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EDITORIAL

As We See It

The worsening of the so-called balance of payments problem and the concomitant determination of officials to try various new expedients to stimulate continuous and vigorous growth in industry and trade have inevitably called forth numerous proposals designed to eliminate the one and promote the other end. Discussions almost *ad nauseam* about the effect of this, that, and the other change in bank reserves and the mode of controlling or manipulating them have been the order of the day for a good while past. More recently jargon manufacturers have had a good deal to say about the "twist" in the interest rate structure—referring, of course, to alleged efforts to cause opposite changes in the various charges for the use of funds often already arbitrarily created.

Meanwhile, of course, the Administration never ceases to demand for a special tax on the sale by foreigners of securities in this market. It has for many months been preaching the merits of tax changes, chiefly tax reduction though sometimes a slight measure of tax reform, as a major instrument for keeping our domestic industry and trade going at high speed while other arbitary measures "tide us over" current troubles in our balance with other nations. Federal Reserve authorities may or may not have fully met the desires of the reformers in the nation's capital, but they have of late made a change in the discount rate. Congress, meanwhile, has not been greatly impressed with the economic homilies of the so-called experts of the Administration, and is apparently reluctant to proceed as the White House would like to have it do. It would be unfortunate indeed were we as a nation to become so engrossed in the alleged merits of various proposals for accomplish- (Continued on nage 24)

New Payments Balance Program Will Not Solve Basic Problem

By Dr. G. C. Wiegand, *Professor of Economics, Southern Illinois University, Carbondale, Ill.*

Incisive treatise on proposed and applied remedies for our decade-old balance of payments dilemma agrees logic supports the international illiquidity specter, depicted by those who advocate gold price rise, fluctuating exchange rates and a new international currency, but finds no empirical case can be made to support its advent. Professor Wiegand analyzes changes in our balance of payments, singles out three contributing reasons for our chronic deficit, and bluntly explains what should be done to redress it.

The chronic deficit in the American balance of payments which has kept the international monetary markets in a state of nervous makeshift for the past four years, and which is threatening the country's position of leadership in the free world, is essentially a political rather than an economic problem. The latest efforts of the Kennedy Administration, like a string of similar measures during the past four years, represent for all practical purposes just another politically acceptable palliative rather than a real attack on the basic causes of the problem. From a purely economic point of view, the threat to the nation's economic health could be overcome within a few months, but the political obstacles are such that a solution will be possible only if the American people can be convinced of the seriousness of the situation, so that they will come to reject the policy of convenient stop-gaps. The problem has two dimensions: national and international. It involves the solvency of the United States, as well as the operation of the international monetary system of the free world. To cover both aspects within the limited space of an article is not possible; yet one cannot discuss the threat to the solvency of the United States without at least a brief reference to the international aspects.


G. C. Wiegand

As every businessman knows, there has to be a certain relationship between the volume of business and the available operating capital. Through careful operations a limited amount of operating capital can be made to finance a large amount of business, but eventually a point is reached where it would be unwise to increase the volume of business further without addition working capital.

Some economists believe that the free world is rapidly approaching this point.

Since the end of World War II. the international monetary system has been based on two means of payments, gold and dollar balances; to which was added in recent years the British pound. The increase in gold and dollar balances, however, has not kept pace with the growth of international trade.

World trade has been growing at an average rate of 4-6% a year, while monetary gold reserves have increased by only 1-1½%. Between 1956 and 1962 the world's gold reserves, according to the estimates of the Federal Reserve, have risen by about 9% from $38.1 to $41.5 billion, while international trade (measured in Imports CIF) grew from $98 to $132 billion, or by about 33%. Additional international money was created since 1950 through the balance of payments deficits of the United States, which re- (Continued on page 27)

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HARVEY DEUTSCH

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Lafayette Radio Electronics Corp.

Since its first operation began in 1921 on Manhattan's West Side, Lafayette has grown from a company catering to customers tinkering with crystal sets to a position today that ranks it as the second largest firm in the country engaged primarily in the distribution of electronic parts and equipment and high fidelity components.

About 40% of the company's volume consists of electronic products of its own design which the company either assembles from components made by others or has made by others in accordance with its specifications. Such items include high-fidelity components, sound products, communications equipment and kits. Besides its own proprietary items, Lafayette distributes over 40,000 different electronic parts and products, of many of the best known names in the electronics business. Although the hi-fi market has shown impressive growth for over a decade, further gains appear in store as a result of multiple stereophonic FM broadcasting. In addition, the rapidly growing citizens band communications market augurs well for Lafayette, which at present is the leading manufacturer of citizens band equipment in the U. S.

Mail order shipments, which account for about 40% of total volume, are actively promoted by one of the most extensive catalogues produced by any distributing organization. The new Syosset facilities, featuring the latest automated material handling techniques, are able to ship orders within 24 hours of receipt. Retail sales, which make up another 40% of volume, are handled through 10 company stores as well as some 100 associate stores. With the advent of the associate store program in October 1960, a new and important sales source has been created. These stores carry a large stock of electronic and entertainment equipment, concentrating on Lafayette's own manufacture, and can supply anything in the company's catalogue. They are strategically located across the country in cities which do not offer enough potential to support a company branch store. Sales to industrial customers represent the remaining 20% of volume.

Since its first public stock offering in 1960 at $5 per share, sales rose from $18.1 million in the June 30, 1960 fiscal year to $23.6 million in 1961, while earnings increased from 55¢ to 77¢ per share. In fiscal 1962 sales reached record levels at $24.9 million, the ninth consecutive yearly rise. Earnings, however, slipped to 64¢ a share as a result of extraordinary expenses in connection with the expansion of distribution facilities which promise to expand future profits. Among these was the transfer of mail order operations to Syosset as well as investing in new retail outlets and upgrading older branch stores.

Resumption of the earnings uptrend that was temporarily interrupted, due to these non-recurring costs, is now in evidence. For the nine month period ended March 31, 1963, Lafayette recorded a 26% sales increase to $24.2 million. Margins widened on the higher volume as share earnings rose to 63¢, against 45¢. In the year just ended June 30, 1963, sales are estimated in the $31 million area with earnings placed around 75¢ a share. Consistent with growth-company policy, no cash dividend payments are expected in the near future. The convertible bond financing of 1961 and the private note placement in December 1962, should provide sufficient funds for anticipated capital needs.

Finances are adequate. As of the end of fiscal 1962, the current ratio was 2.2 to 1 with some $6.69 million in working capital. Capitalization consists of long-term debt of some $5 million which includes $2 million of 5½% convertible debentures, convertible at $20 a share up to $27 a share after 1972. These are 1,061,675 common shares outstanding of which 51.2% is owned by insiders.

From a 1961 high of 36½, Lafayette's shares have slipped to a current price of $12 on the American Stock Exchange. Now selling at 16 times estimated earnings of 75¢ a share, Lafayette appears to be a worthwhile speculation to participate in the rapidly expanding electronics distribution field.

ROBERT B. DIXON

President, United Securities Co., Greensboro, N. C.

State Capital Life Insurance Company

The shares of well managed life insurance companies come nearest to being ideal investments. These companies have substantial earnings, a high earnings plowback, a high return on invested capital, and a small cash pay out. The avowed purpose is to protect the policyholder but the end result is to protect the shareholder.

Of twenty-one life insurance companies kept under review, the average price performance of the twenty-one companies in the period 1953-62 was a price appreciation of 555%. That some selectivity is required is evidenced by the fact that the worst performer increased 230% and the best increased by 970%.

STATE CAPITAL LIFE INSURANCE COMPANY of Raleigh, North Carolina, with a capitalization of 449,945 shares, $5 par, has been compared with the industry average and the average of the twenty-one leading stock life insurance companies. State Capital Life grew approximately 100% faster in all critical categories than the industry average. It equalled or exceeded the growth of the average of the twenty-one companies.

With life insurance in force of more than one-half billion dollars, this company is in the top 10% of the industry. Insurance in force increased by approximately $43 million in 1962 and for the first six months of 1963, the net gain of insurance in force is running 47% ahead of a year ago. Based on this increase, the company may well add $60 million of new business for the year. Management has announced plans to reach one billion dollars of insurance in force by 1968.

The company writes ordinary non-participating life, group, term, credit life and industrial life and individual and group accident and health insurance. It is licensed in seven states—North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee and Virginia.

The company was founded in 1936 and reached $400 million of insurance in force by 1960. The average company requires approximately 40 years from date of inception to reach $400 million. This company reached it in twenty-five years. The average company will reach one billion dollars of insurance in force eight to nine years after reaching $400 million so that the company's plan to reach $1 billion by 1968 would conform to the pattern.

While it is true that this company has exceeded the industry average and has equalled the record of the average of the faster growing companies, the question investment-wise is — will it continue to grow at this rate and will it possibly grow at a faster rate. If this company conforms to the pattern of life companies of this size, it will probably grow at a faster rate in the next 10 years than in the past 10 years.

The National Industrial Conference Board has stated that the life insurance industry is believed to have the longest future pattern of growth of thirty industries which they surveyed. The life industry grew 7½% annually in the decade 1951-60 and industry estimates are that the life insurance industry will grow at substantially greater rates in the current decade than in the past decade. Certainly the 50 million persons under 15 years of age who as yet have not been substantial factors in the life industry will become increasing factors in the current decade. The anticipated birth of between 32 and 35 million additional persons by 1970 will also favorably affect the life insurance sales. The purchase by these persons of life insurance coverages could increase life insurance sales almost 50% by 1970. The increasing inflation may well increase per capita purchasing of life insurance to new high levels and consumer liquidity could also aid life insurance sales.

Profitability could be greatly enhanced by increased longevity and by very low interest assumptions being in computing rates. Another factor which is developing in the life insurance industry

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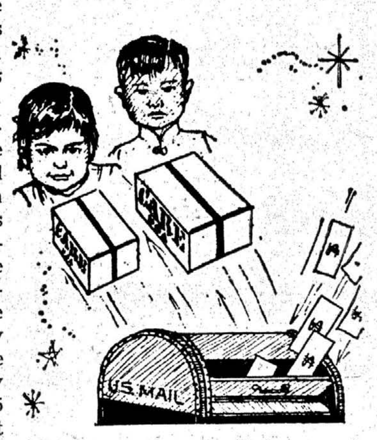

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The Art of Speculation

(When Talent Beats Upon the Anvil of Opportunity, Sparks Fly)

By Alan D. Whitney, *Winnetka, Illinois*

Mr. Whitney maintains that successful speculation is an art, based on inherited talent, and augmented by experience, morality and harmony, with surrounding conditions including time and place—without benefit from scientific analysis. Says speculation debacles result from market infiltration by amateurs. Asserts the true artist defies consensus. Concludes only the small knowledgeable segment of the public should indulge in speculation, and quit when there are no signs of success.

Throughout the ages, progress has been made in science but not in art, in knowledge but not in wisdom, in law but not in morality, in manners, style and fashion but not in harmony. "All Passes, Art Alone Endures" is carved over the entrance to Chicago's Fine Arts Building. But "O Tempora, O Mores" tells the opposite condition, while "Fashion Is Spinach" was stated publicly by one of the country's best known couturiers. Again on the fundamental side: "Experience is the best teacher" and "Wisdom is not to be found in books" are well known. Science, knowledge, law and manners are tools or means. Art, wisdom, morality and harmony are ends to be approached but never completely attained. People as individuals are like mathematical variables which approach their respective aims (or constants) but never completely attain them. The capacity of the variable in its endeavor, measures the degree of its success. There can be no worthy argument about a scientifically established tenet, an historical fact, the wording of an enacted law nor the decorum of good manners. But who can say just what is art, wisdom, morality or harmony?

Alan D. Whitney

The Theme

The above is given as an introduction and a basis for the theme of this opus: Namely, that successful speculation is an art, only, based on inherited talent, augmented by experience, with due regard to morality and in harmony with surrounding conditions, time and place. No scientific analysis has been correctly made of it, no current law can eradicate it, no one can imbide it by tutelage and no one can indulge in it excepting in currently available media. Speculation differs from plain gambling not in their respective ends, which is to win, but in their respective means. An honest gambler can successfully establish no system that has ever been found to be of much good for any length of time. On the other hand, a speculator in stocks, land, crops, oil or other exploration, who has inherent knack, sufficient experience, an established method and good timing has a fair chance of winning, and each success increases his future chances, (which is not the case with pure gambling.) One of the country's best known investment advisers said 50 years ago: "If you can be 55% right, on average, you can consider yourself a successful speculator." Granting that most gambling gives one a maximum chance of 50% success, (and in many places the "take" by the casino, dealer, race-track or whatever reduces this to perhaps only 47%), the difference of 6% between fairly certain loss and reasonably probable success, is considerable. One should also note from the above ratios that the established gambling house has the same chance for success as the true speculator. In fact, the gambling establishment is not gambling at all. It is a gross misnomer, however, to consider the Stock Exchange as a gambling establishment as do many people, for a speculator in stocks is not pitting his wit against the exchange but against the judgment of a vast community of traders throughout the country. They are at least as amateur as is he, and probably much more so.

Reasons for Record Successful Speculators

How is it that in recent years there have been so many successful speculators in the several classes of publicly available equities? Two apparent answers are: (1) the many new fields of enterprise opened since World War II, and (2) the ever-continuing deterioration of the dollar, or inflation of the money. Where only inflation has contributed to a part of general success, it is illusory except to the extent that the winners are actually robbing more conservative investors by taking legally right, but perhaps morally wrong, advantage of their timidity. This happened to a great extent in Germany after World War I, when the mark became worthless in a very few years. The minority who speculated in equities there, won at the expense of the large majority who held fixed investments such as

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OBSERVATIONS...

BY A. WILFRED MAY

"THE HIGHER THE CHEAPER"

"MARKET ASSAULTS THE PEAKS"

"MARKET SHATTERS DOW JONES MARK"

"MARKET DISPLAYS VIGOROUS HEALTH"

"With the record in the two major averages breached, only one question remains unanswered, 'How high can the averages go this year?'

"This move undoubtedly caused many traders . . . to step up their purchases yesterday, and this in turn helped push prices up further."

* * *

"Yesterday the D-J Average opened lower, but at 3 p.m. it went a bit above its old high and then surged to the close. [sic] Brokers said many public investors, who had been sitting on the sidelines, probably would be drawn back to the market."

* * *

"The DJIA made it into the promised land yesterday, bursting through into new high ground on heavy volume. The only question now to be answered, of course, is how far this penetration will carry."

* * *

"After making new highs for the year and in fact in [sic] clearing a psychological barrier that has held prices in check for over four months, it is certainly to be expected that the DJI will be able to muster enough strength to go through the all-time highs of 1961. . . . Given the normal [sic] forces of speculative momentum and optimistic publicity, we should guess that the present rise could well carry to 750-760 before encountering serious profit taking. . . . Our guess is that [sic] the penetration of the 1961 highs will give rise to much broader public participation in speculative securities."

—The above are excerpts from press and market-letter comment on the Great Breakthrough.

Thus along with stock prices, imagery and trend-chasing have reached new peaks of absurdity.

Practically the entire investment world has "gone technical" in its interpretation of the significance of the averages' former peak.

In its context of the market status being considered cheaper rather than more expensive after the rise, the investment world is looking at the market's performance as a kind of steeplechase, or obstacle race, where clearing of the last hurdle paves the way to a further successful run (or, at least, sprint).

In any event, surely the absurd assumption that the market deserves increased confidence at new peaks (the higher, the cheaper) sabotages the criterion of *value*.

Not only have prices risen by 40% over the past 15 months, valuation indices as the price-earnings ratio have increased by 26% (from 15.6 to 18.5 on Standard & Poor's 500 Composite Stocks), dividend yield has declined by 25% (from 3.7% to 3.07%), and customers' debit balances back as at the end of July, have risen by 18% (from \$4.0 billion to \$4.9 billion). The latter figure exceeds that at the market's previous December, 1961, high by 14%. Member borrowings, as at Aug. 31, have risen to \$4.7 billion from \$2.9 billion at the market low in June, 1962, and topping the \$3.8 billion at the previous market peak of December, 1961.

The illogic of using the averages for portraying "trend" is accentuated when the divergence between the Average's component issues is realized. As pointed out by Vance, Sanders & Co., in their monthly pamphlet "Brevits," while the Dow-Jones Average last July was hovering near its all-time high, less than half the issues were anywhere near their all-time peaks! (If all the stocks in the Average were to reach new highs together, the D-J would be selling at 950).

TRIAL VIA THE PRESS (AND RADIO)

Apart from the other elements of the indictment of Roy Cohn, controversial corporation lawyer and former general counsel of the "McCarthy Anti-Communist Committee," is its demonstration of trial by the press. This despite the Federal statute barring any divulgement of information concerning indictment proceedings.

Two months before the indictment proceedings at least one newspaper got wind of them, and ran a story.

But it was after the handing down of the indictment last Wednesday that the fireworks in the press began. In the afternoon newspapers (before he himself was notified, Cohn alleges) and also the next morning's newspapers appeared details of the charges against him, constituting alleged perjury, obstructing justice by bribing public officials, and conspiracy to commit perjury. U. S. Attorney Robert Morgenthau stated that this emanated from the \$5 million United Dye & Chemical stock fraud case (in which Alexander Guterma was involved).

A "Rebuttal"

The same press carried Mr. Cohn's rebuttal, as verbally conveyed to reporters, centered on charges of persecution, harassment, and a personal vendetta on the part of Henry Morgenthau, Sr. and Attorney General Robert Kennedy.

These counter charges were repeated in elaborated form by Mr. Cohn at a press conference called by him at his office Thursday; and at least one major radio interview program (WMCA's Barry Gray).

It will be recalled that the indictment proceedings of J. Truman Bidwell, former N. Y. Stock Exchange Board of Governors Chairman, for alleged tax evasion, entailed a succession of pre-indictment "leaks" from the Department of Justice. Mr. Bidwell was subsequently acquitted at his jury trial.

(Other recipients of press trials include the Res and Guterma, and go back to Exchange President Richard Whitney in 1938.)

From the public interest also it is bad to give the press the responsibility for publicizing properly balanced "testimony." Sometimes this works to the advantage, sometimes to the disadvantage of the accused. An example of nice press treatment is that given to James Landis (one metropolitan newspaper headlined that he was jailed for tax payment "delay," when in fact, he did not pay up voluntarily).

In both the Bidwell and Cohn cases it seems to us that the non-divulgement law cited above has been violated. If this is so, the law should be given teeth and/or rewritten.

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September 6, 1963

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

With the passing of Labor Day the Republicans have stepped up their 1964 campaign. Both Senator Goldwater and Governor Rockefeller plan to make country wide trips.

It has been many a long day since Republicans have picked a conservative for a standard-bearer in a national election. They have turned to moderates, and moderates progressives. And now the choice is to be made again. The conservatives are demanding the nomination of a presidential candidate who will provide a direct contrast to President Kennedy and his programs. They take the position that a candidate who goes halfway, or partway, along the road with the National Democratic Party and the present leaders, is merely suggesting that he can do what President Kennedy is doing but can do it better. Their contention is that the voters, with such a choice, will plunk for the party already in power. They argue that Senator Goldwater is against the things the Kennedy Administration is doing—and that a lot of people today are against many things, too.

Senator Goldwater wants to know how deep his support for the 1964 nomination really goes. The "draft Goldwater" organization, with its headquarters in Washington, has as its chairman Peter O'Donnell Jr., Republican State Chairman of Texas. The organization is setting up Goldwater committees in every state to work for the Senator's nomination. Already it is known that many elected Republican office-holders are for the Arizona Senator.

A partial list of these includes Governors from three States and members of Congress from ten. The Goldwater drafters are not prepared to lay all their cards on the table at this time. The Governors who have lined up for Senator Goldwater are Paul Fannin of Arizona. Tim Babcock of Montana and Henry Bellmon of Oklahoma. Among the members of Congress on this partial list are Senators Carl T. Curtis of Nebraska and John C. Tower of Texas and Representatives John J. Rhodes of Arizona, Paul Findley of Illinois, Robert T. McCloskey of Illinois, Robert Michel of Illinois, Ralph Beerman of Nebraska, Don L. Short of North Dakota, John Ashbrook of Ohio, Jackson Betts of Ohio, Page Belcher of Oklahoma, E. V. Berry of South Dakota, Bill Stinson of Washington and James F. Battin of Montana.

These Republican office-holders are from the West and Middle West. The list does not reach into the East or South. But that does not mean Senator Goldwater has no support in these sections of the country. On the contrary, there have been many indications he has a large following in both East and South—among office-holders as well as rank and file voters. It is early for Republican office-holders to come out for any presidential possibility. Governor Rockefeller has the New York office-holders presumably in his corner. although the Goldwater followers are hopeful, they say, of prying away some of the delegates, to be selected next year.

The Goldwater supporters could help their cause by bringing into their organization some widely known Republican politician, putting him in charge of a Goldwater campaign. Some one like former Representative Leonard W. Hall of New York who handled the Eisenhower campaign in 1956 or former Senator Henry Cabot Lodge of Massachusetts, Eisenhower's campaign manager in 1952. The sooner the better, in the opinion of recognized experts.

The present difficulty confronting the "moderates" in the GOP, is the fact they have yet to settle on a candidate for the presidential nomination. Gov. Rockefeller, before his remarriage, was believed to be far in the lead for the nomination, although the Goldwater people were already on the move. Now the New Yorker is just one of a quartet of Governors regarded as likely contenders. The others are Scranton of Pennsylvania, Romney of Michigan and Rhodes of Ohio. The States they represent have big blocks of delegates in the GOP National Convention. which could be used in an effort to tie up the convention against a Goldwater nomination. And, indeed, that is a strategy already in the making, with "favorite-son" candidates to hold delegations until the moderates have settled on a candidate —perhaps a dark horse.

Coggeshall & Hicks To Admit Partner

Coggeshall & Hicks, 50 Broadway, New York City, members of the New York Stock Exchange, on Sept. 30 will admit Kenneth H. Avery to partnership.

We are pleased to announce that

S. EDWARD DAWSON-SMITH

is now associated with us as

Manager of our Bank Stock Trading Department

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Nothing Recedes Like Excess

By Dr. Ira U. Cobleigh, *Economist*

Some observations on the capacity of the stock market to sustain its new altitude; some notes on expected responses and reactions on the part of individual investors, and the sounding of a note of caution, less market zeal in a rarefied atmosphere lead to financial anguish.

We have, indeed a bull and an ebullient stock market. Much copy has been written over the fact that on Sept. 6, the Dow-Jones Industrial average reached a new closing high of 737.98 (topping 734.91 on Dec. 13, 1961.) This performance seems all the more remarkable in light of many disquieting national and international problems: integration, unemployment due to automation, consumer credit at $50.3 billion, an unsolved Cuban situation, 300 Russian trawlers "casing" our seacoast; massive deterioration of our position in Southeast Asia; an uncurbed labor monopoly, increased foreign competition; a loss of gold so serious that we are seeking to impose a 15% tax on investment abroad; and increased regulation of security markets. These seem scarcely the "makings" of an all-time high in the stock market.

Massive Recovery

Moreover, the market had a lot of work to do to reach its new pinnacle. It had to climb back 200 points from a dismal low of 535.76 on June 26, 1962, when individual investors did nothing but "hit bids" (sometimes there weren't any), and banks called collateral loans as though they were going out of style. In the 14 months since this unpleasantness, which cost billions and soured tens of thousands on "the market," the major buyers have been the institutions, and their purchases have been selective: General Motors and Chrysler and dynamic and glamorous issues such as IBM, Litton, Polaroid, Xerox, Travelers Life, Franklin Life, Connecticut General, Merck. The oils have been solid favorites led by Esso, Texaco, Cities Service and Sinclair. Actually, the big up-swing in the Dow-Jones stemmed principally from motors and oils, with such other club members as U. S. Steel and American Tobacco dragging down, instead of adding to, the total.

Some Did Not Advance

Which brings us to the classic plaint of the average investor, "every stock on the board goes up except mine." This "beef" makes considerable sense. In all this hoopla about business machines and computers, what has Sperry Rand, with a billion dollar annual gross done? It was 10 points higher years ago. United Fruit has had no appeal. The availability of an informative original prospectus did not prevent Transitron from falling from a high of 60 to around five. Bowling issues, toys, real estate issues and publishing stocks, all soaring two or three years back, have had some agonizing reappraisals since, and have scarcely a nodding acquaintance with D-J price levels. The trees do not grow to the skies and some trees don't grow at all!

On Duplicating Highs

Thus not only has the market rise been selective, and leaned heavily on certain groups, but some thought must be given to the possibility that today's highs in certain issues may not be duplicated, or topped for years. Radio sold at 114 in 1929, and never that high since. Technicolor, slated to revolutionize the cinema in 1930, sold then at 100; and at one two years later! Aetna Life and Connecticut General did not duplicate their 1929 highs till 1951—22 years later.

Accordingly, we would certainly caution those individuals, stimulated by all the talk at clubs, cocktails and cookouts about stock profits, and "itchy" to enter or reenter the market, to make decisions based on logical, not psychological motivation. This is indeed a selective market in which the highest priced issues may have little further distance to go. Hew to rising trends in earnings, and reasonable, not dizzy, price/earnings ratios in the stocks you buy. We now have over 130 electric household appliances, so utilities should stay solid. American Telephone among the titans has been rather neglected recently; we would not expect it to continue so. Life insurance stocks are being discovered by many new investors, who, up to now, have neglected them in part because they're unlisted. Papers and chemicals look brighter today than for some time. Take note, too, of the scarcity value of stocks you look at. One of the reasons for the dramatic performance of Chrysler is that it has but 18,447,000 shares outstanding, against 286,239,814 shares of General Motors. A thousand new buyers in Chrysler can thus create far more market motion than in G. M.

Low Priced Issues

A thing to watch seriously, as the market magnetically and increasingly attracts more individual investors, is the low-priced group. We are at a stage where newcomers, with little cash and great ignorance, perceive in the low priced stocks, an avenue for swift high percentage gain. For example, on Sept. 9, of the ten most active issues on the American Stock Exchange, seven sold below $10 a share and five below $5. These are speculative issues, and must be viewed with great caution. Moreover, great activity in "penny stocks" has historically occurred in the closing phases of bull markets.

Prudence and caution are great words but seldom the popular ones in a soaring bull market. You are more likely to hear current arguments something like this: (1) The Dow Jones is not really high at all since inflation has reduced our dollar to 45 cents by 1936/9 standards (2) In 1929 (and to a lesser extent in 1962) stocks were heavily margined and distress sales accelerated the decline. Stocks today are lightly margined and in strong hands. (3) We'll spend over $40 billion in 1964 on plant expansion and improvement. This is powerfully bullish. (4) We'll turn out 7,400,000 cars this year, a new high. (5) High levels of thrift, savings, home ownership, life insurance protection, and the cushion of social security and pension incomes for the aged all insulate us against drastic market liquidation.

We conclude with our title, "Nothing Recedes Like Excess," and we may soon see speculative excesses. Don't buy more stock than you can handle, go easy on margining, don't be a Daniel Boone, pioneering new high prices for stocks, and don't pay attention to tips. Get facts, make comparisons, and don't be an impulse buyer. "How High the Moon" is a song title, not a stock chart!

Collins Joins Blyth & Co., Inc.

Blyth & Co., Inc., 14 Wall Street, New York City, underwriters and distributors of investment securities, have announced that Walter T. Collins is now associated with the firm as a sales representative.

Mr. Collins held the post of Executive Vice-President of the Connecticut Savings Banks Deposit Guaranty Funds in Hartford, from 1945 to 1947, when he became associated with the New Haven Savings Bank. He was a vice-President of that bank at the time of his retirement in July, 1963.

Salomon Brothers And Hutzler To Admit Partners

On Oct. 1, John H. Gutfreund will become a general partner and Leo Gottlieb a limited partner in Salomon Brothers & Hutzler, 60 Wall Street, New York City, members of the New York Stock Exchange.

Now Cunningham Co.

OKLAHOMA CITY, Okla.—The firm name of Cunningham, Andres & Company, Inc., 1409 N. W. 63rd Street, has been changed to Cunningham and Company, Inc.

Money Market to Be Analyzed at N. Y. Bankers Investment Seminar

George A. Murphy

Marcus Nadler

Sidney Homer

John R. Bunting

The New York State Bankers Association's 14th Annual Investment Seminar will be held at the Hotel Commodore in New York City on Sept. 20. This year according to Charles J. Simon, Seminar Director and a partner of Salomon Brothers & Hutzler, the seminar is expected to draw some 800 bank and trust officers from financial institutions all over the country. The Investment Seminar is held in cooperation with New York University's Graduate School of Business. The broad general purpose is to update financial management on the money market's investment problems and opportunities.

George A. Murphy, New York State Bankers Association President and Chairman of Irving Trust Co. and Dr. Joseph H. Taggart, Dean of New York University's Graduate School will open the proceedings. The featured speakers include—

Dr. Marcus Nadler of New York University who will discuss the "Money Market and Its Outlook"; Sidney Homer, Partner, Salomon Brothers and Hutzler who will analyze the "Sources and Uses of Funds"; John R. Bunting, Jr., Vice-President of the Federal Reserve Bank of Philadelphia who will take a look at "The Economic Outlook."

A distinguished panel has been brought together for the featured "Roundtable Discussion on Investments." The panel members and the papers they'll present include—Charles W. Buek, President, United States Trust Co., "Trust Investment Problems"; Delmont K. Pfeffer, Sr., First National City Bank, "Employment of Funds Derived From C. D.'s and Time Deposits"; Baldwin Maull, President, Marine Midland Corporation, "Portfolio Management for a Bank Holding Company"; Dale E. Sharp, Vice-Chairman of the Board, Morgan Guaranty Trust Company of New York, "A Commercial Banker Looks Ahead."

For further information contact Robert E. Watts, Secretary, New York State Bankers Association, 405 Lexington Avenue, New York 100170.

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Tax-Exempt Bond Market

BY DONALD D. MACKEY

The markets for state and municipal bonds have been quiet and relatively inactive during the past week and as a consequence have tended to be slightly easier. The quiet and inactive part of the description might well fit the municipal bond market during any early September period. Investor or institutional demand for tax exempts never seems to develop immediately following Labor Day, nor for that matter has demand for these securities ever generated in large volume before the leaves start turning.

In Retrospect

Last year, with the market about at its present level, demand began to take over late in September and it showed no respite until Thanksgiving or thereabouts. After a breather, it continued its bullish swagger into the spring. During that period the *Chronicle's* yield Index went from 3.042% during the week of September 5, 1962 to 2.888% during the week of March 27, 1963. This represented a 2-point market improvement during a period marked by record new issue volume. This appears in retrospect as no mean market phenomenon.

Current Market Conditions

The state and municipal bond market has been generally easy all summer, largely due to the diverse repercussions of our unfavorable balance of international payments. Our market's low point was reached on July 17 when the *Chronicle's* yield Index stood at 3.10%. Price improvement carried the yield Index to 3.02% on Aug. 2 but since then circumstances have combined to increase yields to the extent that the *Chronicle* Index averages out at 3.081% on Sept. 11.

Several additional disturbing factors have gone to work on the market over the past several weeks which portend perhaps more unsettlement at least. The proposed tax revision bill, which has been headlined almost daily, has emerged from the House Ways and Means Committee and will soon be considered on the floor of the House. House passage is considered likely. Senate passage this year seems less certain. Even though a relatively ineffectual bill may be passed the "tax cut" spotlight now appears as a tax exempt bond market negative.

Jurisdictional Fight Should Be Resolved

Moreover, the market has suffered and is suffering from the protracted controversy as between the Controller of the Currency and the Federal Reserve Board relative to the underwriting eligibility by State member banks of so-called revenue bond issues. This long-time controversy, partly involving jurisdiction, should soon be resolved for the good of the investment industry; in the meantime the situation constitutes a market negative.

Underwriting Practices Not in Industry's Interest

The market, moreover, is continually belabored by over-competition that might thoughtfully and constructively be corrected were the industry less competitively divided as between types of dealers. Since the first William Morris California caper, dealers in many instances have been variously and at times strangely competing for king size issues to the utter detriment of the industry. Bidding groups are at times enlarged or consolidated; at times they are reduced to but a few members and usually there is but little consideration given to effective distribution.

The investment banking business, or at least the state and municipal bond phase of it, fountainhead of the private enterprise system, has for the past many months been persistently indulging in various underwriting practices usually resulting in poor distribution and periodic if not general market glut. Our effective system of underwriting and distributing securities developed over the years may soon be dealt irreparable harm by the internecine warfare flourishing under the guise of good old healthy competition.

Treasury Acted Wisely

Although it appeared at first glance that the Treasury's exchange offer to owners of 3 issues maturing in May 1964 and 4 issues maturing in 1966 and 1967 totaling $32,100,000,000 would be depressing to the bond market generally, it soon became obvious that the financing well serves the needs of the Treasury. This sound refunding will in the end well buttress the bond market for the continual problems ahead. Strategically timed, and sensitively priced, this offering seems to us to perfectly fit the present situation.

At first look there was some inclination in the Street to underrate the terms of the offering but most of this feeling has been effectively dissipated. This time, it seems to us, that the Treasury people were considerably ahead of the Street.

Pending Business

The new issue calendar has been moderately expanded since reporting last week. The total of scheduled and tentatively scheduled competitive bidding volume now stands at approximately $350,000,000. A week ago the accumulated total was about $260,000,000. It would seem likely that if precedent be consistent the volume of competitive issues will average something less than $500,000,000 for the balance of the year.

$184 Million Negotiated Offering Nearing Fruition

In the negotiated offering sphere the only large issue presently being prepared for fall market, as previously noted in this space on Sept. 5, is the $184,000,000 Wells Project revenue bond issue of P. U. D. No. 1, Douglas County, Washington. This construction financing project will be financed by a group headed by *Blyth & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith, John Nuveen & Co., Kidder, Peabody & Co., A. C. Allyn & Co., F. S. Smithers & Co., B. J. Van Ingen & Co., Wm. H. Harper & Son & Co.* and *Foster & Marshall, Inc.*

The indications are that the issue will reach the market early in October.

Advance Refunding — An advance refunding involving about $39,000,000 Jefferson County, Colorado School bonds is in process of consideration by *Boettcher & Co.* and the County authorities. It now appears that the refunding issue may be reoffered through a

Continued on page 39

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%	3.20%
New York City	3%	1980	3.27%	3.21%

September 11, 1963 Index=3.081%

*No apparent availability.

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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.

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.
Tazewell County, Va.	1,180,000	1964-1983	Noon
Wayne Co., Mich.	2,185,000	1967-2002	11:00 a.m.

September 16 (Monday)

Lewisport, Ky.	50,000,000	--------	--------
[Proposed negotiated sale to be underwritten by syndicate headed by Kuhn, Loeb & Co., New York City]			
Middlesex County, N. J.	3,441,000	1964-1982	11:00 a.m.

September 17 (Tuesday)

Brookhaven, etc. C. S. D. #5, N. Y.	1,250,000	1964-1992	2:30 p.m.
Deptford Township S. D., N. J.	1,895,000	1965-1984	8:00 p.m.
Detroit, Mich.	12,820,000	1964-1984	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.
Middle Ga. Coliseum (Bibb Co.)	3,800,000	1964-1993	--------
Robeson County, N. C.	2,000,000	1965-1979	--------
University of Kentucky	2,025,000	1965-2002	11:00 a.m.

September 18 (Wednesday)

Barrington, R. I.	2,500,000	1964-1983	11:00 a.m.
Evansville-Vanderburgh School Corp., Ind.	1,600,000	1965-1975	3:00 p.m.
Mt. Vernon, N. Y.	1,760,000	1964-1989	11:00 a.m.
New Orleans, La.	14,700,000	1965-1988	10:00 a.m.
Portland. Me.	1,750,000	1964-1983	Noon

September 19 (Thursday)

Jeffersonville Flood Con. D., Ind.	2,241,000	1966-1993	2:00 p.m.
Metropolitan Seattle, Wash.	15,000,000	1967-2002	11:00 a.m.
Westwood, Mass.	1,100,000	1964-1983	Noon

September 20 (Friday)

Fla. State Bd. of Control, Univ. of So. Florida Dormitory Revenue	2,220,000	1965-2002	11:00 a.m.
Hammond, La.	1,275,000	1964-1978	10:00 a.m.
Universities & State Colleges of Arizona, Board of Regents	2,860,000	1966-2003	10:00 a.m.

September 23 (Monday)

Las Virgenes Municipal Water District, Calif.	3,500,000	--------	8:00 p.m.
Salinas High Sch. Dist., Calif.	2,600,000	1964-1983	10:15 a.m.

September 24 (Tuesday)

Corpus Christi, Texas	3,750,000	1964-1983	11:00 a.m.
Honolulu, Hawaii	8,000,000	--------	--------
Huntsville Hosp. Bldg. Auth., Ala.	2,936,000	1966-1993	--------
Knoxville, Tenn.	3,000,000	1964-1983	Noon
Monroe, La.	6,500,000	1965-1993	10:00 a.m.
North Carolina Cap. Imp.	21,985,000	1964-1980	Noon
Palatka, Fla.	1,200,000	1964-1993	2:00 p.m.
Wilkes County Sch. Bldg., N. C.	1,250,000	1965-1985	11:00 a.m.
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.
Southwestern State College, Okla.	1,100,000	1966-2003	10:30 a.m.
Warren Consolidated S. D., Mich.	3,500,000	1965-1989	7:00 p.m.

September 26 (Thursday)

Southwest Missouri State College	4,390,000	1965-2002	11:00 a.m.

October 1 (Tuesday)

Baltimore, Md.	47,500,000	--------	--------
Huntington Beach Union HSD, Cal.	1,785,000	1964-1974	11.00 a.m.
Linden, N. J.	3,877,000	--------	--------
Westchester County, N. Y.	5,670,000	--------	--------
Worcester, Mass.	8,455,000	--------	--------

October 2 (Wednesday)

Huntington Beach, Calif.	3,750,000	--------	--------
Vanderburgh County, Ind.	2,500,000	1964-1982	2:30 p.m.

October 3 (Thursday)

Douglas Co., P. U. D. No. 1, Wells Hydro-Elec. Rev. Bonds, Wash.	180,000,000		
[Negotiated purchase to be underwritten by syndicate headed by: Blyth & Co., Merrill Lynch, John Nuveen, Kidder, Peabody, A. C. Allyn, F. S. Smithers, B. J. Van Ingen, Wm. P. Harper & Son & Co., and Foster Marshall, Inc.]			

October 7 (Monday)

North Las Vegas, Nev.	4,947,000		7:00 p.m.

October 9 (Wednesday)

Cincinnati, Ohio	20,000,000	--------	--------
Los Angeles Dept. of W & P, Cal.	12,000,000	--------	--------

October 10 (Thursday)

Detroit-Metro Wayne Airp't, Mich.	33,000,000	--------	--------
Worthington Exempted Village Sch. Dist., Ohio	1,200,000	1965-1984	11:00 a.m.

October 15 (Tuesday)

East Texas State College	3,000,000	1966-2012	10:00 a.m.
Tucson, Ariz.	3,800,000	--------	--------
Washoe County, Nev.	1,000,000	1964-1983	11:00 a.m.

October 16 (Wednesday)

Baton Rouge, La.	30,000,000	--------	11:00 a.m.

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Phila. Inv. Ass'n To Hear Meeker

PHILADELPHIA, Pa.—Fall luncheon meetings of The Investment Association of Philadelphia get underway on Friday, Sept. 13, when Thomas G. Meeker, Esq., a partner in the law firm of Schnader, Harrison, Segal and Lewis addresses the group.

Thomas G. Meeker

Mr. Meeker, who was formerly General Counsel for the Securities and Exchange Commission, will speak on the "SEC and the Security Salesman."

The luncheon meeting will be held at The Engineers Club, 1317 Spruce Street. Samuel R. Roberts of Schmidt, Roberts & Parke, is in charge of arrangements.

Aileen, Inc. Stock Offered

Goodbody & Co., New York, as managing underwriter, has announced a public offering of 200,000 common shares of Aileen, Inc. at $23⅞ a share. Of the shares offered, 100,000 are being sold for the account of the company and the remainder for the account of two selling stockholders.

Net proceeds from the sale of its 100,000 shares will be used by the company to finance additional manufacturing facilities at its plant near Monterey, Va. and expansion of its plant at Edinburgh, Va. The remainder of the proceeds will be added to working capital.

Aileen, of 29 W. 38th Street, New York, and its subsidiaries design, manufacture and distribute popular priced sports and casual wear coordinates for women and girls. The line includes skirts, shorts, pants, tops, shirts, blouses, jackets and dresses, harmonized as to style, color and fabric so that they may be worn in a variety of combinations as parts of an ensemble. All of the company's apparel is sold under the brand names of "Aileen," "Aileen Girl" and "Mia Editions."

Now Corporation

SEATTLE, Wash.—Glenn E. Hinton Investments, Inc. has been formed to continue the investment business of Glenn E. Hinton, Norton Building. Mr. Hinton is President of the firm; Dorothy L. Hinton is Vice-President and Assistant Secretary; and H. R. Leake is Secretary and Treasurer.

Form Holt & Co.

SAN FRANCISCO, Calif. — Holt and Company has been formed with offices at 301 Pine Street, to engage in a securities business. Partners are Donald L. Holt and Nicholas Holt. The latter was formerly with Shuman, Agnew & Company.

Speer & Bartholow Formed

DALLAS, Texas — Speer & Bartholow, Inc. has been formed with offices in the Praetorian Building to engage in an investment business. Mr. Speer was formerly an officer of Shumate & Company, Inc.

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(Accrued interest to be added)

Maturity	Prices to Yield	Maturity	Prices to Yield	Maturity	Prices to Yield
1964	2.00%	1972	2.95%	1982	3.30*%
1965	2.20	1973-74	3.00	1983-84	3.35*
1966	2.35	1975	3.05	1985-86	3.40*
1967	2.50	1976	3.10	1987-89	3.45*
1968	2.60	1977	3.15	1990-94	3.50*
1969	2.70	1978	3.20	1995-99	3.55*
1970	2.80	1979-80	3.25	2000-2005	3.60*
1971	2.90	1981	3.30	2006-2012	3.65*

*Callable in inverse order, at 100% and accrued interest, on any interest payment date beginning October 1, 1981. Prices of maturities 1982-2012 are calculated to yield as listed to 1981; thereafter yield will be 3.70% to maturity or until called.

The above Bonds are offered, subject to prior sale before or after appearance of this advertisement, for delivery when, as and if issued and received by us, and subject to the approval of legality by Messrs. Wood, King, Dawson & Logan, Attorneys, New York City.

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American Stock Exchange — Industrial classification of securities traded on the Exchange—American Stock Exchange, 86 Trinity Place, New York, N. Y. 10006.

Arizona Economic Review — Bulletin — First National Bank of Arizona, Phoenix, Ariz.

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Convertible Preferred Stocks—Bulletin—W. E. Hutton & Co., 14 Wall Street, New York, N. Y. 10005.

Bank Stock Survey—Comparative analysis of the first-half results of 40 leading commercial banks—Blyth & Co., Inc., 14 Wall Street, New York, N. Y. 10005.

Doing Business in Japan—Brochure presenting the political, marketing, financial, legal and economic aspects of Japanese commerce today—Edited by Robert E. Weigand—Mrs. Margot Pascht, Executive Secretary of Business Conferences, College of Commerce, De Paul University, 25 East Jackson Boulevard, Chicago, Ill. (paper), $1.50.

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.

Great Lakes Shipping Industry—Review — Jamieson & Company, 314 West Superior Street, Duluth, Minn. 55802.

Hawaiian Market — Analysis — Bishop Securities Ltd., King & Bishop Streets, Honolulu, Hawaii 96804.

Japanese Market — Review — Daiwa Securities Co., Ltd., 149 Broadway, New York, N. Y. 10006. Also available are reviews of **Kanegafuchi Spinning, Toyo Kogyo, Nippon Musical Instruments, Sony, Dainippon Printing, Ebara Manufacturing** and **Nihon Cement.**

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

Life Insurance Industry—Analysis—David L. Babson and Company, Incorporated, 89 Broad Street, Boston, Mass. 02110.

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).

Life Insurance Stocks: The Modern Gold Rush—By Arthur Milton—Study of the history and potential of life insurance stocks—Timely Publications, Dept. C, 550 Fifth Ave., New York, N. Y. 10036 — $2.95 per copy (quantity prices on request — NYC residents add 5% sales tax).

Market Trend — Bulletin — Edwards & Hanly, 100 North Franklin Street, Hempstead, N. Y.

Municipal Market — Review — Goodbody & Co., 2 Broadway, 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.

Prudent Investing in Common Stocks to provide a continuous monthly income — Study — J. W. Sparks & Co., Western Savings Fund Building, Philadelphia, Pa. 91907.

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Railroad Stocks—Review—Shearson, Hammill & Co., 14 Wall St., New York, N. Y. 10005.

Savings & Loan Industry—Review—Courts & Co., 11 Marietta St., N. W., Atlanta, Ga. 30301.

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Amerada—Memorandum—Josephthal & Co., 120 Broadway, New York, N. Y. 10005.

American Smelting — Review in current issue of "Investment Letter" — Hayden, Stone & Co., Incorporated, 25 Broad Street, New York, N. Y. 10005. Also available are comments on **Inland Steel** and **Great Western Sugar.**

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Arlan's Department Stores—Technical and fundamental analysis in September issue of "Investment Indicators" — Mitchell, Morse & Schwab, Inc., The Albert Building, San Rafael, Calif. Also available is a review of 35 indicator call points and their relationships to the current stock market cycle.

Atlantic Refining Co.—Analysis—Richard S. Graham, Dept. CFC, Reynolds & Co., 120 Broadway, New York, N. Y. 10005. Also available is an analysis of **Denver & Rio Grande Western Railroad.**

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Bloomfield Industries, Inc.—Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago, Ill. 60603. Also available are analyses of **Maust Coal & Coke Corp.** and **Sunset International Petroleum Corp.**

Christian Brothers Institute of Massachusetts — Bulletin — B. C. Ziegler and Company, Security Building, West Bend, Wis.

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Coca Cola Company — Survey — Abraham & Co., 120 Broadway, New York, N. Y. 10005. Also available is a survey of **De Soto Chemical Coatings, Inc.**

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Devoe & Raynolds Co.—Report—Herzfeld & Stern, 965 Flatbush Avenue, Brooklyn, N. Y. 11226.

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Fruehauf Corp.—Analysis—Birr, Wilson & Co., Inc., 155 Sansome Street, San Francisco 4, Calif. Also available is an analysis of **Life & Casualty Insurance Company of Tennessee.**

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General Mills—Memorandum—Ira Haupt & Co., 166 North Canon Drive, Beverly Hills, Calif.

Great Western Financial Corp.—Report—Colby & Company, Inc., 85 State Street, Boston, Mass. 02109 (firm requests stamped addressed envelope when requesting report). Also available are comments on **Sparton Corp.** and **United States Freight.**

Halo Lighting — Analysis—Watling, Lerchen & Co., Ford Bldg., Detroit, Mich. 48226.

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H. J. Heinz — Analysis — Henry Gellermann, Dept. CFC, Bache & Co., 36 Wall Street, New York, N. Y. 10005. Also available is an analysis of **Norfolk & Western** and comments on **Ferro Corporation, Airlines, Union Pacific, Standard Brands Paint,** and **Paper Stocks.**

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Jerrold—Memorandum—Leason & Co., Inc., 39 South La Salle Street, Chicago, Ill. 60603.

H. L. Klion Inc.—Analysis—Bregman, Cummings & Co., 4 Albany Street, New York, N. Y. 10006.

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Major Pool Equipment Corp. — Report — Hill, Thompson & Co., Inc., 70 Wall Street, New York, N. Y. 10005.

May Department Stores—Analysis—H. Hentz & Co., 72 Wall Street, New York, N. Y. 10005. Also available are reports on **Deere & Co., Consolidated Foods, International Minerals & Chemicals, Louisville & Nashville** and **St. Louis-San Francisco.**

Microwave Electronics Corp.—Report — Hannaford & Talbot, 519 California Street, San Francisco, Calif. 94104. Also available are comments on 10 issues which appear attractive.

Midwestern Financial—Memorandum—Richter & Co., Inc., 1431 Broadway, New York, N. Y. 10018.

Minnesota Mining & Manufacturing Co. — Discussion in current issue of "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine St., New York, N. Y. 10005. Also in the same issue are discussions of **Convertible Preferreds, American Cyanamid Co., Air Control Products, Bristol Myers Co., Coleman Company, Ranco Inc., Torrington Co., Mortgage Guaranty Insurance Corp., Consolidated Foods,** and **Maryland Cup.**

Philadelphia & Reading Corp.—Analysis—Weingarten & Co., 551 Fifth Avenue, New York, N. Y. 10017.

Premier Industrial Corporation—Analysis — Glore, Forgan & Co., 135 South La Salle St., Chicago, Ill. 60603. Also available are analyses of **Springfield Insurance Company** and **Square D Company.**

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What Could the IMF Meeting Accomplish?

By Paul Einzig

Dr. Einzig finds it fortunate that the numerous proponents of expanded international liquidity are so divided for otherwise their combined pressures on one plan would be formidable. He is further heartened by the belief that the new head of the IMF will not give the liquidity expansionists any encouragement. Only one note of concern voiced by Dr. Einzig questions whether Mr. Schweitzer will dispassionately perform the duties of an international servant or view problems from only one point of view — France's — which in this case would be that of De Gaulle's.

LONDON, Eng.—As usual at this time of year, there is a fair amount of speculation about the changes, if any, that would emerge from the annual meeting of the International Monetary Fund. On every occasion it is hoped or feared in many quarters that the currency which happens to be under selling pressure at the moment of the meeting would be devalued. Judging by the steady tone of the foreign exchange market, no such hopes or fears are entertained at present. None of the major currencies are under heavy pressure, and the various arrangements made by the I. M. F., the Bank of International Settlements and by Central Banks and Treasuries directly with each other, are deemed sufficient to cope with purely speculative movements.

In some quarters it is considered possible, nevertheless, that the question of a simultaneous adjustment of all gold parities to the same extent, provided for in the Bretton Woods Agreement, might come under consideration. Speculation to that effect largely accounts for the recent revival of demand for gold. It seems unlikely, however, that anything would be done in that sense.

Flexible Exchange

Conceivably the question of widening the margin between support points might be raised. That solution, if adopted, would be a sop to the advocates of flexible exchanges who, with a fanaticism characteristic of currency cranks, are still trying to convert an unresponsive world to their ideas. There is no reason to suppose that their persistence will be rewarded on this occasion. even to the extent of moderate changes in support points.

It seems to be practically certain, on the other hand, that the question of the Central Bank's Gold Pool will be raised in a big way. Several Central Bankers came out recently in public against the present system which, in their opinion, tends to encourage gold hoarding by providing hoarders with gold only slightly above the official American selling price. Opinions in Central Banking circles are sharply divided whether the resulting loss of gold into hoards is not too high a price to pay for the stability of the open market price. Three years have passed since the spectacular rise in that price, and conceivably the deterrent effect of that experience may have faded sufficiently into oblivion to ensure fairly strong support to opponents of the Gold Pool arrangement. Even so, no dramatic change is likely in this sphere at the present at any rate.

I.M.F. Head Opposes Liquidity Expansion

By far the most important and most controversial subject which will be considered is the question of increasing international liquidity. With the advent of Mr. P. P. Schweitzer to the post of Secretary General of the I. M. F., the opponents of expansionism received a strong reinforcement. Fortunately from their point of view, there are so many plans for increasing international liqudity that to a large extent they are apt to divide the supporters of the broad idea of expansion, who are liable to cancel each other out. Were they to agree on one particular plan their pressure would become formidable. As it is, opponents are very well placed in insisting that the subject should be referred to a committee which should examine the merits and demerits of the various rival plans and to report to next year's annual meeting.

Mr. Schweitzer is known to share the official French view that it would be unwise to make the support of exchanges by the I. M. F. automatic. It would indeed be too tempting for the member governments to feel that it is a matter of "ask and ye shall be given."

Even though the I. M. F. is likely to renew the existing standby arrangement with Britain and other countries the renewal is not automatic but has to be negotiated. However much the governments concerned would prefer it to be automatic, taking a long view it is to their interests that some degree of discipline should be imposed on them. From this point of view it is gratifying that the new Secretary General is on the side of prudence.

Having said all this, it is necessary to voice some degree of concern about the appointment of a Frenchman, however competent, to the key post of Secretary General. Throughout the history of international cooperation since the end of the first World War it has been the generally recognized experience that Frenchmen occupying senior posts in international organizations are incapable of forgetting for a single moment that they are first and foremost Frenchmen. They are utterly incapable of viewing the problems they handle from any other point of view than that of French national interests.

That in itself would not necessarily be detrimental to their ability of functioning as international civil servants. After all, taking a long view, it is to the interests of France as well as of other countries to reconcile the conflicting requirements of international monetary stability and international monetary expansion. The danger in the present instance is that situations might arise in which Mr. Schweitzer would use his influence and power not in support of the genuine long-term interests of France but in support of President de Gaulle's policies. That might entail unfortunate consequences. For some of the General's recent actions have proved that he can be very unstatesmanlike in pursuing his ambition of increasing his nuisance value which he seems to mistake for the prestige and glory of France.

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Fossil and Nuclear Fuels: Competitors or Partners?

By Dr. Glenn T. Seaborg,* *Chairman, U. S. Atomic Energy Commission, Washington, D. C.*

An optimistic forecast of future coal consumpiton and production is found in AEC's assessment of energy and power needs in the year's ahead. This encouraging view of coal output takes into consideration AEC's plans to assist financially the construction of 10 to 12 full scale nuclear power plants and to shift ownership of nuclear fuel into private hands. The latter is not expected to jeopardize the future of nuclear power in high cost fuel areas even though it would make coal more competitive. Some of Dr. Seaborg's projections are: nuclear power in 1970 will be less than the electricity currently consumed by the AEC alone; the domestic coal market should increase by more than 2½ times by 1980; and nuclear power might supply one-half of all electricity by 2000.

In a sense, both the National Coal Association and the AEC are interested in developing energy resources which make such a great contribution to our national welfare and growth. And I believe that contacts between the National Coal Association and the AEC will result in improved planning for the use of both our coal and nuclear resources. Certainly coal producers should know the facts about nuclear power, and I believe that it is to our benefit to know about the progress that the coal industry is making.

Glenn T. Seaborg

The Commission recently published a report to the President on Civilian Nuclear Power in which we outline the economic benefits to be achieved through the development of civilian nuclear power as well as the opening up of the possibility for seemingly unlimited energy resources. We recognize that the United States is also blessed with tremendous reserves of conventional fuels, primarily coal, and that the urgency for the use of nuclear power as well as the on near-term resources shortages. Instead, we feel that today's case for nuclear power development on the short-term economic basis can be justified almost entirely on benefits to be achieved through the use of nuclear energy in locations where fossil fuel costs are high. Construction of four new nuclear plants has been proposed for this year. An examination of the locations of these plants shows that at least three of them would be competing—not with coal, but with high cost natural gas or oil. Three of these proposed plants would be located in California where coal currently accounts for only a very small percentage of electric power generation. The fourth plant is located in New England where about two-thirds of the power is produced from coal and the remaining one-third from oil which, I believe, is largely imported. Perhaps this New England plant would have been coal-fired in the absence of nuclear power: I don't know.

Coal and Atomic Energy Competition

But the competition from coal is severe. It appeared that another large eastern utility was "going nuclear," but the economics of a coal-fired plant proved to be superior as the result of providing two large mine mouth generating plants and 600 miles of high voltage transmission lines. Clearly the coal industry is a tough competitor and much of the early expansion of civilian nuclear power, therefore, probably will be limited to areas where coal is a high cost item or not readily available. As has been pointed out, we are trying to aim at a moving target of lower fuel costs.

Actually, I believe that the imminence of nuclear power has been one of the factors stimulating the coal industry to increase productivity and cut costs. In this connection, I might add that some of the AEC staff were the guests of the National Coal Association and several of its member companies for a tour of some Kentucky mines last April. They were highly impressed with what they saw and came back convinced that coal's competitiveness had solid backing on the production front. Just as nuclear competition has stimulated the coal mining industry, so too has the triple threat of nuclear power, coal pipelines, and extra high voltage transmission stimulated the railroads to greater efficiencies. Anything that reduces the cost of producing and delivering fuel and power is a real gain for the economy and for the American public as a whole, whatever the source of this reduction.

In the preparation of its report to the President, the Commission studied the projected energy requirements of the United States—electricity requirements—and the part that nuclear power might play. Our expecations are that 5,000 megawatts of nuclear power will be in operation by 1970, but this is less electricity than the Commission is currently using! The present AEC consumption of electricity generated by conventional means is over 6,000 megawatts.

By 1980, it is likely that there will be 40,000 megawatts of nuclear power installed. At the heat rates which we expect at that time, this would displace the equivalent of 100 million tons of coal. Probably over half of this will be coal—unless, of course, everybody has moved to California by that time. Lest the prospects of the loss of 50-70 million tons of coal disturb the industry, let me hasten to add the rest of the picture. If the coal industry keeps its portion — about 65% of the very substantial steam - electric market which is left after deducting our estimates of nuclear power —then the domestic market for coal should increase by more than two and one-half times by 1980 from 385 million tons in 1962 to about 1,000 million tons.

Actually, if the things which we hear about increasing productivity and efficiency in the coal industry are true; namely, declining coasts of transporting coal and declining costs of high voltage transmission, then it would seem that coal may actually increase its share of the conventional - fuel steam - electric plant market at the expense of natural gas. In our projections we did not make detailed studies of the future competitive positions of coal, residual oil, and natural gas. If energy requirements increase as we believe they are bound to, then it seems almost certain that the consumption of all fuels—coal, oil, natural gas, and nuclear fuel—will increase for many years, thus providing considerable room for all in contributing to our energy supply. And I might add that we hope that the expansion which we foresee for the coal industry will also bring with it adequate rates of return.

AEC's Planned Competition With Coal

Enough of forecasts! Like everything else in the future, sound financial practice calls for discounting them rather heavily. From contacts with officials of the National Coal Association, the Commission is aware that one of the chief concerns is the extent to which the Government is going to continue to spend money promoting competition for coal. Of course, I don't know what the Government is going to do in the future—neither does anyone else. However, the President recently established an Inter - departmental Energy Study Group, which I believe is going to look at the overall fuel picture more thoroughly than the AEC was able to do in its report to the President. I do not have any idea at this time what the findings of this Group may be, but it should help give us a balanced picture of what the Federal Government should do in the energy supply area.

On the subject of what the Commission's plans are that will affect competition with coal, I can speak more definitely. I think that producers will find them rational and reasonable. Government expenditures on civilian nuclear power and related activities in the past have been estimated at a cumulative total of $1.3 billion. Industry expenditures have been estimated at approximately $700 million. In the short period of nine years since the Atomic Energy Act of 1954 lifted the veil of secrecy from much of the technology developed for military purposes and permitted industrial participation in atomic energy, these expenditures have brought nuclear power to the point where large plants can be built for economic reasons alone in high fuel cost areas.

Plan 10 to 12 Large Plants by 1975

Civilian nuclear power expenditures are presently about $200 million annually. It is the Commission's belief that substantial further progress can be made in reducing the costs for the generation of electricity from nuclear power by the incorporation of recently developed technology in full scale power plants, by building nuclear plants in the large sizes now being projected by utilities, in engineering development, and through operating experience. We therefore recommended in our report to the President that between now and 1975 the AEC should give quite moderate assistance to industry in the construction of ten to twelve full-scale power plants, of improving design as time goes on. We have attempted to stimulate the construction of power reactors through the waiver of fuel use charges for a period of five years and through financial assistance in research and development and in engineering design. We intend, as stated in the report to the President, to withdraw any special assistance for the construction of proven nuclear plants as soon as they appear economic and a healthy nuclear industry has been established. It should be pointed out that the order of magnitude of these incentives, even now, approximates less than 10% of the investment in a plant made by a utility, and that several large reactor plants have requested no government assistance whatsoever.

Industry should increasingly support the further development of established reactor types and the Government should look increasingly toward the development of more advanced reactors, such as improved converter reactors and breeder reactors, in order to provide for the full utilization of our nuclear resources. On the construction side this will call for placing in operation seven or eight power-producing prototype reactors of the advanced converter and breeder type before 1975. Both of these kinds of prototypes and the large scale plants previously mentioned were included in our forecast of 5,000 megawatts of nuclear power by 1970 and 40,000 megawatts by 1980.

Private Ownership of Nuclear Materials by 1973

We think that nuclear power will pay off for the economy. Furthermore, we want nuclear power to evolve on a sound economic basis, and we are currently going to great lengths to assure that this is the case. For example, the Congress is now considering legislation to permit immediately, and to make mandatory in 1973, private ownership of the special nuclear materials which nuclear power plants use for fuel. Since the Government now leases this fuel at favorable rates, the requirement of private ownership, because of the higher costs to investor-owned utilities, will have the effect of increasing nuclear fuel costs by two to four cents per million British thermal units of energy. In terms of coal, this would be equivalent to increasing prices about fifty cents to one dollar per ton. Utilities, of course, may find special ways to finance their nuclear fuel inventories just as some of them make special arrangements for financing their coal stockpiles.

At the end of June, 1963, our purchase price of $30 per gram for plutonium, a by-product of nuclear power plants, will expire. It is the Commission aim to extend this buy-back of plutonium, when the legislation for private ownership of special nuclear materials is enacted, at the more realistic price of $8 per gram. We feel that at this price the utility industry, in a few years when the technology has been conclusively demonstrated, will elect to recycle the plutonium in their plants instead of selling it to the Government at this price. In the long run, of course, we expect plutonium to be sold for more than $8 per gram as a feed material for fast reactors. Nevertheless, the immediate economic impact of our impending price reduction is sizable. It will increase fuel costs for a nuclear plant from about eight to twelve cents per million British thermal units; equivalent to increasing the

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price of a ton of coal by two to three dollars.

No Harm Seen From Plutonium Price Rise

I might interpose at this point, lest some assume that these charges will wreck the short term future of nuclear power, that these economic facts of life have already been taken into account by the Commission, the industry, and the utilities. These facts do not alter the competitiveness of nuclear power in high cost fuel areas during the immediate future.

There are other measures. The Commission is helping private processing of reactor fuels to become a commercial reality—even though it will initially cost utilities a little more than the Commission charges. A full share of the costs of the operation, maintenance and amortization of the diffusion plants is included in the price which the Commission now has set for enriched uranium. In fact, we are currently criticized for overpricing it because our contract price for uranium ore for the diffusion plants averages over $8 per pound for uranium oxide and it can currently be purchased in the United States, at least in limited quantities, for about $5 per pound.

Earlier I mentioned that we believe nuclear power will provide a definite payoff for the economy. We have calculated what we think this payoff may be. Before citing the figures, let me state their basis. Constant fossil fuel costs through the year 2000 are assumed. This does not mean that there may not be some relative shift among the costs of various fossil fuels, perhaps coal decreasing somewhat and natural gas increasing, or some decrease in average conventional fuel costs in the next few decades but rising above present levels before the end of the century. Secondly, the calculations assume that nuclear power is standing on its own feet—private ownership of nuclear fuels, private chemical reprocessing of fuels, no special Government benefits for nuclear power. The Government may still own the gaseous diffusion plants, but these are even now on a full cost recovery basis for the nuclear fuel used for civilian power purposes.

Nuclear Power in 37 Years

Our target growth curve suggests that nuclear power might supply as much as one-half of all the electricity generated in the year 2000. If this is the case, and if electricity consumption grows as fast as we expect, then between 1970 and the year 2000 the savings to the economy due to the use of nuclear power in place of conventional power are expected to be about $30 billion. And, of course, these savings continue to mount rapidly beyond the year 2000. Annual savings in the year 2000 are estimated at between 4 billion and 5 billion dollars. The prospective savings on the investment in the development of nuclear power may be higher or lower, depending in particular on how successful you are in keeping coal prices low.

In closing, let me point out what a great friend of the coal industry the Commission really is. Some very rough calculations indicate that the Atomic Energy Commission plants in 1962 consumed about twenty times as much electricity as all nuclear power plants in the United States produced. And in 1961, the last year for which I have figures, it looks like nearly twenty million tons of coal may have been used in producing electricity to meet the Commission's own requirements, as compared to perhaps one million tons of coal that the nuclear generation displaced. So far, our operations have been all to coal's benefit, even if they have been largely for military purposes. As I have indicated, perhaps nuclear power will play a more important role in the future. However, this role will be that of supplementing and not supplanting the use of coal because, clearly, the need for coal will be increasing for a long time to come.

*An address by Dr. Seaborg before the 46th Convention of the National Coal Association, Washington, D. C.

Silloway, Partner, In Brooks, Harvey And Company

Stuart F. Silloway, who resigned earlier this year as President of Harriman Ripley & Co., Inc., leading dealers in investment securities, has become a partner of Brooks, Harvey & Co., national mortgage specialists, it has been announced by R. Frank Brooks, a senior partner of Brooks, Harvey & Co.


Stuart F. Silloway

Mr. Silloway has spent his life in finance since his graduation from Wesleyan University in 1929 with a B.S. degree. He was with Kidder, Peabody & Co., Inc., from 1929 to 1933, and then went with the Securities Investment Department of the Mutual Life Insurance Company of New York, remaining for 23 years and rising to Vice-President for Finance. Intermediate steps with Mutual included Treasurer, and Vice-President for Securities Investment Dept. He was made a trustee of Mutual Life in 1962.

In 1956, Mr. Silloway resigned to become President of Pacific Northwest Pipeline Corporation, and in 1958 he returned East to become President of Harriman Ripley.

Three Join Staff Of Reynolds & Co.

CHICAGO, Ill.—Reynolds & Co., 111 West Jackson Blvd., members of the New York Stock Exchange, announced that Franklin J. Neuberger, Joseph E. Hart and Hugh W. Deane have joined the firm as account executives in the Chicago office.

Franklin Neuberger is a La Salle Street, veteran, having been associated with Mitchell, Hutchins & Co. for the past 21 years.

Joseph E. Hart was formerly Vice-President and Secretary of Wm. H. Tegtmeyer & Co. and is regarded as an authority on financial stocks particularly in the insurance field.

Hugh W. Deane was formerly associated with Paine, Webber, Jackson & Curtis as a registered representative.

Andrus Joins A. B. A. Staff

Cowles Andrus, former special assistant to the deputy administrator for financial assistance, Small Business Administration, will join The American Bankers Association staff on Oct. 1 as special consultant in mortgage finance, according to Dr. Charls E. Walker, A.B.A. Executive Vice-President.


Cowles Andrus

Mr. Andrus will assist member banks in developing information and procedures in the operation and expansion of mortgage departments. He will also participate in staff activities in support of the A.B.A.-sponsored Mortgage Market Facilities Act, a bill pending in Congress to provide for the establishment of a nationwide secondary market for conventional mortgages.

Mr. Andrus was active for many years in what was formerly the Savings and Mortgage Division (now Savings Division) of The American Bankers Association. He was Chairman of the A.B.A. Mortgage Finance Committee from the time it was formed in 1960 until he retired from his bank in 1962. He was Vice-Chairman of the Board, New Jersey Bank & Trust Co., Passaic, N. J.

Born in Fort Ringgold, Texas, Mr. Andrus was graduated from Cornell University in 1916. He is a veteran of World Wars I and II, in which he served in the Army, Navy and Air Force. Prior to entering banking, he had operated a flying service, served in the State Legislature of Idaho, engaged in ranching and served with the United States Forest Service.

Dupree Co. Opens In Fort Worth

FT. WORTH, Tex. — The Dupree Company has been formed with offices in the Continental National Bank Building to engage in a securities business. Officers are Robert P. Dupree, President; Robert B. Dupree, Vice-President; and B. C. Dupree, Secretary and Treasurer. Robert P. Dupree was formerly an officer of William N. Edwards & Company.

Goodbody Adds

CLEVELAND, Ohio—Leonard F. Seeley is now affiliated with Goodbody & Co., National City East Sixth Building.

The Security I Like Best

Continued from page 2

is the package concept of selling fire, life and casualty, etc. to the insured or assured on a one stop basis with level monthly billing. This may well be a source of increasing sales and profits by enterprising companies.

State Capital Insurance Company, a wholly-owned subsidiary, writes fire and casualty coverages in seven Southeastern states. It would be quite easy for State Caital Life Insurance Company to develop a package concept since their fire and casualty agents have recently been given life contracts.

In addition to the obvious favorable factors in the life insurance industry, this company is operating primarily in the Southeastern United States. This area is characterized by a low average age and a rapidly rising per capita income. These factors should favorably affect the growth of State Capital Life.

With excellent management, a growing agency staff, a rapidly expanding geographical territory, a strong company financially, widely diversified as to product, this company should give an excellent account of itself. The stock is traded in the Over-the-Counter market.

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September 11, 1963

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Breaking the Vicious Cycle In the Petroleum Industry

By George F. Getty II,* *President, Tidewater Oil Company, Los Angeles, Calif.*

Oil head's forthright depiction of problems barraging the petroleum industry from within and from without discusses the threat of U.S.S.R. cut-price competition; of domestic tax; other statutory and legal harassments; and of "abundance" that hurts despite increased demand. Mr. Getty is convinced that continuation of costly, chaotic and uneconomic cut-throat marketing practices will merely perpetuate endless rounds of a vicious, unprofitable circle. He urges the industry to cease its contributions to the vicious circle by stressing quality and diversity instead of price competition, and by assuming responsible pricing policy. Major oil companies are called upon to recognize their leadership responsibilities, and the industry to dedicate itself to improving rather than destroying what they have so wonderfully built.

Some of the problems we have in marketing, the causes underlying these problems, and the prospects for their solution are all wrapped up in a vicious circle that we must understand and break if we are to survive as the industry we know and want to preserve.

George F. Getty II

One threat, which to many seems too remote for concern, starts in the Tuymazy - Oktyabrsky oil fields in the Western Urals and ends up as a crucial, international threat to the Free World, the Free World oil industry, and our jobs. I'm talking about the cutthroat price competition of the world's largest single oil operator — the Soviet Union.

With exports of over half a million barrels of crude oil a day, the Soviets now have 3% of the Free World market. They want 14%. To get this share, the Soviets will use price competition primarily since their foreign trade objectives are far more politically than economically oriented.

While Soviet oil poses a threat to Free World markets, in the United States we are harassed by other forces, including government policy decisions that can vitally affect the incentive we need in meeting world-wide competition.

The Administration, for example, has proposed changes in the Federal income tax laws which would modify percentage depletion, not by open and direct reduction of the percentage, but by toying with the over-all method of computation. This political, backdoor approach would in effect cut percentage depletion from 27½% to 22½%. If Congress passes these proposals, this backdoor approach will takee an estimated $280 million from the industry; money that could be used to meet Soviet competition. When the Administration says the sapping of these millions will not affect small companies and individuals, it makes me wonder if even the Internal Revenue people understand the tax laws! The law will affect everyone.

What will happen in marketing as a result is anyone's guess. But even the Administration admits that consumers could end up paying more for gasoline if we are to recover the cost of discovering new reserves.

While Moscow and Washington represent tough competitive forces outside of our industry, they sometimes seem remote when compared with Seattle, Buffalo, and Jacksonville, which are vivid examples of the chaotic competition we face among ourselves.

Abundance Hurts

A top executive in one of the world's largest oil companies picked an excellent word for the problem underlying these chaotic markets — he described it as "abundance." Abundance hurts. Last year it hurt despite the increase in demand of 4.2%—the best since 1955 and more than twice the 2% average growth we've seen in the past several years.

Let's recognize a simple physical fact: If you start with abundant crude oil and put it through excessive refinery capacity, you get a surplus of gasoline. This leads to a simple economic fact: A stampede for gallonage regardless of price or loss of earnings. With this stampede come bitter price wars and chaos in the market place. Competition is no longer tough or excessive — it is destructive. Prices have little relationship to reality, and often gasoline is sold below cost.

For example, in Charlotte, North Carolina, in mid-June 1961, dealers of Sun Oil Company and Texaco reduced service station gasoline prices to 2.9 cents per gallon, exclusive of taxes. Reports indicated that dealers were being protected to a 4.4 cents per gallon margin on gasoline with the net result that a supplier had to send a check for 1½ cents per gallon for each gallon delivered to the dealer. Put another way, the net result was that a supplier sold 10,000 gallons of gasoline to a dealer at no cost and, in addition, gave him $150 in cash for taking the gasoline. After this stampede in Charlotte, 60 of the 500 service stations operating at the beginning of 1961 were closed by September. Of these, 75% were branded stations.

Personally, I have no doubts that below-cost selling was a principal factor in causing these business failures.

Hot Spots

You may not agree. Many argue that you can't judge from posted prices whether or not gasoline is being sold below cost, because one company's below cost price is another's break-even price, and still another's profit-making price. Such relationships are significant. But doesn't it seem reasonable to accept the estimate made by one of your fellow marketing executives who figured that any gasoline sold at a retail price below 24 cents, including tax, is a dead loss to the refinery. On that basis, below-cost selling has been a frequent occurrence in Buffalo, for example, where prices last year bottomed at 6.6 cents per gallon, ex tax. There were plenty of other hot spots — Charlotte, Indianapolis, Chicago, South Bend, Providence, Baltimore, San Antonio, Oakland and Los Angeles, to name a few.

I say hot spots because if your family has had chicken pox or measles, you know how quickly the family routine is disrupted and how fast you take action when the spots appear, even though the underlying causes may have been incubating for some time.

For us, the underlying economic causes I have mentioned — the well known, much discussed abundancy of crude oil, excessive refinery capacity, and surplus of gasoline — all have been incubating for some time. As marketing's hot spots appear, price wars break out. When they do, business is disrupted and some are tempted to take fast action. But, as you well know, fast action can mean government intervention. The Federal Trade Commission and the Justice Department, backed up by the Supreme Court, have done so several times.

If it just looks like someone is tampering with prices, we are in trouble. If this is a democratic, free enterprise country, why does my making a speech give our lawyers the jitters? Because if I were to mention a contemplated price more in an address not only would some competitors immediately leave the room, and possibly they should, but if independent price moves followed such remarks, conspiracy might be charged, even though no conspiracy took place nor was intended.

This is amply demonstrated by government prosecutors who try to show that public statements and private phone calls fit into a pattern from which a conspiracy to raise prices may be inferred.

Since we don't seek government intervention in our industry, and since our great oil industry is not dependent on conspiracies amongst its members for its success, where do we go from here? There is no question in my mind that if we continue these costly, chaotic, and uneconomic marketing practices, we will go round and round in a vicious unprofitable circle.

The Vicious Cycle

The vicious circle begins when anyone is misled into the belief that he can cut prices yet maintain profits by promptly increasing his share of the market, or that he can cut prices and maintain profits by selling incremental gallons that carry only a portion of his total cost of operation. This unsophisticated approach disregards the inevitable desire of other vigorous marketers to retain their customers and protect present gallonage. With each wave of price cuts, the impact of a price war becomes more serious. Before long some dealers will be operating at break even or will be losing money. Probably some companies will be selling below cost.

Dealer relationships will be in turmoil. Discounts and voluntary allowances will be costly and often ineffective. Business failures will follow as pressures build on individuals and companies that do not have the resources to absorb great losses. In desperation, some-one independently will try sensible pricing; others may follow. If they don't, the vicous circle continues.

At some point, the Federal Trade Commission and the Justice Department may well intervene with the Robinson-Patman Act, and other antitrust laws, in an effort to preserve and encourage competitive free enterprise.

The vicious circle is complete when unending price wars and below-cost selling eventually lead to excessive small business failures and to prices legislated and controlled by state and federal agencies.

Such a vicious circle occurred in Michigan last year. It began in Detroit where gasoline prices hit 5.8 cents per gallon, ex tax, the lowest point in 23 years. It ended in Lansing where gasoline retailers introduced a bill designed to make gasoline marketing a public utility.

When gasoline dealers ran to Lansing for protection, they were seeking a way out of the vicious circle. Now they are learning what many marketers already know. There is no easy way out.

Supreme Court Favors Decentralization

Start with government intervention. For over 30 years, Congress and the Courts have been bent on preserving and encouraging competitive free enterprise by protecting small businessmen and curbing economic concentration. They are determined to avoid what they call the evils of concentrated economic power, and we can expect Congress and the Courts to maintain the position clearly stated by Chief Justice Warren when the Supreme Court prohibited the proposed merger of G. R. Kinney Company into the Brown Shoe Company. He said the Court "cannot fail to recognize Congress' desire to promote competition through the protection of viable, small, locally owned business. Congress appreciated that occasional higher costs and prices might result from the maintenance of fragmented industries and markets. It resolved these competing considerations in favor of decentralization. We must give effect to that decision."

The Supreme Court varies its interpretation of the law to protect the small businessman. Sometimes it chooses to follow the law's literal language. In the Sun Oil (Jacksonville) case, the Court unanimously went by the letter of the Robinson-Patman Act. It held that the Sun Oil Co. was not in direct competition with a dealer competing with a Sun dealer, and, therefore, could not assist the Sun dealer by matching the strength of the Sun Oil Co. against the competitive dealer. On other occasions, the Supreme Court has looked to what it thinks is the spirit and intent of the law, as in the National Dairy case. In this case, the Court, in disposing of the contention that the phrase "unreasonably low prices" contained in the Robinson-Patman Act was too vague to support a criminal charge, held that any businessman should know that a sale below cost was unreasonably low.

I point out these important facts to emphasize to you how strongly Congress and the Courts are committed to this position. Consequently we can expect continued government intervention, especially if we perpetuate the marketing practices repeatedly decried by industry spokesmen and critics. Therefore, in evaluating possible marketing decisions, if you cannot defend a marketing practice in the Courts, don't do it. The legal consequences and penalties are severe.

Granting there is no easy way out of the vicious circle, I want to conclude by taking a stand on several legal possibilities which might help to alleviate our marketing problems.

I have tried to narrow the focus of attention from the broad field of competitive forces outside our industry to competition among ourselves. This leaves us with a close up of what we might prefer to avoid—those segments of the vicious circle that are of our own making.

Oil Officials Must Know What They Do

We have one corporate fact of life working in our favor. Obviously, the chief executive requires company actions to be proper and legal. However, not all the decisions can be made at the top. Every day, in marketing, executives influence the way their companies act. This influence must be enlightened and responsible if we are to preserve the oil industry, the company, and the job.

The lawyers serving our industry must become completely familiar with our everyday marketing problems. They must be most exacting in their analysis and interpretation of the antitrust laws and of the Supreme Court's views. They must consider both the letter of the law and the intent of the law. Then they must make strong, sound recommendations on proper marketing practices that will lead to the solution of current problems and help avoid severe public regulation. And their recommendations should be followed!

Use Profit as a Guide, Not Volume

It has been said before, but I'd like to repeat again that in marketing, we must let profit, not volume, be our guide. We must work to compete with quality and diversity of products and services, not just prices alone. All marketers must be responsible in their pricing policies, and major oil companies must recognize the responsibilities of leadership.

In considering the problems that surround us today, I have discussed about the Soviet oil threat, about the vicious circle that keeps price wars hot, and about government intervention. I am against Soviet oil, below-cost selling, business failures, and legislated prices. I am for a healthy and prosperous American oil industry.

Over the past 100 years, American oil men have built a useful, wonderful and successful industry from scratch. Entrusted with this great asset, we should dedicate ourselves, not to destroying it, but to improving it in every way we know how.

*An address by Mr. Getty before the Mid-year Meeting of the Division of Marketing, American Petroleum Institute, Seattle, Wash.

To Be V.-Ps. of Pierce, Wulbern

BIRMINGHAM, Ala. — Effective Sept. 19, Jack H. Shannon and William H. Shannon will become Vice-Presidents of Pierce, Wulbern, Murphy Corporation, members of the New York Stock Exchange. Jack H. Shannon is manager and William H. Shannon assistant manager of the Birmingham office, First National Bldg.

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Kennedy's "Reforms" for Noble Aims Are Reactionary

By Richard P. Jennett, *Sherborn, Mass.*

Writer traces typical noble goals sought by President Kennedy and finds they lead to the same reactionary ends sought by tyrants in the past. Author contends complexities and ideals surrounding President's program mask arbitrary power pursued, whether one examines the civil rights or public works areas, which are ostensibly designed to remedy conditions everyone wants improved. Mr. Jennett takes particular exception to the means used which he says would give all power to the Executive at the expense of the Legislative and protective safeguards in our Federal Constitution.

There can no longer be any doubts among reasonable men that President John F. Kennedy aims at strengthening of the Executive branch of Government, at the expense of the Legislative branch. He has made this manifestly clear in his repeated requests for additional grants of arbitrary power—to be exercised solely at his discretion. His demand for power to spend a large sum of money on public works whenever and wherever he sees fit is just one example. There are many more. All would tend to reduce Congress to a "rubber stamp."

If President Kennedy were obviously a tyrant bent on destroying the American Federal Republic, opposition to such demands would be heated and instantaneous. Many are the defenders of America's traditional freedoms—even within the President's own party. Unfortunately, this situation is clouded by complexities growing out of the admitted noble motives behind each and every one of the President's specific requests for additional arbitrary power.

Public Works Spending

Take, for example, his demand that he be given power to spend huge sums of money on public works at his sole discretion. Few men will argue that Kennedy is motivated in this request by a desire to have more money available for a political "slush" fund. (He already has adequate billions of dollars available in the huge Federal budget for even the most ambitious program of patronage.) Most will agree that he is sincerely motivated by a fear that some unforeseen factors will suddenly cause a burst of unemployment—and that this unemployment will send the economy spinning downward in a disastrous cycle while (1) Congress is not in session or (2) while Congress is in session, but is kept from action by a prolonged debate. Kennedy obviously belongs to that school of Keynesian economic thinkers which holds that a small amount of government spending at a very early stage will eliminate the need for much larger spending at a later stage. Conservatives have attacked Kennedy's demands on two grounds. One is that such Keynesian "pump priming" theories have already been disproven. The other is that this flouts the express intent of the Constitution in granting to Congress the right to authorize specific expenditures. Both points are valid.

It is harder to resist Kennedy's demands for increasing Executive powers when the matter of Civil Rights comes up. Certainly Conservatives, believing in the sacredness and dignity of the individual, are wont to be cast in the role of denying individuals their legitimate constitutional rights on account of race.

Disputing the Means

However, the words legitimate and constitutional must be kept in mind always by Conservatives. If, in an effort to enlarge the liberties of a few citizens, the President brings into being powers that threaten the liberties of **all** citizens, then we will indeed have undermined the constitutional basis of our free Republic. It would be well if Conservatives openly grant the nobility and desirability of at least some of the President's aims. But we, as Conservatives, have a right and even a duty to dispute his **means.** Conservatives, being men (and women) of principles, certainly have an obligation to combat the pragmatic Liberal's existentialist notion that the end justifies the means!

Our Founding Fathers were wise enough to recognize that changing times demand some changes in government. Not only did they provide, in the Constitution, for an orderly system of legislative reform, but they even provided for amendments to the Constitution itself, should events prove that necessary. But the Founding Fathers recognized too that change undertaken too quickly was just as dangerous as change delayed too long. They built into the system a carefully designed power balance and a sufficiently involved process of legislation and amendment to slow the process down. As George Washington once explained it: when his coffee was too hot to drink he would blow on it until he cooled it down. The involved system of checks and balances, he said, was designed to do the same with heated demands for reforms. Over the years, experience has proven beyond question the wisdom of this system. In France, where no reform was permitted, revolution occurred. Then, after the French Revolution, when anarchy reigned and there were no checks on mob rule, tyranny resulted. America, by permitting change and yet slowing it down to weed out unnecessary reforms shown up in debate to be harmful, has voided both extremes of government. As a result, our Forefathers had by far the best society the world has ever known. No one claims we have yet devised a perfect society—but we are still working on that problem.

In recent months, it has become almost an act of faith among American Liberals that the constitutional system of checks and balances simply will not do in this modern age. We are told over and over again by men of great prestige that Congress, especially the Senate with its filibusters, is out of place in the jet-speed 20th century. (Interestingly enough, such Liberals also consider Barry Goldwater out of place in this jet age, although few if any of them can fly solo in "hot" new jet fighter-interceptors as can he.) Recent attacks on the legislative branch by liberal Senators Clark and Fulbright fall into this category of claiming that only Executive decrees can be swift enough to solve problems in this modern age. Another outstanding spokesman of this view is Prof. James McGregor Burns, Kennedy's official biagrapher and a newly elected member of the ADA's national board. (Prof. Burns delighted liberals by urging in his recent *The Deadlock of Democracy* that our Constitutional system of checks and balances be destroyed.)

Lofty Ideals

Again, one must immediately concede that these gentlemen are motivated by genuinely lofty ideals. They sincerely believe that reforms advocated by them are (1) absolutely essential to America and (2) likely to be delayed or scrapped altogether in Congress. (It goes without saying that today's Liberals are equally as impatient with States' Rights, and would concentrate all power now in the States' into the hands of the Federal Government, where they would — as noted — concentrate it into the hands of the Executive.) Congress would be left with few if any worthwhile duties.

As a conservative, I maintain (with Jefferson) that the Legislative branch of Government is the best guardian of people's liberties, since it is closest to the people. In our Federal system, the Senate has a special role to play —in that it was traditionally supposed to safeguard the rights of the individual sovereign states. The House, being elected every two years, was specifically given power of control over taxes, spending and the Armed Forces—thus keeping these vital powers very close to grass roots control. No matter how noble the aims of Liberals are, these aims do not justify scrapping such a system. **If reforms are indeed needed, the Legislative branch will bring them into being!**

Increasingly, the American Liberals are taking a **Machiavellian** attitude towards politics. They look upon the American people much as Pavlov looked upon his dogs—as a lower form of life to be manipulated and "trained." This attitude is directly contrary to the traditional American belief in reasonable free men electing representatives to govern them according to law and within constitutional limitations. The Liberals, in their desire for speedy "reforms," are revealing an increasingly haughty attitude. The reason they distrust the Legislature is that they distrust the people. They think people are too stupid to know what's best for them. Only the Liberals, in their wisdom, presumably know what is best. The reforms they propose would give them arbitrary power to **rule,** not **govern,** America. The difference between ruling and governing is the difference between dictatorships of the left and right, on one hand, and a republic, on the other hand. America is a Republic. That is the highest form of society ever evolved. By proposing reforms that scrap the painfully won features of a Republic, Kennedy and his advisers are really advocating reaction on a massive scale.

Lessons of History

History records a number of Republics which fell because they (1) eliminated constitutional safeguards and evolved into a mob-ruled democracy, and then (2) moved directly into a hereditary monarchy or dictatorship. Greece, Israel and Rome offer well-known examples. Other examples can be found in the historical cases of the Dutch Federal Republic, the English Commonwealth under Cromwell and the Republic of Novorad in Russia. In some cases, outside forces conquered these Republics. In some cases, internal strife resulted in dictatorship and then hereditary monarchy. In every case, the most salient feature of the Republic was its emphasis on legislative powers and a constitutionally limited Executive.

Many of the checks and balances in our own Republic today were seen hundreds of years ago in the Republics (city states) of Venice and Florence, on the Italian peninsula. These Republics had features of both democracy and aristocracy. Their constitutional checks and balances prevented any tyrants from gaining power—**until** the people lost sight of their own republican principles. As soon as the cry went up for "the benefits of strong government," the Republics were doomed. Dictatorship replaced representative government. **In every case, the reaction back to monarchy was accomplished in the name of "reform" by leaders who played on the demands of an impatient mob!**

The most pertinent example oc-

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JFK's "Reforms" Are Reactionary

Continued from page 13

curred in Florence. That republic enjoyed many years of a free society. But eventually one family gained power and used every conceivable means to consolidate their power. The Republic remained in name only, as the Medici's consolidated hereditary power. The people, seeking increasingly after pleasure and security abandoned their traditional love for liberty and independence. But, in due course, the hand of government grew heavy, and many people yearned for the old days and the old ways. A devout Dominican monk named Savonarola became their natural spokesman, as he demanded of the ruler, "That freedom, and her popular government according to republican usage, should be restored to Florence."

The people revolted and seized their liberties back. Under Savonarola's unselfish guidance, they established a new Republic — a Christian Commonwealth. It featured a two-house legislature, with the upper house given the right of long debate and the lower house given the power of silent but all-decisive voting. The Executive was limited in his powers, and allowed only to carry out the wishes of the elected Representatives. This Republic was toppled and Medici rule restored. **(Machiavelli himself went to work for the Government of Florence in 1498, the year Savonarola was burned at the stake.) The people later restored that Republic! Why should we abandon ours?**

Northrop & White Branch

CHICAGO, Ill. — Northrop & White, Inc., have opened a branch office at 141 West Jackson Blvd., under the management of William R. Davis.

The Art of Speculation

Continued from page 3

bank deposits, government bonds and insurance policies, all of which were wiped out. This tragic condition unquestionably influenced the advent of Nazism, with all its ultimate horrors, and it should be a warning to all of us that there is a limit to what the public will tolerate in regard to tampering with money by government.

If investing for profit (long, or short time, and often called speculating) is an art akin to the skill of the surgeon, the painter of pictures, the composer of music, poetry and prose, the performer of any kind of art such as acting, dancing, singing, playing an instrument, etc., what is the most important ingredient in the art of speculation? To my mind it is **timing**. It is noteworthy that this ingredient is also involved in most of the other arts cited, and if the surgeon and painter may seem to be exceptions, they are not, to the following extent. For the surgeon must work with speed and grace and the painter must act with grace and also when in the proper mood. That many artists of all kinds are often out of mood, or moody, is—in itself—evidence of their talent. The speculator should take heed of that phenomenon and not make commitments whenever he feels out of the proper mood.

A Major Irritant

What irritates any artist more than anything else? It is the pseudo-artist who enters his field without evidence of talent, without a real urge and frequently only as a dilettante. And besides talent, art also demands work, worry and a measure of wormwood. Art cannot be undertaken lightly, an attitude assumed by so many amateurs in the many fields of endeavor. In the 1920's of the late boom era, a very significant fact observed and commented upon then was the vast horde of amateurs who entered the speculative arena as operators or as representatives of others. At that time, when I observed novices crowding into the stock market, people with no expedience although well established in many other businesses and professions, I not only wondered how they would fare, but also I pondered on the state of the economy that would seemingly support and reward such neophytes so quickly. My concern was not only justified by the 1929 debacle, it also helped me to anticipate it, forewarned not a little by this phenomenon alone.

But there were other noteworthy evidences of danger in that era, as there have been in later boom periods. At such times, people tend to get careless with their spending, and they get boastful and ostentatious. They claim not to be speculating, they "invest" in mutual funds (formerly called investment trusts) which do their speculating for them, (and charge considerably for the service to boot, thereby decreasing the net chance for profit by just that much extra). Also, why should a fund management be able to do better than the run-of-the-mill speculator, for if it is so wise, why bother with clients and not act for itself, alone? Another vehicle for such "investors" is the savings and loan institutions which claim "guaranteed safety," but only to the extent of $10,000 for any one customer in one institution. But what will happen if in the next depression too many chickens come home to roost at once with their $10,000 claims?

"Time is of the essence" is a legal phrase that should be applied not only to speculating, but also to all important decisions in life. There is a rhythm thruout the universe, and all thinking beings must heed it or fail in many ventures. That the majority of people are not so inclined (or capable) in many undertakings, is obvious, and the admonition to "know thyself" is obligatory to success in any endeavor. Shakespeare said "one cannot make a silk purse out of a sow's ear," and while hope may spring eternal in the human breast, it will die aborning unless it is mixed with a modicum of talent and art in any form of specualtion of whatever kind or nature.

Self Discovery of Talents

How does one find out if he has talent for stock trading? Well, how does one discover if he can paint, compose or perform one of the arts? An urge to do one of these things must well up in him, and pretty early in life, too. And how does such an urge become evident? By his reaction to what others are doing and have done in any given field of art. If one is moved by a great picture or sculpture or building, if one is inspired by magnificant music or enthralled by watching a surgeon at work, and says *automatically* to himself "I *must* do that, too," then he may be on the right track. But if his reaction is only: "I would *like* to do this or that", then he had better not try. Liking, alone, is not enough. The urge must be next to overwhelming, if not entirely so. For the urge will rise only if the inherent talent is underneath to inspire and support it. It has never been otherwise.

Does the foregoing mean that only those with inborn talent should ever buy stocks? Hardly, for if one wants only to save and invest, he can get sound advice from many reliable sources and he must sit tight with his holdings, except on rare occasions. But he must not enter the arena as a potential trader, or he is almost certain to get hurt. This goes for out-and-out gambling, too, as nearly everyone knows who has been to Las Vegas and similar places, as well as to the horse races.

For Discussion

There are other essentials to successful speculation besides timing. One is hedging, at least to the extent of diversifying, especially at the beginning of a campaign. For one may be perfect on timing but choose the wrong vehicle or "horse" to bet on. At the turn of the century when automobiles were first coming into production and use, who could say with any certainty which companies would succeed and which fail? That some would succeed was fairly sure, but which ones? (The same questions have arisen with later developments, such as electronic industries.) United Motors and General Motors were started about the same time. Who can even remember the former or most of the various individual manufacturing companies which have long since fallen by the wayside? Therefore, in order to profit by the ultimate rise of the auto industry, one had to do two important things in its early days. First, he had to diversify his investments in it, so that if one or more company failed, another one or two might not, and might also grow to great size. The other thing was to follow the general timing rules as already cited. While it is true that one can defy timing (if he has picked a strong long-time winner) he will still fare better if he does not. That means he should buy a specific stock when stocks in general are cheap, or times are not too thriving, and he must sell part, at least, of his holding as and when it has enhanced considerably, with the idea of repurchasing it cheaper at an opportune time, thereby adding to his stake by getting more for his money. But only a figuratively handful of people are able to do this over the decades, just as only a handful of people can become artists, surgeons, musicians or wise in any field of endeavor.

One should not let any broker, adviser, banker or good friend tell him any different. Anyone who says he can make money for another, would be doing it for himself, if he had the talent. In no other field is one welcomed so enthusiastically as that of speculation, the reason being that the welcomers are not talented themselves. If they were, they would resent the neophyte's entry and competition, just like most other artists. Also, the welcomers into the speculative arena hope to make money *off* the neophyte, in commissions, etc, rather than *for* him. The only true artist who does welcome a newcomer, is one who recognizes his peer and hopes to learn *from* him. But this demands a pair of geniuses, the neophyte and the one who realizes the other's potentiality.

A true artist must and will disregard consensus, something which most people succumb to, and they are perforce inartistic. All great progress thruout history has been accomplished by the genius, courage and foresight of individuals who defied consensus. Among them were Columbus, Galileo (until he was forced to recant to save his life) Einstein, Newton, Harvey, Lister, Pasteur, Watt, Franklin, Farraday, Banting and Salk, to cite a few. "It can't be done," shouted from the sidelines, has thwarted more progress and success, than it has saved individual men and women of daring from some prospective misfortune. If the Russians had conceded our contention that they could not develop an atom bomb within decades after 1945, they would not have produced and exploded one in 1949. Their art included zeal, and faith in themselves, such as ours was more in the past than it has been, recently.

Self Criticism

Have we lost much faith in ourselves? From many examples in public utterances and in print since 1933, as well as the remarks of numberless individuals one encounters daily, I feel that we have. Mr. Khrushchev says so regularly, and is banking on it. And besides our loss of faith, any occasional urge to venture is now additionally hampered by various restrictive or penalizing laws on success. The combination of these two influences can lead to serious consequences for our country and Western Society. "Nothing ventured, nothing gained" may be trite, but it is true. But venture must be combined with capacity, and the combination is getting more rare in given individuals. We train technicians but do not encourage daring. The Soviets are doing the same, so maybe we will win the long race against

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Will Be Published October 3, 1963

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them, as we still encourage more individualism than they do.

Timing Our Cycles

The timing for successful speculation in the past was closely related to cycles, but in more recent years these have been ameliorated by government interference with them, thus hiding them and making their recognition more difficult. But the most that any government can do is to postpone an evil day, it cannot eradicate one. If our government interfered less, our cycles would be shorter and less severe. The first great interference the writer can recall was in 1927 when a turndown in the economy was beginning to develop, and to delay it Andrew Mellon, Secretary of the Treasury then, reduced the rediscount rate arbitrarily. His announced aim was to stimulate the export of funds to Great Britain to help sustain the value of the pound, but instead that action brought on the 1928-29 final upsurge in the stock market with the subsequent collapse infinitely worse than what probably would have taken place in 1927.

The next great fiasco in our financial history was the deliberate debauching of our money in 1933, when the gold content of the dollar was reduced over a period of months by some 41%. This action by the Executive Branch of Government was later confirmed by Congress although it abrogated gold contracts in many bond issues, including those of our government. This was announced at the time as a temporary stimulant to the economy, but like the opening of Pandora's box of diseases, it could never be reversed and led to our continuing cost-price spiral ever since. But let us suppose that in 1933 we had let the money alone. Recovery would have ensued ultimately, as it aldays had in the past, our economic foundation would not have been undermined, and our whole economy would have been in much better shape today. Relief was necessary in 1933, it is true, and many other emergency measures were justified than (but not to be carried on long afterward, though) but our money should have remained sacrosanct. Once it was deliberately debauched, then many other facets of our morality became debauched in due course, too numerous to cite here. When the Supreme Court upheld abrogation of the gold contracts in its decision of 5 to 4 in 1934, with specific reference to the Liberty bonds of World War I, Mr. Justice Sutherlands said in his dissenting opinion: "from now on the Constitution is gone." He was laughed at by public opinion at the time, and FDR tried to pack the court not long thereafter, when other of its opinions began to thwart his schemes. But who is laughing at the consequences now?

But regardless of all the plans and efforts of our government in the 1930's to cure it, unemployment dogged our country until 1939, when Hitler invaded Poland and war orders began to come to our shores. We were in a similar spot in 1913-14 when World War I restored our economy then. With current unemployment again a national problem, let us beware lest a similar saving grace be handed us again. It is far too expensive in lives, misery and wasted wealth, and it is only a temporary solace, to boot. When people are once again willing to work hard for production and not merely for wages and profits, when esteem for accomplishment will out-weigh monetary gains (as it does to a great extent behind the Iron Curtain), then we may get back onto the right track. But right now, the chance for this seems very slight.

So, what is the speculator to do? He must grasp the opportunities as they afford themselves, unpatriotic as they may seem to be. He can follow the cycles if he can discern them, study economic history for clues to near-future trends, keep in close touch with current events, buck the crowd in thought and endeavor, roll with his falls and hit hard when the chance avails, never be too stubborn when events prove his previous plans to have been wrong, but he must also stay with anything that turns out good, long and unwaveringly. This takes art, to my mind, as well as patience, stamina, faith and sheer guts. Not many of us have even a modicum of these traits. And there is one thing that a beginner in speculation does *not* need, and that is a substantial fund of capital (contrary to common belief). Too much to start with can spoil results, if only on account of lessening the wariness of the venturer. Most of the world's great men and women have come from humble beginnings in every field. One note of caution: Since new enterprises are now less frequently available than they were at different periods in the past (the most recent one being the decade right after World War II), and since taking advantage of deteriorating money may become a two-edged sword, it is wisest for the current speculator to consider longer range viewpoints when entering the stock market arena today. A return to shorter range opportunities may come again in the future, however.

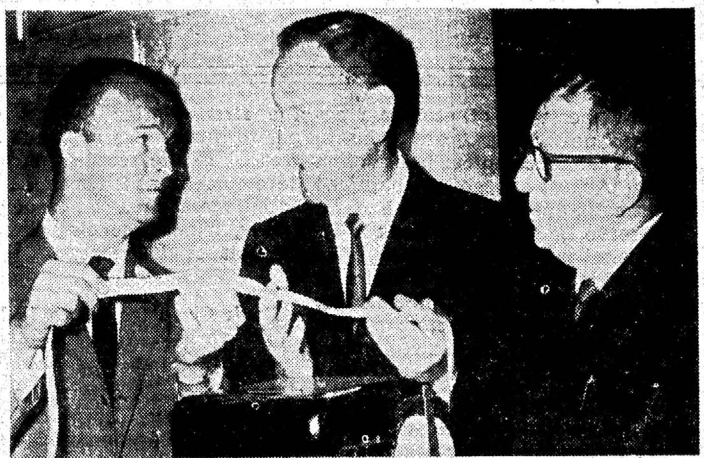
Conclusion

In conclusion, my message is that speculation should be indulged in by only a small segment of the public. Most people are not attuned to it, and are fairly bound to lose in the short or the long run. If one has no talent for a particular form of art he does not try to indulge in it, and speculation is an art, only. A very few people can train themselves in an art without inborn talent, but their number is to small to consider here. Also, talent alone will not bring success, it must be combined with all the other requirements mentioned above. Even then, success is not assured, but the chances for it are greater under the proper circumstances than otherwise. So, "know yourself" first, and act accordingly thereafter. Then, one must also be certain of the time, the place and the vehicle. And finally, one must be sure he is in the proper mood when he takes any plunge, and then stay with it if it shows signs of success, but get out of it within a reasonable time if it does not (taking a small loss, if necessary). For "time is of the essence" and one will lose more time than money by staying with the wrong horse, instead of changing to what may be a better one, and quickly.

Kirkpatrick-Pettis Branch

RED OAK, Iowa — Kirkpatrick-Pettis Company has opened a branch office at 212 Coolbaugh St., under the management of Deemer Houghton.

National Work-Clothes Rental Listed on American Exchange



Trading in common stock of National Work-Clothes Rental, one of the nation's largest suppliers and launderers of industrial work clothing, began on New York's American Stock Exchange on Sept. 3, 1963.

The company, with executive offices in Elizabeth, N. J., services more than 54,000 customers in 29 states from New England through the South and Midwest. It operates 24 industrial laundries in 17 states as well as three manufacturing plants that produce work clothing for National Work-Clothes Rental's own customers and for sale to other industrial launderers.

Nathaniel Cohen (center in the photo), President of National Work-Clothes Rental, and Irving Kirshbaum (right), Chairman of the Board, witnessed the start of trading in their company's stock. With them is Frank Young, the American Stock Exchange's stock specialist in the issue. In 1939, Mr. Cohen and Mr. Kirshbaum founded the company, which became publicly owned in April, 1962.

The first trade of National Work-Clothes Rental stock on the exchange, a block of 200 shares, was reported on the ticker, with the symbol NWC, at 8¾.

In the first half of the current fiscal year, National Work-Clothes Rental reported record high sales of $9.9 million, an increase of 16% over the comparable 1962 period, with net income of $756,000, up 14%. Net was the equivalent of 38 cents a share, compared with 33 cents a year earlier.

New York Bonds Publicly Offered

An underwriting group headed by the First National City Bank of New York on Sept. 11 publicly offered $25,550,000 City of New York housing bonds, due Oct. 1, 1964 to Oct. 1, 2012, inclusive.

The winning group bid 101.2037 for a 3.70% coupon, setting a net interest cost to the borrower of 3.6621%.

The general obligation bonds are being reoffered to yield from 2% for the 1964 maturities to 3.65% for the bonds due in 2012.

Others in the group are:

Bankers Trust Co.; Morgan Guaranty Trust Co. of New York; Harriman Ripley & Co., Inc.; Halsey, Stuart & Co. Inc.; Continental Illinois National Bank & Trust Co. of Chicago; C. J. Devine & Co.; Salomon Brothers & Hutzler; Kidder, Peabody & Co.; Phelps, Fenn & Co.; W. H. Morton & Co., Inc.;

The First National Bank of Oregon; Roosevelt & Cross Inc.; Francis I. du Pont & Co.; Wood, Struthers & Co., Inc.; Ira Haupt & Co.; Kean, Taylor & Co.; First of Michigan Corp.; Bacon, Stevenson & Co.; Fidelity Union Trust Co., Newark; Estabrook & Co.;

Dick & Merle-Smith; Manufacturers & Traders Trust Co., Buffalo; Boland, Saffin, Gordon & Sautter; Republic National Bank of Dallas; G. H. Walker & Co.; Eldredge & Co., Inc.; Stern, Lauer & Co.; Shelby Cullum Davis & Co.; Charles King & Co.; Rand & Co.; The National City Bank of Cleveland; Dreyfus & Co., and Tilney & Co.

A. G. Ewdards Branch

ARDMORE, Okla. — A. G. Edwards & Sons has opened a branch office in the Gilbert Bldg., under the direction of J. Dewey Clemens.

New Beckman Branch

YUBA CITY, Calif.—Beckman & Co., Inc. has opened a branch office at 434 Colusa Ave., under the management of William C. Swatsell.

Forms Universal Inv.

Alfred I. Scott is conducting a securities business from offices at 79 Wall Street, New York City, under the firm name of Universal Investors Service. Mr. Scott was formerly with Emanuel, Deetjen & Co. and Fahnestock & Co.

NEW ISSUE

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering is made only by the Prospectus.

September 11, 1963

100,000 Shares

Electronic Associates, Inc.

Capital Stock

(Par Value $1.00 Per Share)

Price $70¾ per Share

Copies of the Prospectus may be obtained from only such of the undersigned as are registered dealers in securities in this State.

W. C. Langley & Co.

Blyth & Co., Inc. **Merrill Lynch, Pierce, Fenner & Smith** Incorporated

Glore, Forgan & Co. **Harriman Ripley & Co.** Incorporated **Kidder, Peabody & Co.** Incorporated

Paine, Webber, Jackson & Curtis **Smith, Barney & Co.** Incorporated

Stone & Webster Securities Corporation **Equitable Securities Corporation**

Hemphill, Noyes & Co. **Reynolds & Co., Inc.**

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N. A. Ben-Tovim Opens

LOS ANGELES, Calif.—Noah A. Ben-Tovim is conducting a securities business from offices at 5655 Wilshire Boulevard.

Smith & Youd Formed

WYANDOTTE, Mich. — W. David Smith and John E. Youd are conducting a securities business under the firm name of Smith & Youd, from offices at 98 Elm St.

New Goodbody Office

MIAMI, Fla. — Goodbody & Co., has opened a sales office at 8727 South Dixie Highway under the management of Girard W. Moore, Jr.

DIVIDEND NOTICES

CITY INVESTING COMPANY
980 Madison Ave., New York 21, N. Y.
The Board of Directors of this company on September 11, 1963 declared the regular quarterly dividend of 12½ cents per share on the outstanding Common stock of the company, payable November 7, 1963, to stockholders of record at the close of business on October 4, 1963.
HAZEL T. BOWERS, *Secretary*

New England Gas and Electric Association
COMMON DIVIDEND NO. 66
The Trustees have declared a quarterly dividend of thirty-four cents (34¢) per share on the common shares of the Association payable October 15, 1963 to shareholders of record at the close of business September 24, 1963.
B. A. JOHNSON, *Treasurer*
September 5, 1963

Canada Dry Corporation
DIVIDEND NOTICE
The following dividends have been declared by the Board of Directors:
Preferred Stock—A regular quarterly dividend of $1.0625 per share on the $4.25 Cumulative Preferred Stock, payable Oct. 1, 1963, to stockholders of record at the close of business on Sept. 13, 1963.
Common Stock—A quarterly dividend of $0.25 per share on the Common Stock, payable Oct. 1, 1963, to stockholders of record at the close of business on Sept. 13, 1963.
Transfer books will not be closed. Checks will be mailed.
J. W. REILLY, *Vice Pres. & Secy.*

COLUMBUS AND SOUTHERN OHIO ELECTRIC COMPANY
Dividend on Common Shares
The Board of Directors of Columbus and Southern Ohio Electric Company, on September 5, 1963, declared a dividend of sixty cents (60¢) per share on the outstanding Common Shares of the Corporation, payable October 10, 1963, to shareholders of record at the close of business on September 25, 1963.
G. C. SHAFER, *Secretary*
the ELECTRIC Co.
COLUMBUS AND SOUTHERN OHIO ELECTRIC COMPANY

The State of TRADE and INDUSTRY

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

Most measures of economic activity posted significant gains in July, and incomplete information for August suggests continued strength, according to the Federal Reserve Bank of New York in its September *Monthly Review*, published this Tuesday. Despite a normal quota of uncerainties, moreover, several factors appear to be working in a direction of further gains.

"On balance, the performance of production and related indicators since mid-year has been at least as good as most analysts had expected," the *Review* points out. The upward revision of gross national product figures for the second quarter, now that fuller June data are available, also suggests more strength than had been apparent earlier.

In July, industrial production rose nearly a full percentage point despite declines in steel and auto output of about 5%. This marked the sixth sizable advance in industrial production in a row. Increases were fairly widespread among industries. Also in July, two important areas of final demand—retail sales and private construction outlays — recorded continued advances, while the pace of new orders for durable goods quickened after two successive monthly declines. Nonfarm payroll employment (seasonally adjusted) rose for the sixth consecutive month.

In August, employment was maintained at about its recent levels, according to the Census Bureau's household survey, while a greater than seasonal decline in the number of young persons looking for work helped bring about a slight reduction in unemployment. The unemployment rate, at 5.5% of the labor force, was at its lowest level for this year, but still was no better than in December 1962 and hardly better than the 1962 average.

Among the uncertainties in the near-term outlook are the full effects of the drag on steel production caused by an overhang of inventories. Also, continuation of the present upward pace in construction is questionable in the face of recent declines in some leading indicators. Other unknowns are the public reception of the new auto models and the nature and timing of Congressional decisions on tax legislation.

However, the Bank pointed out, consumer buying intentions have remained strong, and the expected passage of the military-pay-rise bill will provide an impetus to Federal spending in the fourth quarter. The latest Commerce Department - Securities and Exchange Commission survey of businessmen's capital spending plans points to a sharp rise in such spending in the third and fourth quarters — a rise that is about in line with earlier expectations. Actual outlays rose in the second quarter, but not quite so much as had been expected. Meanwhile, capital appropriations by large manufacturers in the second quarter recouped most of the first quarter decline. Corporate profits also apparently increased in the second quarter, a development which may help to encourage the realization of plant and equipment spending plans for the balance of the year.

Bank Clearings Surge 14.6% Above 1962 Week's Volume

Bank clearings in the latest statement forged ahead of a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Sept. 7 clearings for all cities of the United States for which it is possible to obtain weekly clearings were 14.6% above those of the corresponding week last year.

Our preliminary totals were $27,489,806,026 against $23,984,993,820 for the same week in 1962.

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

Week End. Sept. 7—	(000s omitted) 1963	1962	%
New York	$15,667,195	$12,812,368	+22.3
Chicago	1,216,732	1,130,520	+ 7.6
Philadelphia	1,004,000	923,000	+ 8.8
Boston	706,840	665,457	+ 6.2
Kansas City	443,013	425,569	+ 6.4

Weekly Steel 0.6% Gain Marks 3rd Slight Increase in a Row Out Of Past 15 Weeks and Is 8.2% Above Year-Ago Against 11.9% for Year's Cumulative Compared to 1962 Period

According to data compiled by the American Iron and Steel Institute, production for the week ended Sept. 7 was 1,775,000 tons (*95.3%) as against 1,765,000 tons (*94.7%) in the Aug. 31 ending week.

This slim week-to-week upward change in output was the third net gain in the past 15 weeks. The three week gain amounts to 0.8% which portends a 100 million ton year—highest since the 112.7 million tons in 1957. A decline had set in since last May 25 and, except for July 13 week's 1.6% gain, there was an uninterrupted decline until the week ending Aug. 24.

Last week's output was 4.7 percentage points below the 1957-59 base period's average weekly output and was the lowest production since Oct. 27, 1962 (1,768,000 tons)—ignoring the Dec. 29, 1962 holiday week's tonnage. The latest week's output was 8.2% 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 16th 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 77,891,000 net tons (*116.1%) which is 11.9% above the Jan. 1-Sept. 8, 1962 production of 69,619,000 net tons.

In the comparison with last week's cumulative index total of 116.7, this week's tally faltered at 116.1 (1957-59=100).

August's output was about 7.8 million tons as against 8.7 million in July, and 7.1 million in August, 1962.

District—	*Index of Ingot Production for Week Ending Sept. 7	Aug. 31
North East Coast	93	91
Buffalo	80	74
Pittsburgh	89	90
Youngstown	80	79
Cleveland	95	108
Detroit	147	147
Chicago	92	94
Cincinnati	109	103
St. Louis	90	75
Southern	108	107
Western	105	94
Total Industry	95.3	94.7

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

Steel Demand May Be Surprisingly Good

Steel demand the rest of this year stands a good chance of running ahead of expectations of most people, *Steel* magazine said.

Automobile sales continue brisk, and a fast start for 1964 models is expected. The pace will be reflected in a strong steel demand from the auto industry.

Construction is also at a high level and will provide a good outlet for steel even after a seasonal letup for winter.

The tremendous momentum that has built up in business activity is still not fully recognized, but it's bound to show up in increased orders for steel.

Generally, metalworking avoided the summer doldrums. Factory output and new bookings during July and August were well above year ago levels. A high level of earnings by consumers and businessmen has bouyed spending plans. Of particular help to metalworking: Investment in new plant and equipment is accelerating.

Even if there were no increase in steel demand and production, 1963 ingot output would total 106 million tons—the largest amount since 1957's 112.7 million tons. Some people think the fourth quarter will be strong enough to push this year's ingot total to as much as 109 million tons.

Even though steel users will continue liquidating inventories the rest of the year, they'll gradually step up their purchases. The steel they'll take from inventories will cover only 10 to 15% of their requirements.

Inventory Reduction Unexpectedly Less

The magazine's quarterly survey of finished steel inventories indicates inventory reduction has been less than anticipated—summer vacation curtailments slowed the attrition of strike hedge accumulations. Also, some consumers didn't ask for delays in mill deliveries because they were doing better-than-expected business for the season.

In any case, 74% of respondents report stocks unchanged from three months ago vs. 65% at that time. 12% hold lower inventories than three months ago, while 14% say stocks increased in the period.

The Labor Day holiday and labor trouble at one of the nation's major mills resulted in steel production edging downward slightly last week. *Steel* estimated ingot output was 1,760,000 tons, or 0.3% under the preceding week's total. Production this week will be higher than the Labor Day week's output.

The magazine's price composite on No. 1 heavy melting scrap, a steelmaking raw material, held at $27 a gross ton last week.

Record High Steel Imports

Strong demand this year for steel is reflected in imports, too. They captured nearly 6% of the U. S. market as they climbed to a record high of 2,368,375 tons in the first half.

Imported barbed wire took 87% of our market, while wire rods took 37%, welded steel pipe and tubing 28%; and concrete reinforcing bars 22% (vs. 31% in the first half of 1962).

Iron Age Predicts More Than 106 Million Ton Steel Output

The steel market has survived the inventory liquidation, and the steel industry is on its way to production of more than 106 million tons this year, *Iron Age* magazine reported.

The national metalworking weekly pointed out that about four million tons of steel will be imported into the U. S. this year. When added to domestic consumption that staved off a severe as a boom year in terms of total steel used in the U. S.

The magazine said that production will be the highest in the past six years. In 1957, total output of the nation's steel mills reached 112.7 million tons. The record is 117 million tons, in 1955.

The total for the year underscores the high rate of steel consumption that staved off a severe market collapse following the steel labor settlement. Instead, steel production remained at a respectable level, with fall improvement now in the making.

However, *Iron Age* said the current order picture is deceptively quiet. This is because the auto industry has been slow to come in with orders that might have been expected with new model production. This has raised new doubts on the state of automotive steel inventories.

Iron Age opined there is no question the auto industry went into September with high stocks of steel. But at the rate of chewup as production of 1964 models accelerates, steel stocks can be worked down in comparatively short order.

This situation varies. General Motors is still working off its excess at a slower rate than Ford. But action in Detroit steel sales offices late last week indicates Ford is increasing its October buy as much as 10 to 15% over orders placed earlier.

On the basis of tonnage produced to date, any kind of an upturn reflects the high level of steel consumption, *Iron Age* said.

At the end of August, production had passed 76 million tons. This is eight million tons more than at the same period last year.

Projecting the production rate of the last week in August through the end of this year, 106 million tons could be reached even without any improvement.

And the mills do expect improvement. Even the most conservative estimates show that inventory liquidation has passed its highest rate and gains in orders are in the works.

Iron Age reported these regional market developments:

Regional Developments

Pittsburgh—Overall demand is rising very gradually in the Pittsburgh area. However, individual mills are benefiting in varying degrees. A mill with a high percentage of flat-rolled steel looks for automotive strength to produce sharp gains in October.

Continued on page 30

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Sleeping is like floating on air, when the mattress is made of urethane foam . . . a mattress that "breathes" air through every cell, and weighs so little that a housewife can lift it over her head! ▶ By combining exact proportions of five chemicals from Union Carbide, this versatile foam can be made soft, firm, or rigid. Mattresses, upholstery, and pillows can be given their own degrees of resilience. Other formulations produce superior insulation in the form of prefabricated rigid panels or foamed in place. In a refrigerator trailer body, this insulation can be used in much thinner sections than conventional materials, so cargo space is increased substantially. ▶ Recently, Union Carbide introduced "climate-controlled" polyether, which results in uniform foam properties despite such curing variables as summer heat and humidity. Another Union Carbide development is production of the first polyether for flame-lamination of thin foam sheets to cloth, adding warmth without noticeable bulk. ▶ In their work with chemicals, the people of Union Carbide have pioneered in developing polyethers and silicones for urethane foam, found new uses for the foam, and shown customers how to produce it.

A HAND IN THINGS TO COME

UNION CARBIDE

WRITE *for booklet D-21, "The exciting Universe of Union Carbide," which tells how research in the fields of chemicals, carbons, gases, metals, plastics, and nuclear energy keeps bringing new wonders into your life. Union Carbide Corporation, 270 Park Ave., New York 10017, N.Y. In Canada: Union Carbide Canada Limited, Toronto.*

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BANK AND INSURANCE STOCKS

This Week — Bank Stocks

BANK STOCK PRICES AND EARNINGS—

Bank stocks are selling at high prices relative to earnings and dividends. New York City bank stocks, in most instances, are selling at 18 times earnings and are yielding little more than 3%. The so-called "growth banks" away from New York sell on an average of more than 20 times earnings and yield little more than 2%. The previous high for bank shares, since the end of World War II, occurred in late 1961 when this medium was selling at approximately the current price level. The subsequent drop in the price of bank shares was prompted by the Federal Reserve Board which permitted commercial banks to pay higher rates on time and savings deposits. This occurred one year following the Board's lowering of the rediscount rate. The Board acts on the latter to promote orderly economic growth. A lowering of this rate is usually done to encourage borrowing or counteract deflationary elements in the economy. A raising of rates is usually done for the opposite reasons. Although the Board had acted one year earlier, late in 1961 was not a time which warranted a rate increase. In other words, the economy was still showing fairly dynamic growth which could be slowed. In view of the interest rate structure in late 1961 only modest gains were expected for bank earnings in 1962 but they were selling at high prices.

The Federal Reserve Board has recently acted to raise this borrowing rate. Although this stimulating movement was made to help counteract the gold flow, it would not have been done without consideration to promoting economic growth. Both factors —higher rates and better business—are good for banks. Within the past week the U. S. Treasury has announced the largest advance refunding of debt in history. This $32 billion exchange could not be successful without attractive prices to the investor, i.e.—higher yields. The result was a general readjustment in the total bond market with the "high grade" public corporate rate approaching the rate banks charge prime corporations. Very possibly, should borrowing be necessary, corporations may forestall public financing. This would be helpful in contributing to increases in bank earnings in 1964. Naturally there are other factors, such as a tax cut, which might slow corporate bank borrowings. Evaluating these many factors, it appears that the outlook is for improved earnings in 1964. Therefore, the high current market level is more justified than in late 1961.

Naturally, the rise in prices of bank shares is largely due to the overall rise in stock prices. As the indices below indicate, however, bank shares still lag the industrial and utility markets over the long run. Many technicians prognosticate a break in the stock market in the near future. Although bank stocks are usually carried down with other equities and little volume may affect this market, the volume of these shares and the holders must not be ignored. The largest bank in the United States is the Bank of America with 28.4 million shares outstanding. Other major commercial banks have substantially fewer shares. This means a relatively short supply of stock as compared to large industrial and utility companies. These stocks are held principally by institutions. Those individuals who hold stocks usually hold them as investment rather than "quick profit" vehicles. It seems that any technical reaction in the stock market would not unduly penalize bank stock prices.

STANDARD & POOR'S STOCK INDEXES

(1941-43 = 10)

Closing Price	N. Y. C. Banks	Banks Outside N. Y. C.	50 Utilities	425 Industrials
1953	15.03	33.34	25.10	24.87
1954	18.23	40.80	29.82	37.24
1955	19.83	42.38	31.70	48.44
1956	20.10	40.76	31.76	50.08
1957	18.75	36.06	32.14	42.86
1958	24.25	48.73	43.28	58.97
1959	29.65	56.66	44.74	64.50
1960	26.96	56.41	51.76	61.49
1961	40.00	82.04	64.83	75.81
1962	34.71	67.98	61.09	66.00
1963 (Sept.)	38.34	77.67	67.62	76.53
% Increase	155.0	132.0	170.0	209.0

Price Earnings Ratios	N. Y. C. Banks	Growth Banks	Dow-Jones Industrial Index*
1953	12.9x	11.8x	10.1x
1954	13.4	13.3	12.0
1955	14.9	13.9	12.2
1956	13.1	12.9	14.8
1957	12.0	11.4	13.1
1958	13.3	12.3	18.3
1959	14.3	13.6	18.3
1960	12.4	12.5	19.3
1961	18.0	18.0	21.2
1962	16.0	18.0	18.5
1963	18.0	21.0	18.8

* Thirty Stocks.

Yields	N. Y. C. Banks	Growth Banks	Dow-Jones Industrial Index*
1953	4.46%	4.47%	5.74%
1954	4.49	3.88	4.33
1955	4.04	3.72	4.41
1956	4.34	3.93	4.55
1957	4.74	4.40	4.98
1958	4.47	4.10	3.49
1959	3.71	3.48	3.13
1960	3.91	3.55	3.53
1961	2.80	2.60	3.12
1962	3.70	2.60	3.58
1963	3.10	2.20	3.25

* Thirty Stocks.

Municipal Issues At Record Total

WASHINGTON, D. C. — New issues of municipal bonds sold during the second quarter of 1963 totaled a record $2.9 billion, according to a quarterly review of the municipal bond market in the latest issue of the IBA Statistical Bulletin (August, 1963) published by the Research Department, Investment Bankers Association of America. The new quarterly sales record exceeds by more than $100 million the previous high set in the first quarter of this year. With total sales for the first six months exceeding $5.6 billion, it seems almost certain that this year's municipal volume will reach a new high and exceed the record $8.7 billion in sales set in 1962.

Second quarter sales of general obligation municipal bonds totaled $1,632 million, or 59% of the quarterly total, while $996 million in revenue issues were sold, representing 36% of the total. The remaining 5% consisted of new Public Housing Authority issues. Sales of revenue bonds continue to increase proportionately at the expense of general obligation bond issues.

New York led the nation with total state and local municipal bond sales of $402 million during the second quarter. California was second with sales of $388, Pennsylvania was third with $275 million and Illinois ranked fourth with sales of $185 million. Washington, Florida and Tennessee each had total municipal bond sales in excess of $100 million.

BANK STOCK SURVEY

We have prepared a comparative analysis of the first half results of 40 leading commercial banks

A copy of this survey is available at any of our 29 offices listed below.

We deal actively in bank shares and offer our specialized facilities for transactions at net prices.

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PASADENA • SPOKANE • SACRAMENTO • EUREKA • SAN DIEGO
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First Midstate Opens

BLOOMINGTON, Ill.—First Midstate Incorporated has been formed with offices in the American State Bank Building., to engage in a securities business. R. Mack Brown is a principal of the firm. He was formerly an officer of C. E. Bohlander & Co., Inc.

Cyrus Lawrence Appointments

Cyrus J. Lawrence & Sons, 115 Broadway, New York City, members of the New York Stock Exchange, have announced that

Alex. B. Johnson — Homer A. Vilas

Alexander B. Johnson has been appointed managing partner of the firm. Homer A. Vilas, formerly managing partner, will continue as senior partner.

Mr. Johnson is president and director of Tamcor, Inc., New York City; a director of Western Maryland Railway Company, Baltimore, Md., and General Signal Corp., Rochester, N. Y. He is also a trustee of Deerfield Academy.

Wildman, Neal & DeBolt Formed

INDIANAPOLIS, Ind.—Wildman, Neal & DeBolt, Inc. has been formed with offices in the Merchants Bank Building, to engage in a securities business. Officers are Dean E. Wildman, President; Richard E. Neal, Vice-President and Secretary; and Richard H. DeBolt, Treasurer. Mr. Wildman was formerly local manager for John A. Kemper & Co. Mr. Neal was Vice-President of Walston & Co., Inc., in charge of the Indianapolis office, with which Mr. DeBolt was also associated.

Joins Gilman Staff

PORTLAND, Maine—David E. McElroy has joined the staff of Charles H. Gilman & Co., Inc., 186 Middle Street.

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First-Half Earnings Set Record for Standard Oil Company (INDIANA)

35% INCREASE IN EARNINGS

For the first six months of 1963, Standard Oil Company (Indiana) consolidated net earnings totaled a record $91,758,000 as compared with $67,658,000 for first-half 1962. Earnings were $2.55 per share, a 35 per cent increase over the $1.89 per share in first-half 1962. Total revenues were $1,392,184,000, compared with $1,315,961,000.

REGULAR DIVIDEND INCREASED

The regular quarterly cash dividend was increased 5 cents to 50 cents a share, payable September 10, 1963. Dividends have been paid each quarter for more than 50 years.

DETERMINING FACTORS

Contributing to our record earnings were higher sales of refined products; higher production of crude oil, natural gas liquids, and natural gas; continued close control of operating costs, and somewhat higher prices for gasoline. Gasoline prices, though higher on an average than a year ago, were still substantially below normal, and below the prices received in the last quarter of 1962. In many major metropolitan areas, severe price wars continued to plague the industry.

RECORD PRODUCTION AND SALES

All major operations set new first-half records. Net production of crude oil and natural gas liquids averaged 384,000 barrels a day, a gain of 5 per cent. Refined products sales averaged 770,000 barrels a day, up 3 per cent. Sales of natural gas increased 3 per cent to an average of 1.934 billion cubic feet per day. Chemical sales were up 20 per cent to 474,000 tons.

DIRECTORY

Standard Oil Company

(INDIANA)

Major Subsidiaries

AMERICAN OIL COMPANY *manufactures, transports and sells petroleum products in the United States. In 15 Midwest states it markets through its Standard Oil division.*

PAN AMERICAN PETROLEUM CORPORATION *explores for and produces crude oil and natural gas in the United States and Canada.*

AMERICAN INTERNATIONAL OIL COMPANY *directs foreign operations outside North America from headquarters in New York City.*

SERVICE PIPE LINE COMPANY *operates common carrier crude oil pipe lines, transporting crude to refineries of American Oil and other companies.*

AMOCO CHEMICALS CORPORATION *manufactures and markets chemicals from petroleum.*

TULOMA GAS PRODUCTS COMPANY *markets liquefied petroleum gas, natural gasoline, ammonia, and related products.*

INDIANA OIL PURCHASING COMPANY *buys, sells, and trades crude oil and natural gas liquids in the United States.*

STANDARD OIL COMPANY (INDIANA) 910 S. MICHIGAN, CHICAGO 80, ILLINOIS

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The Market . . . And You

BY WALLACE STREETE

Stocks took a breather this week from setting their new, all-time high industrial average, but showed no intention of backing down importantly although much profit-taking was evident in spots.

In only five trading sessions, more than 29,000,000 shares changed hands which is a definitely high turnover. And since there is a seller for every buyer, although Wall Street likes to use the worn cliche in reverse fashion, it spells out some high-level distribution of stock.

Rails Still Lag

The suspicious element were the followers of the rail average which had hit a high for this year on Aug. 30 and made no serious gestures in that direction since. With the rails ignoring the historic action by the senior average, there was a little cause for caution at least.

Not much attention has been paid to the rails, and the support supposedly, essential to continued industrial progress, in a long time. The rail average made a bid to top the 1929 peak as long ago as 1956. At that time a high-water mark of 181 was recorded, still shy of the 189 figure reached a generation earlier. The August peak was just under 177.

So real progress by the rail section as a unit has been missing for long. When the carriers seemed on their way to the 1929 pinnacle in 1956, the industrial average was only a few points above the 500 line and, to all intents and purposes, went on for more than 200 more points without rail assistance.

The new principle of compulsory arbitration which the recurring rail strikes put on the books failed to rekindle interest in them. Of course, not all the strike problems will evaporate automatically and some months are still ahead before any definite labor peace, or lack of it, will be apparent. Uncertainty has always worried stock markets.

Actually, the followers of the rails see mild improvement in their profit picture this year and a chance for the best showing since 1957. The picture is further brightened by the possible economies of the many, long-pending mergers; by greater efficiency possible with the scientific strides being made, and the possible economies that could follow better utilization of the labor staff.

But the speculative following that is more or less constant in the type of markets that have been seen in recent years has had little truck with rails for a long time, and glamour status for them is only a memory.

Appealing Growth Issue

Newer items, like John's Bargain Stores in the variety chains can point to clearly evident growth which is not possible with a railroad. From 1958 to last year, this chain jumped from 84 stores to 222 and boosted sales from $15 million to $40 million. Profit was up more than four-fold, from $220,000 to $952,000. That is the type of growth picture that catches the eye of today's investors.

And it isn't only the past growth that counts. Noteworthy in the John's Bargain Stores situation is that it is now adding new ones at the rate of two a week and expects to bring the total to 280 at the end of the year and go on from there to something like 500 in the next three years or so.

A Company Ex-Glamour

A former issue that had its glamour tarnished a bit when earnings dropped sharply last year is Universal Oil which is being projected to much better results this year and could have hit bottom and made a worthwhile turn.

Universal Oil owed much of its glamour status to its participation in developing an anti-smog auto exhaust device that would meet with the approval of California, which is the state pushing hardest to make such items mandatory.

It is an important element since some projections are that California could produce sales of some $300 million alone if some firm can come up with a satisfactory device that wins the state's approval. But a decision isn't around the corner, early next year being the generally accepted target date.

There are other elements that pertain to Universal Oil of solid worth. It is the largest organization specializing in oil refining techniques and construction engineering. And it produces petrochemical intermediates for several fields.

A combination of a strike, heavy start-up expenses and a decline in sales of one of its refining catalysts proved a disturbing factor marketwise. The latter was a somewhat ironic note because it was Universal's own work in improving refining techniques that contributed to the lessened need for the catalyst. But the ground lost seems to be being retraced with improvement shown in the figures issued so far this year.

ATT — Dividend Increase Candidate

Some discussions in market letters were centering on American Telephone both because the company is so widely regarded as a candidate for a dividend increase and also because, unlike the industrial average, it is not selling at any historically high price.

Against the current $3.60 payout, the general expectation is that when the dividend improvement does come, the payment will be $4. And that would represent a boost in the indicated return above the 3% bracket to make it that much more attractive.

The next Telephone dividend meeting will be in mid-December. In the past, meetings at that time of the year have been the ones when financial plans were revealed and many of these were accomplished via valuable rights to the holders. And, when the shares were split and the dividend boosted twice in recent years, it was at those meetings that the action was taken. So attention to Telephone at this time is not a new note. Whether the hopes pan out, however, is the uncertain element.

Shares of A. T. & T. have been rather calm throughout the market surge this year and, in fact, have only carved out a range of around a dozen points which is restrained action for shares in its price range.

Electronics Lead Again

Electronic issues were the market leaders more times than not recently, refuting the contention after the market break of last year that they had "had it" for good. Zenith with a demonstrated prowess in keeping its growth going, and in increasing its profitability, has participated but without showing excessive speculative interest. On that score alone, it could be considered a market laggard, particularly since it reported record sales and earnings not only last year but in the first half of this year as well.

[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.]

Dawson-Smith at Tucker, Anthony

Tucker, Anthony & R. L. Day, 120 Broadway, New York City, members of the New York Stock Exchange, have announced the appointment of S. Edward Dawson-Smith as Manager of their bank stock trading department as of Sept. 3. He will handle trading in bank stocks for both their New York office and their New England offices. Mr. Dawson-Smith came to New York to manage the unlisted trading department for Bonner and Gregory in 1949, was later supervisor of eastern branches and resident manager for Cruttenden, Podesta and Miller, and more recently manager of the unlisted trading for Spears, Leeds and Kellogg. He has been active in STANY and NSTA work.

S. E. Dawson-Smith

New School Offers Courses

Eighteen courses in management, investments and financing will be offered by the Business Administration Center of the New School for Social Research, 66 West 12th Street, Manhattan, during the Fall semester beginning Sept. 23.

Among the courses being offered are: "Creative Personnel Management," "Investment Banking in Today's Market," "An Introduction to Bonds," "Personal Investment Problems," "Strategy of Investing in Today's Stock Market," and "Personal Portfolio Management."

Further information and the Fall New School Bulletin of course descriptions may be obtained by writing the Office of the Registrar. The New School, 66 West 12 St., New York 11, N. Y.

Amos Sudler Adds

DENVER, Colo.—Amos C. Sudler & Co., American National Bank Building, have added to their staff Eugene F. Agee III, Douglas L. Duncan, Kenneth S. Essex, Gene A. Moss, and Harold K. Sasaki. Messrs. Agee, Moss and Sasaki were formerly with Schmidt, Sharp, McCabe & Co.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

American Telephone & Telegraph Company

American Telephone & Telegraph is the largest utility company, with system revenues of over $9 billion and assets of more than $28 billion. It controls twenty principal subsidiaries which are consolidated in the income account, while four others — Bell Telephone Laboratories, Western Electric and two smaller companies—are not consolidated. In addition, A.T. & T. has interest in two other telephone companies and a small equity in Bell Tel. of Canada. It is both an operating and holding company; it directly operates long distance lines connecting its own system units and also those of some 2,800 independent telephone companies. Some 57% of system revenues are from local service and 43% represent the parent company's toll revenues. Net from operations is reported to stockholders only on a combined basis, although some parent company figures are obtainable from reports to the FCC.

The The Bell System buys its equipment largely from Western Electric Company which has contributed substantially to earnings in recent years. The Bell Laboratories, a wholly-owned research and development company, is operated on a non-profit basis, and its research achievements (including development of the transistor, Telstar, etc.) have been of great importance to the communications industry.

A revolution in the communications industry is under way based on the intense research efforts of the Bell Labs and some other producers of telephone equipment. Invention of the transistor was a break-through in this respect, leading to new designs for transmission and switching systems. Electronic control equipment is increasing the versatility of the dial system, and should lead to substantial economies in space occupied by exchanges. Other revolutionary developments are a new principle using ultrasonic waves to amplify communication signals; magnetic memories to store more information and supply it faster; and lasers that generate and amplify a wide range of light waves, both visible and invisible.

New methods of communication include a wide variety of wholesale methods of communication for business companies, between main and branch offices (or with customers), automatic transmission of taped data from one computer to another, in a different city, further development of television on a world wide basis, the proposed satellite communications, etc. Bell Labs expects to spend a billion dollars on research and development over the next decade.

A.T. & T.'s ventures into space with Telstar I and II were highly successful initially, but the satellites have not proved very dependable. Radiation from the sun damaged Telstar I; it was hoped this difficulty would be overcome with Telstar II, but other difficulties have apparently interrupted operations. Formation of the big Satellite Communications Corp. in Washington has also been slow, with some clash of personalities between the new president of the company and the head of the FCC. However, the system is expected to begin active operations in 1964 with an offering of stock — half to the communications companies and half to the general public. A.T. & T. will be an important stockholder, but will be limited to two directors on the board.

Meantime, however, A.T. & T. was also greatly improving its telephone cable system, and is laying additional cables to take care of its rapidly increasing overseas business, with a new ship designed to lay the new type of cable efficiently. The latter will be able to transmit TV programs to Europe — an advantage which had earlier been claimed for satellites. Satellite communications will, however, be a useful addition to cable communications when they are eventually developed on a dependable basis.

A.T. & T. stock was for many years known as a favorite "widows and orphans" investment. A $9 dividend rate was maintained from 1922 to 1959 (the dividend record dated back to 1885). During the early 1950s the stock sold in a rather narrow range, yielding about 5% on the average, with valuable rights to issues of convertible debentures and common stock bringing the return up to around 6% (assuming that rights were sold). However, this status was changed in 1958-59 when Telephone finally gained status as a "growth stock." A fairly substantial increase in earnings occurred in the three years ending 1960 (from $4.33 to $5.53); the stock was split 3-for-1 in 1959 and the dividend raised to $3.30 on the new shares, a 10% increase.

The rate was again raised to $3.60 in 1961 and the stock in the past three years has been selling in a range about double that of earlier years. Accordingly, it now yields a little less than 3% and stockholders are getting a little impatient for another increase in the dividend rate, to sustain the stock's new reputation as a growth utility. But earnings failed to gain in 1961 due to a big increase in the number of shares, and the rate of increase has slowed a little in 1962-63 as compared with gains in 1958-60.

At the annual stockholders' meeting this spring Chairman Kappel made the following statement regarding dividends: "Looking back over these four or five years, our dividend payout has averaged about 62% of earnings. This is generally within the range of what other high-grade, growing companies have been paying out. What we have left after paying dividends we have reinvested in the business, in revenue-producing facilities that help increase our earning power. The effect of this reinvestment on current earnings, I can assure you, has been very salutary. In fact, if we had not done this our present and prospective earnings per share would certainly not be what they are."

Assuming that the company maintains a policy of 62% divi-

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dend payout, earnings on average shares (the official method of reporting earnings) would have to reach $6.45 to warrant a rise in the dividend rate to $4. However, should the company decide to "split the difference" and raise only to $3.80, earnings of only $6.13 would be required to equal the 62% payout, and such earnings might well be realized in time for the dividend meeting of May 1964.

With the present favorable business outlook, Bell System operations should continue to show good gains, particularly in overseas communications. Regulation of rates by the FCC and some 45 state commissions remain somewhat of an uncertain factor, but the rate of return in recent years of 7% or slightly higher on net plant does not seem excessive considering the cyclical nature of the telephone business. At the recent price around 124 the stock yields 2.9% and sells at 20.7 times estimated earnings for 1963.

Industry Growth Reported by Areas

California is coming up fast as the second largest State, measured by the number of nonfarm jobs, but New York still held a comfortable one-million lead in 1962, according to a new publication of the Department of Labor's Bureau of Labor Statistics. California's nonfarm employment increased by 3⅓% per year during the last 10-year period, while New York's increased by 0.7% per year. If these two growth rates continue, California would pass New York in 1970.

These facts and many others are brought out in *Employment and Earnings Statistics for States and Areas, 1939-62*, issued by the Bureau of Labor Statistics. This report brings together for the first time all the statistics on employment, hours, and earnings in States and metropolitan areas published by State agencies cooperating with the Department of Labor.

"This new volume shows the broad sweep as well as the intimate details of the changing geographical location of American industry," said BLS Commissioner Ewan Clague in issuing the book. "Employment is a good measure of the economic welfare of an area; having this industry detail and the hours and earnings data available tells us much about the well-being of the citizens in each area." He noted that the book is published in response to many requests for these data which up to now have been available only from the different State agencies. "It should prove especially useful to those interested in community growth, plant location, and collective bargaining, and the public generally," he added.

Jos. Blumenthal Opens

CHESTNUT HILL, Mass.—Joseph Blumenthal is engaging in a securities business from offices at 53 Crosby Road.

Forms Broome & Co.

MONSON, MASS.—John A. Hall is engaging in a securities business from offices on Wood Hill Road, under the firm name of Broome & Co. He was formerly with Lee Higginson Corporation and Shearson, Hammill & Co.

Electronic Associates, Inc. Stock Offered

An underwriting group headed by W. C. Langley & Co., New York, is making a public offering of 100,000 capital shares of Electronic Associates, Inc. at $70.75 a share.

Net proceeds will be used by the company mainly to finance increasing inventories and receivables and to finance plant expansion.

Electronic Associates, of Long Branch, New Jersey, is a maker of computers and related equipment and laboratory instruments. Approximately two-thirds of its net sales are derived from precision general purpose analog computers.

In the last five years United States Government business accounted for an average of approximately 56% of net sales, and in the first half of 1963 such business amounted to approximately 43% of the total. Other sales were primarily to industrial and commercial users and to educational institutions. Foreign operations, carried on through a Belgian branch and subsidiaries in England, Germany, France and Australia, accounted for approximately 21% of the 1962 net sales.

Net sales for the 26 weeks ended June 28, 1963 amounted to $12,460,381 and net income was $964,914. Upon completion of this stock distribution the company will have a total of 1,020,606 shares of capital stock outstanding. Company also has $5,443,017 long-term debt including $3,400,000 in 5¾% promissory notes due annually from 1964 to 1973, and $2,000,000 in 5% promissory notes due annually from 1967 through 1978.

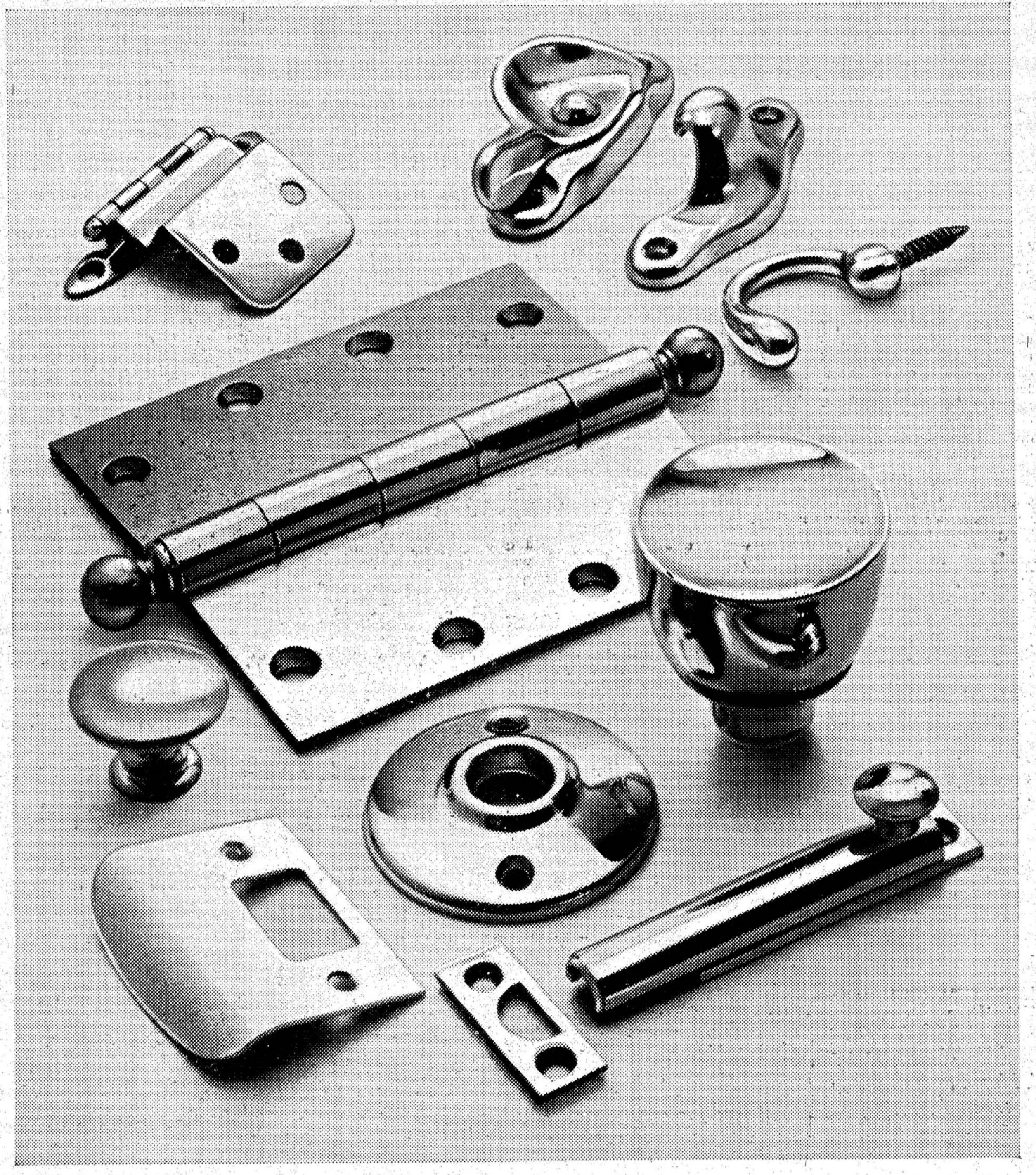
Form Consolidated Equity

GLENS FALLS, N. Y.—Daniel J. Bishop has formed Consolidated Equity Funding with offices in the Rogers Building to engage in a securities business.

Customers Brokers To Meet

The Association of Customers' Brokers will hold its first quarterly meeting and dinner Tuesday, Sept. 17, at Oscars Delmonico Restaurant, 56 Beaver Street, New York City. Tariff is $5.00.

Llewellyn P. Young, New York Regional Administrator of the Securities & Exchange Commission will be guest. He will make a few informal remarks regarding the workings of the SEC and has consented to answer questions on the subject.



YES, YOU CAN BUY SOME KINDS OF HARDWARE FOR HALF THE PRICE OF SOLID BRASS

Bargain hardware has something in common with bargain clothing. You could have bought suits, shirts, or shoes at half the price of those you're wearing. But you didn't. Why? Because they lack the distinctive look of quality. And they don't stand up in use. It's the same with bargain hardware.

Solid brass or bronze hardware pays off from the day it's installed. It lasts a lifetime. And keeps its good looks, too. So whether you're a manufacturer, a builder, or a buyer, there are some places where it just doesn't pay to pinch pennies. Builder's hardware is one of them. The Anaconda Company, 25 Broadway, New York 4, N. Y.

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MUTUAL FUNDS

BY JOSEPH C. POTTER

But You Can Sell the Dow

A week ago the Dow-Jones Industrials set an all-time peak, touching off celebrations in those Financial District cubbyholes tenanted by a restricted fraternity whose members rise to fame or fall from grace with the changing pattern of a squiggling line that charts 30 blue-chip stocks. It matters not, seemingly, that a prophet who proved himself right on the course of the Dow did little or nothing to enrich his clients or himself as a consequence of the confirmation of his prognosis.

It is a fortunate fact that there has grown up a nation-wide army of investors which has come to recognize a new top for the Dow can't always be negotiated at the grocer's. The skeptics long ago learned that you can't buy the Dow. And they also know, that if you could, you'd still be saddled with laggards, even in the fading days of the summer of 1963.

After all, it was the Dow automotives and oils that accomplished the trick. Steels, Telephone and Canco never got off the launching pad. Sears, Roebuck was an aid to the prophets, but competitor Woolworth gave neither aid nor comfort to the seers or the investors.

If you can't buy the Dow, at least you can sell the Dow, as quite a few sellers of mutual funds have learned. When that average was plummeting in the spring of 1962, selling funds became too arduous a chore for many in the trade. The funds, the public and the persevering salesmen are better off for their disappearance from the investment scene.

Just as the sharp slide by the Dow last year did not presage doom, so the sensational rise of the past year, culminating in a new all-time high for the average, does not promise Nirvana (unlisted).

The chore now is, as always, to select the right companies. If fund management does this better than the little old lady in Sandusky or the industrious young junior executive in Skokie, it should occasion no surprise.

Funds are, if nothing else, thorough. Their people have been known to study a company to a point where corporate management becomes irritated at the questions. And there are companies that are even more annoyed at the absence of interest by the funds. A major beneficiary, of course, of all the probe and study is the investor, who does not get the fund service for nothing.

In passing, it might be noted that he has been known to pay dearly for lack of information or misinformation in operating on his own.

As for the funds, they have been known to make mistakes, even after much research and brainstorming. But they do enjoy the benefits of diversification within the portfolio, so that the occasional mistake is easily compensated by the longtime rewards from a meaningful approach to the marketplace.

Many a wise fund salesman today is benefiting from the headlined peak for the Dow. Prospective investors are worried about inflation, seeking a place to put more money than they ever had before and weary of costly mistakes made in the past.

For such people—and there are millions of them—the fund salesman has an unique message. But he must be something more than an order-taker or a moonlighting ribbon clerk. The funds can afford nothing less than salespeople wholly dedicated to their work and trained to serve a community that is eager for the kind of guidance in which it can repose some faith.

For such sales representatives there will be, in time, the stature acquired by insurance counselors and handsome rewards.

THE
LAZARD FUND, INC.
44 Wall St., New York 5, N. Y.

Dividend Notice

The Board of Directors today declared a dividend of 8 cents per share on the Capital Stock of the Fund payable October 15, 1963, to stockholders of record at the close of business September 17, 1963. The dividend is payable from net investment income.

L. T. MELLY
Treasurer

September 9, 1963.

Massachusetts Life Fund
DIVIDEND

Massachusetts Life Fund is paying a dividend of 16 cents per share from net investment income, payable October 1, 1963 to holders of trust certificates of record at the close of business September 6, 1963.

Massachusetts Hospital Life Insurance Company, Trustee
50 STATE STREET, BOSTON 9, MASS.
Incorporated 1818

Wellington
A Name to Remember When Investing
WELLINGTON WF FUND
—a Balanced Fund seeking conservation of capital, reasonable current income, and profit possibilities.
Ask your investment dealer for prospectus or write to
**Wellington Company, Inc.
Philadelphia 3, Pa.**

Tri-Continental Corporation
A Diversified Closed-End Investment Company
Third Quarter Dividends
32 cents a share on the COMMON STOCK
Payable October 10, 1963 to holders of record September 23, 1963
62½ cents a share on the $2.50 PREFERRED STOCK
Payable October 1, 1963 to holders of record September 13, 1963
65 Broadway, New York 6, N. Y.

The Funds Report

Affiliated Fund reports that at the end of July net assets totaled $865,552,959, equivalent to $8.05 a share. At the end of the fiscal year on Oct. 31, 1962, assets were $687,731,985, or $6.92 per share.

During the current fiscal year the company has added American Smelting & Refining, American Radiator & Standard Sanitary, Kennecott and Union Bag-Camp Paper. Over the same span it eliminated Abbott Laboratories, Genesco, Knox Glass, Kroger, Long Island Lighting, Neptune Meter, Owens-Illinois Glass, Safeway Stores and Security-First National Bank (Los Angeles).

* * *

Total net asset of **Bullock Fund, Ltd.** was $80,662,961 on July 31, equal to $13.27 a share. Three months earlier, assets were $80,200,369, or $13.41 a share.

* * *

At July 31, total net assets of **Canadian Fund, Inc.** for securities at market were $32,975,155 and value per share was $16.61. At April 30, corresponding figures were $35,386,114 and $17.40.

* * *

Chase Fund of Boston reports that at July 31 total net assets amounted to $30,142,948, equivalent to $6.38 per share, compared with $30,372,512 of assets and $6.28 a share on April 30.

* * *

Colonial Fund reports that at July 31 net assets were $107,762,813, or $11.39 a share. Value per share at April 30 was $11.51 and on Oct. 31, 1962, $9.58.

* * *

John Barnard, Jr. has been named General Counsel of **Massachusetts Investors Trust** and **Massachusetts Investors Growth Stock Fund.** He is a former partner in the Boston law firm of Gaston, Snow, Motley & Holt.

* * *

Revere Fund reports that at July 31 total net resources were $3,000,165, or $11.09 a share. At July 31, 1962, resources totaled $2,574,890, or $9.23 a share and at Oct. 31, 1962, the corresponding figures were $2,439,520 and $8.87.

* * *

During the quarter ended July 31, total net assets of **The Putnam Growth Fund** reached a new high of $278,592,000, compared with $276,318,000 three months earlier and $231,726,000 a year earlier. Asset value per share on July 31 was $8.68, compared with $8.66 three months earlier and $7.63 a year earlier.

The Dominick Fund, Inc.
A diversified closed-end Investment Company
Dividend No. 161

On September 10, 1963 a dividend of 12c per share was declared on the capital stock of the Corporation, payable October 15, 1963 to stockholders of record September 30, 1963

JOSEPH S. STOUT
Vice President and Secretary

Craigmyle Pinney Penington Colket To Merge Oct. 1

Penington, Colket & Co. and Craigmyle, Pinney & Co., both members of the New York Stock Exchange, have announced jointly that an agreement has been reached for the merger of the two firms, to become effective Oct. 1, 1963, subject to approval of the New York Stock Exchange and other regulatory authorities.

The merged firms will be known as Craigmyle, Pinney, Penington & Colket.

Offices will be maintained in all cities in which both firms presently do business: New York City, Philadelphia, Altoona, Reading and Williamsport in Pennsylvania; Manhasset, Long Island; Middletown, Mount Vernon and Newburgh in New York State; Springfield, Mass.; Summit, N. J., and Portsmouth, N. H.

All partners of the two firms will continue as partners in the merged firm.

C. I. T. Financial Debentures Sold

Public offering of $100,000,000 C.I.T. Financial Corp. 4½% debentures, due Sept. 1, 1984 is being made by a nationwide underwriting group headed by Dillon, Read & Co., Inc., and Kuhn, Loeb & Co., Inc., New York. The debentures are priced at 99.33% to yield approximately 4.55% to maturity.

Proceeds from the sale will be used to furnish additional working funds for the corporation and its subsidiaries to be used initially to reduce short-term borrowings incurred for the purpose of purchasing receivables in the ordinary course of business.

The debentures are not subject to redemption prior to Sept. 1, 1971, except under certain circumstances relating to an unusual decline in outstanding receivables. Thereafter, the debentures are redeemable at prices scaling downward from 102.2% to 100% on and after Sept. 1, 1983.

C.I.T. Financial of 650 Madison Ave., New York, and its subsidiaries form one of the largest instalment sales financing organizations in the United States and Canada. The C.I.T. organization also makes consumer and industrial loans, leases automobiles and other equipment, performs factoring services, and writes creditors' life reinsurance and ordinary life, health and accident insurance. The Picker X-Ray Companies manufacture and sell X-ray equipment and nuclear instrumentation for clinical and industrial use.

Industrial Bonds Pace Life Ins. Investments

Investment of policyholders' funds by U. S. life insurance companies reached a record total of $136.7 billion on June 30, according to the Institute of Life Insurance. This was an increase of more than $3.4 billion, or nearly 2.6%, during the first half of the year.

Most of these investments come from funds set aside to meet the companies' future obligations to policyholders. Investment earnings help to keep down the cost of life insurance to policyholders.

The life companies' new investments and reinvestments in the nation's economy totaled $15.4 billion during the first half of the year.

Bonds Favored

By far the most active area of new investments was industrial and miscellaneous bonds, including direct loans to business and industry. These holdings rose 3.9% to nearly $29.8 billion, an increase of $1.1 billion since the end of 1962. They are the largest single category of life insurance investments.

Their growth reflects the important role of life insurance in financing the technological progress of such industries as electronics and aerospace, iron and steel, automobile manufacturing, machinery and equipment, chemicals, drugs, plastics, petroleum, printing and publishing, textiles and apparel.

Investments in common stocks also rose during the first half of 1963, but are only a small part of life companies' assets. Their book value at midyear was not quite $3.1 billion, an increase of $260 million.

Other types of corporate investments showed little relative change. Public utility bonds totaled $16.5 billion and were up about $4 million. Railroad bonds declined about $66 million to a midyear total of just under $3.5 billion. Preferred stocks rose $14 million to a total of nearly $2.3 billion.

Conventional mortgage loans to homeowners, business firms and other organizations totaled $27.5 billion at midyear, an increase of $938 million or 3.5% since the end of 1962.

Other types of mortgage loans also rose—including a $31 million increase in home loans guaranteed by the Veterans Administration, which had been declining yearly since 1957. Residential VA mortgages totaled more than $6.4 billion.

Residential mortgages insured by the Federal Housing Administration increased about $305 million or 2.9% to a midyear total of nearly $10.9 billion.

Farm mortgages have recently been among the fastest-growing life insurance investments. This growth has been even more rapid in 1963. Nearly $3.6 billion in farm mortgages was outstanding on June 30, an increase of about $190 million or 5.6%.

Governments and Municipals Down Slightly and Foreign Investments Gain

Holdings of U. S. Government securities totaled $5.8 billion and were down about $414 million. State, county and municipal bonds

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totaled $4.0 billion after a decline of $56 million.

Among the smaller categories of life insurance investments, foreign securities showed increases at midyear. Foreign government securities totaled $2.4 billion and were up $396 million. Foreign corporate securities totaled $3.2 billion and were up $404 million. Much of the funds for investment in other countries, particularly Canada, comes from life insurance premiums paid by policyholders in those same countries.

Real estate owned by life insurance companies, including investment properties as well as company offices, totaled $4.2 billion, an increase of $125 million. Other assets totaled $5.7 billion and were up $215 million, including adjustments to market values of common stocks. The amount of outstanding policy loans was $6.4 billion, an increase of $203 million. The companies' cash resources totaled $1.2 billion.

Foreign Trade Council Opposes Special Bond Tax

All financial transactions connected with the active conduct of American foreign trade and business should be exempted from the proposed "Interest Equalization Tax," the National Foreign Trade Council pointed out to the House Ways and Means Committee hearings on the subject.

Financial transactions entered into during the active conduct of many kinds of foreign trade and business would be subject to the new tax if H. R. 8000, as introduced, is enacted into law, it was contended by Joseph B. Brady, Vice-President and Secretary of the NFTC Tax Committee, in testimony prepared for the House Committee on Ways and Means.

The "Interest Equalization Tax Act of 1963" (H. R. 8000), reflects the President's statement in his Balance of Payments Message that: "long-term capital outflows consisting of . . . portfolio investments in the form of long-term loans or securities purchases have been rising rapidly."

Transactions Harmed

Although H. R. 8000 contains exemptions from the proposed tax for certain transactions connected with exports, direct investments, and investments in less developed countries, many normal transactions of foreign trade would be subject to the bill. Among the specific examples cited by the National Foreign Trade Council were loans in connection with the: (1) sale of crude rubber in an European country, even though the rubber had been produced by the same United States company which was selling it; (2) loans to persons to establish gasoline stations in any developed country to sell gasoline produced abroad by the United States company making the loan; (3) the financing by United States corporations of individuals in connection with business projects in Latin American countries and other less developed countries; the tax is imposed in such a case even though the action of the United States companies parallels the aims of the Alliance for Progress; (4) sales in European Common Market countries of goods produced in Europe by United States companies; (5) loans by United States steamship companies to foreign travel agencies to foster tourism to the United States.

In his testimony, Mr. Brady stated: "The basic purpose of the National Foreign Trade Council is to promote and protect American foreign trade and investment. NFTC has urged continuously that American foreign trade and business which constitutes an extremely important integral segment of our total economy be fostered." The Council is the major national association of companies engaged in international business.

Hawthorn-Mellody Common Offered

Hemphill, Noyes & Co., New York, as manager of the underwriting group, has announced the public offering of 497,500 common shares of Hawthorn-Mellody, Inc. at $22.50 per share. The shares are being sold for the account of the sole shareholder, Processing and Books, Inc., and none of the proceeds will accrue to the company.

Hawthorn-Mellody, with its subsidiaries is a leading dairy and ice cream company in the Chicago metropolitan area. It processes and distributes milk, ice cream and dairy foods in that area and in Wisconsin, Indiana, Ohio, Michigan, Missouri, Illinois, Kansas, Pennsylvania, New Jersey and New York.

Joins Black Staff

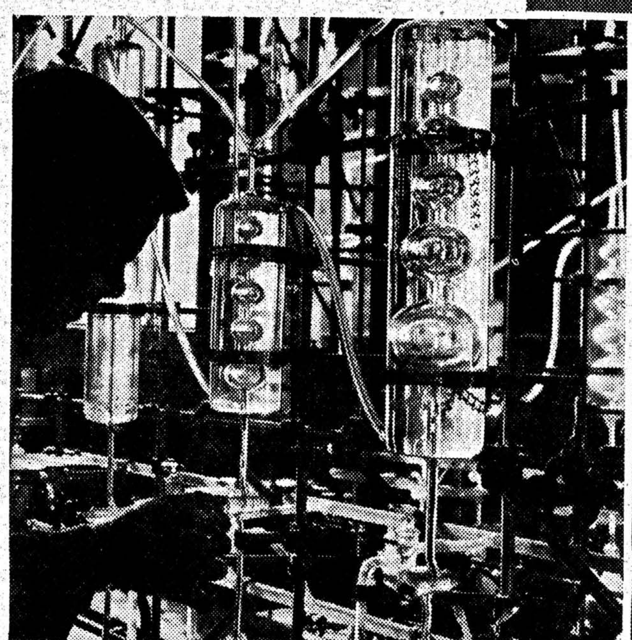
PORTLAND, Ore. — Stephen G. McNeil has joined the staff of Black & Co., Inc., American Bank Building, members of the Pacific Coast Stock Exchange. He was formerly with Donald C. Sloan & Co.

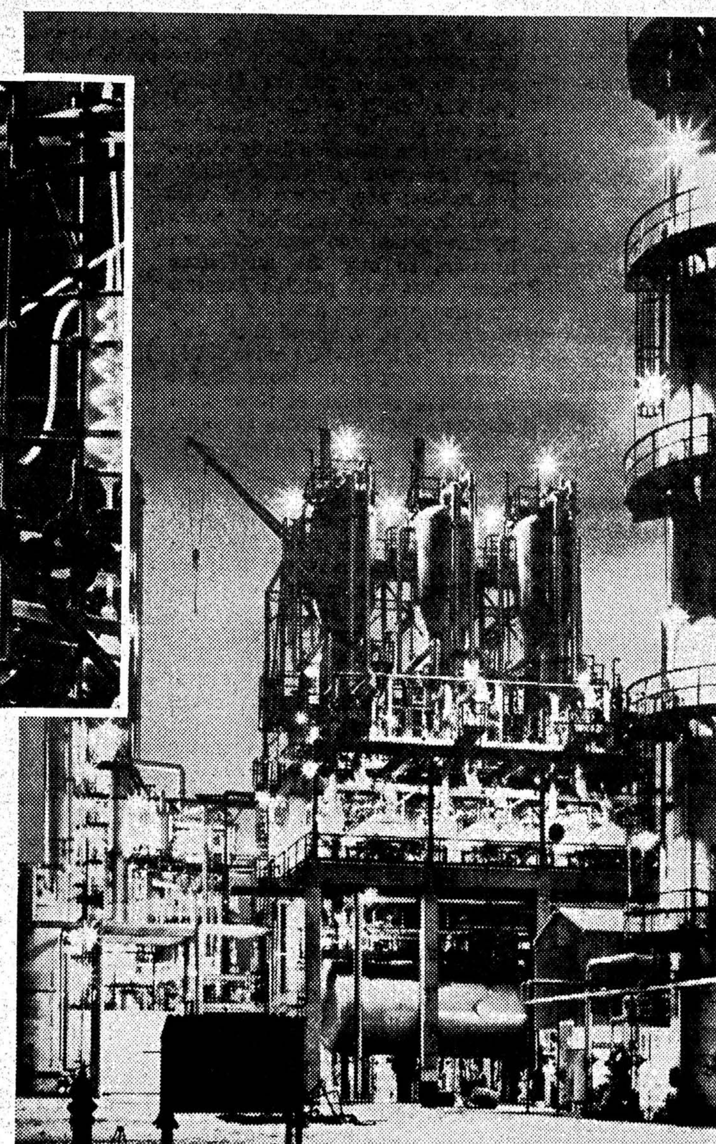
Form B & B Secs.

WEST SPRINGFIELD, Mass. — B & B Securities has been formed with offices at 1632 Riverdale St., to engage in a securities business. Partners are Fred W. Barend and Mildres S. Bogacz, general partners, and S. Lee Lepley, limited partner. Mr. Lepley was formerly Springfield manager for Harding Tulloch & Co., Inc.

With McCarley Co.

HENDERSONVILLE, N. C.—Jas. W. Marshall, Jr., is now with McCarley & Co., Inc., First Federal Building.





TO SERVE A GROWING NATION...

THE NEEDS OF AMERICA grow and grow . . . stimulated both by increasing population and by the insistent demand for progress. It is industry's task to anticipate and meet these needs.

TO HELP MEET THESE NEEDS Cities Service has streamlined operations, stepped up research, and invested substantial sums in improving and expanding facilities. It has broadened its services to all segments of our national economy . . . in hydrocarbon energy, basic petroleum products, such as new gasolenes and motor oils, and an ever-widening flow of petrochemicals and allied products ranging from plant foods to printing inks.

THE RESULTS are reflected in benefits shared by employees, investors, and customers. Of even greater importance, these achievements . . . united with those of all forward-looking industry . . . will help assure the continued leadership and security of this nation in the challenging years to come.

CITIES SERVICE

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SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

"Bunk" Is Part Of Our Business

Every successful security salesman understands that his work involves a knowledge of the motivations of his customer's buying and selling compulsions. As A. Wilfred May quoted in his "Chronicle" column "Observations" last week, from Smitley's "Popular Financial Delusions" . . . "great economic and psychological laws are inflexible and their violation is always expiated," and adds, "people are better entertained by what they cannot understand than what they could understand if they made the effort."

Mr. May states that this work (now republished by James Fraser at the Institute of Contrary Opinion in Wells, Vt.) is dedicated to the reader's (quote again) "learnings to identify the delusions which seek to lure him from his ultimate aim — the protection of his capital and the profits that come from the same handling of his money."

Any experienced investment analyst, trust officer, or dedicated investment salesman, has seen one fad after another make havoc of fundamental facts for a long period of time. The public as a mass does not think. Mobs of people only follow. This is why we have nonsensical products, harmful substances, corruptive political ideas, and cancerous ideologies that parade as antidotes for all sorts of human misery that are eagerly accepted by the great unthinking herd . . . when a few clever manipulators of public opinion have access to mass communication media.

Last week, when the Dow Industrials made a new high, a newspaper in a city of 750,000 people placed a screaming headline across its front page: "Market Swooshes To New All Time High." Then followed a glowing "mishmash" of nonconnected fol-de-rol, all condensed into four paragraphs telling of the great and glowing future that is coming. If ever a hashed-up conglomeration of financial lunacy was paraded before YOUR CUSTOMERS AND MINE, this was it. The person who wrote it knew nothing about the real "guts" of technical market moves, of the economy, of our present situation in every line of business . . . he just had a story that would sell papers! That is why the public IS ALWAYS WRONG. Many of your customers want to be jazzed up emotionally . . . they are too lazy to think. So, you have two jobs. Here is a brief outline of something every experienced SECURITY SALESMAN knows.

Job Number One

You must be a judge of what Charles Mackay called "The Delusions and Madness of Crowds." What is coming next as a fad? It is not what IS. It is what the people who buy and sell securities THINK WILL BE. This deals with TIMING. It is the most important element in handling a trading account. But this subtle ability to study fundamentals and then RELATE them to the NEWS, to advertising, to what is going on in the minds of THE SHEEP WHO FOLLOW the smart boys who lure them to the shearing pen . . . is what makes stock prices move up and down.

The security salesman's first job is to try and figure out what "new fad" in mob thinking is coming next. Will it be "wild inflation" (most people don't know what that means but the words make a "sock" impact)? Will it be gold losses, dollar shortages, or the administration must create a great boom to stay in power or the administration will create a war scare to stay in power? Science will lead us to a super life; we will all live to be five hundred because the Bloopus Drug Company has a new pill; there will be ten million new babies that will need air-conditioned school rooms in five years; we will all learn Russian, so buy the publishing stocks that will publish Russian text-books; or we are in a period of decadence, so spend it all and run for the hills—You name it . . . we have had many more almost as bizarre as some of these . . . and there will be others to come.

So if you want to time the purchase or sale of your customers' stocks, learn to judge what new popular "con game" is coming up next. Watch the press, the television, and read a few of the popular magazines. They all follow each other . . . just the same as the brokers, underwriters, and most of us stock salesmen. The man who wrote the Pied Piper of Hamelin had a little story about charming the rats . . . remember? "We all follow the men with the flute in our U.S.A. today . . . but if we want to make money for our customers . . . WE MUST KNOW WHAT TUNE HE IS GOING TO PLAY NEXT MONTH . . . OR MAYBE TOMORROW.

Our Second Job

Our second job is to become objective about our business. If we know that for the most part we are dealing with people who have no more idea of what they should do with their money than they know about what they should make of their lives . . . then we have to take them as they come. There is a small minority of intelligent thinking people in this world. They are the planners. They seek facts. They go to authoritative sources. They ask for documented proof. They make decisions based upon educated guesses. They know that all life is a gamble and every decision can be wrong or be right. They seek competent, honest medical advice, legal advice, and other help including financial advice. THEY DO HAVE A PLAN FOR THEIR LIVES FINANCIALLY.

When you find such customers, whether they are large or small, be thankful. Give them every ounce of your dedicated, unbiased advice based upon your detached analysis of their situation as related to the crazy world around you.

There are also people who have no idea of their own purpose in saving, investing, or even speculating, who impulsively follow the newspaper headlines, the popular columnists, and let the "bunko steerers of opinion" motivate their decisions, and don't even try to bring some sense into their lives. For such individuals, the best possible advice is found in the old saying: "When a person doesn't know and he wants to learn . . . teach him. But when a person *pretends* to know and doesn't know . . . avoid him."

In summary, the most important job is to understand these two fundamental facts about the business of being a professional security salesman—

(1) You must evaluate what people are going to think as a mob, guess the next popular delusion, and time your short-term trading activities and ALSO your investment decisions with this factor very much in the forefront of your basic decision making.

(2) Don't try to make a thinking man out of one who finds it much more pleasant to live in his vocuum of emotional hallucinations. There are too few thinking investors—and many more who would rather listen to the soft music.

The men who make the big money selling securities legitimately to investors seek out people who think straight, invest knowledgeably, and who want a "pro" to handle their account. This takes years of training, of self control, of self analysis, and the ability to pick yourself up off the ground many times—and try again.

Salesmen Assist Free Enterprise Fair's Exhibit

A novel grass-roots technique for raising money to build the **Hall of Free Enterprise** at the New York World's Fair was disclosed recently by The American Economic Foundation, sponsor of the **Hall**, with receipt of a gift of $78 from 21 salesmen and department heads of the Oklahoma Hardware Company.

The gifts were solicited by W. Eugene Smith, president of the company, who had made his own contribution earlier.

"This seems to be a very fine way for American businessmen to show their support of the free enterprise system," said Fred G. Clark, chairman, The American Economic Foundation.

Hardy & Co. Offers Investment Courses

Hardy & Co., members of the New York Stock Exchange, has announced that it will initiate its eighth year of offering investment courses on Tuesday, Sept. 17, at the Barbizon Plaza Hotel, 59th St. and Sixth Ave., at 8 p.m.

As in the past, Samuel C. Greenfield, the firm's investment advisor, will conduct the courses which this year will run on nine consecutive Tuesday evenings. Using the theme, "Stop buying emotionally — start investing scientifically," Mr. Greenfield will cover virtually every aspect of security evaluation and management, from surveying the economy in general to the planning of the individual estate.

Joins Ranson Staff

DENVER, Colo.—Donald C. Cozzetti has become associated with Ranson & Co., Inc., 1845 Sherman Street. He was formerly with Edward D. Jones & Co. in Pueblo.

As We See It

Continued from page 1

ing things that we should not undertake that we do not keep constantly in mind the fact that the most important "contribution" of the so-called Keynesian revolution in economic thought was not the innumerable devices that have now become at least politically accepted but something far more fundamental than that. To our way of thinking, that "contribution" was definitely of a negative sort. It was simply that economists, and economic theories they evolve, should concern themselves not merely with how men in the business world act and how their behavior affects the rest of us but also with finding ways and means of making industry and trade behave as we—or, perhaps, we should say the politicians—want them to act. Our forefathers thought that the businessman — and all of us — could best look after our own interests if only government did not interfere unduly with them and saw to it that the individual was not the victim of other businessmen. That notion is now abandoned at least by those who make the laws of the land, or at least those who undertake from official positions to influence the actions of legislators.

Of course, there has always been a lunatic fringe as the elder Roosevelt used to call it which demanded that men undertake through government to do all sorts of things that they did not appear to be able to do for themselves. Karl Marx, of course, was one of them, but there were others through the ages. But from the days of Adam Smith, or we might say from the time of our own revolution, until the appearance of John Maynard Keynes there were few economists with much standing who did not feel that their duty — and about their only duty — consisted in finding out just what made the economic system click. Among practical businessmen there were, of course, the protectionists and the subsidy seekers who ardently advocated measures that could hardly be termed consistent with *laissez-faire*, but these were on the whole the exceptions rather than the rule, and not infrequently violations of the basic teaching of *laissez-faire* gave rise to the pleaders for other deviations—as for example the pampering of wage earners and the effect on farmers of higher prices made possible by high tariff rates.

Tested Principles Out the Window

But with the advent of Keynes all these older and long tested notions were rather quickly swept out of the offices of the professional economists who soon came to think of Keynes as a voice crying from the wilderness. It presently became regarded as a tag of slothfulness, if nothing worse, to preach any of the old ideas about economics and the principles of business. Any one doing so could hardly be other than an old fogey, or perhaps some sort of Rip Van Winkle. Few had the intellectual courage to resist this modern "enlightenment" which men through the ages had not been able to discern. Of course, it was not long before the politicians saw the possibilities of this new philosophy. It made eminently respectable many measures allegedly for the benefit of the forgotten man and more often than not at the expense of the economic royalist—or at least the immediate cost was laid upon the shoulders of the wealthy who could always easily be made the political scape goats for all that had gone wrong or were thought to have gone wrong.

Politically speaking Franklin Roosevelt was, of course, the author and finisher of this new political faith. Truman possibly toned some of it down a little, but carried its essentials along relabeled the "Fair Deal." President Eisenhower pursued what he termed a "middle-of-the-road" course, but it differed not very greatly from what had been going on before him —although, of course, it was done with a more friendly smile for the businessman. The Kennedy Administration has shown from the very beginning—indeed even before it took office — that it was heart and soul New Deal. As time passes, the experts surrounding the President, and indeed, the President himself have again and again not only laid out programs of action for itself and for Congress which could have no inspiration other than that which emanates from Neo-Keynesianism. They have directly and indirectly espoused a general philosophy which could almost be copied out of the tomes that Keynes inspired—except that at least some of them seem to go even further

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than did the New Deal or the Fair Deal.

Time to Reappraise

This in essence is the situation by which we are confronted today. Coldness at the other end of Pennsylvania Avenue has led the President, always a master politician, to modify some of his proposals and according to word from Washington he may very well fail to get anywhere near all even of what he is now asking. The fact is though, that hostility in Congress does not seem to be altogether a matter of basic principle, but rather an outgrowth of a number of other causes. Meanwhile, another national election — including that of President — is looming. It is time that the rank and file took another and closer look at what is going on.

Phila. Bond Club Field Day Outing

PHILADELPHIA, Pa.—The Bond Club of Philadelphia will hold their annual field day outing on Friday, Sept. 27 at the Huntingdon Valley Country Club, Hutingdon Valley, Pa.

Guest fee will be $25; check payable to the order of the Bond Club of Philadelphia should be sent to Edward B. Stokes, Elkins, Morris, Stokes & Co. For those planning to enter the golf tournament there is a greens fee of $6 plus caddy charges.

Prizes in the golf tournament will be awarded for low gross (member); second low gross (member); low gross (guest) second low gross (guest); senior low net; low net calloway (member); nearest pin; and longest drive. There will also be a Philadelphia vs. New York team match based on the four lowest net scores of each team, with awards for the winners and runner-up.

In the trap shooting event, awards will be made for high gun, second high gun, high handicap, and second high handicap.

Prizes will also be awarded for tennis, putting, bocce and horseshoe pitching competitions.

Members of the field day committees are:

Field Day Chairman — Richard W. Hole, R. W. Pressprich & Co.

General Chairmen — Harry K. Hiestand, Reynolds & Co., and John B. Richter, Butcher & Sherrerd.

Arrangements—Leonard Bailey, G. H. Walker & Co., Chairman; John W. Wurts, G. H. Walker & Co.; William T. Poole, Poole & Co.; and Peyton R. Biddle, Philadelphia National Bank.

Attendance—Edward B. Stokes, Elkins, Morris, Stokes & Co.; Chairman; John T. Blair, Eastman Dillon, Union Securities & Co.; William Berlinger, Jr., Elkins, Morris, Stokes & Co.; Robert L. Whittaker, Robert L. Whittaker & Co.; A. William Battin, Hallowell, Sulzberger, Jenks, Kirkland & Co.; and Newlin F. Davis, Elkins, Morris, Stokes & Co.

Entertainment—Harry K. Hiestand, Chairman.

Golf—Eugene Arnold, Jr., Robinson & Co., Inc., Chairman; Donald M. McLean, First Boston Corporation; W. Marshall Schmidt, Hornblower & Weeks.

Minor Sports — J. Richard Ranck, Kidder, Peabody & Co.; Chairman; Floyd E. Justice, Kidder, Peabody & Co.; James H. Potter, J. R. Williston & Beane, Inc.; and William Z. Suplee, Suplee, Yeatman, Mosley Co., Incorporated.

Publicity—Clifford C. Collings, Jr., C. C. Collings and Company, Inc., Chairman.

Stock Exchange—E. Coit Williamson, Schmidt, Roberts & Parke, Chairman; Edgar R. Christian, Suplee, Yeatman, Mosley Co., Incorporated; Wallace H. Runyan, Hemphill, Noyes & Co.; Edward J. Phillips, Elkins, Morris, Stokes & Co.; William T. Poole, Poole & Co.; James J. McAtee, Butcher & Sherrerd; Joseph E. Smith, Newburger & Co.; Charles L. Wallingford, Janney, Battles & Clarke, Inc.; Harold F. Carter, Hornblower & Weeks; Harry H. Fahrig, Jr., Reynolds & Co.; Clifford G. Remington, Hess, Grant & Remington.

Tennis — Robert T. Arnold, White, Weld & Co., Chairman; John P. McCoy, Wright, Wood & Co.; and Clifford C. Collings, Jr.

Trophy — Richard O. Smith, Stroud & Company, Incorporated, Chairman.

Trap Shooting—John R. Woolford, American Securities Corp., Chairman.

Stuart Haupt Partner

Robert F. Meffert, member of the New York Stock Exchange, has been admitted to partnership in the Exchange member firm of Stuart Haupt & Co., 111 Broadway, New York City.

Form L. A. Frances Ltd

L. A. Frances Ltd. has been formed with offices at 271 Church Street, New York City, to engage in a securities business. Officers are Lawrence Martire, President; Joseph Lombardo, Vice-President; and Josephine Martire, Secretary.

Form Equity Underwriters

OKLAHOMA CITY, Okla. — Equity Underwriters, Inc. has been formed with offices at 2201 Northwest Forty-first Street to engage in a securities business. Officers are Ralph L. Powell, President; Jack D. Williams, Vice-President; and Robert L. Smith, Secretary and Treasurer.

Draper, Sears Branch

CHESTNUT HILL, Mass.—Draper, Sears & Co. has opened a branch office at 200 Boylston St., under the management of Irving H. Gale.

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NEWS ABOUT BANKS AND BANKERS

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

Bank of America, San Francisco, Calif. on Sept. 4 named a senior corporate finance executive to head the northern California activities of its newly established Leasing Division.

Neil C. O. Brogger

He is Vice-President Neil C. O. Brogger, who has had charge of the Bank's Corporate Finance Department at the San Francisco head office for the past 18 years.

Mr. Brogger joined the bank in 1928, has been engaged in various aspects of corporate lending at the head office since 1932. He was responsible for bond portfolio management and capital loan work in the Bond Investment Department before being placed in charge of the Corporate Finance Department.

Promotion of Martin J. Logan, Jr. and Oddie T. Olsen to Vice-Presidents of the **Chase Manhattan Bank, New York,** was announced Sept. 9.

Mr. Logan joined the bank in 1941, was promoted to Assistant Treasurer in 1952 and was appointed Assistant Vice-President in 1958.

Mr. Olsen, joined the bank in 1929. He was promoted to Assistant Treasurer in 1955 and became an Assistant Vice-President in 1960.

Stuart T. Saunders was also elected a Director.

* * *

The **First National City Bank, New York,** has opened its 94th overseas branch in the Hotel Tequendama, Bogota, Colombia.

* * *

Election of Bernard F. Curry and Martin F. Shea as Vice-Presidents of **Morgan Guaranty Trust Company of New York** was announced Sept. 6 by Henry C. Alexander, Chairman of the Board.

Appointed Assistant Vice-Presidents in the pension trust department were Joseph L. Johnson, Jr., and Alfred S. Smith.

Bert G. Gordon was appointed an Assistant Trust Officer in the personal trust administration department.

Elmer W. Thiele was appointed an Assistant Treasurer in the commercial credits department of Morgan Guaranty's international banking division.

* * *

The Manufacturers Hanover Trust Company, New York, announced the election of Robert Fitzgerald, Victor L. Humphrey and F. Milton Weigman as Vice-Presidents.

Mr. Fitzgerald joined the Manufacturers Trust Company in 1941.

The Manufacturers Trust Company was merged with the **Hanover Bank** in 1961 to form the Manufacturers Hanover Trust Company.

Mr. Humphrey joined the Hanover Bank in 1941.

Mr. Weigman joined the Manufacturers Trust in 1941.

* * *

George Low Farnsworth, died on Sept. 9. He was Executive Vice-President in charge of the international division of **The Chemical Bank New York Trust Co., New York.**

Mr. Farnsworth joined **The Chemical Bank & Trust Co.** in 1934 and was an Assistant Branch Manager before becoming an Assistant Vice-President in 1947. He was elected a Vice-President of the bank's national division in 1950.

In 1960, he became Executive Vice-President. He moved to Executive Vice-President of the international division in 1962.

* * *

The United States Trust Company of New York has promoted Robert D. Calder to Vice-President. Also promoted were William P. Lohse and Marion J. Wise, Jr., who became Assistant Vice-Presidents.

* * *

A new office at 555 Madison Avenue on the corner of 56th Street was opened Sept. 10 by **The Marine Midland Trust Company of New York.**

William A. Gebhardt, Assistant Vice-President, will be in charge of the office, assisted by Robert G. Braunlich, Assistant Treasurer.

* * *

The New York Bank of Savings, New York, named Robert F. Marchant and Arthur J. Quinn, Executive Vice-Presidents; Casimir J. F. Patrick, Senior Vice-President and General Counsel; Dolson W. Rauscher, Senior Vice-President, and Albert F. Kendall, Senior Vice-President and Comptroller.

* * *

The **New York Savings Bank** came into being last month when The Bank for Savings, the state's oldest mutual savings bank, chartered in 1819, and The New York Savings Bank, chartered in 1854, joined forces.

Also made Vice-Presidents are: Miss Anna M. Flaherty, William C. McCrea, and Wallace M. Staub.

* * *

Fred Kronish, 86, Chairman and former President of the **Bensonhurst National Bank, Brooklyn, N. Y.,** died Sept. 5.

He became President of the bank in the 1930s, and was named Chairman last January.

* * *

The Queens County Savings Bank, elected Edward C. Milau a Trustee.

* * *

The Comptroller of the Currency James J. Saxon on Aug. 26 approved the merger of the **National Bank and Trust Co. of Norwich, N. Y.,** and the **Peoples National Bank of Margaretville, N. Y.** The surviving bank will carry the title of the Norwich bank.

* * *

Comptroller of the Currency James J. Saxon on Sept. 6 approved the application to merge **The Liberty National Bank and Trust Co., Buffalo, New York,** and **The State Bank of Newfane, Newfane, New York,** effective on or after Sept. 6.

* * *

The **Hartford National Bank & Trust Co., Hartford, Conn.** named Samuel P. Williams, a Director since 1920, an honorary Director, and Richard Koopman, was elected a Director.

* * *

The Mellon National Bank and Trust Co., Pittsburgh, Pa., announced Sept. 4 that the bank's Foreign Department has been retitled and reorganized as the International Department, and has been placed under the direction of W. Walter Phelps, Jr., formerly of the **First National Bank of Boston, Mass.**

Mr. Phelps succeeds Gustav C. Schoch who has been in charge of the department for the past nine years. Mr. Schoch, who was to retire last March, consented to remain with the bank another year to help with the reorganization of the department.

* * *

The **Pittsburgh National Bank, Pittsburgh, Pa.,** has announced the election of Russell A. Schell as Director, Industry Research, Commercial Banking Division.

* * *

The Comptroller of the Currency James J. Saxon on Sept. 6 approved the application to consolidate **Western Pennsylvania National Bank, McKeesport, Pennsylvania,** and **The Hazelwood Bank, Pittsburgh, Pennsylvania,** effective on or after Sept. 13.

* * *

The Comptroller of the Currency, James J. Saxon, on Sept. 6 approved the application of **The First National Bank of Baltimore, Baltimore, Ohio,** to purchase the assets and assume the liabilities of the Pleasantville Bank, Pleasantville, Ohio, effective on or after Sept. 13.

* * *

The Northern Trust Co., Chicago, Illinois announced the following officer promotions and appointments:

To Vice-President Trust Department, Van R. Gathany. To Second Vice-Presidents, Trust Department, Dean P. Coleman, James A. Shute and David C. Tolzmnan. To Second Vice-President, Banking Department, Richard L. Airey.

* * *

The Comptroller of the Currency James J. Saxon on Sept. 9 announced preliminary approval of the applications of groups to organize new National Banks in Oklahoma, as follows:

At Stillwater, with the title **"University National Bank of Stillwater,"** with an initial capitalization of $400,000.

At Norman, with the title **"Oklahoma National Bank of Norman,"** with an initial capitalization of $510,000.

* * *

The newly organized **Kennett National Bank, Kennett, Mo.,** opened for business Sept. 7.

The new bank has a capital of $200,000 and surplus of $150,000.

Its officers are: John Hall Dalton, Chairman of the Board; George Q. Dunmire, President; A. Hughes Jones, Executive Vice-President; Leonard C. Carney, Vice-President, and Gene E. McKinney, Cashier.

* * *

Clarence B. Redman, was elected a Senior Vice-President and member of the Executive Committee of the **Republic National Bank of Dallas, Texas.**

* * *

William E. Siegel, Executive Vice-President-Banking and Chairman of the Executive Committee, is observing his 30th anniversary with **Security First National Bank, Los Angeles, Calif.** this month.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The Treasury is making an offer all this week to holders of selected issues of its securities in order to push ahead the maturity of its debt. This "pre-refunding" and "advance refunding" operation of the Government should clear the decks of some of its maturing obligations, especially many of those coming due next May 15. The very heavy concentration of maturities on May 15, 1964, ($14.5 billion) made it almost imperative for the Treasury to come along with a deal like the current transaction.

In addition, by taking out a substantial amount of the 1964 maturities, the way will be made open for the Treasury to issue sizable amounts of short-term obligations in its quest for new money. By such an undertaking, near-term interest rates will be kept on the firm to high side. In this way, it is indicated that we will be giving aid to our balance of payments problem.

The Current Treasury Offering

The much expected refunding undertaking of the Treasury finally came along when the Government announced a two-pronged operation consisting of a "pre-refunding" offer to the owners of the three issues coming due on May 15, 1964. These securities are the $5,693,000,000 of 3¼% certificates, $3,893,000,000 of 3¾% notes and $4,933,000,000 of 4¾% notes. This very sizable maturity is the key one in this, the largest of the maturity lengthening operations by the Government. The "junior advance refunding" offer was made to holders of $3,597,000,000 of 3⅝% notes due Feb. 15, May 15, 1966, $4,454,000,000 of 4% notes due Aug. 15, 1966, $4,287,000,000 of 3⅝% notes due Feb. 15, 1967 and $5,282,000,000 of 3¾% notes due Aug. 15, 1967.

The "pre-refunding" issues which the holders of the May 15, 1964 maturities may accept consist of a new obligation a 3⅞% bond coming due on Nov. 15, 1968, a 4% bond also a new security maturing on Aug. 15, 1973 along with the already outstanding 4⅛% bond with a maturity date of May 15, 1989, 1994. The eligible 1964 maturities from indications are going to make their exchange largely into the 3⅞% bond due in 1968 and the 4% bond with the 1973 maturity. The exchanges from the 1964 maturities into the long 4⅛% bond coming due in 1989-94 are not expected to amount to a great deal.

Indicated Investor Preference

The "advance refunding" issues, namely the obligations maturing from May 15, 1966 to Aug. 15, 1967, have the option of exchanging these securities for the following issues: the new 4% bond coming due on Aug. 15, 1973 or the already outstanding bond the 4⅛% due May 15, 1989-1994. In this part of the operation, it appears to be the opinion of most bond market specialists that the 10-year 4% bond coming due on Aug. 15, 1973 will be the issue which will have the greatest appeal for the holders of the "advance refunding" securities.

It is, however, indicated that the turn-ins for the 4⅛% of 1989-1994 from the "advance refunding" issues will most likely be larger than from the pre-refunding obligations.

In this combined operation of the Treasury the total amount of securities involved is $32.1 billion, with $23 billion held by the public and the balance of $9.1 billion being owned by Government agencies and the Central Banks. It is expected that the Government agencies will turn in most of their holdings for the "pre-refunding" and "advance refunding" issues with the Central Banks not expected to do more than make token exchanges unless the deal should not go over well, which is not expected to be the case.

Successful Operation Forecast

It is believed in most quarters of the financial district that this combined offering will be a successful one, with estimates that the 20% to 25% in exchanges which the Treasury will consider to be satisfactory will be exceeded.

The Treasury also indicates that its borrowings for the balance of the year will be only about $6 billion and that this new money will be raised almost entirely in the short-term area, relying very heavily on bills. This will keep the pressure on near-term rates, preventing them from going down.

Col. Holmstrom Joins Harris, Upham Co.

KANSAS CITY, Mo. — Colonel Helmer A. Holmstrom, USA-Ret., has joined Harris, Upham & Co., 912 Baltimore Avenue.

Forms Kent Securities

GRAND RAPIDS, Mich. — Clarence J. Worst is conducting a securities business from offices in the Michigan National Bank Building, under the firm name of Kent Securities Company.

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New Payments Program Can't Solve Basic Problem

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sulted in an increase in foreign-held dollar balances, which the world has thus far accepted in place of gold. During the past six years, foreign short terms claims against the United States increased by $8.8 billion, while the world's monetary gold stocks increased by only $3.4 billion. Two-thirds of the increase in the supply of international means of payments during the past six years, which went to finance a 33% increase in international trade, was thus the result of the chronic balance of payments deficit of the United States.

Decade-Discussed Dilemma and Proposed Remedies

The world is thus confronted with a dilemma: while a continued American balance of payments deficit will add temporarily to the world's liquidity, it can easily lead to a collapse of the entire international credit system based partly on the convertibility of the dollar. On the other hand, if America should succeed in balancing her international payments, the world economy may be strangled because of the lack of international means of payments.

The problem has been discussed for more than a decade. To overcome the actual or threatening—or possibly even only imagined—liquidity of the world, three remedies have been suggested: (1) to double the price of gold so that one ounce of gold will finance $70 of international trade instead of the present $35; (2) to permit foreign exchange rates to "fluctuate," which in effect would mean that the currencies of those countries which have a deficit in their balance of payments, such as the United States, will be permitted to depreciate; and (3) to have the International Monetary Fund create a new international currency which would be accepted in place fo gold, just as the dollar is today. At present, most experts apparently think in terms of a new international monetary system. Various more or less technical proposals were made some years ago by Triffin and Bernstein, and during the past year by the Undersecretary of the Treasury Roosa, the British Secretary of the Treasury Maudlin (backed by the new leader of the Labor Party), and by the Vice-Governor of the Netherland Central Bank, Posthuma.

Some weeks ago, the Schweizerische Institute fuer Auslandforschung in Zurich devoted an important meeting to the dangers of the present international monetary system, chiefly the problem that under the present Gold Exchange Standard system (under which gold and key exchanges, dollars and pounds, serve as monetary reserves and international means of payments) the necessary international liquidity can be achieved only through chronic balance of payments deficits of the United States and Britain, which neither country can afford. Monetary experts from the United States, Germany, Switzerland and other countries participated in the conference, and disagreed both regarding the nature of the problem and its solution.

More recently, the special study of the Brookings Institute, undertaken at the request of the United States Government, came to the conclusion that the American balance of payments deficit would take care of itself some time between now and 1968 (the Kennedy Administration had originally promised that the deficit would be eliminated by 1963, and Secretary of the Treasury Dillon earlier this year spoke of 1965), but that the real problem which faces the world and the United States is the specter of international illiquidity.

Proving Lack of Liquidity

Actually, it is difficult to prove empirically that the world is suffering from a lack of international liquidity, if foreign trade is expanding year after year, and inflation rather than deflation is still the major threat. Mr. Dillon, for instance, told Congress emphatically that the liquidity problem is not acute, and most of the experts at the recent meeting of the Schweizerische Institute fuer Auslandsforschung seem to have held a similar view.

But the advocates of a higher gold price or of a new international monetary system apparently have the logic on their side; just as Thomas Malthus did 170 years ago with his overpopulation theory. While Malthus could prove "mathematically" that famine was right around the corner because the population was growing faster than the food supply, he could never explain how the population explosion during the preceding 150 years had been possible, if according to the basic laws of nature the inadequate increase in the food supply prevented the population growth. Modern economists can similarly "prove" that international stagnation is just around thec orner unless the international liquidity is increased, but they cannot explain how it happens that international trade has continued to expand since the war at a record rate and continues to grow. The vexing problem with the social sciences, including economics, lies in the fact that there are so many unknown and unpredictable variables which make perfectly logical predictions highly dangerous. The prediction of a world-wide liquidity crisis may or may not come true, but there is certainly no empirical evidence to indicate that it will in the foreseeable future.

The Threat of a New Inflationary Wave

But this is not the decisive factor. As long as enough governments "think" we are headed for a crisis, they will act as if we were, and the world can be pretty certain on the other hand that if the price of gold is doubled or other means to increase the international supply of money are developed, governments throughout the world will go on another spending binge. The only effective restraint which prevents the New Frontier from running huge deficits in the hope of producing "full employment" and "maximum economic growth" — and there is no proof that government spending can create either—is the precarious balance of payments situation. If Washington could "double its gold reserves" by merely changing its price ticket from $35 to $70 an ounce, the government could go on spending without any real restraint, and it is naive to think that either the Administration or Congress would feel any serious compunctions.

The reason for the emphatic denial on the part of the Administration that the price of gold will be raised and the official reluctance to endorse the various international money schemes put forth, including the special study of the Brookings Institute, is very simply that Washington realizes that a different response on the part of the Administration might start a run on the dollar.

Unfortunately as the steady flow of flight capital from the United States would seem to indicate, some people are not convinced by the official assurances. Skeptics and pessimists from New York to Bombay have already figured out the sequence of events. On a Friday the jittery world will be reassured by an official statement from Washington that nobody is even considering foreign exchange controls or a devaluation of the dollar. The statement will be dutifully echoed by an "official spokesman" in London. Then, some time on Saturday, when the markets are closed, will come the "surprise" announcement, that the price of gold has been increased by 100% as a sure cure-all of unemployment and slow economic growth. Over radio and TV government representatives will praise their own courage and wisdom of having saved the nation's economy and of ushering in a new millennium of prosperity. At the same time, any profits derived from gold holdings or the holdings of gold mine stocks will be made subject to a special "equalizing tax." The International Monetary Fund, whose approval is officially needed to change the price of gold, will either be in the know from the beginning (although on Friday it will still deny any such idea), or if the action actually comes as a surprise to the Fund, it will have to approve whatever Washington and London have decided upon—or go out of business. After a few days of plaintive speeches — from a constitutional point of view the President cannot change the price of gold on his own (although some long-forgotten "emergency powers" will probably conveniently be rediscovered)—Congress will dutifully rubber-stamp the *fait accompli*.

This morose fantasy of the world of tomorrow does not claim to be an "economic forecast"—although it may be just as well-founded as many other forecasts—but there are many people in the United States and abroad who have come to look upon it as a sort of blueprint of the things to come, and the recent announcement by a responsible New Frontiersman, that the government must feel free to lie to the public, if it feels the need to do so, does not inspire confidence in either government assurances or the dollar.

The Domestic Aspect

Since 1950 the United States has suffered a deficit in her balance of payments in every year with the exception of 1957, when the Suez crisis lead to a sharp increase in oil exports. Since 1958 the size of the deficit has averaged more than $3 billion a year, has produced periodic "crises," has lead to a multitude of intricate "emergency" measures, and has placed serious constraints on domestic economic policies and the country's freedom of action abroad.

Table I shows the decline of the gold holdings and the increase in the nation's short term obligations which we are pledged to pay off in gold at any time at the option of the foreign holder:

TABLE I

Decline of American Liquidity
(in Billions at end of the year)

	1949	1957	1962
Gold holdings	24.5	22.8	16.1
Short-term obligations	6.0	15.2	25.0

In 13 years the liquid resources of the country have declined by almost $27½ billion (gold holdings decreased by $8.4, and short term obligations increased by $19 billion). This does not mean, however, that the United States has grown "poorer" by $27½ billion. During the same 13 years, American long term investments abroad increased roughly from $16 to $75 billion and the short-term claims on foreigners recorded by the Federal Reserve (and many American short-term balances are not officially recorded) increased from $0.8 billion in 1948 to $5.2 billion, although some of them, esp. the $2 billion owed by Asian and the $1.6 billion by Latin American debtors, can hardly be regarded as "liquid."

While some of the foreign long-term investments and short-term claims may eventually be lost, there can be little doubt that, short of a major international crisis leading to the financial insolvency and political collapse of numerous key nations, the United States has grown "richer," internationally speaking, during the past 13 years, even though the nation's international liquidity has seriously deteriorated at the same time.

By this time, however, a point has been reached, where the dollar continues to perform its role as the key currency of the free world only with the help of western Europe. The world is thus confronted with the absurd situation that the dollar depends for its formal convertibility upon the cooperation of the European central banks, whose currencies, in turn, rest upon the convertibility of the dollar. No bank examiner would consider a commercial bank "liquid" purely on the assurance of the bank president that his largest depositors are a number of corporations run by personal friends of his, who have informally promised him that they would not withdraw their deposits until the bank is able to get its house in order. And the bank examiner would be even more unhappy if he found that while the bank issued reassuring statements and relied on a multitude of more or less tricky check kiting transactions to hide its illiquidity—in the field of international finance one uses the more dignified and less obvious term "currency swaps"—yet continued to pursue the same policies which had brought the bank into the difficult position in the first place.

At the end of 1962, the German short-term claims amounted to $2.7 billion, the French to $1.2 and the Italian to $1.4. Together, the Common Market countries held more than $5.5 billion. A withdrawal of even half of this amount would probably so shake the confidence in the dollar that it would set into motion a panicky withdrawal of private foreign claims and a heavy outflow of American flight capital, which would lead to the imposition of foreign exchange restrictions within a few weeks, and thus the end of the dollar convertibility and the international monetary system of the free world.

Whether we like it or not, a nation which is dependent upon the financial support or cooperation of other nations, is not completely free in shaping its own foreign policies. As a prominent European characterized the present international monetary situation: "The Germans cannot pull out their dollar balances, and the Americans cannot pull out their troops from Berlin. If the Germans were to tumble the dollar, which they could do, Berlin would be lost; and if the Americans abandon Berlin, which they might like to do at some future date, the dollar would be lost." This does not mean that at the present time, either the United States or Germany are acting under a constraint in protecting Berlin and the dollar. Both sides realize that the free world would suffer a possibly fatal blow, if the United States and Germany were to turn against each other. "The very idea is preposterous!" Yet this does not alter the fact that neither country has complete freedom of action.

Public Opinion and the Balance Of Payments Deficit

The great majority of the American people are not aware of these facts, and the politicians who should know better prefer to keep their eyes closed hoping that the nasty specter will eventually go away. Two-thirds of the American people hardly know what a balance of payments is (at least half of the graduating college students have only a vague idea), and of the remaining one-third 80-90% do not understand the forces at work.

There is no "correct" way of presenting a balance of payments. The methods differ widely from one country to the next, which renders international comparisons difficult, while making it possible for governments to "dress up" their respective statements.

Table II represents a regrouping of the official American balance of payments data as published by the Commerce Department. While a regrouping of this type involves certain dangers—the published government data are not always self-explanatory—Table II serves the useful purpose of pointing to the three basic causes of the chronic balance of payments deficit.

In viewing Table II, a number of facts stand out:

(1) Net foreign economic and military aid has been declining in 1961 and 1962, due to the sale of military equipment and the repayment of foreign loans. As long as this return flow persists, the expenditures of the public sector do not constitute the basic threat of the balance of payments, although the return flow is likely to decrease, since Britain, the largest debtor, has balance of payments difficulties of her own, and the German surplus, which permitted large prepayments, has disappeared.

(2) Omitting government - financed exports, such as farm surpluses, the foreign trade surplus is much smaller than is generally assumed; too small to support America's role as the leader of the free world.

(3) Counting the net income on foreign investments, the capital accounts show an actual surplus which puts the private sector into

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New Payments Program Can't Solve Basic Problem

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the black, although not sufficiently to offset the deficit in the public sector.

(4) Justifiedly so or not, the government has come to speak of the "basic" as against the "actual" deficit. The distinction is somewhat reminiscent of the fellow who explained to his worried creditors that he was really not in serious trouble, because if he stopped drinking and buying new sports cars, he could pretty well balance his income and expenditures. And yet the distinction has some merits, because it shows quite clearly that the core of the problem, aside from the low level of exports, lies in the recorded and not recorded outflow of short-term funds.

A multitude of transactions are lumped together under these headings. American banks extend credit to foreign importers to facilitate the export of American goods. The "recorded short-terms capital outflow" is thus in part at least a result of the volume of exports. But it also comprises the transfer of funds sent abroad because of interest rate differentials.

We know much less about the "non-recorded capital outflow." The figure is arrived at indirectly and includes a multitude of errors and omissions in the other accounts. But the major portion of the "non-recorded capital outflow" probably consists of funds which have been taken abroad, either in a suitcase or through more sophisticated channels to find abroad (a) a higher return, (b) a haven from American taxes, and (c) protection against possible foreign exchange controls in the United States and a devaluation of the dollar in terms of gold. The answer obviously does not lie in foreign exchange restrictions of the totalitarian brand. Just as the Germans under Hitler, the Russians can impose today, and have imposed, the death penalty for violations of foreign exchange regulations; yet the violations continue. To stop the flight of capital requires the restoration of confidence not only in the dollar, but in the economic policies of the government. This restoration of confidence can be accomplished almost overnight (as it was, for instance, in France) through a dramatic change in government policy; or it can be accomplished more slowly through a conscientious adherance to sound economic policies.

Thus far, unfortunately, neither Washington nor the American public seem to be aware that basic changes in the countries' economic philosophy are needed.

The Necessary Changes

Before the world can hope for an improvement in the U. S. balance of payments, the American people must come to realize that their economy forms an integral part of the world economy. Government officials never tire of impressing upon the public that the country's standing in Asia and Africa is affected by the civil rights struggle, but the same government officials fail to explain—or refuse to see—that the international standing of the dollar (which to a large extent determines the political position of the country in world affairs) is adversely affected by the farm support program; and by the fiscal, price and wage policies of the past 15 years; that the Treasury and the Federal Reserve cannot manipulate interest rates without affecting the balance of payments.

There are good reasons why the majority of the American people should not readily see the close connection between economic developments in their own hometown and in the rest of the world. American foreign trade accounts for only 4-5% of the total output of goods and services, compared with 10%, 20% and even more in some of the European countries. If the price of coffee in world markets drops by only one cent, the people of Colombia and Brazil feel within a few weeks a reduction in their international spending power and hence an overall decline in the standard of living.

While some 2½ million Americans travel outside the United States every year, on a per capita basis Americans rank well below the Swiss, Danes, Germans, French, British and various other nationals as far as international travel is concerned. To the majority of the American people, economic developments in Europe, Asia and Africa still seem far removed from their immediate economic problems at home: unemployment, rising prices, high taxes, government regulations and the vital links are not easily explained through an occasional column or two in a news magazine or Sunday supplement.

More serious than the ignorance of the masses is the seeming blindness of the nation's leaders. It may flatter the national ego, if a Congressman (in this case Representative Patman from Texas) proclaims: "I am not willing to tie U. S. interest rates in with world rates. We can handle our domestic economy as we want to." But considering the fact that Mr. Patman is the Chairman of the House Banking Committee and thus holds an important position in shaping American monetary policy, his remarks were almost an invitation for American and foreign investors to transfer their funds to greener pastures abroad. Statements of this type are not confined to "politicians" who may claim that their remarks are addressed primarily to the voters at home. One of the high points of American "economic isolationism" was the message which President Roosevelt sent to the World Economic Conference in London in 1933 which proclaimed that "the sound internal economic system of a nation is a greater factor in its well-being than the price of its currency in changing terms of the currencies of other nations. . . . We are interested in American commodity prices (in 1963, we would say, in "full employment" and "maximum economic growth"). What is to be the value of the dollar in terms of foreign currencies is not and cannot be our immediate concern."

Even though the Roosevelt experiment had to be abandoned in less than two years, the same spirit still characterizes Washington thinking: The United States is powerful enough not to bother about the rest of the world, and political expediency demands that the government promote domestic "prosperity," whatever the international consequences, President Kennedy, for instance, argued that "a revival of the domestic economy" is the first step toward an improvement of the balance of payments, and since the 1960 Democratic Platform promised an increase in minimum wages, the Administration went right ahead in raising minimum wages even though unemployment is particularly heavy among the unskilled, and American exports lag because of high production cost. The official justification of raising the minimum wages, namely that the move would increase demand, which in turn would increase production and thus lower unit cost, "should make any economist blush," as Professor Gottfried Haberler remarked in a letter to The New York *Times*.

Production Cost

The deficit in the balance of payments is due to three factors: excessive production cost, artificially depressed capital returns, and a general distrust of the government's economic policies.

The American people are told over and over again that American exports are hampered by "starvation" wages in Japan and Europe. In fact, American union officials went to Germany to stir up German unions to demand higher wages, and as wages began to rise in Europe, the American public was told that the balance of payments deficit would soon disappear, as the cost of production in Europe rose faster than in the United States. During the past four years, wages have indeed risen faster in Europe than in the United States, and so has the cost of living, but contrary to all calculations, American imports continue to grow faster than exports. The European nations, moreover, especially Germany, which has had a balance of payments deficit for more than a year, are waging a resolute fight against further price increases, and since the people of Europe are more aware than most Americans of the dangers of inflation and of the necessity of remaining internationally competitive, the European governments have a better chance of preventing further major price increases.

To expect the balance of payments deficit to go away because foreign production cost will rise faster than American is an uncertain gamble, if only because the rest of the world still has much more leeway than the U. S. in cutting production cost through automation. This does not mean that American wages should be cut, but it does mean that wages and fringe benefits have to be held stable, and the entire increase in productivity due to technological improvements (after paying an adequate return on the capital invested) must be applied toward a gradual price reduction. A 1½-2% annual decrease in export prices would very quickly boost exports and reduce imports.

This policy of "Fordism," to lower retail prices as soon as production costs decrease, was the basis of American economic strength in the decades past. But the principle was widely abandoned after World War II. It was, ironically, the auto industry (which owed its dominant posi-

Table II - U. S. BALANCE OF PAYMENTS
(in billions of dollars)

Private Sector		1962		1961		1960
Current Accounts						
Merchandise exports (not financed by gov't credits & grants)	18.1		17.7		17.3	
Merchandise imports	-16.1		-14.5		-14.5	
Trade Balance:		+2.0		+3.2		+2.8
Services (tourism, transportation, royalties, insurance, etc.)						
Services rendered	4.2		4.0		4.6	
Services received	-5.8		-5.4		-5.4	
Total services:		-1.6		-1.4		-0.8
Charitable remittances, pensions, etc.		-0.7		-0.7		-0.7
Total current accounts		-0.3		+1.1		+1.3
Capital Accounts						
US long-term investments abroad	-2.8		-2.6		-2.5	
Foreign long-term investment in the US	0.3		0.5		0.4	
Net income from Us investments abroad	3.9		3.5		2.3	
Net balance Capital Accounts		+1.4		+1.4		+0.2
Total Private Sector		+1.1		+2.5		+1.5
Public Sector						
Military expenditures	-3.0		-2.9		-3.0	
Sale of mil. equipments, etc.	1.1		0.4		0.3	
Cost of military operations		-1.9		-2.5		-2.7
US grants and loans involving transfer of dollars	-1.1		-1.1		-1.1	
Repayment of loans	1.2		1.2		0.6	
Net foreign aid cost		+0.1		+0.1		-0.5
Gov't borrowing abroad		+0.3		—		—
Total Public Sector		-1.5		-2.4		-3.2
Basic Deficit in the Balance of Payments		-0.4		+0.1		-1.7
Recorded short-term capital outflow		-0.7		-1.4		-1.4
Not-recorded capital outflow		-1.0		-0.9		-0.7
Total deficit:		-2.1		-2.4		-3.8

Source: US Department of Commerce, SURVEY OF CURRENT BUSINESS, June 1963, p. 18,20

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tion to "Fordism") and Mr. Reuther's UAW which were among the first to adopt a policy of getting as much as the market and public opinion would accept, and today this principle has become deeply ingrained in American political and economic thought. The famous "guide line" policy of the Kennedy Administration, according to which wage cost increases should not exceed the "average" productivity increase of the economy, may have seemed at the time a politically expedient half-measure to curb the inflationary pressure (although a similar scheme proposed in Germany had previously been emphatically rejected as economically unsound by the Bundesbank and the government), but it constituted a clear break with the economic philosophy which had made the United States the richest and economically most powerful nation in the world. It encourages inflated union demands in those industries where the productivity increase is well below the national "average" of 3-3½%; it discourages capital investments, since improved earnings are likely to be swallowed by higher wage costs; and it does nothing to improve America's competitive position in the world. It has been estimated that the "guide line" policy and the wage increases of the past three years may have wiped out more than 300,000 jobs through lost exports, increased imports, and the transfer of manufacturing operations to foreign countries.

Not until we return to the "Fordism" of the years past, giving the consumer at home and abroad the benefit of technological progress will the American export surplus grow sufficiently to enable the United States to shoulder her responsibilities as the leader of the free world.

Manipulated Interest Rates

The American interest rate structure is determined chiefly by political rather than economic considerations. For more than a century, American politicians have made low interest rates an article of political faith. To the backwoods politician whose constituents paid 10% or more to get badly needed capital, the "money powers" which supposedly made money "dear" were a convenient whipping boy. Whether modern politicians who continue the backwoods campaign against "dear money" actually believe that "the bankers" can "fix" interest rates or whether they just find the slogans politically expedient, is a moot question. One should think that even those Congressmen who have had no formal training in economics and no business experience should realize that interest rates, like the price of any commodity, are ultimately determined by supply and demand, i.e. by the rate of savings and investments, and that, if interest rates are held down artificially, savings will decline and the demand for credit will increase, and additional credit will have to be created through the banking system, which does not differ in its effect from the old-fashioned method of printing more paper money.

To this political tradition must be added two modern economic theories which spring in part from Keynesian economics. (1) It is widely argued that the level of interest rates has no important bearing on the rate of savings, because "the rich cannot help but save part of their income," and the saving of the middle classes is largely automatic through pension plans, life insurance contracts, payroll deduction plans, etc. The sharp rise in savings during the past few years in response to higher interest rates on savings deposits, should, at least in part, disprove the Keynesian argument. (2) Nor does the second argument hold water. Keynes thought that a businessman will invest money if he expects that his new investment will produce a return of, let us say, 6% as long as he can borrow the necessary money at 4%. If on the other hand, interest rates rise to 5%, the margin between the expected return of 6% and the cost of capital of 5% will be too small for the risk. The investment will not be made and the workers who would have been employed on the project will remain without a job. Therefore, modern economists argue, in order to stimulate investments interest rates must be kept low.

But if interest rates are 3-4% in the United States and 5-6% abroad, large investors will transfer some of their funds to foreign markets. The United States thus seems to be confronted with a basic conflict: either low interest rates which, it is assumed, will aid full employment and economic growth, but will worsen the balance of payments; or high interest rates which would be expected to help the balance of payments, but may slow down economic growth and increase unemployment. The dilemma actually exists more in the mind of economic model builders (influenced by Keynesian ideas(and of politicians (reluctant to abandon their backwoods slogans) than in reality.

Not Interest But Total Cost

The rate of investments is determined by **total** (not merely interest) cost, and by the expected rate of profit. Lower taxes and lower production cost could easily off-set an increase in interest rates to the equilibrium level and yet permit a slow over-all decline in prices. Private housing, which is especially sensitive to interest rate changes, need not suffer from higher rates, if at least some of the waste in the building industry were eliminated, caused by outmoded building codes, featherbedding, jurisdictional disputes among unions, and the failure of the authorities to prevent builders from constructing shoddy houses in order to "create markets for the future." The sensational postwar recovery of Europe was achieved despite high interest rates. The recovery rate was slowest in Britain where the government experimented with low interest rates whenever the balance of payments situation permitted. Japan has a much higher rate of growth and employment than either Britain or the United States —and she has also much higher interest rates.

Under constant pressure from the Administration and the "easy money" advocates in Congress, the Federal Reserve Bank credit has been increased by 15% during the past 2½ years, which enabled the commercial banks to expand their loans by $48.6 billion or more than 20%. Much of the additional spending power has thus far accumulated in the form of liquid savings. Some of it, no doubt, flowed abroad where the returns are higher. The "easy money" policy of the Federal Reserve has obviously not wiped out unemployment; but it has resulted in the piling up of inflationary tinder which may catch fire at the next crisis.

The Administration's Queer Policy

Yet the Administration continues to cling to the low-interest rate philosophy, and it claims to have found a "solution" for the low interest balance of payments deficit dilemma: Short-term rates raised to stop the outward flow of short-term funds. At the same time long-term rates are to be kept low to stimulate the economy at home. And to prevent foreigners from taking advantage of the low long-term rates here, and Americans from benefiting from the higher rates abroad, a 15% "equalization tax" is to be levied. It is the old technique of getting rid of the fever by fixing the thermometer. The amateurish aspects of the proposal has made it necessary to issue a number of exceptions and explanations before Congress even had time to study the measure.

In view of the growing distrust of the dollar, it is obviously naive to believe that an increase in the discount rate from 3% to 3½%, will materially affect the flow of short-term funds. Under normal circumstances the argument may be valid that if the interest rate differential between the leading foreign markets and New York does not exceed ½%, minus the cost hedging, few funds will move. In reality, the interest rate differential is only one aspect. Equally, or possibly more important, is the growing distrust of the government's policies. Before long it may very well require a premium to attract short-term funds to New York. In view of the American balance of payments situation a discount rate of 4½-5% would seem far more appropriate than the present 3½%.

Such an increase, however, would affect long-term rates. Why should anybody hold 20-year government bonds yielding 4%, if he can get 3-months Treasury Bills yielding 4-4½%? According to all indications, the Federal Reserve has gone about as far in reducing the spread between long and short-terms rates as can be expected. Yet the short-term rates are clearly not high enough.

Will Freeze Funds Abroad

Besides, the flow of capital is not only affected by short-term rates. Long-term investors, too, find Europe and Japan considerably more lucrative than the United States. To inhibit the purchase of foreign securities in the New York market through the new 15% tax will merely stimulate the flow of short-term funds to foreign markets, where they will be converted into long-term investments through a maze of camouflaged accounts; and they will then be permanently frozen abroad, since the repatriation of the funds might prove dangerous. It is a pity that bureaucrats and politicians never seem to learn from the blunders of other countries.

A Matter of Confidence

While the inadequate export surplus may be due to the prevailing wage-price policies, and while the "recorded short-term capital outflow" is in part due to the artificially depressed interest rates, the "not recorded capital outflow," which in 1962 accounted for more than 45% of the balance of payments deficit, is to a substantial degree attributable to a widespread and basic lack of confidence in the policies and attitudes of the Administration and Congress. Nobody will ever know how many millions were transferred abroad because of President Kennedy's outburst against the steel industry in 1962; how many more millions are flowing abroad at present because of the failure of the Administration and of Congress to resolve the railroad dispute along the lines suggested by an impartial government commission and upheld by the courts. During the past two years, while the railroad negotiations dragged on, well over $2 billion have been transferred illegally from one segment of the population to another. Why should foreign — or for that matter — American investors have confidence in an Administration and a Congress which lack the courage of putting an end to such a practice?

As the various government agencies — the CAB, ICC, FCC, FPC, NLRB, and SEC, to mention only a few—are filled more and more with "liberal" Kennedy appointees, the rapport between the government and business is deteriorating anew. Time and again youthful government spokesmen feel the urge of demonstrating their power through sensational anti-business statements, vindictive slogans, fishing expeditions, cease-and-desist orders and indictments, many of which were based on conflicting or novel interpretations of the law. Government regulations have become so complex, and Supreme Court interpretations of what is supposed to be the law of the land have changed so often that business is often groping in the dark, and can never tell from one day to the next when it will be attacked by some crusading government official, impelled by personal prejudices against "Wall Street" or the "Power Trust," or just out to gain some personal publicity.

Some German Jokes

More than a decade ago, a joke was widely told in Germany: "What do you think would help the Germany economy most?"—"To have the American universities raise their salaries so that the American economic advisors in Germany can afford to return to their regular jobs.") The joke has recently been up-dated in Europe: "What do you think would restore confidence in the dollar?" "If Kennedy were to send 25 of his economic advisors back to their academic posts to *teach* economics."

That the government is not completely insensitive to the reaction of business is obvious from the fact that the most active "anti-monopoly" crusader was quietly moved out of the Justice Department. But as a whole, the anti-business tendencies in Washington persist.

Nor should one underestimate the disturbing impact of the fiscal policy. During the first term of the Eisenhower Administration the deficit amounted to about $4 billion, during the second term to about $18 billion. Assuming the tax reduction now under consideration, the deficit during the first term of the Kennedy Administration will run between $35 and $40 billion. The money created by the government "printing press" thus far has not resulted in a sharp rise in prices, because a large part has piled up in the form of savings. But this potential spending power can suddenly be activated and start a new inflationary spiral.

Businessmen throughout the world have always regarded with suspicion the "compensatory spending" principle of the New Deal era, namely that the government should run a deficit whenever private spending was inadequate in order to assure full employment; the implication being, of course, that government would have a surplus during boom years. Over the period of the business cycle the deficit and surplus were to balance each other out. Unfortunately, it never happened that way. The United States had large deficits during depressed 1930's, and even larger deficits during the boom years of the postwar period. The New Frontier has now abandoned the old New Deal philosophy and is advocating a chronic (rather than temporary) deficit to stimulate faster economic growth. The businessman, not schooled in the sophistications of modern economics, can see only two results: (1) the gradual socialization of the economy, or (2) run-away inflation and collapse. Neither appeals to those Americans and foreigners who determine each year the investment of billions of dollars, and whose decisions provide jobs for millions of workers.

Why should a European financier (or an American capitalist who operates through a Swiss investment trust) invest in American railroads in view of the hostility of the ICC toward mergers and rate reductions, and the unwillingness of the government to end "featherbedding;" or in the American drug industry considering the uncertainties and the tremendous increase in cost resulting from the administration of last year's drug law; or in the American steel industry, considering the attitude of the government toward price increases; or in the American power industry, since the government openly hampers private investments; or for that matter in the United States as a whole in view of the fiscal and monetary policies pursued by the government, and the growing weakness of the dollar?

Why U. S. A. Is Still Preferred By Investors

The answer is, millions of Americans and foreigners still prefer the United States as a field of investments, not perhaps because they are reassured by developments here, but because conditions in many other countries seem even more ominous. The majority of the people still believe that the United States, the most powerful nation in the world, can solve her economic problems. But it cannot be done through political expediencies. It requires an honest attempt to lower prices, to free interest rates, to balance the budget, and to restore confidence in the government. De Gaulle did it in France. America should be able to do it too.

Inv. Lecture Series

Lubetkin, Regan & Kennedy, members of the New York Stock Exchange, is offering another in its series of lectures for investors and traders at its Madison Avenue office (at 61st Street), beginning Tuesday, Sept. 17, at 7:30 p.m.

The course, which will run for seven consecutive Tuesday evenings, is given gratis to the general public and will cover the fundamentals, techniques and timing involved in investing.

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STATE of TRADE and INDUSTRY

Continued from page 16

Mills with heavy percentages of heavy and light steel see mixed trends.

Cleveland — Construction and new auto orders are the strong factors in the Cleveland area. Construction projects have been shoved ahead and projects are backing up on fabricators. Hot-rolled sheet, structurals and plate are affected.

Detroit — Auto companies are still holding back. Estimates are that October auto orders will be about 65 to 75% of what would be normal tonnages for the auto production schedules.

Chicago — Mills' sales offices continue to be pessimistic. Despite strong forecasts, the new order rate is advancing only slightly. On the other hand, steel buyers report their own company forecasts are gaining and holes are appearing in inventories.

August's Auto Output Down 20% From Year-Ago But Record Fourth Quarter Expected

Ward's Automotive Reports forecast a 13-year high in September production of cars and a record in fourth-quarter output. From "startup" of 1964 model production last month, output of new models by Dec. 31 will exceed 1963 model making to the same date. The entire 1963 model year yielded 7,340,000 cars and was the industry's best in history.

Ward's forecast September output at 520,000 units, rising 10.5% from 470,398 in the month a year ago. It will be highest for any September since 1950, when the model year followed a different pattern.

August output, while fixed at a post-World War II low of 156,357, some 20% below 195,477 a year ago, included an estimated 76,000 new models. In the same 1962 month, about 43,000 "63s" were built.

Last week, with 23 General Motors assembly plants joining the new model buildup, 65,752 more 1964 models were scheduled by the industry. This was near 80% above 36,561 units made in the previous week, despite a Labor Day holiday Monday. A year ago, the industry built 64,995 cars in the corresponding period.

Ward's said Ford Motor Co. volume last week would show an increase, and American Motors had scheduled a slight gain. Chrysler Corp. and Studebaker, nearer full production, planned increased daily assembly rates, but volume by each was reduced by the shorter work period. All plants in the industry planned a general four-day slate.

For the entire fourth quarter this year, *Ward's* has fixed the industry schedule at a record 2,135,000 cars, a rise of 3.7% from 2,059,300 units in the 1962 period. This is subject to change after new models are introduced late this month and early next, but *Ward's* has predicted a 7.5 million car total for calendar 1963.

In the truck industry, *Ward's* said the 1,000,000th unit of the year will be made this week. For entire 1963, truck making is expected to edge the 1.4 million units made in record 1951 and carry total U. S. vehicle making to its highest level in history.

Of output last week, General Motors was expected to account for 41.6% of passenger cars; Ford Motor Co., 23.5%; Chrysler Corp., 22.9%; American Motors 9.1% and Studebaker Corp. 2.9%.

Rail Carloadings Creep and Tonnage Climbs 4% Above Year-Ago

Loading of revenue freight in the week ended Aug. 31, totaled 582,841 cars, the Association of American Railroads announced. This was a decrease of 11,899 cars or 2.0% below the preceding week.

The loadings represented an increase of 119 cars or 200ths of 1% above the corresponding week in 1962, and a decrease of 14,889 cars or 2.5% below the corresponding week in 1961.

Ton-miles generated by carloadings in the week ended Aug. 31, 1963, are estimated at approximately 12.4 billion, an increase of 4.0% over the corresponding week of 1962 and 7.0% over 1961.

There were 15,645 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Aug. 24, 1963 (which were included in that week's over-all total). This was an increase of 1,597 cars or 11.4% above the corresponding week of 1962 and 3,833 cars or 32.5% above the 1961 week.

Cumulative piggyback loadings for the first 34 weeks of 1963 totaled 510,744 cars for an increase of 60,055 cars or 13.3% above the corresponding period of 1962, and 137,965 cars or 37.0% 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 61 one year ago and 58 in the corresponding week in 1961.

Truck Tonnage 5.5% Ahead Year-Ago Week

Intercity truck tonnage in the week ended Aug. 31 was 5.5% ahead of the volume in the corresponding week of 1962, the American Trucking Associations announced. This continues a long series of tonnage increases, with the latest report representing the most substantial gain over the 1962 level. Truck tonnage was 7.4% 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 29 localities, with five points reflecting decreases from the 1962 level. Truck terminals at seven points registered gains of 10% or more, while one terminal area showed a decline in excess of this amount.

Compared with the immediately preceding week, 32 metropolitan areas registered increased tonnage, while only two areas reported decreases.

Lumber Production Gains 4.2% Over 1962 Week

Lumber production in the country totaled 227,252,000 board feet in the week ended Aug. 31, according to reports received from regional lumber associations.

Compared with 1962 levels production advanced 4.2%, shipments rose 3.9% and new orders rose 1.3%.

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

	Aug. 31 1963	Aug. 24 1963	Sept. 1 1962
Production ___	227,252	232,196	217,913
Shipments ___	241,632	239,116	232,550
New orders __	232,778	224,317	229,690

A record 10 billion board feet of timber was cut in the nation's forest during fiscal year 1963 ending last June 30.

According to Secretary of Agriculture Orville L. Freeman, the timber harvested had a total value of $134.4 million. The harvest was one billion board feet over the preceding year, and 600 million board feet over the previous record harvest of 9.4 billion in 1960.

The volume of timber sold in fiscal 1963 came to 12.2 billion board feet. This was 1.9 billion board feet over the 1962 sales. It indicated that in addition to the 1963 production, sales also included some timber on hand.

Electric Output Shows 7.8% Gain Over 1962 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Sept. 7, was estimated at 17,239,000,000 kwh. according to the Edison Electric Institute. Output was 942,000,000 kwh. less than the previous week's total of 18,181,000 kwh. and 1,240,000,000 kwh. above the total output of 15,999,000,000 kwh. in the corresponding 1962 week or a year-to-year gain of 7.75%.

Failures Hit Low for Year in Holiday Week

Dropping to the lowest level so far in 1963, commercial and industrial failures hit 208 in the holiday week ended September 5, reports Dun & Bradstreet, Inc., However, business casualties held close to their comparable year-ago level of 204 and their pre-war level of 209 in 1939. But, considerably fewer concerns succumbed than in 1961 when the toll came to 275 in the similar week.

Failures involving liabilities of $100,000 or more declined to 30 from 49 in the preceding week but were not far short of the 34 of this size last year. Similar casualties with losses under $100,000 continued down to 178 from 198 a week earlier but exceeded slightly their last year's level of 170.

In manufacturing, casualties slackened to 37 from 47 a week ago, in retailing to 92 from 107, and in construction to 30 from 59. Contrary to these holiday downturns, the toll among wholesalers rose to 26 from 18, and among service businesses to 23 from 16. These two lines suffered heavier casualties than in the comparable week of 1962, whereas other industry and trade groups had the same or lower mortality levels than a year ago.

Geographically, the steepest declines during the holiday week occurred in the West North Central, Mountain and Pacific States, with the latter's toll falling to 34 from 63. In four areas, failures equalled or exceeded their year-earlier levels—the South Atlantic toll held steady at 28 while the East North Central climbed to 45 from 30, and the Middle Atlantic edged to 63 from 58. All areas reported casualties running close to 1962 tolls for the corresponding week.

Wholesale Commodity Price Index Dips This Monday

Although inching upward last week, the wholesale commodity price level slipped to 264.41 by this Monday, reported Dun & Bradstreet, Inc. Cement prices, so important to the construction industry, took a sharp drop due to heavy competition among suppliers. Increased demand by flour millers, exporters and large elevator houses pushed wheat prices up, on the other hand. A fractional lift in silver quotations brought them to new 40-year highs.

The Daily Wholesale Commodity Index, edged down to 264.41 on Monday, Sept. 9 from 264.68 on Tuesday a week earlier. While the index remained below last month's level of 265.13, it dragged substantially behind the 273.58 reached a year ago.

Wholesale Food Price Index Edges Up

After two steady weeks, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., inched up to $5.93 on Sept. 10 from the 10-week low of $5.90 of the prior two weeks. However, it remained 1.2% below the $6.00 registered in the similar week last year.

Cheese, cocoa and eggs were quoted considerably higher in wholesale markets, and mild advances were chalked up for flour, wheat, rye, oats, hams, sugar, coffee, raisins and steers. On the other hand, corn, beef, bellies, butter, cottonseed oil, beans, potatoes, currants and hogs moved lower in wholesale cost.

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.

Lively Pace Sustained in Consumer Buying

Both apparel and home goods buying hummed along as briskly as the cool breezes in the latest statement week ending Wednesday. Over-all retail volume continued to run well ahead of year-earlier levels for the similar week. Purchases of school and college wear again dominated apparel buying, although Labor Day vacations also gave a lift to the call for sports clothing. In some areas, home goods played second fiddle to concentration on the needs of children and teenagers, but in most areas, solid gains were chalked up in appliances, entertainment, and furniture activity. Numerous state fairs sparked retail shopping as well as restaurant, service stations, and motel business.

The total dollar volume of retail trade in the week ended this Wednesday ranged from 4 to 8% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1962 levels by the following percentages: East South Central +1 to +5; West North Central and West South Central +2 to +6; Middle Atlantic +3 to +7; Mountain and Pacific +4 to +8; East North Central +5 to +9; New England +6 to +10; South Atlantic +8 to +12.

Nationwide Department Store Sales Rise 9% Above Last Year's Level for Two Weeks In a Row

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index were up 9% in each of the last two weeks of August (weeks ending Aug. 24 and Aug. 3) compared with the like period in 1962. The week's gain over the year-ago week marked the 15th encouraging weekly uptrend in a row.

In the four-week period ended Aug. 31, 1963, sales gained 8% 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. 31), the 12 department store districts' retail dollar volume increased 5% (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. 31 gained 11% over the comparable year-ago week's figure. Ne wYork City's department store sales were up 9% for the four week period ending Aug. 24.

A *flash figure* for New York City's sales for the Sept. 7-ending sales week revealed a plus 2% 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 remained, unchanged in comparison with last year's period.

A broader set of data encompassing *total* retail sales, compiled by the Bureau of the Census, U. S. Department of Commerce, put the Aug. 31-ending week's total sales 3% above a year ago. The year-to-year contrast for the latest four-week period showed a gain of 4%. Unlike the department store statistics, the Department of Commerce's over-all retail sales data are *not* adjusted for seasonal variations. On an *unadjusted* basis, department store sales gained 8.6% over the year-ago week.

N. Y. U. Offers Control Courses

A program of courses in statistics for business control will be offered by New York University's School of Commerce, Accounts, and Finance during the academic year 1963-64.

The program will cover the application of statistics to business situations and will include courses such as correlation analysis, statistical quality control, and the use of electronic computers in business. In each area emphasis will be placed on the practical application of the statistical approach to business problems and decision-making.

The courses are open to qualified students who wish to further their professional careers and to matriculated students for University credit. They can be taken separately or as part of a coordinated educational program. Some are offered during the evening.

Additional information can be obtained from: Department of Business Statistics, School of Commerce, Accounts, and Finance, New York University, Washington Square, New York 3, N. Y.

D. M. Shy Opens

MEMPHIS, Tenn.—DeWitt M. Shy is engaging in a securities business from offices at 4405 Raleigh-Bartlett Road.

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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)	Sept. 7	1,775,000	1,765,000	1,782,000	1,641,000
Index of production based on average weekly production for 1957-1959	Sept. 7	95.3	94.7	95.7	88.1
Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960	Sept. 7	0.58	0.575	0.581	0.56
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Aug. 30	7,634,960	7,666,760	7,621,560	7,280,860
Crude runs to stills—daily average (bbls.)	Aug. 30	8,934,000	8,732,000	8,699,000	8,413,000
Gasoline output (bbls.)	Aug. 30	32,517,000	31,367,000	30,849,000	30,404,000
Kerosene output (bbls.)	Aug. 30	3,059,000	2,617,000	2,955,000	2,787,000
Distillate fuel oil output (bbls.)	Aug. 30	15,118,000	14,246,000	13,741,000	13,780,000
Residual fuel oil output (bbls.)	Aug. 30	5,234,000	4,966,000	4,816,000	5,194,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished gasoline (bbls.) at	Aug. 30	184,139,000	184,232,000	187,472,000	175,059,000
Kerosene (bbls.) at	Aug. 30	35,971,000	34,690,000	34,147,000	35,479,000
Distillate fuel oil (bbls.) at	Aug. 30	161,726,000	156,179,000	142,671,000	159,266,000
Residual fuel oil (bbls.) at	Aug. 30	52,723,000	51,900,000	49,997,000	52,738,000
Unfinished oils (bbls.) at	Aug. 30	87,235,000	87,843,000	89,313,000	85,765,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Aug. 31	582,841	594,740	558,295	582,722
Revenue freight received from connections (no. of cars)	Aug. 21	493,359	494,365	469,586	491,450
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Aug. 31	9,680,000	9,550,000	9,170,000	8,755,000
Pennsylvania anthracite (tons)	Aug. 31	417,000	475,000	396,000	281,000
CONSTRUCTION ADVANCE PLANNING — ENGINEERING NEWS-RECORD—NEW SERIES (000's omitted):					
Total advance planning by ownership	Sept. 5	$543,000	$432,900	$603,600	$331,300
Private	Sept. 5	344,100	261,900	338,800	113,100
Public	Sept. 5	198,900	171,000	264,800	218,200
State and Municipal	Sept. 5	168,600	165,100	245,200	106,300
Federal	Sept. 5	30,300	5,900	19,600	111,500
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE = 100	Aug. 31	126	117	104	116
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Sept. 7	17,239,000	18,181,000	18,607,000	15,999,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Sept. 5	208	247	238	204
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Sept. 2	6.279c	6.279c	6.279c	6.196c
Pig iron (per gross ton)	Sept. 2	$63.11	$63.11	$63.11	$66.44
Scrap steel (per gross ton)	Sept. 2	$27.17	$27.17	$25.83	$26.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Sept. 6	30.600c	30.600c	30.600c	30.600c
Export refinery at	Sept. 6	28.450c	28.375c	28.425c	28.525c
Lead (New York) at	Sept. 6	11.500c	11.500c	11.250c	9.500c
Lead (St. Louis) at	Sept. 6	11.300c	11.300c	11.050c	9.300c
‡Zinc (delivered at)	Sept. 6	13.000c	13.000c	12.500c	12.000c
Zinc (East St. Louis) at	Sept. 6	12.500c	12.500c	13.000c	11.500c
Aluminum (primary pig, 99.5%) at	Sept. 6	22.500c	22.500c	22.500c	24.000c
Straits tin (New York) at	Sept. 6	114.750c	115.000c	114.375c	108.625c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Sept. 10	88.81	88.86	89.25	88.65
Average corporate	Sept. 10	88.67	88.67	88.81	87.32
Aaa	Sept. 10	91.48	91.62	91.77	91.34
Aa	Sept. 10	90.06	90.20	90.34	89.37
A	Sept. 10	88.95	89.09	89.09	87.05
Baa	Sept. 10	84.30	84.30	84.43	81.78
Railroad Group	Sept. 10	86.78	86.91	86.91	83.66
Public Utilities Group	Sept. 10	89.51	89.78	89.92	88.81
Industrials Group	Sept. 10	89.51	89.51	89.51	89.37
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Sept. 10	3.98	3.98	3.91	3.86
Average corporate	Sept. 10	4.51	4.51	4.65	4.61
Aaa	Sept. 10	4.31	4.30	4.36	4.32
Aa	Sept. 10	4.41	4.40	4.49	4.46
A	Sept. 10	4.49	4.48	4.66	4.63
Baa	Sept. 10	4.84	4.84	5.08	5.04
Railroad Group	Sept. 10	4.65	4.64	4.91	4.89
Public Utilities Group	Sept. 10	4.45	4.43	4.51	4.50
Industrials Group	Sept. 10	4.45	4.45	4.53	4.40
MOODY'S COMMODITY INDEX	Sept. 10	358.0	358.2	364.3	369.2
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Aug. 31	370,057	381,243	399,727	358,991
Production (tons)	Aug. 31	381,004	376,429	377,383	359,995
Percentage of activity	Aug. 31	100	98	98	97
Unfilled orders (tons) at end of period	Aug. 31	574,454	600,015	601,098	475,662
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1959 AVERAGE=100	Sept. 6	99.12	*98.91	98.03	*98.58
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Aug. 16	2,957,460	2,455,240	2,303,370	2,617,540
Short sales	Aug. 16	664,180	541,170	504,350	595,610
Other sales	Aug. 16	2,379,180	1,911,590	1,762,380	2,055,610
Total sales	Aug. 16	3,043,360	2,452,760	2,266,730	2,651,220
Other transactions initiated off the floor—					
Total purchases	Aug. 16	659,340	515,320	374,090	586,090
Short sales	Aug. 16	122,610	66,800	92,000	101,000
Other sales	Aug. 16	529,170	369,990	333,450	384,710
Total sales	Aug. 16	651,780	436,790	425,450	485,710
Other transactions initiated on the floor—					
Total purchases	Aug. 16	1,223,420	927,620	844,980	970,626
Short sales	Aug. 16	230,560	216,910	146,190	164,500
Other sales	Aug. 16	1,036,876	820,846	721,675	836,983
Total sales	Aug. 16	1,267,436	1,037,756	867,865	1,000,483
Total round-lot transactions for account of members—	Aug. 16	4,840,220	3,898,180	3,522,440	4,174,256
Total purchases					
Short sales	Aug. 16	1,017,350	824,880	742,540	861,110
Other sales	Aug. 16	3,945,226	3,102,426	2,817,505	3,276,303
Total sales	Aug. 16	4,962,576	3,927,306	3,560,045	4,137,413
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. 16	1,528,043	1,319,083	1,296,857	1,362,876
Dollar value	Aug. 16	$77,531,548	$67,751,959	$67,852,565	$64,580,020
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Aug. 16	1,783,643	1,513,402	1,505,534	1,452,879
Customers' short sales	Aug. 16	13,998	15,443	20,871	27,722
Customers' other sales	Aug. 16	1,769,645	1,497,959	1,484,663	1,425,157
Dollar value	Aug. 16	$87,379,508	$73,493,843	$71,022,525	$68,372,694
Round-lot sales by dealers—					
Number of shares—Total sales	Aug. 16	652,250	532,340	550,330	470,340
Short sales	Aug. 16	------	------	------	------
Other sales	Aug. 16	652,250	532,340	550,330	470,340
Round-lot purchases by dealers—Number of shares	Aug. 16	397,740	354,620	310,470	408,040
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. 16	1,243,270	1,088,020	1,000,340	1,247,570
Other sales	Aug. 16	22,101,670	17,986,790	16,723,280	18,082,630
Total sales	Aug. 16	23,344,940	19,074,810	17,723,620	19,330,200
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	Sept. 3	100.3	100.4	100.3	100.8
Farm products	Sept. 3	95.5	*96.0	96.1	98.4
Processed foods	Sept. 3	101.7	*101.7	100.7	102.2
Meats	Sept. 3	95.1	95.3	93.2	101.4
All commodities other than farm and foods	Sept. 3	100.7	100.7	100.8	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
BANK DEBITS — BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM Month of July (000's omitted)	$320,600	$299,600	$279,700
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of June	15,016	*16,812	15,234
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES — Month of June (Millions of dollars):			
Manufacturing	$58,760	*$58,450	$56,910
Wholesale	14,220	*14,140	13,800
Retail	27,730	27,590	27,180
Total	$100,700	*$100,170	$97,880
CASH DIVIDENDS — PUBLICLY REPORTED BY U. S. CORPORATIONS—U. S. DEPT. OF COMMERCE—Month of July (000's omitted)	$1,081,500	$2,321,100	$904,800
CIVIL ENGINEERING ADVANCE PLANNING, NEW SERIES—ENGINEERING NEWS RECORD—Month of August (000's omitted):			
Total U. S. construction	$2,991,400	$2,415,400	$1,713,400
Private construction	1,863,200	1,469,600	981,600
Public construction	1,128,200	945,800	731,800
State and municipal	984,600	820,300	674,000
Federal	143,600	125,500	57,800
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in million as of July 31:			
Total consumer credit	65,364	64,892	59,364
Instalment credit	50,792	50,220	45,650
Automobile	21,242	20,904	18,580
Other consumer credit	12,661	12,622	11,754
Repairs and modernization loans	3,340	3,305	3,226
Personal loans	13,549	13,389	11,990
Noninstalment credit	14,572	14,672	13,714
Single payment loans	5,688	5,715	5,402
Charge accounts	4,727	4,783	4,457
Service credit	4,157	4,174	3,855
DEPARTMENT STORE SALES—FEDERAL RESERVE SYSTEM—1957-59 Average=100— Month of August:			
Adjusted for seasonal variation	125	120	115
Without seasonal adjustment	113	101	104
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of July:			
All manufacturing (production workers)	12,473,000	*12,548,000	12,403,000
Durable goods	7,038,000	*7,100,000	6,925,000
Nondurable goods	5,435,000	*5,448,000	5,478,000
Payroll indexes (1957-59 average = 100)—			
All manufacturing	117.9	*119.2	113.2
Estimated number of employees in manufacturing industries—			
All manufacturing	16,895,000	*16,966,000	16,782,000
Durable goods	9,584,000	*9,656,000	9,463,900
Nondurable goods	7,311,000	*7,310,000	7,319,000
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE — U. S. DEPT. OF LABOR—Month of July:			
Weekly earnings—			
All manufacturing	$99.88	*$100.37	$96.80
Durable goods	108.77	*109.82	104.45
Nondurable goods	88.98	*88.58	87.02
Hours—			
All manufacturing	40.6	*40.8	40.5
Durable goods	41.2	*41.6	40.8
Nondurable goods	38.9	*39.9	40.0
Hourly earnings—			
All manufacturing	$2.46	$2.46	$2.39
Durable goods	2.64	*2.64	2.56
Nondurable goods	2.23	2.22	2.17
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS — INSTITUTE OF LIFE INSURANCE—Month of May:			
Death benefits	$357,100,000	$367,100,000	$342,000,000
Matured endowments	69,400,000	67,300,000	[illegible]
Disability payments	13,600,000	12,600,000	12,800,000
Annuity payments	73,900,000	73,300,000	67,700,000
Surrender values	154,200,000	155,000,000	157,200,000
Policy dividends	159,400,000	159,100,000	138,500,000
Total	$827,600,000	$834,400,000	$777,500,000
MANUFACTURERS' INVENTORIES & SALES—Month of June (millions of dollars):			
Inventories—			
Durables	$33,590	*$33,410	$32,580
Nondurables	25,170	*25,040	24,340
Total	$58,760	*$58,450	$56,910
Sales	35,130	34,870	32,960
MONEY IN CIRCULATION—TREASURY DEPT. As of June (000's omitted)	$35,500,000	$35,100,000	$33,800,000
MOTOR VEHICLE FACTORY SALES FROM PLANTS IN U. S. AUTOMOBILE MANUFACTURERS' ASSN.—Month of August:			
Total number of vehicles	239,575	785,100	273,098
Number of passenger cars	156,962	655,656	196,341
Number of trucks and motor coaches	82,613	129,444	76,757
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE — 1910-1914 = 100—As of July 15:			
All farm products	245	241	240
Crops	239	244	229
Commercial vegetables, fresh	266	244	215
Cotton	269	277	282
Feed, grain and hay	168	169	155
Food grains	205	215	227
Fruit	278	317	190
Oil-bearing crops	256	258	252
Potatoes	182	153	192
Tobacco	499	500	538
Livestock	249	239	249
Dairy products	239	232	239
Meat animals	309	294	311
Poultry and eggs	137	133	134
Wool	271	272	257
REAL ESTATE FINANCING IN NONFARM AREAS OF U. S. — HOME LOAN BANK BOARD—Month of June (000's omitted):			
Savings and loan associations	$1,468,450	$1,497,350	$1,390,774
Insurance companies	118,805	116,035	106,737
Banks and trust companies	551,091	562,763	542,424
Mutual savings banks	180,875	167,803	176,857
Individuals	288,938	311,176	315,740
Miscellaneous lending institutions	568,585	577,729	542,479
Total	$3,176,744	$3,232,856	$3,075,011
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS — Month of June (000's omitted):			
Exports	$1,863,000	$2,162,600	$1,974,000
Imports	1,356,500	1,461,500	1,348,100

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Securities Now in Registration

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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.

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 Airlines, Inc., parent, on 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-Israel World's Fair Corp. (10/7-11)
Aug. 26, 1963 filed $500,000 of 6% subordinated participating debentures due Dec. 31, 1965. **Price**—At par. **Business** — Company will operate a pavilion at the New York World's Fair for the purposes of depicting the history and culture of the Jewish people, and promote and sell arts, products and services of Israel. **Proceeds**—For landscaping, construction and later demolition of the building, and working capital. **Office**—3 East 54th St., New York. **Underwriter**—H. S. Caplin & Co., New York.

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.

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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. (10/1-4)**
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. (10/1-4)
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.

Denny's Restaurants, Inc. (10/1-4)
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.

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

● **Dorchester Gas Producing Co. (9/17)**
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-

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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.

Dow Chemical Co. (9/19)
Sept. 4, 1963 filed $100,000,000 of debentures due Sept. 15, 1988. **Price** — By amendment. **Business** — Manufacture of a diversified line of organic and inorganic chemicals, plastics and metals. **Proceeds**—For loan repayment. **Address**—Midland, Mich. **Underwriter**—Smith, Barney & Co., Inc., New York.

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.

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 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.

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.

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.

Frazure, Hull, Inc.
Aug. 21, 1963 ("Reg. A") 133,333 common. **Price**—$2.25. **Business**—Fruit growing, publishing of a farm newspaper, citrus fruit brokerage and operation of a retail store. **Proceeds**—For expansion of the newspaper, working capital and debt repayment. **Address**—West Highway 50-Winter Garden, Fla. **Underwriter**—Prudential Investment Corp., Miami.

● **French Market Shopping Center, Inc. (9/13)**
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.

General Stone & Materials Corp. (10/1)
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.

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.

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.

Heck's, Inc. (9/23-27)
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.

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NEW ISSUE CALENDAR

September 13 (Friday)
French Market Shopping Center, Inc.________Units
(Midland Securities Co., Inc.) $300,000

September 16 (Monday)
Monarch Marking System Co.__________Debentures
(McDonald & Co.) $2,500,000
National Fence Manufacturing Co., Inc.____Common
(Netherlands Securities Co., Inc.) $875,000

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
Dorchester Gas Producing Co.__________Debentures
(A. C. Allyn & Co.; Allen & Co.; Metropolitan Dallas Corp.) $3,500,000
Lewis Business Forms, Inc.____________Debentures
(Reynolds & Co., Inc. and Saunders, Stiver & Co.) $1,250,000

September 18 (Wednesday)
Computer Sciences Corp.________________Common
(White, Weld & Co., Inc.) 200,000 shares
Northern States Power Co. (Minn.)__________Bonds
(Bids 11 a.m. EDST) $15,000,000
United California Bank (Los Angeles)______Common
(Offering to stockholders—no underwriting) $25,000,000

September 19 (Thursday)
Dow Chemical Co.____________________Debentures
(Smith, Barney & Co. Inc.) $100,000,000

September 20 (Friday)
Summit National Holding Co.______________Common
(Fulton, Reid & Co., Inc.) $1,800,000

September 23 (Monday)
Heck's, Inc.__________________________Common
(Charles Plohn & Co.) $450,000
Juniper Spur Ranch, Inc.________________Common
(V. E. Anderson & Co.) $300,000
Life Insurance Co. of Florida______________Common
(Pierce, Wulbern, Murphey, Inc.) 400,000 shares
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
Trans World Life Insurance Co.____________Common
(Alex. Brown & Sons) 465,000 shares

September 24 (Tuesday)
Chesapeake & Ohio Ry.__________Equip. Trust Ctfs.
(Bids 12 noon EDST) $3,780,000
First Western Financial Corp.______________Common
(A. C. Allyn & Co.) 600,000 shares
Recording Industries Corp.________________Common
(Tennessee Securities Inc.) $1,485,000

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)
Amerline Corp.________________________Class A
(Dean Witter & Co.) 100,000 shares
Bradford Speed Packaging & Development Corp.________________________________Common
(Offering to stockholders of Atlas General Industries, Inc.—underwritten by Burnham & Co.) 819,024 shares
Bridges Investment Fund, Inc.______Capital Shares
(No underwriting) 200,000 shares
Chemair Corp.__________________________Units
(Price Investing Co.) $180,000
Denny's Restaurants, Inc._________________Common
(Dempsey-Tegeler & Co., Inc.) 167,000 shares
General Stone & Materials Corp.___________Common
(J. C. Wheat & Co.) 130,000 shares
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
Research Capital Corp.__________________Common
(Hensberry & Co.) $5,000,000

October 3 (Thursday)
Wisconsin Public Service Corp.______________Bonds
(Bids 10 a.m. CDST) $15,000,000

October 7 (Monday)
American-Israel World's Fair Corp.________Debens.
(H. S. Caplin & Co.) $500,000
National Union Insurance Co. of Washington__Com.
(Offering to stockholders-underwritten by Ferris & Co.) $768,000
Republic National Life Insur. Co.___Capital Shares
(First Boston Corp. and Sanders & Co.) 200,000 shares

October 8 (Tuesday)
Nevada Power Co.______________________Common
(White, Weld & Co., Inc.) 120,000 shares

October 10 (Thursday)
Florida Power Corp.____________________Common
(Offering to stockholders—underwritten by Kidder, Peabody & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith) 457,265 shares

October 14 (Monday)
General Artists Corp.____________________Common
(Burnham & Co.) 150,000 shares
Old Florida Rum Co.______________________Units
(Offering to stockholders—underwritten by Pierce, Wulbern, Murphey, Inc. and Consolidated Securities Corp.) 338,755 units

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 11:30 a.m. EDST) $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)
Brockton Edison Co.____________________Preferred
(Bids to be received) 60,000 shares
Brockton Edison Co.______________________Bonds
(Bids to be received) $5,000,000
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 3 (Tuesday)
Pacific Northwest Bell. Tel. Co.________Debentures
(Bids to be received) $50,000,000

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

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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 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.

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.

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.

● **Juniper Spur Ranch, Inc. (9/23-27)**
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.

● **Lewis Business Forms, Inc. (9/17)**
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 (9/23-27)
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.

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. (9/16-20)**
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.

Morton (B. C.) Realty Trust (9/23-27)
June 21, 1963 filed 1,000,000 shares of beneficial interest. **Price**—$10. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—141 Milk St., Boston. **Underwriter**—B. C. Morton Funds Underwriters Co., Inc. (same address)

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

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

National Fence Manufacturing Co., Inc. (9/16-20)
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 (10/7-11)**
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., 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

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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. **Offering**—Indefinite.

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.

Old Florida Rum Co. (10/14-18)
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.**
Aug. 19, 1963 filed 139,940 common being offered for subscription by stockholders on the basis of one new share for each 10 held of record Sept. 9. Rights will expire Sept. 25. **Price**—$16. **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.

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).

Rassco Plantations Ltd.
Aug. 27, 1963 filed 400,000 ordinary shares. **Price**—By amendment (max. $3.166). **Business** — Company cultivates, processes and markets citrus fruits in Israel. **Proceeds**—For selling stockholder. **Address**—Tel-Aviv, Israel. **Underwriter**—Rassco of Delaware, Inc., New York.

Recording Industries Corp. (9/24)
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

Republic National Life Insurance Co. (10/7-11)
Aug. 30, 1963 filed 200,000 capital shares. **Price**—By amendment (max. $80). **Business**—Writing of life, accident, medical and pension insurance. **Proceeds**—For selling stockholders. **Office**—3988 N. Central Expressway, Dallas, Texas. **Underwriters**—First Boston Corp., New York, and Sanders & Co., Dallas.

● **Research Capital Corp. (10/1-4)**
Sept. 3, 1963 filed 400,000 common. **Price**—$12.50. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—2909 Bay-to-Bay, Tampa. **Underwriter**—Hensberry & Co., St. Petersburg, Fla.

● **Resort Corp. of Missouri (9/23-27)**
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.

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

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

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

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.

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.

● **Summit National Holding Co. (9/20)**
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.

Sutro Mortgage Investment Trust
Feb. 1, 1963 filed 30,000 shares of beneficial interest. **Price**—$100. **Business** — A real estate investment trust. **Proceeds**—For investment. **Office**—4900 Wilshire Blvd., Los Angeles. **Underwriter**—None.

● **Teaching Machines, Inc.**
April 1, 1963 filed 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. **Offering**—Indefinitely postponed.

Tecumseh Investment Co., Inc.
Jan. 21, 1963 filed 48,500 common. **Price**—$100. **Business**—A holding company which plans to organize a life insurance company. **Proceeds**—For investment in U. S. Government Bonds and in new subsidiary. **Office**—801 Lafayette Life Bldg., Lafayette, Ind. **Underwriter**—Amosand Inc. (same address).

Texas Plastics, Inc.
July 27, 1962 filed 313,108 common. **Price**—$3.50. **Business**—Operation of a plant producing plastic film and packaging products. **Proceeds**—For working capital. **Address**—Elsa, Texas. **Underwriter**—To be named. **Offering**—Indefinite.

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. (9/23-27)**
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. Meyerson & Co., Inc., New York. **Offering**—Expected in November.

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).

United Variable Annuities Fund, Inc.
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo. **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo.

Universal 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.

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.

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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. **Note**—This statement is expected to be withdrawn.

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.

Wisconsin Public Service Corp. (10/3)
Aug. 27, 1963 filed $15,000,000 of first mortgage bonds due Oct. 1, 1993. **Proceeds** — To repay bank loans and either for refunding of outstanding 5¼% first mortgage bonds due Nov. 1, 1989, or for construction. **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**—Oct. 3 (10 a.m. CDST) at 231 South LaSalle St., Chicago. **Information Meeting**—Sept. 26 (10:30 a.m. CDST), same address.

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."

Aileen, Inc.
200,000 common offered at $23.375 per share by Goodbody & Co., New York.

Atlas Finance Co., Inc.
37,500 shares of 6% cumulative convertible preferred offered at $20 per share by Marshall Co., Milwaukee and McCormick & Co., Chicago.

C. I. T. Financial Corp.
$100,000,000 of 4½% debentures due Sept. 1, 1984 offered at 99.33% plus accrued interest, to yield 4.55% by Dillon, Read & Co., Inc., and Kuhn, Loeb & Co., Inc., New York.

Electronic Associates, Inc.
100,000 capital shares offered at $70.75 per share by W. C. Langley & Co., New York.

Foote, Cone & Belding, Inc.
500,000 common offered at $15.50 per share by Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Handleman Co.
330,000 common offered at $12 per share by E. F. Hutton & Co., Inc., New York and Baker, Simonds & Co., Inc., Detroit.

Hawthorn-Mellody, Inc.
497,500 common offered at $22.50 per share by Hemphill, Noyes & Co., New York.

Iowa Public Service Co.
$12,000,000 of 4⅜% first mortgage bonds due Sept. 1, 1993 offered at 98.764% and accrued interest, to yield 4.45% by Halsey, Stuart & Co. Inc., Chicago.

Nuveen Tax-Exempt Bond Fund, Series 5
$15,000,000 of units in the Fund initially offered at $107.09 per unit by John Nuveen & Co., New York, and Chicago.

Piedmont Natural Gas Co., Inc.
139,940 common being offered for subscription by stockholders at $16 per share on the basis of one new share for each 10 held of record Sept. 9. Rights will expire Sept. 25. White, Weld & Co., Inc., New York, is the principal underwriter.

Potomac Real Estate Investment Trust
400,000 shares of beneficial interest offered at $5 per share by the company, without underwriting.

Tektronix, Inc.
540,000 common offered at $19.75 per share by Lehman Brothers, New York, and associates.

Issues Filed With SEC This Week

★ **Amerline Corp. (10/1-4)**
Sept. 5, 1963 filed 100,000 class A. **Price**—By amendment (max. $26.50). **Business**—Development and manufacture of magnetic tape reels, dust-proof containers and endless magnetic tape cartridges for producers of computers, business machines, tape recorders, etc. **Proceeds**—For selling stockholders. **Office** — 2727 West Chicago Ave., Chicago. **Underwriter**—Dean Witter & Co., Chicago.

★ **Associates Life Insurance Co.**
Aug. 26, 1963 ("Reg. A") 8,300 common. **Price**—$5. **Business**—Writing of life, accident and health insurance, and the sale of annuities. **Proceeds**—For investment. **Office**—111 Monument Circle, Indianapolis. **Underwriter**—Indianapolis Bond & Share Corp., Indianapolis.

★ **B. V. D. Co., Inc.**
Sept. 5, 1963 filed 600,000 common. **Price**—By amendment (max. $22). **Business**—Manufacture of men's, boy's and women's wearing apparel. **Proceeds** — For selling stockholders. **Office**—404 Fifth Ave., New York. **Underwriter**—Drexel & Co., Philadelphia.

★ **Blandy Corp.**
Sept. 4, 1963 ("Reg. A") 240,000 class A. **Price** — $1. **Business**—Production, distribution and sale of ice cream and other dairy products. **Proceeds**—For plant, equipment, inventory and working capital. **Office**—4650 Idlewild Rd., Salt Lake City. **Underwriter**—None.

★ **Florida Power Corp. (10/10)**
Sept. 10, 1963 filed 457,265 common to be offered for subscription by common stockholders on the basis of one new share for each 20 held of record Oct. 10. **Price**—By amendment (max. $42). **Business**—Production, distribution and sale of electricity in northern and central Florida. **Proceeds** — For loan repayment, and construction. **Office**—101 Fifth St., South, St. Petersburg, Fla. **Underwriters**—Kidder, Peabody & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

★ **General Artists Corp. (10/14-18)**
Sept. 6, 1963 filed 150,000 common. **Price**—By amendment (max. $7). **Business**—Company acts as representative of actors, performers, writers, directors and producers in all areas of the entertainment industry. It also acts as sales representative for television programs and program series. **Proceeds** — For loan repayment and working capital. **Office**—640 Fifth Ave., New York. **Underwriter**—Burnham & Co., New York.

★ **Intra State Telephone Co.**
Sept. 5, 1963 filed 8,983 common to be offered for subscription by stockholders on the basis of two new shares for each five held of record Oct. 21. **Price**—$100. **Business**—Company, 36.8% owned by Illinois Bell Telephone, furnishes telephone service in Illinois. **Proceeds** — For loan repayment, and other corporate purposes. **Office**—100 North Cherry St., Galesburg, Ill. **Underwriter**—None.

★ **National Aviation Underwriters, Inc.**
Aug. 26, 1963 ("Reg. A") 24,000 common. **Price**—$12.50. **Business**—Company represents National Insurance Underwriters, a reciprocal insurance exchange. **Proceeds**—For expansion and working capital. **Office**—8030 Forsyth Blvd., Clayton, Mo. **Underwriter**—A. G. Edwards & Sons, St. Louis.

★ **Nevada Power Co. (10/8)**
Sept. 6, 1963 filed 120,000 common. **Price**—By amendment (max. $40). **Proceeds**—For construction, and loan repayment. **Address**—P. O. Box 230, Las Vegas, Nevada. **Underwriter**—White, Weld & Co., Inc., New York.

★ **Nevada Power Co. (10/16)**
Sept. 6, 1963 filed $11,000,000 of first mortgage bonds due 1993. **Price**—By amendment. **Proceeds**—For construction and loan repayment. **Address**—P. O. Box 230, Las Vegas, Nevada. **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 Inc.-Lehman Brothers-Salomon Brothers & Hutzler (jointly). **Bids**—Oct. 16 (11:30 a.m. EDST) at 20 Exchange Place (Room 1709), New York. **Information Meeting**—Oct. 4 (11 a.m. EDST) at 55 Wall St., (5th floor), New York.

★ **Northwest Hydrofoil, Inc.**
Sept. 3, 1963 ("Reg. A") 60,000 common. **Price** — $5. **Business** — Design, construction, sale and operation of hydrofoil vessels. **Proceeds**—For working capital, office expansion and other corporate purposes. **Office** — 428 White-Henry-Stuart Bldg., Seattle, Wash. **Underwriter**—Henry D. Tallmadge Co., Seattle.

★ **Unimed, Inc.**
Sept. 3, 1963 filed $300,000 of 5½% convertible subordinated notes due 1973. **Price**—At par. **Business**—Development and manufacture of ethical drugs and pharmaceuticals. **Proceeds**—For marketing of existing products, and research and development on new preparations. **Address**—Route 202, Morristown, N. J. **Underwriter**—None.

★ **Universal Power Co.**
Aug. 15, 1963 ("Reg. A") 300,000 capital shares. **Price**—$1. **Business**—Exploration and development of geothermal steam wells to be used in the generation of electricity. **Proceeds** — For equipment, drilling expenses and other corporate purposes. **Office**—500 Plumas St., Reno, Nev. **Underwriter**—None.

ATTENTION UNDERWRITERS!

Do you have an issue you're planning to register? Our Corporation News Department would like to know about it so that we can prepare an item similar to those you'll find hereunder.

Would you telephone us at REctor 2-9570 or write us at 25 Park Place, New York 7, N. Y.

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.

Brockton Edison Co. (10/29)
Sept. 3, 1963, it was reported that the company plans to sell $5,000,000 of bonds at competitive bidding. **Proceeds** — For refunding purposes. **Office** — 36 Main St., Brockton, Mass. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Kuhn, Loeb & Co.-Salomon Brothers & Hutzler-Wood, Struthers & Co. (jointly); Kidder, Peabody & Co.-White,Weld & Co.-Shields & Co. (jointly); Eastman Dillon, Union Securities & Co. **Bids**—Expected Oct. 29.

Brockton Edison Co. (10/29)
Sept. 3, 1963, it was reported that the company plans to sell 60,000 shares of preferred stock ($100 par) at competitive bidding. **Proceeds**—To refund a like amount of 5.48% and 5.6% preferred stock. **Office**—36 Main St., Brockton, Mass. **Underwriters**—(Competitive). Probable bidders: Kuhn, Loeb & Co.-Salomon Brothers & Hutzler-Wood, Struthers & Co. (jointly); Stone & Webster Securities Corp.; Kidder, Peabody & Co. **Bids**—Expected Oct. 29.

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.

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● Chesapeake & Ohio Ry. (9/24)
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. **Bids**—Sept. 24 (12 noon EDST) at above address.

● Chicago Burlington & Quincy RR.
Sept. 5, 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 in early December.

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 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.

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. **Information Meeting**—Oct. 15 (11 a.m. EDST) at One Wall St. (47th floor), New York.

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

★ Irving Air Chute Co., Inc.
Sept. 11, 1963 it was reported that the company plans to file a registration statement shortly covering $1,600,000 of convertible debentures to be offered for subscription by stockholders. **Office** — 1315 Versailles Rd., Lexington, Ky. **Underwriter**—To be named. The last offering of common stock was underwritten by Hornblower & Weeks, New York.

Japan (Government of)
May 1, 1963 it was reported that the Government plans to sell an additional $35,000,000 of external loan bonds in the U. S. during the fiscal year ending March 31, 1964. It is expected that the majority would be sold by Dec. 31, 1963. **Underwriter**—First Boston Corp., New York.

Long Island Lighting Co.
Aug. 29, 1963 the company announced plans to issue $25-to-$30,000,000 of first mortgage bonds in each of the years 1964 to 1968 inclusive, to help finance its $285,000,000 5-year construction program. **Office** — 250 Old Country Rd., Mineola, N. Y. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.-First Boston Corp. (jointly); W. C. Langley & Co.

Louisiana Power & Light Co.
Feb. 20, 1963 it was reported that this subsidiary of Middle South Utilities, Inc., may issue $25-$30,000,000 of bonds early in 1964. **Proceeds**—For construction. **Office**—142 Delaronde St., New Orleans. **Underwriters**—(Competitive.) Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.- Kidder, Peabody & Co.-Harriman Ripley & Co., Inc. (jointly); White, Weld & Co.-Blyth & Co., Inc.- Shields & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.-Glore, Forgan & Co. (jointly); Salomon Brothers & Hutzler-Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly).

Massachusetts Electric Co. (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.

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 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.

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.
Sept. 10, 1963 it was reported that the company plans to sell 30,000 shares of $100 par preferred stock, sometime in 1964. Action is subject to approval by both common and preferred stockholders. **Office**—215 So. Cascade St., Fergus Falls, Minn. **Underwriter**—To be named. The last sale of preferred on March 8, 1950 was handled by Glore, Forgan & Co., New York and Kalman & Co., Inc., St. Paul.

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 re-

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quired 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.

★ Ryder System, Inc.
Sept. 10, 1963 it was reported that the company plans to offer its stockholders later this year, the right to subscribe for about $5,400,000 of convertible subordinated debentures due 1983. **Business**—A holding company for firms in the trucking, manufacturing and equipment leasing fields. **Office** — So. Bayshore Bldg., Miami, Fla. **Underwriter**—Blyth & Co., Inc., New York.

★ San Diego Gas & Electric Co.
Sept. 10, 1963 it was reported that the company is considering the sale of about $20,000,000 of debt securities in mid-1964. **Office**—861 Sixth Ave., San Diego, Calif. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp.-Eastman Dillon, Union Securities & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Lehman Brothers-Salomon Brothers & Hutzler (jointly).

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 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.

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) (9/18)
Sept. 10, 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 shares for each 12 shares held of record Sept. 13. Rights will expire Oct. 22. **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.

Sees Foreclosures At a Normal Rate

Mortgage foreclosure levels are now at a normal level for the first time since World War II, contends Advance Mortgage Corporation president, Irving Rose.

The number of foreclosures has risen in recent years because millions of Americans now have "negative equity" in their homes, Mr. Rose pointed out. They owe more than their house is worth on the current market.

"For current conditions," he declared, "the foreclosure rate is really very low and it underlines the quality of the vast majority of mortgage borrowers."

Mr. Rose commented in his introduction to his company's current quarterly survey of *Midwest Housing Markets*, which includes a city-by-city survey of foreclosure trends.

Dissenting from those who view with alarm the recent rise in foreclosures, Mr. Rose pointed out that the foreclosure rate in the postwar decade was misleadingly low because of the inflation of property values. Families who could not meet their mortgage payments had an alternative to foreclosure. They could sell out—often at a profit—in the rising market.

Today, on the other hand, the inflation has been succeeded by a drop in property values in most regions. At the same time, mortgages with 30 year terms or longer and low or no down payments, have become increasingly popular. In many cases, house values have declined faster than their buyers could build up equity. The result: "negative equity."

This trend, Mr. Rose added, has coincided with a period of high unemployment and substantial out-migration from industrial cities. Credit standards for home-buyers have been relaxed.

"Yet even under adverse conditions," he pointed out, "very few American families have walked away from their mortgage obligations. Despite all these factors, the foreclosure indicators are still low."

The recent rise in foreclosure indicators has been most striking in Indianapolis, Milwaukee, Detroit and Cleveland. In Indianapolis and Milwaukee, the percentage of FHA foreclosures started has doubled in the last year.

Mr. Rose noted that large inventories of repossessed homes may coexist with a thriving new home market. Despite an overhang of more than 6,000 houses now owned by FHA and VA, the Detroit one-family house market is currently the second-best performer in the seven-state region Advance Mortgage surveys, touching its highest levels since 1959. Despite a big inventory of FHA repossessed apartment units, Indianapolis is setting all-time records for apartment starts.

Named Directors

MOUNTAIN VIEW, Calif.—Alfred C. West, Chicago, general partner in Glore, Forgan & Co., nationwide investment banking firm, and Joseph C. Fennelly, San Francisco, President of J. C. Fennelly Co., San Francisco, have been elected to the Board of Directors of Machtronics, Inc., it was announced by Kurt R. Machein, President and Board Chairman.

Berentson Branch

BELLINGHAM, Wash.—Duane Berentson Investments has opened a branch office at 2000 A Street under the management of William N. Alexander.

Secondary For Harsco Corp.

A secondary offering of 55,080 common shares of Harsco Corp., at $32.75 per share has been made by Shearson, Hammill & Co., New York. Proceeds from the sale will go to the selling stockholders.

Headquartered in Harrisburg, Pa., the company manufactures seamless steel products, seamless steel cylinder and pipe coupling, non-ferrous die castings, trailer tubes for transporting high pressure gases, and steel castings and trackwork for railroad and industrial use.

Form Westco Corp.

AURORA, Colo.—WESTCO Corporation is conducting a securities business from offices at 1470 Emporia Street. Julius Johnson is a Principal of the firm.

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TAX-EXEMPT BOND MARKET

Continued from page 6

syndicate headed by the *Chase Manhattan Bank*.

Inventory Picture

The Street inventory situation has apparently changed but superficially during the past week. The *Blue List* of state and municipal offerings totals $541,028,000 as of Sept. 11. A week ago the total was $535,087,000.

It seems likely that the volume of inventory will remain high for some months to come since there is good reason to believe that dealers generally have not been regularly showing all of the volume residing on their shelves.

Dollar Bonds Under Pressure

The dollar quoted revenue bond issues were rather hard hit at Wednesday's opening partly because of the announcement that there would be a free market for the approximately $58,000,000 balance of bonds in the State of California account. The bonds of this issue are now deliverable and, despite the enormous volume in account, dissolution of the agreement was voted. This action has naturally been immediately unsettling to the market.

A few of the heavier losers as against a week ago are as follows: Florida Turnpike 4¾s-109¼ bid, down 1¼; Illinois Toll Road 3¾s-91½ bid, down 1¾; Indiana Toll Road 3½s-90¾ bid, down 1¼; Maine Turnpike 4s-102½ bid, down 1 and Wanapum Dam 3.85s-101 bid, down 1. Other issues ranged from unchanged to down ½.

The Commercial and Financial Chronicle's revenue bond Index, which averages the yields available on 23 actively traded term bond revenue issues, stands at 3.53% as of Sept. 11. A week ago the average yield was 3.463%. This indicates that this phase of the market was off over one point.

Recent Awards

In the course of the last week there have been eight issues sold at competitive bidding totaling just over $135,000,000 of bonds. There was also one important issue which sold at negotiated sale. The new issues bidding level was generally unchanged from the previous week. Initial investor demand or response may be best described as mixed. Some issues were off to a good start while others have a long way to go before they may be described as successful underwritings.

On Thursday last the Town of Fairfield, Connecticut awarded $3,135,000 Sewer and School (1964-1983) bonds to the account headed by *Phelps, Fenn & Co.* at a net interest cost of 2.926%. The runner-up bid, a 2.932% net interest cost, was submitted by The First Boston Corp. syndicate. There were ten additional groups which bid for this popular issue.

Other major members of the winning account include R. W. Pressprich & Co., Industrial National Bank of Rhode Island, Providence, and Braun, Bosworth & Co.

Scaled to yield from 1.90% to 3.05% for a 3% coupon, investor demand has been good with the present balance in account totaling $500,000.

Albuquerque's Go Well

On Friday the group headed by *Stern Brothers & Co.*, Kansas City, purchased, through negotiation, an issue of $44,237,000 Albuquerque, New Mexico Refunding, general obligation (1964-1976) bonds at a net interest cost of 3.0685%. Proceeds from this issue will be used to refund 70% of the outstanding general obligation debt of the city. Thirty-nine issues were involved.

Other major members of this group include Boettcher & Co., Quinn & Co., Ranson & Co., Zahner & Co., Phelps, Fenn & Co., B. J. Van Ingen & Co., Hanifen, Imhoff & Samford, J. A. Hogle & Co., Francis I. duPont & Co. and Rauscher, Pierce & Co.

Reoffered to yield from 2.00% to 3.10% for various coupons, initial bank demand has been good with over $26,000,000 of the bonds sold.

City's Find Quick Demand

On Monday of this week there were no important sales but Tuesday was a banner day as four important loans loomed on the calendar. The group headed by the *First National City Bank* made the better of two bids for $25,550,000 New York, New York Limited Profit Housing general obligation (1964-2012) bonds. Setting a net interest cost of 3.6632%, their bid compared very favorably with the second bid, a 3.678% net interest cost, which came from the Chase Manhattan Bank account.

Associated with the First National City Bank as major members of the winning group are Bankers Trust Co., Morgan Guaranty Trust Co., Harriman Ripley & Co., Halsey, Stuart & Co., Inc., Continental Illinois National Bank and Trust Co., C. J. Devine & Co., Salomon Brothers & Hutzler, Kidder, Peabody & Co., Phelps, Fenn & Co., W. H. Morton & Co., First National Bank of Oregon, Roosevelt & Cross, Francis I. duPont & Co., Wood, Struthers & Co. and Ira Haupt & Co.

Scaled to yield from 2.00% to 3.65% for all 3.70s, bank and casualty company demand has been good with the present balance in group $4,100,000. The bonds maturing from 2000 to 2012 and totaling $11,435,000 of bonds were taken by the syndicate manager and may be purchased from the Bank away from the account.

Other Significant Sales

The syndicate headed jointly by *Lehman Brothers* and *Halsey, Stuart & Co., Inc.* was the successful bidder for $10,000,000 Houston, Texas Independent Sch. District (1966-1992) limited tax bonds at a net interest cost of 3.2161%. This bid compared favorably with the runner-up bid, a 3.217% net interest cost, which was made by The First Boston Corp. and associates.

Other members of the successful syndicate include Phelps, Fenn & Co., Chemical Bank New York Trust Co., Blair & Co., Salomon Brothers & Hutzler, Paine, Webber, Jackson & Curtis, Francis I. duPont & Co., First of Michigan Corp., R. S. Dickson & Co., Ira Haupt & Co., Dick & Merle-Smith, Adams, McEntee & Co., Federation Bank and Trust Co. and Fidelity Philadelphia Trust Co.

Reoffered to yield from 2.25% to 3.40%, the present balance in syndicate is $4,300,000.

The *First Boston Corp., Bank of America N. T. & S. A., Mellon National Bank & Trust Co.* and the *First National Bank in Dallas* were the successful bidders for $8,000,000 State of Rhode Island and Providence Plantations (1964-1993) bonds as 2½s, 3.20s and 3¼s. Reoffered to yield from 1.90% to 3.35%, the account reports an unsold balance of $4,190,000.

The group headed by the *Bank of America N. T. & S. A.* was the successful bidder for $8,250,000 South County Joint Junior College District, California (1964-1988) bonds at a net interest cost of 3.229%. The runner-up bid, a 3.2706% net interest cost, came from the account headed jointly by the First Western Bank and Trust Co. and the Security-First National Bank, both of Los Angeles.

Other major members of the winning group include Blyth & Co., C. J. Devine & Co., Eastman Dillon, Union Securities & Co., Merrill Lynch, Pierce, Fenner & Smith, Hayden, Stone & Co., Shearson, Hammill & Co. and Dean Witter & Co.

Reoffered to yield from 2.00% in 1964 to 3.40% in 1987, the unsold balance totals $4,025,000. The 1988 maturity carried a one-tenth of 1% coupon and was sold pre-sale.

Also on Tuesday, $3,415,000 Boston Metropolitan District (1964-1993) bonds were awarded to the syndicate headed by the *Philadelphia National Bank* on a net interest cost bid of 3.1842%. The second bid, a 3.191% net interest cost, was submitted by the Bankers Trust Co. and associates and there were 12 additional bids ranging in interest cost from 3.1919% to 3.22% made for this issue.

Other major members of the winning syndicate include Continental Illinois National Bank & Trust Co., John Nuveen & Co., Industrial National Bank of Rhode Island, Providence, and State Street Bank & Trust Co., Boston.

Reoffered to yield from 1.95% to 3.35% for 3.20s and 3¼s, the unsold balance is $1,255,000.

On Tuesday evening the group led by *Halsey, Stuart & Co., Inc.* submitted the best bid, a 3.1233% net interest cost, for $4,100,000 Metropolitan Government of Nashville and Davidson County, Tennessee (1965-1989) general obligation bonds. The runner-up bid, a 3.124% net interest cost, came from Equitable Securities Corp. and associates.

Other major members of the winning syndicate are R. S. Dickson & Co., Blair & Co., Dean Witter & Co., First of Michigan Corp. and Stern Brothers & Co.

Reoffered to yield from 2.00% to 3.25% for various coupons, the present balance in group totals $2,360,000.

On Wednesday the *Morgan Guaranty Trust Co. of New York* and associates submitted the best bids for two issues of Pittsburgh, Pennsylvania bonds totaling $9,680,000. For the $5,000,000 School District (1964-1988) bonds, the group bid a net interest cost of 3.08% and for the $4,680,000 various purpose (1964-1983) bonds, the group bid an annual net interest cost of 2.98%. The runner-up bid for the School District bonds, a 3.09% net interest cost, came from the Philadelphia National Bank & Trust Co. and associates and the second bid for the various purpose bonds, a 2.99% net interest cost, came from Harris Trust and Savings Bank and associates.

Other major members of the winning group include Kuhn, Loeb & Co., Hayden, Stone & Co., United California Bank, First National Bank in St. Louis and Mercantile National Bank at Dallas.

Bonds of both issues maturing 1964-1973 were sold pre-sale and the remainder of the combined offering was released at prices to yield from 2.85% in 1974 to 3.25% in 1988. As we go to press a balance of $1,578,000 remains unsold.

Memphis Secondary

The *Chemical Bank New York Trust Co.* offered, for competitive bidding on Wednesday, a total of $17,500,000 Memphis, Tennessee bonds consisting of $5,000,000 Electric Revenue bonds and $12,500,000 TVA lease rental bonds. The $5,000,000 Electric Revenues were awarded to the group headed jointly by *Lehman Bros.* and *Blyth & Co.* Upon reoffering at prices to yield from 2.65% in 1969 to 3.15% in 1981, a total of $4,805,000 has been sold. The bids for the $12,500,000 TVA lease rental bonds were rejected.

Businessman's BOOKSHELF

Advertising Today-Yesterday-Tomorrow—A lavishly illustrated omnibus of advertising, covering every phase of the advertising business; the book is intended not simply to recount what has happened and is happening in advertising, but to assist all marketing and advertising people to know why and how the advertising business has reached its present status and how it can best move forward—McGraw Hill Book Company, 330 West 42nd Street, New York, N. Y. 10036 (cloth), $12.95.

America's Great Depression—An analysis of the causes of the great American depression which began in 1929—Murray N. Rothbard—D. Van Nostrand Company, Inc., 120 Alexander Street, Princeton, N. J. (cloth), $8.95.

Bank of Canada Statistical Summary, 1962 Supplement—A volume bringing together the data for several years to the end of 1962 for the banking and financial and most of the other tables presented in the monthly issues of the Bank of Canada Statistical Summary—Research Department Bank of Canada, Ottawa, Ont., Canada, $1.

Charting Steel's Progress in $ & ¢—A graphic facts book on the iron and steel industry—American Iron & Steel Institute, 150 East 42nd Street, New York, N. Y. 10017 (paper), 50¢.

Common Stocks vs. Gold—Franz Pick—Pick Publishing Corporation, 75 West Street, New York, N. Y. 10006, $37.50.

Economic Analysis of Labor Union Power—Edward H. Chamberlin—Revised Edition—American Enterprise Institute for Public Policy Research, 1012 14th Street, N. W., Washington, D. C. 20005 (paper), $1.

Economic Role of Saving and Capital Goods—Ludwig von Mises—In the August issue of the "Freeman"—Foundation for Economic Education, Inc., Irvington-on-Hudson, N. Y. 10533, 50¢.

Encyclopedia of Tax Shelter Practices—A guide to cutting the costly impact of taxes under current Federal income tax laws; describes hundreds of tax havens in six different tax categories—Also includes description of many new plans which have been opened by recent tax regulations and court rulings — Prentice-Hall, Inc., Englewood Cliffs, N. J., $29.95.

Federal Banking Laws and Reports — A compilation of major Federal banking documents, 1780-1912 — Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402 (paper), $1.75.

Fortune's Guide to Personal Investing—By the Editors of "Fortune—A manual discussing the investment of personal funds—McGraw-Hill Book Co., Inc., 330 West 42nd Street, New York 36, N. Y. (cloth), $4.50.

J. F. K.: The Man and the Myth—A Critical Portrait—Victor Lasky—The MacMillan Company, 60 Fifth Avenue, New York, N. Y. 10011 (cloth), $7.95.

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 (paper), $2. (quantity prices on request).

New York Stock Exchange Directory: Official Membership Directory of the New York Stock Exchange, revised—Commerce Clearing House, Inc., 4025 West Peterson Avenue, Chicago, Ill. 60646 (paper), $3.

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WASHINGTON AND YOU

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

WASHINGTON, D. C.—There are a number of things taking place in our Nation's Capital that appear important, but not important enough to make the headlines or even get mentioned. Nevertheless these things are vital links in the overall picture of official Washington.

Everybody in the securities field probably knows that the Treasury bond prices took a plunge after the United States Treasury offered holders of seven securities the right to exchange them for three bonds due from 1968 to 1994.

While there is nothing official as yet, many people probably do not know that the Treasury is getting prepared to do some more refunding, probably in October.

Huge Expenditures Planned By Gas Industry

Down at the Federal Power Commission, it is understood that the natural gas industry is expecting more than 800,000 new customers this year. To provide for servicing the new customers, the natural gas industry is spending nearly $2 billion in 1963.

Underground storage facilities are being greatly expanded. Last winter was one of the roughest on record and pointed up the need for more storage for peak loads. More than $120,000,000 is being spent this year for underground storage as pipelines alone can't keep up with the peak loads.

New Toll Road Bond Issues Expected

Federal Highway Administrator Rex M. Whitton reports that nearly 15,000 miles of the 41,000-mile, multi-lined, stop-light-free interstate highways have been finished and are now open to traffic, and work is underway on another 5,300 miles.

Nevertheless, in the face of this tremendous program, more than 600 miles of toll road, bridge and bridge-tunnel projects valued at about $1 billion are either under construction or planned. There will be bond issues in connection with some of the projects.

Meanwhile, on Capitol Hill there is opposition in connection with incorporating toll roads into the Interstate Highway System. The Bureau of Public Roads turned down a request for additional Federal funds in New York for a free highway between toll roads.

Western States Showing Greatest Growth

The growth in our Western States continues at a marked pace. Records now show that more than one-third of the new houses built in the United States last year were in the fast growing West.

There were 404,100 housing starts in the West, or 36% of the Nation's total of 1,451,000. California, which claims to be the No. 1 populated state, led all states with an estimated 252,000 starts. There are unofficial predictions that California will again lead all the Nation in new starts in 1963.

And while discussing the sunset Rockies and beyond, Secretary Stewart Udall has submitted to the governors of Arizona, California, Nevada, New Mexico and Utah a proposed long-range plan for development of water resources in the Lower Colorado River Basin. Mr. Udall is also asking Congress for enabling legislation to initiate the plan next year.

The growth of the West depends on the supply of fresh water. The plan is to save every possible gallon rather than let it be wasted into the sea.

Railroad Mergers Being Studied By White House

For years there has been a great amount of published material and spoken word about the financial difficulties of some railroads and airlines. Because of the economic crisis there has been a wave of mergers and proposed consolidations. Proceedings are pending now before the Interstate Commerce Commission and elsewhere.

The death of Senator Estes Kefauver of Tennessee, an outspoken foe of railroad mergers and Chairman of the Anti-Trust Subcommittee, will not mean there will be any letup in the government interest in the series of proposed railway mergers.

President Kennedy's new appointee, E. Barrett Prettyman, Jr., Washington, D. C., special White House assistant to coordinate the government's expanding role in the transportation mergers, is making an exhaustive study of the merger proposals.

Mr. Prettyman's title is White House Representative on the new Interagency Committee of Transport mergers, a group formed largely to give the Kennedy Administration a voice in the railroad merger activities. The committee includes representatives from Interstate Commerce Commission, Commerce Department, Justice Department, Defense Department and others.

There have been numerous "solutions" suggested for the transportation difficulties. They have ranged from an expanding economy to Federal subsidies and to outright Federal ownership such as in Canada and European countries. There is no easy solution. The various proposals have their pluses and their minuses.

"Trip to the Moon"

Dr. George E. Mueller, the new chief of the moon program, is going to be watched closely by the Senate and House space committees. Much is expected of him.

Dr. Mueller's salary will be only $21,000 a year, but he is going to have much to say in the spending of from $20 billion to $40 billion it is going to take to send a team of our astronauts to the moon and back before 1970.

"Our ultimate objective can only be pre-eminence in space," said the deputy associate administrator of the National Aeronautics and Space Administration.

Trucking Capacity Studied

If the trucks on the highways look like they are carrying bigger loads than they used to carry, you are probably right. More and more states, prodded by the trucking industry and highway users in general, are passing legislation to permit bigger vehicles and bigger loads.

Maximum gross weights of motor vehicles have been increased to 73,280 pounds in 11 states since the first of this year. Five other states have raised their height limits, and length limit increases have been enacted in nine states.

Meantime, the Bureau of Public Roads will soon submit to Congress its size and weight recommendations. First, however, the recommendations must go through the proper channels of the Department of Commerce. The Bureau of Roads is a part of the Department of Commerce.

Federal law now forbids states from exceeding the current limits for Federal aid highways unless they were in effect before the highway program was passed.

As more and more trucks take to the highways, and the loads get heavier and the vehicles are made larger, no wonder there is a continuous cry that the highways we are building today will be outdated tomorrow.

[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.]

"If you want to invest in an outfit that's really booming, look this over—they supply all of Mickey Mantle's bandages!"

COMING EVENTS

IN INVESTMENT FIELD

Sept. 11-13, 1963 (Pebble Beach, Calif.)
Investment Bankers Association Board of Governors Meeting at the Del Monte Lodge.

Sept. 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. 17, 1963 (New York City)
Association of Customers' Brokers first quarterly meeting and dinner at Oscar's Delmonico.

Sept. 18-20, 1963 (New Orleans, La.)
Thirteenth Annual Tulane Tax Institute.

Sept. 20, 1963 (New York City)
New York State Bankers Association 14th annual investment seminar at the Hotel Commodore.

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. 2, 1963 (New York City)
New York Group Investment Bankers Association Annual Dinner at the Waldorf-Astoria Hotel.

Oct. 6-9, 1963 (Washington, D. C.)
American Bankers Association Annual Convention.

Oct. 17-18, 1963 (Atlanta, Ga.)
Georgia Security Dealers Association fall party—dinner at the Top of the Mart, Oct. 17; outing and dinner at the Standard Club Oct. 18.

Oct. 17-18-19, 1963 (New York City)
National Association of Investment Clubs annual Convention at the Statler Hilton Hotel.

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.

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