Canada: A Durable Haven for Long-Term Investment Issues

By Dr. Ira U. Cobleigh, Economist

A Fall review of the progress and the problems of the Canadian economy: adjustment to revised financing arrangements under which Greek National Product may expand, and investment be stimulated; plus an interesting tabulation of durable Canadian companies that have paid continuous cash dividends for as long as 135 years.

Canada, one of the great natural storehouses of mineral and agricultural resources in the entire world, has had a continuous and unusual problem to deal with. It has required and attracted vast sums of capital from abroad, and as a result has seen too much of her industry managed by non-citizens; and a major part of profits earned in Canada has been flowing, each year, to outsiders.

To cope with this situation and to stimulate a greater internal ownership and direction of the development of Canada’s massive resources, the governments of recent years have taken a number of corrective measures—the 15% tax on dividends paid outside Canada, devaluation of the Canadian dollar, higher interest rates and the giving of political and financial aid to native industrial companies, young and old. This policy of discouraging foreign, and encouraging native, investment reached its height earlier this year with certain drastic proposals (fortunately not all adopted) by the Minister of Finance in the Pearson administration.

To this potpourri of mixed economic emotions the latest ingredient added was the proposed American 15% equalization tax, designed specifically to restrict further American investment in Canada, as well as that from other foreign nations, in order to limit outflow of American dollars. Introduction of this measure brought home to both countries the vital importance of American capital contributions to Canadian growth, and the unwisdom and short-sightedness of impediments to stem this historic, natural, and vital inflow of long-term capital.

Fortunately, new Canadian issues were exempted from proposed taxation, but the whole philosophy of the regulation makes little sense. Over the long run it will reduce but little net capital outflow from the United States; it is an unneighbourly act; and it tends to limit the rate of expansion of a powerful and friendly country with an economic system similar to ours, and incidentally our best customer. In 1962, Canadians sold in the United States $53 million of outstanding securities; and bought back from American holders $555 million. The falling off of American purchases and continuance (and increase) of... (Continued on page 18)
The Security I Like Best...

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

DEAN LEBARON
Research Manager, F. S. Moseley & Co., Boston, Massachusetts

Archers Daniels Midland

Archers Daniels Midland is a company in the transportation business. After achieving peak earnings of $17-18 per share, they rely on grain storage. In the late 40s, ADM showed declining earnings until 1950 when John H. Daniels was elected President at the age of 38 and charged with responsibility for revitalizing the company and employing its substantial asset base to achieve a higher profit margin. Mr. Daniels's first act was to upgrade management by bringing in a group dedicated to a new development training method and sending himself to school. Secondly, he altered the composition of the Board of Directors from an inside group to a subsidiary composed of outsiders. Thirdly, he embarked the company on a major program to diversify and more specifically to manufacture specialty chemicals.

These programs may not, in themselves, be totally successful. However, the new vitality and professional direction being evidenced at ADM is indicative of companies we have seen immediately prior to the development of higher levels of profitability.

For the stockholder at this time, an investment in ADM affords a commitment in a rich company with earnings near 20% above the current market price of $43.00 per share. With a well-protected $2.00 dividend yielding almost 5% and with a company well advanced upon a new program dedicated to average sales and earnings per share gains of 15% per year, these factors combine to offer unusual appeal to the conservative investor, whether individual or institutional, who has the patience to await more dynamic developments while accepting average current returns.

Founded in 1923, the company enjoyed an active and prosperous growth during the housing and processing grain through the nation's heartland. ADM became a fully integrated agricultural company with a number of local grain elevators purchasing crops from smaller farmers. In collating these smaller lots ADM was performing a service for larger grain users who could order the precise blend of feed or meal grain from the company, over the years; grain storage became increasingly important as a source of profits. In 1950, ADM's vertical expansion was achieved in 1956 just prior to a 30% cut in fees paid for government grain storage.

ADM's largest division remains the agricultural group. This division, over 75% of total 1963 sales of $271.3 million, its grain merchandising business has been sharply improved by selling off smaller elevators and purchasing the Norris Grain Company, which has an extensive network of elevators along tributaries of the Mississippi and its main terminal at Dardanelle, where grain will be shipped overseas and to the East Coast.

The wheat growers surprisingly strong rejection of the wheat referendum indicates that for monopoly of the small wheat growers prefer the prospect of lower support prices on wheat rather than stifff pro-

duction controls. It is possible that on a short-term basis there will be more wheat planted and greater carryover stocks of wheat to be stored. There will also be greater diversion of wheat to feed grain and oils.

One of the more profitable grains handled by ADM is soybeans. Soybean processing has increased from $35.5 million in 1952 to $89 million in 1962 and is further likely to have reached about $100 million for the year ended June 30, 1963. Not only do we expect to see soybean products increased during this period, but ADM has increased its meal crushing facilities from 350,000 tons and is now the major supplier of soybean meal used for animal feed. In addition, ADM has been able to use diversified products and become popular constituents of margarine, deters and other household items.

The chemical group accounted for approximately 20% of 1963 sales of $271.3 million. Aftermath, its chemical products were originally derived from natural raw materials, now ADM purchases over half the raw materials used in the chemical division. The company's major chemical products are resins, plastics, industrial chemicals, plasticizers and hydrogenated oils. For the future, ADM's new R & D facility is conducting work in three main areas: (1) upgrading agricultural products; (2) investigating fire resistant properties of polyesters; and (3) engaging in oxidation chemistry.

For the year ended June 30, 1963, ADM reported net earnings of $8.35 million ($2.41 per share), on sales of $245.9 million, compared with $2.71 per share (of which 50c was capital gain) on a stock base of 544,625 shares.

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Warner's other division, lime and lime products, present accounts for approximately 25% of total sales, but maltage is expected to expand in the following year in order to meet increasing demand, stemming from the steel industry.

Continued on page 22
Higher Interest Rate Policy Would Worsen Our Problems

By George W. Mitchell, * Member, Board of Governors of the Federal Reserve System, Washington, D.C.

Governor Mitchell warns colleagues that deleterious consequences would befall the economy if continuing unimproved payments-balances is treated by a further rise in short-term interest rates and a hike in the long-term rates - as long as we are affected by underutilized resources. He advocates, instead, substantial tax cut and leaves no doubt he favors monetary expansion in push-pushing claims made about monetary policy and is in a hurry to avoid long-term rates are high by historical standards. Moreover, he favors measured tying capital exports to trade exports. The only Kennedy-appointed Board member optimistic predicts further GNP rise for last half of this year bringing 1963's average GNP to $382 billion but he stresses warns that the outlook for 1964 decisively depends on fiscal and monetary policy moves.

The forecast session of the American Statistical Association is a long standing tradition which I suspect is modeled for the technological casuistry list, for there is no pretense about business fluctuations, with which this session is concerned, that is inevitable. The source of over-expansion and over-consumption in the economy is the lack of facts and understanding on the part of businessmen, consumers, and public policy makers.

Not all ignorance and uncertainty can be removed from our activities, the economist, the statistician, and even the public. Nevertheless, and it only goes to show that the econometrician will soon get the "preliminary methodology in problems" settling and begin estimating real rather than imaginary structural equations, future outcome looks for this Association will then be, however, the economists and remarks will be, institutionalist in character with the traditional seasoning of common sense, judgment, and analysis.

Features of Recent Developments

Let me start by briefly reviewing some of the important features of our present economic situation.

Today many commentators on economic trends are pointing with considerable satisfaction to the present cyclical expansion. They can note that in the third quarter of this year, real GNP is some 11% above the cyclical high of the spring of 1960. This is an annual rate of increase of more than 3%. It is a better performance than in either 1957-60, or the four years from 1933-1937 when the annual rate of increase averaged less than 3%. Industrial production has risen over 4% a year since the spring of 1960, also a much better record than at any time since the Keynesian recovery of 1934.

These historical cyclical comparisons are impressive and in some degree properly so. However, the technique of comparison is suspect and results of so much manipulation that I question whether it should be used at all.

If, for example, the results are not properly impressive on a peak to peak basis, one can try to bring to trough—point of inflection to point of inflection—trough to peak—or peak to trough. If these don't work one can refer to the total expansion in a cycle or rather to the average monthly expansion if necessary on an annual rate basis. The possibilities are such that almost any cycle can be made to look impressively good or bad. This is especially true for a cycle which has not yet reached a peak or trough. I would not go so far as to say that historical cycle should be shunned, but they should be viewed with considerable skepticism as they are more likely to be superseded by significant for understanding policy implications. If one wants to gauge performance of the economy—its action relative to the previous point is a better standard. And by this criterion the present output record is lackluster.

Resource—Underutilization in the postwar period prior to 1958, under-utilization of resources, whether manpower or industrial capacity, was no more than a short-run cyclical problem.

Since 1957, however, underutilization of resources has persisted throughout periods of cyclical expansions. Insofar as manpower utilization is concerned, there is little—or no—sign of improvement. A 5% to 7% unemployment rate overall has meant an 11% rate for non-whites and also an 11% rate for the 14 to 24 age bracket.

For next year, the projected

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CANADIAN INVESTMENT OPPORTUNITIES

Article starting on the cover page, "Canada: A Durable Haven for Long-Term Investment Issues," discusses the favorable opportunities inherent in Canadian securities and, by way of documenting the views presented, includes a tabulation of the Canadian banks and companies which have paid conservative cash dividends from 1945 to 1955 years (Table I, page 13 and 14 to 19 years (Table II, page 24) along with other data of interest to investors.

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What Seasoned Investors Know About Market's Trend

By Roger W. Babson

No matter how sure one may be about future trends and of what the factors are that seem to shape those trends, Mr. Babson says that seasoned investors are always astounded by the unexpected which is not the expected which changes a given situation completely. To prove his point, he capsulates "the balls out of the blue" which show up not as intended by the great majority of investors.

Investors are always studying with the greatest care those economic factors that seem to shape the trend of the market. The trend is all very well, but now and then I like to point out to my readers that unexpected events may have the most powerful influence. The way our stock market system is set up in our democratic society permits the wildest ups and downs of unforeseeable events. Just imagine how a hot bolt out of the blue would affect the market.

Lessons of History

I can always learn a great deal simply by reviewing the effects of unexpected events on business and the stock market over the past one hundred years. Starting at the time of the Civil War, business was relatively stable and sound. But the financial war was a healthy way following the end of the war. Then came President Lincoln's Emancipation Proclamation, the most unexpected events in our history—and stocks tumbled sharply as if it had been the end of a war. Afterward, the market was on the upswing, and the corner on the gold market brought a sudden plunge known to financial people as Black Friday.

Stocks made a good comeback and investors were feeling generally optimistic about the future when two apparently non-economic events in 1893, the Treasure of the U.S. in Philadelphia, and the shooting of President Garfield on July 2, 1881, brought the panic to a close. But it was not the end of the public's optimism, but just the beginning of a new stage in the market. The panic and depression of the 1890's, starting in 1892, ended a business boom and the market did not recover until 1902. But the story of the new stage is one of temporary interruptions. The reason I give readers an analysis of the market is because a review of this sort is so they will never forget that, no matter how confident one may feel about future trends, an unexpected event can throw the market off course completely out of whack. Seasoned investors keep this fact in mind at all times.

A.C. Wood Merging With Elkins Morris

HILADELPHIA, Pa.—Effective Oct. 14, the investment business of A.C. Wood, Jr. & Co. will be merged with Elkins, Morris, Stokes & Co. Land Title Building, members of the New York Stock Exchange and other leading exchanges. Carl J. Wolters and Holstein & Co. will combine their business with A.C. Wood, Jr. & Co. and will retire at the time of the merger.

Join Slon Sloan

PORTLAND, Ore.—Charles F. Leon has joined the staff of Donald C. Sloan & Co. at 530 Southwest Sixth Avenue.

With Téséal, Patruck

CINCINNATI, Ohio—Murray F. Gorman is now with Téséal, Patruck & Co., 49 East Fourth St. He was formerly with Bache & Company.

McDonald Adds to Staff

FINDLAY, Ohio—Joe C. Fassett has been added to the staff of McDonald & Company, Hancock Savings & Loan Building.

The Commercial and Financial Chronicle Thursday, September 26, 1963

OBSERVATIONS

BY A. WILFRED MAY

THE COLD WAR'S THERMOMETER

UNITED NATIONS, N.Y.—The U.N.'s newly opened General Assembly session will be extremely important in the near future, because of the Cold War, in revealing not only whether the United States has made any progress in solving the problem of disarmament, but also whether the display of better Washington-Chinese feeling has any permanence.

It must be realized that this will be the first meeting of the United Nations since the Second World War Two of cooperative effort to bring about peaceful coexistence between the superpowers. The tension occurring immediately after the war's end, and the second in the year after Stalin's death, does the current "good will" period represent the end of the Cold War, or is it just another zig-zag step in the long-term Cold War situation?

Also indicated will be how far the China-Soviet rift will serve to push the Kremlin to the West (Moscow is apparently deferent to Albania for agitating for the admission of Red China to the U.N.).

On the other hand, there is the possibility of Moscow-China differences, which may be translated to a new dimension in the attitude against the West in order to rebuild Peking's charges of self-sufficiency and isolation beyond all hope of change. The Kremlin's current complexity is increased to the end of the Cold War, and to the possible fulfillment of the current rift along the line of South Africa and to South America to drop her apartheid policy at once. Will the uneasy neutral coalition in Laos be permitted to continue?

The U.S. is opposed to peace talks, in principle, but not to the development of a new breed of arms, particularly without adequate inspection provisions. The renewal of the stalled cold-war warfare here would center on proposing the banning of nuclear weapons, without adequate inspection; and on outlawing nuclear weapons entirely.

De-Colonialization Still A Trouble

De-colonization constitutes another area where the U.S.S.R. can cash in on the rights of a large number of small nations. The Security Council during the past few months has already ordered Portugal to immediately quit its African territories; on the spot, the Security Council passed resolutions ordering an embargo on arms for Portugal if they are to be used colonially. Troubled spots consist of the area to give support to the liberation of the African territories; and to South Africa to drop her apartheid policy at once.

The Financial Winds

Still up for disposition is the Kremlin's policy in refusing to contribute her share of the U.N.'s expenses in the Congo area and opposing the financing in a financial agency. According to the Charter's rules, the Soviet Union is against the sanction of losing its Assembly vote until 1964. Meanwhile, her continued non-voting may really bankrupt the Organization—with the technicalities of refusing to do anything at all. In any event, will the Kremlin go along with the pending proposal, endorsed by Secretary General U Thant as well as the U.S. for a six-month extension after this year-end of the Congo force?

The Kremlin's behavior in these areas will register the temperature of the Cold War.

QUOTE OF THE QUARTER

From an article, REFORMING THE WORLD SYS TEM: "THE PROBLEMS OF THE SOVIET UNION," by the ROBERT V. ROOSA, Under Secretary of the Treasury for Mone tary Affairs, "The October Crisis of FOREIGN AFFAIRS" (the quer¬ ury published under the aegis of the Council on Foreign Relations):

"The Brentwood system is normally made obsolete in the second decade, a decade of remarkable technical advances. In recent years, it has shown an impressive capacity to evolve and develop in response to rapid changing needs. And the European industrial nations have now reached their eventual centennial of convertibility. It is therefore a matter of single prudence to take stock—to make a systematic and searching appraisal of the international monetary system—

asking whether a continuation of present evolutionary changes, or more sweeping reforms, will be needed for the probable dimensions of future requirements. This is a matter not for the United States alone, but for review by a number of concerned countries, and through the various international financial organizations in which they are members.

Such an examination should lead to an evaluation of a wide variety of factors and suggestions, from a truly international point of view. The issue in such an examination is whether the present mixture of gold, dollars, and freely floating currencies that can in the future provide the ample supply of reserves and credit that a healthy growing world economy should have, or whether major changes are going to be needed. The issue is also whether—if any particular changes should be considered necessary—that this change will be able to support added growth that is real, without contributing to monetary excesses and economic instability. The resolution of such a set of issues does not rest on the more willingness of governments to vote yes or no on whether more international liquidity would be desirable. The primary task must be one of scrupulous and painstaking investigation among governments, looking toward a definitive appraisal by the international financial community of how this can be achieved in a clear, reliable and workable manner."

MORE ON THE GREAT BREAK-THROUGH

We quote the following from a current market letter by one of the most widely followed technical trend analysts, P.S. to the examples of the stock averages, break-through-the-old-high i.e., in our case, "The Cheaper," in this space on Sept. 12.

"MARKET CHECKS ITS COMPASS"

"Having successfully surmount ed its rip,2" according to its old 1961 high, the industrial section moved out into open sea."

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Lawrence Butler Lives (Lee) Pellison

New York City, national advertising and promotions agency, has been announced.

Mr. Butner, who joined AF-GL in June, is Manager of the company's advertising and promotions department in New York, while Mr. Pellison, who has been with AF-GL since August, 1953, is Research Director.
Exchange Firms Receive Slate

SALT LAKE CITY, Utah — James Crane Kellogg, III, Partner, Spear, Leeds & Kellogg, New York, has been nominated for President of the Association of Stock Exchange Firms, the 600-member trade association for members of the New York Stock Exchange, according to an announcement by Bayard Dominick, current Asso- ciation President and Partner of Dresdner, Kleinwort, New York. Named with Mr. Kellogg as nominees for elective offices were:

Vice-Presidents—William D. Kerr, Wertheim & Co., New York; Richard W. Simmons, Blunt Ellis & Simmons, Chicago.


To Be V-Ps. of Mitchum, Jones

LOS ANGELES, Calif.—Effective Oct. 3, John H. Grobaty, Jr., William R. Pottinger III, Sheldon J. Nankin, and Robert A. Wilson, will become Vice-Presidents of Mitchum, Jones & Templeton, Inc., incorporated, 650 South Spring St., members of the New York and Pacific Coast Stock Exchanges.

Now Atlantic Inv. Secs.

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

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An announcing the listing of . . .

the common stock of WAKEFIELD CORPORATION on the American Stock Exchange. Trading will commence on September 26, 1963. The symbol assigned to the stock is WAK.

Wakefield Corporation subsidiaries and divisions manufac- ture a broad array of industrial and commercial products including grinding wheels, incandescent and fluorescent lighting tubes, and specialized electric heating equipment. Art Metal Lighting also serves as a marketing outlet for Fostoria-Wakefield lighting and heating products. Annual Report for 1962 available on request.

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ABRASIVE PRODUCTS GROUP: PENDLETON GREENING WHEEL DIV., Detroit, Michigan; PENDLETON GREENING WHEEL CORP., Detroit, Michigan; STEELING GREENING WHEEL CO., Tiffin, Ohio; PENNSYLVANIA-STEELING RESEARCH LABORATORY, Tiffin, Ohio; ELECTRICAL PRODUCTS GROUP: WAKEFIELD LUMINOUS DIV., Venetian, Ohio; ART METAL LIGHTING DIV., Cleveland, Ohio; WAKEFIELD LIGHTING LTD., London, Ontario; STA-WARM ELECTRIC CO., Barrie, Ontario.

Long-Term Labor Pacts

Mean Leap-Frogging Wages

By Paul Einzig

Concerned about the potential harm apt to arise from today's trend of extending labor contracts of longer duration with provi- sion for annual, automatic wage increases, Dr. Einzig reports labor and employers generally are expressing a fear that in the course of the basic working week means a disguised wage increase in addition to any actual increase permitted in the national agreement.

LONDON, Eng.—The practice of granting wage increases spread over several years in an increasing number of work- ers is becoming accepted in Britain. Quite recently the workers of the building industry received a substantial increase, to be applied gradually in three annual instal- ments. The white-collar em- ployees of Local Government authorities have followed suit, and agreements signed on similar terms. Many employers are tempted to follow these ex- amples, and so eliminate the basic short-term, but uncertain and uncertain in annual wage dispute. Circum- stances in the building industry are, however, in which that advantage is likely to have cost too heavy a price.

Three years are a long period, and many things might happen. Even if the employers may feel at the time of signing the three-year agreement that they would be able to afford the successive in- creases, business conditions might well change against them. The general situation, or the condi- tions in the building industry, or even those in their own in- dustry, might change. Such a contract is considerably in lesser than three years. Nevertheless, even if the terms of the agreement under which, in addition to the initial increase, they have undertaken to give another increase in the following year and yet another in the third year, might be regarded as a basis for the wage increases.

Rising Wages Viewed as a Birthright by Labor

From a broader point of view, such agreements confirm and encourage the all-tim prevalent con- ception that it is the birthright of workers to get a wage increase year after year, irrespective of whether their employers are doing well or badly, irrespective of whether their industry is booming or declining, irrespective of what the market output and the national productivity are rising or declining, irrespective of whether the price of living is rising or falling. This system encourages the demoralizing attitude by which workers feel that they have only rights and no duties towards the community, and that when they are entitled to secure their full share of any progress, they are entitled to claim it immediately from the consequences of setbacks.

Moreover, it is a mistake to imagine that the stipulations of long- term agreements. Employers secure for themselves industrial peace for the duration of the agreement. National wage agreements are only concerned with minimum wages. In between two agree- ments there is usually a "wage drift" due to working under pressure by their workers, are very often forced to concede wages above the minimum. They may themselves take the initiative for offering such wages, or at any rate, they may be too busy to find more than the minimum. They may therefore find themselves unable to introduce better working conditions, or to improve output.

Announcing the listing of . . .

the common stock of WAKEFIELD CORPORATION on the American Stock Exchange. Trading will commence on September 26, 1963. The symbol assigned to the stock is WAK.

Wakefield Corporation subsidiaries and divisions manufac- ture a broad array of industrial and commercial products including grinding wheels, incandescent and fluorescent lighting tubes, and specialized electric heating equipment. Art Metal Lighting also serves as a marketing outlet for Fostoria-Wakefield lighting and heating products. Annual Report for 1962 available on request.

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B-10 is a leading manufacturer of surgical instru- mental and medical supplies. Founded in 1897, this company, operating 15 distribution facilities in seven foreign countries and the United States. Annual sales volume has been increased from the $17.3 million level at the end of World War II more than seven times, to over $53 million, in the fiscal year ended September 30, 1962.

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NOW BECKET, DICKINSON AND COMPANY LISTED ON THE NEW YORK STOCK EXCHANGE...
Tax-Exempt Bond Market

BY DONALD D. MACKAY

With more important market factors at work, the bond market is about to experience a new bull run. The Treasury's underwriting and the higher return on municipal bond issues are two factors that will cause the market to strengthen in the near future. The economic recovery of the country will also have a positive effect on the bond market.

Right Pricing Pays Off

In a brilliantly written article in the Wall Street Journal, the author argues that the bond market is currently undervalued. He points out that the bond market is still offering attractive yields, even after the recent rise in interest rates. The author believes that the bond market will continue to be a good investment for those looking for a secure and reliable source of income.

On Target!

This is a great article about the current state of the bond market. The author provides some useful insights into the market, including the factors that are driving it. He also offers some practical advice for investors who are looking to make the most of their investments.

Yield Index Steady

The Commercial and Financial Chronicle’s municipal bond yield surveys are an excellent source of information for those interested in the bond market. The surveys provide a snapshot of the market at a given point in time, and they are useful for identifying trends and making investment decisions.

Larger Issues Scheduled for Sale

In the next few months, there are several large bond issues scheduled for sale. This is a good opportunity for investors to get in on the ground floor of some of the biggest deals. The issues range from infrastructure projects to corporate financing, and they are expected to attract a lot of interest from investors.

September 26 (Thursday)

Anoka-Hennepin Sch. Dist., Minn. $1,000,000 1966-1985 8:00 a.m.

Buena Vista, S.D. No. 9, Mich. $1,500,000 1965-1985 8:30 p.m.

Galveston, Texas $1,800,000 1965-1985 2:30 p.m.

Southeastern State College, Ala. $3,500,000 1965-2002 11:00 a.m.

Wolfeboro, Etc., Govt. Wentworth Reg. Sch. Dist., N. H. $2,525,000 1963-1981 1:00 p.m.

September 30 (Monday)

Hopkins Indep. S.D. No. 294, Minn. $1,300,000 1965-1978 2:00 p.m.

Salina, Kansas $1,027,044 1965-1944 4:00 p.m.

Van Buren Sch. Dist., Mich. $2,000,000 1963-1963 1:00 p.m.

October 1 (Tuesday)

Baltimore, Md. $1,000,000 1964-1977 11:00 a.m.

Grosse Ile Tr. S. D., Mich. $2,570,000 1965-1978 11:00 a.m.

Huntington Beach Union HSD, Cal. $1,700,000 1964-1977 11:00 a.m.

Los Angeles Unified Sd. Calif. $2,000,000 1964-1988 9:00 a.m.

Milwaukee County, Wis. $7,250,000 1965-1978 11:00 a.m.

Worcester, Mass. $8,455,000 1964-1972 1:00 p.m.

October 2 (Wednesday)

Ann Arbor Sch. Dist., Mich. $3,750,000 1966-1986 3:30 p.m.

Detroit, Mich. $2,000,000 1965-1988 2:30 p.m.

Hydro-Elec. Rev. Bonds, Wash. $184,000 1964-1970 2:30 p.m.


October 3 (Thursday)

Irving, Texas $2,000,000 1964-1984 2:30 p.m.

Minneapolis, Minn. $1,950,000 1964-1974 2:30 p.m.

Westchester County, N. Y. $5,670,000 1964-1963 11:00 a.m.

October 7 (Monday)

Albequerque, La. $2,364,000 1966-1978 7:00 p.m.

Atlanta, Ga. $3,000,000 1966-1972 11:00 a.m.

Lewispot, Ky. $50,000,000 1967-1988 11:00 a.m.

North Las Vegas, Nev. $2,947,000 1964-1970 2:30 p.m.

Riverside Jr. College, Calif. $2,000,000 1964-1988 11:00 a.m.

October 8 (Tuesday)

Lapeer School District, Mich. $1,600,000 1960-1980 8:00 p.m.

Massachusetts (State of). $39,610,000 1968-2001 Noon

Michigan State Board of Education $6,050,000 1965-1984 2:30 p.m.

New Hartford, Kirkland, Elc. Cent. Sch. Dist. No. 1, N. Y. $1,500,000 1965-1986 3:30 p.m.

New York State Bridge Authority (Poughkeepsie), N. Y. $3,500,000 1968-1988 2:30 p.m.

October 16 (Wednesday)

Buffalo, N. Y. $12,000,000 1964-1983 11:00 a.m.

Butler Sch. Dist., N. J. $1,500,000 1964-1984 2:00 p.m.

Elmira City Sch. Dist. N. Y. $2,000,000 1965-1989 9:30 a.m.

Stillwater Indep. S. D. #634, Minn. $3,600,000 1964-1992 2:00 p.m.

Owosso, Mich. $2,500,000 1965-1989 11:00 a.m.

October 17 (Thursday)

Austin, Texas $14,000,000 1964-1988 4:30 p.m.

October 22 (Tuesday)

Huntington Beach S.D., Calif. $1,000,000 1964-1981 2:00 p.m.

Oakland Technical High School, Calif. $1,400,000 1964-1982 1:00 p.m.

Port District No. 400, Wash. $1,000,000 1965-1983 11:00 a.m.

Rayne, La. $1,095,000 1964-1988 11:00 a.m.
Lasers: Controlled Light Waves of the Future

By Dr. Ira U. Cobleigh, Economist

A consideration of the growing importance of laser technology in the fields of medicine, metal working, electric transmission, communication, weaponry and the opportunities for investment in companies pioneering in lasers.

The laser (pronounced like razor) gets its name from the first five letters of what it does: Light Amplification by Stimulated Emission of Radiation. The laser appears to be no ordinary light beam; it’s packed with electromagnetic radiation; its short waves match in unison like a drill team; and it is disciplined. The laser light will only flow, for example, from a flashlight in a dark room will spread out (radiate) in all directions. A laser beam, however, is a single thin beam of light that will travel, with very slight diffusions, in a microscopic straight line at the fantastic speed of 186,000 miles per second. To illustrate, a laser beam, launched from Lexington, Massachusetts, in May 1962, traveled to the moon in 1.3 seconds and the beam, a tiny light line of energy, diffused to become a spotlight on the moon, 2 miles in diameter, after traversing 509,000 miles of space.

The notable points to remember about lasers are (1) the accuracy (2) the speed with which they can be aimed at a target nearby or thousands of miles away (3) their potential for emitting electromagnetic radiation (4) their heat and intense light.

How It Works

The laser beam is created by a process much like atomic fission, within a cylinder or cylinder-like structure only a few inches long. Atoms which may be of chromium (or of several other metals in all directions) given instant bombardment by a powerful light; the component electrons within become excited and bounce back and forth between two mirrors, in the process of repeating the pulse moments of times. Finally, they emit photons of reddish hued light, which compose part of a single intense and coherent ray, is released from one end of the rod and travels in a straight line at its fantastic native speed to any target point. An alternative method of laser radiation, instead of using a rod, employs a tube filled with the ray, which (helium or krypton). A light source animates the electrons within the tube itself, too, to maintain the desired coherence and intensity for release.

New Technology

The laser is less than 4 years old. It was first demonstrated in 1960 by Dr. T. H. Maiman at the Hughes Aircraft Co. of Dahlgren, Virginia, a physics professor at Columbia at the time, and now Provost at M.I.T. He was generally credited with origination of the laser as an outgrowth of a closely related microwave phenomenon called a maser. In the past three years over 2,000 scientists in some 500 corporate and university laboratories have been feverishly at work refining and developing lasers, increasing their intensity and the power units (called joules) they can pack. There are a few who believe the laser as the most significant scientific breakthrough since the invention of the cathode ray tube and believe it paves the way for revolutionary new technologies in a dozen major fields.

Laser Potentials

The possible applications of the laser are almost limitless. Lasers are expected to create a whole new series of lethal weapons: hand-held or mounted ones to blind, blind, and immobilize an entire force of enemy personnel and missile-based missiles that might, with unheard of accuracy and speed, destroy or deflect incoming ICBMs. Right now our only missile defense is the Nike-Zeus system on which we have already spent $1 billion (with very few “hits”). This system requires that we hit possibly 90 miles out in space, an enemy missile going 17,500 mph, with one of our own traveling at similar speed. Think of the accuracy in interception we might achieve if our defense weapon had the fabulous superiority of laser speed (186,000 miles per second).

Laser beams may also be channeled to transmit power without wire, and to carry telephone messages, 10,000 at a time on a single beam. In medicine, lasers have already performed miracles in knifeless surgery in most delicate eye-retina operations. Lasers may become a new instrument in the arts, and revolutionize the cutting and welding of metals. In weather control, lasers may help start meteorological advances already underway through use of laser beams to influence.

Agencies at Work

University scientists are researching on many campuses but probably the most intense effort (and the most money) is being spent in corporate laboratories. Inventors seeking representation in this new technology will get it mainly through divisional efforts in optics and electronics of some of the larger well known corporations. The Bell Laboratories of AT&T have dozens of laser projects underway; General Telephone and RCA are working on high-speed methods to use both in communication, and in celestial target. International Business Machines and American Optical are deep in solid state lasers. General Electric Co. was the first to burn a hole through a diamond in two hundred millionths of a second with a laser; and Westinghouse is active in this area. The X. I. T. Raytheon Corp. team first burned a laser off the moon. Technology is the world’s major study of future laser growth. Lear Siegler, Inc. has a division for R & D and manufacture lasers; and Perkins-Elmer Corp. has relatively low cost models available for delivery to schools and laboratories.

Newer Companies

There is a strong possibility that, as electronics enter, major advances in lasers may be made by smaller young companies. With the new technology comes a new breed of enlightened, home-gifted and dedicated scientists. At Tyco Laboratories, Inc. in Walpole, Mass., under the guidance of Dr. A. I. Mlavsky, a new low cost, higher powered laser was recently made of silicon carbide. Dr. War-}

NISTA NOTES

INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA

At the annual meeting of the Investment Traders Association of Philadelphia the following officers were elected for one year terms:

President—William R. Radetzky, New York Hanseatic Corp.;
First Vice-President—Herbert E. Beattle, Jr., Troxter, Singer & Company;
Also, Spencer L. Corson of Elkins, Morris, Stokes & Co., was elected for a three year term as Trustee of the Gratitude Fund.

D. J. Singer Co. To Admit Weiss

D.J. Singer & Company, 50 Broad Street, New York City, members of the New York Stock Exchange, on Oct. 3, will admit Samuel Weiss to partnership.

Now With S. L. Sutton

DENVER, Colo.—Raymond L. Clellen has become associated with S. L. Sutton & Co., First National Bank Building. He was formerly with Peters, Writer & Christensen, Inc.

NEW ISSUE

September 25, 1963

$100,000,000

The Dow Chemical Company

Twenty-Five Year 4.35% Debentures

Dated September 15, 1963
Due September 15, 1988

Price 100% and accrued interest

This announcement constitutes neither an offer to sell nor a solicitation of an offer to buy these securities. The offering is made only by the Prospectus, copies of which may be obtained in any state from each of the undersigned at lawful offer prices in such state.

Smith, Barney & Co., Incorporated
Harriman Ripleys & Co. Kidder, Peabody & Co. Lazard Frères & Co., Incorporated
Carl M. Loeb, Rhoades & Co. Merrill Lynch, Pierce, Fenner & Smith Incorporated

Volume 198 Number 6202... The Commercial and Financial Chronicle
Factors to Watch for When Extending Credit

By Gordon C. Fletcher, President, National Accounts System, Inc., Chicago, III.

Is judging how much consumer credit should be extended, the traditional three "C's" still are the credit grantor's basic standard. They have been updated and developed into new and vastly improved tools for the wholesale granting of consumer credits.

The credit granting process is widely, and correctly, thought to be a risky thing. The result of a judge's decision on the three C's can spell financial ruin or salvation for the consumer. And both can not be minimized at the same time.

If credit is granted, it is the risk that the consumer may default or fail to repay the amount borrowed. On the other hand, there is the risk that one who turns down credit to a consumer who is turning down a customer who would pay. The choice, therefore, is between losing credit or losing the consumer's business and an irreplaceable loss of all or part of the money spent to make the credit extension.

When the risk of loss of profit is decreased by adopting an easy credit policy, the risk of turning down profitable credit will be extended to those who won't be paid. The result is an increase in the cost of credit.

It is of critical importance that this dilemma be resolved. The cost of credit is increased, and the result is an increase in the cost of doing business. The cost of doing business is increased, and the result is an increase in the cost of living.

The $5 Billion Increase Since 1929

Credit granting is a risky business. Flat is also big business. The amount of consumer credit outstanding has grown from $7 billion in 1929 to more than $50 billion today. Each month overdues accounts having a face value of more than $5 million are turned over to collection agencies in the United States. No is there any sign that the credit boom is slowing down. Major oil companies, for example, are handling out credit accounts at the rate of 30,000 per day.

Thus, businessmen today are competing not only for the customer's dollar but also, more often than not, for the consumer's business. Banks and other financial institutions are now deeply involved in installment lending. The situation, in short, has reached what many regard as a dangerous proportions, both for the credit grantors and for the consumers.

The situation that too much credit has been granted to U.S. consumers is not entirely without merit; nevertheless it is a proposition which finds favor only among minorities. The present trend, therefore, is likely to continue. The question then arises, how can credit grantees who find themselves unable to resolve their problems simply by indiscriminately denying credit can still reduce the risk of non-payment.

The Inescapable Three C's

One thing above all makes a credit grantor's position tenable; most debtors, the overwhelming majority in fact, do pay their debts. Usually they pay on time, approximately. Separating those who don't follow the rules from those who do, however, is a difficult task. But how many debtors really failed is the critical question.

The major factor that makes extending credit to debtors so difficult is the way they pay their debts. When the time comes to pay off their debts, they do not pay off all debts at one time. They pay off debts that they think are due and that they feel are due. They pay off debts that are due to them and that they feel are due. They pay off debts that they think are due and that they feel are due.

The only way to prevent a credit grantor from being swindled is to look carefully at the three C's. The purpose of this article is to look carefully at the three C's.

The Character-Capacity-Credit test has been extended to the study of accounting, as statistical and psychological research data and findings have been used to evaluate the test. Indeed, the test is still the criterion of the credit grantor's basic standard.

Furthermore, it is the potential debtor's behavior in handling his past responsibilities that largely makes the decision of the potential debtor. The importance of gathering the knowledge of information to make the judgments of the credit grantor's basis is obvious.

The old look-in-the-eye-to-see-whether-he's-honest approach, as stated, is not scientific, and recently, has been used to make the case for extending credit.

Not all results of the test have been proved wrong, however. People's place of residence is sometimes thought to be the key. The amount of the delinquency, file were those of people who lived in one square mile of the city. The heaviest incidence of nonpayments in areas of the greatest social unrest.

Drunk Drivers and Delinquent Creditors

Dr. Karl Menninger has pointed out that no offense is committed in isolation. Nonpayment of debts is a social transgression of one's own and it has been shown to have a high correlation with the incidence of other forms of social misbehavior. For example, in one suburb located in a major metropolitan area, 60% of those who were arrested for drunk driving were in one square mile of the city. When a man has been turned over to a local collection agency, it has been found that there is a higher incidence of nonpayment among divorced persons than among single persons. Married men are also better risks than single persons, especially young married men, who are more likely to pay than young single persons. Married men also do not get the same amount of money that single persons do. Married men tend to use less money. Married men tend to use less money. Married men tend to use less money.

When a large number of people carry life insurance, one factor is used in determining how his handling his responsibilities. Aside from a failure to plan for the future, failure to pay off debts may indicate that the debtor is in poor health. A debtor's paying habits are probably the best indicators of his intention to pay in the future. For this reason, credit references should always be sought.

Unfortunately, for the credit grantor at least, many debtors are not to say anything really detrimental about a person where they know it will actually harm. Many a credit grantor has realized too late that a credit reference was not a good one, after all. Follow up the negative inference. If a credit reference does not tell you much good about a debtor, chances are that what he knows, and won't tell, is detrimental. If he won't talk, try to get him to tell you who will.

For non-private debtors, a look at the balance sheet is important. So is the reputation of the company's auditing firm. One whose business dealings are conducted with reputable concerns is naturally a better risk than one with business improprieties.

Employment History Helps

The occupation of a potential debtor does hold part of the key to the problem of determining whether he's a good risk. A recent study conducted by the University of Michigan in cooperation with the Associated Credit Bureau of America has brought out some interesting statistics in this regard.

On the basis of 104 reports from credit bureaus which studied the credit records of more than 100,000 men, an appraisal was made of the credit rating of people according to occupations. Business executives were rated number one as good credit risks. They were closely followed by accountants and auditors; retail and chain store managers; physicians; surgeons and dentists; and engineers.

Drivers and judges (perennially contentious fellows) were rated 22nd, right above travelling salesmen. spheres, asthmatics, painters (?), and farm laborers rounded out the 42 category list. The employment history gives not only an indication of past activities, but also some indication of expected earnings. An important factor, since most credit seekers are planning to pay the debt out of future earning. Thus, a realistic appraisal of the potential debtor's ability to produce funds is needed.

Current capital is a somewhat less significant factor in evaluating the credit applications of most persons, but it should always be considered. It is assumed that the extreme imbalance between debts and assets would be created if the credit is granted. A corporate debtor's capital structure is always significant, of course.

Evaluating the Risks

After all the facts relating to the three C's are gathered, they have to be evaluated. That's obvious. But apparently not so obvious, to judge from business practices, is the manner in which the risks are to be evaluated.

Loss ratios, for example, are widely relied upon in support of various credit policies. Yet, losses, since they are expressed as a percentage of total credit extended or in dollars, do not tell the whole story. They do not reflect, for example, the over-all impact of the credit policy on total profitability. They can not, since they are relevant solely in the line of business.

As a result, there are many different credit policies in force in the country. One department store reports that the amount of service charges collected on revolving charge accounts exceeds its annual net profit from sales of merchandise. Is the credit policy's success affected by other factors. As a result, there are many different credit policies in force in the country. One department store reports that the amount of service charges collected on revolving charge accounts exceeds its annual net profit from sales of merchandise.

In any event, the cost of not doing business must be considered along with the cost of granting credit to a debtor who won't pay. Naturally, the amount of profit to be gained on the transaction is important. So is the cost to the credit grantor of the goods or money. If capital is scarce, the cost of credit is likely to be tighter. Supply is often a factor, since one offering limited company cannot afford a strict credit policy on one item.

Credit grantors today, relying in part upon psychological studies of debtors conducted by collection agencies, are perfecting techniques for identifying potential delinquent debtors, and thus reducing one of the risks of credit granting.

Studies have shown that delinquent debtors blame creditors for extending them credit. Credit delinquency is a chronic, almost non-neat system of social transgression is usually accompanied by others, drunken driving, crimes. Armed with these facts, and bolstered by the knowledge that collection techniques are becoming more scientific and successful, a credit grantor today can contemplate the risky credit business with something approaching peace of mind.

F. I. du Pont Co.
Detroit Branch

DETROIT, Mich. — Marking another expansion move, Francis I. du Pont & Co., member firm of the New York Stock Exchange, has opened an office in Detroit. The firm, located at the Penobscot Building, is announced by Edward du Pont, senior partner.

The firm will be the firm's first office in Detroit, but it will acquire a second one, in Flint, when its consolidation with A. C. Alllyn & Co., Inc., also of Detroit, and Lehman Brothers, New York, is completed on Oct. 1.

Edmond du Pont, appointed manager of the Detroit office.

Chas. Pfizer Acquires Majority Of Coty Shares

Chas. Pfizer & Co., Inc., announced that it has acquired a majority of the outstanding shares of Coty, Inc. and Coty International Corp. Lazard Freres & Co., and Lehman Brothers New York, assisted in the negotiations.

CHAS. PFIZER & CO., INC.,

has acquired a Majority of the Outstanding Shares of

COTY, INC.,

and

COTY INTERNATIONAL CORPORATION

The undersigned assisted in negotiations in connection therewith.

LAZARD FRIES & CO. LEHMAN BROTHERS

September 26, 1963
Petroleum’s Development Has a Still Greater Future

By M. J. Rathbone

Petroleum wavers on the drawing boards, discoveries and new applications underscored not too long ago assure a still greater future for this versatile product than it had in the past. Even the industry itself, as well as its products, are bound to change. Mr. Rathbone notes what they may be and he calls attention, in passing, to the industry’s important role in assisting underdeveloped countries’ growth.

Let us attempt a look into the future for oil. Will the next few years be as stimulating as the past few years? What economic and technical prospects does our industry face? And will the human and political environment be favorable or unfavorable for us to give manifested service of which we are capable?

Petroleum will be a growing energy source for a long time to come. Between now and 1980 we estimate that the world will consume somewhere near 270 billion barrels of oil.

Since this figure is not far below the world’s present stated proven reserves—which are on the order of 300 billion barrels—some might be concerned about the adequacy of petroleum resources for the future. I do not share this concern. Every time petroleum became a major fuel, proved reserves have been rising from one year to the next, through new discoveries and better methods of recovery, even faster than the increase in oil production. For instance, in the United States they were 16 barrels of proved reserves for each barrel of annual production. Today, the ratio is down to nearly 5 to 1.

It seems certain that enough new proved reserves will be developed to provide for the rising oil consumption which we anticipate for many years to come. This will be due to the discovery of new oil fields, which is sure to take place, but also by greater recovery from fields already known. We are constantly finding ways of “squeezing the sponge” a little harder, and increasing thereby a greater percentage of the oil which we know is there. This progress has already gone to a point where the industry might well claim reserves one-half again as great as those now stated. Even this may be conservative in view of the still more advanced recovery techniques that will be developed.

In the still further distance are the enormous reserves of oil shale and tar sands—equivalent to several times today’s reserves of crude oil—for which competitive extraction methods are sure to be available when they are needed—and indeed such methods are well advanced even now. All this will make continuing demands on our research, as well as on our capacity to invest; but these are challenges which the industry is prepared to meet.

Refining technology too can be expected to progress further to meet the exacting requirements of the future. Supersonic civilian jet aircraft will need new fuels with other thermal stability to absorb much of the extreme heat generated by air compression and friction. We may have to produce both new fuels and new lubricants for automobile engines from our oil reserves with rates of job higher than those of today. We must continue work on liquid and solid rocket propellants for space vehicles, and on new means for producing energy of oil, such as the fuel cell.

Surveying all these prospects, we find that the petroleum industry has many years of growth ahead of it. The assurance of this lies both in the ever-rising world demand for energy, keyed to rising population and increasing mechanization, and in the continuous research and development to adapt petroleum, with all its inherent advantages, to changing energy requirements.

Uses Outside the Energy Field

In the industry itself being the whole story. Dramatic growth lies ahead for the uses of petroleum other than energy field. The range of applications is already enormous, and more are being added every year. Exploitation of petroleum as a raw material is one of the great inducements to world industries.

The word “petrochemical” has become so familiar with us that it’s language only within the past generation. Yet already the ordinary citizens of the world are familiar with synthetic rubber, synthetic textile fibers and plastics like vinyl and polyethylene, as well as with natural rubber or paper. Very soon building blocks of a new petrochemical industry will become equally familiar.

In both industry and agriculture, we see the same rapid growth. Iron-making blast furnaces have begun to operate more economically by injecting fuel oil or natural gas. Nitrogen fertilizers will have to compete with synthetic fertilizers to match increase crop yields—these all and other petroleum products an increasing part in modern farming. There have even been promising tests of diesel fuels to stabilize sand dunes for the year or two necessary to reforest them, build soil and reclaim them from the desert.

We should remember too that the uses of petroleum are not going to be confined to the already fully industrialized countries. The industry is given the means to manage—rigidly controlled from the top, but flexible and decentralized—so that individuals at every level are encouraged to think and act on their own initiative. This flexible approach will no doubt ensure better ways of doing their jobs.

In purely economic terms, this type of organization is the most effective and the quickest to meet changing situations. In human terms, seen from the point of view of the employees, an increasingly interesting and the most challenging. Freedom, for those who work in this industry, is the greater dignity of an assurance in their own future.

But the oil industry’s place in our civilization is wider than all these things. Our products have changed the world. Our employees have been the first in this century to bring the light into creative service for the peoples of the world. Thereby countless doors have been opened and again to be better attainable by cooperation with the international oil industry than by efforts to dominate or dispose it.

I believe the private oil industry, wherever it is given the chance, will continue to prove itself unequalled in its ability to meet the needs of man, in his changing industrial needs of the peoples of the world. Thereby countless doors have opened and again to be better attainable by cooperation with the international oil industry than by efforts to dominate or dispose it.

The interests of governments and the interests of such a basic industry as ours, rather than being opposed, are generally in harmony. Peace, security, and high living are things which the people are important to both. The legitimate needs of governments—either for revenue, foreign exchange, assurance of supplies, technical training, the development of the oil industry for the national economy—all these needs have proved worked upon again to be better attainable by cooperation with the international oil industry than by efforts to dominate or dispose it.

Lynch V. P. of Bagdis & Ottring

WOVERCESTER, Mass.—John F. Lynch has joined the firm of Bagdis & Ottring, Inc., 507 Main Street, as Vice-President. Mr. Lynch is widely known in the field of finance and has been with the Worcester County investors for the past 17 years, recently with Hanrahan & Co. He has served as an active member with the Boston Security Traders Association.

With Grant Brownell

DAYTON, Ohio—Robert L. Weidner, with Grant Brownell & Co., Winters Bank Building, member of the Midwest Stock Exchange.

Joins Prescott Co.

CLEVELAND, Ohio—Kathryn C. Stiers has joined the staff of Prescott & Co., National City Bank, member of the New York Stock Exchange.
Chapel Hill, Chapel Hill, N. C., effective on or after Sept. 27.

The First National Bank, Fort Worth, Texas, elected William H. Denman a Vice-President.

The Bank of Dallas, Texas, elected Marvin L. West, formerly a Vice-President of the First National Bank of Dallas, President.

The Comptroller of the Currency, Sept. 15, announced approval of the proposed merger of the Crocker-Anglo National Bank of San Francisco, Calif., and the Citizens Bank of Los Angeles, Calif. The formal opinion approving this merger will be issued on Sept. 30.

The Bank of America, San Francisco, has named Vindreda E. Sondhi Manager of the First National Bank of India.


Rogge, Waters Co. Opens in N.Y.C.

Formation of the investment firm of Rogge, Waters & Co., Inc. 545 Fifth Ave., New York City, has been announced. Principals are Herman H. Rogge, President, and Richard J. Waters, Vice-President.

Rogge was formerly Chairman of the Mutual Fund Department and an affiliate of the B. Ray Robbins Co., Inc. Mr. Waters was most recently Manager of the B. Ray Robbins Co., Inc. Prior to that time, he was engaged for several years in the investment banking and securities brokerage field.

The new organization will provide specialized financing services for the real estate and construction industries.

C. D. Murphy Opens Port Washington, N. Y.—Charles D. Murphy & Co., is engaging in the securities business from offices at 156 Main Street, and 24 State Street, Port Washington. Mr. Murphy is a principal.

Alpha Planning Branch DOBBS FERRY, N. Y.—Alphas Planning Corporation has opened a branch office at 10 Cedar Street under the management of Maurice Bouchard.

Dr. F. E. Morris Joins Loomis, Sayles

BOSTON, Mass.—Maurice T. Freeman, Director of Investment Research for Loomis, Sayles & Company, Inc., 140 Federal Street, investment counsel, has announced that Dr. Frank E. Morris will join the firm as a partner effective on Oct. 1 as Vice-President and Economist.

For the past two years Dr. Morris has been Assistant Secretary of the Treasury/Douglas Dillon. During this period he has had important responsibility with Under Secretary for Monetary Affairs Robert V. Rosza for management of the government debt, including the recent $32 billion re-funding program of the Treasury. Prior to assuming these responsibilities for the Treasury, he was Director of the Washington research department of the Investment Bankers Association of America.

Rejoins Greene & Ladd

DAYTON, Ohio—James M. Mack, formerly with this firm, has rejoined Greene & Ladd. Mr. Mack re-joined the firm in 1964. He is a member of the Third National Bank, a member of the New York Stock Exchange. He has been with the firm for 25 years, and will continue to serve the firm in the same capacity.

Two With McNeil

CHATTANOOGA, Tenn.—Charles H. Carter and G. Melvin Cooper have been affiliated with McNeil & Co., Inc., 201 Fifth Avenue South, Chattanooga. Mr. Carter will be affiliated with the Whiting Securities Co.

New Uhlmann Office

GRAND RAPIDS, Mich.—Uhlmann & Co., Inc., has opened a branch office in the McKay Tower building under the management of Leon M. Kelsen.

NEWS ABOUT BANKS AND BANKERS

Norman H. Caridi, John J. Grinich, Philip E. Wash and Robert O. Blomquist have been promoted to Assistant Vice-President of the Chase Manhattan Bank, N.Y.

Appointed Assistant Treasurer was Albert F. Varner, Jr. Other appointments were Assistant Treasurer L. Stokely as associate economist; Gordon J. Crook as assistant research officer; James J. Nacso as assistant staff counselor; and Vincent E. Adams and Paul A. Pearson as real estate appraisal officers.

The Manufacturers Hanover Trust Company, New York, announced the promotion of four executive officers. They are Walter F. Thomas, named Vice-President and Assistant Treasurer; Eugene J. Hallwood, named Vice-President and Assistant Controller; and John B. Hennenman, in charge of personnel, who was appointed a Senior Vice-President.

Messrs. Thomas, Leone and Dr. Linbrose also were among the members of the bank's general administrative board.

E. Clinton Towl has been elected a Director of Bankers Trust Company, New York.

Samuel Cochran, Jr., Vice-President, was appointed a member of the Board of Directors of the First National Bank of New York.

Mr. Cochran succeeds Joseph A. Hannigan, Jr., who will continue the supervision of the branch offices division of the bank.

Peter Walter has been named Cashier of the Royal National Bank of New York, succeeding the late Joseph J. Brennan.

Northwest International Bank, New York, Sept. 24 marked the official opening of its new branch headquarters at 40 Wall Street, New York City.

The Bank was organized earlier this year with initial paid-in capital and surplus of $2,500,000.

The Greenwich Savings Bank, New York, elected William S. Brennan, First Deputy Superintendent of Banks of the State of New York, Senior Vice-President.

The Lincoln Savings Bank, Brooklyn, N. Y., announced that its Board of Trustees has approved the following official promotions: Edwin P. McGuirk, to Vice-President, Walter Bagnall to Assistant Vice-President and Warren J. Ziegler to Assistant Vice-President.

Jirah D. Cole, Jr., has been promoted to Vice-President at the Meadow Brook National Bank, West Hempstead, N. Y.

The National Bank of Westchester, White Plains, N. Y., elected Stuart F. Silloway a Director.

The Putnam Trust Co., Greenwich, Conn., elected Lloyd Hoberman Vice-President and Secretary.

The Asbury-Park and Ocean Grove Bank, Asbury Park, N. J., and the New Jersey Trust Company, New York, have joined with the title of New Jersey Trust Company.

The Fidelity Union Trust Company, Newark, N.J., announced a 4% stock dividend payable to holders of record on September 3.

The district of the current dividend, the distribution of the tranfer of $250,000 from Undivided Profit to Capital, Pursuant to the bank's Surplus Account, has been increased by an additional $2,500,000 transferred from Undivided Profit.

Robert M. Wachob, has been elected to the Board of Directors of Girard Trust Corn Exchange Bank, Philadelphia, Pa.

Merle E. Gilliard has been elected Vice-President of Citizens & Northern Bank of Pittsburgh National Bank, Pittsburgh, Pa., effective Sept. 30, upon the retirement of J. E. Wilson, Senior Vice-President.

Mr. Wilson will continue with the bank as a Senior Consultant and consultant on a special assignment.


Herbert C. Moseley, President of The Bank of Virginia, and H. R. Norwood, President of the National Bank, jointly announced stockholder approval follow¬ing completion of merger proceedings held at the respective banks.

Merger is subject to approval by banking authorities and applications for that have been filed, Moseley said.

Under the merger plan, stockholders of The Hallwood National Bank will receive 3.75 shares of stock of Virginia Commonwealth Corporation for each $100 share of stock they owned. The Hallwood bank has 160 stockholders who own the 2,500 shares of stock, of which 100 have sold theirs.

The Hallwood National Bank, June 20 statement of condition, had total resources of $11,199,660. On the same date, The Bank of Virginia had total resources of $18,262,500.

The newest and most modern branch of Society National Bank, Cleveland, Ohio, opened Sept. 16, at 3350 Mayfield Road. Gordon J. Artrees, is Manager of the new Severance Center Branch.

The Empire State Bank, Kansas City, Mo., elected Sol Berger, a Director.

The Comptroller of the Currency, James J. Saxon, on Sept. 20, appointed the new presidents of the North Carolina National Bank, Charlotte, N. C., and the Bank of

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$2,500,000

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Dr. Nadler assa...
Arguments Are Fallacious For World Central Bank

By Robert de Fremery, Vice-President, Onas, Inc., San Francisco, Calif.

In opposing current proposals to create an international central bank with increasing lending powers, Mr. de Fremery applies the same reason that was set forth almost 70 years ago against central bank credit creation. In order to achieve a "sound, non-collapsible money system," the author favors diversion of money from the foundation of a national central bank to a more secure and certain reserve, letter to funds exclusively with banks; gradual democratization of gold and gold certificates; and adjusting the supply of money to population growth.

Unfortunately, the argument is out of date. The central bank systems that Mr. de Fremery advocates are inadequate. Inadequate, because management of money by men and the Federal Reserve for our country was no longer a proposition after the financial panic of 1929. He sees no point in utilizing surplus deposits resulting from fractional reserves, in extending self-liquidating loans or in having a fixed gold standard.

The Brookings study has stimulated discussion of the need for monetary reform in general and the setting up of an international central bank in particular. This is not to say the question is new; in fact, it is an old question.

Unfortunately, this is not a new question. Because modern banking is so uniquely exalted, the question was not raised in sound reasoning that first led to the establishment of the Federal Reserve System, now found inadequate. This same sophistication with respect to the Federal Reserve System, which was designed to prevent financial panics but which, at worst, the panic we ever had. It undermines our commercial banking system and is responsible for the financial panics that have rocked our country for the past 200 years. If we do not grasp with this problem soon, we shall lose our national sovereignty to a world-wide monetary system which will be ruled by that which will be found "necessary" to stop the collapse of the system.

One of the arguments used by those who defend this unsound banking system is based on a misapprehension of the gold standard. The argument is best understood in the context of those who first argued in favor of a national central bank. The author noticed that when he operated honestly — with 100% reserves — then the public believed in the gold standard. But when the goldsmith-banker naively argued that the system was sound, he not only lost confidence in the goldsmiths called their reserve "idle" or "surplus," and therefore the cash they were lent for their own purposes. The goldsmiths would say, "Our practice of the goldsmiths, of using deposited funds to their own interest and profit, was essentially dishonest and fraudulent. A warehouseman, taking goods deposited with him in order to store them, would sorely lack in his own profit, either by use or by loan to another, is guilty of a tort, a constructive fraud, as he is liable in civil, if not in criminal, law. By a casuistry which is now woven into an economic principle, but which has no defenders outside the realm of banking, a warehouseman who deals in money is subject to a diviner law: the banker is free to use for his private interest and profit the money left in trust... He may even go further. He may create fictitious deposits or, in other words, lend equally and readily with actual deposits in any division of assets. Poor creditors, in the Human Conflict, pp. 178-179.)

Disputes Concept of Surplus

One of the arguments used by those who defend this unsound banking system is based on a misapprehension of the gold standard. The argument is best understood in the context of those who first argued in favor of a national central bank. The author noticed that when he operated honestly — with 100% reserves — then the public believed in the gold standard. But when the goldsmith-banker naively argued that the system was sound, he not only lost confidence in the goldsmiths called their reserve "idle" or "surplus," and therefore the cash they were lent for their own purposes. The goldsmiths would say, "Our practice of the goldsmiths, of using deposited funds to their own interest and profit, was essentially dishonest and fraudulent. A warehouseman, taking goods deposited with him in order to store them, would sorely lack in his own profit, either by use or by loan to another, is guilty of a tort, a constructive fraud, as he is liable in civil, if not in criminal, law. By a casuistry which is now woven into an economic principle, but which has no defenders outside the realm of banking, a warehouseman who

In short, banks are no longer "Insurance Companies," and as such we cannot speak of reasonable probabilities, but not the whole world. It is not probable that all the gold-smugglers, the whole of some epidemic in one year, or their deposits, which will wipe out cities by the score, but insurance rates are not pushed to the point of danger by any reasonable contingencies. In banking, it is practically possible that a banker may make inadequate, but which is permitted to create and lend fictitious deposits — thereby creating a "surplus" — in position of promising to pay on demand more money than is in the physical gold reserve. It is becoming impossible for the confidence of that confidence factor. Long term papers have tried to prove the soundness of the system, but the time and again, lack of confidence causes it to collapse.

The old argument is persist in telling us that the system is sound, that confidence should not be lost, that depositories should not fear for the safety of their funds.

They are even. Even a banker's cash reserves do not equal their total of gold, and will never be when which, can be used to pay the demands made in full. These may be secured by mortgages or other collateral. If for any reason the demand for cash is made, a banker can foreclose, sell the property, and pay the depository himself. A banker is not a depository ever lose confidence?

However, experience early showed the fallacy of this argument. (Value Thesaurus not liquidate in this way. Hence the entry in Samuel Pym's Diary for Sept. 12, 1664, showing his distress of England's first gold-smugglers, "because of their mortality.

Why does the banking system have trouble liquidating when confidence is lost? The problem is that the withdrawal of cash reserves causes the banks to fail, and almost further back. With this speculative e x c u e, the goldsmiths called their reserve "idle" or "surplus," and therefore the cash they were lent for their own purposes. The goldsmiths would say, "Our practice of the goldsmiths, of using deposited funds to their own interest and profit, was essentially dishonest and fraudulent. A warehouseman, taking goods deposited with him in order to store them, would sorely lack in his own profit, either by use or by loan to another, is guilty of a tort, a constructive fraud, as he is liable in civil, if not in criminal, law. By a casuistry which is now woven into an economic principle, but which has no defenders outside the realm of banking, a warehouseman who
Arguments Are Fallacious For World Central Bank

Continued from page 13

The absurdity of such a monetary system still has not dawned upon us. We do not see that creating a new form of gold as a standard of value because of its stability of supply is more reasonable than fluctuating supply of bank credit.

We take great pains to ensure that gold is the same weight and weight are in terms of fixed standards, but we do not know how our built bridges would collapse if built with yardsticks and pounds of paper money. We will lose the field of economy. We are less careful. We ignore our legal gold and silver standards. We recognize that the value of the money is being determined by a fluctuating volume of bank credit and wonder why our economic system collapsed periodically.

The following statement of a well-known banker and financier stirs no particular comment:

"Gold, of course, is a commodity and subject to price fluctuations the same as any other commodity—wheat, for example." He is unaware of one of our physiocrats' statement:

"A yardstick, of course, may be a good standard of value, because changes in length are the same as they are in the yardstick at that time."

If a given weight of gold is our legal standard of value, the price of gold should change no more than a yardstick. The fact that gold is subject to price fluctuations the same as any other commodity has not been debased by paper money not fully representative of gold.

It is true that there is no fundamental difference between diluting or degrading bank notes with debasing it with false titles to gold. Both practices are inflationary. Prices are forced higher than they should be in terms of the legal standard. In either case, inflation is inextricably related to dislocation and denigration of the standard or both.

Two Principles

Two significant principles emerge:

(1) The medium of exchange must coincide with the legal standard of value to have prices in terms of our legal standard. This rules out credit banking.

(2) The value of a dollar depends upon the number of dollars in use rather than their mineral composition. This is merely an application of the law of supply and demand to money.

As Alexander Del Mar held:

"Price implies precision. It is, therefore, impossible for a bank to dilute its own notes."

It is evident that the American system, as the United States did in 1934 as part of its program for rescuing the banks and stabilizing the currency, is a sham. If paper money is worth more than the gold it is supposed to represent, then what is the value of the dollar? If not, and the government suddenly said an ounce of gold is worth more than $20, then we would be left with all our government bonds, which are now worth less than $20. We would have no dollars, and if we were to collect the exchange on our account, what would happen?

The right to buy goods and services, and to the enjoyment of the wealth of the country should not be dependent upon the good will of the seller.

The government should gradually sell our existing stock of gold to whoever wants it. Short-term liabilities now held by foreigners will then become a bulwark to our economy—a potential claim to wealth. However, these short-term liabilities being payable in gold which we do not have, they are not a proper means of international equilibrium.

International equilibrium would be better maintained by flexing the supply of our currency as need requires. The existing system is not necessarily the best, but it would have to be modified to meet the needs of our times in order to stop the growth of the trouble.
Banking is a progressively developing industry, one which has grown considerably in the last decade or so and is awake and on the move. Bank buildings are glass-walled. Jail-like teller cages are gone. Lending officers smile. We are consumer-oriented and use up-to-date marketing techniques. Services are broadened with a growing emphasis on noncredit programs such as savings, checking, lock box operations and payroll accounting. All banking is done on computers so that the mountain of paper work can be handled expeditiously.

Banking has changed in another way too. In the structure of its resources, the asset side of the balance sheet of the Federal Reserve System, Dr. Raymond J. Saulnier, who is Marine Midland’s consulting economist and, you will recall, was Chairman of President Eisenhower’s Council of Economics Advisors, gave me some statistics based on various assumptions which have a bearing on this subject. A few of the figures may interest you.

Upward Surge in Loans to Deposits Ratio

In the decade of the 1940s the bond account was the largest item on the asset side of most bank statements. Then loans and deposits of later banks began to meet the strong credit demands by putting the major share of bank’s assets into loans while keeping their securities investments largely constant. The figures for the decade of the 1950s show that banking increased its holdings of all loans by 168% while its investment in securities rose 45%. But the statistics for that decade also show that total loans expanded proportionally with either the demand for credit or the national economy.

As banks met the credit needs of the expanding economy by placing larger percentages of deposits in loans, this caused loan-to-deposit ratios to rise sharply. Today the national loan-to-deposit ratio is nearly double that of the late 40’s. The change is illustrated by the figures of Marine Midland banks. In 1949, 33% of our deposits were loaned. The figure at the beginning of September was 64%.

Coming Credit Demands

I have studied a number of the projections of economic expansion for our current decade and it seems clear to me that banking, as an industry, is hard-pressed to serve the coming credit demands. This concern means both as a banker and as a business man, for if banks in New York State are unable to provide adequate credit, it will slow down materially the industrial progress we are all working so hard to maintain.

The current population of the United States is about 193.9 million. It is projected to range between 202.5 million and 241.5 million. Of this number, the population 21 years of age and older will have expanded to over 123 million by 1965, or 108 million. During this decade 30 million Americans will reach their 40’s, that is, the bumpy baby crop of the 40’s reaches marriageable age, the age of new home purchases, rise from today’s 45 or 44 million to something between 51 and 53 million.

It is obvious that more people means more consumer spending, more business spending and an increased spending of our Gross National Product, which increased spending means more business and industry, and, of course, more banks. But how much? You can find estimates for Gross National Product in 1970 that run $750 billion upwards. I accept an 1000 billion figure as being reasonable. It is roughly midway in the range of educated projections. It shows a rate of 65.7% versus the 87.1% for the decade of the 1950’s, 120 billion to 1970, 51 billion GNP, mean to banking.

It is not possible to know how fast this 51 billion will grow but it seems reasonable to project that they will expand in the 60’s at the same rate of growth as the 50’s. This would be a 57% rate by which they grew in the 50’s. This premise may be a bit optimistic as bank assets will grow only 43% if banking in the 60’s duplicates the relationship it had in the economy’s over-all growth in the 50’s. But I am an optimist and the bankers I know are working vigorously to assure that this banking in this decade moves at a proportionately faster rate. New banking is necessarily parallel with the nation’s growth. Therefore I have computed the following projection (an increase for this decade of total bank resources of $18 billion to $261 billion at Dec. 31, 1969).

Projects Credit Needs

What then of credit demands? The figures for the decade of the 1960’s show that over this period mortgage credit expanded by over 200%, consumer credit went up 155% and credit of the 70’s, or the 1970’s, to the credit by businessmen rose 112%. It seems likely that the demand for consumer credit will continue to rise during this decade although at a slower rate than in the 50’s, a time when our economy was influenced by the Korean conflict and was still meeting some of the demand of interest in terms of the war years. Just how much credit will increase in this decade is uncertain, but it may be anticipated that mortgage credit will increase 150%. For consumer credit it is more difficult to project a growth rate equal to that of the increase in the economy or approximately 66%.

If these much reduced growth rates of 100% for mortgage credit, 88% for consumer credit and 66% for business credit are anywhere near being in the ballpark, the banking industry as presently constituted will be unable to provide an adequate share of these loans if it has only a 37% increase in assets.

Consumer credit is also available from credit unions, personal loan companies and finance companies and a large number of funds but also, and, probably must assume private institutional investors. Mortgage credit, of course, is available from insurance companies, builders, savings and loans associations and savings banks. Of course, there is always the alternative that credit needs could be met by enlarged government lending operations. I suspect that further government encroachment into the area of private enterprise would be unpalatable to Associated Industries members as it is to me. It should be reduced rather than increased.

Sees 70-80% Loan-to-Deposit Ratios

After evaluating all of the forces and factors, it seems quite obvious that commercial banks must do and be permitted to do whatever is necessary to supply the available funds, consistent with public good... and several moves are possible. First, expansion of the capacity to lend money by raising loan-to-deposit ratios even higher than the 70-80% rate and perhaps even 90% of our de¬posits will eventually become an important asset to the banks. Banks will produce more actively seek deposits by paying more for them. The recent action by regulatory authorities to throw off large amounts and substantial risks. This risk loans of a million dollars or more can only be carried by a sizable bank as part of a large pool of loans, well diversified, and with the backing of a strong capital and reserve position.

And in this field of industrial development regional banks have a great deal to offer. They think in terms of a broad area rather than a single city. They realize that the attraction of a new industry or factory one of the bank’s communities benefits the area as a whole. Large banks can afford the specialists to aid in locating new industry, too. We in Marine Midland have an industrial development department headed by Herbert F. Milligan. His efforts and those of the men working with him in each Marine Midland bank are known to many of you. A few other large New York State banking operations also work on industrial development side by side involving the power companies and transportation concerns. Small banks are able to do things on a much smaller scale. Large banking systems also can do in offering special facilities in attracting capable young men and seasoned executives who are ready, willing and able to offer up-to-date banking services.

How to Achieve Larger Banks

If the needs of our state are better served by larger banks, then each bank be developed?

First, of course, banks grow as they make loans and thereby generate demand deposits. They grow by increasing their capital funds as the stockholders plow back earnings or by the sale of new securities. But all these methods are limited and slow. . . too slow in light of the foreseeable need. The only practical way by which commercial banks can be created in the size needed by our big state is through the merger process. The fathers of large banks from independent banks and the deposit monies and the capital funds into larger pools available for the lending and for absorption of risks in amounts commensurate with

Continued on page 39

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The State of TRADE and INDUSTRY

The National Planning Associations' Comprehensive Economic Projections estimated U.S. gross national product at more than $900 billion and over $1 trillion if growth is at the 4% rate. If this rate of growth is sustained, it will require a 25% increase in the labor force by 1980.

Economic activity is shifting from the rural to the urban area, and from manual to semi-skilled jobs. Although the number of agricultural workers may fall, the income of farmers will probably rise. This is due to higher prices for farm products.

In 1962, the National Planning Associations' projections estimated that the U.S. economy would grow at a rate of 4.5% for the year. This would be the highest rate since 1957.

Agriculture: The agricultural sector of the economy is expected to grow at a slower rate than the rest of the economy. The projections show a 2% increase in agricultural output for 1962.

Manufacturing: Manufacturing output is expected to increase by 4.5% in 1962. This is due to increased demand for goods and services.

Construction: The construction sector is expected to grow at a rate of 8% in 1962. This is due to increased building activity and increased demand for housing.

Transportation: Transportation is expected to grow at a rate of 6% in 1962. This is due to increased demand for transportation services.

Retail Trade: Retail trade is expected to grow at a rate of 5% in 1962. This is due to increased consumer spending.

Wholesale Trade: Wholesale trade is expected to grow at a rate of 4% in 1962. This is due to increased business activity.

Finance: The finance sector is expected to grow at a rate of 3% in 1962. This is due to increased financial transactions.

Real Estate: Real estate is expected to grow at a rate of 2% in 1962. This is due to increased real estate transactions.

Service Industries: The service industries are expected to grow at a rate of 2% in 1962. This is due to increased service activities.

The total gross national product is expected to increase by 4.5% in 1962. This is due to increased economic activity in all sectors of the economy.
There is considerable speculation in political Washington these days as to whether Governor Rockefeller will return to the Senate. His opposition to the antitrust laws and his defense of the oil industry have made his opposition to the current economic policies of the administration a matter of concern to some in the Senate. Rockefeller's views on these issues are well known, and his reputation as an independent thinker has made him a valuable asset to the party. However, his return to the Senate may not be a foregone conclusion, as some believe that the Republican Party is facing a difficult election year. Rockefeller's decision to return to the Senate will undoubtedly have a significant impact on the political landscape, and it will be closely watched by both parties.
Canada: A Durable Haven for Long-Term Investment Opportunities

Continued from page 1

Canadian market purchases, as a result of the projected 15% tax, may make Canadian importers more difficult to finance, and may well lead to exchange controls or actual restriction of imports; or, at the very least, a further depreciation of the Canadian dollar. We certainly hope that this troublesome tax proposal will, in due course, be rejected by Congress. The soundness of the arguments voiced against this unfortunate proposal by responsible representatives of the U.S. business and financial community should not be ignored by the law-makers.

Improving Trade Balance and Employment

As a result of the incidence of the foregoing financial devices, the Canadian economy has been quite buffeted about in the last year and a half—but it has been weathering the buffeting magnificently. Canada had a trade surplus in July, and January to July’s trade balance was the first favorable one in 10 years. In this seven month period, excess of exports over imports amounted to $138 million. Gross national product in 1963 is moving along at an all time per year high of better than $41 billion; and unemployment has now fallen to below 6% of the labor force, the lowest percentage in more than two years. (The figure was 7% in 1961.) For 1962 Gross National Product increased by 8%; and this year, even with all the turmoil, the rate of increase in this figure should exceed 5%. Motor production is above 530,000 cars in 1963, and building construction in most of the provinces has been well maintained. Impressive urban renewal projects are going forward in Montreal, Winnipeg, Toronto, St. Johns, Edmonton and Vancouver.

Investment Markets

Since the 15% unpleasantness of July 18, resulting from President Kennedy’s announcement, there has been a significant back tracking in the Canadian investment markets. On June 13, the Toronto Exchange index stood at 646 and trading was at the rate of over six million shares. After July 18, however, trading dwindled in Toronto and 2½ to 3 million shares daily, and the index moved but little from the 600 posted on that day. Institutional investors have, in the main, suspended their Canadian purchases, and many expected investment services in the U.S. have recommended against current buying of Canadian securities. There has appeared, so far, to be no genuine desire to disgorge Canadian equities, neither has there been any rush to buy them even at lower levels. The flagging of these markets suggests that there are, or soon may be, attractive bargains in the Canadian market, offered at prices that more than offset the 15% purchase penalty imposed on American investors.

Utilizing Natural Resources

Actually, with the Canadian dollar at 92 cents, more than half of the 15% investment tax imposed is offset in the discount; and choice values and promising speculations are now available in a wide assortment. The pipelines, oil and gas, led by Trans-Canada are steadily increasing their throughputs, with a corresponding upswing in profits. Fimming and rising world prices for lead, copper and zinc are favorable omen for Consolidated Mining, Noranda, McIntyre and Dome. The zeal of big integrated oil companies to pin down substantial stores of future reserves has animated market action in smaller exploration and production companies, such as Scurry Rainbow. Ahead lie the profitable probing of the Athabasca tar sands by a series of big companies, the most recent entrants being Shell Canada, Socony Mobil and Pan American. Oil exploration and drilling operations in Canada have expanded significantly in the past six months. International demand for forest products continues and sales of Canadian newsmonger are in a continuous upward trend.

In iron and steel, production in the Quebec Labrador region has moved massively ahead. Hamilton Steel has a $118 million expansion program in the works and Dominion Iron and Steel a $20 million enlargement. A new asbestos plant has gone on stream in Newfoundland.

Canadian exports of manufactured goods have doubled since 1956, and now account for 15% of foreign trade. Also, large scale and helpful, but long anticipated in recent quarters, is the export of Canadian wheat to Red China, which business in 1952 amounted to over $147 million.

Mineral exploration and development in Canada continues its exciting forward motion. Pine Point, with copper and lead in profusion is getting closer to production, and gold mines are getting more active and profitable, stimulated by the advantage of the discount dollar and high hopes for a dramatic new gold price some day. Nova Scotia, famous earlier for coal is now animated by energetic probing for lead, silver, and zinc, over several hundred square miles quite near to year-round ocean shipping. Here such sophisticated companies as Gunnar, Phelps Dodge, Dresser Industries, New Jersey Zinc have exploration programs and contracts under way. Mineralized areas embracing over 50 million tons of commercial grade ores have been mentioned.

In the socialization of power facilities in Canada, The British Columbia Power purchase was revalued in the courts, but the Quebec take-over of Shawinigan and Gatineau has proceeded on schedule. However disquieting this public ownership may be to Americans, it must be said that share prices offered to private holders in due course, appear adequate and compensatory and not punitive as in Mexico or Brazil or confiscatory as in Cuba.

All things considered, it appears that Canada, under the Pearson leadership, continues its forward motion and has retained a climate basically attractive to foreign investors. The 15% penalization of American investors follows, by a peculiarly percentage coincidence, the 15% tax on dividends imposed earlier by Canadians. Neither in the long run will shut off the needful flow of expansion capital into Canada. That country remains one of the brightest long-term havens for foreign capital in the Free World, and as good neighbors, we will duly arrive at formulas to fit that supply with supply capital as well as accelerate the economic fulfillment of Canada, and continue that nation as our favorite neighbor and best customer. Meanwhile, income-minded investors may prepare for a rewarding shopping tour in markets north of the St. Lawrence, by reviewing the appended list of Canadian companies that have earned and paid cash dividends for decades on end.

OPPORTUNITIES IN CANADA

Our facilities can be of valuable assistance to those interested in the industrial development of Canada and of benefit to investors in selecting suitable investments through which to participate in Canada’s assured growth.

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TABLE 1

CANADIAN
(Listed and Unlisted)
Common Stocks
On Which
CONSECUTIVE CASH DIVIDENDS
Have Been Paid From
10 to 135 Years

<table>
<thead>
<tr>
<th>Cash Div., paying</th>
<th>Aspire,</th>
<th>Approx.</th>
<th>Yield</th>
<th>Approx.</th>
<th>Yield</th>
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<tbody>
<tr>
<td>12 Div. to 15 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
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<tr>
<td>15 Div. to 18 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
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<tr>
<td>18 Div. to 21 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
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<td>21 Div. to 24 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
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<tr>
<td>24 Div. to 27 Div.</td>
<td>0.75</td>
<td>3.1%</td>
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<td>27 Div. to 30 Div.</td>
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<td>3.1%</td>
<td>0.75</td>
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<tr>
<td>30 Div. to 33 Div.</td>
<td>0.75</td>
<td>3.1%</td>
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<tr>
<td>33 Div. to 36 Div.</td>
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<tr>
<td>36 Div. to 39 Div.</td>
<td>0.75</td>
<td>3.1%</td>
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<td>39 Div. to 42 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>42 Div. to 45 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>45 Div. to 48 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>48 Div. to 51 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>51 Div. to 54 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
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<tr>
<td>54 Div. to 57 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
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</tr>
<tr>
<td>57 Div. to 60 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
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</tr>
<tr>
<td>60 Div. to 63 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>63 Div. to 66 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>66 Div. to 69 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
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<tr>
<td>69 Div. to 72 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>72 Div. to 75 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>75 Div. to 78 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>78 Div. to 81 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>81 Div. to 84 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>84 Div. to 87 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>87 Div. to 90 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
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<tr>
<td>90 Div. to 93 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
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<tr>
<td>93 Div. to 96 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
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<tr>
<td>96 Div. to 99 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
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<tr>
<td>99 Div. to 102 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
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<tr>
<td>102 Div. to 105 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>105 Div. to 108 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>108 Div. to 111 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>111 Div. to 114 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>114 Div. to 117 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>117 Div. to 120 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
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<tr>
<td>120 Div. to 123 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
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<tr>
<td>123 Div. to 126 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>126 Div. to 129 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>129 Div. to 132 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>132 Div. to 135 Div.</td>
<td>0.75</td>
<td>3.1%</td>
<td>0.75</td>
<td>3.1%</td>
<td></td>
</tr>
</tbody>
</table>

* Quotations represent June 28, 1963 sale prices or the last sale price prior to that date. Bid and ask quotations are as of June 28, 1963.
* Quoted dividend paid to U.S. currency.
* Effective rates of exchange.

---

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**Address:**

**Company Name:**

**Position:**

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Continued on page 29
Canada: A Durable Haven
For Long-Term Investing

Continued from page 19

No. Date Date Date Date Date Date Date Date Date Date

---

Canadian Bronze Co., Ltd. 36 1.13 1/4 24.7

Canadian General Electric
Co., Ltd. 33 0.30 35 0.9

Canadian International
Investment Trust Ltd. 37 1.50 35 4.8

Canadian Oil Co., Ltd. 37 0.40 —

Canadian Tire Corp., Ltd. new 20 0.70 36 1.9

Canadian Vickers, Ltd. 20 1.60 19 5.3

Canadian Westinghouse Co.
Ltd. 18 0.45 32 1.4

Central Trust Co. of Canada 15 0.20 20 1.8

Chartered Trust Co. New 29 1.12 1/2 65 1.7

Chateau-Gai Wines Ltd., New 19 0.50 15 3.2

Cochehuen Williams Gold
Mines Ltd. 16 0.14 450 3.1

Cold Storage National Co., Ltd. 27 4.59 9 5.0

Consolidated Bakeries of
Canada Ltd. 11 0.50 7 7.1

Consolidated Discovery
Y.W.L. Ltd. 10 0.08 78 7.9

Consolidated Mining &
Smelting Co., Ltd. 31 1.10 25% 4.3

Consolidated Paper Co., Ltd. 18 2.10 38% 5.5

Consumers Gas Co., New 116 10.26 11% 1.0

Consumers Glass Co., Ltd. 28 0.80 41 2.0

Corby (H.) Distillery Ltd. 17 1.00 18 7.0

Crane, H. Ltd. 18 0.54 17 3.2

Credit Foncier Franco-
Canadian 82 3.00 25% 7.4

Crownt C. & S. Ltd., sub 35 3.00 16% 3.9

Credit Trust Co., Ltd. 64 1.55 65 2.1

Dominion Bank of Canada 10 0.85 25% 3.8

Dominion Mines Ltd. 27 2.00 51% 3.8

Dominion Oil Mines Ltd. 44 0.75 29% 2.2

Dominion & Anglo-
Investment Corp., Ltd. 24 0.40 18% 2.2

Dominion Bridge Co., Ltd. 51 0.50 18% 2.6

Dominion General
Insurance Co., Ltd. 28 1.70 111 1.4

Dominion Cornset Co., Ltd. 46 0.70 15% 2.6

Dominion Foundries &
Steel Co., Ltd. 27 1.60 64% 2.5

Dominion Glass Co., Ltd. New 46 0.10 29% 2.9

Dominion Oil & Lin-
oleum Co., Ltd. 77 1.30 9% 2.9

Dominion Scottish
Investment Trust Ltd. 12 0.25 8 31

Dominion Steel & Coal
Corp., Ltd. 18 0.40 12 3.3

Dominion Stores Ltd. 22 0.42 15% 2.6

---

Canadian Tax & Chemical
Co., Ltd. 18 0.80 17% 4.5

Dominion Textile Co., Ltd. 32 1.00 20% 4.9

Donohue Brothers Ltd. 18 1.00 24% 4.0

Dorner Bros. Ltd. 24 0.60 11% 3.3

DuPont of Canada Ltd. 10 0.85 25% 2.2

Eagle Bakers Ltd. 37 10.45 16% 2.8

Eastern Canada Savings &
Loan Co. 15 1.70 50% 3.0

Eastern Trust Co. New 70 1.20 25% 2.2

Economic Investments
Trust Ltd., Ltd. 37 10.56 10 5.6

Eddy Match Co. Ltd. 26 1.75 36% 4.8

Eldorado Nickel Mines Ltd. 31 2.50 59% 4.2

Empire Life Insurance Co.,
Canada 13 1.00 25% 4.0

Equitable Life Insurance Co. of
Canada 25 0.90 55% 1.8

Essex Wire & Cable
Corporation 36 1.10 20% 2.4

Farmer Bros. Ltd. 31 0.50 12% 2.1

Federated Hospitals of
Canada 29 1.00 15% 2.3

Fleming & Oakes
Corporation 36 1.20 26% 4.8

Finn Farming Ltd. 13 0.10 4% 2.4

Ford Motor Co. of Canada,
Limited 31 0.50 18% 2.7

Friedman & Company
Corporation 24 0.50 8% 4.7

General Motors of Canada
Corporation 31 0.50 18% 2.7

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Canadian Securities

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Incorporated
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BUSINESS ESTABLISHED 1859
Canada: A Durable Haven
For Long-Term Investing

The market for fixed income bearing issues is quite likely to assume a bit more of a defensive attitude until there is clarification as to what the various measures, actual and proposed, are going to do about the solving of our balance of payments problem. This is based on the hope that the solution should come as fast as possible. In the interim, there is the feeling that the powers that be to keep short-term rates high enough so that they will continue to be competitive with similar rates in other free money centers, especially those in England and Canada. As a result of the advancing near-term rates, more pressure is being brought to bear on long-term rates and to show signs of going up a bit.

Equity Purchases on Rise

The tone of the equity market has been good enough to carry it through to new highs for the year, which means that very large amounts are now being put to work in common stocks. This upward movement in prices of equities has been in large part about mainly by those purchasers of securities who are evidently more interested in making large commitments for the purpose of price appreciation as contrasted to the income which would be derived from these purchases of common stocks.

It is rather evident that the income which is available from common stocks is much less than that which is obtainable in other forms of investment, especially fixed income bearing obligations.

No Flich From Bonds

However, in spite of the funds which are being put to work in common stocks, there are no signs of any appreciable movement to the horizon that the inflation psychology is being reigned so that there is still a very ample supply of money for investment in fixed income bearing securities.

In other words, there is not a liquidation yet evident in the bond market in order to get funds which would be used to make purchases of common stocks. Accordingly, this very large supply of money that is around for the purchase of fixed income bearing obligations is tending to keep prices of these securities from going down too much in spite of the money being used up without an adequate drain on the monetary authorities and the debt managers.

In addition, this pool of funds usable for long-term investment purposes, as well as for near term commitments, is not likely to be available for the purchase of common stocks unless there is a very strong return of the boom and bust ideas which accompany a revival of inflation fears.

Important Proviso

Therefore, in spite of the strong equity market, bond market money, under foreseeable circumstances is still strong enough so that yields on fixed income bearing issues are not likely to go down as much as moderately in spite of the operation by the monetary authorities towards higher interest rates.

Canada's foremost market place for the trading of securities representing the country's leading corporations and utilities. The Toronto Stock Exchange, with more than 1,100 listed stocks, provides investors throughout North America and the world with a modern, efficient share-trading facility in Canadian business and industry.
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Canada's financial institutions are well-capitalized and diversified, providing stability and growth potential for investors.

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Oldest mortgage company in Canada, founded in 1869.

International Paper
One of the world's largest pulp and paper producers.

Labatt
Canada's largest brewery.

Banque National du Canada
One of the major banks in Canada.

Investment in Canada
Attractive for both domestic and international investors.

Canada's economy is diverse, with significant contributions from mining, manufacturing, and financial services.

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Montreal City & District Savings Bank
Operates 63 branches in province.

Montreal Locomotive Works
Direct electric locomotives and freight products.

Montreal Refrigerating & Storage
Operates general and cold storage warehouses.

Montreal Trust Co.
Directors & trustees, management.

Mohawk Rice Mills
Manufactures rice products.

National Drug and Chemical Co.
Wholesale drugs, chemicals, general merchandise.

National Grocers Co.
Ontario grocery wholesalers.

National Trust Co. Ltd.
New, current, accepts deposits.

Neon Products of Canada Ltd.
New advertising agency.

New Brunswick Telephone Co.
Operates telephone system in New Brunswick.

Newfoundland Light & Power Co.
Operating public utility.

Niagara Wire Weaving Co.
Cable and wire weaving machine.

Northland Utilities Ltd.
Distributes power to several cities in Western Canada.

Nova Scotia Light & Power Co.
Utility interests in Halifax and vicinity in Nova Scotia.

Ogilvie Flour Mills Co.
Newfoundland.

Okanagan Telephone Co.
Mills flour, feeds, and cereals.

Okanagan Telephone Co.
Owned and operated local and long-distance telephone system.

Ottawa Cotton & Woolen Mills
Manufactures cotton and woolen goods.

Ontario Steam and Debeuberc

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time sales per year.

Page-Howe Drilling Ltd. 38 0.00 26% 4.4
Parker Drilling Co. Ltd. 10 0.30 3.2 0.4

Owns four oil drilling rigs in Western Canada

Pato Consolidated Gold Drilling Ltd. 25 0.75 3.45 21.8

Operates a gold developing project in 

Bombay, Australia.

Penmans Ltd. 57 1.80 29 6.2

Western, orange and citrus bottled 

juices.

People's Credit Jewellers Ltd. (new) 22 10.52% 11 4.6

Retailers of gold and assayed 

merchandise.

Photo Engineers & Electrotypers Ltd. 30 0.00 14% 5.5

Flote engineering purposes. 

Placer Development, Ltd. 31 1.00 26 3.8

Investment—building company— 

gold interests.

Listed Companies which Have Paid Consecutive Dividends From 5 to 10 Years Appear in the 
Second Table Starting on Page 7.

<table>
<thead>
<tr>
<th>Power Corp. of Canada, Ltd.</th>
<th>New</th>
<th>10.22%</th>
<th>2 4</th>
</tr>
</thead>
</table>
| Power Transmission and 
engineering company | 14 8.00 | 332 | 2.5 |
| Toronto Trust Co. Ltd. | 47 | 8.00 | 332 |
| Price Brothers & Co. Ltd. | 20 | 2.00 | 36% | 5.5 |
| Provincial Bank of Canada | 63 | 1.50 | 51% | 2.5 |
| Quebec Power Co. | 49 | 1.60 | (Taked over 
by Province of Quebec) |
| Quebec Telephone | 13 | 1.20 | 46 | 2 5 |
| Quebec National Bank | 49 | 0.50 | 10% | 8.7 |
| Quinte Milk Prod., Ltd. | 15 | 0.25 | 5 5 |
| Reitman's (Canada) Ltd. | 13 | 0.45 | 11% | 4.0 |
| Robertson's (P. Lg) 
Manufacturing Co., Ltd. | 22 | 0.30 | 12 | 2.5 |

*Quotations represent June 28, 1963 sale prices or the best sale price 
listed in market. Quoted sale prices are as of June 28, 1963.

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28 Exchange Place, New York 5

Continued on page 24
Canada: A Durable Haven
For Long-Term Investing

Continued from page 23

Robinson Littl. & Co., Ltd. 16 0.80 b115 3.2
Wholesale and retail merchandise
selling of dry goods & Variety store stock
lines

Rolland Paper Co., Ltd. 14 0.275 9.2 9
High-grade hand-woven paper &
related products

Royal Bank of Canada 95 2.60 78 34

Santa Fe & Pacific Corp. General insurance business

St. Lawrence Paper Co. 94 1.95 64 3.0

Sangamo Steel Co. 27 0.30 11 2.7

Scythe & Co., Ltd. 28 1.00 b116 6.0
Maintenance, ads and office supplies

Shawinigan Water and Power
Co., Ltd. 50 1.00 (Taken over by Province of Quebec)

Sherrin-Williams Co. of
Canada, Ltd. 22 1.00 23 3 3.9

Sigma Mines (Quebec) Ltd. 24 0.30 5.2 5.7

Silk Ltd. 16 1.25 34 3.7

Silver & ELECTRIC MACHINERY, MOTOORS, SWITCHES,

Silverwood Dairies, Ltd. 17 0.80 12 36 14.6
Full line of dairy products

Simpson's Ltd. 18 0.85 23 3 2.5

Skeems Ltd. 14 0.85 1.00 4.7

Skin Cap Ltd. 14 0.85 1.00 4.7

Steele Silk Industries Ltd. 26 0.30 10 3 9.0

Southam Communications Ltd. 28 0.85 32 3.0

Southern Canada Paper Co., Ltd. 41 2.50 (Taken over by Province of Quebec)

Standard Paving & Materials
Ltd. 16 0.40 9% 4.0

Standard Radio Ltd. 23 10 10 9% 4.0

Thames Valley Electric
Corporation Limited

Standard Steel Industries. Ltd. 26 0.30 10 3 9.0

Southam Industries Ltd. 18 0.85 23 3 2.5

Southern Paper (Quebec) Ltd. 18 0.85 23 3 2.5

Southam Communications Ltd. 28 0.85 32 3.0

Standard Paving & Materials
Ltd. 16 0.40 9% 4.0

Standard Radio Ltd. 23 10 10 9% 4.0

Thames Valley Electric
Corporation Limited

Standard Steel Industries. Ltd. 26 0.30 10 3 9.0

Southam Industries Ltd. 18 0.85 23 3 2.5

Southern Paper (Quebec) Ltd. 18 0.85 23 3 2.5

Stuart (D. A.) Oil Co., Ltd. 24 1.25 23 3 4.3

Sun Publishing Co., Ltd. "B" 10 0.65 23 25.2

Sun Printing and Publishing Ltd. 10 0.65 23 25.2

Sun Printing and Publishing Ltd. 10 0.65 23 25.2

Superior Petroleum Corp., Ltd. 28 0.53 13 3 5.4

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All Canadian unlisted securities

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Telex: Montreal 01-2440

The Commercial and Financial Chronicle . . . Thursday, September 26, 1963

TABLE II

CANADIAN

(Listed and Unlisted)

Common Stocks

On

Which

CONSEQUENT

CI

DIVIDENDS

Have Been Paid From

5 to 10 Years

Algonia Steel Corp., Ltd... 7 1.40 56/1 2.5

Owes & operates fully integrated plant for iron, steel, aluminum & related products. Also Iron mines & smelts, operates coal mines.

Alcan Rolling Credit Ltd... 6 0.73 10% 11 5.6

Purchases from dealers & manufacturers material for mills of improvement materials.

Anglander Oil and Gas Ltd. (Brandon) 9 1.00 b41 2.4

Manufactures and distributes pipe and fittings for oil and gas, water, etc. Also checks and radiators, etc.

Ashland Limited 6 0.18 47 1.7

Manufacturers and distributors pipe and fittings for oil and gas, water, etc. Also checks and radiators, etc.

Ashmore-Imperial Co., Ltd. "A" 6 0.44 18 2.4

Manufacturers and distributors pipe and fittings for oil and gas, water, etc. Also checks and radiators, etc.

Ashton Steel Ltds. 8 1.00 37 2.7

Major producer of wide range of alloy and tool steels & special steels used with plant at Welland, Ont. Subsidiary operate in England. Also has interest in similar operations in Singapore.

Bovens Company Ltd. 9 1.50 b34 4.4

Manufacturers and wholesalers of food and dairy equipment & supplies.

Alcoa Steel Ltds. 9 1.00 37 2.7

Major producer of wide range of alloy and tool steels & special steels used with plant at Welland, Ont. Subsidiary operate in England. Also has interest in similar operations in Singapore.

Boyd Valley Industries Ltd., New 10 19 123/ 5.3 2.3

Operations as contract drillers for oil & gas. Subsidiary - Townsend & Weeks operating from 2,000 ft. to 10,000 ft.

Braman Pioneer Mines Ltd. 9 1.40 52 7.6

Over 24 properties operating in the Cariboo and Bridge River areas of British Columbia.

Bright, T. & Co., Inc. 8 1.7 66 12.6

Manufactures and distributes the Welland business in Ontario, plants in Niagara Falls, Ont., and Labrador, Que. Storage capacity 1,500,000 gals. Also operates in retail stores.

British Columbia Packers 8 1.90 17 5.9

Packets fish, oysters, abalone, etc. Also operates in British Columbia. Branches in Manitoba and B.C. Brand names: "Cliveden Lean" and "Rupert Brand."

Butler's Ltd. "B" 8 0.35 b5 7.0

Manufacturers and wholesalers of food and dairy equipment & supplies.

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Telephone: 868-3781

Telex: Montreal 01-2440

Coast Exchange Member

Wilson & Birkenmeyer of the firm of Birkenmeyer & Co., Inc. has been elected to membership in the Pacific Coast Stock Exchange, according to the announcement of Thomas P. Fleming, Exchange President.

Birkenmeyer & Co., Inc. located at 734-17th St., Denver, Colorado, conducts a general stock brokerage business.

Oswald, Drinkwater & Graham Ltd. . .

Members

Montreal, Canadian & Toronto Stock Exchanges

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The Investment Dealers' Association of Canada

Bank of Nova Scotia Building

Montreal
As We See It
Continued from page 1

As we are told that we should sharply reduce the income of the Federal Government is anything but satisfying. To be wasteful, inefficient or unnecessary Government activity will be tolerated" or that we are "pledged to a course of true fiscal responsibility leading to a balanced budget in a balanced, full-employment economy," while expenditures, virtual or real, from day to day, is hardly likely to quiet fears of what all this will bring upon us.

True tax reform and tax reduction when accompanied by the necessary prior or concomitant reduction in outlays are so badly and so urgently needed that it may appear to some to be cursed tax reduction even when cuts are planned in the wrong places—or at least not in the most needed places. We may have seen some generalities about "tight budgets" fill the air. The fact is though that no public need during the past 15 or 20 years for a matter has been as great or more urgent in peacetime than that of true fiscal responsibility in Washington. Many of us, I think, have not seen since Franklin Roosevelt entered the White House in 1933. It is extremely unfortunate so plain a need and so simple a cure can be so obscured by such unnecessary complexities and expedients as the peculiarly long-discredited fiscal fallacies.

Many Serious Questions
We do not say that with the tax changes the President asks we should meet disaster or that without them we should prosper fully in any indefinite. We do say that both experience and common sense, to say nothing of the teachings of many learned men and many statements over many years, raise many serious questions about the validity of the President's reasoning at many points. This observation is fully as true when applied to the President's assurances that tax plans would put us on the road to "full employment," as it is when applied to our international accounts. And, so it seems to us, the Chief Executive's attempt to pass over the problems of those who are troubled about mounting Federal deficits, or in particular a tax slowdown at a time when the President or his advisers figure that more money would be left in the hands of individuals for spending either in consumption or investment, has not worked all the miracles he now tells us about.

Greenbacks!
If the public does not add to its purchase of government obligations in amounts of this magnitude, will it have to be shown that the government get the necessary funds? Is there but one answer?

The funds will be raised in the usual manner, by selling government debt to a fortunate name, a commercial history of its own.

One last day month the Congress of the Franklin Bank of St. Louis, at a meeting addressed by Mr. High, President, was able to tell his 33,300 shareholders:
"The fiscal year just ended was the best on record. It amounted to a new high of $160,667,970, an increase of 1.7% over the total of $171,537,811 for the year ago. Total net assets and the number of shareholders have rec

The President, ready to suggest that the long discredited procedure of paper currency printing will bring the blessings he foresees as a result of the tax changes he wants.

Nominated for the position of "Federal Reserve" in the earlier days has been selected for the position of "Federal Reserve" in the earlier days.

Richard N. Benjamin

Executives can increasing revenues increase their profits keep our education on an international level.

"And we have been shown by the experiments of various countries that the cost of the tax structure in the United States is less than it is in countries outside of the United States, and that..."

Newspaper and Magazine publishing companies have been shown by the experiments of various countries that the cost of the tax structure in the United States is less than it is in countries outside of the United States, and that we have been shown by the experiments of various countries that the cost of the tax structure in the United States is less than it is in countries outside of the United States, and th...
PUBLIC UTILITY SECURITIES
BY OWEN ELY

New England Electric System

New England Electric System, with annual revenues of $202 million, is one of the two important holding company systems in New England. It serves electricity and natural gas utilities in Massachusetts, Rhode Island, and New Hampshire, most of the business being in Massachusetts. It is a new- netic subsidiary (Mystic Power) of General Electric Power & Light & Power. Principal cities in the area include Providence, Providence, and Sunnyvale. Leading industries include metal products, textiles, chemicals, metals, printing, food products, and rubber goods. Educational and research activities are also prominent in the area.

NEES had some 60 subsidiaries in 1945, and has now greatly increased its number. Four retail electric subsidiaries in New England merged in 1945, before the company was formed. The new entity, New England Electric Co., which serves 622,000 customers, is located in four other areas of New England. There are also two electric retailers in Rhode Island and New Hampshire, a wholesale power company (New England Power) in Massachusetts, and six other companies. These eight new retail subsidiaries in the New England area are serving major areas in New England. There has been a long-standing SEC order which may require eventual sale of the gas properties, but the company is not considered an adverse factor since they are earning an excellent rate of return.

In the New England Electric System, the electric subsidiaries have generating capacity of 1.650,000 kw, of which about one-third is hydro. The system is interconnected with large New England utilities as well as with other major New England utilities. About a year ago a new 230-kv transmission line connecting the system with Niagara-Montreal was placed in service; this provides a strong connection to the west and enables the system to buy large blocks of cheap power.

NEES is building the new Bay Point generating station with two units of 250,000 kw, capable of the first unit in service in August and the second unit to be ready next May, 1964. This will enable the company to meet the peak load most effectively in the country with a heat rate under 6,000 Btu per kw; only about 6,100 of a pound of coal will be needed to produce one kw. The heat rate compares with the present overall system rate of 11,000 Btu, but with the Bay Point plant in operation, the system rate should drop to about 9,000, which might mean an estimated saving of about $3.5 million a year, or 12 cents a share of the power produced at Bay Point should be under 6 mills per kw.

NEES has a 30% interest in the Yankee Power Pool, which has proved more efficient than anticipated. The plant has been operating continuously for over 11 months, quite a record for lower rate for all-electric living. The system now has more than 2,000 dwellings heated by electricity; 10% of new homes are thus heated, almost doubing this percentage within 3 years.

New England Electric’s share of income has been increased modestly over the past decade, $3.26 being reported for 1982. For the 12 months ended August, earnings were $1.45 vs. $1.37 in the previous period. The dividend rate has been increased from 90 cents in 1955 to $1.12. The company has had a rather heavy construction program, with 1982 expenditures of $65 million, the highest in its history. In 1983, $60 million will be spent. The company’s overall rate of return on capital is expected to be 6% in 1964, which is considered satisfactory for this type of business.

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Higher Interest Rate Policy Would Worsen Our Problems

Continued from page 3

Labor force increase is 1.0 million; for manufacturing and trade it will be 300,000. This will be almost a million for nonagricultural establishments. In addition, the midwinter warm spell has brought an early harvest in the cotton belt. The crop is now estimated at 2.4 billion bales, compared with 2.0 billion bales last year. The average price per bale is expected to be about $1.00 higher than last year. The total farm income of the U.S. will reach $10.0 billion this year, compared with $8.0 billion last year. The increase in farm income will be mainly due to the higher prices of commodities. The increase in farm income will have a stimulating effect on the economy. The increase in farm income will also increase the demand for farm equipment. The increase in farm income will also increase the demand for farm products. The increase in farm income will also increase the demand for farm services. The increase in farm income will also increase the demand for farm labor. The increase in farm income will also increase the demand for farm credit. The increase in farm income will also increase the demand for farm insurance. The increase in farm income will also increase the demand for farm transportation. The increase in farm income will also increase the demand for farm processing. The increase in farm income will also increase the demand for farm marketing. The increase in farm income will also increase the demand for farm research. The increase in farm income will also increase the demand for farm education. The increase in farm income will also increase the demand for farm extension. The increase in farm income will also increase the demand for farm credit unions. The increase in farm income will also increase the demand for farm banks. The increase in farm income will also increase the demand for farm cooperatives. The increase in farm income will also increase the demand for farm stockyards. The increase in farm income will also increase the demand for farm wholesale houses. The increase in farm income will also increase the demand for farm retail stores. The increase in farm income will also increase the demand for farm post offices. The increase in farm income will also increase the demand for farm schools. The increase in farm income will also increase the demand for farm hospitals. The increase in farm income will also increase the demand for farm libraries. The increase in farm income will also increase the demand for farm museums. The increase in farm income will also increase the demand for farm theaters. The increase in farm income will also increase the demand for farm parks. The increase in farm income will also increase the demand for farm zoos. The increase in farm income will also increase the demand for farm zoological gardens. The increase in farm income will also increase the demand for farm popular gardens. The increase in farm income will also increase the demand for farm private gardens. The increase in farm income will also increase the demand for farm nurseries. The increase in farm income will also increase the demand for farm florists. The increase in farm income will also increase the demand for farm florists' suppliers. The increase in farm income will also increase the demand for farm florists' equipment. The increase in farm income will also increase the demand for farm florists' supplies. The increase in farm income will also increase the demand for farm florists' clothing. The increase in farm income will also increase the demand for farm florists' uniforms. The increase in farm income will also increase the demand for farm florists' accessories. The increase in farm income will also increase the demand for farm florists' tools. The increase in farm income will also increase the demand for farm florists' furniture. The increase in farm income will also increase the demand for farm florists' fixtures. The increase in farm income will also increase the demand for farm florists' decorations. The increase in farm income will also increase the demand for farm florists' supplies for retail stores. The increase in farm income will also increase the demand for farm florists' supplies for wholesale houses. The increase in farm income will also increase the demand for farm florists' supplies for post offices. The increase in farm income will also increase the demand for farm florists' supplies for schools. The increase in farm income will also increase the demand for farm florists' supplies for hospitals. The increase in farm income will also increase the demand for farm florists' supplies for libraries. The increase in farm income will also increase the demand for farm florists' supplies for museums. The increase in farm income will also increase the demand for farm florists' supplies for theaters. 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The U.S. cannot neglect either the domestic or the international problem. The question is, what are the appropriate policies to deal with each of these problems? It is in view of the fact that the U.S. policies' effectiveness is not of the traditional type, involving excess demand at home attracting excess resources from abroad in an arm's length trade, that we should not use traditional means to deal with it. Rather, general fiscal and monetary policies should be primarily directed at domestic expansion while special efforts are made to secure a balance at the level of payments problem. The recently proposed interest parity legislation is another step in this direction and, if needed, I would suggest a similar approach to the international relations.

I shall now discuss fiscal, monetary, and capital account policies in turn.

Fiscal Policies

If there is little to add on the subject of fiscal policy beyond what I have said earlier, A tax cut is not, however, as much a contribution to aggregate demand, especially consumer demand, as previously thought. The lower the current run of outlook is, the more I am not in a position to suggest the likely course of Federal expenditures in the period immediately ahead, but it is a reasonable assumption that they will continue to grow, maintaining though perhaps less rapidly than in the past two or three years. It is worth pointing out, however, that most evaluations of the impact of the tax cut on aggregate demand assume that this impact will not be counterbalanced by a slowdown in Federal outlays. From the fiscal policy point of view, Federal spending should continue along a rising trend in line with the growth of potential GNP.

Cutting this in other terms, one may view the tax cut as a means of reducing the magnitude of the fall in public employment, and the stable surplus that is implicit in the present budget acts as a drag on economic expansion. It is a burden to put too large a burden on total Federal expenditures, savings which our economy generates at high and rising income levels are not buoyant enough to carry this burden, and it has not been, we have seen, so used that efficiency of employment or the budget surplus. The implicit, surplus can be reduced either by cutting tax rates or by increasing expenditure on public works and development, the two. But it hardly makes a policy to use one tool for expansion and the other for contraction.

Questions Monetary Expansion Claims

Monetary policy — During the past year, our monetary policy has attempted to cope with conflicting objectives. It has aimed at keeping seasonal fluctuations of resources at home while also maintaining upward pressure on interest rates as so to minimize incentives for capital inflows.

Opinions differ on the degree of domestic stimulation from the monetary policy. There are those who believe that monetary policy has been effective enough to improve substantially in a long period, and has resulted both in a spillover of funds to other countries and in a deterioration in the quality of credit at home. Those who take this view support it by pointing to the large growth in commercial bank loans and investments at a time when credit demands were not intense. Last year, for example, commercial bank loans increased in volume by 9% as compared with a 5% increase in GNP. From the trough of 1962, GNP has increased by 15%, and in the mid-1963, loans and investments at all commercial banks increased by 20%, while GNP grew 16%.

On this evidence, it is claimed that the basic cause of the bank being provided with reserves is to make a substantial contribution to the monetary expansion. It is necessary to analyze the credit growth in its various forms and their credit magnitudes in the past year and a half have been significantly higher than the movements in interest rates paid on demand deposits and in time rates of savings deposits following changes in the Board's Regulation Q. An important and significant change in recent rate changes was that commercial banks became more attractive as financial intermediaries. A substantial fraction of the apparent growth in commercial bank credit was in the form of time deposits and savings accounts. It was reduced to increase their claims in the form of time and savings investments. If clients were induced to increase their claims with a substitute for direct holdings of securities or claims on other financial institutions, then it is clear that this type of shift occurred, only a part of the increase in total bank deposits and bank as-

Various policies have been adopted by the U.S. Government in an attempt to deal with this imbalance in terms of both monetary and capital account.

Continued from page 2

The security I like best…

Yielding Capital Exports to Exports

Our balance of payments problem may be characterized as follows: In the current year, the United States had an estimated 60,000,000 tons of limestones reserves at Cedar Hollow and 100,000 tons of U.S. coal reserves. With the anticipated sales increase, this result is expected to make a significant impact on the country's economy, much as the United Kingdom's policy of capital inflows from the Suez Canal. This has a 100-square-mile tract which, internationally, if the real burden of our capital exports is increased.

Various policies have been proposed to deal with this imbalance, as between our capital and current accounts. Among the many policies that have been proposed is the U.S. exports, and a tax has been proposed on long-term capital outflows, in the form of portfolio investments.

To continue to remove these steps in the right direction. Despite the criticism that has been levied at aid, I would like to see that policy that approach to overcome the shortage in export demand for U.S. exports.

The United States, given its high real and potential rate of growth, is quite willing to provide real resources to the rest of the world. The cost of this access of foreign capital is a small price to pay for the benefits of development, and a good case can be made for trying all capital exports to the U.S. exports.

If we tied capital flows to export sales, an adjustment would come about in our balance of payments either through an increase in export prices or a reduction in capital outflows (government or private) is also covered by this general rule.

Finally, we need to remember that we are in the position of choosing among undesirable alternatives. Tying aid and capital flows may have disadvantages in terms of international clearing agreements. If we reject this approach, however, we shall compare its costs, both monetary and long-term, with the costs of alternative approaches to dealing with the large current balances of payments problem. In partial, failing to achieve potential output and employment is a real and substantial cost.

It should be apparent that in my view, the approach to solving the problem has evolved in achieving more rapid economic growth and reducing our current account deficit, which among its customers, have given little reflection of Warner's real wealth and, in the past, had been served by a younger management and settlement of major strikes in the country, or in the last place, to reduce sales. Warner should show an about 40% improvement in operating earnings in 1963 with an estimated $1.00 per share or $1.13 earned in 1962 (as reported in 93 per cent in non-recurring items). Based upon the current earnings per share, one would get: a steady - mix concrete, expanding sales of lime, and savings from a $2,500,000,000,000,000,000 program, management believes that, barring unforeseen unfavorable developments, earning amounts to should 30% to $5.00 per share in 1964.

Ralph?...
STATE OF TRADE AND INDUSTRY

Continued from page 16 above the corresponding period of 1962, and 145,445 cars or 36.6% above the corresponding period of 1961. There were 61 class 1 U. S. railroad systems originating this type traffic in this year's report compared with 61 one year ago and 58 in the corresponding week in 1961.

Inter-City Truck Tonnage Fractionally Below Year-Ago

Inter-city truck tonnage in the week ended Sept. 14 was 0.6% lower than the volume in the corresponding week of 1962, the American Trucking Associations announced. Truck tonnage was 17.0% above the volume for the previous week of 1961. The ATA stated that the week-to-week increase was consistent with that found in earlier years for the week following the Labor Day holiday.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the Federal Reserve Bank of St. Louis, a Department of Research and Transport Economics. The report reflects tonnages on more than 400 truck terminals of common carriers of general freight throughout the U. S.

The terminal survey for last week showed increased tonnage from a year ago at all locations, with 15 points reflecting decreases from the 1962 level. One terminal city reported a decrease. None of the terminal cities registered a gain of 10% or more, while only one terminal area reported an excess of this amount, emphasizing the small variation from year-to-year.

Compared with the immediately preceding week, all 34 metropolitan areas reported a 14% increase in terminal tonnage for the week following the Labor Day holiday.

Lumber Production Gains 5.5% Above 1962 Rate Above Last-Year Level

Lumber production in the country totaled 1,952,800,000 board feet in the week ended Sept. 14, according to reports received from regional lumber associations. This was 7.3% above new orders for the previous week.

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

<table>
<thead>
<tr>
<th>Week</th>
<th>Production</th>
<th>New orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 7</td>
<td>1,948,000</td>
<td>2,040,000</td>
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<td>Sept. 14</td>
<td>1,952,800</td>
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<tr>
<td>Sept. 21</td>
<td>1,962,800</td>
<td>2,060,000</td>
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<tr>
<td>Sept. 28</td>
<td>1,968,000</td>
<td>2,050,000</td>
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<tr>
<td>Oct. 5</td>
<td>1,982,000</td>
<td>2,060,000</td>
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<tr>
<td>Oct. 12</td>
<td>1,990,000</td>
<td>2,070,000</td>
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</tbody>
</table>

Electric Output Shows 6.3% Gain Above 1962 Level

The amount of electric energy distributed by the electric light and power industry for the week ended Sept. 14 was estimated at 17,478,000,000 kWh, according to the Edison Electric Institute. Output for the previous week was 17,039,000,000 kWh, above the total of 16,839,000,000 kWh in the corresponding period of 1961. This represented a gain of 6.3% for the year.

Failures Hold Close to Prior Week

Commercial and industrial failures numbered 392 in the week ended Sept. 14, slightly from the 11-week high of 429 set in the week earlier, reported Dun & Bradstreet, Inc. Most of the failures fell short of the 311 and

IBA Slate for 1964

PRESIDENT: David J. Harris, Bank of America, San Francisco.
VICE-PRESIDENT: Lloyd E. Tackett, White & Wold, Litchfield.
VICE-PRESIDENT: John P. Labanese, Commercial Bank of New York.
VICE-PRESIDENT: Charles P. Pierce, Comerica Bank, Dallas.

INDUSTRY

Women Elect

Elaine C. Haggerty of Phelps, Fenn & Co. has been elected president of The Municipal Bond Women's Club of New York, for the ensuing year. She succeeds Mrs. Betty C. Pulk, of Harris Trust & Savings Bank, who remains a member of the board of Governors.

August Retail Sales Up 6% From Last Year's Week

Total sales of retail stores in August were $21.1 billion, for the last four-week period. 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% over the year-ago week.

August Retail Sales Up 6% From Last Year's Week

N. Y. Municipal Women Elect

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August Retail Sales Up 6% From Last Year's Week

The Office of Business Economics noted that, after adjustment for seasonal variations and trading day differences, most major durable goods trade showed lower sales from July to August. Sales of nondurable goods, on the other hand, were up in most soft-goods lines. Based on the full sample, seasonally adjusted sales of retail stores in July were about 1% above June.

With Hersh Edathorn

DENVER, Colo.—Timothy Collins has become affiliated with Hersh Edathorn & Associates, Inc., 17th Street. He was formerly with Peters, Writer & Christensen, Inc.

With J. H. Naylor

DENVER, Colo.—Milford A. Naylor, formerly with Denver Traders, is now connected with J. H. Naylor, Inc., 5810 West 38th Avenue. He was previously with Peters, Writer & Christensen, Inc.
### Indications of Current Business Activity

#### American Iron and Steel Institute:
- Steel and sheet and other (in tons). Aug. 31: 12,950,000, 7,450,000, 6,000,000.
- Steel and sheet and other (in tons). Sept. 30: 12,950,000, 7,450,000, 6,000,000.

#### Metal Price Index (S & M. J. Quotations):

#### Dry-Bulk Movements:

#### Stock Transactions for One-Year Account of Members, Except Odd-Lot Dealers and Specialists:
- Sales. Direct, Aug. 30: 2,368,890. Sept. 30: 2,368,890.
- Sales. Direct, Aug. 30: 2,368,890. Sept. 30: 2,368,890.

#### Coal Export (Bureau of Mines):
- Total in 1960. 122,403,000. 122,403,000.

#### Department Store Sales Index—Federal Reserve:

#### National Paperboard Association:
- Sales, Aug. 31: 227,560. Sept. 31: 246,100.
- Sales, Aug. 31: 227,560. Sept. 31: 246,100.

#### Round-Bound Transactions for Account of Members, Except Odd-Lot Dealers and Specialists:

#### Consumer Index—1939–1949:

#### Copper Institute:
- For month of August. 1960. 126,500,000. 126,500,000.
- For month of August. 1960. 126,500,000. 126,500,000.

#### New Sales for One-Year Account of Members, Except Odd-Lot Dealers and Specialists:
- Total sales. Aug. 30: 2,088,800. Aug. 30: 2,088,800.
- Total sales. Aug. 30: 2,088,800. Aug. 30: 2,088,800.

- Odd-lots, Aug. 30: 1,913,400. Sept. 30: 1,913,400.
- Odd-lots, Aug. 30: 1,913,400. Sept. 30: 1,913,400.

#### Wholesale Prices, New Series—U. S. Dept. of Labor:
- All commodities, other than farm and food. Aug. 31: 99.5. Sept. 30: 99.5.
- All commodities, other than farm and food. Aug. 31: 99.5. Sept. 30: 99.5.

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### Additional Tables

#### American Petroleum Institute—Month of July:
- Sales of crude oil. Aug.: 122,775,000. Sept.: 122,775,000.
- Sales of refined products. Aug.: 122,775,000. Sept.: 122,775,000.

#### American Iron and Steel Institute—Month of August:
- Total domestic production (barrels of 42 gal.). Aug.: 256,778,000. Sept.: 256,778,000.

#### American National Bank—Month of August:
- Total balance, Aug.: $22,323,000. Sept.: $22,323,000.
- Total deposits, Aug.: $20,730,000. Sept.: $20,730,000.

#### American Institute of Banking:

#### American Iron and Steel Institute—Month of July:
- Sales of steel and sheet and other (in tons). Aug.: 122,403,000. Sept.: 122,403,000.
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#### American National Bank—Month of August:
- Total balance, Aug.: $22,323,000. Sept.: $22,323,000.
- Total deposits, Aug.: $20,730,000. Sept.: $20,730,000.

#### American Institute of Banking:
Securities Now in Registration

NOTE — Registration statements filed with the SEC since the last issue of the "Chronic-ple" are now carried separately at the end of this section "Securities Now in Registration." Dates of effectiveness and a brief analysis 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 Registration" are dates on which such issues became effective this week and were offered publicly.

- Adkins-Phelps Co., Inc. (10-2)
- Allegheny Venture Corp.
- Amerine Molding Co., Ltd.
- American Israel World's Fair Corp. (10-14/18)
- American Vitrifield Products Co.
- Amerline Corp. (10-2)
- Bankers Trust Co.
- Colleges, Inc. (10-2)
- Citizens and Southern Trust Co.
- Commercial Life Insurance Co. of Missouri (10-3)
- Continental Reserve Corp.
- Dornier Helicopters, Inc.
- Domestic Carolina Industries, Inc.

In the over-the-counter securities

various in the under-registration

FIRM TRADING MARKETS

in over-the-counter securities

specializing in all new issues

- Bankers Trust Co.
- Domestic Carolina Industries, Inc.
- Domestic Reserve Corp.
- Dornier Helicopters, Inc.
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- Domestic Reserve Corp.
Federco Corp.  
Oct. 29, 1962 filed 20,000 shares, of which 17,500 are to be offered by company and 2,500 by a shareholder. Price—By amendment (max. $2). Business—Design and manufacture of tools, dies, molds, bumper yeings and the related equipment for use in the die-casting business. Proceeds—For redemption of outstanding second preferred stock, working capital, general corporate purposes. Office—Federco Corp., 606 W. Pratt Ave., Chicago. Underwriting—None.

Federal Securities Finance Corp.  
(Oct. 1/1)  

b  
Underwriter—Mackall & Co, Washington, D. C.

Florida Jai Alai, Inc.  
June 28, 1962 filed 10,000 shares, of which 1,000 are to be offered by company and 9,000 by a shareholder. Price—$2.50. Business—Operation of Jai Alai games and pari-mutuel betting. Proceeds—For rent, purchase of leased quarters, building improvements, working capital, Office—Ferral Park, Fla. Underwriter—Consolidated Securities Corp., Pompano Beach, Fla. Underwriting—Indefinitely postponed.

Florida Power Corp.  
(Oct. 11)  

Florida Mutual Fund  

Florida Jai Alai, Inc.  
June 28, 1962 filed 10,000 shares, of which 1,000 are to be offered by company and 9,000 by a shareholder. Price—$2.50. Business—Operation of Jai Alai games and pari-mutuel betting. Proceeds—For rent, purchase of leased quarters, building improvements, working capital, Office—Ferral Park, Fla. Underwriter—Consolidated Securities Corp., Pompano Beach, Fla. Underwriting—Indefinitely postponed.

Florida Power Corp.  
(Oct. 11)  

First American, Texas Mutual Fund  
Oct. 9 (Wednesday)  
General Acceptance Corp.—Debentures  
(12 1/2% coupon)  
Eastman Kodak Co. (Eastman Kodak Co. $2,600,000. New York: Harris & Company, 133,333 shares.)

First American, Texas Mutual Fund  
Oct. 9 (Wednesday)  
General Acceptance Corp.—Debentures  
(12 1/2% coupon)  
Eastman Kodak Co. (Eastman Kodak Co. $2,600,000. New York: Harris & Company, 133,333 shares.)

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First American, Texas Mutual Fund  
Oct. 9 (Wednesday)  
General Acceptance Corp.—Debentures  
(12 1/2% coupon)  
Eastman Kodak Co. (Eastman Kodak Co. $2,600,000. New York: Harris & Company, 133,333 shares.)
Great Lakes Steel Corp.


Greenwich Indemnity Co.

Aug. 29, 1963 filed 1,000,000 shares. Proceeds—For general corporate purposes. Offering—Pending.

Hill Street Co.

Nov. 17, 1963 filed 2,575,812 common to be offered for subscription by holders of the one or more shares held by them in the Hill Street Co. Proceeds—For general corporate purposes. Offering—Pending.

Holiday Mobile Home Residences, Inc.

Mar. 27, 1963 filed $2,500,000 of 6% conv. subordinated debentures. Proceeds—For construction of additional mobile home centers in various states. Proceeds—For general corporate purposes. Offering—Pending.

Intra State Telephone Co.

Dec. 5, 1962 filed 10,000 common shares. Proceeds—For subscription to holders of the stock of the same class in the capital stock. Proceeds—For general corporate purposes. Offering—Pending.

Investors Inter-Continental Fund, Inc.


Investors Realty Trust


Israel Fund, Inc.


Israel American Development Corp.


Israel Baby Food Co., Ltd.

Sept. 12, 1962 filed 610,000 of $9.00 preferred stock. Price—$10. Business—Manufacturing and selling infant food and supple-

Japan Petroleum Co., Ltd.


Jaap Penraat Associates, Inc.


Jamaica Fund, Inc.


Jewel Central Power & Light Co.


Key Finance Corp.


Keystone International Fund, Inc.


Krasnow Industries, Inc.


Life Insurance Co. of Florida


Lord Jim's Service Systems


Marshall Press, Inc.


Medical Industries Fund, Inc.


Medical Video Co.


Meridian Fund, Inc.


Middletown Water Co.


Midwest National Life Insurance Co.


Midwest Technical Development Corp.


Morton (B. C.) Realty Trust

Oct. 14-18

Bellingham, Wash. Underwriter—Central Management & Re-

Municipal Investment Trust Fund, Series B

April 28, 1961 filed $15,000,000 (15,000 units) of interests. Proceeds—for investment in tax-exempt bonds of counties, municipalities and taxing districts of the state of Washington. Proceeds—for general corporate purposes. Offering—Pending.

National Aviation Underwriters, Inc.

Oct. 17-11


National Fence Manufacturing Co., Inc.


National Equipment & Plastics Corp.


National Government Underwriters, Ltd.

Oct. 29


National Government Underwriters, Ltd.

Oct. 29

National Union Insurance Co. of Washington
(10/1-4)
Business—Company plans to engage in property and
casualty insurance business.

Nevada Power Co. (10/8)
Sept. 6, 1963 filed 120,000 shares. Price—By amend¬
dment (max. $10). Business—Restructuring of capital.

Nevada Power Co. (10/16)
Sept. 6, 1963 filed $11,000,000 of first mortgage bonds due 1970 at 7 1/2%.

Nordian Corp.
July 29, 1963 filed 100,000 shares. Price—$5.
Business—Company plans to operate television stations.

Notman & Company
Aug. 30, 1963 filed 80,000 shares at $2.
Business—Company forms a new financial institution
involving mortgage real estate interests.

Oil Drilling Equipment Co.
Nov. 1, 1963 filed 12,031,000 shares at $1.
Business—Company form a new company to operate in
the field of exploration and development of petroleum
resources.

O'Malley Investing Corp. (10/1-4)
Aug. 9, 1963 filed 200,000 shares at $10. Business—A
eral real estate investment and development company.

Palm Tree Power Co. (10/1-23)
Sept. 18, 1963 filed 37,000,000 of first mortgage bonds
due 1999 at 7% (max. $18). Price—For re¬
certificates, $70; for stock, $10. Business—A mortgage
loan company.

Pan Pacific Mines
(11/4-9)
Business—Production of natural gas and oil.

PMA Insurance Fund Inc.
April 8, 1963 filed 200,000 shares. Price—Net asset
value $5. Business—Sale of subordinated bonds
specializing in insurance stock.

Pacific Mines Inc.
(10/21-25)
Sept. 18, 1963 filed 79,477,000 shares. Price—By amend¬
dment (max. $10). Business—Operation of mining and
loan repayment.

Pacifi c Mining Co.
(11/1-16)
June 11, 1963 filed 325,000,000 capital shares being of¬
f erred for subscription by U. S. resident stockholders on
the basis of one share for each common share owned.
Price—Net asset value $1.78 per share. Business—Purge¬
and loan repayment. (max. 1 cent). Business—Exploration
for oil and gas.

Penn Central Corp.
(7/26-30)
July 24, 1963 filed 215,000 class A and three¬
hundred four-thousandths of one percent preferred
shares to be offered in units consisting of four shares and
one warrant. Price—$33 per unit. Business—Company will
erect a luxury hotel and resort hotel and sell 80 acres of land for home sites.

Pine Mines Co., Inc.
(10/4-8)
Business—Company formed to develop mining
ventures.

Pocino Downs, Inc. (10/21-25)
Sept. 10, 1963 filed $2,000,000 of 6% subordinated sink¬
fund bonds due 2009.

Provident Stock Fund Inc.
April 13, 1963 filed 100,000 shares at $10 per share.
Business—Generation of capital for investment in finan¬
cial, insurance, and communication enterprises.

Princeton Research Labs, Inc.
Business—Purchase and sale of realty, construction, main¬
tenance and repair of buildings and general handyman and
improved land.

Quality National Corp.
Business—Company plans to acquire a subsidiary life insur¬
ance company.

Ramo Inc. (10/14-18)
Sept. 16, 1963 filed 80,000 of 8% subordinated sinking fund debentures. Due Oct. 1, 1973. Price—At par. Business—Company plans to issue additional bonds and
redeem common stock.

Rasse Plantation Inc.
Aug. 27, 1963 filed 400,000 ordinary shares. Price—By amend¬
ment (max. $25). Business—Company formed to operate
plantation and markets citrus fruits in Israel.

Recording Industries Corp. (10/1)
July 19, 1963 filed 297,000 common. Price—$5. Business—Company forms a new company to provide a sub¬
scription television system in the Los Angeles and San Francisco metropolitan areas.

Recreation Industries, Inc.
Nov. 23, 1963 filed 100,000 common. Price—$1.
Business—Sale of travel and entertainment.

Reid’s Landing Inc.
(9/26-27)
Nov. 27, 1963 filed 125,000 class A common and three¬
hundred thirty-two-thousandths of one percent preferred
shares to be offered in units consisting of four shares and
one warrant. Price—$3 per unit. Business—Company will
erect and operate a luxury hotel and resort hotel and sell 80 acres of land for home sites.

Saltawa Gold Mines Ltd.
Aug. 9, 1963 filed 1,000,000 shares. Price—By amend¬
dment (max. $25). Business—Production of gold.

Santo Domingo Mining Co.
July 12, 1963 filed 415,000 shares at $2 per share.
Business—Company plans to develop mining
ventures.

Santo Tomas Mining Co.
Sept. 17, 1963 filed $4,000,000 of 4% convertible debentures due 1973.

Seth Thomas Distributing Co.
(6/28-30)
June 29, 1963 filed 100,000 shares. Price—By amend¬
dment (max. $35). Business—Company forms a new company to operate in the field of manufacturing and
merchandising of watches and radio equipment.

Shreveport South Inc.
(7/10-11)
Aug. 22, 1963 filed 1,600,000 shares at $12.
Business—Company plans to buy, hold and sell cable
subscribers and advertisers.

Simpson, Fink & Co.
(7/4-5)
July 4, 1963 filed 1,000,000 shares. Price—By amend¬
dment (max. $20). Business—Company forms a new
company to engage in wholesale and retail distribution of
fabricated products.

International Telephone, Inc. (7/10-11)
Aug. 22, 1963 filed 1,600,000 shares at $12.
Business—Company plans to buy, hold and sell cable
subscribers and advertisers.

S.S. Huebner & Co.
(6/1-6)
July 1, 1963 filed 1,000,000 shares. Price—Net asset
value $3.
Business—Company was formerly a manufacturing and
sale of mobile homes.

Sutro Mortgage Investment Trust
Feb. 1, 1963 filed 30,000 shares of beneficial interest.
Price—By amendment (max. $10). Business—Company
forms a mortgage trust.


Reunion Industries, Inc. (10/1-18)
Sept. 16, 1963 filed $1,000,000 of 5% convertible sub¬
ordinated debentures due 1968. Shares will be offered to
stockholders in units of one $100 decept and 19 shares.
Price—By amendment (max. $10). Business—Company
manufacture and sale of mobile homes.

Sutro Mortgage Investment Trust—For investment.


Repeal National Life Insurance Co. (10/7-11)
Aug. 20, 1963 filed 200,000 capital shares. Price—By amend¬
dment (max. $20). Business—Company forms a new
company to move to San Francisco.

Sutro Mortgage Investment Trust—For investment.


Sutro Mortgage Investment Trust—For investment.


Sutro Mortgage Investment Trust—For investment.


Sutro Mortgage Investment Trust—For investment.


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Sutro Mortgage Investment Trust—For investment.


Sutro Mortgage Investment Trust—For investment.
Texas Plastic, Inc.

Top Dollar Stores, Inc.
May 1, 1962 filed 200,000 capital shares, of which 100,000 are to be offered by company and 100,000 by stockholders. Price—$1.00. Business—Retail store carrying self-service, household and commercial products, the Lake Shore copper deposit near Cas Grand, Ariz. Proceeds—For expansion, exploration and working capital. Address—201 E. 4th St., Casa Grande, Ariz. Underwriter—None.

United Investors Corp. (Minn.)
July 29, 1963 filed $500,000 of 6% convertible debentures due 1972 to be sold for subscription to holders of the stock on an unlimited basis. Price—At par. Business—A holding company for United Investors Fund Corp. (a broker-dealer) and Midwest United Capital Life Insurance Co. of Minnesota. Proceeds—To increase capital stockholders. Address—3901 First National Bank Bldg., St. Paul, Minn. Underwriter—None.

U. S. Controls, Inc.

Unifox, Inc.

Unimaid, Inc.

Universal Ammunitions Fund, Inc.

• Universal Moulded Fiber Glass Corp.

Underhane of Texas, Inc.
Feb. 14, 1963 filed 25,000 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 working capital, leasehold expenses and other corporate purposes. Office—Box 13, Dallas, Tex. Underwriter—First Nebraska Securities Corp., Lincoln, Neb.

Valley Investors, Inc.

Warwick Fund
July 17, 1963 filed 300,000 units of participation in the Fund. Proceeds—For exchange in the furtherance of certain investment objectives. Address—111 Madison Ave., Claymont, Del. Distributor—Wellington Co., Philadelphia. Note—This statement is expected to be withdrawn.

Western Steel, Inc.
Jan. 17, 1963 ("Reg. A") 245,000 common. Price—$1.50, maximum $2.50. Proceeds—Bankable funds to be used for certain types of iron by the new "Taylor Process." Proceeds—For investment in the acquisition of the capital stock of the United Natural Gas Corporation, on the basis of one share of Western Transmission for each U. S. Natural share held. Price—$15/32. Business—Establishment of a natural gas gathering system in the south central part of Wyoming. Proceeds—For the purchase of the U. S. National, which has agreed to purchase the management of all common stock of the U. S. Natural for the company's organization, financing and other purposes. Proceeds—For construction, working capital, and other corporate purposes. Address—One Commerce Bldg., Houston, Underwriter—None.

• Western Union International, Inc.

William Penn Racing Association
March 17, 1963 filed $500,000 of 5% sinking fund debentures due 1978 and 100,000 preferred shares of par. Proceeds—To issue subscription rights to holders of the stock on an unlimited basis. Price—At par. Business—The association desires to issue non-voting Indianapolis. Distributor—Unified Underwriters, Inc.

United States Shoe Corp. (10/8)

Winfred Electronics, Inc.

Wisconsin Public Service Corp. (10/3)

Winning穩s, Inc.

Xerox Air Products, Inc.

X. M. D. Co., Inc.

• Mohawk Airlines, Inc. (10/28-31)
Sept. 24, 1963 filed $1,745,000 of common, of which 800,000 are to be offered by company and 400,000 by stockholders. Price—$1. Business—Manufacturing of various types of aerosol products. Proceeds—For working capital, expansion and working capital. Address—Bridgport, Conn. Underwriter—First & Co., Corp., New York.

• Brockton Capital Corp.
Sept. 29, 1963 filed 60,000 shares of preferred stock (13% Cumulative, $100 par). Proceeds—For debt repayment and working capital. Address—359 W. Broad St., Boston. Information Meeting—Oct. 25 (11 a.m. EDT) at same address.

• Capital Food Industries, Inc. (10/28-31)
Sept. 20, 1963 filed $5,000,000 of first mortgage and collateral trust bond debentures due Oct. 1, 1989. Proceeds—For acquisition of equipment and other corporate purposes. Address—328,858 common, of which 139,500 are to be offered by company and 50,000 by stockholders. Price—$1. Business—Company manufactures various types of trucks and buses.
Effective Registrations

The following registration statements were declared effective by the SEC. Offering details, where available, will be carried in the Monday issue of the "Chronicle."

Chesapeake & Ohio Ry. $7,370,000 of 4 1/2% equipment trust certificates due Aug. 1, 1964-72, maturing to 1974, at 4 1/2% by Salomon & Brothers & Hutzler, New York. Computer Sciences Corp. $200,000 common sold at $12.50 per share by White, Weld & Co., New York. Dow Chemical Co. $1,000,000 of 4 3/4% debentures due Sept. 15, 1988 offered at 100% and accrued interest by Smith, Barney & Co., Inc., New York. First Western Financial Corp. $50,000 common offered at $22.83 per share by A. C. Allin & Co., Chicago.

Washington, D. C.

Monarch Marking Systems Co. $2,500,000 of 4% subordinated debentures due Sept. 1, 1988 offered at 101% and accrued interest by McDonald & Co., Cleveland.

Universal Television Glass Corp. $728,000 common being offered for subscription by stockholders at $2.50 per share, on the basis of three shares for each 100 shares held. Rights will expire Oct. 15. No underwriting is involved.

ATTENTION UNDERWRITERS!

Has there been an underwriter or investment banker who you would like to know about so that we can prepare an item similar to those you’ll find hereunder?

Would you telephone us at Rf 29761 or write us at 25 Park Place, New York 7, N. Y.

Prospective Offerings

Associated Truck Lines, Inc. (10/14-18) Sept. 18, 1963, the company announced its intention to file a registration statement with the SEC to offer for public sale $25,000,000 of its common stock. Shares will be offered to the public at a price of $10 per share, and the company will use the proceeds to finance expansion. Offer—Cor-/view Securities, Inc., New York; Underwriter—First Boston Corp., Boston.

Bath Power Co. Sept. 17, 1963, it was reported that the company plans to issue $1,000,000 of first mortgage bonds in the near future. Offer—First Boston Corp., Boston; Underwriter—First Boston Corp. (jointly). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Lehman Brothers; Blyth & Co.

Columbia Savings & Loan Association (10/10) Sept. 12, 1963, it was reported that the company plans to sell $3,750,000 of mortgage certificates. Proceeds—First Boston Corp., Boston; Underwriters—Morgan Stanley & Co.; Blyth & Co.

Hartford Electric Light Co. Sept. 20, 1963 it was announced plans to sell $15,000,000 of securities in 1964 to help finance its $16,000,000 construction program. Office—176 Cumberland Pl., Providence, R. I.; Underwriters—Putnam & Co., Hartford; Chas, W. Fenner & Co., New York.


Iowa Power & Light Co. Aug. 30, 1963, it was reported that the company plans to sell $10,000,000 of bonds in the last half of 1964. Office—221 Walnut St., Des Moines, Iowa; Underwriter—First Boston Corp., Boston.

Louisiana Power & Light Co. Aug. 29, 1963, the company announced plans to issue $10,000,000 of 3% first mortgage bonds in the near future. Offer—First Union Corp., Atlanta, Underwriter—First Boston Corp. (jointly); Probable bidders: First Boston Corp.; White, Halsey, Stuart & Co.; Equitable Securities Corp.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Lehman Brothers; Blyth & Co.

Louisiana Trust Co.-Glore, Inc. (11/12-26) Aug. 30, 1963, it was reported that this subsidiary of Middle South Utilities, Inc., may issue $25,000,000 of first mortgage bonds. Offer—First Union Corp., Atlanta, Underwriter—First Boston Corp. (jointly); Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co.;-Harriman Ripley & Co. (jointly); White, Weld & Co.;-Blyth & Co.;-Forgan & Co.; Eastman Dillon, Union Securities & Co.;-Equitable Securities Corp. Jointly.

Louisville & Nashville RR (10/9) Sept. 17, 1963, it was reported that this road plans to sell $10,000,000 of first mortgage bonds in the near future. Offer—220 E. 42nd St., New York; Underwriters—Morgan Stanley & Co.;-Morgan & Co.; Hutzler-Paribas Corp.;-Hutzler; Halsey, Stuart & Co. Bids—Oct. 9 (12 noon EST), at above address.

Michigan Electric Corp. (12/4) Aug. 27, 1963, it was reported that the company plans to sell $12,000,000 of bonds in the first week of October. Offer—1414 Broadway, New York; Underwriters—Morgan Stanley & Co.;-Hutzler; Halsey, Stuart & Co. Bids—Oct. 31, 1963 (12 noon EST), at above address.

Merrill Lynch, Pierce, Fenner & Smith Inc. Aug. 27, 1963, the company announced plans to issue $10,000,000 of 3% first mortgage bonds in the near future. Office—500 Madison Avenue, New York; Bids—Sept. 26, 1963 (12 noon EST), at above address.

Mexico (Government of) July 10, 1963, it was reported that this utility plans to sell $1,000,000 and 10,000,000 of preferred stock in the fourth quarter. Office—441 Stuart St., Boston; Underwriters—Morgan Stanley & Co.;-Blyth & Co.;-Hutzler-Paribas Corp.;-Merrill Lynch, Pierce, Fenner & Smith Inc.;-Kidder, Peabody & Co.;-Eastman Dillon, Union Securities & Co.;-Hutzler; Halsey, Stuart & Co. Bids—Oct. 31, 1963 (12 noon EST), at above address.
New York State Electric & Gas Corp. 


Northern Pacific Ry. (12/10)

July 2, 1963 it was reported that this road plans to sell about $4,500,000 of first mortgage debentures in December. Office—120 Broadway, New York. Underwriters—(Competitive) Probable bidders: Salomon Bros., Inc.; Fergus & Co. (jointly); Halsey, Stuart & Co.; Harriman Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co. (jointly). Bids—Expected December 10 (noon EST).

Northwest Natural Gas Co.

Sept. 9, 1963 it was announced tentative plans to sell 50,000 shares of preferred in early 1964. Proceeds—To refund 50,000 shares of outstanding 5% preferred stock of the company. Office—Denver, Colo. Underwriters—Lehman Brothers, New York.

Pacific Gas & Electric Co. (10/29)


Public Service Co. of Colorado

June, 1963 it was reported that the company plans to sell $35,000,000 of 9-year first mortgage bonds in April or June, 1964. Proceeds—For construction. Office—301 1st St., Denver, Colo. Underwriters—(Competitive) Probable bidders: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.; White, Weld & Co.—Salomon Bros. & Hutzler (jointly); First Boston Corp.; Halsey, Stuart & Co. (jointly).

Public Service Electric & Gas Co. (10/22)


Ryder System, Inc.

Sept. 24, 1963 it was reported that the company plans to offer stockholders the right to subscribe for additional common stock in mid-October, 1963. The number of shares, price and the ratio to shares held will be announced later. Business—Furnishing of telephone service in Washington, Ore., Calif. and Idaho. Proceeds—Additional capital for construction expenditures. Office—1200 Third Ave., Seattle, Wash.

San Diego Gas & Electric Co.

Sept. 24, 1963 it was reported that the company is considering the sale of about $20,000,000 of debt securities in late October, 1963. Underwriters—(Competitive) Probable bidders: Halsey, Stuart & Co.—(Jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.—(Jointly); Lehman Brothers—(Jointly); Salomon Bros.—(Jointly); and others.

Seaboard Air Line RR. (11/13)

July 21, 1963 it was announced that the company plans to sell $23,000,000 of first mortgage bonds in a competitive bidding in November. Proceeds—For rail road construction. Office—600 W. Broad St. Richmond, Va. Underwriters—(Competitive) Probable bidders: Halsey, Stuart & Co.—(Jointly); First Boston Corp.—(jointly); Eastman Dillon, Union Securities & Co.—(Jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.—(Jointly); Lehman Brothers—(Jointly); Salomon Bros.—(Jointly); Blyth, Duff & Cole—(Jointly); Halsey, Stuart & Co.—(Jointly). Bids—Expected (11 noon EST) at above address. Information Meeting—Nov. 14 (11 a.m. EST) at First Union Building, Richmond, Va.

Sears, Roebuck & Co.

Aug. 21, 1963, Allstate Enterprises, Inc., subsidiary, announced plans to sell $200,000,000 of first mortgage bonds in the second half of 1963. Underwriters—(Competitive) Probable bidders: Halsey, Stuart & Co.—(Jointly); First Boston Corp.—(Jointly); Eastman Dillon, Union Securities & Co.—(Jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.—(Jointly); Lehman Brothers—(Jointly); Salomon Bros.—(Jointly); Blyth, Duff & Cole—(Jointly); Halsey, Stuart & Co.—(Jointly). Bids—Expected December 10 (noon EST) 54th floor, 1 Chase Manhattan Plaza, New York.

Southern Co.

Aug. 12, 1963 the company stated that it is considering offering $250,000,000 of preferred stock and $100,000,000 of preferred debentures in the second half of 1963 to help finance its $570,000,000 construction program for the year. Office—905 Peachtree St., N. W., Atlanta, Ga. Underwriters—To be named. The issue of common stock on Feb. 16, 1963 was made to a group headed by First Boston Corp., and Equitable Securities Corp. Other bidders were: First Boston Corp.—(Jointly); Kidder, Peabody & Co.—Merrill Lynch, Pierce, Fenner & Smith Inc.—Salomon Brothers—(Jointly); and others.

Southern Counties Gas Co. of Calif.

Jan. 2, 1963 it was reported that this subsidiary of Pacific Gas & Electric Co. plans to sell $50,000,000 of first mortgage bonds in the fourth quarter. Address—P. O. Box 1020, Los Angeles, Calif. Underwriters—(Competitive) Probable bidders: Kidder, Peabody & Co.—Merrill Lynch, Pierce, Fenner & Smith Inc.—Salomon Brothers—(Jointly); First Boston Corp.; Halsey, Stuart & Co. (jointly).

Southern Railway Co. (10/29)

Aug. 5, 1963, the company announced plans to sell $60,000,000 of preferred stock certificates in October. This is the second installment of a $120,000,000 series. Office—70 Pine St., New York. Underwriters—(Competitive) Probable bidders: Salomon Bros., Blyth, Halsey, Stuart & Co.—(Jointly); Bids—Oct. 29 (12 noon EST) at U.S. Underwriters—New York.

Tokyo (City of)

May 3, 1963 it was reported that the Diet had authorized the sale of Yen 6,000,000,000 of bonds, to be underwritten in the U. S. during the fiscal year ending March 31, 1964. Underwriters—(Competitive) Probable bidders: Kuhn, Loeb & Co.—(jointly); Halsey, Stuart & Co.—(Jointly); and others.

Ultronics Systems Corp.

Sept. 9, 1963 it was reported that a registration will be filed shortly covering the first public sale of this firm’s stock. The size of the offering has not been determined, it is expected to be a small deal involving over $50,000 shares. Business—Manufacturing, and marketing of electronic equipment. Office—310 Travis St., Houston, Texas. Underwriters—(Competitive). Bids—Expected Nov. 20 (11 a.m. EST) at Bankers Trust Co., New York.

Union Electric Co. (11/22)

Sept. 17, 1963 the company stated that it plans to sell $20,000,000 of preferred stock in late October, that it may sell the preferred on a negotiated basis instead of the competitive bidding, as in the past. Office—315 N. 12th Blvd., St. Louis. Underwriters—(Competitive) Probable bidders: First Boston Corp.—(jointly); Blyth, Duff & Cole—(jointly); Kuhn, Loeb & Co.—(jointly); Halsey, Stuart & Co.—(jointly).

Union Electric Co. (11/20)

Sept. 16, 1963 the company stated that it plans to sell $35,000,000 of first mortgage bonds in a competitive bidding, as in the past. Office—315 N. 12th Blvd., St. Louis. Underwriters—(Competitive) Probable bidders: First Boston Corp.—(jointly); Blyth, Duff & Cole—(jointly); Kuhn, Loeb & Co.—(jointly); Halsey, Stuart & Co.—(jointly). Bids—Expected Nov. 20 (11 a.m. EST) at Bankers Trust Co., New York.

Union Planters National Bank (Memphis)

Sept. 21, 1963 it was reported that the Bank plans to offer 150,000 additional common shares to stockholders on the basis of one new share for each 1½ shares held record Nov. 6. Rights would expire Nov. 14. Sale is subject to stockholder approval on Nov. 6. Price—$40. Proceeds—To increase capital funds. Office—900 Madison Ave., Memphis. Underwriters—to be named.

United California Bank (Los Angeles)

Sept. 19, 1963 it was reported that this bank is offering its stockholders the right to subscribe for 431,014 additional shares of common stock for each 12 shares held record Sept. 19. Rights would expire Nov. 7. Proceeds will be subject to stockholder approval on Nov. 6. Price—$41.50. Proceeds—to increase capital funds. Office—215 North Spring St., Los Angeles. Underwriters—to be named.

United Electric Co. (11/22)

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 late October. Office—320 North Temple St., Salt Lake City. Underwriters—(Competitive) Probable bidders: Halsey, Stuart & Co.—(Jointly); Kidder, Peabody & Co.—(Jointly); Lynch, Pierce, Fenner & Smith Inc.—(Jointly); White, Weld & Co.—(Jointly); and others. Bids—Expected November 28 (12 noon EST) at U.S. Underwriters—New York.
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 Co. would offer shareholders of Valley Gas to stockholders of Blackstone and Eastern Utilities Associates, the latter parent.

Price—At close of share on Apr. 20, 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.


Virginia Electric & Power Co. (12/10) July 2, 1963 company announced plans to sell $30, 000 of securities, probably first mortgage bonds, in December.

Address—Sears, Roebuck & Co.; Franklin Trust, Richmond.


The securities are offered at prices to yield from 2.60% to 3.35% and initial order have been taken.

As we go to press, volume of $2,085,000 remains in account.

Despite the confusing and often contradictory elements involved in the market and the economy generally, it will be seen that the municipal bond market’s simple technical factors are favorable enough to encourage some buying prices. However, these factors are subject to almost overnight changes and the trend ought not to be expected.

Would Aid New York State’s Growth Race With California

I wonder if New York State would not be helped in its race with California if we had here the same availability of multi-billion dollar branch banking systems as California. California has several large branch banks that cover geographic areas from coast to coast as New York State and, in some cases, a number of times. These California branch banks, with no restrictions imposed both in New York City and in update New York City where one has the large bank in the billion dollar class & Martin Midland affiliates and the largest banking district is limited to 16 counties. I have a hope that one day New York can have the same access to the great regional banks, banks large enough to serve a large and complex economic demands that an $800 million more Gross National Product will Ira, Bank of New York and other large banks where they are located.

Other members of the group include Bank of America N.T. & S.A. with the largest, a 3.18% net interest cost on bonds of the City of Honolulu, Hawaii Public Improvement (1965-1963) bonds, the 2nd bid, a 3.14% net interest cost, was made by the syndicate managed by Lehman, Bros., Fenn & Co. and R. H. Moulton & Co.


To reoffer from yield to 1.90% to 2.90% for various coupons, initial demand has been moderate with the present balance in account $92,000. All of the bonds maturing 1971, 1973 and 1979 were sold.

The group headed by Bank of America N.T. & S.A. submitted the best bid, a 3.178% net interest cost on bonds of the City of Honolulu, Hawaii Public Improvement (1965-1963) bonds. The 2nd bid, a 3.14% net interest cost, was made by the syndicate managed by Lehman, Bros., Fenn & Co. and R. H. Moulton & Co.


The securities were reoffered at prices to yield from 2.30% to 3.30% and press time balance was $4,000,000.

Also, on Tuesday, the City of Monroe, Louisiana, awarded $6, 000,000 The Water Treatment Project (1965-1963) bonds to the Blith & Co. at a 3.95% net interest cost of 3.541%.

This bid compared very favorably with the 4th bid, a 3.95% net interest cost, made by F. S. Smithers & Co. and associates the third bid, a close 3.95% net interest cost, made by the Kidder, Peabody & Co. group.

Associated with Blith & Co. in this underwriting are Goldman, Sachs & Co. & Lehman Bros. Smith, Barney, Cor., White, Weld & Co.

Commercial Bank Industry—And Growth in N. Y. State

Continued from page 15

the area, and to offer broader services.

Mergers is an historic process and a healthy sign. So far banking and insurance has been going on in all parts of the state for 30 years and more and some are pointed to changing conditions and to changing needs within our economy. Bank mergers were encouraged in 1928 when the legislature changed the New York State Banking Law to provide that a bank might expand beyond its principal city through branches or mergers within the limits of a state bank in another banking district. At the time our state was first divided into nine banking districts, they resembled reasonable trading areas.

Almost 20 years have gone by since the new banking districts were organized.

Methods of transportation and communications and modes of business have changed. Businesses have grown tremendous and social businesses have become part of the normal concern. District lines that were clear have become more confused and overly restricted.

A 1963 Omnibus Banking Law permitted New York city banks to merge into other counties adjoining the New York City banking district, and vice versa. It enables banks to do business throughout their nearby trading area and is a step in the right direction.

The recent decision of the United States Supreme Court that the Charles River Bank mergers means that the possibilities of further bank mergers in New York State are limited so that we must look further for expansion.

New York State As a Region

In 1961, I expressed a view that the New York State banking system should be considered as a single region. In the past two years I have examined the problem in more detail. I am convinced that New York State must eventually have one or more bank systems, which are large enough to handle not only the banks in various upstate districts should be permitted to join together within the limit of the Westchester County lines, to form a new system, to create banks more representative of the whole area. The first thing we must do: Permits mergers between banks over state lines and are more sensitive.

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The next thing is for the banks to merge and the fear is expressed that New York City banks would drain funds from upstate, but our forecasts indicate that the reverse is more likely to be true.

As you might guess, my view is not shared by some people. Banking legislation is now in process in Albany and it appears that the split politically for years. Too much feeling on the part of the public,avored by the authority and politicians, that big business is bad. Most people think it is a good thing, which if the tellers and names tell them by name, and they can secure a loan without much red tape. It will take much effort over a number of years to reeducate the people and show that big business can not be financed without big banks.

If you would like to New York State would not be helped in its race with California if we had here the same availability of multi-billion dollar branch banking systems as California. California has several large branch banks that cover geographic areas from coast to coast as New York State and, in some cases, a number of times. These California branch banks, with no restrictions imposed both in New York City and in update New York City where one has the large bank in the billion dollar class & Martin Midland affiliates and the largest banking district is limited to 16 counties.

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WASHINGTON, D. C.—The impact of automation on jobs in this country has attracted a great deal of attention from the Federal Government recently.

The labor unions have renewed their recommendations to the Kennedy Administration to make more jobs, that is, 1,250,000 new jobs needed for the employment of those displaced by automation.

The union position, as it continues to pressure the Kennedy Administration to make more jobs, must be created each year to provide employment for young people coming out of the labor market, plus an additional 200,000 new jobs needed for the employment of those displaced by automation.

SEC Study Cited

‘No one now disputes that automation in most cases reduces the work force. The Securities and Exchange Commission in its study report this summer took cognizance of automation. Rapid advances in technology now offer the prospect of major new applications in the Over-the-Counter markets, the report said.

The SEC study said three companies wrote similar "retail" quotations by means of electronic devices. Further improvement would make possible the storing of all bids and offers and reports of transactions, thereby making possible the storing of actual price and volume data as in the case of "hard" securities, and possibly assisting in the execution of orders.

The report concluded that the possibilities of automation are of vital importance to both the securities industry and to the public because of the potential for solution of basic problems that have hindered the operation and regulation of the securities markets.

The National Association of Securities Dealers was described in the report as the paramount source of leadership and initiative in dealing with matters of automation in connection with the OTC Markets. Therefore the SEC report suggested that the NASD conduct the study of automation possibilities and make periodic reports to the Commission in connection with progress and programs of the industry in this area.

Automation Under Federal Scrutiny

Meanwhile, the ‘United States Government, the biggest employer in America, has launched a full scale study of the impact of automation on the job security of hundreds of thousands of employees in the years ahead.

With 22 of the largest departments of our Government taking part, the automatic study is being directed by the Civil Service Commission. It will mark the first time that a government-wide study of the use of all types of electronic equipment has been made.

Incidentally, the results of automation equipment can result in some truly big errors. For instance, it is known that a man not too many years ago got over 10,000 checks instead of a single check because the electronic equipment "goofed" in a big way. Nine hundred and ninety-nine of the checks were returned to the Government agency, uncashed of course.

Impact on Agricultural Dept.

The Civil Service Commission is hopeful that the study will provide all Government departments, agencies, bureaus, commissions and units a clear picture of what the future may hold, so that planning can be started as early as possible.

The Department of Agriculture in particular is going to feel the effects of automation more and more. Before long, for instance, all the payroll for the Department is going to be made up at New York and sent to several disbursing points for mailing. The Agriculture Department says the payroll automation that will result will save the Government a substantial amount of money each year.

The Civil Service Commission hopes to be able to come up with a plan designed to protect the interests of thousands of employees who are going to be displaced in their present jobs. The plan is to assign the displaced workers to other positions in their agency, or assign them to other Government agencies that need more help.

Used by Coast Guard

The United States Coast Guard, a branch of our Armed Forces assigned to the Treasury Department to carry out certain functions and responsibilities, is doing a substantial amount of automation also. The Coast Guard maintains more than 40,000 marine aids to navigation in the navigable waters of our country, and some at various overseas locations.

Included are aids to navigation, light towers, fog signal stations, radio beacons stations, lighted buoys, and uninhabited buoys, among other things. More and more the light stations are being automated, reducing the overall cost of operations. Besides the salaries being paid the personnel in attendance, the Government must pay additional costs for men and their families at these offshore stations, including costs for transportation and craft to supply food, water, mail, medicine and other things.

The Coast Guard still had a long way to go in some cases to make the automation of light stations automatic, but as more automatic power equipment becomes available the less offshore personnel will be needed.

Some Unfounded Pessimism

Just about every size bank in the country will eventually be affected by bank automation. Interest in cooperative data processing is growing for sometime and will continue to grow. While there are many dark clouds, or have been many dark clouds, automation is not all bad for the workers. There is a lot of misunderstanding about automation, some industrialists say.

The changes taking place are not radical. Neither will they be in the future. Some qualified industrialists contend that there has been exaggeration of automation's effects in the future.

Perhaps it has been exaggerated, and it will not be as far-reaching as some forecasts have been issued by both labor and industry and government. One thing appears certain—there will always be unemployment. Meanwhile, several leading Government economists say that their statistics indicate that the first part of 1964 appears favorable from an economic standpoint—just as least as good as 1963.

(This column is intended to reflect the "behind the scene" interpretation of the nation's Capital and may or may not coincide with the "Chronicles' own views."

MR. CACKLES

"Why should I get excited about President Kennedy's tax cut?—Thanks to your financial advice I don't have any taxes to pay!"

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COMING EVENTS

INVESTMENT FIELD


Oct. 28-29, 1963 (Hal Harbour, Miami Beach, Fla.) National Association of Bank