign steel, *Iron Age* said the steel industry is finally taking its foreign steel complaints to the right places.

Instead of going through the regular channels of existing laws and tariff agencies, the industry has taken its case to President Kennedy, his influential advisors and to Congress, *Iron Age* stated.

Iron Age reported present anti-dumping laws haven't been much help to the steel industry. But the industry's latest efforts to have the laws toughened up may help the cause.

Iron Age said the recent visit of U. S. Steel Chairman Roger Blough and Steelworker President David McDonald to President Kennedy impressed the President.

Iron Age reported these regional steel market developments:

Pittsburgh — Production still sliding but district mills feel their market has reached firm bottom and that the next significant move will be upward. Informal reports from auto companies indicate this will come in October when large buys are resumed.

Chicago—No strong pickup in the new order rate has been noted at the mill level. But sharp gains over the past week at the steel service center (warehouse) level suggest that demand is building up faster than anticipated and mills are now strong on the fourth quarter outlook.

Cleveland — Automotive orders for steel for October are taking a big jump. This is important to the Cleveland area where almost half of the steel produced by the major mills goes into auto

Continued on page 18

U.S. Treasury Bill Rate Rise Caused Sterling to Weaken

By Paul Einzig

Analysis of unexpected drop in spot sterling and, simultaneously, of redeeming rise in forward sterling finds former brought on by rise in U. S. Treasury bill yields and latter due to earlier normal response to disappearing differential between U. K. and U. S. A. bill rates and between Euro-dollar and Euro-sterling rates. Dr. Einzig opines higher U. K. bill rates may be encouraged, if need be, to prevent major outflow of short term funds from London to N. Y. without recourse to a Bank Rate rise. Author anticipates greater concern on part of foreign exchange market with U. S. dollar than with sterling.

LONDON, Eng.:—In the sphere of foreign exchange, as indeed in many other spheres, pride often came before a fall. Right until the middle of August we were all very proud of the way in which sterling appeared to succeed in escaping its seasonal weakness this year. The way in which the American measures in defense of the balance of payments left sterling unaffected for some time was indeed gratifying. It now seems, however, that our rejoicing over it was premature. From the middle of the month sterling developed distinct weakness and on August 20 the spot rate depreciated to its lowest level for two years.

The main cause of this end-of-August weakness this time is not the usual seasonal buying of dollars by tobacco importers, cotton importers and other merchants. Their requirements, or at any rate most of them, were covered earlier this year under the influence of the mild sterling scare experienced in February and March. Nor can the deterioration of the British balance of payments in July be held responsible for the setback, although the psychological effect of the publication of its figures undoubtedly increased the pressure.

The unfavorable result of the Stratford by-election, showing as it did that the recent revival of optimism about the Government's popularity was not justified, was undoubtedly one of the causes of sterling's weakness. Yet it removed the risk of an early general election which would have been a gamble even if the optimism about the Government's prospects had been justified. Holders of sterling are now safe from the effects of a Socialist victory for at least six months, and probably a great deal longer. In the circumstances they could afford to take the unfavorable result of the Stratford by-election with comparative equanimity.

The official strike in the building industry must have also contributed to the weakness of sterling, even though that industry does not directly affect export prospects. Here again, had there been a certain amount of wishful thinking about the "improving" attitude of labor, and this major strike over a fantastically exaggerated wage claim caused a rude awakening. It seeems that as far as the labor situation is concerned it is inexpedient to expect anything better than the worst.

All these influences would not in themselves have caused sterling to weaken if it had not been for the rise in U. S. Treasury Bill rates. This rise was the delayed effect of the higher Federal Reserve Rediscount rates and its result was that it ceased to be advantageous to hold short-term funds in U. K. Treasury bills in preference to U. S. Treasury Bills. A fair amount of Continental funds must have been transferred from London to New York during the last few days.

Fortunate Rise in Forward Sterling

A redeeming feature of the situation has been the improvement of forward sterling simultaneously with the depreciation of spot sterling. At the beginning of this year the weakening of spot sterling was accompanied by a widening of the discount on forward sterling, precisely because the main cause was distrust in sterling. At present there are no signs of distrust. For this reason the forward sterling-dollar rate responded normally to the effect of the narrowing of interest differential between British and American Treasury Bill rates and also between Euro-dollar and Euro-sterling rates. Forward dollars were quoted in London for a short time virtually at par with spot dollars for the first time for many years, even though the premium reappeared with the recovery of spot sterling. Euro-dollar rates are still lower than Euro-sterling rates, but the difference has narrowed considerably.

The absence of official intervention except for a short time on Aug. 20 to prevent the depreciation of spot sterling seems to indicate that the authorities look upon the movement as a normal adjustment which need not be resisted. It is understood to be the official policy to confine intervention between support points to occasions when there is reason to believe that the movement is of a speculative character. In the absence of timely intervention such a movement is apt to be self-aggravating, so that by the time the authorities would have to intervene in order to prevent a depreciation beyond support point they might find themselves confronted with a major trend. There is no reason to expect such developments in the present instance. The transfer of some short-term funds from London to New York need not cause any major anxiety. All the authorities are likely to do is to encourage higher bill rates in London without raising the Bank Rate to that end.

Needless to say if, as a result of a further deterioration of the balance of payments and of further labor troubles, the pressure on sterling should persist, the authorities would have to intervene to hold spot sterling. It would not be surprising if, after a series of monthly increases in the gold reserve, the figure for August were to show a moderate decline.

Sees Dollar Concern Mounting

What matters is that there is no evidence of any sterling scare. The Annual Meeting of the International Monetary Fund next month is not expected with apprehension. Moreover, in view of the deterioration of the U. S. balance of payments, it is widely expected that before very long the foreign exchange market will lose interest once more in sterling and will focus its unwanted and unflattering attention once more on the dollar.

Federal Reserve Would Ease Loan Requirements

In identical letters to the Chairmen of the Banking and Currency Comimttees of the Congress the Board of Governors of the Federal Reserve System, has recommended legislation to broaden substantially the kinds of security on which credit can be advanced by the Federal Reserve Banks.

This action follows an extensive two-year review within the Federal Reserve System of the law, regulation, and pratcices governing member bank borrowing from the Federal Reserve Banks. The new legislation, if enacted, would do away with technical requirements regarding "eligibility" of collateral for such borowings that have become outmoded since the enactment of the Federal Reserve Act in 1913. Subject to regulation by the Board of Governors, the Reserve Banks would be authorized to make loans to member banks primarily based on the soundness of the paper offered as security and the appropriateness of the purpose for which credit is sought.

A copy of the Board's letter to the Chairman of each Banking and Curency Committee, explaining the desirability of this new legislation, may be obtained from any one of the 12 Federal Reserve Banks or from the Board of Governors in Wasington, D. C.

Economic Managers Please Take Heed

"Business indicators are helpful in judging the tone of current business and short-term prospects.

* * *

"If the analyst is aware of their limitations and alert to the world around him, the indicators do appear to provide useful guideposts for taking stock of the economy and its needs.

* * *

"Little is known about the factors determining the duration of expansions and contractions. There is no way of determining at about the time it occurs whether a decline in the leading indicators is signaling a lull, a minor setback, or a decline of sufficient depth and duration to be designated a recession.

"And there is no historical basis for forecasting during an expansion whether the decline which follows will be mild or severe.

"We are sometimes confronted with misleading signals, pauses in the underlying trends, variability in the performance of our most trusted series, shifts in attitudes arising from external events, and errors of measurement." — Julius Shiskin, Chief Economic Statistician of the U. S. Census Bureau.

To those economic managers in Washington who seem to live by every figure that proceeds from the pen of the statisticians we heartily commend these eminently sane comments by one of the leading producers of those governmental statistical compilations.

State-Local Taxes Moving Up

State and local governments in the United States collected \$43.5 billion in taxes during the 12-month period ending with March 1963. State tax revenue amounted to \$21.7 billion, and local taxes were slightly more, \$21.8 billion, according to U. S. Department of Commerce's latest compilation.

State-local tax collections were 7.5% greater in the first quarter of 1963 than in the same period of 1962. The trend was particularly marked for State taxes, up altogether about \$400 million, or more than 9% from the beginning quarter of 1962. First - quarter local taxes showed an increase of about \$240 million, or 5.4%.

Details of these aggregate figures may be obtained from the *Quarterly Summary of State and Local Tax Revenue, January-March 1963*, for sale by the Bureau of the Census, Washington, D. C. 20233, and U. S. Department of Commerce, Field Offices.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

What About Mutual Fund Contractual Plans?

Due to a recent report of the Securities and Exchange Commission, there has been an increased amount of criticism directed at Mutual Fund Contractual Plans. Certainly there can be no disagreement with the proposition that misrepresentations in the sale of these plans are injurious to the buyer and the seller. All misrepresentation by salesmen of any kind is reprehensible. Regarding the matter of acquisition costs, methods of pricing, and sales commissions, all we can say on that subject is, that unless the sales commissions are fair to the buyer and adequate to the seller, the product itself will not survive in the marketplace.

Let us look at Contractual Plans—at the PRODUCT itself. Is it needed? Is there a place for these plans in the investing and saving programs of the American people? Let us ask ourselves a serious question. "Are we helping our clients to achieve an important investment objective when we sell them a Mutual Fund Contractual Plan?"

If the answer is "yes," then let us continue to sell them. If there is a need for a revision of sales commissions that will be more fair to both the buyer and seller, let that come too. If there are salesmen who misrepresent these plans then let us weed them out of the business. But before we made a blanket indictment of an investment that has been acquired by over 1,000,000 frugal, saving Americans, once again I ask you, "Is it needed, do people need this investment — let us LOOK AT THE FACTS!"

People are living longer today. But despite this impressive list of savers, millions of our oldsters are living lives of quiet desperation after they have reached 65. You see reports of all the billions that are invested in fixed income type investments. Here is the way this money is now distributed:

12 Million people draw Social Security benefits.

14 Million people draw private pensions.

20 Million are depositors in Savings and Loan Associations.

40 Million own U. S. Savings bonds.

50 Million people have savings accounts.

104 Million hold Life Insurance policies.

Yet, out of all these millions, at age 65, 78.4% of all these saving, frugal, self-reliant Americans have an *income of less than $40 a week* on which to live. True, this figure does not deal with asset-ownership, but, *over 15% have no income at all* and have to depend upon charity, friends, relatives, or old age welfare assistance for every mouthful of food they eat. The actual figures taken from the latest United States census are as follows:

Annual Income of Persons Over 65

No income	15.1%
Less than $500	13.1
$500 to $999	26.9
$1,000 to $1,999	23.3
Over $2,000	21.6

Price Level Attrition

Now let us take another look at the picture. What has happened to the purchasing power of these fixed dollars that all our well meaning savers have been steadily putting aside so that they might be independent when they were too old to work . . . or when no one would let them work even if they wanted to do so? If you are in the investment business you surely know the answer . . . If you are a father who has a family to feet, children to educate, and taxes to pay . . . or if you are a housewife and a mother who has been going from store to store every week in order to stretch your budget dollar as far as it will go in order to feed, clothe and keep your family in the necessities of life, you know the answer, but here are some official U. S. Government figures, taken from the Bureau of Labor Statistics:

In 1947 a loaf of bread cost 12 cents it is 18 cents today, a college education was $4,000 in 1947 it is over $8,000 today, an average, six room, one family house could be bought for $10,000 in many communities. That same house will cost you over $16,000 today. You could go on and on from hair-cuts to men's shoes, from a quart of milk to the price of a postage stamp. So long as prices go upward and upward, then down and down goes the dollar. That same U. S. Bureau of Labor Statistics tells us that the 1947 dollar will only buy 74 cents worth of living necessities today. And, to some observers, the end is nowhere in sight. Millions in gold are leaving this country every year. Since 1947 we have lost $7,400,000,000 in gold that foreign governments have taken out of this country. In 1947 our gold stock was $22.9 billion, today it is $15.5 billion. Could there be some relationship between the constantly decreasing purchasing power of our dollar and these discouraging and alarming losses in our gold supply?

Could there also be some relationship between this constant decrease in the value of our money and the fact that between 1953 and 1962, our profligate, give-away, squandering government, paid out $28.6 million more than it collected in taxes . . . and this happened when our tax take was the highest it has ever been in the history of this country? Could this inflation in prices and the erosion of our dollar be caused by the fact that out of this $28.6 billion of deficits . . . $14.4 billion was financed by money deliberately created by our government through our banking system?

How Can a Saver Protect Himself?

Possibly there is no ultimate protection to a saver and a self reliant citizen of this country, if our nation persists in spending itself into a state of complete and utter financial and fiscal insolvency. But barring such a collapse . . . and hoping that someday there will be men at the head of this country who have some practical knowledge of the fiscal and financial management of our nation's income and outgo; what can a man do who makes a modest living, and who still wants to buy his own tobacco for his pipe when he gets to the age of 65?

He can invest in real wealth. He can invest in the wealth men create, He can *invest in American business;* in its great corporations, its mills, factories, service industries, mines, and institutions that serve all our needs; and that twice during the span of many of our lifetimes has saved the whole free world from domination by tyrants, and will do it again, if only given the chance to do so.

And he can do it at the rate of $25 a month, $50 a month or thousands of dollars a month. He can do it in accordance with his ability to save and invest. He can do it with CONTRACTUAL PLANS. He can avail himself of averaging his cost over a period of many years, and in this way he doesn't have to worry about outguessing the ups and downs of the stock market. He can acquire an investment in a cross section of common stocks, selected by professional investment managers, and supervised by them. He can also have some assurance that even if the dollar continues to go down and down and down . . . his investment may at least have some opportunity of going up and up and up. At least here is the record during the past 26 years . . . the same period when our dollar fell from $1 to 74 cents in purchasing power . . . but during this time the Standard and Poor's 500 stock average WENT UP 463%. The 500 common stocks making up that broad average actually appreciated in value 463% from 1947 to 1963 . . . this is the record of an investment in American industry *vs.* the record of our politically managed, United States dollar.

The figures tell the story . . . and now what about Mr. "Small Investor"? The little fellow who still believes he has a right to save and invest on his own, and take his own risks . . . what about him?

Here are Some More Facts

In the lifetime of the average man, assuming 40 years of work, he earns a fortune. This greatest asset is his earning power:

Weekly Average Pay	You Will Earn
$100	$208,000
125	260,000
150	312,000
200	416,000
300	624,000
400	832,000

Yet, despite these impressive lifetime earnings (remember the figures are direct from U. S. Government sources) 78.4% of all those people now living at age 65 have incomes of less than $40 per week. What happened to all this money? Taxes took a lot of it. Living expenses took the rest. But actually none of these people wanted to end up after a lifetime of toil with a meagre pittance upon which they could eke out their existence when retirement time came. What did happen? Most of them had no plan for saving and investing . . . others put it off till tomorrow . . . millions put their savings into investments that did not grow. They did it the "DOLLAR WAY." This is what happened to their investments when they erroneously thought they were using the most conservative form of investment for their savings. Unfortunately for them it turned out they assumed one of the greatest risks that any citizen of this country could have undertaken at that time . . . they invested in the United States dollar.

	Buying Power 1940	Investment Income	Dollar Value	Buying Power Jan. 1960
Cash	$10,000	None	$10,000	$4,770
3% savings account	10,000	$8,140	18,140	8,660
3½% high grade bonds	10,000	10,010	20,010	9,560
4% interest	10,000	12,080	22,080	10,550

The foregoing table has been computed with interest compounded semi-annually. Today the $10,000 that you might have put aside in your bank box (in 1950), or even if you buried it in a tin can in your back yard, will only buy $5,300 of food, clothing and shelter. The worst thing you can do with money is NOTHING, and on the record of the past 30 years the next worst thing you can do with it is to put it into dollar investments. The hazard of decreasing purchasing power is still with us, and it has not been said by any responsible authorities who are familiar with our government's fiscal policies, that there is the slightest chance of a change in the outlook for the dollar's stability in the foreseeable future.

Not Enough

No one is going to deny that a sound investment program must start with cash savings — for emergencies and rainy days; and life insurance if you die too soon. But certainly, on the record, these investments are not enough. The average hard working, self reliant man needs a plan that he can conveniently and REGULARLY use to acquire an interest, and an INVESTMENT in American industry. An investment in the real wealth of this country . . . if you will . . . not its paper dollars . . . or the siren songs of its politicians. And he needs a CONTRACT THAT WILL MAKE HIM STICK TO THAT PLAN THROUGH "H" AND HIGH WATER. Everything we buy in this life is bought with a contract . . . either verbal or written. We buy our insurance this way . . . if we don't keep up the payments we lose the benefits. We buy our cars this way . . . if we don't make the payments we lose the car. If you rent an apartment you contract to pay your rent or you get out. And if you don't pay your income tax you'll either pay . . . or else. Mortgages on homes must be paid, installment purchases of televisions, radios, household appliances, and even trips to Europe are bought through contracts . . . and it is pay or back goes the television.

The most important purchase a man can make is an investment in HIS OWN FUTURE. That means paying himself first. That means making A CONTRACT TO PAY FOR YOUR OWN FUTURE. After you pay yourself, then pay for all those other things that everyone else is trying to sell you. People get so busy making a living, raising a family, paying for gadgets, trips, vacations, educations, doctor bills, and taxes, that they forget that THEIR OWN PAY DAY SHOULD COME FIRST. Otherwise there is going to be a day when millions more will join the 78.4% living at age 65 who have less than $40 a week on which to live. And will you please answer this one question . . . honestly . . . how far do you think $40 a week is going to take you ten years from now . . . or 20 years from now . . . the way our dollar is depreciating in purchasing power?

So there is the story . . . sketchy and far too brief . . . but you can summarize it any way you wish, it still adds up to one conclusion . . . the man who can save $25 a week and up, had better buy a CONTRACTUAL PLAN *with teeth in it that will make him pay himself first* . . . one that is going to give him at least a fighting chance to accumulate sufficient capital when he comes to the day when he must retire, so that he can say—

"I am now 65 years of age—

I have worked for 40 years—

My total income during that period was $———.

My investments now allow me to live so that I don't have to rely upon my children, the state, or anyone else, and I have the most important possession in the world . . .

My own peace of mind and my own DECLARATION OF INDEPENDENCE.

I CAN PAY MY OWN WAY."

Lone Star Gas Debs. Offered

The First Boston Corp., New York, as Manager of an underwriting syndicate, has announced the public offering of $35,000,000 Lone Star Gas Co. 4⅜% sinking fund debentures due Sept. 1, 1988, priced at 100% and accrued interest to yield 4.375% to maturity.

Award of the issue was won by the First Boston group at competitive sale Aug. 27 on its bid of 99.38% which named the 4⅜% coupon.

An annual sinking fund, which commences Sept. 1, 1968, will be sufficient to retire $1,250,000 principal amount of debentures annually and is calculated to retire a minimum of 71% of the issue prior to maturity.

The new debentures are not redeemable at an interest cost to the company of less than 4.375% prior to Sept. 1, 1968. Otherwise they are redeemable at regular redemption prices ranging from 104.38% to 100%; and, beginning Sept. 1, 1968, for the sinking fund at the principal amount.

Net proceeds will be used to pay $5,000,000 of short-term bank borrowings and to prepay without premium the existing $5,000,000 balance of long-term bank borrowings due March 15, 1965. The remainder will be applied to the 1963 construction program, estimated to require approximately $15,000,000, and the balance will be added to working capital.

Headquartered in Dallas, Lone Star Gas owns and operates interconnected natural gas transmission lines, gathering lines, compressor stations, gasoline plants, distribution systems and related properties through and by which it presently transports and distributes natural gas to approximately 900,000 customers in portions of Texas and Oklahoma.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Washington Natural Gas Company

Washington Natural Gas, with $26 million annual revenues, serves the cities of Seattle and Tacoma and some 37 other communities in the Puget Sound region of Washington. Originally a manufactured gas company, it merged with Seattle Gas in 1955 (whose business dated back to 1904). Major growth has occurred since conversion to natural gas was completed around the end of 1956. Northwest Natural Gas and Washington Natural Gas, both receiving their supply from El Paso Natural Gas' pipelines, are the principal gas distributors in the Pacific Northwest, and both have enjoyed rapid growth. Washington Water Power also acquired some gas properties in 1958.

Washington Natural Gas' revenues have more than quadrupled in the past decade. Share earnings showed little net change during the 1952-57 period, remaining in a range of 36-48c, but since 1957 have increased rapidly from 37 cents to $1.73, as indicated in the table below. The common stock of the present company has been in the hands of the public since 1956. Incidentally, it is one of the few companies to have warrants outstanding, covering the purchase of 21,000 common shares at $20 each and good to November 1964.

The entire system covers a 125 mile area and is interconnected with the exception of the Centralia-Chelhalis area. The area includes five counties, the population served approximating 1,588,000, about half the state's total. Revenues are about 40% residential, 27% commercial and firm industrial, 32% interruptible, and 1% miscellaneous. Saturation of the heating load is now over 78%, despite some competition from cheap electricity. Stone & Webster Service Corporation has furnished consulting and advisory services since 1950 under contract.

The company has been expanding its service area and last year received a franchise to extend its system into another community, Steilacoom. The unincorporated but certificated service area was also enlarged to serve a growing population. New customers are being added at the rate of about 13% a year. The substantial volume of interruptible gas sales maintains the summer gas sendout at a good load factor. However, underground storage would improve earning power by upgrading sales and the company is engaged with El Paso Natural Gas and Washington Water Power in studying the feasibility of developing underground storage in the Jackson Prairie section of southwestern Washington.

Industrial use of gas is continuing to gain, important new customers last year being Pacific Lime Co. in Tacoma and the Isaacson Iron Works in Seattle; the latter producer of quality steel products began conversion to natural gas fuel with gas-fired heat-treating furnaces and other industrial equipment.

Promotional Progress

The company conducts an agressive promotional program, with cooking demonstrations on television; as a result twice as many gas ranges were sold in 1962 as in the previous year. The commercial use of gas for air-conditioning was also more than doubled in 1962. Nearly 2,000 heating units were installed as the result of the company's conversion burner rental plan. New records in the number and dollar value of appliances sold were set last year by special advertising, promotions with cooperating dealers, and mailing of sales literature. As the result of the combined efforts of the company and the dealers, a total of 22,600 gas appliances with a total value $8,500,000 were installed in 1962; and the past five years some $33 million of appliances were purchased.

The company has an active construction program and is building new headquarters buildings in Seattle and Tacoma. Construction expenditures last year exceeded $10 million and this year will approximate $13 million. Last year internal cash provided $2.7 million and outside financing $7.4 million in funds. $5 million preferred stock was placed with institutional investors and about $3 million was borrowed under a new $10 million bank credit agreement. In May 1963, $10 million 4⅝% 1st mortgage bonds were also placed privately with institutions and were used to retire bank loans and to finance current construction. As of March 31 this year the equity ratio was 38%, but sale of the new bonds would probably reduce the ratio moderately.

Last year's revenue gain of 17% reflected the rapid increase in the number of customers as well as the favorable impact of the Seattle World's Fair on the economy of the Pacific Northwest. Weather did not show much change, there being 4% more degree days during the heating season. Depending on weather conditions in the fourth quarter this year, another good increase in share earnings is expected. Earnings for the 12 months ended June were $1.85 and might reach $1.90 for the calendar year, it is estimated, compared with last year's $1.73.

Part of the very rapid gain in share earnings in recent years (see table) has been due to the use of flow through of tax savings from accelerated depreciation (the 3% tax credit was normalized). However, even with allowance for this factor, the record seems excellent. The stock has been selling in the over-counter market recently around 38, or at about 20 times estimated 1963 earnings. The yield based on the recently increased $1.24 dividend rate is 3.3%.

Year	Revenues (Millions)	Common Stock Record* Earnings	Dividends	Approx. Range
1962	$26	$1.73	$1.12	37-31
1961	22	1.55	1.04	34-26
1960	20	1.45	1.00	27-20
1959	18	1.39	*	21-16
1958	14	0.66	*	17-10
1957	11	0.37	*	14- 9
1956	7	0.40	0.09†	16-12

*Stock dividends of 5% in 1959 and 4% each in 1958 and 1957 were paid.
†Also 1/70th of a share of Pacific Northwest Pipeline common.

Straus, Blosser Merging With Dempsey-Tegeler

Jerome F. Tegeler, President of Dempsey - Tegeler & Co., Inc., 1000 Locust Street, St. Louis, and Frederick W. Straus, senior partner of Straus, Blosser & McDowell, 39 South La Salle St., Chicago, jointly have announced plans for consolidation of their respective investment banking firms on or about Oct. 1, 1963. Both organizations are members of the New York Stock Exchange.

Jerome F. Tegeler

Mr. Straus and Mr. Tegeler stated, "As individuals and as firms, we have known each other for many years, and have been associated in underwriting and secondary distribution. Therefore, this consolidation of experience and facilities is a natural outgrowth of our close association. We believe the time has come to join forces in a move that is extremely desirable to both of our organizations and advantageous to our many clients, coast to coast. Our potential as a combined unit will accelerate our steady growth and provide a more complete range of service to investors."

The consolidated operation will use the Dempsey-Tegeler name and will operate 68 offices in 20 states, with a staff of 1,172 people, making it one of the 10 largest brokerage firms in the country.

Frederick W. Straus will be a senior Vice-President of Dempsey-Tegeler & Co., Inc. Milton J. Isaacs, H. John Ellis, Jr., Homer L. Grossman and Charles P. Schwartz, Jr. of Chicago, and Edwin Mercier and Minton M. Clute of Detroit will be Vice-Presidents. Messrs. Straus, Isaacs and Ellis will also serve as directors.

The consolidated firms will be members of the New York Stock Exchange, American Stock Exchange, Detroit Stock Exchange, Midwest Stock Exchange, Pacific Coast Stock Exchange, Salt Lake Stock Exchange, as well as the Chicago Board of Trade.

J. H. Gober Opens

MIAMI, Fla.—John H. Gober is conducting a securities business from offices at 8340 Northeast Second Ave. under the firm name of John H. Gober & Associates.

Now Corporation

MACON, Ga.—Clisby & Co., 2360 Ingleside Ave., is continuing its investment business as a corporation. Officers are Joseph R. Clisby, President; Raymond H. Smith, Executive Vice-President; Louis S. Philhower, Jr., Vice-President; and Eugene H. Killen, Secretary and Treasurer.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The near-term maturities of the government mainly Treasury bills are attracting as many buyers as ever and if it were not for these purchasers of the most liquid Treasury issues the yield on these obligations would most likely go up to higher levels. Because of this the credit policies of the monetary authorities and the debt management policies of the Treasury have had to be somewhat more vigorous in keeping the yield on short-term issues high enough so that the readily transferable funds would continue to stay here. Higher short-term rates while favorable to our balance of payments problem have not been unfavorable to the buyers of near-term issues either. An expanding business pattern had been expected by most money market specialists to bring with it moderately higher near-term rates. This rise in rates should be taken pretty much in stride by the economy as long as it is only a modest one.

The new money raising bonds, namely the 4% due Feb. 15, 1988/1993 and the 4⅛% due May 15, 1989/1994 are the bellwethers of the long-term bond market, because indications are that these two very high-grade obligations are being put into investors portfolios in increasing amounts. It is reported that pension funds, both public and private ones, are making sizable commitments in these two capital market issues not only because the yield is favorable, but also because there is very little or no premium involved in these purchases of the best bonds in the market. It seems as though the buyers of investment obligations may be coming to the conclusion that a long-term Treasury bond with a yield in the neighborhood of 4% or just a bit better is a very worthwhile piece of merchandise. Also it is believed in many quarters of the capital market that the Treasury will not be making a new money raising offer of a long-term bond for quite a while. This should have favorable influences on the capital market as a whole. Also when as and if another long-term government bond does come along for new money purposes it is not likely to offer investors a great deal more favorable yield than is now available in the open market, unless the balance of payments problem worsens or there is a return of the boom and bust psychology which accompanies inflationary developments.

Even though there are several government bonds which give investors a better yield than the 3% of 1995, it is among the leading issues in the long-term bond market. This is not a new development because this particular issue has been a long time favorite of the buyers of the highest quality income bearing obligations. In this instance also it is the public pension funds which have been keeping the 3's of 1995 right up there among the favorites in the capital market. The 3½% due 1998 also seem to be attracting buyers of the type who have made the 3's of 1995 one of the outstanding obligations in the long-term Treasury bond list.

The medium-term bond buyer, according to reports, is getting more and more interested in the new 4% of 1970, the 4s of 1972, the 3⅞s of 1974 and the 4s of 1980. It appears as though the yield that is obtainable in these several government bonds is attractive to those investors who are interested in the highest quality available but do not want to make commitments in the longest maturity issues. It is indicated that certain of the long-term corporate bonds have been sold and the proceeds have been or are being put to work in the medium term government bonds.

The intermediate-term Treasury obligations are not without their spot in the limelight even though the shortest and the longest government obligations seem to get most of the publicity. Nevertheless, reports indicate that sizable amounts are being invested in the 1965 and 1966 maturities with the somewhat ill-fated issue the 2⅝% due Feb. 15, 1965, now among the middle-term obligations getting the investment treatment. Selected obligations coming due in 1967 and 1968 are also being bought by institutional investors, evidently for maturity distribution reasons. Again it is indicated that some of the proceeds from the sale of tax-exempt bonds are being invested in these intermediate-term issues.

The government has changed its system of offering the 12 month Treasury bill from a quarterly to a monthly basis (Commencing with last Tuesday, Aug. 27, 1963). It is indicated that $1 billion of these bills may be floated at the end of each month so that in this way some new money will be obtained while at the same time pressure will be kept on near-term interest rates.

Russell Mills Stock Offered

Hornblower & Weeks, New York, as Manager of a nationwide group of 44 underwriters, has announced the first public offering of 300,000 common shares of Russell Mills, Inc. at $12 per share.

Net proceeds to be received by the company will be used to retire debt and for the acquisition of capital equipment, including machinery for the production of cotton fiber from cotton waste.

Russell Mills, Inc., formerly The Russell Manufacturing Co. of Alexander City, Ala., is a cotton textile manufacturer of athletic wear, knitted underwear and sweat shirts for men and boys, sleepwear for children and knit and woven cloth. Athletic wear, sold nationwide under the trade name "Russell Southern," includes the "tear-away" football jersey developed by the company.

Two With May Co.

PORTLAND, Oreg.—Ronald L. Adkins and Jimmie C. Murrell are with **May & Co., Inc.,** 618 Southwest Yamhill Street, members of the Pacific Coast Stock Exchange.

The Market . . . And You

BY WALLACE STREETE

With a threat of a nationwide railroad strike to ponder as this week dawned, stocks turned in an uncertain performance which was understandable under the circumstances.

What it did do, however, was to stalemate the industrial average when it was within easy reach of its year's peak. What the technical significance of a new peak would mean was well submerged in the psychological implications.

To Wall Street a new peak for this closely-watched, if occasionally faulty barometer might mean a return to the stock market of the general public that so far has been largely missing ever since their high hopes were so severely jolted in the market break of May, 1962.

Earlier in August both the utility and rail averages—and the composite one, too, for that matter—were busy forging into new high ground for the year or longer. But these sections don't have the emotional impact on the public that the industrial average seems to exert.

New Peaks Expected

The overwhelming consensus in the Street was that a new high, sooner or later, was all but inevitable, unless the rail strike materialized and did considerable damage to the economy. And the thinking was that the nation's leaders couldn't tolerate any protracted shutdown.

So the holiday that usually stirs up apprehension, Labor Day, was in a different light this year. The more or less normal market letter prediction was for a new high in the industrials "soon after Labor Day."

Labor Day's ominous standing was built up over the years because there have been market reactions once the holiday was over and fall business prospects became more clear. That was not the case in 1961 and it wasn't until May, 1962 that the market broke after the industrial average had pushed to successive new all-time peaks both in November and December.

Last year's Labor Day experience was a drop in the industrial average from above 600 to below 570. The protracted rally didn't set in until October after the nation's firm stand in the Cuban crisis.

And to wind up the historical inconsistencies as far as selected dates are concerned, the recovery peak for the average this year was bracketed around the Memorial Day holiday which had been so unhappy an occasion a year earlier.

The debate that was active centered around which groups would pace the expected new advance when the second leg upward does start. Top quality items did most of the work in the October-May upturn. Whether they have had the required rest to enable them to take off again, or new leaders were needed, was far from clear.

New Plateau for Auto Industry

With the top name General Motors and Chrysler working to highs during the summer lull, one clan was predicting that the auto business has reached a new permanent plateau of seven million car production years which could mean higher price-earnings ratios than have prevailed for auto issues in recent years.

Yields are not of much help in the auto picture. General Motors, which believes in sharing good times with its holders, is expected to fatten its payout this year in some fashion. Chrysler's $1 payout, while representing a doubling of the token payment maintained before the stock split, is also expected to be doubled or more. Ford's payment, too, is expected to be improved eventually.

In fact, the dividend news in the coming year-end meetings is expected to make good reading in the face of corporate profits running at record levels in so many cases.

Interest in Drugs

In the drug section, the proposed merger of G. D. Searle and Abbott Laboratories was keeping interest in both high since it would be a combination of two-non-competitive product lines and presumably would retain the listing of Abbott on the New York Stock Exchange. Searle currently is dealt in the counter market.

Here, too, there is a dividend improvement in prospect if the merger is approved. A combination of common and convertible preferred stock would be utilized to effect the merger. In the case of Searle, the combined dividends on the common and preferred received in the exchange would indicate a payout some 40% higher than Searle's current $2 payment.

That would go far not only to justify Searle's 50-point price appreciation this year but to give it a better yield basis than the nominal one it shows currently. Much is being made of the superior results being shown by Searle recently that make it perhaps the fastest growing ethical drug company and helps minimize the current high price-earnings ratio. At recent prices the shares were selling at 35-times the indicated results for this year.

Oils Improve

Oils were showing improved market action and, in fact, were able to loom prominently on the plus side in hesitant markets otherwise. Sinclair, a long-neglected item, even when other oils were slowly but steadily pushing higher in recent months, finally came to life to appear prominently on new highs lists. Sinclair is also a prospect for dividend improvement since earnings projections for this year come to around double the present dividend rate.

The seesaw action was provided by the two razor companies in the stainless steel blade fight. Gillette has been uncertain and confusing about getting on the market with a competition item for the blades of Eversharp and the British firm that started the commotion.

But the company finally announced it was set to introduce its version in the key areas of New York and Philadelphia next week and spread distribution rapidly to nationwide coverage by October. With half a million retail outlets in prospect, the stock became a trading favorite at least momentarily, and made its mark on the new highs list.

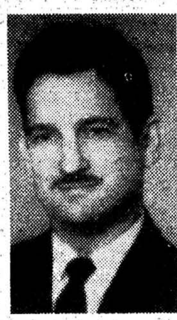
Eversharp was the unhappy stock at the prospect of this added competition. It fell back with determination since Gillette has announced that the price for its blades will be slightly lower than the competition. And the introduction by Gillette will be backed with the heavy promotional effort it can stage with its extensive coverage, widespread public interest, in the World Series.

There were reservations in some quarters but only because at this stage the entry of Gillette into the new field is far from proving that it will win a dominant position in a rush. But the company is noted for large profit margins and presumably the introductory expenses can be absorbed without impairing this profitability too much.

[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.]

Banco de Ponce Brooklyn Branch

Banco de Ponce, one of the leading banking institutions in the Commonwealth of Puerto Rico, with 18 offices there, is opening its third branch in the New York Metropolitan area Aug. 29 at 28 Graham Ave., in the Williamsburg section of Brooklyn, Ugo J. Lisi, Vice-President, in charge of New York operations, has announced. Miguel A. Montenegro, who has served as Assistant Manager of the Bronx Branch, will be Manager of the new Brooklyn Branch. Mr. Montenegro has been with Banco de Ponce for many years, first in Puerto Rico, and in New York since 1946 when the bank had an office here as an agency.



M. A. Montenegro

"The establishment of the Brooklyn Branch," Mr. Lisi said, "is to keep pace with the expansion of the Puerto Rican and Spanish speaking communities of our City and to meet their banking needs which result from improved standards of living. We have demonstrated the usefulness of our banking facilities by our progress and substantial growth in the New York area. Spanish speaking people in the areas we serve want a bank where they can communicate easily and feel free to talk about their personal and financial problems."

The condensed statement of condition for Banco de Ponce, as of June 30, 1963, shows deposits of $110,764,847, compared to $85,577,118 for the same period a year ago, an increase of 29.4%. Resources are $122,556,069, against $94,902,694, an increase of 29.1%.

Ballough Incorporates

DAYTONA BEACH, Fla.—Gerald P. Ballough & Co., 321 Orange Ave., is now doing business as a corporation. Gerald P. Ballough, formerly principal, is now President and Treasurer, and Arthur Ossinsky is Secretary.

MUTUAL FUNDS

BY JOSEPH C. POTTER

Oriented to the Customers

Watchdogs of Washington and Wall Street over the years have scrutinized and criticized the mutual-fund trade, so that by now its flaws, shortcomings and sins must be known to anyone who cared enough to read the published accounts. And, of course, the press, and properly so, has not been reluctant to toss an occasional brickbat.

Good deeds, public service, diligent pioneering, unquestioned integrity — these aspects of the fund community get scant attention. After all, they capture few headlines.

There is, as an example, the stock of John Nuveen & Co., which has dealt in tax-exempt public bonds since 1898. This kingpin of the tax-exempt field has carved out a fund niche for itself through the Nuveen Tax-Exempt Bond Fund.

Its Vice-President, Frank P. Wendt, tells us: "Somewhere between 75% and 90% of the investors who purchase the fund are entering the tax-exempt bond market the first time. We feel this will serve to broaden the market for the substantial volume of public funds which will be marketed during the next decade."

This, as Mr. Wendt acknowledges, "is the first new merchandising vehicle which we have had in our specialized tax-exempt bond market in many years."

If the typical investor of modest means has difficulty in understanding the stock market, then bonds are utterly beyond him. As Mr. Wendt says: "The average individual investor finds it very difficult to understand the complex municipal bond market and is generally overwhelmed by such terms as yield, call prices. . . . Also the fact that municipal bonds cannot be quoted daily due to the overwhelming amount of issues and maturities outstanding makes it difficult for the average investor to appreciate the advantages of this type of security."

This department holds no brief for Nuveen's fund. After all, people with two-thirds of a century of know-how in this highly specialized field are well able to speak for themselves.

"Nobody Likes Mutual Funds, Except the Investors"

But this department does feel strongly about the basic ideas of the fund trade.

There is no way to prove that the emergence of the funds spared a generation of Americans the wounds that were inflicted — sometimes mortal wounds, at that —on their fathers. And even if it could be proven, the men who built the fund concept to its present mighty status probably wouldn't be heroes anyhow. Heroes win wars — they don't prevent them.

Still, fund folks would rather be known as hard-headed than heroic. The Affluent Society developed a breed of people who came into more money than they knew how to invest. A vacuum existed and fundmen filled it.

It has been said—sometimes not without malice—that nobody got rich buying mutual funds. And nobody got poor either or even found himself with a worthless stock certificate.

What the funds have to offer are professional management and a share of a diverse portfolio that no man of even considerable means could hope to acquire. There are funds for the family that wants to build a nest-egg for old age, for the kids to go to college and for the inflation offset. And there are funds for the young people who, because they do not want for income, seek the long-term capital gain. And there are funds for folks in the high tax bracket who turn to Nuveen.

Fundmen are very much aware of the record and are understandably proud, which doesn't make the continuing criticism easier to take. They also are aware that theirs is a life-in-a-goldfish bowl existence and they wouldn't change that, even if they could. As one thick-skinned investment manager put it: "Nobody likes the mutual funds, except the investors."

The Funds Report

American Growth Fund reports that at the end of the fiscal year on July 31 net assets totaled $3,599,058. Asset value per share was $6.09, against $5.08 at the end of the prior fiscal year.

Chase Fund of Boston announces that during the three months ended July 31 it bought Amerada, Ethyl Corp. Class B, Getty Oil, Nickel Plate and increased holdings of Western Airlines, Tokio Marine & Fire Insurance, Raychem, Pan American Sulphur, National Cleaning Contractors, Litton, Liberty National Life Insurance and Leaseway Transportation. Over the same period it eliminated Alsacienne De Constructions Mecaniques, American Smelting & Refining, Capital Cities Broadcasting, Lockheed, Newmont Mining and Xerox.

Convertible Securities Fund reports that at June 30 net assets totaled $5,435,059. On June 30, 1963, asset value was $7.92 a share, against $7.58 at the beginning of the year.

Consolidated net earnings of **Wellington Management Co.** for the nine months ended July 31 totaled $1,004,689, equivalent to $1.11 per share of common stock, President Joseph E. Welch announced. Earnings for the comparable period a year ago, representing the first nine months of the fiscal year, were $1,023,565, or $1.13 per share.

Paine, Webber To Admit Toerge

Effective Sept. 1, Norman K. Toerge, Jr. will become a partner in Paine, Webber, Jackson & Curtis, 25 Broad Street, New York City, members of the New York Stock Exchange and other leading Exchanges. Mr. Toerge, a member of the New York Stock Exchange, was formerly a partner in Goodbody & Company.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Hearings before the Senate Foreign Relations Committee belie the rosy prospects that have been predicted for the nuclear test ban treaty. While it probably will be passed in the end, its final passage is becoming more like the League of Nations fiasco. The issue of national security should the treaty be ratified, has raised its head sharply as military and scientific experts have testified before the committee.

Back in 1919, when President Woodrow Wilson submitted the League of Nations Covenant to the Senate, after the close of World War I, it appeared at first blush it would be ratified by the Senate, along with the Versailes Treaty, by a considerable vote. Peace was popular then, as it is today. But a group of Republican and Democratic Senators turned their guns on the covenant in the Senate debate, claiming that article 10 committed this country to go to war in defense of any of the signatories if they were attacked—that our independence of action would be destroyed. The treaty foundered on the rock of "reservations." The danger, if there is a danger, to the test ban treaty, may lie in the same direction, not merely because of opposition by President Kennedy, but because as the administration sources have said, any such changes might cause the Russian Soviet Government to retreat from its present agreement.

Goldwater—Borah's Successor

In 1919, among the unyielding opponents of the League Covenant was a Republican Senator from a Western State (Idaho)—William E. Borah, an independent always. Today, another Republican Senator, Barry Goldwater of Arizona, as independent in his way as was Senator Borah, is still to be convinced that he should vote for the test-ban treaty—or oppose it. He has voiced grave doubts about the treaty, on the ground that it might tie our hands in building our national defense. As he said: "Unless I am persuaded that the political gains from this treaty more than offset possible losses, in military terms, to our national defense, I don't see how I can vote to ratify, I am still keeping an open mind."

Much may depend upon Senator Goldwater's decision. He has been and still is regarded as the leading candidate, though unannounced, for the Republican presidential nomination next year. Governor Rockefeller of New York, who has been doing his best to sink Senator's chances of nomination, has declared for ratification of the test-ban treaty—even before the hearings on the treaty began. He coupled with his support of the treaty, however, a considerable list of mental reservations, not unlike those which have been expressed by Senator Goldwater and some of the witnesses before the Senate Foreign Relations Committee.

Should Senator Goldwater vote against ratification of the treaty, or for crippling—in the eyes of the Kennedy administration—reservations, where would it leave him politically? The Arizona Senator is not one to let personal political gain outrun his determination to keep the United States safe in this atomic age, any more than was Senator Borah in his day, long before nuclear weapons had been developed.

Senator Borah often was importuned to run for a presidential nomination. He never did, until 1936, when he made the race "to give Republicans an opportunity to vote for a progressive." He was 71 years old at the time, and had been an outstanding member of the Senate for 31 years. Senator Goldwater, 54 years old and a Senator 10 years, has caught the imagination of moderate and conservative Republicans, of independents and some Democrats. It is their hope to vote for a conservative and for Senator Goldwater.

Many Senators have become confused by the strongly opposing testimony given before the Foreign Relations Committee, and it is still impossible to reckon closely the ultimate vote.

Midland Securities Merges With Osler, Hammond

TORONTO, Canada—The largest East-West merger ever to take place in Canada between two investment companies has been officially announced.

Midland Securities Corpn. Ltd., which has 10 offices located in Eastern Canada and New York City, is merging with the investment securities division of Osler, Hammond & Nanton Limited, which has seven offices throughout Western Canada and one in Toronto, under the new corporate name of Midland-Osler Securities Limited.

Officials of both companies say the scope of each firm's operations makes this the only East-West merger of such a magnitude in Canada's investment history.

Although both companies are comparable in their investment business operations, the type of work undertaken by each was not competitive. Both companies have been prominent in the investment and brokerage field in their respective parts of the country.

The new company will continue to transact business in each of its 17 offices located in the following centers: London, Toronto, Sault Ste. Marie, Kitchener, Hamilton, Brantford, St. Thomas, Sarnia, Montreal, and New York City; Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver and Victoria, and will service a clientele totaling approximately 20,000.

Chief executive officers of the new securities company will be: Douglas B. Weldon of London, Ont., honorary chairman; Gordon P. Osler of Winnipeg, chairman, and E. M. Kenendy of London, Ont., president.

The new company will have membership in all six of Canada's stock exchanges, The Investment Dealers' Association of Canada, The Investment Bankers Association of America, and the Winnipeg Grain Exchange. It will have a total staff of about 250 and will rank as one of the larger investment companies in Canada.

Its functions will include the underwriting and distribution of all types of Canadian Government, provincial, municipal and corporation securities; and through its exchange memberships will offer complete stock brokerage and portfolio management services. A fully-equipped research department will also be available to clients of the new firm.

Osler, Hammond & Nanton, Limited, with head office in Winnipeg, was founded in 1883 by E. B. Osler, H. C. Hammond and A. M. Nanton, just prior to the completion of the Canadian Pacific Railway trans-continental line.

Midland Securities Corp. Limited was formed in 1925 with its head office in London, Ont. Following the Second World War, a branch office was established in Montreal, and this was followed by the opening of a number of offices in various Ontario communities. In 1956, a New York affiliate, Midland Canadian Corp., was formed.

Both Osler, Hammond & Nanton and Midland Securities played an active role in Victory Loan campaigns in the Second World War, and have also taken an important part in the distribution of all the issues of Canada Savings Bonds.

The operations of the Insurance Division and other departments of Osler, Hammond & Nanton Limited will not be affected by the merger.

Cleveland Bond Club Fall Party

CLEVELAND, Ohio—The Bonds Club of Cleveland, composed of top executives of Cleveland Banks and brokerage firms, will hold its annual invitation fall party, "Corporate Year," for two days, Sept. 5 and 6.

Investment bankers and syndicate managers from prominent brokerage firms in New York, Chicago and Philadelphia have been invited to attend the two-day banker's holiday along with Bond Club members, according to President H. Leonard Flynn (McDonald & Co.).

Entertainment highlights include golf and tennis at both Westwood and Kirtland Country Clubs, dinner Thursday night at the Clifton Club, breakfast Friday at the MidDay Club and dinner Friday at Kirtland Country Club. Friday's breakfast is sponsored by the National City Bank of Cleveland.

Chairman of the fall party is William S. Gray (Merrill, Turben & Co., Inc.) and Vice-Chairman is Bruce B. Ranney (Ball, Burge & Kraus).

Other officers of the Bond Club, in addition to President Flynn, include Vice-President William E. Carmel, (Field, Richard & Co.); Secretary Richard W. Cook (Prescott & Co.); Treasurer Thomas Summers (Fahey, Clark & Co.; and Governors William J. Clutterbuck (Cleveland Trust), Donald M. Hosford (Salomon Brothers & Hutzler), Boynton D. Murch (Murch & Co.).

New Winchester Office

MEADVILLE, Pa.—Winchester Securities Corporation has opened a branch office at 970 Park Ave. under the management of F. George Welsh, Jr.

NEWS ABOUT BANKS AND BANKERS

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

The **Manufacturers Hanover Trust Co., New York,** elected Leslie E. Oland, Randolph D. Sites and John L. Tittle Vice-Presidents.

* * *

The **Bankers Trust Company, New York,** announced the opening of the bank's new Rockville Centre Office. Located at 301 Sunrise Highway, Rockville Centre, Long Island.

Robert W. Stahl has been appointed Manager. He was formerly Manager of Bankers Trust's Bayside Office.

* * *

Banco de Ponce, Puerto Rico, is opening its third branch in the New York metropolitan area Aug. 29 at 28 Graham Avenue, in the Williamsburg section of Brooklyn, Ugo J. Lisi, Vice-President, in charge of New York operations, announced Aug. 28.

Miguel A. Montenegro, who has served as Assistant Manager of the Bronx Branch, will be Manager of the new Brooklyn Branch.

* * *

The **Meadow Brook National Bank, West Hempstead, N. Y.** elected Douglas H. Ball, Adolph Breiner, Jr. and William J. Lemmermann Senior Vice-Presidents.

* * *

The **National Bank of Westchester, White Plains, N. Y.** elected Stephen A. Matuszak, a Vice-President.

* * *

The **Central-Penn National Bank, Philadelphia, Pa.,** elected H. Merle Mulloy a Director, succeeding Joseph A. Fisher, who retired.

* * *

Plans for a proposed merger of **The Hallwood National Bank, in Accomack County** with **The Bank of Virginia, Richmond, Va.,** will be submitted to special meetings of Stockholders on Sept. 20, according to announcement Aug. 22.

The Hallwood National Bank has total resources of $5,119,000 by June 30 statement of condition. The Bank of Virginia has total resources of $188,823,000.

Directors of both banks have approved the step. Merger is subject to approval by banking authorities.

Stockholders of The Hallwood National Bank would receive 5.7 shares of stock of Virginia Commonwealth Corporation in exchanged for each share of bank stock owned.

* * *

The Comptroller of the Currency James J. Saxon on Aug. 29 approved the application to merge the **Campbell County Bank, Rustburg, Va.,** into the **Lynchburg National Bank and Trust Company, Lynchburg, Va.,** effective on or after Aug. 30.

* * *

The Comptroller of the Currency James J. Saxon announced on Aug. 23 preliminary approval of an application for the organization of a National Bank in Fredericksburg, Va.

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

* * *

The Comptroller of the Currency James J. Saxon on Aug. 21 approved the application to merge **The Hilliard Bank, Hilliard, Ohio,** into the **City National Bank and Trust Company of Columbus, Columbus, Ohio,** effective on or after Aug. 28.

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Stockholders of the **American National Bank and Trust Company of Chicago, Ill.,** approved a 10 shares for one stock split, increasing the bank's outstanding shares to 1,000,000 and reducing the stock's par value of $10 per share.

* * *

The Chatham Bank of Chicago, Chicago, Ill., was placed in liquidation Aug. 23 by Joseph E. Knight, Illinois Director of Financial Institutions. Mr. Knight appointed the Federal Deposit Insurance Corporation as receiver, an appointment accepted by the corporation. Mr. Knight closed the bank yesterday morning for "examination, reorganization, or liquidation."

The corporation will begin payments of insured deposits up to $10,000 for each depositor, as soon as possible. Normally, payments begin in about 10 days.

* * *

The Comptroller of the Currency James J. Saxon on Aug. 21 announced that he has given preliminary approval to organize a new National Bank in Willmar, Minn.

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

* * *

The Comptroller of the Currency James J. Saxon on Aug. 21 announced that he has given preliminary approval to organize a new National Bank in Navarre, Minn.

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

* * *

The Comptroller of the Currency James J. Saxon on Aug. 27 announced that he has given preliminary approval to organize a new National Bank in White Settlement, Texas.

Initial capitalization of the new bank will amount to $520,000, and it will be operated under the title **First National Bank of White Settlement.**

* * *

The appointment of Vice-President Vernon C. Richards to direct **Bank of America, San Francisco, Calif.,** world-wide Travelers Cheque activities was announced by President S. Clark Beise.

Mr. Richards, who will observe his 40th anniversary with the bank on Sept. 4, assumes his new duties at the San Francisco head office after heading the bank's National Division for three years.

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The First Western Bank, Los Angeles, Calif., announced the appointment of Robert A. Bachle as a Vice-President.

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The **Pacific State Bank, Hawthorne, Calif.,** announced that John C. Elsenpeter, David D. Sinclair and Richard A. Kerston were appointed Assistant Cashiers.

BANK AND INSURANCE STOCKS This Week — Bank Stocks

Banco Popular

Price	Dividend	Yield	1964 Estimated Earnings	P/E Ratio on Estimate
110	$2.00	1.82%	$6.20	17.7x

Recent articles regarding Puerto Rican banks have indicated the attractiveness of these banks in terms of growth and price earnings ratios. Within the past few months there has been a rise in the prices of these banks' stocks with a corresponding fall in the ratio of price to earnings. More recently, however, the largest bank, the Banco Popular, has issued its annual report as the bank's fiscal year ends in June. The unusual earnings performance in 1963 indicates continued growth here and on estimates for 1964 this bank stock is still modestly priced in relation to bank earnings particularly in view of the general level of bank stock prices. Currently New York banks are selling on the average of 18 times earnings. Generally the public does not assign the higher multiples to these banks because they are not necessarily considered "growth" equities. The so-called growth banks in California and the Southeast and Southwest are selling at 20 times earnings or more on the average. In the case of New York banks, earnings increasements this year should approximate 3%. California banks should show increases of 10% for 1963. Naturally the Banco Popular provides exceptional growth with 18.2% for the year 1963. Although this pace of earnings has been somewhat characteristic of the past few years, the above projection for 1964 is less than a 10% increase, which appears modest.

Puerto Rico continues to grow industrially with a lessening dependence upon textiles. The Economic Development Administration is unduly conscious of the trend away from the industry and also the necessity of geographical diversification of industrial growth. Both endeavors have favorable long-term implications for the banks. The Commonwealth status is expected to continue for Puerto Rico with any attempts or strong move toward nationalism a thing of the past. Fortunately Puerto Rican banks enjoy the privilege of island-wide branching. In order to keep pace with more rural development, Banco Popular has developed mobile branching, thus reaching the areas where establishment of a branch might be uneconomical. Also of importance is the completion of the automation program by the fall of 1963. The bank is the first in Latin America to have a complete program —including large computers and sorter-readers. The full advantage of these installations are yet to be realized in earnings.

The deposit increase of $41.9 million in 1963 is attributed to an increase of $13.8 million in the demand category and $28.1 million in the time category. The latter increase brings the ratio of time deposits to slightly more than 50% of the total. The full effect of the currently permissible higher rate has been felt and immediate further increase in this expense item should result in deposit growth in this area. On the loan side of the balance sheet, this ratio is somewhat less than 50% of deposits—a figure which permits growth without further deposit increase. Although capital funds have been somewhat low, the current ratio at 8% of deposits is adequate. It appears that the bank's growth can be financed with retained earnings with long-term favorable dividend treatment. Also, the portfolio management has been excellent as is indicated for the past two years. In spite of a low return to the stockholder, the one time 20% Puerto Rican withholding tax is now recoverable.

Statement of Earnings
(In Thousands)

	June 28 1963	June 30 1962
Operating Income:		
Interest	$10,543.5	$8,657.8
Commission, fees, and other charges	2,771.9	2,252.3
Total operating income	$13,315.4	$10,910.1
Operating Expenses:		
Salaries	$3.741.8	$3,199.0
Bonuses and employee benefits	716.4	594.3
Interest paid	3,015.2	2,207.4
Taxes (other than income)	444.1	364.0
Other operating expenses	3,014.7	2,545.4
Total expenses	$10,932.2	$8,910.1
Operating profit	$2,383.2	$2,000.0
Income tax	168.0	174.4
Employees participation on profit sharing plan	224.9	143.7
Net operating profit	$1,990.3	$1,681.9
Net operating earnings per share	5.69	*4.80
Net profit on sales of securities and other non-recurring profits	543.5	429.9
Total profit	$2,533.8	$2,111.8
Total profit per share	7.24	*6.03
Dividends paid	$651.0	$522.5
Net addition to reserves & capital funds	1,882.8	1,589.3

* Adjusted for stock dividend.

Deposit Growth 1954-1963

June	Deposits	Increase
1954	$73,790,204	$4,955,400
1955	79.056,636	5,266,432
1956	88,994,062	9,937,426
1957	99,795,711	10,801,649
1958	109,729,699	9,933,988
1955	79,056,636	5,266,432
1960	139,235,990	12,925,362
1961	147,255,903	8,019,913
1962	176,038,469	28,782,566
1963	218,013,681	41,975,212

Gas Industry Plans $7 Billion For 1963-1966 Construction

Gas industry's spokesman projects sizable construction growth in next four years. Sales were up 5.7% during first half of 1963.

The nation's gas industry expects to spend $7.1 billion on construction in the next four years, John E. Heyke, Jr., President of the American Gas Association recently announced.

John E. Heyke, Jr.

"Just this year — 1963 — our industry expects to spend nearly $1.7 billion building new facilities to better serve the nation's 35.3 million gas customers," said Mr. Heyke, who is also President, The Brooklyn Union Gas Co.

The construction survey is made annually by the A. G. A. Bureau of Statistics and covers transmission, distribution, underground storage, production and storage projects.

The A. G. A. President pointed out that as 1963 began, the total plant value of the nation's sixth largest industry climbed to $24.7 billion and it will have a gross value of $26.4 billion the year's end. "The gas industry, as do all responsible segments of the economy," Mr. Heyke said, "realizes that only by turning back huge sums of money into new equipment and construction, can it accelerate its growth."

Construction Tied to Progress

"We have made tremendous strides in recent years and we're going to make even greater progress in the future," he continued, "The ambitious building programs planned by our companies are the frameworks on which this progress can take place."

Half From External Financing

The A. G. A. survey revealed that companies expect to obtain 45.4% of the funds for the four-year building program from the sale of bonds and debentures. In addition, 47.4% of the funds will come from internal sources and 7.2% from common and preferred stock. The proportions may change, depending upon prevailing market conditions.

It is expected that the industry will spend $1,740,000,000 next year, $1,847,000,000 in 1965 and $1,867,000,000 in 1966. From 1959 to 1962, the gas industry spent $6.9 billion on construction.

Distribution companies, which directly supply the consumer, plan to spend a record $738,000,000 this year, and a total of $3 billion during the four-year period. This latter figure is 11% higher than the amount spent from 1959 to 1962.

Approach Total Penetration

Expansion of transmission facilities, which carry natural gas through a network of pipelines from production sources to gas distribution systems, will total $488,000,000 this year. During the four-year period, the outlay will be $2.3 billion, a decline of $524,000,000 from 1959-62 outlays.

This slackening of construction in this segment reflects, in part, nearly total penetration to all corners of the U. S. by natural gas transmission lines. Future expansion will be primarily to increase deliverability.

Outlays for underground storage of natural gas probably will reach $104,000,000 this year. In the next four years, they will total $393 million, compared with $246 million in 1959-62.

Gas Sales Up 5.7%

The nation's gas utilities sold a record 61.4 billion therms of gas during the first half of 1963, the American Gas Association also reported. This is 5.7% higher than sales during the first six months of last year.

Heavy use of gas during the summer months have contributed to the six-month record. In June, for example, sales exceeded seven billion therms for the first time in any June on record. The increase over June, 1962, was 12.1%.

A. G. A. attributed the sharp rise in June to the million customers added since last year and the increased use of gas appliances. Residential and commercial customers used 2.3 billion therms during June, an increase of 11.2% over a year earlier. Industrial customers purchased 4.8 billion therms, a jump of 12.5% over June, 1962.

A. G. R. noted that one therm is equal to 100,000 British thermal units (Btu's) and could, for example, operate a gas refrigerator for 80 hours.

Gas Utility and Pipeline Construction Expenditures, By Type of Facility, 1962 - 1966
(Millions)

Type of Facility	Actual 1962	Forecast 1963	1964	1965	1966	Total Forecast 1963-66	Actual Total 1959-62
Total Industry—total	$1,673	$1,680	$1,740	$1,847	$1,867	$7,134	$6,908
Production & storage	177	245	232	255	264	996	733
Transmission	613	488	631	584	582	2,285	2,809
Underground storage	53	104	78	94	117	393	246
Distribution	708	738	694	793	806	3,031	2,734
General	122	105	105	121	98	429	386

Elect Gossett One William Dir.

William T. Gossett of Detroit has been elected a Director of The One William Street Fund, Inc., Allan B. Hunter, Fund President, has announced.

William T. Gossett

Mr. Gossett rejoins the Fund's Board of Directors following his service as Deputy to Christian A. Herter, Special Representative for Trade Negotiations. A former Vice-President, Director and General Counsel of Ford Motor Company, Mr. Gossett is also a life-time member of the Board of Trustees of Columbia University.

Form Delta Funds

OKLAHOMA CITY, Okla.—Delta Funds, Inc. has been formed with offices in the First National Building to engage in a securities business. Officers are Clare W. Headington, president; John W. Carlson, executive vice-president; George W. Moffitt, Jr., Gottfried W. Joithe, and Everett E. Nicholas, vice-presidents; Gerit P. Groen, secretary; and M. B. Remington, assistant secretary-treasurer.

Form Company

FITCHBURG, Mass. — Louis G. Aubuchon & Co. has been formed to continue the investment business of Louis G. Aubuchon, 91 Fairmont Street.

Brewer & Chandler Opens

SANTA ANA, Calif. — Brewer & Chandler, Inc., has been formed with offices at 1525 East 17th St., to engage in a securities business. Officers are Marcus D. Brewer, President; Allen H. Chandler, Vice - President; and Daniel Deutsch, Secretary and Treasurer.

A Businessman Looks At Latin America

By David Rockefeller,* *President, Chase Manhattan Bank, N. Y.*

Leading New York banker cites five "notably encouraging" trends in Latin America: (1) resiliency of investment in significant areas, including cooperation with Alliance for Progress; (2) exports heading for another record year; (3) large advances in industrial production; (4) a powerful thrust to economic integration plans; and (5) growth of political stability. At the same time Mr. Rockefeller warns local governments must provide more favorable climate for private investment for achievement of Alliance for Progress goals.

I have been looking forward eagerly to my visit here because I have heard a great deal about the progress that has been made since I was last in Mexico five years ago. Your national growth rate, I am told, rose from 3.5% in 1961 to 4.2% last year, and the curve continues moving upward. Your exports climbed by more than $100 million last year. Production of consumer goods increased 6%. The peso held its own and a considerable amount of so-called flight capital returned to the country.

David Rockefeller

Of course, none of us would deny that Mexico and other Latin American countries face problems, some of them quite formidable indeed. But surely this is no reason for despair. As the editors of the respected VISION magazine pointed out recently, "there is a positive side and it must not be ignored."

The fact that misleading reports about Latin America are heeded in some quarters can have harmful effects on the decisions of both government officials and private businessmen. So it is essential, I think, for those of us who know Latin America to help correct misconceptions and introduce a fresh perspective into the dialogue that is now going on. It is up to us to help put the past in proportion and the future in focus.

Encouraging Trends

On the basis of my own recent travels in Latin America and the findings of our economic specialists, I believe there are at least five notably encouraging trends now under way in many countries:

First, investment in significant areas of Latin America has shown signs of resiliency. During the initial year of the Alliance for Progress, Latin American nations invested over $8 billion of their own public and private funds. What's more, there have been heartening indications in recent months of a further pick-up in local private investment. Foreign sources committed almost $2 billion under the Alliance, and this too is reassuring.

Many U. S.-Financed companies have continued to expand their operations in Latin America. The blue-ribbon roster includes Ford, Bethlehem Steel, J. I. Case, Westinghouse, Esso, Shell and Phelps Dodge. Spending for new plant and equipment in 1962 and planned spending for 1963 averaged almost $650 million, an increase of 14% over 1960-61.

It is undeniably true, of course, that total investment—especially the flow of new capital from the United States — would have been much greater if conditions had been more favorable. Nevertheless the determination of the majority of U. S.-financed firms to press ahead with expansion is impressive testimony to the faith of businessmen in the growth potential of Latin America.

Second, exports appear headed for another record year. If the United States and other industrial nations move ahead at a fairly rapid pace in the next two years, there could be a substantial upsurge in Latin America's exorts. An increase in export prices of 1-to-2% a year, which is a distinct possibililty, would improve the area's ability to import products needed for economic development, and produce a more orderly situation in most of the countries' balance of payments.

There are firm grounds for hope that the slide in commodity prices is at or near an end. The new coffee agreement should help, and there are other indications of improvement in the commodity picture. This is significant when we remember that in terms of providing foreign currency earnings to finance capital-goods imports, trade is four or five times as important as the external assistance called for under the Alliance.

Third, there are several reassuring aspects to the manufacturing picture. Production of automobiles, television sets and electric motors has risen sharply. The chemical industry has expanded its output on an overage of 10% a year. Steel, cement and paper production has more than doubled over the past decade.

Fourth, the growth of these industries and the consequent need for expanded markets have provided a powerful thrust to economic integration plans. The Latin American Free Trade Association and the Central American Common Market have encountered problems, to be sure, but they have also demonstrated great promise. I understand that Mexico's trade with LAFTA members will double again this year as it did in 1962. Over the long run, I am confident that these efforts at economic regionalism will stimulate increased local production of many consumer durables that now have to be imported.

Fifth, political stability seems more solidly based in many countries than it has been for a long time. There are, of course, some notable exceptions. But on the whole, the outlook for political stability in several important areas is better today than at any time in some years.

One reason for this is the new generation of political and business leaders who are now moving into positions of influence. Most of these leaders are in their forties or early fifties, well educated men bent on bringing about far-ranging improvements in both government administration and business management. I have met many of these men and have been enormously impressed with their grasp of current problems, and their unequivocal determination to do something about them.

These favoroble trends—in investment, trade, production, economic integration and political stability—hold out the prospect of a bright future for Latin America. They can provide the impetus for a swifter rate of economic growth which is absolutely essential if the objectives of the Alliance are to be realized.

More Is Needed

Still, in my judgment, something more is needed. That something is a more beneficent environment for private investment. To be successful, the Alliance must build on the present private-enterprise base which generates some 80% of Latin America's income. This point was recognized in the Charter of the Alliance, and was forcefully expressed in the recent Clay Report on Foreign Aid. That report said:

"It is the private sector, operating with the cooperation of a vital and democratic labor movement and enlightened management on the basis of essential government services and sensible policies, which will make the greatest contribution to rapid economic growth and overall development."

A similar concept was advanced by the Finance Ministers of the Alliance countries at their Mexico City conference to review economic progress. This group declared that "taking into account the limitations to the availability of public funds, it is clear that the objectives of the Alliance cannot be achieved without the full participation of the private sector, and adequate measures must be taken to assure maximum contribution to growth by the private sector."

As I see it, the dilemma confronting the Alliance is this: In principal, there has been charted an objective of swiftly-paced economic growth which can be achieved only with the full support of private enterprise, domestic and foreign. In practice, there has been heavy reliance on government planning, government-to-government loans, and certain government reform programs which stir political and social unrest—the very conditions least likely to encourage private enterprise.

It is true, of course, that government can and should supply many of the facilities and services that are prerequisites to progress. I would not argue for a reduction in the aggregate government effort, though the funds expended might be channeled more effectively for achieving the goals of the Alliance. However, I would argue strongly that we must place far greater emphasis on private investment than we have in the past.

Need of Favorable Investment Climate

An indispensable step in attracting fresh capital—both domestic and foreign—is a favorable investment climate. Latin American governments cannot lure foreign capital by harassing companies already on the scene. They cannot bring in new industries unless they can demonstrate political stability. They cannot put local capital to work effectively in an inflation-ridden economy.

Workable measures are needed to produce reasonable price stability, replace debilitating exchange controls with realistic exchange rates, remove those controls and regulations which restrict enterprise and sustain local monopolies. In this connection, I am happy to see that Mexico's record in stabilizing prices has been very good indeed.

The specific policies needed to improve the investment climate vary from country to country. In some cases, runaway inflation may be the chief deterrent to private investors. In others, competition from government entities, both in production and in the investment market, may be the primary problem.

It seems to me, therefore, that there is genuine need for a mechanism to identify the precise steps which must be taken in each nation and to work with local governments in seeing that these steps are carried out.

Business Committees Essential

Three months ago, in a speech in Chicago, I urged that a series of business advisory committees be set up to work with the various government organizations implementing the Alliance. The response to this suggestion has been most gratifying. Groups have actually been established in some Latin American countries that might serve as a nucleus for a broad-scale effort.

As I envisage it, local committees could be formed in each nation to counsel government bodies. These committees would focus on policies to encourage private investment and economic progress. They would work with government planning offices to make sure that programs are realistic, and arrive at a satisfactory mixture of the development effort as between private and public activities. The committees would have clear-cut responsibility to operate in an advisory capacity with respect to top policy makers.

I also believe it is important to establish an over-all Hemisphere Business Committee to advise on matters of broad policy.

This kind of mechanism could enlist constructive business support for the Alliance. It could help redress the balance which has thus far been too heavily weighted on the government side. And it could accelerate economic growth, the all-important objective on which the Alliance's record has been least satisfactory.

The U. S. government has taken a number of commendable steps to encourage the flow of private investment to Latin America. The investment guaranty program has been extended and improved. Economic intelligence services have been expanded. Top officials, especially in their recent public statements and in their dealings with other partners of the Alliance, have placed increasing stress on improving the investment climate.

Applauds Clay Committee's Recommendations

I would subscribe to the recommendations of the Clay Committee Report with respect to the Alliance. This report urged that the United States should be increasingly specific on the self-help and reforms it seeks; that it should assume leadership in improving conditions for private enterprise; and that assistance should be concentrated heavily on those countries which undertake to meet the principles set forth in the original charter of the Alliance. The U. S. government already is moving along these lines in some instances, but much more needs to be done.

In entering into the Alliance, the United States and the 19 Latin American countries openly acknowledged that militant Communism confronts the hemisphere with a critical need for more rapid economic advance. The U. S. has made a firm commitment to Latin America for economic aid, and for assistance in containing Communist imperialism. I think the situation warrants substantial expenditures on both fronts, on the scale proposed by President Kennedy. I hope Congress will approve the proposal soon.

At the same time, it is well to remember that the Alliance is, essentially and profoundly, a joint enterprise. The Latin American nations irrevocably committed themselves to strive for broad social and economic goals within a framework of freedom and democracy. And among these goals was the encouragement of private investment.

If all nations had the same outlook on problems and the same approach to their solutions, this would probably be a far simpler world in which to live. But they do not—and all of us must start from that premise.

Progress springs from constructive critical interest — not from biased attack or hostile neglect—so we must work continually to find grounds for harmony and cooperation despite the differences that may exist between us.

George C. Marshall, former U. S. Secretary of State, made an observation many years ago that still holds true. "We must take the nations of the world as they are," he said, "the human passions and prejudices of peoples as they exist, and find some way to secure . . . a peaceful world."

It is important that we recognize those common principles underlying the Alliance for Progress which Americans, both North and South, believe in and which bind us together. Recognizing them and working in concert to live up to them, we can—I am confident—achieve the noble goals of the Alliance.

***An address by Mr. Rockefeller at Businessmen's Dinner in Mexico City.**

Now Forster, Nardone

The firm name of Forster, Morson & Nardone Co., 150 Broadway, New York City, has been changed to Forster, Nardone Corp.

With Pacific Northwest

SPOKANE, Wash.—Bruce T. Mills is with **Pacific Northwest Company,** Old National Bank Building.

With Splaine & Frederick

MILWAUKEE, Wis. — Ronald R. Nichols has become connected with Splaine & Frederick, Inc., 800 North Marshall St.

Diamond Doorley Douglas

PROVIDENCE, R. I.—The firm name of Diamond, Doorley & Co., Inc., Hospital Trust Bldg., has been changed to Diamond Doorley Douglas & Co., Inc.

Joins Boettcher Co.

DENVER, Colo.—Frank D. Bernardi has joined the staff of Boettcher and Company, 828 Seventeenth Street, members of the New York Stock Exchange. Mr. Bernardi was formerly with Hornblower & Weeks.

STATE of TRADE and INDUSTRY

Continued from page 10

products. Size of the increase varies with October tonnage ranging from 50% of normal to 100%.

Detroit—Sales offices in Detroit report improved business but doubt if automakers are coming in with 100% of normal buys for October. The feeling in Detroit is that reports of 100% of normal come from isolated cases.

Philadelphia—Steel tonnage on the books is showing improvement here, but the order pattern remains sporadic. Mills are looking for an improvement after Labor Day.

Cumulative Auto Output 10.7% Above 1962 Period

Ward's Automotive Reports said that production of passenger cars and trucks in the U. S. since Jan. 1 leads corresponding 1962 by 10.7%, or by more than one-half million units.

The statistical agency fixed unit production as of Aug. 23, at 5,728,529 cars and trucks, compared with 5,176,078 units made by the same time a year ago.

Ward's estimated passenger car output to date this year at 4,802,915, up 9.9% from 4,370,200 a year ago; truck output this year has reached 925,614 units vs. 805,878 a year ago, gaining 14.9%.

Included in the passenger car total are some 36,300 units made since changeovers to 1964 models began three weeks ago. Four of the five major auto makers are now producing the new cars. General Motors Corp.'s startup is slated for Sept. 3 and 4.

Last week, 19,556 car assemblies were scheduled, compared with 17,695 last week and only 7,943 in the same week a year ago.

Chrysler Corp., first producer to take up workaday assembly of '64s, and which will also be first to introduce new cars (Sept. 20) to the public, scheduled 68.8% of the industry program. In its new model buildup, it has reached about two-thirds of its normal production pace in '63 assembly.

American Motors scheduled 17.9% of industry completions last week, its second in '64 operations; Studebaker, also in its second week, was expected to account for 9.6% of the 19,556-unit industry total.

Ford Motor Co. began output of '64 Thunderbirds and Lincoln Continental cars at Wixom (Mich.) during the week, but was expected to account for only 3.7% of industry. Other Ford plant startups scheduled for last Monday were unaffected by a threatened strike which did not last long enough to effect this week's output.

Meanwhile, threat of a national rail strike hangs particularly heavy over the auto industry. *Ward's* said the industry would face a complete shutdown 72 hours after any such strike began.

Rail Freight Falters Below Last Year's Week on Strike Uncertainties

Loading of revenue freight in the week ended Aug. 17, totaled 576,657 cars, the Association of American Railroads announced. This was an increase of 16,943 cars or 3.0% above the preceding week.

The loadings represented a decrease of 5,970 cars or 1.0% below the corresponding week in 1962, and a decrease of 18,428 cars or 3.1% below the corresponding week in 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.

Rail Tonnage Manages to Stay Ahead

Ton-miles generated by car-loadings in the week ended Aug. 17, 1963, are estimated at approximately 12.2 billion, an increase of 2.9% over the corresponding week of 1962 and 6.3% over 1961.

There were 15,655 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Aug. 10, 1963 (which were included in that week's over-all total). This was an increase of 2,407 cars or 18.2% above the corresponding week of 1962 and 4,748 cars or 43.5% above the 1961 week.

Cumulative piggyback loadings for the first 32 weeks of 1963 totaled 479,826 cars for an increase of 56,735 cars or 13.4% above the corresponding period of 1962, and 130,389 cars or 37.3% above the corresponding period in 1961. There were 61 Class I U. S. railroad systems originating this type traffic in this year's week compared with 60 one year ago and 58 in the corresponding week in 1961.

Truck Tonnage 2.3% Above 1962

Intercity truck tonnage in the week ended Aug. 17 was 2.3% 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 two months. Truck tonnage was 1.9% above the volume for the previous week of this year.

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

The terminal survey for last week showed increased tonnage from a year ago at 24 localities, with 10 points reflecting decreases from the 1962 level. Truck terminals at Oklahoma City registered a gain of more than 10%, while Omaha terminals showed a decline in excess of this amount.

Compared with the immediately preceding week, 23 metropolitan areas registered increased tonnage, while 11 areas reported decreases. The week-to-week decrease of 16.9% at Birmingham can be attributed to the exceptionally heavy volume reported in the earlier week, and the decline shown for the current week reflects a return to normal.

First Half Truck Tonnage 2.6% Ahead of 1962

Intercity freight tonnage hauled by truck during the first six months of this year was 2.6% above the volume handled in the corresponding period of 1962, the American Trucking Associations also reported. Truck tonnage for the month of June showed an increase of 1.7% over June of last year.

These findings, based on the ATA Department of Research and Transport Economics' monthly survey of class I and II common carriers of general freight, have not been adjusted for seasonal influences nor for the differences in number of working days per month. Past experience indicates that the reduced number of working days in June may account for the May to June decrease shown in this month's survey.

The 345 carriers represented in the June survey — nearly one-third of all general freight carriers—hauled 6,200,474 tons in June, 1963, compared with 6,094,598 tons in June a year ago, and 6,749,046 tons during May of this year. Cumulatively, these carriers transported 36,920,614 tons during the 1963 January to June period as against 35,976,477 tons for the comparable 1962 period.

Tonnage reports for the nine geographic regions were closely divided with five regions reporting gains for June, 1963, over the same 1962 month. Four regions reported year-to-year tonnage declines. The Central Region carriers recorded the largest gain for the year-to-year comparison—up 5.0% over the June, 1962, figure. New England carriers incurred the heaviest tonnage losses on a year-to-year comparison — down 5.2%. The month-to-month comparison showed all nine regions to have suffered substantial tonnage losses from May's level, but as mentioned, the shorter working month is largely responsible. Comparison of cumulative 1963 and 1962 tonnages showed Central Region carriers again leading the way, up 5.6% — with New England carriers occupying the bottom rung of the ladder—down 2.1%.

Lumber Production Down 1.5% From 1962 Week

Lumber production in the country totaled 227,618,000 board feet in the week ended Aug. 17, according to reports received from regional lumber associations.

Compared with 1962 levels, production fell 1.5%, shipments fell 2.8% and new orders fell 3.8%.

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

	Aug. 17 1963	Aug. 10 1963	Aug. 18 1962
Production	227,618	198,992	231,184
Shipments	224,127	197,088	230,625
New orders	220,344	197,409	229,169

Electric Output Shows 4.4% Gain Over 1962 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Aug. 24, was estimated at 18,082,000,000 kwh. according to the Edison Electric Institute. Output was 29,000,000 kwh. more than the previous week's total of 18,053,000 kwh. and 762,000,000 kwh. above the total output of 17,320,000,000 kwh. in the corresponding 1962 week or a year-to-year gain of 4.4%.

Business Failures Off Slightly

On the heels of a rebound in the prior week, commercial and industrial failures slipped to 275 in the week ended Aug. 22 from 287 a week earlier, reported Dun & Bradstreet, Inc. Casualties fell appreciably below the 302 and 352 occurring in the comparable weeks of 1962 and 1961, although they remained moderately higher than the pre-war toll of 264 in 1939.

Failures involving liabilities of $100,000 or more inched up to 39 from 36 in the preceding week but did not reach the 50 of this size in the similar week last year. Casualties with losses under $100,000 took a downturn to 236 from 251 in the previous week and 252 a year ago.

Canada failures dipped to 28 from 31 in the preceding week and 36 a year ago.

Wholesale Commodity Price Index Edges Up From Last Week's Low

Following last Monday's low, the general wholesale commodity price level edged up sightly every day but one reaching 264.89 by this Monday, reported Dun & Bradstreet, Inc. The possibility of a pick up in export demand lifted rye prices higher and corn took a substantial jump. An advance in quotations for steel scrap also contributed to the upward movement of the index. A seasonal increase in jewelers' needs caused silver prices to inch up. On the other hand, wheat declined due to large stocks and little interest either from the export trade or from domestic bakers. Rubber and steers slipped also.

The Daily Wholesale Commodity Price Index climbed to 264.89 this Monday from 264.33 last week and 267.14 a month ago. The index remained significantly below 271.87 of the similar date of 1962.

Wholesale Food Price Index Hits Ten-Week Low

A ten-week low was hit by the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., when it eased 0.2% both from the prior week and a year ago to $5.90 on Aug. 27. This marked the second consecutive decline from last year for the index which had been running higher than or even to 1962 since May 21.

Hams and bellies led the downturn followed to a lesser extent by wheat, steers, hogs, and lambs. Balanced against these declines, corn, rye, oats, butter, cheese, cocoa and eggs were priced mildly higher at wholesale.

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.

Dun & Bradstreet Report on Retail Purchases Is Unavailable This Week

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 7% for the Aug. 17 ending week compared with the like period in 1962. The week's gain over the year-ago week marked the 13th encouraging weekly uptrend in a row.

In the four-week period ended Aug. 17, 1963, sales gained 4% over last year's level for the comparable period for the country's 12 leading department store districts.

So far this year (Jan. 1 to Aug. 17), the 12 department store districts' retail dollar volume increased 4% (adjusted) over that rung up for corresponding period a year ago.

According to the Federal Reserve System, department store sales in New York City for the week ended Aug. 17, gained 9% over the comparable year-ago week's figure. New York City's department store sales were up 5% for the four week period ending Aug. 17.

A *flash figure* for New York City's sales for the Aug. 24-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.

A broader set of data encompassing *total* retail sales, compiled by the Bureau of the Census, U. S. Department of Commerce, put the Aug. 17-ending week's total sales 5% above a year ago, or two percentage points 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 5%—or one percentage point more than department stores alone.

Pittsburgh Home Loan Bank Names

WASHINGTON, D. C.—Appointment of Thomas R. Balaban, a member of the law firm of Reese, Shaffer, Calkins and Cusick of Harrisburg, Pa., as a public interest director of the Federal Home Loan Bank of Pittsburgh has been announced by Joseph P. McMurray, Chairman of the Federal Home Loan Bank Board.

Mr. Balaban will fill the unexpired portion of a four-year term ending Dec. 31, 1966.

The Federal Home Loan Bank of Pittsburgh, one of the 11 District Banks, provides reserve credit and liquidity services for member savings and loan associations in Delaware, Pennsylvania, and West Virginia. The board of directors of the Pittsburgh Bank consists of 12 persons, 8 elected by the member institutions and 4 appointed by the Federal Home Loan Bank Board to represent the community and national interest. George R. Parker is President of the Pittsburgh Bank.

With Bioren & Co.

ALLENTOWN, Pa. — Bioren & Co., members New York Stock Exchange, have announced the association of Joseph M. Kotulka as a Registered Representative with the firm's Allentown, Pa. office, 17th and Liberty Streets.

Hirshon, Roth to Amit

Hirshon, Roth & Co., 30 Broad Street, New York City, members of the New York Stock Exchange, will admit Marion L. Benson to limited partnership on Sept. 5.

Joins Pierce, Wulbern

ATLANTA, Ga.—Harry F. Burgess has become associated with Pierce, Wulbern, Murphey Corporation, Bank of Georgia Building. He was formerly with Courts & Co.

Joins Scanlan Staff

DENVER, Colo.—William R. Maxwell III has joined the staff of Earl M. Scanlan & Co., Western Federal Building, members of the Midwest Stock Exchange. Mr. Maxwell was previously with Amos C. Sudler & Co.

Japan and the Proposed Interest Equalization Tax

Continued from page 3

fects of this proposed tax on economic aggregates — Japan's balance of payments, her domestic capital market and the extent to which Japan's imports from the United States may decline as a result of reduced availability of long term financing—not enough has been said, in my opinion, about the effects on the many Japanese corporations which have, in fact, been the principal seekers of new capital in our market.

During the late 1950's, the Japanese government, in part as a result of encouragement by the World Bank, sold an issue of Dollar Bonds and also began encouraging selected Japanese corporations to consider approaching the United States capital market as a source of long term funds. Among the first Japanese corporations to seek such funds in the market (this occurred in 1960) were three Japanese steel companies, two of which raised funds through combined transactions involving both the World Bank and private United States institutional investors.

Since that time, the Japanese government and Japanese corporations have been carefully developing a place in the United States capital market. In the four and one half years ended July 1963, the Japanese government has had two issues of long term bonds aggregating approximately $43 million, and Japanese corporations have had over 30 issues of securities (stock and/or long term debt) aggregating approximately $390 million (including 6 issues aggregating $111 million for two government guaranteed corporations). Although corporate issuers of other countries have raised long term funds in the United States market, I believe that (with the exception of Canada) the largest number, by a very substantial extent, have been Japanese corporations. Through the end of July 1963, over 20 Japanese corporations have raised long term funds in the market through the public or private sale of either debt or equity securities. Several of these corporations have, in fact, raised such funds on more than one occasion in our market.

Cooperative Adjustment to Our Requirements

The erection of a barrier against this type of financing cannot help but have far reaching consequences upon the future financial planning and attitudes of these corporations and others like them which had been contemplating issues in this market. These companies had based their financial planning on continuing access to the United States market, the Free World's only major financial market whose principal determinants were the free interplay of supply, demand and private decisions. These companies had taken or were taking steps to adjust their corporate actions to the various market requirements appertaining to the issuance of securities in the United States.

(1) *Accounting Adjustments*—In several respects, Japanese accounting procedures differ from those prevailing in the United States. All companies registering issues with the Securities & Exchange Commission (SEC) have conformed their accounting principles to United States standards and certain other companies selling their issues privately have initiated changes looking in the same direction.

(2) *Auditing Expenses*—Registered public offerings in our market involve audited financial statements of the issuing company. Preparation of these audited statements by American accounting firms is an expensive procedure for the issuer. Normally the issuer would expect these costs to be appreciably lower on subsequent issues and, in effect, looks upon the initial cost as an investment in future access to the United States market.

(3) *Other Expenses of Issue*—Registered public offerings normally involve somewhat higher costs on the first issue of a company. These costs relate to the relatively greater effort to introduce a new credit to the market as compared to the raising of funds for an established credit. Thus, an issuer cannot take advantage of his established credit and amortize some of the initial costs over subsequent issues and is unfairly damaged.

(4) *Competitive Information*—Registered public offerings involve the disclosure of substantially more information regarding the issuer and its operations than is normally made available by the issuer. (This requirement is believed to represent one of the important deterrents to the sale of securities in this market by many foreign companies, particularly European companies.) Where such disclosure may involve some competitive disadvantage, a company which issues publicly anyway, does so in the expectation that such competitive disadvantages are outweighed by the advantages of access to the large United States capital market. Under these circumstances, a company whose subsequent access to our market is inhibited is further prejudiced.

(5) *Required Registrations*—In connection with registered public issues of Japanese shares or convertible securities in this market, it has become accepted practice for the issuer to agree to register with the SEC any subsequent Rights Offerings so that the issuer will be in a position, under SEC requirements, to offer such new shares to Americans. This is important to American shareholders since these Rights Offerings entail very substantial discounts and are, in effect, stock dividends. This requirement, providing for registration of future stock issues, is an expensive commitment undertaken by Japanese companies in the expectation of continuing access to the United States market.

Would Ruin Plans Mutually Sought

Clearly, these many Japanese corporations which had been predicating other business decisions upon the assumption of continued access to the United States capital market will incur a setback under the proposed tax. While the "dollars and cents" loss (in terms of time spent and high initial costs which may not now be amortized over future issues) is not to be minimized, there is, in my opinion, a greater loss involved. This is the loss which would follow the disintegration of a fabric of relationships and mutual confidence carefully woven over an extended period of time.

These Japanese corporations which, in the opinion of the American investors purchasing their securities, are efficiently utilizing their resources and offering promising returns to their security holders—these corporations may now be under strong compulsions to move in new directions. But, at this point, two unfortunate prospects must be faced by American policymakers. First, there is lost an unusual opportunity to demonstrate our support of those forces within Japan which favor private enterprise — to demonstrate our support of mutual objectives even under circumstances difficult for the United States. Second, one must question the validity of any easy assumptions that important alternative sources of capital are readily available to these Japanese corporations.

Realism compels recognition that European capital markets are not organized to support substantial foreign borrowing. In terms of access to the British and European capital markets, one must recognize that Canada (which has been granted exemptions from this tax) is in a better position than Japan since Canada has had previous issues in such markets and is a member of the Commonwealth.

Problem Akin to Canada's

While the Japanese capital market has not developed the relation to or degree of reliance upon the United States capital market that obtains in the case of Canada, nevertheless, during the last three years, there has been a strongly developing trend pointing toward an increasing degree of inter-relationship between the United States and Japanese long term capital markets. Aside from the most dramatic evidence of this inter-relationship — the recent sharp decline in the Japanese stock market — there are many other tangible and intangible evidences including the establishment in New York (and other cities) of branch offices of leading Japanese banks and security firms and the developing relationships between American investment bankers and Japanese clients. To the extent that the proposed tax slows down, halts or even reverses this trend toward inter-relationship, an appreciable loss — not only economic but also in terms of good will—is sustained by all parties. The rebuilding of mutual confidence would not be an easy task.

I would like to reiterate my support of the position of the Investment Bankers Association which opposed the enactment of the Interest Equalization Tax. When the outflow of long term capital is viewed in its proper perspective as an asset-creating and income-earning expenditure of American dollars, it appears short-sighted indeed to inhibit so drastically this segment of our payments outflow. Especially does it appear shortsighted when this particular segment is compared with other larger outflows—such as tourist expenditures which are essentially consumption expenditures rather than investments which may yield long run balance of payments benefits.

Suggests Qualification Change

In the event the Committee approves the Treasury Department's proposed Interest Equalization Tax, I would urge that favorable consideration be given to providing additional exemptions from the proposed tax for those new issues of foreign securities the proceeds of which will be spent in the United States. Procedures could be established so that such issues would not have an adverse effect upon our balance of payments at time of issue and, of course, such issues would favorably affect our balance of payments over the long run as principal and interest flowed back to this country. Furthermore, such an exemption, through providing long term financing for American exports, would be consistent with the rationale for other exemptions under this proposed legislation (i.e. the exemption for commercial banks to provide short term financing for American exports) as well as consistent with other relevant government policies (i.e. the "tied loans" of the Export-Import Bank and the AID program).

Finally, may I add the general proposition presented herein has relevance to other foreign borrowers. The presentation has been made with reference to Japanese corporations because of the number which have issued securities in recent years in the long term capital market of the United States.

*From a statement by Mr. Gordon to the Ways and Means Committee, House of Representatives, Washington, D. C., Aug. 23, 1963.

Francis I. duPont and A. C. Allyn To Consolidate October 1

Edmond duPont, senior partner of Francis I. duPont & Co., One Wall Street, New York City, and John W. Allyn, Arthur C. Allyn, and John H. Riley, partners in A. C. Allyn & Co., Chicago, have jointly announced that an agreement has been reached for the

Edmond duPont

Arthur C. Allyn

John W. Allyn

consolidation of the two firms, together with the formation of a wholly owned corporate underwriting affiliate. The consolidation is to become effective Oct. 1.

The combined firms, which will be known as Francis I. duPont & Co., will have total assets in excess of $300 million and a net worth of over $35 million, making this one of the most important mergers in the securities business since World War II.

The consolidated organization will handle the brokerage business of both present firms, providing a well-balanced and integrated nationwide and international investment organization. It will have more than 110 offices, after giving effect to the possible consolidation of offices in some cities, and 2,900 employees, including over 1,300 registered representatives.

John W. Allyn, Arthur C. Allyn, John H. Riley, G. L. Teach, J. D. Casey, J. E. Snyder and W. B. Hamilton, present partners of A. C. Allyn & Co., will become general partners of Francis I. duPont & Co.

A wholly owned affiliate, F. I. duPont, A. C. Allyn, Inc., is to be formed to handle the corporate underwriting of both present firms.

Francis I. duPont & Co. is one of the nation's largest investment firms, with a network of 92 offices in this country, Canada and Europe. It was founded in 1931 by the late Francis Irenee duPont, one of the leading research chemists and inventors of his day, and father of the present senior partner, Edmond duPont.

For many years the elder duPont was an officer and director of E. I. duPont de Nemours & Co. and organized that company's first central research laboratory and experimental station. He was a prime mover in the basic research which eventually resulted in the development of many of today's "man-made" fibers.

Reflecting the founder of the firm's lifelong interest in research, Francis I. duPont & Co. was among the pioneers in developing modern techniques of investment research and today operates one of the largest research divisions in the investment field.

In addition to its general brokerage business, A. C. Allyn & Co. is one of the nation's leading firms in the underwriting and distribution of corporate and municipal securities. A. C. Allyn & Co. was founded in Chicago in 1912, and was headed for many years by the late Arthur C. Allyn, Sr., father of the present principal partners, John and Arthur. The elder Mr. Allyn was recognized as one of the leading figures in the nation's investment business until his death in 1960.

The firm originally specialized in utility financing and until 1921 its activities centered almost exclusively on the bond business. In the 1930's the firm widened its operations into corporate financing, in addition to expanding its municipal operations.

A. C. Allyn & Co. became a member of the New York Stock Exchange in 1948 and began expanding its activities in the sale and distribution of corporate securities, particularly of retail businesses concentrating heavily in the midwestern area of the United States. The majority of the firm's 24 offices are in midwestern cities.

Joins Walston Staff

PORTLAND, Oreg.—John D. Lamb is now with Walston & Co., Inc., 901 Southwest Washington Street.

As We See It

Continued from page 1

Treasury who supplied a little of the missing information about recent trends in the foreign investment factor. "Today," he said, "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 average of less than $600 million over the years from 1959-61, to $1.1 billion in 1962, and to an annual rate of almost $2 billion over the first six months of this year." Then in defense of Administration plans he added that "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.

"The interest equalization tax is a transitional means for achieving this purpose."

To all those schooled in international finance in what used to be regarded as normal times there is something very odd about all this, not the least about the analysis thus presented by the Secretary of the Treasury. Evidently, the basic pattern of such transactions and the factors controlling them have suffered a "sea change" into something strange if not rich. The Secretary says that "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 $3.5 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." The Secretary adds that preliminary figures for July suggest some improvement in the situation, but other aspects of the matter attract first attention.

Those "Regular Transactions"

We do not intend any play in semantics when we wonder about those "regular transactions." The Secretary says they emerge from the "interplay of market forces and the established policies of this and other governments." Such transactions may be regular enough, but the circumstances in which they occur are hardly regular by any standards which have the sanction of centuries of experience in international financial affairs. Even some of the transactions emerging from "established policies" of governments may be and often are anything but regular in any real sense of the term. Why is it, one may ask —indeed one must ask—that the transfer of such large amounts of demand for capital from other centers to our own does not result in a rise in the price of American capital, that is in a reduction of the price paid for foreign securities and a rise in the yield thereon? Such a question becomes all the more pertinent since the demand of the Secretary and the Administration for a tax to equalize the cost of raising funds in the various markets plainly implies that the great increase in the volume of foreign offerings here is to be attributed to lower interest costs.

There was a time, of course, when other factors were quite important if not ruling. That was a time when only the dollar was secure and transferable into any other currency desired with no difficulty at all, and, often only dollars could buy what was wanted by the foreign borrower. That is hardly the situation today when the world believes rightly or wrongly that the dollar is under pressure, and when few of the things wanted by foreigners are to be had only in this country or in countries where only the dollar is regarded as acceptable without question. The truth is that the mere fact that the Administration is concerned about this imbalance expressly because it threatens our balance of payments position and our gold stock makes it clear enough that foreign borrowers here are not primarily interested in obtaining our goods — as does the fact that prices have not risen much faster than they have and as they normally would in response to such a large increase in demand from abroad.

Established Policies

Evidently, these are not market forces as seen in a fully free economy, or else it is the "established policies of this and other governments" which throw a monkey wrench in the machinery of self-balancing international international accounts. The question is, or the first question is, whether another established policy of this government — a special tax on foreign borrowing in this country—will prove to be a real transitional remedy or whether it may in the end make matters worse instead of better. But there are other and vital questions, too, that must come at once to the mind of the thoughtful man with the interests of his country at heart. Is a governmental policy because it is regarded as "established" to be considered untouchable? Has the time not arrived when a full and dispassionate reconsideration of at least some of these established policies definitely in order? It would be pleasant to believe with the Administration that our international balance of payments problem was strictly a temporary one and that whatever is necessary to remove its basic cause was actually being attended to. But where is the basis for any such optimism?

Life Insurance Stocks as An Investment Medium

Continued from page 1

asked prices—no stock available for purchase or sale. The market is frequently so thin that only a few hundred shares, often less are bid or are for sale. The senior analyst of an investment trust told me a few weeks ago that he found the bid price of a well known life stock was only one hundred shares and that any further sale would have to be at a considerably lower figure in all probability. Thus, it is obvious, that life insurance stocks should never be used as trading media and should be shunned by the short term trader.

Again, in view of all these difficulties and drawbacks, why invest in life insurance stock at all? There are very compelling reasons for the long-term investor to consider these stocks—the investor with the patience to stay with his investment for five or 10 years. He has been richly rewarded.

Reasons for Long-Term Investment

The reasons are in part as follows:

(1) The best and surest growth industry in this country today is the life insurance industry. Total sales of all types of life insurance grew 130% in the decade 1942-1951, inclusive. In the last decade, 1952-1961, inclusive, the rate of growth was 160%. Thus, this growth rate shows a strong tendency to accelerate. 1961 figures are the latest figures available at this writing. Since 1900 total income of U. S. life insurance companies has increased in each year except 1932 when it declined 4% and 1933 when it declined less than 1%. In only six years, since 1900, 1931 to 1936, inclusive, has insurance in force failed to reach a new high total amount. During the depth of the great depression following the 1929 crash, insurance in force did decrease 10%.

(2) Insurance earnings are based on mathematical certainty and there is no greater certainty known than this—not even death and taxes.

(3) It is an indispensible industry and is growing faster than any other major area in our economy. As our economy becomes more complex, newer forms of insurance are necessary. Also the public is constantly becoming better educated to the need for insurance.

(4) The cumulative effect of growth in earnings from earnings retained for safety and stability is a big factor in the increased value of life insurance stocks over a period of years.

(5) The industry has no inventory problem.

(6) The medical profession is effectively working day and night to increase the profits of life insurance companies by decreasing the death rate through the use of more effective drugs and through research. We are making great gains in the area of such death dealing problems as cancer and cardio - vascular disease. Breakthroughs are probably just around the corner.

(7) The decline in death rates increases earnings from old policies even though mortality tables are changed more frequently to reflect the more recent lower mortality rates for new policies. Furthermore, the mortality rates used are for the average population—policy holders have a much lower expected mortality rate since they are selected and screened after medical examination. This is illustrated by the fact that the death rate per 1,000 policyholders was 6.0 in 1960 (latest figures available) whereas the national death rate that year was 9.3. In other words, policyholders had only 65% the average mortality expected in the population as a whole. Furthermore, the decline in the death rate of policyholders has been greater during the last 15 years than has been the decline of the average death rate of the population as a whole. This is logical since policyholders are a selected group and probably above average mentally and physically and thus have greater resistance to disease.

(8) Population growth furnishes an increasing market for sale of life insurance. Life insurance is the first necessity for a newly married couple. The increase in the birth rate right after the war is now beginning to be reflected in increased home formation, and this should persist for the next decade.

(9) There is no problem from foreign competition thus far.

(10) Inflation such as we have seen in this country thus far is no problem since obligations are paid in fixed dollars and not in dollars of constant purchasing power. In fact, history indicates that moderate inflation makes a demand for larger policies. The size of the ordinary life policy has grown 60% in the last decade. For a group policy, the growth in size is 70%.

11) No labor problems thus far. The percentage of overhead taken by administrative and clerical costs has not risen since 1947, thanks chiefly to the automation of office procedures. No industry has been helped to a greater extent than has the insurance industry by the advent of recent computer inventions. Even complete policies are now calculated and issued by automation by some companies.

(12) The competition of mutual life insurance companies has not to date hurt the growth of the stock companies. It is thought in some quarters that the stock companies on the average are somewhat more efficiently managed. This seems a reasonable belief since management of the mutual companies do not have stockholders looking over their shoulders.

(13) There is terrific leverage working in favor of the stockholder in a stock life insurance company in view of the tremendous assets of the company and the relatively small number of shares of stock outstanding. A 1% change in the interest rate on the invested portfolio can mean many dollars increase (or decrease) in the earnings per share of stock.

(14) Investments are safeguarded through public regulation. The effectiveness of this regulation varies considerably between states and would perhaps be more efficiently handled on a national level. Each company is subject to regulation by each state in which the company does business. Examination is made at frequent intervals of assets and their value in relation to obligations. Annual statements have to be filed with the Commissioner of Insurance in each state in which business is done. Some states like New York, Connecticut and Massachusetts are very strict in their regulations. Unfortunately in some states, regulation is lax, inefficient, and means little, permitting the licensing of "fly-by-night" life insurance companies which are little more than promotional schemes.

In general, reserves are more than ample for all large companies. An insurance company is not fulfilling its duty to a policyholder unless the mind of the policyholder is completely at rest regarding the safety and stability of his insurance.

(15) In every year in this century income from premiums and investments of life insurance companies has been greater than the amount necessary to pay all insurance losses. For the industry as a whole, there has been no call on reserves. This was true even during the great flu epidemic of 1918 and the great depression. It is true that many small insurance companies have gone to the wall under adverse circumstances, but losses to policy holders even in these cases were not large, thanks to reinsurance. Only one company of any size failed during the great depression of 1929-34. This is truly remarkable.

(16) About 65% of the people in the United States are insured and the percentage has been increasing rapidly. If worse came to worse, (and this is almost unthinkable) there would be government socialization of severe losses in all probability. The government would not permit wholesale bankruptcies of insurance companies. As an illustration of our government's concern in this matter, during the great depression when stock market values went off 82% on the average and bond prices fell precipitously, insurance companies were allowed to value their bond portfolios at fictitiously high prices in order to more closely maintain book value of reserves than would have been the case had they published

them at market value. As events proved, this doubtful precaution was entirely unnecessary. No call on reserves was necessary to pay losses during those years by any of the large companies.

(17) Earnings of life insurance companies have been helped by the increase in interest rates that we have seen since 1947. The top of the interest rate cycle has probably not yet been reached and even after it has been reached the "roll - over" of low coupon bonds present in the investment portfolio of most companies into higher yielding investments will go on for a number of years. The rate of interest received on investments is by far the most important item in the income of an established insurance company. Possibly next in importance is the lapse ratio, since the cost of putting new life business on the books is not recovered for 4-5 years due to cost of agents' commission, bookkeeping, etc. If the policies which have been sold lapse, the company is out of pocket. Avoid companies with high lapse ratios. Next in importance is probably the amount of new business, followed by the amount of overhead expense which has been very contsant at about 17% of costs over a number of years; finally, the last major item controlling income is the mortality and the morbidity rate.

It might be noted here that the last large advance in life insurance stock prices starting about 1949 has coincided with the rise in the interest rate cycle and also that these stocks suffered severe declines along with all others in the 1929-32 stock market debacle. Stocks like Aetna Life and Connecticut General did not recover their 1929 high price level until mid-1951. At this time the Dow Jones industrial average was around 250 versus a 1929 high of 382. In other words, when some of the life insurance leaders had regained their previous all time high, the Dow Jones industrial average had regained only 65% of its all time 1929 high.

(18) Lastly, but very important is the fact that the market for insurance stocks is a very limited one and confined chiefly to those individuals able to forego present income for future benefits. Thus, the competition is not as keen among prospective buyers as, say, in a good stock like General Foods, the record of which is analyzed by thousands every day. I have always liked to get off the beaten track when looking for desirable investments. Life insurance stocks, though much better known than a decade or two ago, are still not under quite the spotlight that more popular stocks receive today.

There are most certainly drawbacks to life insurance stocks as investments which should be taken into consideration. These are in part as follows:

(1) Poor marketability at times, as mentioned already. Over-the-counter traded stocks are subject to chaotic markets during times of stress.

(2) Very low yield. Companies pay out only about 20% of earnings.

(3) Difficulty of analysis, since no two companies have the same percentage of participating and non - participating insurance on their books and the product mix varies from company to company as mentioned earlier.

(4) Possibility of increased government taxation. Taxes were increased on life insurance companies a few years ago by Congress. This came only after several years of study and deliberation and this was done in consultation with the insurance companies. Obviously if insurance companies are taxed as heavily as ordinary business, serious impairment of reserves might result since 80% of earnings go to reserve. The government has every reason to want the insurance companies to be as strong as possible since over two-thirds of our population have life policies. In view of the small profit per individual policy and the need for strong reserves, it is doubtful if any further increase is likely at least for awhile.

(5) High price earnings ratio and high price to asset ratio at which life insurance stocks are now selling — highest on record. Only continuation of rapid growth justifies present prices.

(6) The interest rate cycle may be only a few years away from the top of its present up-phase. Since rate of return on investments is the most important factor in earnings (and investments are 90-95% in fixed income securities), the end of favorable earnings from portfolio investments may be approaching. As mentioned above, roll - over of low yielding bonds bought during the depression and the war years may continue the favorable phase a few years beyond the top of the interest rate cycle.

(7) Lapse ratios have almost doubled in the past 10 years. This is a trend that if continued, can reduce company profits considerably. Always look up the lapse ratio of a company in which you are thinking of investing. It is a rough guide to the quality of business on the books.

(8) Increasing competition for the available business and less ethical competition than in the past. All business is faced with this unfortunate situation at the present. It comes with the growth of the country and the dilution of a sense of responsibiliy especially in large urban centers. Moreover, children are not taught quite the high sense of responsibility and self control that they once were. Life is tending toward softness in America. The spirit of trying to get something for nothing is abroad in the land. Too many are trying to make a fast buck. If I am correct about this, fire and casualty insurance stocks are less attractive as a group than formerly and increased malingering in connection with health insurance can affect the earnings of a life insurance company adversely if the company writes health and accident insurance.

Beware of the newly formed life insurance company. Some are all right. Many are fly-by-night promotional schemes with a large number of shares and reserves insufficient to meet the heavy losses that must be expected during the first five years of operation. Some states will not give such companies a license to sell insurance. Unfortunately, some will.

How to Select Individual Life Insurance Company Stocks For Investment

In my personal work, I find the best way is to chart the following data on semi - logarithmic paper adjusted for all changes in capitalization for the past 15 years.

(a) Yearly price range of the stock.

(b) The asset value per share. This represents the sum of the capital, unassigned surplus funds and conditional reserves corrected for the proportion assigned to the participating category and divided by the number of shares outstanding. Some anlysts add to this by ascribing certain values to insurance on the books. This has a very definite value in case of sale to another company. The usual value ascribed is $10-20 per $1,000 of ordinary life or endowment; $2-7 for each $1,000 of group or industrial life business. There is no doubt as to the validity of this procedure. The difficulty is in judging the value since it varies from company to company with the quality of the business written.

(c) Dividend paid.

(d) On this sheet should be noted the percent of participating and non - participating insurance and the product mix as defined earlier in this paper becaused of the variation in the profitability of these items. Also, the lapse ratio.

This chart, plus a mental correlation with item (d) is all that is necessary to arrive at a comparative picture between companies. Since the logarithmic scale gives a true picture of percentage change, it is possible to compare rates of growth between companies and relationship to market price. I prefer this method to one of attempting ot do what I think is nearly impossible, and that is determine true earnings per share for non - participating insurance on the books of the company, as many attempt to do. There can be less quibbling over asset value than so-called earnings. If asset value per share is going up over a period of years satisfactorily, the company is making money and the rate of growth can be determined.

I always note the states in which the company is licensed to sell, and always give a special favorable weight to companies licensed to sell in states which have strict regulations. There is a tendency for life insurance stocks to go up or down in the market by spurts. I never like to buy after a long upward spurt, and at a new high. My experience is that a drop of 5-10% after a new high, frequently takes place—a natural secondary reaction.

A new and very logical development is now taking place—a kind of marriage between life insurance and mutual investment funds. This marriage if properly conceived, will result in a real service, especially to young people starting to build for the future, since it will give needed insurance and a measure of protection against inflation and should help in the building of an estate. Some of the leading insurance companies and investment trusts are exploring this field and have ventured into it.

The proof of the pudding is always the eating. Below is a table giving the results of a 15½ year investment in one share of several well known life insurance and industrial stocks corrected for all changes in capitalization since Jan. 1, 1948, plus figures on the Dow Jones Industrial average which increased by four times during this period.

Record of One Share Jan. 1, 1948 - July 1, 1963, Inclusive

	Price of 1 Share 1-1-48	Value of Orig. Sh. 7-1-63*	Yield on Orig. Sh. 1-1-48	Present Yield on Orig. Sh. 7-1-63*	Times Growth in Mkt. Value in 15½ yrs.
Dow Jones Indus. Aver.	180	706.88	--	--	4
General Motors	$58	$450	5.2%	33.5%	6.8
Travelers Insurance Co.	530	9,850	3.4	18.5	18.5
Aetna Life Insurance Co.	46.50	861.25	3.4	18.8	18.6
Lincoln National Life Ins. Co.	58	1,640	1.7	17.4	28.5
International Busi. Machines	240	8,416	2.5	24	35
Connecticut Gen. Life Ins. Co.	74	3,320	2.4	21	45

*Adjusted for all changes in capitalization.

It will be seen that even the premier industrial stocks, IBM, has increased marketwise less than the stock of the Connecticut General Life Insurance Co. during this period. In fact, IBM has had only about 75% the gain achieved by the Connecticut General. There have been other life insurance stocks that have out performed considerably the insurance stocks listed above. No attempt has been made to pick the best performers in this group. The phenomenal advance in the market price of the life insurance stocks during this period is in part a reflection of their greater popularity as investment media and in part the result of the growth of the companies. This growth has resulted from income received from investments plus a small profit per policy unit on one hand and the terrific leverage for the common stock on the other. Some of the earnings on billions of assets are brought down to a relatively small amount of stock outstanding. The period picked for this study is a very favorable one both for life insurance stocks and the stock market in general. It is almost inconceivable that this performance can be repeated in the foreseeable future.

I am not unduly alarmed by certain "scare" books that have been written about the life insurance industry purporting to show that it is attempting to delude the public. Anyone reading most of these books will note the shrill hysterical tone in which they are written. It is not the voice of the calm and fair-minded seeker of truth. It is true that life insurance should be bought chiefly as insurance and only secondarily as an investment. For people capable of saving regularly, there are better forms of investment per se than an endowment or 20 year life policy, but this does not detract from the value of or need for the insurance element which can be satisfied with a renewable term insurance policy without the saving feature. These books are many of them filled with half-truths which are sometimes more dangerous than none.

In summary, life insurance stocks now selling at all-time highs, are suitable investments for certain types of investors and entirely unsuitable for others, especially the impatient, short-term (0-12 month) speculator. These stocks should be bought for 5-to-10-year holding. The rewards will be great for people who buy in this category, for life insurance is still one of the major growth industries in our country, thanks to capable far-sighted management which has a desire to meet the needs of the people. Investments in general, should be confined to the larger, well-established companies with histories which one can study over a period of years and which are companies licensed to sell in states known to have wise regulations. Such stocks are for the business or professional man who can forego present income and are not for widows and orphans with very limited financial means. These life stocks are dynamite and must be handled carefully. Like a helicopter they can rise or fall very suddenly. During the stock market debacle of 1929-32, an index of life insurance stocks declined 89% versus a decline of 82% in the Dow Jones Averages. The business of the life companies is one of rapid growth plus stability in times of stress, but due to the immense leverage for the common stocks, earnings can fluctuate markedly with certain changes in our economy like the going rate of interest. The marketability of some stocks on the over - the - counter market is usually poor. The business has shown relative immunity to such wars, inflation and disease out-breaks as this country has undergone since 1900. Future growth is assured barring hydrogen bomb warfare. In that event, who or what will survive?

SOURCES OF INFORMATION:

Correspondence and personal interviews with officials of a number of life insurance companies, 1921-63, inclusive.

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Business Research Series No 9, Graduate School of Business, Stanford University, 1956.

Best's Digest of Insurance Stocks, 1961-63.

Best's Life Insurance Reports, 1950-63.

Life Insurance Fact Book, 1961-62.

Conning and Co.—Life Insurance Companies of the U. S., 1950-63.

Miscellaneous articles on the subject by Dr. Ira U. Cobleigh, Shelby Cullom Davis and others, published over the years by the *Commercial and Financial Chronicle*.

***An address by Dr. Chapman before the El Paso Syndicate, the oldest investment club in the Rocky Mountain region, Colorado Springs, Aug. 6, 1963.**

The Security I Like Best

Continued from page 2

ucts are gaining wide acceptance in the container and bag field.

For the year ended March 31, 1963, Ethyl reported net earnings of $3.79 per share, up 157% from 1962's $1.47. Sales reached $100.8 million, up 105% from 1962's $49.1 million. We estimate that for fiscal 1964 the company will earn approximately $6.50 per share on sales in excess of $202 million. At the current price of 47½ (OTC), Ethyl, with its less than eight times price-earnings multiple appears particularly attractive. There are few companies which can boast the excellent growth rate Ethyl has shown. We feel that this stock is undervalued and recommend its purchase for businessman's-risk accounts.

F. A. Robinson Co. To Be Formed in N. Y.

Effective Sept. 5, Fred A. Robinson will acquire a membership in the New York Stock Exchange and will form F. A. Robinson & Co., with offices at 410 Park Ave., New York City. Mr. Robinson will be general partner in the firm; Edward P. Bemberg, Georgia H. Bemberg, and George Bemberg, will be limited partners.

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. 24	1,761,000	1,742,000	1,856,000	1,611,000
Index of production based on average weekly production for 1957-1959	Aug. 24	94.5	93.5	99.6	86.5
Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960	Aug. 24	0.585	0.57	0.605	55.0
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Aug. 16	7,661,110	7,634,210	7,644,410	7,261,410
Crude runs to stills—daily average (bbls.)	Aug. 16	8,634,000	8,765,000	8,744,000	8,562,000
Gasoline output (bbls.)	Aug. 16	31,617,000	30,477,000	31,279,000	30,713,000
Kerosene output (bbls.)	Aug. 16	2,709,000	2,908,000	3,089,000	2,899,000
Distillate fuel oil output (bbls.)	Aug. 16	14,097,000	14,532,000	14,227,000	13,472,000
Residual fuel oil output (bbls.)	Aug. 16	5,314,000	4,929,000	5,256,000	5,213,000
Stocks at refineries, bulk terminals, in transit, in pipe lines					
Finished gasoline (bbls.) at	Aug. 16	186,021,000	184,694,000	191,468,000	157,983,000
Kerosene (bbls.) at	Aug. 16	34,837,000	34,305,000	33,130,000	32,007,000
Distillate fuel oil (bbls.) at	Aug. 16	151,514,000	146,014,000	133,308,000	135,585,000
Residual fuel oil (bbls.) at	Aug. 16	51,849,000	50,633,000	49,580,000	30,949,000
Unfinished oils (bbls.) at	Aug. 16	88,512,000	90,059,000	89,562,000	66,892,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Aug. 17	576,657	559,714	587,693	582,627
Revenue freight received from connections (no. of cars)	Aug. 17	476,010	458,456	450,235	482,706
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Aug. 17	9,385,000	*9,450,000	8,920,000	8,641,000
Pennsylvania anthracite (tons)	Aug. 17	459,000	448,000	353,000	283,000
CONSTRUCTION ADVANCE PLANNING — ENGINEERING NEWS-RECORD—NEW SERIES (000's omitted):					
Total advance planning by ownership	Aug. 22	$583,300	*$655,100	$547,200	$269,900
Private	Aug. 22	400,400	407,100	312,500	159,300
Public	Aug. 22	182,900	*248,000	234,700	110,600
State and Municipal	Aug. 22	105,300	219,100	222,600	86,000
Federal	Aug. 22	77,600	28,900	12,100	24,600
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE = 100	Aug. 17	113	105	98	106
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Aug. 24	18,082,000	18,053,000	18,771,000	17,320,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Aug. 22	275	287	272	302
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Aug. 19	6.279c	6.279c	6.279c	6.196c
Pig iron (per gross ton)	Aug. 19	$63.11	$63.11	$63.33	$66.44
Scrap steel (per gross ton)	Aug. 19	$27.17	$26.83	$25.50	$27.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Aug. 23	30.600c	30.600c	30.600c	30.600c
Export refinery at	Aug. 23	28.425c	28.450c	28.375c	28.575c
Lead (New York) at	Aug. 23	11.500c	11.250c	11.043c	9.500c
Lead (St. Louis) at	Aug. 23	11.300c	11.050c	10.843c	9.300c
‡Zinc (delivered at)	Aug. 23	13.000c	13.000c	12.500c	12.000c
Zinc (East St. Louis) at	Aug. 23	12.500c	12.500c	12.000c	11.500c
Aluminum (primary pig, 99.5%) at	Aug. 23	22.500c	22.500c	22.500c	24.000c
Straits tin (New York) at	Aug. 23	114.750c	115.250c	114.250c	107.875c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Aug. 27	89.09	89.25	89.22	88.76
Average corporate	Aug. 27	88.81	88.81	88.81	87.05
Aaa	Aug. 27	91.77	91.91	91.77	91.05
Aa	Aug. 27	90.20	90.20	90.34	89.23
A	Aug. 27	89.09	89.09	89.23	86.78
Baa	Aug. 27	84.43	84.43	84.43	81.66
Railroad Group	Aug. 27	87.05	87.05	87.18	83.53
Public Utilities Group	Aug. 27	89.78	89.92	89.92	88.81
Industrials Group	Aug. 21	89.51	89.64	89.64	88.95
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Aug. 27	3.94	3.92	3.91	3.85
Average corporate	Aug. 27	4.50	4.50	4.50	4.63
Aaa	Aug. 27	4.29	4.28	4.29	4.34
Aa	Aug. 27	4.40	4.40	4.39	4.47
A	Aug. 27	4.48	4.48	4.47	4.65
Baa	Aug. 27	4.83	4.83	4.83	5.05
Railroad Group	Aug. 27	4.63	4.63	4.62	4.90
Public Utilities Group	Aug. 27	4.43	4.42	4.42	4.50
Industrials Group	Aug. 27	4.45	4.44	4.44	4.49
MOODY'S COMMODITY INDEX	Aug. 27	357.8	359.3	369.1	367.7
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Aug. 17	371,221	402,763	343,429	328,775
Production (tons)	Aug. 17	378,185	382,958	345,301	358,439
Percentage of activity	Aug. 17	98	98	92	98
Unfilled orders (tons) at end of period	Aug. 17	597,036	615,224	553,879	493,054
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1959 AVERAGE = 100	Aug. 23	98.98	98.94	99.33	97.28
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Aug. 2	2,217,360	2,221,120	1,913,450	2,300,370
Short sales	Aug. 2	534,010	479,910	462,880	520,660
Other sales	Aug. 2	1,738,520	1,733,790	1,548,600	1,708,970
Total sales	Aug. 2	2,272,530	2,213,700	2,011,480	2,229,630
Other transactions initiated off the floor—					
Total purchases	Aug. 2	422,020	378,170	256,580	420,030
Short sales	Aug. 2	61,900	51,200	44,400	104,800
Other sales	Aug. 2	397,270	313,800	228,130	320,000
Total sales	Aug. 2	459,170	365,000	272,530	424,800
Other transactions initiated on the floor—					
Total purchases	Aug. 2	878,540	859,491	701,753	789,055
Short sales	Aug. 2	205,060	141,120	135,240	141,680
Other sales	Aug. 2	708,860	684,219	695,485	728,800
Total sales	Aug. 2	913,920	825,339	830,725	870,480
Total round-lot transactions for account of members—					
Total purchases	Aug. 2	3,517,920	3,458,781	2,871,783	3,509,455
Short sales	Aug. 2	800,970	2,672,230	642,520	767,140
Other sales	Aug. 2	2,844,650	2,731,809	2,472,215	2,757,770
Total sales	Aug. 2	3,645,620	3,404,039	3,114,735	3,524,910
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	Aug. 2	1,260,039	1,229,478	1,044,385	1,295,762
Dollar value	Aug. 2	$69,972,645	$65,446,196	$57,284,033	$63,655,857
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Aug. 2	1,376,772	1,363,787	1,135,508	1,319,286
Customers' short sales	Aug. 2	19,043	21,254	15,962	35,838
Customers' other sales	Aug. 2	1,357,729	1,342,533	1,119,546	1,283,448
Dollar value	Aug. 2	$69,426,066	$65,640,288	$56,573,370	$66,218,909
Round-lot sales by dealers—					
Number of shares—Total sales	Aug. 2	471,900	466,740	379,960	404,680
Short sales	Aug. 2	------	------	------	------
Other sales	Aug. 2	471,900	466,740	379,960	404,680
Round-lot purchases by dealers—Number of shares	Aug. 2	347,180	337,830	296,250	405,180
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	Aug. 2	1,055,750	919,970	797,190	1,111,280
Other sales	Aug. 2	15,892,550	16,036,850	13,369,730	16,296,600
Total sales	Aug. 2	16,948,300	16,956,820	14,166,920	17,407,880
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	Aug. 20	100.4	100.4	100.5	100.7
Farm products	Aug. 20	96.1	*96.6	97.3	98.0
Processed foods	Aug. 20	101.7	*101.4	102.4	101.9
Meats	Aug. 20	95.4	95.1	95.9	101.1
All commodities other than farm and foods	Aug. 20	100.7	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
AMERICAN GAS ASSOCIATION—			
For month of June:			
Total gas sales (M therms)	7,036,500	8,036,100	6,279,000
Natural gas sales (M therms)	6,935,700	7,898,900	6,175,300
Manufac'td & mixed gas sales (M therms)	100,800	139,200	103,700
AMERICAN HOME LAUNDRY MANUFACTURERS ASSOCIATION—Month of July:			
Total home laundry appliance factory unit sales (domestic)	382,702	452,240	350,810
Washers	281,191	358,614	264,158
Automatic and semi-automatic	238,534	302,499	218,151
Wringers and others	42,657	56,115	46,007
Combination washer-dryers	2,049	2,597	2,707
Dryers	99,462	91,029	83,945
Electric	69,545	59,375	59,042
Gas	29,917	31,654	24,903
AMERICAN PETROLEUM INSTITUTE—Month of May:			
Total domestic production (barrels of 42 gallons each)	267,588,000	260,228,000	253,346,000
Domestic crude oil output (barrels)	234,499,000	228,270,000	222,969,000
Natural gasoline output (barrels)	33,082,000	31,948,000	30,371,000
Benzol output (barrels)	7,000	10,000	6,000
Crude oil imports (barrels)	34,484,000	32,593,000	34,181,000
Refined product imports (barrels)	27,052,000	32,491,000	25,058,000
Indicated consumption domestic and export (barrels)	304,697,000	294,054,000	292,466,000
AMERICAN RAILWAY CAR INSTITUTE—			
Month of July:			
Orders of new freight cars	4,356	2,349	3,088
New freight cars delivered	4,017	3,701	3,016
Backlog of cars on order and undelivered (end of month)	21,925	21,959	13,192
AMERICAN TRUCKING ASSOCIATION, INC.—			
Month of June:			
Intercity general freight transport by 345 carriers (in tons)	6,200,474	6,749,046	6,094,598
BUILDING CONSTRUCTION—U. S. DEPT. OF LABOR—Month of July (in millions):			
Total new construction	5,911	*5,925	5,743
Private construction	4,216	*4,221	4,078
Residential buildings (nonfarm)	2,539	*2,631	2,388
New housing units	1,905	*1,812	1,759
Additions and alterations	529	*717	516
Nonhousekeeping	105	102	113
Nonresidential buildings	991	923	1,025
Industrial	238	226	239
Commercial	437	402	469
Office buildings and warehouses	229	219	217
Stores, restaurants and garages	208	183	252
Other nonresidential buildings	316	295	317
Religious	84	79	86
Educational	57	53	53
Hospital and institutional	91	85	82
Social and recreational	57	54	71
Miscellaneous	27	24	25
Farm construction	147	140	147
Public utilities	506	*497	491
Telephone and telegraph	93	*93	84
Other public utilities	413	404	407
All other private	33	*30	27
Public construction	1,695	*1,704	1,665
Residential buildings	64	*65	78
Nonresidential buildings	489	*509	461
Industrial	Not avail.	*41	29
Educational	277	*269	273
Hospital and institutional	39	*39	35
Administrative and service	67	*67	60
Other nonresidential buildings	74	*93	64
Military facilities	Not avail.	Not avail.	94
Highways	Not avail.	Not avail.	643
Sewer and water systems	181	*172	165
Sewer	112	*105	103
Water	69	67	62
Public service enterprises	52	*45	49
Conservation and development	Not avail.	*151	141
All other public	35	36	34
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BOARD OF NEW YORK			
As of July 31 (000's omitted)	$2,059,000	$2,049,000	$2,002,000
CONSUMER PRICE INDEX — 1957-59 = 100—			
Month of June:			
All items	106.6	106.2	105.3
Food	105.0	104.2	103.5
Food at home	103.4	102.5	102.1
Cereal and bakery products	109.2	109.3	107.4
Meats, poultry and fish	98.4	98.0	99.7
Dairy products	102.8	102.8	102.7
Fruits and vegetables	115.6	113.9	111.9
Other food at home	96.9	94.5	93.4
Food away from home (Jan., 1958=100)	113.0	112.9	110.6
Housing	105.9	105.7	104.8
Rent	106.7	106.6	105.6
Gas and electricity	108.1	107.4	107.7
Solid fuels and fuel oil	102.1	102.4	99.4
Housefurnishings	98.5	98.4	99.1
Household operation	110.2	110.0	107.4
Apparel	103.9	103.7	102.8
Men's and boys'	104.4	104.2	103.1
Women's and girls'	101.2	101.1	100.5
Footwear	110.6	110.3	109.1
Other apparel	101.0	100.9	100.4
Transportation	107.4	107.4	107.3
Private	106.1	106.0	106.0
Public	116.6	116.5	115.6
Medical care	116.8	116.4	114.4
Personal care	107.8	107.8	106.1
Reading and recreation	110.9	110.7	109.2
Other goods and services	107.6	106.0	105.2
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—1957-59 Average = 100—Month of July:			
Seasonally adjusted	127	*126	119
Unadjusted	121	*128	114
NEW YORK STOCK EXCHANGE—			
As of July 31 (000's omitted):			
Member firms carrying margin accounts—			
Total customers net debit balances	$4,920,000	$4,930,000	$3,592,000
Credit extended to customers	25,000	32,000	29,000
Total of customers free credit balances	1,126,000	*1,149,000	1,252,000
Market value of listed shares	382,213,000	382,998,000	105,471,579
Member borrowings of U. S. Govt. issues	615,000	687,000	258,000
Member borrowings on other collateral	3,995,000	4,218,000	2,173,000
NEW CAPITAL ISSUES IN GREAT BRITAIN MIDLAND BANK—Month of July	£65,933,000	£51,952,000	£62,080,000
PORTLAND CEMENT (BUREAU OF MINES)—			
Month of June:			
Production (barrels)	34,992,000	34,497,000	32,304,000
Shipments from mills (barrels)	35,150,000	34,913,000	33,349,000
Stocks at end of month (barrels)	40,229,000	40,704,000	38,684,000
Capacity used (per cent)	89	86	88

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.

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.

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**—Indefinite.

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. (9/23-27)**
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.

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. (10/1-4)**
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.

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. (9/17)**
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 Angeles County. **Proceeds**—For selling stockholder, Domin-

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guez Estate Co., parent. **Office**—21718 South Alameda St., Long Beach, Calif. **Underwriter** — Eastman Dillon, Union Securities & Co., Los Angeles.

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 by-products. **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.**
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. **Offering**—Imminent.

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. **Note**—This statement may be withdrawn. Xerox Corp., has agreed to purchase the company's assets.

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.

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. **Note**—This statement was withdrawn.

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.

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.

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.

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.

● **French Market Shopping Center, Inc. (9/6)**
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. **Note**—This statement was withdrawn.

● **Global Construction Devices, Inc. (8/30)**
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. (9/11)**
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.

● **Hawaiian Telephone Co. (9/25)**
Aug. 20, 1963 filed 534,000 common to be offered for subscription by stockholders on the basis of one new share for about each 10 held of record Sept. 25. **Price**—By amendment (max. $23). **Proceeds** — For expansion. **Office**—1130 Alakea St., Honolulu. **Underwriter**—None.

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 stockholders, Processing & 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. (9/3)**
June 24, 1963 filed 66,500 common. **Price**—By amendment (max. $4.50). **Business**—Sale of encyclopedias, dictionaries, atlases, etc. **Proceeds**—For working capital and sales promotion. **Office**—6660 Biscayne Blvd., Miami, Fla. **Underwriter**—Roman & Johnson, Fort Lauderdale, Fla.

International 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.

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).

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.

● **Juniper Spur Ranch, Inc. (9/16-20)**
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.

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.

● **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. **Offering**—Expected in late September.

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.

● **Life Insurance Co. of Florida (9/16)**
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, Murphey, Inc., Jacksonville.

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

Lord Jim's Service Systems, Inc.
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.

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.

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.

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.

● **Morton (B. C.) Realty Trust (9/10)**
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

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NEW ISSUE CALENDAR

August 30 (Friday)
Global Construction Devices, Inc. ---------- Class A
(Charles Plohn & Co.) $720,000

September 3 (Tuesday)
Enzyme Corp. of America ---------- Common
(Bristol Securities Inc.) $240,000
International Book Distributors, Inc. ---------- Common
(Roman & Johnson) 66,500 shares
National Fence Manufacturing Co., Inc. ---------- Common
(Netherlands Securities Co., Inc.) $875,000

September 4 (Wednesday)
Allied Chemical Corp. ---------- Common
(Smith, Barney & Co., Inc.; Carl M. Loeb, Rhoades & Co.) 237,512 shares
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 6 (Friday)
French Market Shopping Center, Inc. ---------- Units
(Midland Securities Co., Inc.) $300,000

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
Hawthorn-Mellody, Inc. ---------- Common
(Hemphill, Noyes & Co.) 497,500 shares
Norfolk & Western RR. ---------- Equip. Trust Ctfs.
(Bids 12 noon EDST) $6,900,000
Nuveen Tax-Exempt Bond Fund, Series 5 ---------- Units
(John Nuveen & Co.) $16,500,000
Piedmont Natural Gas Co., Inc. ---------- Common
(Offering to stockholders—underwritten by White, Weld & Co. Inc.) 139,940 shares
Teaching Machines, Inc. ---------- Common
(S. D. Fuller & Co.) $750,000

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
Morton (B. C.) Realty Trust ---------- Ben. Int.
(B. C. Morton Funds Underwriters Co., Inc.) $10,000,000
Resort Corp. of Missouri ---------- Units
(R. L. Warren Co.) $1,000,000
Tektronix, Inc. ---------- Common
(Lehman Brothers) 540,000 shares

September 11 (Wednesday)
C. I. T. Financial Corp. ---------- Debentures
(Dillon, Read & Co. Inc., and Kuhn, Loeb & Co., Inc.) $100,000,000
Handleman Co. ---------- Common
(E. F. Hutton & Co., Inc., and Baker, Simonds & Co., Inc.) 330,000 shares
N. Y., Chicago & St. Louis RR. ---------- Equip. Tr. Ctfs.
(Bids 12 noon EDST) $6,540,000

September 16 (Monday)
Juniper Spur Ranch, Inc. ---------- Common
(V. E. Anderson & Co.) $300,000
Lewis Business Forms, Inc. ---------- Debentures
(Reynolds & Co., Inc. and Saunders, Stiver & Co.) $1,250,000
Life Insurance Co. of Florida ---------- Common
(Pierce, Wulbern, Murphey, Inc.) 400,000 shares
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
Dominguez Water Corp. ---------- Common
(Eastman Dillon, Union Securities & Co.) 70,000 shares

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)
Bradford Speed Packaging & Development Corp. ---------- Common
(Offering to stockholders of Atlas General Industries, Inc. —underwritten by Burnham & Co.) 819,024 shares
Heck's, Inc. ---------- Common
(Charles Plohn & Co.) $450,000

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

September 25 (Wednesday)
Hawaiian Telephone Co. ---------- Common
(Offering to stockholders—no underwriting) 534,000 shares
Rogers Brothers Co. ---------- Common
(Dean Witter & Co.) 105,458 shares

October 1 (Tuesday)
Bridges Investment Fund, Inc. ---------- Capital Shares
(No underwriting) 200,000 shares
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
Natural Gas & Oil Producing Co. ---------- Common
(Peter Morgan & Co.) $900,000
Old Florida Rum Co. ---------- Units
(Offering to stockholders—underwritten by Pierce, Wulbern, Murphey, Inc. and Consolidated Securities Corp.) 338,755 units

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 4 (Wednesday)
Massachusetts Electric Co. ---------- Bonds
(Bids to be received) $10,000,000

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

Continued from page 25

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. (10/1-4)**
Sept. 7, 1962 filed 180,000 class A common. **Price**—$5. **Business**—Production of natural gas and oil. **Proceeds**—For drilling expenses, working capital and other corporate purposes. **Office**—Tekoil Bldg., Oklahoma City **Underwriter**—Peter Morgan & Co., N. Y.

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

● **New England Telephone & Telegraph Co.**
Aug. 1, 1963 filed 2,099,857 capital shares being 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 (9/9-13)**
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. (10/1)**
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.

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.

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.

● **Piedmont Natural Gas Co., Inc. (9/9)**
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.

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 (9/16)**
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. (9/25)**
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.

Salawa 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.

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. (9/9-13)**
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.

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.

● **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. Meverson & Co., Inc., New York. **Offering**—Expected in November.

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."

Invested Dollars Fund, Inc.
15,000,000 common offered at $1.09 per share by Fund Distributors, Inc., Minneapolis.

Lone Star Gas Co.
$35,000,000 of 4⅜% sinking fund debentures due Sept. 1, 1988 offered at par and accrued interest by First Boston Corp., New York.

Rollins Broadcasting, Inc.
85,000 common offered at $16 per share by New York Securities Co., New York.

Russell Mills, Inc.
300,000 common offered at $12 per share by Hornblower & Weeks, New York.

Sprague Electric Co.
$15,000,000 of 4⅜% sinking fund debentures due Sept. 1, 1988 offered at 99.625% and accrued interest, to yield 4.40% by First Boston Corp., New York and F. S. Moseley & Co., Boston.

Tourist Industry Development Corp., Ltd.
$5,000,000 of 7% senior debentures due 1983 offered at par by American-Israel Basic Economy Corp., New York.

Issues Filed With SEC This Week

★ **Allied Chemical Corp. (9/4)**
Aug. 28, 1963 filed (post effective amendment) 237,512 shares. **Price**—By amendment. **Business**—Company is one of the largest chemical and alkali producers in U. S. **Proceeds**—For selling stockholders. **Office**—61 Broadway, New York. **Underwriters**—Smith, Barney & Co., Inc., and Carl M. Loeb, Rhoades & Co., New York.

★ **Bell-House, Inc.**
Aug. 16, 1963 ("Reg. A") 125,000 common. **Price** — $2. **Business**—Planning and designing of pre-fab contemporary houses. **Proceeds**—For land, equipment, debt repayment, sales promotion, working capital and other corporate purposes. **Office**—550 Fifth Ave., New York. **Underwriter**—None.

★ **C. I. T. Financial Corp. (9/11)**
Aug. 23, 1963 filed $100,000,000 of debentures due Sept. 1, 1984. **Price**—By amendment. **Business**—Company and its subsidiaries are engaged in the financing of retail instalment sales of goods, making of consumer loans; leasing of automobiles and equipment; factoring; writing of life, health and accident insurance; and manufacture of x-ray and related equipment. **Proceeds**—For reduction of short-term borrowings, and working capital. **Office**—650 Madison Ave., New York. **Underwriters**—Dillon, Read & Co. Inc., and Kuhn, Loeb & Co., Inc., New York.

★ **Denny's Restaurants, Inc.**
Aug. 26, 1963 filed 167,000 common, of which 111,110 are to be offered by company and 55,890 by certain stockholders. **Price**—By amendment (max. $10). **Business**—Operation of 71 Denny's restaurants located in the western United States. **Proceeds**—For general corporate purposes. **Office** — 7051 Monroe Ave., Buena Park, Calif. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis.

★ **General Stone & Materials Corp.**
Aug. 26, 1963 filed 130,000 common, of which 120,000 are to be offered by company and 10,000 by a stockholder. **Price**—By amendment (max. $8). **Business**—Company is engaged in the sale of terrazzo and quartz aggregate, marble, granite and related items and in the production of certain marble and quartz aggregates. **Proceeds**—For debt repayment, working capital, equipment, and other corporate purposes. **Office**—1401 Franklin Rd., S. W., Roanoke, Va. **Underwriter**—J. C. Wheat & Co., Richmond, Va.

★ **Jersey Central Power & Light Co. (10/15)**
Aug. 21, 1963 filed $9,000,000 of debentures due Oct. 1, 1988. **Price**—By amendment. **Proceeds**—For construction. **Address**—Madison Avenue 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. 15 (11 a.m. EDST) at 80 Pine St., New York. **Information Meeting**—Oct. 10 (10 a.m. EDST) at same address.

★ **Meridian Resources, Inc.**
Aug. 16, 1963 ("Reg. A") 12,934 class A common and 38,802 class B non-voting common to be offered in units of one class A and three class B shares. **Price**—$20 per unit. **Business**—Investing in real estate, fruit farms and a drug store. **Proceeds** — For debt repayment, working capital and other corporate purposes. **Office**—4540 N. W. Tenth St., Oklahoma City. **Underwriter**—None.

★ **Peoples State Loan Co. of Delaware**
Aug. 19, 1963 ("Reg. A") $100,000 of 6½% subordinated debenture notes due July 1, 1972 and $200,000 of 6% subordinated debentures due July 1, 1968. **Price**—At par. **Business**—A small loan company. **Proceeds**—For working capital. **Office**—14249 Greenfield Ave., Detroit. **Underwriter**—None.

★ **R F Communications, Inc.**
Aug. 26, 1963 ("Reg. A") 44,000 common of which 34,000 shares are to be offered to stockholders, 10,000 shares to employees, agents, dealers, etc., and unsubscribed shares to the public. **Price**—To stockholders, $5; to others, $5.50. **Business**—Design, development and manufacture of electronic communications equipment and other electronic devices. **Proceeds**—For general corporate purposes. **Office**—1680 University Ave., Rochester, N. Y. **Underwriter**—None.

★ **Subscription Television, Inc.**
Aug. 22, 1963 filed 1,900,000 common. **Price**—$12. **Business**—Company plans to establish and operate a subscription television system in the Los Angeles and San Francisco metropolitan areas. **Proceeds**—To complete developmental work, and establish the initial system. **Address**—Room 2600, One Wall St., New York. **Underwriter**—William R. Staats & Co., Los Angeles. **Offering**—Expected in early October.

★ **Unified Mutual Shares, Inc.**
Aug. 22, 1963 filed 750,000 capital shares. **Price** — Net asset value plus 8½%. **Business**—A new mutual fund. **Proceeds**—For investment. **Address**—207 Guaranty Bldg., Indianapolis. **Distributor** — Unified Underwriters, Inc., (same address).

★ **Universal Moulded Fiber Glass Corp.**
Aug. 23, 1963 filed 738,408 common to be offered for subscription by stockholders on the basis of three new shares for each four held of record Sept. 19. **Price**—By amendment (max. $2.50). **Business** — Production and molding of plastics or related materials reinforced by fiber glass. **Proceeds**—For loan repayment, and working capital. **Address** — Commonwealth Ave., Bristol, Va. **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 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.

★ **Capitol Food Industries, Inc.**
Aug. 28, 1963 it was reported that the company plans to file a registration statement shortly covering $1,700,000 of sinking fund convertible debentures due 1978. **Proceeds** — For loan repayment, and working capital. **Address** — Chicago, Ill. **Underwriter** — Walston & Co., Chicago.

★ **Central State Bank (Brooklyn, N. Y.)**
Aug. 23, 1963 stockholders approved a 2-for-1 stock split and the offering of 71,313 additional shares (par $2.50) to stockholders on the basis of one new share for each 2½ shares held of record Aug. 23. Rights will expire Sept. 12. **Price**—$18. **Proceeds**—To increase capital funds. **Office**—32 Court St., Brooklyn, N. Y. **Underwriter**—Shearson, Hammill & Co., New York.

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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.**
Aug. 27, 1963 the company stated that it plans to sell $25,000,000 of debentures in early December to raise money for construction. **Office**—120 E. 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.

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.

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.

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. (12/4)**
Aug. 27, 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.-Whtie, Weld & Co. (jointly). **Bids**—Expected Dec. 4.

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.-Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler-Paribas Corp. (jointly); 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.-Eastman Dillon, Union Securities & Co. (jointly). **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.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Salomon Brothers & Hutzler (jointly). **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 Northwest Bell Telephone Co.**
Aug. 27, 1963 the company announced plans to offer stockholders the right to subscribe for additional common in mid-November. The number of shares, price and the ratio to shares held will be announced later. **Business**—Furnishing of telephone service in Washington, Oregon and Idaho. **Proceeds**—To reimburse the company's treasury for construction expenditures. **Office** — 1200 Third Ave., Seattle. **Underwriter**—None.

★ **Pacific Northwest Bell Telephone Co. (12/3)**
Aug. 27, 1963 the company announced plans to sell $50,000,000 of debentures due Dec. 1, 2000. **Proceeds**—To repay $48,700,000 debt due Pacific Telephone & Telegraph Co., former parent. **Office** — 1200 Third Ave., Seattle. **Underwriters**—(Competitive) Probable bidders: Morgan Stanley & Co.; Halsey, Stuart & Co. Inc. **Bids**—Expected Dec. 3.

Pacific Telephone & Telegraph Co.
June 19, 1963 the company stated that it will need $650 million of new money in the years 1964 through 1966 to help finance its $1.3 billion construction program. This means that the company must sell about $217 million of securities a year, it was stated. **Office**—140 New Montgomery St., San Francisco. **Underwriters**—To be named. The last issue of debentures on Feb. 16, 1960 was underwritten by Halsey, Stuart & Co. Inc. One other bid on the issue was tendered by Morgan Stanley & Co.

Pennsylvania Power & Light Co.
March 18, 1963 the company stated that it expects to sell $75,000,000 of bonds in the period 1963 through 1967. **Proceeds** — For construction and the retirement of $8,000,000 of maturing bonds. **Office**—9th and Hamilton Sts., Allentown, Pa. **Underwriters**—To be named. The last sale of bonds on Nov. 29, 1961 was won at competitive bidding by White, Weld & Co., and Kidder, Peabody & Co. Other bidders were Halsey, Stuart & Co. Inc.; First Boston Corp.-Drexel & Co. (jointly).

Philadelphia Electric Co.
March 5, 1963 the company reported that it plans to spend $478,000,000 for construction during the five-year period 1963-67. It added that about half the money required will be generated internally, and the balance obtained by bank loans to be converted into permanent financing, from time to time, through the sale of bonds and common stock. **Office**—1000 Chestnut St., Philadelphia. **Underwriters**—To be named. The last sale of bonds on Oct. 15, 1959 was handled by Morgan Stanley & Co. and Drexel & Co. Other bidders were: Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co. The last sale of common was a rights offering on June 2, 1959, underwritten by Drexel & Co., and Morgan Stanley & Co.

Potomac Edison Co.
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.-Harriman 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.

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.

★ United California Bank (Los Angeles)
Aug. 27, 1963 the bank announced plans to offer its stockholders the right to subscribe for about $25,000,000 of common stock to be offered on the basis of one new hare for each 12 shares held of record Sept. 13. **Proceeds**—To increase capital funds. **Office**—600 South Spring St., Los Angeles. **Underwriter**—None.

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.

★ Valley Gas Co.
Aug. 28, 1963 it was reported that the SEC had scheduled a hearing for Oct. 10 on a plan under which Blackstone Valley Gas & Electric Co., would sell its entire 400,000 shares holdings of Valley Gas to stockholders of Blackstone and Eastern Utilities Associates, the latter' parent. **Price**—At book value ($11.15 per share on Apr. 30, 1963). **Business** — Company was formed by Blackstone to take over its gas properties. **Proceeds**—To the selling stockholder, Blackstone Valley Gas. **Address**—Pawtucket, R. I. **Underwriters**—(Competitive). Probable bidders: Kidder, Peabody & Co.; Stone & Webster Securities Corp.

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.

Fed. Favors Easier Loan Requirements

In identical letters to the Chairmen of the Banking and Currency Committees of the Congress the Board of Governors has recommended legislation to broaden substantially the kinds of security on which credit can be advanced by the Federal Reserve Banks.

This action follows an extensive two-year review within the Federal Reserve System of the law, regulation, and practices governing member bank borrowing from the Federal Reserve Banks. The new legislation, if enacted, would do away with technical requirements regarding "eligibility" of collateral for such borrowings that have become outmoded since the enactment of the Federal Reserve Act in 1913. Subject to regulation by the Board of Governors, the Reserve Banks would be authorized to make loans to member banks primarily based on the soundness of the paper offered as security and the appropriateness of the purpose for which credit is sought.

Forms Romano Associates

EVANSTON, Ill.—Robert S. Romano has formed Romano Associates with offices at 1580 Sherman Ave. to engage in a securities business.

Philips, Appel Admit

Philips, Appel & Walden, 115 Broadway, New York City, members of the New York Stock Exchange, have admitted Eugene Berman to limited partnership.

Two With C. J. Murphy

PORTLAND, Maine—Albert R. Babb and Carroll H. Tyler have become associated with Clifford J. Murphy Co., 443 Congress Street. Both were formerly with Clayton Securities Corporation, Mr. Taylor representing the firm in Florida.

Now Graham Associates

ORMOND BEACH, Fla.—The firm name of Graham & Werthem, Inc., 218 East Granada Avenue has been changed to Graham & Associates, Inc.

New Officers for Hubshman Firm

As of Sept. 5 Leon Mazursky will become Treasurer and Richard M. Seidlitz, Vice-President of Hubshman, Fleschner, Inc., 350 Park Avenue, members of the New York Stock Exchange.

With Disbro Co.

WILLOUGHBY, Ohio—Joseph M. Strayer has been added to the staff of Disbro & Co., 4076 Erie Street.

Our Biggest Public Scandal—Takers, Pushers, and Electees

Continued from page 4

subsidy. But we cannot laugh and turn the page as we might with those stories from abroad. The critical issue of national political morality must be dealt with if we are ever to regain responsible government here in America.

How do we attack the cause of this immorality? We must go to the source, the reckless extravagance which is corrupting the electorate and undermining responsible government. If you have an extravagant wife who is spending you into the poorhouse, prudence dictates that you cut off her checkbook privileges, her charge accounts and her credit cards until she reforms. You must curb her spending authority. We must do something of that sort with our bureaucrat big spenders here in Washington, we must curtail their extravagances by reducing the tax money and credit they have to hand out. The Administration proposes to spend $98.8 billion during this fiscal year plus authority to spend another $9.1 billion at a later date. Is it barely possible that they want that added authority available around election time next year?

The Chamber of Commerce of the United States has recommended 117 specific areas in which *proposed* spending can and should be cut without impairing our national security or our essential government services in the slightest degree. They total a reduction of $9.1 billion in spending authority and $4.5 billion less in actual cash expenditures for this fiscal year. These economies can be increased by returning to the states, counties and local communities the responsibility for projects which are basically local in nature. They can be achieved by resisting all expenditures for new functions or for expansion of existing programs unless it can be proved beyond a reasonable doubt that such programs are essential to the urgent national security requirements of this nation.

Area Redevelopment Program

The Area Redevelopment Assistance program is a case in point. The Administration wants to spend another $455.5 million to expand this program of assistance to so-called depressed areas, even though the experience of the past two years has proven that this program doesn't work. Economically depressed areas are created by a variety of factors such as changes in consumer demand, depletion of resources, changes in defense procurement or in the location of defense facilities, decentralization of production, lack of industrial diversification and technological change. The Area Redevelopment Administration has done nothing to change any of those conditions which cause depressed areas. It cannot. No Federal program can. When this program was initiated, only 103 areas in the United States were listed officially as "depressed." Today this sophisticated spoils system includes 1,000 eligible areas and the list is growing.

Where does this vote buying labeled as "assistance" stop? Is the Federal Government to pour our tax money and borrowed funds endlessly to bail out every community, every industry, every individual company that finds itself in trouble? Or is the proper role of the Federal Government to curtail this spending in order to create sound foundations for sustained economic growth which will enable the whole American community to prosper?

Prefers Local Leadership

No one suggests that real depressed areas be ignored. I do contend that the solution of our depressed area problems will not be solved until we turn from Washington to local responsibility and local leadership. Local initiative certainly is no new idea. Communities like Winston-Salem, N. C.; Tampa, Fla.; Columbus, S. C.; and Altoona, Pa., are relying on non-profit organizations created especially to provide money for industrial expansion. There are more than 10,000 of these organizations in the country. Another method of local self-help consists of mobilizing the community's skills and energies to attack the critical problem of urban renewal. Voluntary organizations form the core of a united effort to determine the problems, give them priorities and arrange for the financing. This method is now being used in about 50 cities, and is being refined in several pilot cities under the sponsorship of the National Chamber.

The economies in Federal spending accompanying such a return to local responsibility are enormous, they are necessary, and they are practical. But we cannot get them without a radical change in the political morality of the numerous citizens throughout our nation. We're not going to get real economy in government so long as many Members of Congress continue to serve as "bagmen" for their constituents and so long as many of the electorate continue to pressure them to do so.

Congressmen Had No Such File

When Mr. Kermit Gordon took office as Director of the Budget last January, he waited for members of the House and Senate to suggest one or more projects in his District or State which could be eliminated or postponed in the interest of economy. Mr. Gordon put a folder on his desk to hold the contributions that should pour in. Six months later, he had one piece of paper in the file. This was from a New York Congressman who was willing to give up a minor Long Island ferry project. Congressional economy seems to be something you practice on someone else's constituents.

On the other hand, it seems that every Member of Congress has a file of projects which he is pushing for his constituents, or which his constituents are pushing on him. I wonder how many of these projects would meet the test of real national necessity? Perhaps the gentlemen of the press could do their readers and your country a service by looking into those files and asking that question of your Congressman or your Senator.

Members of Congress find themselves under almost intolerable pressure from their voters to get more and more Federal handouts—apparently in the belief that somebody else is paying for them. Make no mistake: these pressures impair the effectiveness of our Congressman and Senators to the point where they have less and less time to give adequate attention to our real national interests and the national problems involved.

I won't be surprised, and neither will you, if we find a few normally conservative, economy-minded Congressmen from the cotton states voting in favor of the wasteful additional half billion dollars for ARA a few days hence. Cotton legislation is also at stake. Can anyone question that the pressure of constituents' self-interest bears heavily on the judgments and time of our lawmakers and affects to some degree every major legislative decision? When a Congressman is not consistent, look at his constituents.

Government supported by bread and circuses has been with us a long time and no one believes it is going to be corrected overnight. But to paraphrase a prominent Bostonian temporarily residing here, *"let us begin."*

Awakening the Public's Conscience

The need is to awaken the public conscience to the dangers of this "something for nothing" philosophy, to restore the sense of local responsibility in our communities and the sense of individual responsibility in each of our citizens. The Chamber of Commerce is trying to do just that in cities and towns across the country, and there is a growing recognition of personal responsibility stirring in the air. News prospectors and interpreters may disagree with the Chamber of Commerce on the proper solution of some of the great public issues that confront us. That is their privilege. But surely there is no disagreement on the need for higher standards of morality among our elected officials and our citizens; surely there is no quarrel on the need for reasonable economy in government to ease our growth stifling tax burdens and bring the national debt within manageable proportions.

Each of us may have a bigger stake than we realize in these problems. Modern medicine is doing so much to increase our life expectancy that we had better demand control of the size of our spending and our national debt. We might end up having to pay it all ourselves instead of passing it along to our children. Horrible thought, isn't it, to anyone except a responsible citizen with a high sense of political morality and the urgency of the times.

*An address by Mr. Neilan before The National Press Club, Washington, D. C., Aug. 7, 1963.

Peters, Writer Adds

DENVER, Colo.—Thomas E. Moore has been added to the staff of Peters, Writer & Christensen, Inc., 724 17th Street. He was formerly with R. J. Henderson & Co. and J. Barth & Co. in Los Angeles.

With Walston & Co.

DENVER, Colo.—Richard S. Poitras has become associated with Walston & Co., Inc., Denver U. S. National Center. He was formerly Great Falls, Mont. Manager for J. M. Dain & Company.

Fourdee Branch

PROVIDENCE, R. I. — Fourdee Planning Corporation has opened a branch office at 54 Custom House Street under the management of Ralph L. Stermer.

TAX-EXEMPT BOND MARKET

Continued from page 6

major members of the winning group include First National Bank of Memphis, National Bank of Detroit, National Boulevard Bank of Chicago, Commerce Trust Co. of Kansas City and Kugel, Stone & Co. Reoffered to yield from 2.00% to 3.00%, a balance of $4,-118,000 remains in group.

The account led by *Halsey, Stuart & Co., Inc.* was the successful bidder for $4,600,000 Holyoke, Massachusetts School Project (1964-1982) bonds naming a net interest cost of 2.889%. The runner-up bid of a 2.894% net interest cost was made by the Bankers Trust Co. and associates. Other members of the winning account include Harriman Ripley & Co., Kidder, Peabody & Co., Estabrook & Co., Stone & Webster Securities Corp., Hemphill, Noyes & Co., Weeden & Co., Tucker, Anthony & R. L. Day Co., Coffin & Burr, Fahnestock & Co., Austin Tobin & Co. and Townsend, Dabney & Tyson. Scaled to yield from 1.85% to 3.00% for a 3% coupon, the present balance in account totals $1,535,000.

Chemical Bank New York Trust Co. and associates submitted the best bid of a 3.0786% net interest cost for $2,350,000 Danville, Virginia various purpose (1964-1988) bonds. The second bid of a 3.083% net interest cost came from the Phelps, Fenn & Co. account and there were nine additional groups which submitted bids for this issue. Other members of the successful syndicate include C. J. Devine & Co., First of Michigan Corp., Kean, Taylor & Co., E. F. Hutton & Co., Anderson & Strudwick and Brown Bros. Harriman & Co. The obligations are reoffered to yield from 1.90% to 3.20% and initial demand has been good with the present balance in syndicate amounting to $629,000.

The group led by *The First Boston Corporation* submitted the best bid, for $2,000,000 Birmingham, Alabama serial (1965-1993) bonds, of a 3.332% net interest cost. The runner-up bid of a 3.362% net interest cost came from the Morgan Guaranty Trust Co. account. Associated with The First Boston Corporation in this underwriting are Mellon National Bank and Trust Co., Goldman, Sachs & Co., The Robinson-Humphrey Co. and Merchants National Bank of Mobile. Scaled to yield from 2.10% to 3.45%, the present balance in group is $1,045,000.

Tuesday's final sale of note was $3,000,000 Fort Wayne Community Schools, Indiana School Building (1965-1974) bonds. The account led by *Lehman Bros. & Co.* was the successful bidder at a net interest cost of 2.6194%. The second bid of a 2.66% net interest cost was made by the Northern Trust Co. group. Other members of the winning account include Goldman, Sachs & Co., Hemphill, Noyes & Co., Paribas Corp., Walston & Co. and Dominick & Dominick. Scaled to yield from 2.00% to 2.65% for a 2⅝% coupon about $1,000,000 of bonds have been sold.

Wednesday's only sale of importance was $7,100,000 Providence, Rhode Island various purpose (1964-1987) bonds. The group led by Halsey, Stuart & Co., Inc. was the high bidder at a dollar price of 100.209 for a 3⅛% coupon and the runner-up bid 100.09 for a 3.15% coupon came from The First Boston Corp. and associates. Other major members of the winning group include Phelps, Fenn & Co., White, Weld & Co., Hornblower & Weeks, Hayden, Stone & Co., Bache & Co. and Bacon, Stevenson & Co. The securities are reoffered to yield from 1.90% to 3.30% and a balance of $5,065,000 remains in group as we go to press.

Revenue Bonds Firmed

In the revenue bond area, as strange as it may seem, prices are slightly better this week than they were a week ago. *The Commercial and Financial Chronicle's* revenue bond (toll road, bridge and utility revenue) yield Index averages out at 3.475% this week. A week ago the Index stood at 3.487%, thus indicating that this dollar quoted category of long-term issues has done about one-eighth of a point better on the average during the quiet week. Continuing improving traffic reports on most major facilities plus a relatively short supply of these bonds are the reasons for this small betterment in prices. Most of these securities are now well held by insurance companies and individuals who appreciate the handsome tax exempt return afforded them by these bonds.

Next week's new issue calendar is again light with but $70,-166,000 of bonds scheduled for public sale. A quiet order market seems in prospect for the near future.

N. Y. Fin. Inst. Chart Courses

For those interested in learning more about when to buy or sell securities, the New York Institute of Finance has announced two new evening courses dealing with technical analysis — the first for those with no previous technical background, the second for those with some acquaintance with point and figure charting. They are, respectively, THE TECHNICAL APPROACH TO STOCK MARKET INVESTING (Six Sessions), and TECHNICAL INDICATOR ANALYSIS (Ten Sessions. Some acquaintance with point and figure charts helpful).

The instructor for both courses is A. W. Cohen, a well-known Point and Figure expert.

History of U.S. Banking Laws Published

The Senate Committee on Banking and Currency, in commemorating its 50th Anniversary, issued a publication called "Federal Banking Laws and Reports, 1780-1912." This contains many of the major banking laws enacted during the period, such as the laws establishing the First and Second Banks of the U. S., and the Acts of 1863 and 1864. It also contains a number of major reports and excerpts from Hamilton's Report on a National Bank to the Report of the National Monetary Commission. Copies can be obtained from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C., 20402, for $1.75.

Life Insurance Groups Oppose Interest Equalization Tax

Life insurance Associations voice reservations as to soundness and effectiveness of proposed interest equalization tax.

The life insurance business strongly supports action to correct the deficit in the U. S. balance of payments, but has serious reservations about the soundness and effectiveness of the proposed interest equalization tax as a measure to help stem the outflow of gold.

The statement filed with the House Ways and Means Committee holding hearings on the proposal to tax foreign securities sold stated that the life insurance business believes the best way to check the outflow of long-term capital would be to permit and encourage a moderate rise of long-term interest rates.

The statement said that the Administration deserves much credit for its imaginative and constructive efforts to meet the problem. "Through such means as the tying of foreign loans and grants to U. S. exports, the gold pool, the development of cooperation from foreign governments in restraining their drawing on gold, the currency "swap" arrangements, and in other ways, the Administration has worked hard to alleviate the danger. Solutions to this problem do not come easily.

"The life insurance business, of course, strongly supports sound action to correct the deficit in our balance of payments. The only question is what are the best steps. We have serious reservations about the soundness of the interest equalization tax as a measure to correct the rise of portfolio investments abroad.

Imposes Direct Exchange Control

"(1) Despite claims to the contrary, the proposal moves toward direct control over capital outflows, which the Administration rejected as 'contrary to our basic precept of free markets.' It is not consistent with our traditional policy of encouraging freer international trade and full convertibility of currencies.

"(2) Since it approaches direct control, and departs from the free market pricing mechanism, the legislation must contain certain exemptions which weaken its effect. This results in difficult legislative decisions as to types of loans that should be exempt. Thus its effect can be discriminatory and unfair as between different participants in the capital market. It also presents extremely complicated administrative problems, for example the policing of commercial bank loans to insure that they are not used as a substitute for long-term securities issues.

"(3) Other countries faced with payments deficits occasioned by capital outflows — for example, Canada and Great Britain — have traditionally employed monetary policy and interest rate changes to cope with the problem. The wisdom of a tax approach is being questioned by foreigners. Thus, the tax may provoke retaliation by other countries, not only in the capital funds area, but also possible restrictions against our exports. It may worsen the climate for broadening world trade under the Trade Expansion Act.

"(4) The proposal is advanced as a means of reducing long-term capital outflows without departing from a policy of maintaining very easy long-term credit and low long-term interest rates at home. This fails to recognize that under present conditions less easy long-term credit in this country and moderately higher long-term interest rates would be desirable. After three and one-half years of easy credit availability largely as the result of Federal Reserve policy, the availability of financing has reached the point of excessive ease in certain areas of the long-term credit market. This is not good for the health of our economy.

Need to Raise Interest Rate

"(5) There is real question about the effectiveness of the interest equalization tax. We believe there is a definite possibility that the Administration will shortly be forced in any event to employ the monetary tool and rising long-term interest rates to deal with the problem."

The Committee was told that in the judgment of the life insurance business the best approach would be for the monetary authorities to encourage and permit a moderate rise of domestic long-term interest rates.

"Under existing conditions a rise in the order of one-half of 1% would in our judgment accomplish the desired results. The approach we advocate would avoid the difficulties outlined earlier which are inherent in the interest equalization tax and would be effective in meeting the problem. Investing institutions in this country have a natural preference for placing their funds domestically. The decline in long-term interest rates (one-half to three-quarters of 1% since 1959) is largely responsible for U. S. investors' increased interest in higher-yielding foreign securities. A moderate rise in long-term domestic interest rates would go far toward reversing this trend.

"In our judgment, the moderate increase of domestic long-term interest rates needed to check the flow of capital abroad would not impede our domestic economic expansion. The Federal Reserve authorities have already moved, with Administration blessing, to raise short-term interest rates in order to check the continued large outflow of short-term funds. With the rise of short-term rates, there would have been a natural tendency for long-term rates to rise also. This has not occurred, however, because the Administration and the monetary authorities have taken steps to prevent it on the ground that higher long-term rates would hamper economic expansion.

"The life insurance business strongly supports Government policy directed toward reducing unemployment and encouraging expansion of our economy. We want an improved rate of economic growth on a sustainable basis—consonant with stability of the general price level. An increase in long-term interest rates, which reduces the balance of payments deficit and also helps to maintain price stability, would make an important contribution to sustainable long-term growth of our economy."

Joins G. C. Haas Co.

G. C. Haas & Co., 60 Broadway, New York City, members of the New York Stock Exchange, announce the association of Charles P. Hutchinson, Jr., with its staff as a registered representative.

Mr. Hutchinson was formerly with the New York Stock Exchange firm of Reynolds & Co., as a registered representative in its Morristown, N J office.

Two With Eatherton

DENVER, Colo.—Dan R. Cox and Carlton R. White have become connected with Hersh Eatherton & Associates, Inc., 509 Seventeenth Street. Mr. Cox was formerly with Empire Investment Co. Mr. White was with J. H. Ayres & Co., Inc.

New Freeland Branch

LIMA, Ohio—The Freeland Company has opened a branch office at 205 West Market St. under the direction of Harold M. Freeland.

Davis, Skaggs Branch

SAN JOSE, Calif.—Davis, Skaggs & Co. have opened a branch office at 777 North First St., with Richard W. Keegan resident partner in charge.

New Walston Branch

BOCA RATON, Fla.—Walston & Co., Inc. has opened a branch office at 123 Southwest First St. under the management of William S. Gunn.

A. E. Beer Co. Formed

Andrew E. Beer has formed A. E. Beer & Co., Inc. with offices at 25 Sutton Place, New York City, to engage in a securities business.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—All the way from Delaware to the Rio Grande River in Texas, to the Indian reservations in Oklahoma, some marked political things are taking place.

There appears to be little doubt that President Kennedy is in deep political trouble in this vast area, which included some of his strongest territory in 1960.

The fact that Mr. Kennedy has slipped in this region was forcibly brought out informally behind the scenes recently at the Southern Governors' Conference which held its 29th annual meeting at the luxurious Greenbrier Hotel at White Sulphur Springs, W. Va.

There are 17 states in this conference and all but Governor J. Millard Tawes of Maryland and Governor John M. Dalton of Missouri attended. They had pressing problems at their respective state capitals and could not get away.

Of the 15 chief executives present, all but 41-year-old Governor Henry Bellmon of Oklahoma, were Democrats. Governor Bellmon, the first Republican Governor ever elected in the Sooner State, told his fellow governors a few political facts of life.

"The fact is," said Governor Bellmon, "if a presidential election were held in Oklahoma today and Senator Goldwater was the Republican presidential nominee I believe sincerely he would defeat President Kennedy five-to-one."

The Oklahomian, who has been over Texas and in Florida and Arkansas, said he is confident "as of today" Senator Goldwater could win over President Kennedy in those states, and "possibly" in Arkansas.

Republican Trends South of the Mason-Dixon Line

"There is no mistake about it—there is a powerful Republican sentiment in the Southland today," said Governor Bellmon.

Most of the Southern Governors, being good Democratic politicians, said they intend to support President Kennedy's reelection bid next year. That is to be expected.

Two of them, however, are outspoken critics of the Kennedy Administration and said flatly they would oppose the Kennedy-Johnson ticket. They are Governor George C. Wallace of Alagama and Governor Ross R. Barnett of Mississippi, both outspoken foes of integration. Both felt the power of the Central Government in Washington when President Kennedy sent Federal Troops in connection with integration of their respective universities.

Both Mr. Barnett and Mr. Wallace said they did not believe Mr. Kennedy could carry their states. Each is strongly advocating independent electors with the hope of being able to throw the 1964 presidential election into the House for trading purposes. However, they made no progress with their proposal at the informal discussions with a few other governors attending the conference.

Officially, politics was not on the agenda. Therefore, political discussions took place ouside the ballroom of the Greenbrier. Each governor brought along official members of his party including some staff members.

In the 1960 presidential election the banner Kennedy-Johnson state in the Union was Louisiana, which rolled up a Democratic vote of 63.8% over former Vice-President Richard M Nixon. Louisiana edged little Rhode Island, which gave the Democratic ticket 63.6% of its votes.

Qualified observers from Louisiana, none of whom would be identified said "there is no mistake about it—President Kennedy has lost heavily in his strongest state." The observers, who expect to support Mr. Kennedy in 1964, said if Senator Goldwater is the Republican nominee he probably would carry the state.

Confident of Kennedy Re-Election

Only one governor attending the meeting, Governor Terry Sanford of North Carolina, said he thought President Kennedy could beat any candidate the Republicans are now considering for the nomination. Governor Sanford, who maintains that he is not interested in a Federal position when his term expires, is probably the most pro-New Frontiersman in the Southern contingent of chief executives followed by Governor Elbert N. Carvel of Delaware, a native of Shelter Island Heights, N. Y., and Governor William W. Barron of West Virginia, the host governor.

Among the others who say they will rally behind the Kennedy-Johnson ticket next year are Governor Frank G. Clement of Tennessee, who expects to run for the Senate in 1964; Governor Carl Sanders of Georgia, whose state has the dubious distinction of having never voted anything but the Democratic ticket in a presidential election; Governor John B. Connally of Texas, and Governor Bert Combs of Kentucky.

Governor Orval E. Faubus of Arkansas, the first Southern governor to feel the power of Federal troops in connection with school segregation-intergration issues, said at this time he did not know whether he would support Mr. Kennedy or not. If Mr. Goldwater is the Republican nominee, he said he might support the Westerner, "but I am not sure now just what I will do."

Governor Farris Bryant of Florida, probably the fastest growing state in the Union, and the new conference chairman, said "I could not tell a year ahead of time whom I will support, "but he said he has always supported the Democratic nominee, and he probably would do so again.

Governor Donald S. Russell of South Carolina and Governor Jimmie H. Davis Louisiana did not want to discuss the presidential prospects a year in advance.

Governor Davis, a song writer and a singer, who has made a fortune out of folk and country music, made a big hit with the other governors, their wives and staff members with songs at the "black tie" dinner.

Actually most of the three-day formal session was devoted to serious mutual problems of the great Southland. It was brought out that the region is making tremendous strides economically.

Governor Barnett cited figures that purported to show that Mississippi is attracting more new industries to the state than most any other state, but he acknowledged that Mississippi still has a long way to go, but it is heading in the right direction. He said Mississippi's unemployment rate is one of the lowest in the country.

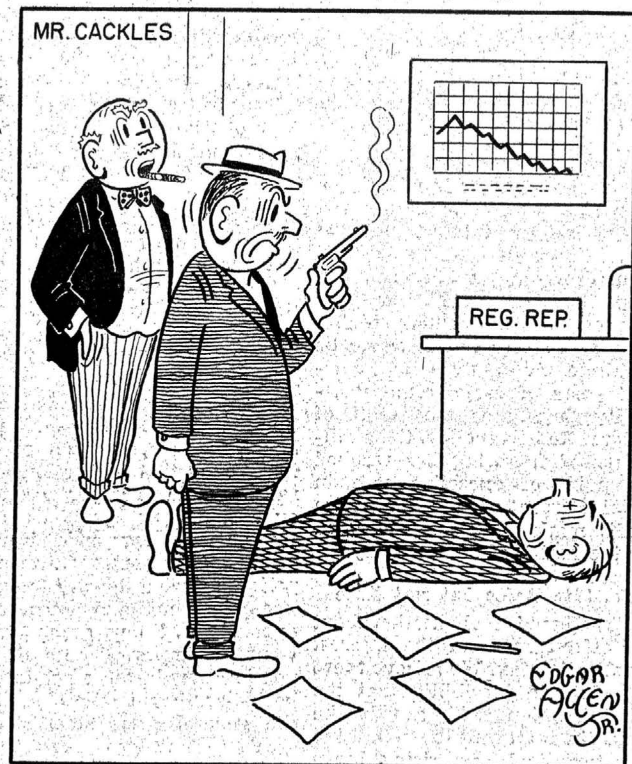
Governor Davis told the conference that during the last 10 years more than 50% of all the oil and natural gas reserves in the United States have been discovered in Louisiana, and during the past three years he said more than 80% of all reserves have been found in the Bayou State.

Tariff Problems

At the closing session the Southern Governors adopted 11 resolutions. One of them endorsed retaliation against the European Common Market for having increased the tariffs on poultry, which has depressed the poultry market in the South.

The chief executives also called for equalization of the domestic and export cotton prices, and pointed out that under the current agricultural policies this country's domestic textile mills have to pay about one-third more for a bale of cotton than foreign mills pay for United States cotton. The governors said in effect the two-price system was wrong and it should be righted.

[*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.*]



"Control yourself! Sure, you have a headache, but don't take it out on him!"

COMING EVENTS

IN INVESTMENT FIELD

Sept. 5-6, 1963 (Cleveland, Ohio)
Bond Club of Cleveland annual fall party.

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. 13-15, 1963 (Chicago, Ill.)
American Bankers Association First National Automation Conference at the La Salle 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.