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EDITORIAL

As We See It

"No more important legislation will come before the Congress this year than the bill before the House next week to reduce Federal taxes. In fact, no more important domestic economic legislation has come before the Congress in some 15 years.

"The high wartime and postwar tax rates we are now paying are no longer necessary. They are, in fact, harmful. These high rates do not leave enough money in private hands to keep this country's economy growing and healthy.

"The bill on which the House will vote next week is a sound bill and we need it for many reasons.

"A tax cut means more jobs for American workers. More after-tax money means more buying power for consumers and investors, and this means more production and the jobs our nation needs.

These are the words not of Lord Keynes or the earlier John Maynard Keynes, or even by some of the earlier neo-Keynesian fanatics. They come from the address last week of the President of the United States sent out on the air in support of his cherished tax legislation. And since they are intended definitely to influence popular thinking upon a vital and definitely still a current subject, it may be well to take a fuller look at what the Chief Executive said on that occasion. The President continued:

"A tax cut means new protection against another tragic recession. I do not say that a recession is inevitable without a tax cut or impossible with one. But excluding war years we have had a recession on the average every 42 months since World War II, or every 44 months since World War I. And by next January, it will be 44 months since the last recession began. A (Continued on page 26)

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 financial conditions under which Gross 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 (for-

tunately 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 in 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 unneighborly 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 \$543 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)

Canadian Investment Opportunities Issue

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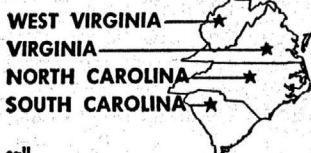
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DEAN LeBARON

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

Archer Daniels Midland

Archer Daniels Midland is a company in transformation. After achieving peak earnings of \$7-10 per share, largely from grain storage in the late 40s, ADM showed declining earnings until 1958. At that time 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 rate of return for its stockholders. Mr. Daniels' first act was to upgrade management by bringing in new people, employing management development training methods and even sending himself to school. Secondly, he altered the composition of the Board of Directors from an inside group to one substantially 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 a book value nearly 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 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 above average current return.

Founded in 1923, the company enjoyed an active and prosperous growth in merchandising and processing grain through the nation's heartland. ADM became a fully integrated agricultural based company with a number of local grain elevators purchasing crops from smaller farms. 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, government grain storage became increasingly important as a source of profits. In fact, ADM's recent earnings peak 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 constitutes over 70% 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 a total capacity of 13 million bushels. The realignment of ADM's grain system is oriented around barge travel down the Mississippi to its main terminal at Destrehan, Louisiana where grain will be shipped overseas and to the East Coast.

The wheat growers surprisingly strong rejection of the wheat referendum indicates that for economic reasons many of the small wheat growers prefer the prospect of lower support prices on wheat rather than stiff production 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 acreage to feed grain and oilseeds. All of these factors can increase the amount of grain that ADM will either merchandise or process.

One of the more profitable grains handled by ADM is soybeans. Soybean processing has increased from \$63.5 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 have the uses of soybeans broadened during this period, but ADM has increased its meal crushing facilities and has become the major supplier of soybean meal used for animal feeds. In addition, natural vegetable oils have become popular constituents of margarine, detergents and other household items.

The chemical group accounted for approximately 20% of 1963 sales of \$271.3 million. Although its chemical products were originally derived from natural raw

This Week's Forum Participants and Their Selections

Archer Daniels Midland Co. — Dean Le Baron, Research Manager, F. S. Moseley & Co., Boston, Mass. (Page 2)

Warner Company — William Gerstley, II, Partner, Gerstley, Sunstein & Co., Philadelphia, Pa. (Page 2)

materials, now ADM purchases over half the raw materials used in the chemical operations. 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 plastics; (3) engaging in oxidation chemistry.

For the year ended June 30, 1963, ADM reported net earnings of \$3.85 million (\$2.41 per share) on sales of \$271.3 million, compared with \$2.71 per share (of which 50¢ was capital gains on a stock sale) on sales of \$245.9 million in 1962. For the coming year further gains could be made, sparked by the long-term internal improvement and continued economic strength.

WILLIAM GERSTLEY, II

Partner, Gerstley, Sunstein & Co., Philadelphia, Pa.

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Warner Company

One of the prime participants in the long range growth of the Delaware Valley is Warner Company. In the fast-developing metropolitan area of Philadelphia, Warner is the dominant factor in the production and distribution of central-mixed concrete, limestone, lime and industrial lime, bituminous concrete, sand, gravel and crushed stone. Construction materials, notably central-mixed concrete and sand and gravel, account for nearly 75% of sales with the balance derived from lime and lime products. Warner Company is the largest supplier in each of its marketing areas of ready-mixed concrete. It operates eight principal concrete plants, of which two are located in Philadelphia; one each in Chester, Morrisville, Fort Washington and Paoli, Pa.; Wilmington, Del., and Princeton Junction, N. J. Other construction products are classed as aggregates, such as sand and gravel, air cooled blast furnace slag (from U. S. Steel's Fairless plant at Morrisville, Pa.) and Lelite (produced by expanding anthracite shale); bituminous concrete (blacktop); masonry lime and crushed stone. Over-all demand for Warner's concrete and other construction products is determined primarily by building activity in the Delaware Valley; outlook for which is excellent. Sand and gravel reserves near Morrisville, Pa. are estimated at more than 100,000,000 tons.

Warner's other division, lime and lime products, presently accounts for approximately 25% of total sales, but management is expanding production facilities in order to meet increasing demand, stemming from the steel industry.

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FINANCIAL DATA

Abbreviated Balance Sheet (June, 1963)

	Millions		Millions
Net working capital	\$54.25	Funded debt & reserves	\$26.45
Net fixed assets	65.85	*Stockholders' equity	93.65
	\$120.10		\$120.10

* 1,598,359 shares.

Income Record

Fiscal Years	\$ Millions		Earnings Per Share	Dividend
	Sales	Net Income		
1963	\$271.3	\$3.85	\$2.41	\$2.00
1962	245.9	4.42	2.71	2.00
1961	213.1	3.75	2.36	2.00
1960	239.9	3.67	2.31	2.00
1959	239.4	5.44	3.39	2.00
1958	225.8	3.90	2.45	2.00

† Includes special credit of \$818,000 or 50 cents per share.

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

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-balance is treated by a further rise in short-term interest rates and a hike in the long-term rates—so long as we are afflicted by underutilized resources. He advocates, instead, substantial tax cut and leaves no doubt he favors monetary expansion in pooh-poohing claims made about monetary expansion and in pointedly averring long-term rates are high by historical standards. Moreover, he favors measures tying capital exports to trade exports. The only Kennedy-appointed Board member optimistically predicts further GNP rise for last half of this year bringing 1963's average GNP to \$582 million but he strongly 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 headed for the technological casualty list, for there is nothing about business fluctuations, with which this session is concerned, that is inevitable. The source of over-expansion and over-contraction in the economy is the lack of facts and understanding on the part of businessmen, consumers, and public policy makers.



George W. Mitchell

Not all ignorance and uncertainty can be removed from our activities, but the econometricians, statisticians, and electronic data processors are certainly reducing—or are about to reduce—expedient uncertainty in economic knowledge both for businessmen and policy makers. I can only hope that the econometricians will soon get the "preliminary methodological problems" settled and begin estimating real rather than imaginary structural equations; future outlook speakers for this Association will then be obsolescent. My 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 11½% above the cyclical high of the spring of 1960. This is an annual rate of increase of more than 3½%. It is a better performance than in either 1957-60, or the four

years from 1953-1957 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 Korean War.

These historical cyclical comparisons are impressive and in some degree properly so. However, the technique of comparison is suspect and admits 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 trough 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 refer to the average monthly expansion—if necessary on an annual 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 that has not yet reached a peak or trough. I would not go so far as to say that historical cycle comparisons should be shunned, but they should be viewed with considerable skepticism as they are more likely to be soporific than significant for understanding or policy formulation. If one wants to gauge performance of the economy—its action relative to its potential is a better standard. And by this criterion the present output record is lacklustre.

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 expansion. Insofar as manpower utilization is concerned, there is little—or no—sign of imminent improvement. A 5½% to 6% unemployment rate over-all 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 consecutive cash dividends from 10 to 135 years (Table I, page 19 and 5 to 10 years (Table II, page 24), along with other data of interest to investors.

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OBSERVATIONS . . .

BY A. WILFRED MAY

THE COLD WAR'S THERMOMETER

UNITED NATIONS, N. Y.—The UN's newly opened General Assembly session will be extremely important in indicating the course of the Cold War, in revealing not only whether the limited Test Ban Treaty itself can be expanded, but also whether the display of better Washington-Moscow feeling has any permanence.

It must be realized that this marks the third time since World War Two of cooperative effort to bring about peaceful coexistence—the first period of relaxed tension occurring immediately after the War's end, and the second in the years after Stalin's death. Does the current "good will" period represent a permanent thawing of the Cold War, or is it just another zig-zag step in the long-term Communist offensive?

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

On the other hand, there is the possibility of Moscow-China differences stiffening the Soviet attitude against the West in order to rebut Peking's charges of over-softness, if not a sell-out by the Kremlin. Further complexity is added to the China-Soviet-West status by the joint desire of the Kremlin and the West to limit China's nuclear development.

In his usual lengthy opening address here, Foreign Minister Gromyko abstained from bringing up former controversial issues ranging from the demand for Troyka (three horses) reorganization of the Secretary General's status, to outbursts on "Colonialism."

On the other hand, while he said that the Test Ban Treaty has created a "favorable wind" for this Assembly session, he did not offer any concrete implementation of that happy thought. Mr. Gromyko's present disarmament proposals are apparently the same ones as were advanced at the lengthy abortive meetings in Geneva.

More German Trouble Ahead?

Mr. Gromyko's speech did strike one major sour note, directed against West Germany. He accused the Bonn government of "torpedoing" a German peace settlement and Dr. Adenauer with scuttling all proposals for relaxing international tensions. These accusations may well presage further, and intensified, agitation in the East German-Berlin situation.

Important in determining how long there is to be "good behavior" by the Kremlin will be how far it goes in catering to the now large group of newly independent nations, which number has grown to 22 in Asia and 33 in Africa (up from 4 in 10 years).

Disarmament Propaganda

Also crucially important will be the Soviet's actions in capitalizing on the neutralists stand on further disarmament. They will no doubt be insisting on the carrying-out of previously Assembly-passed resolutions, opposed by the United States, forbidding the use of nuclear weapons and pressuring non-nuclear countries not to accept such weapons or permit them

to be maintained in their territory.

The U. S. is opposed to piecemeal disarmament action, particularly without adequate inspection provisions. The renewal of propaganda warfare here would center on proposing the banning of underground testing, without adequate inspection; and on outlawing nuclear weapons entirely.

De-Colonization Still A Trouble Area

De-colonization constitutes another area wherein the USSR can cash-in on championing the rights of small nations. The Security Council during the past few months has already ordered Portugal immediately to grant independence to her African territories. Further putting us on the spot, the Security Council passed resolutions ordering an embargo on arms for Portugal if they are to be used colonially. Trouble spots consist in the order to give independence to her African territories; and to South Africa to drop her Apartheid policy at once.

Will the uneasy neutral coalition in Laos be permitted to continue?

Will the Kremlin forego the propaganda pay dirt from repeated calls for a high-sounding "Non-Aggression Pact," whose consummation, the East-German and Central European statuses render unacceptable to the West?

The Financial Welsh

Still up for disposition is the Kremlin's intransigence in refusing to contribute her share of the UN's expenses in the Congo—again putting the Organization in a financing scrape. According to the Charter's rules, the Soviet will not finally incur the sanction of losing its Assembly vote until 1964. Meanwhile, her continued adamant position may really bankrupt the Organization—with the U. S. Congress refusing to do any more bailing out.

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 MONETARY SYSTEM*, by ROBERT V. ROOSA, Under Secretary of the Treasury for Monetary Affairs, in the October issue of *FOREIGN AFFAIRS* (the quarterly published under the aegis of the Council on Foreign Relations):

"The Bretton Woods system is nearing the end of its second decade, a decade of remarkable achievement. Particularly in recent years, it has shown an impressive capacity to evolve and develop in response to rapidly changing needs. And the European industrial nations have now nearly completed five eventful years of convertibility. It is therefore a matter of simple prudence to take stock—to make a systematic and searching appraisal of the international monetary system—

asking whether a continuation of recent 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 many countries, singly and through the various international financial organizations in which they participate.

"Such an examination should lead to an evaluation of a wide range of proposals and suggestions, from a truly international point of view. The issue in such an international review is whether the present mixture of gold, dollars, sterling and I.M.F. facilities can in the future provide the ample supply of reserves and credits 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 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 mere willingness of governments to vote yes or no on whether more international liquidity would be desirable. The primary task must be one of scrupulous preparation, within and among governments, looking toward a definitive appraisal by the governments themselves. Only in this way can these issues be resolved into a clear, reliable and workable consensus."

MORE ON THE GREAT BREAK-THROUGH

We quote the following from a current market letter by way of a P. S. to the examples of the stock averages, break-through-the-old-high imagery cited in our article "The Higher the Cheaper," in this space on Sept. 12:

"MARKET CHECKS ITS COMPASS"

"Having successfully surmounted the rip tides surrounding its old 1961 high, the industrial average moved out into open sea."

AF-GL Names Two V.-Ps.

The election of Lawrence Butner and Livio (Lee) Pelizon as Vice-Presidents of Albert Frank-Guenther Law, Inc., 131 Cedar



Lawrence Butner Livio (Lee) Pelizon

Street, New York City, national advertising and public relations agency, has been announced.

Mr. Butner, who joined AF-GL in June, 1956, is Manager of the agency's radio and television department in New York, while Mr. Pelizon, who has been with AF-GL since August, 1955, is Research Director.

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 never forget that it is the unexpected and not the expected which changes a given situation completely. To prove his point, he capsulates "the bolts out of the blue" which shook business and stocks to their foundations in the past century.

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

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 or so. Starting at the time of the Civil War, business was relatively stable and promised to climb in a healthy way following the end of the war. Then came President Lincoln's assassination—one of the most unexpected events in our history—and stocks tumbled sharply. The crash was followed by a year of depression. Thereafter, business boomed until the corner on the gold market brought a sudden plunge known to financial men of the time as "Black Friday."

Stocks made a good comeback and investors were feeling generally optimistic about the future when two apparently non-economic events occurred: The Chicago Fire in late 1871 and the great Boston Fire in November 1872. These set the stage for another financial panic. The market was making a recovery from this setback when the great banking house of Jay Cooke and Company suddenly failed. The shocking announcement resulted in the first closedown of the leading Stock Exchanges for several weeks, seeding the deep depression that began in 1873 and went on for a number of years.

Still More Unexpected Happenings

A new flood of investment selling was brought about by the sudden shooting of President Garfield on July 2, 1881. Out of this panic came the unsettling failure of the great banking house of Grant and Ward and of the two most important "bulls" of the period, Henry Villard and James R. Keene. As usual, another depression came along after these unexpected events and lasted a few years. Prosperity prevailed generally in 1892; then came a shattering blow in May 1893: The failure of the National Cordage Company. This firm was then one of the nation's ten largest, and was considered a real "Blue Chip."

The next year, like a flash of lightning, came the nation's first serious walkout, the Pullman Strike. Pessimism spread across the country, increased still further by a rash of crop failures and mortgage foreclosures. By 1897 conditions were again so bright that forecasts of permanent pros-

perity were once more being made. Stock splits, large security offerings, and mergers were the order of the day. Then, in 1903, came another unexpected happening: A Supreme Court decision followed a charge of "undigested securities" involving investigation of leading life insurance and transit corporations which were then extremely popular. All these events were truly unexpected. But then came another totally unforeseen occurrence: This time it was the San Francisco earthquake!

The Influence of Wars

Interference with business by the Federal Government kept market prices soft in the early 1900's, but things went well after our entrance into World War I until 1920 when stocks lost ground due to very high interest rates. After this situation was corrected, the market went skyrocketing until it hit what were then the all-time highs of 1929. I do not have to elaborate on the depression of the 1930's. Starting in 1938 business began a recovery that continued throughout World War II, but the stock market did not do much until 1942. Then came a long upward climb, with only temporary interruptions.

The reason I give readers an occasional historical review of this sort is so they will never forget that, no matter how sure one may feel about future trends, an unexpected event can throw the situation completely out of whack. Seasoned investors keep this fact in mind at all times.

A.C. Wood Merging With Elkins Morris

PHILADELPHIA, 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 De Haven Fox, partners on A. C. Wood, Jr. & Co., will retire at the time of the merger.

Joins Sloan Staff

PORTLAND, Ore.—Charles F. Leon has joined the staff of Donald C. Sloan & Co., 520 Southwest Sixth Avenue.

With Tessel, Paturick
CINCINNATI, Ohio—Murray Lerman is now with Tessel, Paturick & Co., 45 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.

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,



James C. Kellogg III — William D. Kerr — Richard W. Simmons — Harry A. Jacobs, Jr.

according to an announcement by Bayard Dominick, current Association President and Partner of Dominick & Dominick, 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.

Treasurer—Harry A. Jacobs, Jr., Bache & Co., New York.

Also announced were the following nominations to the Board of Governors—James W. Devant, Paine, Webber, Jackson & Curtis, Minneapolis; William H. Donaldson, Donaldson, Lufkin & Jenrette, Inc., New York; Henning Hilliard, J. J. B. Hilliard & Son, Louisville; James E. Hogle, J. A. Hogle & Co., Salt Lake City; William E. Hutton, W. E. Hutton & Co., New York; David Klee, Burnham & Company, New York; W. Wallace Lanahan, Jr., Stein Bros. & Boyce, Baltimore; Milton A. Manley, Manley, Bennett, McDonald & Co., Detroit; Joseph R. Neuhaus, Underwood, Neuhaus & Co., Inc., Houston; George J. Otto, Irving Lundborg & Co., San Francisco; Harold A. Rousset, Francis I. duPont & Co., New York; Robert C. Van Tuyl, Shearson, Hammill & Co., New York; Bertram M. Wilde, Janney, Battles & E. W. Clark, Inc., Philadelphia.

Election of officers and board members will take place in New York on Nov. 20.

To Be V.-Ps. of Mitchum, Jones

LOS ANGELES, Calif.—Effective Oct. 3, John H. Grobaty, Jr., William B. Kottlinger III, Sheldon J. Nankin, and Robert A. Wilson, will become Vice-Presidents of Mitchum, Jones & Templeton, 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.

Dominick Firm to Admit R. Balsam

Effective Oct. 1, Richard A. Balsam, member of the New York Stock Exchange, will be admitted to partnership in the Exchange member firm of Dominick & Dominick, 14 Wall St., N. Y. C.

Now Gober & Associates

MIAMI, Fla.—John H. Gober is continuing his investment business under the firm name of John H. Gober and Associates. Offices are located in the First Federal Building.

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 provision for annual, automatic wage increases, Dr. Einzig reports labor now expects gains annually as its birthright and pursues shorter working hours so as to obtain more overtime at higher wages. He finds even more disturbing the limited amount of work actually performed, the ability of the most influential trade unions to veto the Trade Unions Council's attempt to coordinate the claims of individual unions as is done in Holland and in Scandinavia, and the assumption of being a state within the state which will not brook any interference by the latter.

LONDON, Eng.—The practice of granting wage increases spread over several years is becoming increasingly adopted in Britain. Quite recently the workers of the building industry received a substantial increase, to be applied gradually in three annual instalments. The white-collared employees of Local Government authorities received an increase on similar terms. Many employers are tempted to follow these examples in order to be spared the bother and uncertainty entailed in annual wage dispute. Circumstances are liable to develop, however, in which that advantage might prove to have cost too heavy a price.

Three years are a long period, in the course of which many things might happen. Even if the employers may feel at the time of concluding the long-term wage agreement that they would be able to afford the successive increases, business conditions might well change against them. The general situation, or the conditions in that particular industry, or even those in their own individual firm, might deteriorate considerably in considerably less than three years. Nevertheless, they would remain bound by 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.

Rising Wages Viewed as a Birthright by Labor

From a broader point of view, such agreements confirm and encourage the all-too prevalent conception 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 slumping, irrespective of whether the national output and the national productivity are rising or declining, irrespective of whether prices are 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 while they are entitled to secure their full share of any progress, they are entitled to remain immune from the consequences of setbacks.

Moreover, it is a mistake to imagine that, by signing a long-term agreement, employers secure for themselves industrial peace for the duration of the contract. National wage agreements are only concerned with minimum wages. In between two agreements there is usually a "wage drift." Individual firms, 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 only too willing to concede them in order to attract labor. Wage increases may have to be conceded in the form of larger overtime pay. Every now and then managements of individual firms are confronted with some new demand on local level, reinforced by threats of strikes or of other tactics causing losses and decline of output.

"Heads" and "Tails" Winnings

For all practical purposes the long-term agreements only mean "heads I win much, tails I win not quite so much" from the workers' point of view. Should prosperity continue, employers would have to make concessions in excess of those made in the agreement, for the sake of avoiding labor troubles. Should things go badly, they remain obliged to carry out the terms conceded on the assumption that things would continue to go well. It is easy to imagine the attitude the trade unions would adopt if employers requested them to forego an increase already conceded, in view of a deterioration of conditions.

Another trend in wage agreements is the one towards shorter working hours. Needless to say this only means more overtime at higher wage rates. Recently published statistics show that the British worker works on the average 48 hours a week which is much higher than the corresponding figure for any Western European workers. As is often the case with figures, accurate, but badly presented, the publication of these statistics conveyed, however, an

entirely misleading impression. It does not mean that British workers work harder than their continental colleagues. Paradoxical as it may sound, it means that they work less hard. They deliberately limit their output in order that it should be necessary for them to work overtime at higher rates. Indeed, before accepting employment, they want to know whether there is a guaranteed weekly minimum number of hours of overtime. Each reduction of the basic working week simply means a disguised wage increase in addition to the increase conceded in the national agreement.

Labor Opposes Labor

Even though a Report published recently by the Trade Unions Council supports the idea of a reform of the trade union system in the sense of coordinating the claims of individual unions, this proposal encountered strong resistance on the part of some of the most influential trade unions. There is no hope whatsoever for the T. U. C. to make its point of view prevail unless the Government were to take its courage in both hands and threaten with legislation in the absence of voluntary agreement. Such an intervention would arouse, however, a storm of indignation—not in the last place by the T. U. C. itself, even though the Government's action would help its proposal—on the ground that it would constitute an act of flagrant interference with the internal affairs of trade unions. They have come to regard themselves as a state within the state, and they are determined not to tolerate interference with their organization by the Government.

So there is nothing for it but to put up with leap-frogging wage demands by individual unions, without any attempt at coordinating their claims in the way this is done in Holland or Scandinavia.


Joins Nemrava Staff

DENVER, Colo.—George E. Nutter has become connected with Nemrava & Co., Denver Club Building. He was formerly with B. J. Leonard & Co. and Amos C. Sudler & Co.

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 manufacture a broad array of industrial and commercial products including grinding wheels, incandescent and fluorescent lighting equipment, 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.

WAKEFIELD CORPORATION
818 Fisher Building • Detroit 2, Michigan 

ABRASIVE PRODUCTS GROUP: PENINSULAR GRINDING WHEEL DIV., Detroit, Michigan; PENINSULAR GRINDING WHEEL CO., Detroit, Michigan; STERLING GRINDING WHEEL CO., Tiffin, Ohio; PENINSULAR-STERLING RESEARCH LABORATORY, Tiffin, Ohio; **ELECTRICAL PRODUCTS GROUP:** WAKEFIELD LIGHTING DIV., Vermilion, Ohio; ART METAL LIGHTING DIV., Cleveland, Ohio; WAKEFIELD LIGHTING LTD., London, Ontario; STA-WARM ELECTRIC CO., Ravenna, Ohio



NOW BECTON, DICKINSON AND COMPANY LISTED ON THE NEW YORK STOCK EXCHANGE

■ B-D is a leading manufacturer of surgical instrumentation and medical supplies. Founded in 1897, this company, operating worldwide, has plants or distribution facilities in seven foreign countries and the United States. Annual sales volume has been increased from the \$7.5-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.

B-D BECTON, DICKINSON AND COMPANY EAST RUTHERFORD, NEW JERSEY

Tax-Exempt Bond Market

BY DONALD D. MACKEY

With more important market factors at work than usually ob-
sess the state and municipal bond
sphere, prices have on the aver-
age improved slightly during the
past week. Although the tax cut
bill has finally emerged on the
floor of the House, and although
the Comptroller of the Currency
and The Federal Reserve Chair-
man have been embroiled in con-
tention before the House Com-
mittee on Banking, and despite
the continuing attrition involving
our gold reserves, the successful
result of the attractive Treasury
refunding has turned all phases
of the bond market about and
rekindled some of the smoldering
investor interest that has been
long latent.

Right Pricing Pays Off

In cleverly and attractively
pricing the two longer bond of-
ferings, the Treasury has gener-
ated a follow through that has
stimulated the bond market to an
extent not experienced in months.
The market's trend, heavy for
weeks, has been at least tempo-
rarily reversed and moderate
receptivity presently prevails.
This change has obviously not
been wrought by gimmicks or by
mirrors, so to speak, but by of-
fering a relative bargain. This
simple procedure might well be
followed by state and municipal
bond dealers.

For months, under conditions of
a record volume of supply,
dealers have been desperately
competing to buy new issues at
prices that preclude the semblance
of a bargain to investors. Gener-
ally profitless business has been
the consistent result. Even the
negotiated financing has been
persistently overpriced. Both
dealers and investors have been
unduly penalized by this primi-
tive procedure. Some amendment
to this carnivorous performance
may be in the making but it's
long overdue.

On Target!

In this vein, it appears that the
forthcoming \$184,000,000 Douglas
County, Washington P. U. D. re-
offering will be priced attractively
for broad investor recep-
tion. This is of course as it should
be and we make mention only
because pricing, over the past
several months, has been largely
unrelated to broad investor de-
mand. Partly as a result, orderly
distribution has given way to fire
sale practices with demoralizing
results.

Yield Index Steady

The Commercial and Financial
Chronicle's municipal bond yield
Index averages out at 3.094% on
Sept. 25 as against 3.095% a week

ago. Based upon a preselected
list of high grade 20 year bond
offerings regularly appearing in
the sheets, the Index shows but
little actual change in prices. Un-
recorded is the fact that the mar-
ket was more active and that of-
ferings were taken at list or not
far from list.

Looking Ahead

The new issue calendar con-
tinues at the \$550,000,000 level.
The variety of offerings over the
next month is interesting and
broad, with no single item of king
size. The largest scheduled gen-
eral obligation offering is \$47,-
500,000 various Baltimore, Mary-
land bonds up for sale on Oct. 1.
On Oct. 7, Lewisport, Kentucky
plans to offer \$50,000,000 Indus-
trial Plant revenue bonds. This
debt is payable solely from lease
payments to be made by Harvey
Aluminum, Inc.

Inventory Less Burdensome

Although it is difficult to judge
under present circumstances, the
Street inventory situation appears
to be somewhat improved. The
pressure of secondary offerings
has lessened and concessions to
dealers are generally less gener-
ous than they have been.

The offerings of state and mun-
icipal bonds as shown in the
Blue List are on the average
fewer than they have been for
some time. Current total is \$479,-
189,000.

Purely Emotional

It now seems quite certain that
the House will pass the so-called
tax cut bill by the time this piece
appears in print. Quick Senate
consideration is reportedly out of
the question and sentiment for
passage there is certainly less
compelling than in the House.

However, pressure for passage
of this altogether inadequate and
perhaps harmful piece of legis-
lation seems to be mounting.
Desperation would seem to be the
misbegotten *raison d'etre*.

Defining General Obligations

The House Banking Committee
has been holding hearings on the
Bill which would allow National
Banks to underwrite revenue type
bonds, along with other proposed
legislation. Reports indicate that
this legislation will get nowhere
at this session.

It is reported that the Commit-
tee may ask the Attorney General
for a ruling that might tempo-
rarily settle the controversy
between the Comptroller of the
Currency and the Federal Reserve
Board relative to the Comptrol-
ler's recent interpretation as to
what constitutes a general obli-
gation bond.

Strength in Dollar Bonds

The long-term dollar quoted
toll road, toll bridge, public
utility and other revenue type is-
sues did a little better in the past
week. One point gains were made
by Florida Turnpike 4 3/4s and
Kansas Turnpike 3 3/8s. Current
bids are 110 1/2 and 89 1/2 respec-
tively. Substantial gains were
registered by Illinois Toll High-
way 3 3/4s, Chicago O'Hare Airport
4 3/4s, Indiana Toll Highway 3 1/2s
and others.

Altogether, the 23 actively
traded bonds utilized in the
Chronicle's Index averaged at a
3.533% yield this week. The In-
dex was 3.549% a week ago,
which, transposed, means a one-
quarter point gain on the average.

New Bonds More Attractive

The new issue calendar for the
past week totaled a modest \$110,-
425,000 of various purpose bonds
and, as is usually the case, there
were a half dozen issues of gen-
eral market importance; all sold
at public bidding. Price yields
were in some instances relaxed by
about five basis points against the
bonds which sold a week ago, but
competition between bidding
groups continued to be very keen
with close covers the inevitable
result. Initial bank and investor
demand was mixed, with some is-
sues off to a good start and others
still awaiting investor interest.

Recent Awards

On Thursday, Sept. 19, the group
led jointly by *Halsey, Stuart &
Co., Inc.* and *C. J. Devine & Co.*
submitted the best bid, a 3.6728%
net interest cost, for \$15,000,000
Metropolitan Seattle, Washington
Sewer Revenue serial 1967 to 1991
bonds and a term loan due 2002.
This winning bid compared favor-
ably with the runner-up bid, a
3.68% net interest cost which was
made by *Blyth & Co.* and asso-
ciates.

Other major members of the
winning group include *Goldman,
Sachs & Co., John Nuveen & Co.,
Blair & Co., Inc., Shields & Co.,
Stone & Webster Securities Corp.,
Equitable Securities Corp., Laden-
burg, Thalmann & Co., Carl M.
Loeb, Rhoades & Co., Hallgarten
& Co., Weeden & Co., Hemphill,
Noyes & Co., W. E. Hutton & Co.,
Lee Higginson Corp., W. H. Mor-
ton & Co., Roosevelt & Cross,
Gregory & Sons and G. H. Walker
& Co.*

The serial bonds were offered to
yield from 2.60% to 3.50% for
various coupons and the term
bonds were offered at 100 for a
3.70% coupon. Bank and casualty
insurance company demand was
excellent for the \$6,000,000 serial
bonds and all but \$205,000 of these
bonds sold. Demand for the \$9,-
000,000 term bonds has been fair,
with the present balance in ac-
count \$6,550,000.

Also last Thursday, an issue of
\$4,680,000 Bradford Area School
Authority, Pennsylvania (1965-
1988) bonds were purchased
through negotiation by the *Ira
Haupt & Co.* account at a net in-
terest cost of 3.335%.

Other members of this syndicate
are *Halsey, Stuart & Co., Inc.,
Kidder, Peabody & Co., Kuhn,
Loeb & Co., Eastman Dillon,
Union Securities & Co., Goodbody
& Co., Arthurs, Lestrangle & Co.,
Bache & Co., Butcher & Sherrerd,
Hemphill, Noyes & Co., Moore,
Leonard & Lynch, Reynolds & Co.*
Scaled to yield from 2.25% to
3.40%, the syndicate reports an
unsold balance of \$730,000.

Friday's only sale of signifi-
cance was for \$1,000,000 of
Continued on page 39

Larger Issues Scheduled For Sale

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

September 26 (Thursday)

Anoka-Hennepin I.S.D. #11, Minn.	1,000,000	1966-1985	
Buena Vista, S.D. No. 9, Mich.	2,500,000	1965-1988	8:00 p.m.
Galveston, Texas	1,800,000	1966-1985	2:30 p.m.
Southwest Missouri State College Wolfeboro, Etc., Gov. Wentworth Reg. Sch. Dist., N. H.	4,390,000	1965-2002	11:00 a.m.
	2,525,000	1964-1983	11:00 a.m.

September 30 (Monday)

Hopkins Indep. S.D. No. 274, Minn.	1,580,000	1965-1978	3:00 p.m.
Salina, Kansas	2,077,094	1965-1984	4:00 p.m.
Van Buren Sch. Dist., Mich.	2,000,000	1964-1983	

October 1 (Tuesday)

Baltimore, Md.	47,500,000	1964-1987	11:00 a.m.
Grosse Ile Tp. S. D., Mich.	2,370,000		
Huntington Beach Union HSD, Cal.	1,785,000	1964-1974	11:00 a.m.
Linden, N. J.	3,877,000	1964-1988	11:00 a.m.
Los Angeles Unified S. D., Calif.	25,000,000	1964-1988	9:00 a.m.
Milwaukee County, Wis.	7,255,000	1964-1978	11:00 a.m.
Mobile, Ala.	4,000,000	1964-1975	
Worcester, Mass.	8,455,000		

October 2 (Wednesday)

Ann Arbor Sch. Dist., Mich.	3,750,000	1966-1986	3:30 p.m.
Douglas Co., P. U. D. No. 1, Wells Hydro-Elec. Rev. Bonds, Wash.	184,000,000		
[Negotiated purchase to be underwritten by syndicate headed by: Blyth & Co., Merrill Lynch, John Nuveen, Kidder, Peabody, A. C. Allyn, F. S. Smithers, B. J. Van Ingen, Wm. P. Harper & Son & Co., and Foster Marshall, Inc.]			
Huntington Beach, Calif.	3,750,000	1965-1983	7:30 p.m.
Mississippi (Port Bonds)	3,545,000		10:00 a.m.
Orfordville & Footville Jr. Sch. Dist. No. 4, Wis.	1,100,000	1964-1988	2:00 p.m.
Southington, Conn.	1,500,000	1964-1978	2:00 p.m.
Vanderburgh County, Ind.	2,500,000	1964-1982	2:30 p.m.

October 3 (Thursday)

Irving, Texas	2,000,000	1964-1998	
Minneapolis, Minn.	2,120,000	1964-1973	
Westchester County, N. Y.	5,670,000	1964-1983	

October 7 (Monday)

Abbeville, La.	2,594,000	1964-1987	7:00 p.m.
Atlanta, Ga.	5,000,000	1966-1993	11:00 a.m.
Lewisport, Ky.	50,000,000	1967-1988	1:00 p.m.
North Las Vegas, Nev.	4,947,000	1966-1993	7:00 p.m.
Riverside Jr. College Dist., Calif.	2,000,000	1964-1983	11:00 a.m.

October 8 (Tuesday)

Lapeer School District, Mich.	1,600,000	1964-1990	8:00 p.m.
Massachusetts (State of)	39,610,000	1964-2001	Noon
Matagorda County, Texas	1,600,000	1964-1988	7:30 p.m.
Michigan State Board of Education New Hartford, Kirkland, Etc. Cent. Sch. Dist. No. 1, N. Y.	4,340,000	1966-2013	11:00 a.m.
	1,700,000	1964-1992	3:30 p.m.
New York State Bridge Authority (Poughkeepsie), N. Y.	38,000,000	1967-1989	11:30 a.m.
Palos Verdes Peninsula USD, Cal.	3,500,000	1966-1988	9:00 a.m.

October 9 (Wednesday)

Cincinnati, Ohio	17,250,000	1965-1999	Noon
Kansas City, Mo.	12,000,000	1964-1993	10:00 a.m.
Los Angeles Dept. of W & P, Cal. Mich. State Conservation Comm. State Park Revenue	12,000,000		
	2,500,000	1965-1993	11:00 a.m.

October 10 (Thursday)

Buffalo, N. Y.	12,000,000	1964-1983	11:00 a.m.
Butler Sch. Dist., N. J.	1,520,000	1965-1984	8:00 p.m.
Detroit-Metro Wayne Airp't, Mich.	33,000,000	1967-1999	11:00 a.m.
Elmira City Sch. Dist., N. Y.	3,698,000	1964-1992	2:00 p.m.
Stillwater Indep. S. D. #834, Minn. Worthington Exempted Village Sch. Dist., Ohio	1,630,000	1965-1986	3:00 p.m.
	1,200,000	1965-1984	11:00 a.m.

October 14 (Monday)

Richardson Indep. Sch. Dist., Tex.	3,500,000		7:30 p.m.
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October 15 (Tuesday)

Anaheim Union High S. D., Calif.	1,710,000	1964-1983	11:00 a.m.
Capistrano Union High S. D., Calif.	1,800,000	1964-1988	
East Texas State College	3,000,000	1966-2012	10:00 a.m.
Geneva County Gas District, Ala.	1,900,000	1965-1992	2:00 p.m.
Green Bay, Wis.	3,100,000	1964-1983	11:00 a.m.
Long Beach Unified Sch. Dist., Cal.	1,500,000	1964-1983	
Pa. State Hwy. & Bridge Au., Pa.	35,000,000	1964-1983	Noon
Tucson, Ariz.	3,800,000	1965-1983	10:00 a.m.
Washoe County, Nev.	1,000,000	1964-1983	11:00 a.m.

October 16 (Wednesday)

Baton Rouge, La.	30,000,000		11:00 a.m.
Bethlehem City Area S. D., Pa.	8,000,000	1965-1985	
Orleans Parish School, La.	3,500,000	1964-1983	10:00 a.m.

October 17 (Thursday)

Austin, Texas	14,000,000		
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October 22 (Tuesday)

Huntington Beach S. D., Bldg., Cal.	1,000,000	1964-1983	11:00 a.m.
Pierce County Clover Park School District No. 400, Wash.	1,000,000	1965-1983	11:00 a.m.
Rayne, La.	2,008,000	1964-1988	

October 24 (Thursday)

Port of Seattle, Wash.	6,000,000	1964-1983	11:00 a.m.
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MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California, State	3 1/2%	1982	3.30%	3.20%
*Connecticut, State	3 3/4%	1981-1982	3.20%	3.10%
New Jersey Hwy. Auth., Gtd.	3%	1981-1982	3.15%	3.05%
New York State	3 1/4%	1981-1982	3.00%	2.90%
*Pennsylvania, State	3 3/8%	1974-1975	2.85%	2.75%
Delaware, State	2.90%	1981-1982	3.20%	3.10%
New Housing Auth. (N. Y., N. Y.)	3 1/2%	1981-1982	3.15%	3.00%
Los Angeles, California	3 3/4%	1981-1982	3.30%	3.20%
*Baltimore, Maryland	3 1/4%	1981	3.25%	3.15%
*Cincinnati, Ohio	3 1/2%	1981	3.20%	3.10%
Philadelphia, Pennsylvania	3 1/2%	1981	3.35%	3.25%
*Chicago, Illinois	3 1/4%	1981	3.35%	3.25%
New York City	3%	1980	3.28%	3.18%

September 25, 1963 Index=3.094%

*No apparent availability.

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 anti-missile defense; 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. This laser is no ordinary light beam; it's packed with electromagnetic radiation; its short waves march in unison like a drill team; and it is disciplined. The rays which flow out 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 only very slight diffusion, 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 at origin, diffused to become a spotlight on the moon, 2 miles in diameter, after traversing 250,000 miles of space.

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

How It Works

The laser beam is created by a process much like atomic fission, within a cylindrical ruby rod, only a few inches long. Atoms which may be of chromium (or of several other elements) are given instant bombardment by a powerful light; the component electrons within become animated and bounce back and forth between two mirrors, increasing their pulse millions of times. Finally, they emit photons of reddish hued light, which, concentrated in 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 production, instead of using a ruby rod, employs a tube filled with an inert gas (helium or krypton). A light source animates the electrons within the tube till they, too, attain 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. Dr. Charles H. Townes, a physics professor at Columbia at the time, and now Provost at M. I. T. is 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 2,200 scientists in some 500 corporate and university laboratories have been feverishly at work refining and perfecting lasers, increasing their intensity and the power units (called joules) they can pack. Many now regard the laser as the most significant scientific break-through since the invention of the vacuum 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 motor-mounted ones to blind, maim or immobilize an oncoming battalion; or anti-missile missiles that might, with unheard of accuracy and speed, destroy or deflect oncoming ICBM's. Right now our only missile defense is the Nike-Zeus system on which we have already spent \$1.2 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 major chemical catalyst, and revolutionize the cutting and welding of metals. In weather control there are some startling advances already under way through use of laser beams to ionize air.

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. Investors 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-powered coherent light useful both in communication, and in celestial targetry. 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 whole area. The M. I. T.-Raytheon Corp. team first bounced a laser off the moon. Technology Markets, Inc. has made a major study of future laser growth. Lear Siegler, Inc. has a division for R & D and manufacture of lasers; and Perkin-Elmer Corp. has relatively low cost models available for delivery to schools and laboratories.

Newer Companies

There is a strong possibility that, as in electronics earlier, major advances in lasers may be made by smaller young companies, the lengthened shadows of gifted and dedicated scientists. At Tyco Laboratories, Inc. in Waltham, Mass., under the guidance of Dr. A. I. Mlavsky, a new low cost, higher powered laser was recently made of silicon carbide. Dr. War-

ren Ruderman of Isomet Corp. in Palisades Park, New Jersey, is one of the outstanding experts in laser crystals. At Spacerays, Inc., in Dayton, Ohio, Mr. Roman Szpur for some years civilian Technical Area Manager at Wright Patterson Air Force Base, and a pioneer scientist in lasers and exotic weaponry, is leading lasers into new territory: expanding the power levels of lasers, elimination of optics in laser focusing; and development of a weather control system through ionized air.

We don't know when the first Buck Rogers ray gun will be produced or who will make it; we don't know who will devise a do-it-yourself rain control system; we don't know who will create the celestial beam so power packed that it will blast an enemy missile out in space, in a fraction of a second; but the laser, may bring all these miracles to us. Laser outlays this year may total \$35 million and perhaps a billion in 1970. Fantastic new dimensions may be added to our lives through lasers and a whole exciting new industry, stimulating widespread speculation and investment, may be at hand.

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.

NSTA



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:



William R. Radetzky



Herbert E. Beattie



Harry F. Green, Jr.



Robert N. Greene



John F. Klingler

President—William R. Radetzky, New York Hanseatic Corp.
First Vice-President—Herbert E. Beattie, Jr., Troster, Singer and Company.

Second Vice-President—Harry F. Green, Jr., Hecker & Co.
Treasurer—Robert N. Greene, Stroud and Company, Inc.

Secretary—John F. Klingler, Goldman, Sachs & Co.

In addition to the officers Peter L. Cardamone, Albert Teller & Co.; Joseph J. Cummings, Brooke, Sheridan, Bogan & Co.; James B. Flanigan, Singer, Beane & Mackie, Inc.; Alfred A. MacCart, Drexel & Co.; Newton H. Parkes, Jr., Gerstley, Sunstein & Co., and John D. Wellingford, Bioren & Co., were elected for three year terms to the Board of Governors.

Also, Spencer L. Corson of Elkins, Morris, Stokes & Co., was elected for a three year term as Trustee of the Gratuity Fund.

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

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Incorporated Incorporated

Carl M. Loeb, Rhoades & Co. Merrill Lynch, Pierce, Fenner & Smith
Incorporated

Stone & Webster Securities Corporation White, Weld & Co. Dean Witter & Co.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

ADR's on the ASE—Discussion in the current issue of "American Investor"—The American Investor, American Stock Exchange Building, New York, N. Y. 10006—25¢ per copy, \$2 per year. Also in the same issue are articles on **Investment Clubs**, **Rosenau Brothers, Inc.**, **Sealectro Corp.**, **American Biltrite Rubber Co.**, **Apache Corp.**, **General Super Markets**, **Hanson-Van Winkle-Munning Co.**, **Lithonia Lighting**, **Louis Lesser Enterprises**, **Talley Industries** and **Work Wear Corp.**

Bank Statistics—Comparative figures on leading banks throughout the country—Richard S. Graham, Dept. CFC, Reynolds & Co., 120 Broadway, New York, N. Y. 10005. Also available is a report on **Sinclair Oil Corp.**

Brewing Industry—Report—Bell & Farrell, Inc., 119 Monona Ave., Madison, Wis. 53703.

Canadian Business—Review—The Bank of Nova Scotia, 44 King Street, West, Toronto, Ont., Canada.

Distilled Spirits Industry—Analysis with particular reference to **American Distilling Company**, **Heublein Inc.**, and the **Paddington Corp.**—Sartorius & Co., 39 Broadway, New York, N. Y. 10006.

Fire and Casualty Insurance Companies—Review—David L. Babson and Company, Inc., 89 Broad Street, Boston, Mass. 02110.

Fire & Casualty Stocks—Mid-year results—Laird, Bissell & Meeds, 120 Broadway, New York, N. Y. 10005.

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

Hospital Supply Industry—Analysis with particular reference to **Ipcos Hospital Supply Corp.** and

American Hospital Supply—Winslow, Cohu & Stetson, Inc., 26 Broadway, New York, N. Y. 10004. Also available is an analysis of **Universal Oil Products Co.**

Japanese Market—Review—Diawa Securities, Limited, 149 Broadway, New York, N. Y. 10006. Also available are reviews of **Kajima Construction**, **Shiseido**, **Atsugi Nylon**, **Mitsubishi Chemical**, **Mitsukoshi**, **Chubu Electric Power**, **Toyo Kogyo** and **Asahi Grass**.

Life Insurance Stocks—Bulletin—Ralph B. Leonard & Sons, Inc., 50 Broadway, New York, N. Y. 10004. **Municipal Market**—Bulletin—Goodbody & Co., 2 Broadway, New York, N. Y. 10004.

"**New Issues**" of 1961-2-3—Study of market performance, earnings, and other data—Troster, Singer & Co., 74 Trinity Place, New York, N. Y. 10006.

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

Petroleum Situation—Review—The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N. Y. 10015.

Portfolio—Of selected issues under 30—In current issue of "Pocket Guide"—Harris Upham & Co., 120 Broadway, New York, N. Y. 10005.

Steel Companies—Review with particular reference to **Armco Steel**, **Bethlehem Steel**, **Jones & Laughlin** and **Youngstown Sheet & Tube**—L. F. Rothschild & Co., 120 Broadway, New York, N. Y. 10005.

Aluminium Limited—Comments—Gairdner & Company Limited, 320 Bay Street, Toronto 1, Ont., Canada.

Bank Leumi Le-Israel B. M.—Bulletin—A. J. Carno Co., Inc.,

150 Broadway, New York, N. Y. 10038.

Barth Vitamin Corp.—Analysis—H. Hentz & Co., 72 Wall Street, New York, N. Y. 10005. Also available is an analysis of **Stainless Steel & Alloy Co.** and comments on **Western Pacific** and **Florida East Coast**.

Barton Instrument Corporation—Analysis—Eastman Dillon, Union Securities & Co., 3115 Wilshire Boulevard, Los Angeles, Calif. 90005.

Boise Cascade Corp.—Analysis—Hannaford & Talbot, 111 Sutter Street, San Francisco, Calif. 94104. Also available are comments on **Astrodata**, **Teledyne**, **Lestoil Products**, **Occidental Petroleum** and **United States Leasing Corp.**

Borg Warner Corp.—Review—Orvis Brothers & Co., 30 Broad Street, New York, N. Y. 10004. Also available is a review of **United Biscuit Company of America**.

Borman Food Stores—Report—Purcell, Graham & Co., 50 Broadway, New York, N. Y. 10005.

Calgon Corporation—Analysis—Suplee, Yeatman, Mosley Co. Incorporated, 1500 Walnut Street, Philadelphia, Pa. 19102.

Connecticut Bank and Trust Company—Report—Henry Gellermann, Dept. CFC, Bache & Co., 36 Wall Street, New York, N. Y. 10005. Also available are comments on **Marine Midland**, **American Commercial Barge**, **Ferro, Talon**, **St. Joseph Lead** and **Cerro Corp.**

Consolidated Foods—Analysis—Glore, Forgan & Co., 135 South LaSalle Street, Chicago, Ill. 60603.

Corn Products—Report—Sincere & Company, 208 South La Salle Street, Chicago, Ill. 60604. Also available is a report on **U. S. Vitamin & Pharmaceutical**.

Dayco Corp.—Survey—Colby & Company, Inc., 85 State Street, Boston, Mass. 02109. (Firm requests stamped addressed envelopes when writing for copies.) Also available are surveys of **Minnesota & Ontario Paper** and **Hooker Chemical**.

Delta Air Lines, Inc.—Analysis—Courts & Co., 11 Marietta Street, N. W., Atlanta, Ga. 30301.

Dynamics Corporation of America—Analysis—Schwabacher & Co., 100 Montgomery Street, San Francisco, Calif. 94104. Also available is an analysis of **Transamerica Corporation**.

Evans, Inc.—Analysis—Walston & Co., Inc., 111 West Jackson Boulevard, Chicago, Ill. 60604.

Gateway Sporting Goods Company—Analysis—Stern Brothers & Co., 1009-15 Baltimore Avenue, Kansas City, Mo. 64105.

Geophysics Corp.—Report—Lieberbaum & Co., Incorporated, 50 Broadway, New York, N. Y. 10004. Also available is a report on **United Nuclear Corp.**

Great Northern Paper—Comments—Oppenheimer, Newborg & Neu, 120 Broadway, New York, N. Y. 10005.

Great Northern Paper Company—Analysis—Gude, Winmill & Co., 1 Wall Street, New York, N. Y. 10005.

Green Giant Company—Analysis—Hill Richards & Co., Inc., 621 South Spring Street, Los Angeles, Calif. 90014.

Investment Insights—Booklet explaining significance of 20 of the market's leading indicators—Copy on request—Investment/Indicators, 210 Albert Bldg., San Rafael, Calif.

Kayser Roth Corp.—Analysis—Schweickart & Co., 2 Broadway, New York, N. Y. 10004.

E. J. Korvette, Inc.—Analysis—Coggeshall & Hicks, 50 Broadway, New York, N. Y. 10004. Also available are analyses of **Ozon Products Inc.**, **Pennzoil Co.**, **Radio Corporation of America** and **Shell Oil Company**.

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

Moog Servocontrols—Report—Irving Weis & Co., 505 Park Avenue, New York, N. Y. 10021.

Outboard Marine—Comments—Hirsch & Co., 25 Broad Street, New York, N. Y. 10004.

Phillips Petroleum Company—Analysis—The Illinois Company, Inc., 231 South La Salle Street, Chicago, Ill. 60604.

Pueblo Supermarkets Inc.—Analysis—Hemphill, Noyes & Co., 8 Hanover Street, New York, N. Y. 10004. Also available is an analysis of **Medco**.

Rexall Drug & Chemical Company—Survey—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York, N. Y. 10005.

Seasonal Industries—Bulletin—Low Price Investments, 11 Steuben Street, Albany, N. Y. 12207.

Simplicity Pattern—Analysis—Edwards & Hanly, 100 Franklin Avenue, Hempstead, N. Y.

Trans Canada Pipe Lines Limited—Analysis—Greenshields Inc., 507 Place d'Armes, Montreal, Que., Canada.

Union Oil Company of California—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York, N. Y. 10005.

Univis—Comments in current issue of "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine Street, New York, N. Y. 10005. Also in the same issue are comments on **Aleo Products**, **Toledo Scale Corp.**, **Scott Lad Foods**, **American Sterilizer Co.**, **P. R. Mallory & Co.**, **National Airlines**, **Binney & Smith** and **Flintkote**.

Businessmen to Tell Other Businessmen

Twenty-four private businessmen will tell U. S. industrialists and suppliers in 26 U. S. cities during September and October about 1,000 specific opportunities to sell their products in six European countries, the Bureau of International Commerce, U. S. Department of Commerce, announced.

The 24 businessmen—industrialists, production engineers, and trade experts from 12 states—are members of five recent U. S. Trade Missions to the Netherlands, Norway and Denmark, France, Sweden, and Belgium.

The mission members, traveling in small groups, will report in detail, in coast to coast meetings with representatives of U. S. business and industry, on the trade opportunities uncovered during their recent European tours. The meetings will be sponsored by chambers of commerce, world trade clubs, and the U. S. Department of Commerce Field Offices.

About 4,100 business proposals from U. S. manufacturers were carried by the missions to leading firms in six countries visited earlier this year. Names and addresses of all the European firms demonstrating the capacity to handle U. S. lines and showing specific interest in the U. S. products already have been given to American companies. As a part of this vigorous drive for export sales the missions returned with the 1,000 European proposals which they will now lay before U. S. firms.

Businessmen interested in an opportunity to hear firsthand reports by the trade mission members, who gave a month of their time to the government-sponsored missions and now are giving their additional service to help build sales outlets and expand exports, should get in touch with their nearest Department of Commerce Field Office.

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Our latest brochure:

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is a study of the market performance, earnings and other significant data relating to the "new issues" of 1961-2-3. A total of 2,166 "new equity issues" were placed on the market in the past 33 months. Of this total, Troster, Singer & Co. currently trades 200, which are briefly analyzed in this brochure; 115 are below issue price, 59 are above and 26 below.

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Factors to Watch for When Extending Credit

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

In 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, however, to take advantage of newly developed intelligence on the foible habits of borrowers. In a short article, Mr. Fletcher reveals the latest amplifications of the three C's.

The credit granting process is widely, and correctly, thought to be a risky thing. But what is not as well known perhaps is that every credit granting situation presents two distinct kinds of risks. And both can not be minimized at the same time.



Gordon C. Fletcher

If credit is granted, there is the risk that the debtor will fail to pay for the goods sold, or to repay the amount borrowed. On the other hand, there is the risk that one who turns down a potential debtor is turning down a customer who would pay. The choice, therefore, is between loss of profit and possible loss of all or part of the money owed.

When the risk of loss of profit is decreased by adopting an easy credit policy, the possibility that credit will be extended to those who won't pay is increased. The opposite is also true; a stiff credit policy increases the risk that good business is being turned away where credit is refused.

\$55 Billion Increase Since 1929

Credit granting is a risky business either way. It's also big business. The amount of consumer credit outstanding has grown from \$7 billion in 1929 to more than \$62 billion today. Each month overdue accounts having a face value of more than \$85 million are turned over to collection agencies in the United States. Nor is there any sign that the credit boom is lessening. One major oil company, for example, is handing out credit cards at the rate of 30,000 per day.

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

The suggestion 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 minority. The present trend, therefore, is likely to continue. The question which then arises is how credit grantors 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 creditor's position tenable: most debtors, the overwhelming majority in fact, do pay their debts.

Usually they pay on time, approximately. Separating those who will pay from those who won't is the credit grantor's problem. How is it done?

The traditional Character-Capacity-Capital test has been extensively modified in recent years as statistical and psychological research data and findings have become available. The three-fold test however, is still the credit grantor's basic standard.

Character in this context is the potential debtor's behavior in handling his past responsibilities. Capacity means the debtor's reasonable expectations of future income. Capital refers to the debtor's ability to liquidate his present debts.

The test thus expressed is, of course, shorthand for a series of judgments which the credit grantor must make about the potential debtor. The importance of gathering the kind of information to make these judgments is obvious. The old look-him-in-the-eye-to-see-whether-he's-honest approach is unscientific, to put it mildly, and recent research has indicated its worthlessness.

Not all of the old assumptions have been proved wrong, however. A person's place of residence has been thought, correctly it appears, to be an important determining factor in deciding whether to grant credit. A study conducted in Chicago showed that, in a city of more than 200 square miles, 6% of the delinquent accounts on file were those of people who lived in one square mile of the city. The heaviest incidence of nonpayers is in areas of the greatest social disorganization.

Drunk Drivers and Delinquent Debtors

Dr. Karl Menninger has pointed out that no offense is committed in isolation. Nonpayment of debts is a social transgression of one form 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 reported by the local paper to have been charged with drunken driving were found to have had overdue accounts which had been turned over to a local collecting agency.

It has been found that there is a higher incidence of nonpayment among divorced persons than among married ones. Married persons are also better risks than single persons, especially young ones; young women are more highly rated risks than young men. The credit grantor therefore gets as much factual information as possible including the debtor's name (and all the names he's used), address (frequent address changes may indicate instability, at the very least they indicate that account may be hard to collect), marital status, etc.

Whether a person carries life insurance is one factor used in

determining how he handles his responsibilities. Aside from a failure to plan for the future, failure to carry insurance could also 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 people are reluctant to say anything really detrimental about a person where they know it will actually hurt him. Many a credit grantor has realized too late that a credit reference was telling him something after all. Follow up the negative inference. If a credit reference can't 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 too 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 whose business isn't.

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 Illinois in cooperation with the Associated Credit Bureaus of America has brought to light some interesting statistics in this regard.

On the basis of 104 reports from credit bureaus which studied their own records, 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.

Lawyers and judges (perennially contentious fellows) were rated 22nd, right above travelling salesmen. Bartenders, musicians, domestic servants, 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 income. 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 ascertained to see whether an 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 balanced.

Loss ratios, for example, are widely relied upon in support of various credit practices. Yet credit 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 terms of just one kind of credit risk—that of loss through non-payment. But the credit policy also has an impact on the other kind of risk — loss of potential profits. (Credit policies can have other effects, too. One large 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, credit is likely to be tighter. Supply is often a factor, since one offering a limited commodity can better afford a strict credit policy than one who is overstocked.

Credit grantors today, relying in part upon psychological studies of debtors conducted by collection agencies, are perfecting tech-

niques 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, that most nonpayers are chronic repeaters, that one form of social transgression is usually accompanied by others, drunken driving, crimes, etc. Armed with these facts, and bolstered by the knowledge that collection techniques are becoming more scientific, and successful, a credit grantor can today contemplate the risky credit process with something approaching peace of mind.

F. I. duPont Co. Detroit Branch

DETROIT, Mich. — Marking another expansion move, Francis I. duPont & Co., member firm of the New York Stock Exchange, has opened an office in Detroit, in the Penobscot Building, it is announced by Edmond duPont, senior partner.

This will be the firm's first office in Michigan, but it will acquire a second one, in Flint, when its consolidation with A. C. Allyn & Co. is consummated on Oct. 1.

Alan D. Hubbell has been 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.



Edmond duPont

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 FRÈRES & Co. LEHMAN BROTHERS

September 26, 1963

Petroleum's Development Has a Still Greater Future

By M. J. Rathbone,* Chairman, Standard Oil Company (New Jersey), New York, N. Y.

Petroleum wonders on the drawing boards, discoveries and new applications undreamed of not too long ago assure a still greater future for this versatile product than it has 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 100 years be as fruitful and as thrilling? What economic and technical prospects does our industry face? And will the human and political environment be favorable or unfavorable for us to give mankind the 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 proved 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. Ever since 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 1930s there were 14 barrels of proved reserves for each barrel of annual production. Today, the ratio is better than 30 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 accomplished not only by 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



M. J. Rathbone

the sponge" a little harder, and recovering a greater percentage of the oil which we know is there. This progress has already come 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—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 product requirements of the future. Supersonic civilian jet aircraft will need new fuels with higher thermal stability to absorb much of the extreme heat generated by air compression and friction. Soon we may have to produce both new fuels and new lubricants for automobile engines with compression ratios much higher than those of today. We must continue work on liquid and solid rocket propellants for space vehicles, and on new means of tapping the energy of oil, such as the fuel cell.

Surveying all these prospects, we can see that petroleum fuel 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 living standards, and in our continuous research and development to adapt petroleum, with all its inherent advantages, to changing energy requirements.

Uses Outside the Energy Field

But energy demand is far from being the whole story. Dramatic growth lies ahead for the uses of petroleum outside the energy field. The range of applications is already enormous, and more are being added every day. The exploitation of petroleum as a raw material is one of the great industrial frontiers of the future.

The word "petrochemical" has become a part of our language only within the past generation. Yet already the ordinary citizens of many nations are as familiar with synthetic rubber, synthetic textile fibers and plastics like polyethylene and polypropylene, as they are with natural rubber or paper. Very soon building materials made from petroleum 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, pesticides, fungicides, mulches to increase crop yields—all these and other petroleum products are playing an increasing part in modern farming. There have even been promising tests of a petroleum spray to stabilize sand dunes for the year or two necessary to reforest them, build soil on them and reclaim them from the desert.

We should remember too that future growth in the uses of petroleum is not going to be confined to the already highly industrialized regions, nor to complex and sophisticated machinery. Our industry had its first great success with a simple device, the kerosene lamp—which is still in use in many areas. If we study the needs of people in the developing countries today, we may find that petroleum has an unsuspected future in applications as simple and as important as the kerosene lamp. Small vehicles, pumps, generators, heating units, building materials, farm equipment—all of simple, low-cost design and requiring no advanced technical skills—products of this kind may have a great part to play in the development of many countries and the adaptation of their people to the mechanical age.

But of all the potential uses of petroleum—especially in regions where hunger and malnutrition are an ever-present problem—perhaps the most revolutionary of all can be summed up in one phrase: "food from oil."

I refer to the new culture process, called biosynthesis, by which petroleum is transformed into a protein-rich food. This type of food has been produced in the laboratory and is now in the pilot plant stage.

Think of what this could mean. The diet of perhaps a billion people, chiefly in Asia and Africa, contains less animal protein than the target of 15 grams a day set by the United Nations Food and Agriculture Organization. If this entire protein deficiency could be supplied by protein made from oil, it would require a mere 200,000 to 300,000 barrels of oil a day—a little over 1% of our current world oil production—no problem of supply at all. But by this one means we could go far toward wiping undernourishment from the face of the earth.

Petroleum's place in history is already great—but I believe it has a still greater future. We have no cause to fear competition from the new energy sources which are

developing. The world's total energy means are so great that these new sources will unquestionably supplement petroleum, not displace it. If we can keep our costs down—and I believe we can—there will be a tremendous share for petroleum both as fuel and as raw material. Realizing that potential will be the chief task of the petroleum research laboratories of the world.

The Industry's Future

Now, in conclusion, I turn from the future of petroleum and its products to the future of the industry itself.

There are a number of features of our industry which are not likely to change quickly. One of these is the vigorous competition not only within our industry but also with other energy sources. This competition has several important consequences. It brings the customer the best product at the fairest price. It makes for wider markets and a greater volume of business.

By no means least, the pressure of competition has important results for the organization. It breeds a certain style of management—not rigidly controlled from the top, but flexible and decentralized. In such an organization, individuals at every level are encouraged to think and act on their own initiative, and thereby originate better ways of doing their jobs.

In purely economic terms, this type of organization is the most effective and the quickest to adapt to changing situations. In human terms, seen from the point of view of the employee, it is the most interesting and the most challenging. Freedom, for those who work in such an enterprise, is not just something enjoyed in leisure time. It is a daily experience on the job.

But the oil industry's place in our civilization is wider than all these things. Our products have changed ways of life. Our employees have often been the first in their areas to learn certain basic technical skills. In many remote places the first elementary schools and the first medical clinics have been those set up by oil-producing organizations.

It is a striking fact that two of the most basic aspirations in the world today are also fundamental interests of a healthy oil industry. One is peace. The other is the economic and social development of nations.

By peace I mean more than the absence of open war. Any kind of international conflict or tension causes governments, in the name of national security, to obstruct competitive trade across frontiers. Only where there is reasonable freedom from such tension can international trade be carried on as it should be for the consumer's sake—on the basis of economic efficiency instead of political power.

As for the development of nations—a cause which has now become a primary goal for a third of the people of the world—we in the petroleum industry will continue to be involved deeply in this process for a long time to come. As producers we will continue exploring and operating in many such countries. As marketers we see in that entire region a vast need for products and services. And it is here that we may make some of our greatest contributions to the civilization of the future. This, then, is the petroleum in-

dustry which has become such a great force in the energy revolution, in the freedom of movement of countless millions of people, in the widening of their horizons and their expanding enjoyment of consumer goods.

It cannot be mere coincidence that by far the greatest part of the 140 billion barrels of petroleum which the world has thus far consumed was discovered, produced, processed and brought to market by private, non-political, international, and highly competitive oil companies. The companies, in turn, have been able to perform this enormous and extremely complicated task because governments in most cases—in both producing and consuming countries—have wisely left them the basic freedoms of decision and action to do their job efficiently.

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 higher living standards for the people are important to both. The legitimate needs of governments, whether producing or consuming—for revenue, foreign exchange, assurance of supplies, technical training of citizens, development of the oil industry for the national economy—all these needs have proved time and again to be better attainable by cooperation with the international oil industry than by efforts to dominate or displace it.

I believe the private oil industry, wherever it is given the chance, will continue to prove itself unequalled in its ability to transform petroleum into creative service for the peoples of the world. Thereby countless doors will be opened to the greater dignity and freedom of man's daily life in the century to come.

*From a talk by Mr. Rathbone at the World Petroleum Congress, Frankfurt, Germany.

Lynch V.-P. of Bagdis & Oftring

WORCESTER, Mass. — John F. Lynch has joined the firm of

Bagdis & Oftring, Inc., 507 Main Street, as Vice-President. Mr. Lynch is widely known in the field of finance and has been serving 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.



John F. Lynch

With Grant Brownell

DAYTON, Ohio—Robert L. Wepin is now 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 Building, members of the New York Stock Exchange.

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NEWS ABOUT BANKS AND BANKERS

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

Norman R. Caridi, John J. Grinch, Phillip E. Leahy, and Robert O. Blomquist have been promoted to Assistant Vice-Presidents of the **Chase Manhattan Bank, N. Y.**

Appointed Assistant Treasurer was Albert F. Varner, Jr. Other appointments were those of Hugh L. Stokely as associate economist; Gordon J. Crook as operations research officer; James J. Nacos as assistant staff counsel; and Vincent E. Adamo 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 Executive Vice-President; Edmund Leone, Vice-President and Secretary; Colin MacLennan, Vice-President and Controller, and John B. Henne-man, in charge of personnel, who was appointed a Senior Vice-President.

Messrs. Thomas, Leone and MacLennan also were appointed 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 head of the Fifth Avenue Bank office of **The Bank of New York, New York.**

Mr. Cochran succeeds Joseph A. Hannan, Jr., Executive Vice-President, 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 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 the Board of Trustees had 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 Heberling Vice-President and Secretary.

The Asbury-Park and Ocean Grove Bank, Asbury Park, N. J.,

and the **New Jersey Trust Company, Long Branch, N. J.**, merged with the title of **New Jersey Trust Company.**

The Fidelity Union Trust Company, Newark, N. J., announced that the Board of Directors declared a 4% stock dividend payable on Oct. 11, to shareholders of record Sept. 23.

The declaration of the current stock dividend will result in the transfer of \$250,000 from Undivided Profits to Capital. Further, the board also voted to increase the bank's Surplus account by an additional \$2,250,000 transferred from Undivided Profits.

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

Merle E. Gilliland has been elected Vice-President and Cashier 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 Vice-President and consultant on a special assignment.

The Riggs National Bank, Washington, D. C. made William E. King, John J. Behabetez and Bernard L. Amiss, Vice-Presidents.

Stockholders of **The Hallwood National Bank, Hallwood, Va.**, in Accomack County, and of **The Bank of Virginia, Richmond, Va.** Sept. 20 voted for merger of the two banks.

Herbert C. Moseley, President of The Bank of Virginia, and H. R. Nock, Cashier of The Hallwood National Bank, jointly announced stockholder approval following special meetings 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 would receive 5.7 shares of stock of Virginia Commonwealth Corporation for each share of bank stock owned. The Hallwood bank has 160 stockholders who own the 2,500 shares of stock, of \$20 par value.

The Hallwood National Bank, June 30 statement of condition, had total resources of \$5,119,000. On the same date, The Bank of Virginia had total resources of \$188,823,000.

The newest and most modern branch of **Society National Bank, Cleveland, Ohio**, opened Sept. 16, in Severance Center at 3550 Mayfield Road.

Gordon J. Artress, 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 approved the application to merge **North Carolina National Bank, Charlotte, N. C.**, and the **Bank of**

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 in Dallas, President.**

The Comptroller of the Currency, Sept. 19, announced approval of the proposed merger of the **Creeker-Anglo National Bank of San Francisco, Calif.** and the **Citizens National 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 Virendra K. Sondhi Manager of the first United States bank branch to open in India since that nation's independence was won in 1949.

Bank of America's President S. Clark Beise announced the Bombay branch would open early next year.

Mr. Sondhi, an officer in the International Banking Department of the San Francisco head office, was born in India.

Presently an Assistant Vice-President, Mr. Sondhi has been in the international loan section of the bank for two years; prior to that, he was attached to offices of the Bank in Los Angeles.

Richard W. Goggin was also named a Vice-President.

Charles Fogg, has been elected Trust Officer of the **Puget Sound National Bank, Tacoma, Wash.**

R. W. Shannon, Associate General Manager (International Division) of **The Royal Bank of Canada, Montreal, Can.**, announces that continued expansion of the bank's business in the Caribbean area has led to the creation of a new supervisory district, comprising branches in the Bahamas, Jamaica and British Honduras. Headquarters of the new district will be in Nassau.

Appointed Supervisor is F. H. B. Ince, Manager of the bank's Kingston, Jamaica Main Branch. He will take up his new duties early in 1964.

Imbriani Longo has been named Chairman of the Board of the **Banca Nazionale del Lavoro, Italy.**

Mr. Longo, who has acted in the capacity of General Manager of the Banca Nazionale del Lavoro for the past 15 years, succeeds Giuseppe Corridori.

Celeste Guadagnini, has been appointed General Manager.

Ettore Lolli, has been appointed Deputy General Manager.

In July of this year Banca Nazionale del Lavoro celebrated the 50th anniversary of its founding with the opening of its American branch in New York City at 25 West 51st Street.

The American branch, equipped to provide every commercial banking service, represented the 208th in the Lavoro Bank network. Walter Niklaus is Senior Manager and Giulio Jacucci, Manager.

The American Security Bank, Honolulu, Hawaii, made William H. Kam and Anthony Y. S. Shim Vice-Presidents.

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

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

Mr. Robbie was formerly Chief of the Mutual Fund Department and senior staff member 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 industry.

C. D. Murphy Opens

PORT WASHINGTON, N. Y.—Charles D. Murphy & Company, Inc. is engaging in a securities business from offices at 156 Main Street. Charles D. Murphy is a principal.

Alpha Planning Branch

DOBBS FERRY, N. Y.—Alpha 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's Boston staff on Oct. 1 as Vice-President and Economist.

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

Rejoins Greene & Ladd

DAYTON, Ohio—James M. Mack has rejoined Greene & Ladd, Third National Building, members of the New York Stock Exchange. He has recently been with Hunter, Prugh, Ball & Davidson, Inc.

Two With McNeel

CHATTANOOGA, Tenn.—Charles H. Carter and G. Melvin Cooper have become affiliated with McNeel & Co., Inc., MacLellan Bldg. Mr. Carter was formerly with Whitman Securities Co.

New Uhlmann Office

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



Frank E. Morris

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

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PRICE: 102% and accrued interest.

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MCDONALD & COMPANY

September 19, 1963

Holds Today's Public Debt Constitutes No Problem

Dr. Nadler assesses the ramifications of today's Federal, State and local as well as private debt. He concludes it plays an important role in our development and poses no undue burden on the economy. Carefully explained, however, are the circumstances which make debt dangerous and the measures that should be taken to prevent a harmful turn in debt accumulation.

The public debt of the Federal, state, and local governments, while large, constitutes no problem, Dr. Marcus Nadler, consulting economist to Manufacturers Hanover Trust Co. stated recently.

In a report, "The Growth of the Debt," released by Manufacturers Hanover, Dr. Nadler warns:

"What is dangerous is the tendency of the Federal Government to operate with large deficits even in periods of prosperity and its unconcern with the constant rise in expenditures. Such spending not only leads to deficits and to an increase in the public debt and debt service, but is primarily responsible for our heavy tax burden."

"Sound fiscal policy," Dr. Nadler cautions, "requires that surpluses be achieved and the public debt be reduced in periods of high business activity. Every effort must be made by the Administration and Congress to create a surplus and to effect some debt reduction."

Debt Means Growth

Dr. Nadler in his analysis of U. S. debt points out that the growth of a nation's debt is an indicator of its ability to save and of its wealth and growth. "Without the creation of debt," he says, "we would not have railroads, super highways, utilities and homes."

"No matter how large a debt may be," Dr. Nadler stresses, "if it was contracted for useful and productive purposes, absorbed by the savings of the nation, and the debt service constitutes no undue burden on the borrowers, it must be considered sound. This, on the whole, is the case in the United States."

The debt—large as it is, Dr. Nadler adds, has not imposed an undue burden on the economy for the following reasons:

A large percentage of the debt—except that of the Federal Government—was contracted for constructive purposes—expenditure on plant and equipment, construction of new homes, and the accelerated acquisition of durable goods.

The debt, except during periods of emergencies, has been absorbed by the nation's savings which have also grown rapidly, thus materially aiding in the nation's economic growth.

Substantially all the U. S. debt is held internally. Therefore, the payment of interest and principal does not create a balance of payments problem.

The nation's Gross National Product also has grown rapidly, thus keeping pace with the rising debt.

Cautions About Non-Durables' Debt

The sharp increase in private debt, Dr. Nadler suggests, reflects our economic growth. "But," he warns, "the recent tendency to use private debt to acquire non-durable goods is not sound. A further increase in this type of credit could lead to difficulties."

Summary

The following four points summarize Dr. Nadler's findings:

(1) **Savings provide the means for capital expenditures and for economic growth.** Without internal savings or borrowing abroad, the economy of a nation would stagnate. Debt is the counterpart of savings, for savings must find a profitable outlet and offer the saver an adequate return. Without the creation of debt we would not have railroads, super highways, utilities and homes. The growth of a nation's debt is therefore an indicator of its ability to save and of its wealth and growth. Inflationary pressures arise only when the debt is created through the commercial banking system and is incurred for non-productive purposes. Since the huge debt contracted by the government during the war was largely financed through commercial banks, a sharp decline in the purchasing power of the dollar followed.

(2) **The total U. S. debt is large and has grown rapidly. Except during periods of emergencies, it has been absorbed by the nation's savings which have also grown rapidly.** A large percentage of the debt—except that of the Federal Government—was contracted for constructive purposes. This has aided materially in the nation's economic growth. Large as the debt is, it has not imposed an undue burden on the economy, for the G. N. P. has also grown rapidly. Substantially all the U. S. debt is held internally. Therefore, the payment of interest and principal does not create a balance of payments problem.

(3) **The public debt of the Federal, state and local governments, while large, constitutes no problem.** What is dangerous is the tendency of the Federal Government to operate with large deficits even in periods of prosperity and its unconcern with the constant rise in expenditures. Sound fiscal policy requires that surpluses be achieved and the public debt be reduced in periods of high business activity. State and local government debt will continue to rise, reflecting the need for more social and public services. State and local taxes are high and burdensome, and many local governments are unable to find new sources of revenue. The solution lies primarily in the more economic administration of public expenditures. A thorough-going reorganization of local governments would release substantial funds for more productive and useful purposes. Increased reliance on support from the Federal Government is no solution.

(4) **The sharp increase in private debt reflects our economic growth, the vast expenditures on plant and equipment, the construction of new homes and the accelerated acquisition of durable goods, notably automobiles.** The payment of interest and sinking funds on the corporate debt is relatively small if compared with total corporate income. The debt service on home mortgages, while large and rising, has taken the place of rent. Amortization payments constantly reduce these charges and increase owner equity. The recent rise in foreclosures of Federally insured and guaranteed mortgages indicates that down payments were too small in many instances. Consumer credit has long been part of the American way of life. However, the recent tendency to use it to acquire non-durable goods is not sound. A further increase in this type of credit could lead to difficulties.

There are various tests by which the soundness of the magnitude of debt can be measured. No matter how large a debt may be, if it was contracted for useful and productive purposes, absorbed by the savings of the nation and the debt service constitutes no undue burden on the borrowers, it must be considered sound. This, on the whole, is the case in the United States.

Chase Manhattan Broadens Scope of Com. Trust Fund Inv.

The Chase Manhattan Bank has received permission from the State Banking Board to expand the variety of common, or collectively invested, trust funds that it operates, it was announced Sept. 23, by Donald C. Norton, Senior Vice-President.

Up to now the bank has operated two types of such funds — "balanced discretionary" and "legal." The "balanced discretionary" fund has been used for money from those trusts that give the bank full discretion in the making of investments. This type of fund contains common and preferred stocks and bonds in whatever ratio the bank decides is desirable at a particular time. The "legal" fund was created for those trusts that do not give the bank full discretion and thereby limit investments in the manner prescribed by statute.

Now, in addition to these funds, Chase Manhattan will offer three specialized discretionary types: one invested in taxable fixed-income securities—bonds and preferred stocks — another in tax-exempt bonds, and the third composed primarily of common stocks.

In announcing the plan to create the new funds Mr. Norton said: "Investment in these common trust funds is designed to suit varying investment objectives and make available to trusts of all sizes the advantages of broader investment flexibility and selectivity usually associated only with large-scale investment management."

Participating trusts hold units of common trust funds, Mr. Norton explained. He emphasized, however, that common trust funds are quite different from mutual funds. "Common trust funds," he said, "are used only for the investment of money in actual trusts—money, in other words, with a true trust purpose."

The Market . . . And You

BY WALLACE STREETE

The stock market seems to get a thicker hide the higher it goes. Although much of the trading activity seems indecisive, it is becoming more obvious that investors are sticking to their favorite issues rather than chance the unknown.

Stocks like Control Data, Chrysler, Sperry Rand, and High Voltage dominate the most active list day after day. While most of the market seems to be churning around in an attempt to decide on a definite direction, steady gains have been scored by many of the big turnover issues.

Ability of stocks like Chrysler, American Telephone, and Owens-Illinois to set new highs would indicate that these issues are moving into stronger hands. Yet there is growing evidence that the smaller individual investors are returning to the boardrooms albeit slowly and cautiously.

Many analysts maintain that the current market won't penetrate current resistance levels until 6 and 7 million share days become more commonplace. But at that point some institutional investors may shy away.

Institutional Buying

Much of the recent market strength has been attributed to active buying by mutual funds, banks, and other institutions. Renewed interest in steels also confirms this pattern. One of the more depressed groups, steels, have found new enthusiasm in the marketplace.

Part of this following comes from reports that steel output may top 106 million tons and could even hit 108 million this year. Contrast this outlook with predictions as recent as three weeks ago that the industry would do well to reach 105 million tons.

Obviously many investors are looking to next year when some industry experts confidently predict production of 111 million tons. This would be the best total since 1957's 112.7 million.

Higher Steel Price

But most observers also look for higher profits in steel. Selective price increases show some signs of spreading. And the wage contract settled in June resulted in one of the smallest cost rises of the postwar era. Some support has logically come from predictions of another banner year in auto output. A third good consecutive car year will swell orders for better-grade steels.

Long-term factors also bolster arguments of those who favor steels as a good market buy. U. S. Steel unveiled plans this week for three more oxygen furnaces to replace more expensive ingot making methods.

Although U. S. has been accused in some quarters of lagging behind the trend to oxygen, the nation's biggest steel-maker seems to be moving rapidly to catch up. Its plans for continuous casting have also sparked a lot of interest in steel industry investments.

Yet some of the smaller companies have attracted more favor among some analysts. These stocks include Armco, Bethlehem, Jones & Laughlin, and Youngstown Sheet & Tube. All are expected to

better their earnings per share materially this year over 1962.

Aluminums Favored

Aluminum stocks are also edging into recommended lists. Recent price increases indicate substantially better earnings potential in the next few months. Although Reynolds Metals move in boosting ingot prices 2½% came as somewhat of a surprise this week, observers have indicated it has been long overdue. The last general advance came four years ago.

With industry production now near 90% of capacity, more analysts are leaning to the big light metal companies as highly-leveraged situations. Alcoa seems to be the favorite but Aluminium, Reynolds, and Kaiser have some strong supporters.

Oils and Business Machines Popular

Oils and business machines continue high on many recommended lists. Control Data and Xerox have generally overshadowed most members of the former group. This group has been rated neutral despite an earnings up-trend.

The difficulty in assessing office machine stocks as a group is obviously the wide disparity among the results of these companies. Extreme selectivity is more necessary than in most other groups. Compare the progress of a company like Burroughs where the 1963 profit trend is down with that of IBM whose earnings for 1965 have been projected at \$12 by some analysts.

Mixed Reactions to Chemicals

Chemicals also encounter a mixed reaction in most quarters. Price erosion has weakened earnings structures with the result that only special situations have attracted big investors. The bulk chemical makers appear to be the least favored because of continuing overcapacity.

Oils are found on almost everyone's buy list as shown by surveys covering favorites of mutual fund managers. This group, especially the international oils, continues to top the big holdings of investment companies for the fourth straight quarter.

Chartists' Favorites

Currently liked by chartists are Texaco, Gulf, Standard Oil of Indiana, and Standard of California. Both of the latter are considered close to chart break-out points. California Standard is a member of a three-company group that reported a significant discovery late last week in Alaska's Cook Inlet. Although too early to assess for profit potential this year, it could mean a major change in the supply picture for Pacific Coast operators.

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

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CHARLOTTE, N. C.—Powell, Kistler & Co., Liberty Life Building, members of the New York Stock Exchange, have added Edward C. Smith, Jr. to their staff.



Marcus Nadler

Arguments Are Fallacious For World Central Bank

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

In opposing current proposals to create an international central bank with increasing lending powers, Mr. de Fremery applies the same reasons with which he indicts our domestic system of bank deposit-credit creation. In order to achieve a "sound, non-collapsible monetary unit," the author favors divorcing creation of money from the lending of money, confining the former to the Government and the latter to funds exclusively left with banks; gradual demonetization of gold and fluctuating foreign exchange rates; and adjusting the supply of money to population growth. Mr. de Fremery finds no comfort in management of money by men and blames the Federal Reserve for over-issuing credit and causing, for example, the financial panic of 1929. He sees no point in utilizing surplus deposits resulting from fractional reserves, in extending self-liquidating short-term loans, nor in having a FDIC.

The Brookings study has stimulated discussion of the need for monetary reform in general and the setting up of an international



Robert de Fremery

central bank in particular. Proponents claim that such an institution is needed to prevent currency crises. Unfortunately this is not true. It merely extends the unsound reasoning that first led to the establishment of the International Monetary Fund, now found inadequate. This same sophistry in 1913 gave us the Federal Reserve System, which was designed to prevent financial panics but, inevitably, gave us the worst panic we ever had. It underlies 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 come to grips with this problem soon, we shall lose our national sovereignty to a world-wide financial dictatorship that will be found "necessary" to stave off a collapse of credit.

We must race the fact that when bank depositors have the right to withdraw their money on demand or on very short notice, it is unsound for banks to lend that money. It is still more unsound to allow banks to lend fictitious deposits created for that purpose. Stated another way, it is unsound for banks to borrow on short term for the purpose of lending on long term. To do that is to incur a debt you will not be able to pay. You and I can't do such a thing. And neither can the bankers . . . without eventually collapsing. Elgin Groseclose, financial consultant and Director of the Institute for International Monetary Research, has spotlighted the true nature of credit banking:

"The practice of the goldsmiths, of using deposited funds to their own interest and profit, was essentially unsound, if not actually dishonest and fraudulent. A warehouseman, taking goods deposited with him and devoting them to his own profit, either by use or by loan to another, is guilty of a tort, a conversion of goods for which he is liable in civil, if not in criminal, law. By a casuistry which is now elevated 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 on his books, which shall rank equally and ratably with actual deposits in any division of assets in case of liquidation." (*Money; the Human Conflict*, pp. 178-179.)

Disputes Concept of Surplus Reserves

One of the main arguments used by those who defend this unsound banking system is based on a misuse of the word "surplus." The argument is best understood in the context of those who first employed it. The early goldsmith banker noticed that when he operated honestly — with 100% reserves behind all outstanding notes and checking accounts — only a small fraction of the coin entrusted to him was ever withdrawn at one time. He therefore called the remainder "surplus" and determined to lend it out at interest. Actually, however, these "surplus reserves" were not surplus. The coin was idle in a physical sense only. Its ownership was changing constantly while titles to the coin (notes and drafts) were used as a medium of exchange. But the goldsmith-banker naively argued that the coin was not used because it still lay in his vault. With this specious excuse, the goldsmiths called their reserves "idle" or "surplus" and decided to use them for their own purposes.

There is still another way in which the "idle" or "surplus" reserves of these early goldsmiths were really very much in use. The goldsmiths had to have 100% reserves behind their notes and checking accounts in order to maintain the complete and lasting confidence of the public. Panic threatened whenever the public lost confidence in the ability of the goldsmiths to pay their depositors in full. Indeed, panics have shown the weakness of the system ever since it started. Goldsmiths who engaged in credit banking by issuing notes not backed by coin, or by creating imaginary deposits, did so on the assumption that they could eat their cake and have it too. They hoped to inflate the amount of paper money beyond the amount of coin they held, and still maintain the same confidence. Their inability to do so has been demonstrated repeatedly ever since the practice began. Logic was against the system from the start and all our experience has confirmed that logic.

H. L. McCracken gives another defense of the system:

"In short, banks are no longer pure depositories, but rather 'Insurance Companies,' and as such they insure customers against all reasonable probabilities, but not the worst possibilities. It is conceivable that all should die of some epidemic in one year, or that a conflagration should wipe out cities by the score, but insurance rates are not pushed to the point sufficient to cover such contingencies. So in banking, it is practically possible that a banker may be called upon to pay all his liabilities in the form of deposits in a single day, which has been literally true in periods of fear, as revealed by 'runs' on the banks. But just as insurance companies do not anticipate pestilence and wholesale conflagration, so do bankers not anticipate wholesale financial calamity." (*Value Theory & Business Cycles*, p. 62-63.)

Insurance Companies Differ From Banks

The flaw in this argument is not hard to find. An insurance company, by insuring lives or property, does not cause a "pestilence and wholesale conflagration," whereas a banking system which is permitted to create and lend fictitious deposits — thereby placing itself in the untenable position of promising to pay on demand more money than is in their vaults—is actually responsible for the loss of confidence that eventually results in "wholesale financial calamity."

Orthodox banking theorists have traditionally slighted the confidence factor. Long treatises have tried to prove the soundness of the credit banking system, but time and again, lack of confidence causes it to collapse.

Why do banking theorists persist in telling us that the system is sound, that confidence should not be lost, that depositors should not fear for the safety of their funds?

They argue: Even though a banker's cash reserves do not equal his total deposits, he has outstanding loans which, when repaid, can be used to pay the depositors in full. These outstanding loans may be secured by mortgages or other collateral. If for any reason the loans are not repaid, the banker can foreclose, sell the property, and pay the depositors with the proceeds. So why should a depositor ever lose confidence?

However, experience early showed the banking system could not liquidate in this way. Hence the entry in Samuel Pepys' Diary for Sept. 12, 1664, showing his distrust of England's first goldsmith bankers "because of their mortality."

Why does the banking system have trouble liquidating when confidence is lost? A general withdrawal of cash reserves causes the bankers to curtail further loans so as to decrease the outstanding claims against their meager reserves. This contraction of the medium of exchange causes the price structure to collapse, making it impossible for banks to collect their outstanding loans. And even though the banks foreclose, they cannot sell the foreclosed property for what it was originally worth. The same deflation which makes the repayment of all the bank loans impossible also shrinks the dollar value of the foreclosed property.

Even if banks did not curtail their lending operations, their outstanding loans could only be

repaid with notes or checks drawn on other banks. The banks cannot be repaid in gold, or paper-money-fully-representative-of-gold, because that is not what they loaned in the first place. Banks had merely created imaginary deposits on their books and allowed the borrowers to draw checks against them.

Commercial Bill Theory Criticized

Some who defend credit banking argue that if banks would make only short-term, self-liquidating loans, there would be no price inflation and therefore no subsequent price deflation. But they misconceive the true nature of inflation in a gold-credit economy. When the legal standard of value is gold, and the medium of exchange consists solely of gold or of valid warehouse receipts for gold, prices are in terms of the legal standard. There is no price inflation. But the moment the medium of exchange becomes diluted with invalid warehouse receipts for gold—paper claims that are not backed 100% by gold—prices are higher than they should be. Prices are then inflated. This does not mean that prices have risen. It may mean prices have not gone down as they should have. Normally you would expect the general price level to fall gradually as increasing productivity is reflected in lower costs of production. If prices are prevented from falling by diluting the medium of exchange with false titles to gold, they are inflated and will remain inflated until confidence is lost in the ability of the banks to liquidate. Then prices come down all at once.

Another way to recognize the unsoundness of using bank credit as money is by likening bank credit to a short-sale of a commodity. Fundamentally when a banker extends credit, he is short-selling money — that is, he is promising to deliver upon request money he does not then have in his possession. If we enforced the maxim: "He who sells what isn't his'n must buy it back or go to prison," bankers would have stopped extending credit long ago. But governments are avid borrowers. The English Government came to the rescue of the greatest of the early goldsmiths, Backwell, in 1665. And governments have been rescuing the system ever since. The latest rescue that most of us remember was the national bank "holiday" in 1933 when our government "forced" the banks to close their doors in order to avert a complete destruction of the nation's banking system.

Overissuing Promises to Pay

What we do not yet realize is that inflation of the medium of exchange by banks sets in motion a natural law—Gresham's Law—that makes deflation inevitable. When false titles to gold are used as a medium of exchange, a difference in value must exist between gold and whatever is circulating in lieu of gold. This is obvious when inflation is caused by the circulation of light-weight coins. The heavy coin is worth more than the light coin even though, legally, they are supposed to be the same. An exactly comparable difference in value exists when inflation is caused by the

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Arguments Are Fallacious For World Central Bank

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Issue of false titles to gold. Paper money is supposed to have the same value as gold under the orthodox gold standard. But actually gold is of more value than the inflated claims to it.

When a difference in value exists between the legal standard and the inflated paper claims to that standard, Gresham's Law will operate. When inflation was caused by the circulation of light-weight coins, the full-weight coins were melted down and exported. When inflation is caused by the issue of false titles to gold, gold was either exported or hoarded during a panic. The early bank panics—and all succeeding ones—are fine examples of Gresham's Law; they result from the difference between promises—to pay something and the thing itself. A promise to pay gold cannot be worth as much as the gold when the number of promises to pay far exceeds the gold.

When a credit crisis occurs, the true difference in value between the paper money and the gold into which it is supposedly convertible becomes apparent in other ways. The price of gold (the standard of value) goes up! (Imagine having the weight of a pound or the length of a yardstick increased!) That the price of gold can go up proves that prices are not in terms of gold when the medium of exchange is not fully backed by gold.

Viewed in these terms, the basic cause of deflation is simply inflation. Inflation of the medium of exchange causes a discrepancy in value between it and the legal standard. This leads to a credit crisis because of the threat of a bank panic. (For a more detailed elaboration of this point of view see: "Our Unsound Monetary System and Measures for Reform," *Commercial & Financial Chronicle*, Nov. 20, 1958.)

No Protection From Monetary Management

Many banking theorists contend that collapses of bank credit are not inherent in the system but rather result from "unwise" or "unsound" extensions of bank credit. But the validity of the foregoing arguments against the use of bank credit as money depends in no way upon the quality of bank credit. There is no wise or sound way of short-selling or debasing the legal standard of value. There is no wise or sound way for a banker to create imaginary deposits on his books against which checks can be drawn. There is no wise or sound way to indulge in an activity that is basically fraudulent and dishonest.

When a country revalues gold—as the United States did in 1934 as part of its program for rescuing the banking system—it provides proof that prices are not in terms of gold when credit is pyramided upon it. For if they were, and the government suddenly said a ounce of gold were worth \$35 instead of \$20 dollars, we should expect all prices to jump proportionately. That prices do not immediately jump when gold is revalued means simply that prices were not in terms of gold; they were in terms of a medium of exchange inflated far beyond the gold supply.

The absurdity of such a monetary system still has not dawned upon us. We do not seem to realize the inconsistency of choosing gold as a standard of value because of its stability of supply and then measuring value with a fluctuating supply of bank credit.

We take great pains to ensure that our measurements of length and weight are in terms of fixed standards, for we know our buildings and bridges would collapse if built with yardsticks and pound weights that fluctuated. But in the field of economics we are less careful. We ignore our legal standard of value, allow prices to be determined by a fluctuating volume of bank credit, then wonder why our economic system collapses periodically!

The following statement of one of our well-known banking theorists stirs no particular comment: "Gold, of course, is a commodity and as such is subject to price fluctuations the same as any other commodity—wheat, for example." Imagine the uproar if one of our physicists said:

"A yardstick, of course, has length and therefore, is subject to changes in length the same as any other object that has length—a growing boy, for example!"

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 is clear evidence it has been debased by paper money not fully representative of gold.

It is high time we face the fact that there is no fundamental difference between diluting or debasing gold with alloys and diluting 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 inevitably followed by deflation, devaluation 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, or is intended to be a precise expression of value; and it approaches actual precision in proportion as the whole number is limited and known of the pricing symbols or denominators; because the whole number of such symbols is the only steady, stable, permanent immovable point from which such precise measure of value can be made." (*The Science of Money*, p. 20.)

"The more exact the limits of the volume of money are defined in the law of each State the more equitable will it become in its operation upon prices and the dealings between man and man." (*Ibid.*, p. 129.)

There is good reason to believe many of our founding fathers did

not intend to have the English system of credit banking imposed upon the newly formed United States. Under the Constitution each State gave up its right to issue bills of credit and Congress alone was given the power "to coin money and regulate the value thereof." Yet it wasn't long before banks were doing what in effect the states were forbidden to do. And we know that Madison, Jefferson and Clay all questioned the constitutionality of the United States Bank.

After the panic of 1907, a National Monetary Commission was established to make a thorough study of banking. The banks, as a result of creating imaginary deposits, were embarrassed when too many depositors asked for their money. Instead of admitting that the cause of the trouble was the action of the banks in creating imaginary deposits, the experts said the cause of the trouble was that the banks could not get more notes during an emergency. So they designed a new system whereby bank credit could be stretched further than ever before. It did not seem to occur to them that even if the banks could get more notes it would be impossible to convert them into gold.

Fed's Overissuance of Credit

The result of this unsound reasoning was our "panic-proof" Federal Reserve System, the system that gave us the biggest boom and biggest collapse we ever had.

C. W. Barron obviously knew what was happening when the Federal Reserve Act was passed:

"The purpose of the act most largely in its inception was 'for other purposes,' and these 'purposes' can never be wisely or effectively carried out; if persisted in they spell disaster to the country. The hidden purpose or 'motif' which inaugurated this legislation, however in effect it may work out under wise administration, is to cheapen money." (Quoted from Groseclose *op. cit.*, p. 223.)

The disaster predicted by Barron hit us in the early 30's. The Federal Reserve System had made it possible to inflate the credit balloon further than ever before. When confidence finally cracked we had the worst deflation in history.

Commenting on this in 1934, Groseclose wrote:

"As we survey the monetary situations in this country we discover that the distortions and convulsions which developed were the result of a people relying increasingly upon money to facilitate its commercial exchanges, while at the same time progressively weakening and deteriorating its money system. We had built a vast and splendid structure of technical economy, of organized commerce and integrated industry, upon the foundation of money, and while we were building this structure we were undermining the foundation by the device of deposit credit. We saddled upon money the burden of our entire economic functioning, the complicated and extensive machinery for the creation and distribution of goods, and then progressively weakened our money until it was no longer able to support the weight. In the years preceding the great stock market collapse of 1929 we had been going through a progressive inflation of the money, comparable in character, if not in degree, to that which

occurred in Europe after the World War.

"Under the conditions that grew up around a situation of constantly expanding banking operations based on steadily diminishing reserves it was inevitable that a crash should occur. There was too little gold to support these vast commitments of the banking system to pay out on demand, gold (or lawful money which in turn was redeemable in gold) against demands for withdrawal. The stupendous house of banking has been built upon sand—public confidence in the infallibility and capacity of the institution—and when the sand began to shift, the whole structure toppled like an Egyptian monolith." (*Money, The Human Conflict*, pp. 241-245.)

Still not willing to come to grips with the basic problem, we patched the system again. The Federal Deposit Insurance Corporation was created. But obviously there is no safe way to insure deposits when banks retain the power to create them. The managers of the FDIC are well aware of its limitations. Their annual report for 1957 frankly said: "There is no question that the present deposit insurance would be entirely inadequate should, for example, a situation similar to that of 1930-33 recur." (p. 65) More recently, Sam Fleming, then President of the American Bankers Association, recalled the re-discounting liquidity problem in the 1930's, said it could happen again, and suggested a more flexible administration of the discount window so as to solve once and for all the problem of a possible shortage of bank assets. (*Commercial & Financial Chronicle*, Jan. 22, 1962.)

Criticizes International Bank Moves to Inflate

If we squarely face the basic weakness of our financial system we will see how short-sighted we are to place our trust in the International Monetary Fund and any attempt to increase its lending power. What the world now needs is not some new international props to buoy confidence in a fundamentally unsound system. That will only open the way to further weakening of the credit structure. That is but adding weak links to a weak credit chain. What we need is basic reform of each country's monetary system so that each has a sound, non-collapsible monetary unit.

The creation of money must be divorced from the lending of money. The power to create money must be confined to governments alone and limited by constitutional safeguards. Banks must not be allowed to lend their credit, but only money placed with them for that purpose and therefore not subject to withdrawal while out on loan. Then and only then will all investments come from actual savings as they should.

The existing volume of bank credit, which is being used as money, will have to be monetized and completely divorced from gold. Some agreement must be reached concerning how to adjust the supply of money to population growth. This should not be difficult.

Favors Demonitizing Gold

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 for our goods. Today these short-term liabilities—being payable in gold which we do not have—threaten our financial stability.

International equilibrium would henceforth be maintained by flexible exchange rates just as national equilibrium can be maintained by flexible prices.

Techniques for making these changes were given in an earlier article. (Banking and Monetary Reforms to Preserve Private Enterprise, *Commercial & Financial Chronicle*, June 7, 1956.)

Quotes Von Mises

A few years ago one of the world's truly great economists, Ludwig Von Mises, pin-pointed the principal cause of our economic ills as follows:

"Yet most of the supporters of sound money do not want to go beyond the elimination of inflation for fiscal purposes. They want to prevent any kind of government borrowing from banks issuing bank-notes or crediting the borrower on an account subject to cheque. But they do not want to prevent in the same way credit expansion for the sake of lending to business. The reform they have in mind is by and large bringing back the state of affairs prevailing before the inflations of the First World War. Their idea of sound money is that of the nineteenth-century economists with all the errors of the British Banking School that disfigured it. They still cling to the schemes whose application brought about the collapse of the European banking systems and currencies and discredited the market economy by generating the almost regular recurrence of periods of economic depression." (*The Theory of Money and Credit*, new edition, p. 439.)

Von Mises points to the real tragedy of our times—the "discrediting of the market economy." This means the shattering of man's faith in freedom. More and more men have lost faith in the ability of a free market to regulate itself. The true liberalism that flowered in the latter part of the 18th and early part of the 19th century has yielded to the determined onslaught of humanitarians bent on using the powers of government to alleviate the suffering and injustice they thought was caused by the operation of free market forces. Instead of eradicating the basic weakness in our banking system so as to make it possible for free markets to function properly, we allowed that weakness to continue and questioned instead the ability of free markets to regulate themselves. The western world has been steadily deteriorating ever since. Philosophies detrimental to the survival of freedom have been flourishing and will continue to flourish until such time as we are willing to mount a determined counter-attack by putting our financial system on a sound basis. It won't be easy to make the changes that have to be made. But there are no short-cuts to the survival of freedom. And although the task ahead of us is a difficult one, at least it holds the promise of solving the crisis of our times by going to the root of the trouble.

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

By Baldwin Maull,* President, Marine Midland Corporation,
Buffalo, New York

To accommodate tomorrow's credit needs, which Mr. Maull projects, larger, regionally minded banks must evolve. The only practical way is through the merger process compared to the slower methods of getting new customers, of expanding loans, and of increasing capital funds. Mr. Maull expounds on these points after first foreseeing a need for loan to deposit ratios of 70-80%. Moreover, he recommends that a whole state be considered as a region and warns that is the only way New York will be able to keep up in its growth rate race with California.

Banking is a progressively developing industry. It has changed 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 account reconciliation, lock box operations and payroll accounting. And we are going on computers so that the mountain of paper work can be handled expeditiously.



Baldwin Maull

Banking has changed in another way too . . . in the structure of its resources. A while back Dr. Raymond J. Saulnier, who is Marine Midland's consulting economist and, you will recall, was Chairman of President Eisenhower's Council of Economic 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 1940's the bond account was the largest item on the asset side of most bank statements. Then 10 to 15 years ago banks began to meet the strong credit demands by putting the major share of any new deposits into loans while keeping their securities investment largely constant. The figures for the decade of the 1950's show that banking increased its holdings of all loans by 162% while investment in securities rose 4%. But the statistics for that decade also show that total resources (as distinct from the loans) of the commercial banking system did not expand proportionately 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 for the 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 presently structured, will be hard-pressed to serve the coming credit demands. This concerns me both as a banker and a businessman, 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 189.3 million persons. In 1970 it is projected to range between 202.5 million and 219.5 million. Of that, the population 21 years and over will have expanded to over 123 million from a 1960 figure of 108 million. During this decade 30 million Americans will reach their 18th birthday. As this bumper baby crop of the 40's reaches marriageable age, the number of families is expected to rise from today's 45 or 46 million to something between 51 and 53 million families.

It is obvious that more people means more consumer spending, which already is the largest segment of our Gross National Product, and increased spending means more business for you and for banks. But how much? You can find estimates for Gross National Product in 1970 that run \$750 billion upwards. I accept an \$800 billion figure as being reasonable. It is roughly mid-way in the range of educated projections and represents a growth rate of 65.7% versus the 87.1% for the decade of the 1950's.

What will an \$800 billion GNP mean to banking?

It is not possible to know how fast banking resources will grow but it seems reasonable to assume that they will expand in the 60s at about the same 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's growth in the 60's duplicates the relationship it had to the economy's over-all growth in the 50's. But I am an optimist and the bankers I know are working vigorously to see that banking's growth in this decade moves at a proportionately faster rate and more nearly parallels the nation's growth. Therefore I use the 57% growth projection (an increase for this decade in total bank resources of \$138 billion to \$381.4 billion at Dec. 31, 1969).

Projects Credit Needs

What then of credit demands? The figures for the decade of 1949-1959 show that during that period mortgage credit expanded by over 200%, consumer credit went up 201% and the use of bank credit by businessmen rose 112%. It seems likely that the demand for 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 pent-up demand of the war years. Just how much credit will increase in this decade is uncertain, but one study assumes price stability and then forecasts that mortgage credit will increase 100%. In consumer credit, projecting the amount of credit used per household and multiplying this by the number of households expected, the increased demand will be in the neighborhood of 88%. For business credit, it seems conservative to project a growth rate equal to that of the over-all 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 handle its proportionate share of these loans if it has only a 57% increase in assets.

Consumer credit is also available from credit unions, personal loan companies and finance companies. The last two look to commercial banks as the source of a large amount of funds but also obtain substantial funds from institutional investors. Mortgage money, naturally, is available from insurance companies, savings and loan associations and savings banks. Of course, there is always the alternative that credit needs could be met by enlarged government lending operations but I suspect that further government encroachment into the area of private enterprise would be as 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 foregoing, it seems quite obvious that commercial banks must do and be permitted to do whatever is necessary to supply the required funds, consistent with public good . . . and several moves are possible. Banks can improve their capacity to lend money by raising loan-to-deposit ratios even higher than at present. I think that 70% and perhaps even 80% of our deposits will eventually become an acceptable standard. Banks can more actively seek deposits by

paying more for them. The recent action by regulatory authorities of raising the limits on the amount of interest which may be paid on savings accounts and time money has helped the banks in this respect. And, there is the possibility of Federal Reserve action to free loanable funds by reducing reserve requirements.

All of these measures will help but there is yet another important way of improving credit availability . . . that is through the creation of larger banks, banks able to handle effectively the needs of all local business, and as local banks able to take positions alongside major metropolitan banks in serving national business. Large banks can do things that little banks cannot do.

Most banks have normal fluctuations both in deposits and loans. A major regional bank with branches throughout a broad economic district is diversified, however, so that when the business of one area is down for seasonal or other reasons, the business of another area is likely to be up. Thus, funds can flow through a single large bank (and to some extent through a holding company system) when needed to meet the credit needs. This mobility of credit benefits everyone. Frequently regional banks will lend more money in a particular community than the total amount of deposits of that bank's branch in the community, showing that without the larger bank, the business of that community would have to go elsewhere for their loans or be strapped for credit.

Larger Bank's Advantages

The ability of a commercial bank to meet the loan demands of its community and to serve it in other ways is dependent upon the adequacy of its capital resources. New capital comes easier to a large bank which usually has a ready market for its stock and the earning power to support it. And it is noteworthy that it's the larger banks in the state which stay competitive in the rates offered on certificates of deposit and pay a 4% rate on savings accounts. Regional diversification also should permit a lower capital ratio, with full safety, than would be possible if the risk were confined to a single community.

Additionally, to help a business develop and a community prosper,

there are times when loans must be made involving very large amounts and substantial risks. Such 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 to any 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 with the power companies and transportation concerns. Small banks are able to do this only to a limited degree.

Larger banking systems also can do more in offering specialized services, in automation and 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, how can such banks be developed?

First, of course, banks grow as they get new customers. Also, they expand as they make loans and thereby generate demand deposits. They grow by increasing their capital funds as the stockholders plow back earnings or through 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. This gathers together the deposit monies and the capital funds into larger pools available for lending, for absorption of risk in amounts commensurate with

Continued on page 39

This announcement appears as a matter of record only, these securities having been placed privately by the undersigned.

NEW ISSUE

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September 23, 1963.

The State of TRADE and INDUSTRY

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

in July, and 7.1 million in August, 1962.

District—	*Index of Ingot Production for Week Ending	
	Sept. 21	Sept. 14
North East Coast	101	90
Buffalo	82	82
Pittsburgh	89	88
Youngstown	89	84
Cleveland	100	98
Detroit	138	141
Chicago	102	100
Cincinnati	106	104
St. Louis	114	108
Southern	104	102
Western	111	110
Total industry	100.0	96.8

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

Weekly Steel Output Continues Upward

The nation's steel mills will increase production this week for the sixth consecutive week, *Steel* magazine said, Sept. 23.

Output will exceed the 1,804,000 ingot tons that *Steel* estimated the industry poured in the week ending Sept. 14. Operations will be near 60% of unofficial capacity, having risen gradually from the year's low point of 56.8% in the week ended Aug. 17.

Prices of scrap, a steelmaking raw material, held firm last week. *Steel's* composite on No. 1 heavy melting was \$27 a gross ton for the fourth week.

Steel bookings are running well ahead of last month's and October shipments are expected to be about 10% higher than September's.

Improved demand for sheets reflects an upturn in appliance industry buying and more sales to miscellaneous customers who are filling holes in their inventories. Auto requirements are noticeably more active.

Activity in the construction industry is providing a fairly strong demand for plates which are still among the most active of the major finished steel products.

Most structural fabricating shops hold fair order backlogs, and they continue to book new tonnage steadily, though ordering is beginning to slacken seasonally.

The volume of business being booked by steel service centers is improving, and September's total may be 5 to 10% above last month's. Most distributors anticipate further gains in October.

Consumption Running Ahead of Expectations

Steel consumption is running well ahead of earlier expectations, and it may accelerate to a record pace next year, *Steel* reported. Some industry economists believe 1963 consumption will be second only to that of 1955.

The business magazine pointed out a steel industry trend toward "customer orientation" in marketing. It means:

(1) Steel suppliers will offer a wide range of design, metallurgical, engineering, and other forms of technical assistance.

(2) Customers stand a better chance of having their delivery pleas heard—and acted upon.

(3) Steelmakers are more willing to formulate special alloys and new composites to solve customer problems—if a worthwhile market can be developed.

Consumer Sales Hold Up

Steel said that most segments of metalworking are showing a strong production uptrend. The big push will come from auto assemblies. September auto production is winding up fast, and October is likely to be a record month leading off a record quarter.

On the consumer side, the outlook is also bright. With a high level of industrial production as well as high levels of employment and personal income, sales of consumer goods show no signs of letting up in the foreseeable future.

Seasonal Factors Keep Steel Market on Upward Trend

The underlying strength in the steel market is beginning to take effect, *Iron Age* magazine reported.

While there are still some inventory problems to be worked off, demand is gradually returning to a level in line with steel consumption.

This accounts for the continued rate of improvement in orders that began in July and has inched upward with little or no interruption.

The national metalworking weekly acknowledges the upward trend has been slower than hoped for. The principal factor in the inventory picture continues to be automotive. But this could change sharply within the next six weeks.

For one thing, in spite of the usual optimism that goes along with new model introduction, automakers have been relatively cautious in their buying and advance ordering of steel. They are not going overboard until they get a line on demand for the 1964's.

This goes deeper than just volume of car sales. With the wide range of models to choose from, plus many entirely new lines coming onto the market this fall, automakers also want to know which models are going over.

All cars basically take the same types of steel. But the volume sales of individual models can create wide variances in sizes, specifications, and gages of steel needed. When the pattern of demand for the new cars becomes apparent, it is likely automakers will come in for supplemental buys—possibly even for October.

Also working for a pickup in demand are seasonal factors. In addition to the auto industry, farm and earthmoving equipment makers are due in the market seasonally in late October and will buy heavily through late December. Appliance makers are still working off inventory, but are also due for a seasonal pickup.

Steel warehouses have sustained a much stronger level of business than expected and are continuing to show gains. Construction steels, which held up the market during the summer, are still in fairly strong demand.

On the pessimistic side, improvement in the order rate in September has not come up to expectations. In fact, some of the gains in steel production are due to mills building up their own stocks of steel to handle rush orders.

This is in response to a return of the trend to late ordering. It's now estimated that from 35 to 40% of a month's tonnage is ordered after the start of the month. Mills are now anticipating this in scheduling production.

Peak September Car Output Paced by New Models

Roaring toward a 13-year high in September volume, U. S. auto makers again last week worked increments into 1964 model production, *Ward's Automotive Reports*, said.

The statistical agency said some

500,000 units expected for entire September will be a peak for the month since 1950. In terms of a "new-model" buildup, however, 1964 output by close of the month will lead all years in history.

Ward's fixed output schedules last week at 140,274 units, gaining 24.0% from 113,107 units two weeks ago and compared with 141,972 cars made in the same week of last year, when entire September yielded 470,398 cars.

Backed up by nearly 76,000 new models made in August, *Ward's* estimated the industry has already built 395,000 of the '64 models compared with about 360,000 new models ('63s) made by the same time a year ago.

Only in recent years has the industry's "model year" started in or prior to September. Based on record production forecast for the entire fourth quarter, *Ward's* says the '64 model year may pace even the record (7,340,000-unit) '63 period.

Greater Output at Less Overtime

Also, reviewing production programs, *Ward's* noted that output in September this year, although 8.7% above last year, is requiring less overtime operation.

As of outset of last week, 30 of the industry's 46 assembly plants were employing two shifts. A year ago, only 24 plants were operating on this basis.

Saturday overtime in the industry last week was conducted only at three plants (Buick, at Flint, Mich.; Chevrolet, at Atlanta; Fort Motor Co., at Dearborn) whereas 12 plants were slated for an extra day in the corresponding week last year.

Each of the five major producers—only two of which have attained output near '63 model levels—scheduled some increase last week. Chrysler Corp., which began sales of its cars through dealers last Friday, and which has built about 25% of '64 cars thus far completed, slated 15.9% of last week's production; General Motors Corp. was expected to account for 51.7%; Ford Motor Co. 25.0%; American Motors 5.5% and Studebaker Corp. 1.9%.

Rail Carloadings Up 1.6% and Tonnage 6.1% From Last Year's Week

Loading of revenue freight in the week ended Sept. 14, totaled 596,056 cars, the Association of American Railroads announced. This was an increase of 101,848 cars or 20.6% above the preceding holiday week.

The loadings represented an increase of 9,430 cars or 1.6% above the corresponding week in 1962, and an increase of 27 cars above the corresponding week in 1961.

Ton-miles generated by carloadings in the week ended Sept. 14, 1963, are estimated at approximately 12.7 billion, an increase of 6.1% over the corresponding week of 1962 and 10.2% over 1961.

There were 13,945 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Sept. 7, 1963 (which were included in that week's over-all total). This was an increase of 1,925 cars or 16.0% above the corresponding week of 1962 and 4,144 cars or 42.3% above the 1961 week.

Cumulative piggyback loadings for the first 36 weeks of 1963 totaled 540,381 cars for an increase of 63,531 cars or 13.3%

Continued on page 30

The National Planning Association's annual conference next month in Washington. Projections estimated U. S. gross national product at more than \$90 billion by 1973.

If this rate of growth is attained during the next decade, the nation's economy could provide sufficient employment opportunities to cut the unemployment rate from the present 5½-6% down to 4%, as well as to absorb an expected 15 million net addition to the labor force.

The 1963 edition of the Center's National Economic Projections Series gave this picture of the American economy 10 years from now:

*A 1973 GNP exceeding \$900 billion (in 1962 prices)—a 63% increase over 1962;

*Total U. S. population at more than 225 million — 38 million more than in 1962;

*65% of the nation's families may receive yearly incomes of more than \$6,000, as compared with 48% in that bracket last year;

*Average family income at \$9,300, compared to \$7,100 last year; and a

*75% increase to \$103 billion in corporate funds available (undistributed profits and capital consumption allowances).

The NPA is a nonprofit, non-political organization located in Washington, D. C. and offers its projection series to subscribers. The Center in its report said:

"The projections reflect certain marked shifts in the structure of the economy. The percentage share of the employed labor force in service industries and government will rise significantly, while the proportion in manufacturing will drop; agriculture will experience a continued decline both in numbers and in share of national employment. There will be accompanying, and fairly sharp, changes in occupational requirements—for example, a 12½ million increase in the need for white collar personnel, compared to an increase of only about 2½ million in the blue collar category."

Although the unemployment level is declining, the report states, "unemployment is expected to remain relatively high among non-whites and, with respect to occupations, among laborers operatives, and service workers."

The Center's report cautions that "the economy's successful adaptation to significant changes in such fields as manpower and technology demands a high order of responsibility in the actions of business, labor, and government." Policies to support aggregate spending by the nation's consumers, businesses, and public bodies, and more intensive policies designed to prepare job seekers for changing manpower-skill requirements are singled out as principal requirements for obtaining the projected growth.

The current edition of the National Economic Projections Series will be discussed at the Center's

Bank Clearings Surge 13.3% Above 1962 Week's Volume

Bank clearings in the latest statement forged ahead of a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Sept. 21 clearings for all cities of the United States for which it is possible to obtain weekly clearings were 13.3% above those of the corresponding week last year.

Our preliminary totals were \$38,372,377,837 against \$33,865,331,783 for the same week in 1962.

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

Week End.	— (000s omitted) —		
Sept. 21—	1963	1962	%
New York	\$22,431,356	\$18,460,909	+ 21.5
Chicago	1,536,615	1,480,184	+ 4.0
Philadelphia	1,335,000	1,251,000	+ 6.7
Boston	1,026,203	940,933	+ 9.1
Kansas City	640,589	623,883	+ 2.7

Week's 3.3% Steel Output Advance Is Sharpest Out of Past Five Weeks of Consecutive Rises And Is 8.6% Above Year-Ago Against 11.7% for Year's Cumulative Compared to 1962 Period

According to data compiled by the American Iron and Steel Institute, production for the week ended Sept. 21 was 1,863,000 tons (*100%) as against 1,804,000 tons (*95.3%) in the Sept. 14 ending week. It was the largest increase since the March 28 week when output rose 4.7% compared to the prior week.

This long awaited fall week-to-week upward change in output was the fifth net gain in a row out of the past 17 weeks. The five weeks' gain amounts to 5.8% which portends a 100 million ton year—highest since the 112.7 million tons in 1957. The 1963 low of 1,742,000 occurred in the week ended Aug. 17 and the high of 2,626,000 tons in the week ended May 25, which was unequalled in the past two years and last equaled in mid-March, 1960. Except for July 13 week's 1.6% gain, there was an uninterrupted decline since May 25 until the week ending Aug. 24. The industry had hoped for a more vigorous upturn in the past several weeks but will not be unhappy if the succeeding weeks make up any disappointment felt so far while living up to last quarter bullish expectations.

Last week's output was equal to the 1957-59 base period's average weekly output and was the lowest production since July 22-29, 1963. The latest statement week's output was nearly 9% above that for the year-ago week.

The cumulative total output of ingots and castings since Jan. 1 topped the year-ago period with a total of 81,558,000 net tons (*115.2%) which is 11.7% above the Jan. 1-Sept. 22, 1962 production of 73,016,000 net tons.

In the comparison with last week's cumulative index total of 115.6%, the week's tally faltered at 115.2% (1957-59=100).

August's output was about 7.8 million tons as against 8.7 million

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

There is considerable speculation in political Washington these days as to whether Senator Goldwater's vote against the limited nuclear test ban treaty will hurt him in the growing movement in his behalf for the presidency. Some of the Republicans who are against his nomination very much doubt that his anti-treaty vote will put him out of the running. One of these latter, and a leading one, put it this way: "The Goldwater supporters—many of them—believe as he does about the treaty. His speech in the Senate will make other Republicans who prefer to follow the leadership of former President Eisenhower still more opposed to the Arizona Senator's nomination, but not much stronger than they already were in opposition to him." It is this writer's view that the treaty has not aroused enough interest to affect the situation one way or another. There will be no reduction in armament expenditures, our forces abroad will not be reduced, and while the tension will be lessened, the country will still have to live on the alert.

A main point in the thinking of both pro-Goldwater and anti-Goldwater Republicans about the effect of "a no" vote on the test-ban treaty is found in the fact that many of the Republican and Democratic Senators who will vote for the treaty will do so with fingers crossed. Indeed, some of the speeches and statements made by treaty supporters have been ringed about with doubts that the Russians will live up to it and with fears that the treaty will militate against the maintenance of military security of the United States.

Further, as things now stand, the Goldwater vote will not be decisive. If the country desires the treaty—as it appears to do—it will have it. And the Goldwater vote will make only a small ripple—perhaps forgotten in the coming months. Also, Senator Goldwater's assertion that his is thinking only of the good of the country in casting a vote against the treaty, and not of personal political gain, will, it is urged, do him no harm. On the other hand, the Senator's willingness to stand firm for his convictions may aid him. Undoubtedly, with public sentiment so strong for anything that smacks of peace, it is expedient to vote for the treaty, and that expediency Senator Goldwater has denied himself. He says he is for peace but that the test-ban treaty is merely creating "an illusion of peace."

All this does not mean, however, that the Republican opponents of a Goldwater nomination will not make as much as possible of his vote against the treaty. Gov. Nelson A. Rockefeller of New York, who today is the most outspoken undeclared candidate for the GOP nomination, already has declared for ratification. Of all the other potential candidates—and "possibilities"—none has opposed the treaty. Senator Goldwater will not be joined in his opposition to the treaty by any of the Republican party leaders of the Senate.

The Kennedy attack against Senator Goldwater—should he become the GOP presidential nominee—will be leveled in the main, against the Senator's anti-treaty vote. Indeed, there seems little doubt that the President will make as much as he can of the "peace issue" in his campaign for re-election. The negotiation of this test-ban treaty will be one of his chief claims to leadership in the fight for world peace. As of today, it looks as though Communist Russia will play along with the idea of lessening world tensions. Premier Khrushchev has ceased—at least temporarily—his old saber rattling. He is pretty much all smiles. If this attitude continues for another year, if the Russians live up to the test-ban treaty—and there seems every reason to believe they will do so for a year or more—the peace issue will be a powerful weapon in the Democratic arsenal.

Overby Elected to Exec. Com. By First Boston Corp.

Andrew N. Overby, Vice-President and director of the First Boston Corporation, 20 Broad St., New York City, has been elected a member of the Executive Committee of the corporation it was announced by Emil J. Pattberg, Jr., Chairman and President.



Andrew N. Overby

Prior to joining First Boston in March, 1957, Mr. Overby served from January, 1952 to February, 1957, as Assistant Secretary of the Treasury, United States Executive Director of the International Bank for Reconstruction and Development, and as a member of the National Security Council Planning Board.

Mr. Overby began his career in banking in 1930 with the Irving Trust Company, leaving to join the Federal Reserve Bank of New York in 1942. In 1946, he was granted a leave of absence to become Special Assistant to the Secretary of the Treasury in charge of international monetary and financial affairs, and became United States Executive Director of the International Monetary Fund in 1947 and Deputy Managing Director of the Fund in February, 1949. From October, 1942 to April 1946, he served in the U. S. Army, separating with the rank of Lieutenant Colonel, General Staff Corps.

Chairman of the Foreign Investment Committee of the Investment Bankers Association of America in 1962 and 1963, Mr. Overby is also a member of the Federal Reserve Bank's Foreign Exchange Committee of the New York Money Market. He is a di-

rector and member of the finance committee of Commonwealth Oil Refining Company, Inc., and a director of MIDEAC, S. A., The Hague, and Handelsfinanz, A. G., Zurich.

First Western Financial Corp. Stock Offered

A. C. Allyn & Co., New York, as managing underwriter, has announced the public offering of 600,000 common shares of First Western Financial Corp., at \$22.625 a share. Of the shares offered, 150,000 are being sold by the company and 450,000 for selling stockholders.

The number of shares being offered gives effect to a 2 for 1 stock split-up distributed Sept. 23, 1963.

Of the net proceeds from the sale of the 150,000 shares being sold by the company, approximately \$1,200,000 will be invested in the Nevada Bank of Commerce. In Aug. 1963, the company acquired 99.3% of the issued and outstanding capital stock of the Bank in exchange for 243,038 shares of its common stock (equal to 486,076 shares after the 2 for 1 stock split-up), at a price of \$38.80 per share of the company's stock.

The company, located at 112 Las Vegas Blvd., South, Las Vegas, Nev., owns all of the capital stock of First Western Savings & Loan Association, Las Vegas, which provides a convenient savings investment medium for savings accounts through issuance of investment certificates, and real estate financing by lending money, on the security of first mortgages or first trust deeds, for purchasing, constructing, refinancing or improving residential and commercial property. The company also owns First Title Insurance Co., Las Vegas, which is engaged in the business of abstracting and insuring titles to real property; and Nevada Bank of Commerce which operates 10 branches in Nevada and has filed an application for a branch in Las Vegas. The company also operates an insurance agency and a general real estate agency.

Anderson Joins Auerbach, Pollak

Dudley A. Anderson is now associated with the institutional research department of Auerbach, Pollak & Richardson, 30 Broad Street, New York City, members of the New York Stock Exchange, it has been announced by Richard E. Jennison, director of institutional research. Mr. Anderson was formerly with the Institutional Research Department of Laird & Company, Corp., as a Vice-President.

Mr. Anderson has had many years of experience in the analysis of securities of the electrical-electronic equipment and office equipment industries. He will also serve at Auerbach, Pollak & Richardson as a coordinator of expanded institutional services and contacts planned for the near future, Mr. Jennison said.

Steiner, Rouse Branch

Steiner, Rouse & Co. have opened a branch office at 55 West 47th St., New York City, under the management of Harry Rosen.

BANK AND INSURANCE STOCKS This Week — Bank Stocks

INTEREST RATES AND BANK DEPOSITS

The recent trend of interest rates has been upwards. The pre-refunding and advance refunding operations by the U. S. Treasury have lengthened the Treasury's debt and have helped readjust the rates on the long-term Federal debt. The bulk of total debt in the United States is that of the U. S. Treasury, therefore this market is not only the bellwether of interest rates but also affects interest rates on other securities. The obvious result will be the readjustment of other rates—including mortgage and bank loaning rates.

Interest rates are the reflection of the economic status of the country. In periods of full employment and favorable business conditions interest rates tend to rise. In periods of economic contraction the opposite tends to occur. The present state of our economy is strong. In addition, the outflow of gold has precipitated a move by the Federal Reserve Board towards higher interest rates. Although the move was made principally for the reason indicated, it would not have been made in the face of poor economic conditions. On top of these factors we are faced with a sizable federal deficit which will add to the supply of debt in our money system and this alone should force interest rates higher. The only mitigating factor may be a tax cut. However, any action such as this could be inflationary and probably call for action to raise rates. In time, this should be reflected in loan rates banks charge.

Obviously the factors of a dwindling gold supply, rising debt, and a favorable economy are going to push interest rates further and, at some point, bank action in terms of higher rates will occur. In the meantime the income from the banks' investment portfolio is on the rise which is favorable for bank earnings.

There is only one cloud on the horizon which is the trend of commercial or business deposits. Corporations are enjoying years of prosperity with the result that corporate cash balances are substantial. Corporate treasurers are not inclined to let this cash lie idle in the banks, but rather invest it. Therefore, if the banks are not willing to pay interest on these deposits they find their way into the Treasury market through bill investment. The result has been the Certificate of Deposit which means that a bank will pay a stated rate for a corporate deposit for a stated period of time. This trend or transfer of deposits to the "time" category is well illustrated by the figures of deposit growth in the banks. The bulk of this rapid growth has occurred in the savings area in the past 18 months.

In spite of the rates commercial banks will pay for corporate deposits, and the trend towards higher rates, the big corporate customer is moving from the banks. Much of the short term borrowing by the customers is no longer necessary and in addition, in some instances, large corporations are becoming the holders of short term paper—thereby competing with the banks.

Although the earnings trend for banks is expected to be favorable as indicated above, there is this one problem which may retard earnings growth. Those banks in the major commercial centers such as New York and Chicago may suffer the most. Those institutions which are geared to the individual and have well established services which cater to the individual are in the best position to benefit from the interest rate rise. Those banks which may branch state-wide and have the experience of operating in the customer area will fare the best over this period of rising interest rates. The table below shows the most recent upward move of rates and also reflects the fact that interest rates have been at higher levels in the immediate past. Thereby a return to higher rates should not prompt legislators to action unfavorable to the money market or bank earnings.

	Rediscount Rate	Bank Rate on Business Loans N. Y. City Banks	Long U. S. Treasury Bonds	Average 90-Day Bill Rate	20-Year Municipal Bonds
1953----	2.00%	3.47%	2.73%	1.93%	2.55%
1954----	1½	3.36	2.58	.95	2.35
1955----	2½	3.48	2.95	1¾	2.59
1956----	3.00	4.04	3.32	2.66-	3¼
1957----	3.00	4.47	3.22	3.27	2.98
1958----	2.50	4.12	3.90	1.84	3.33
1959----	4.00	4.83	4.56	3.41	3.83
1960----	3.00	4.97	3.92	2.93	3.37
1961----	3.00	4.77	4.13	2.38	3.53
1962----	3.00	4.85	3.89	2.80	3.14
Sept.					
1963----	3½	4.87	4.06	3.40	3.32

NATIONAL AND GRINDLAYS BANK LIMITED

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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 importing more difficult to finance, and may well lead to exchange controls or actual restriction of imports; or, at the worst, a further devaluation 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 to 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, sus-

pending their Canadian purchases, and many respected investment services in the U. S. have recommended against current buying of Canadian securities. There has appeared no stampede 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 uptrend in profits. Firming and rising world prices for lead, copper and zinc are favorable omens to such as 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 West Canada have expanded significantly in the past six months. International demand for forest products continues and sales of Canadian newsprint 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 less appreciated in certain quarters, is the export of Canadian wheat to Red China, which business in 1962 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, as the yellow metal reserves of the United States dwindle month by month. Nova Scotia, famous earlier for coal is now animated by energetic probings 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 facilitate such supply of American capital as will 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.

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TABLE I

CANADIAN

(Listed and Unlisted)

Common Stocks

On Which
CONSECUTIVE CASH
DIVIDENDS

Have Been Paid From

10 to 135 Years

	No. Con-secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 28, 1963 — Canadian \$ —	Quota-tion June 28, 1963*	Approx. % Yield Based on Paymts. to June 28, 1963
Abitibi Power & Paper Co., Ltd. Newsprint and allied products	15	2.00	44	4.5
Administration & Trust Co. General fiduciary business	20	0.35	b39	0.9
Agnew-Surpass Shoe Stores, Ltd. Makes and distributes shoes through 145 store retail chain	29	0.12	a14	0.8
Aluminium Ltd. Largest producer of aluminum ingot in the world	25	*0.60	28½	2.2
Andian National Corp., Ltd. Operates oil pipe line in Colombia, S. A.	20	*0.65	‡	‡
Anglo-Canadian Pulp and Paper Mills, Ltd. Newsprint and allied products	18	2.00	35½	5.6
Anglo-Huronian Ltd. Holding & operating co.—chiefly interests in Can. gold mining	24	0.50	8.15	6.1
Anglo-Newfoundland Development Co., Ltd. "Ord." Newsprint and allied products; also mining interests	19	0.30	8¾	3.4

* 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.
* Dividend paid in U. S. currency.
‡ Inactive issue; doesn't trade.
a Ask.
b Bid.


	No. Con-secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 28, 1963 — Canadian \$ —	Quota-tion June 28, 1963*	Approx. % Yield Based on Paymts. to June 28, 1963
Argus Corp., Ltd. Investment co.—manufacturing & merchandising interests	17	0.22½	11¾	1.9
Asbestos Corp., Ltd. Mining & milling of asbestos fibre	26	1.60	27	5.9
Ashdown Hardware Co., Ltd., J. H., "B" Large wholesale and retail business in general hardware	26	0.27	7½	3.8
Atlantic Sugar Ltd. Refines raw sugar cane & produces 50 or more grades & packages of sugar	13	0.80	17	4.7
Aunor Gold Mines Ltd. Ontario gold producer	23	0.20	3.55	5.6
Auto Electric Service Co., Ltd. new Service distributors of automotive electrical carburetors & auxiliary equipment	17	0.25	4.75	5.2
Bank of Montreal Operates 887 branches and agencies throughout the world	185	2.15	67½	3.2
Bank of Nova Scotia Operates 633 branches and sub-offices throughout the world	131	2.45	71	3.4
Banque Canadienne Nationale Operates 598 branches in Canada	82	2.30	72½	3.0
Banque d'Economie de Quebec Operates 19 branches in the Province of Quebec	11	2.10	b80	2.6
Barber-Ellis of Canada, Ltd. Stationery and printers' supplies	33	5.00	‡	‡
Beaver Lumber Co. Ltd. Lumber & building supply retailer, 271 branches in Canada	20	1.60	35½	4.5
Bell Telephone Co. of Canada Most important telephone system in Ontario and Quebec	83	2.20	55¼	4.0
Biltmore Hats Ltd. Men's fur, felt and wool felt hats	30	0.50	69½	5.2
Bird Construction Co. Ltd. Engaged in general building and road construction with branches in several cities in central Can.	15	2.80	a53	5.3
British American Bank Note Co. Ltd. Makes bank notes, bonds, revenue stamps and similar items	29	2.50	b59	4.2
British American Oil Co. Ltd. Petroleum production, refining, distribution	54	1.00	27½	3.6
B. C. Sugar Refinery Ltd. Holding Co. holds 99.6% B. C. Sugar Refining Co. Ltd. which operates cane sugar refinery with capacity of 500 tons daily. Through subsidiaries operates 4 sugar beet factories in Western Canada	12	1.05	34¾	3.0

* 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.
* Oct. 26, 1962
‡ Inactive issue; doesn't trade.
a Ask.
b Bid.

	No. Con-secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 28, 1963 — Canadian \$ —	Quota-tion June 28, 1963*	Approx. % Yield Based on Paymts. to June 28, 1963
British Columbia Telephone Co. "Ord." Second largest privately owned telephone system in Canada	48	2.20	55½	4.0
Brock (Stanley) Ltd. "B" Laundry supplies, hardware, plumbing supplies, etc.	17	0.40	b8	5.0
Building Products Ltd. Asphalt roofing, flooring and insulation	37	0.90	26¾	3.4
Bulolo Gold Dredging, Ltd. Operates a gold dredging project in New Guinea	16	0.50	7.50	6.7
Calgary & Edmonton Corp., Ltd. Leases oil and gas drilling rights in Alberta	27	0.10	19¼	0.5
Campbell Red Lake Mines Ltd. Ontario gold producer	12	0.45	15½	2.9
Canada Cement Co., Ltd. Portland cement	14	1.10	37	3.0
Canada & Dominion Sugar Co., Ltd. Cane and beet sugar refining	33	0.95	28½	3.3
Canada Bread Co., Ltd. Bread and cake wholesaler and retailer	20	0.10	5½	1.8
Canada Flooring Co., Ltd. "B" Specializes in manufacture of hardwood flooring of all kinds	13	1.00	16½	6.0
Canada Foils, Ltd. Oldest and largest foil converting plant in Canada	15	1.49	b43½	3.4
Canada Iron Foundries, Ltd. Holding and operating company—machinery & equipment interests	19	1.00	22	4.5
Canada Malting Co., Ltd. Malt for the brewing & distilling industries	36	2.50	88	2.8
Canada Packers Ltd., "B" Full line of packinghouse prods.	28	1.75	60¼	2.9
Canada Permanent Mortgage Corp. Lends on first mortgage security, issues debentures, accepts deposits	108	2.15	78¼	2.7
Canada Steamship Lines, Ltd. Freight and passenger vessels; other diverse interests include hotels	21	1.80	52	3.5
Canada Wire and Cable Co. Ltd. "B" Copper and steel wires and ropes	25	0.60	13¾	4.4
Canadian Breweries Ltd., new Holding co.—brewing and grain milling interests	19	0.38	10¾	3.7

* 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.
b Bid.

Continued on page 20



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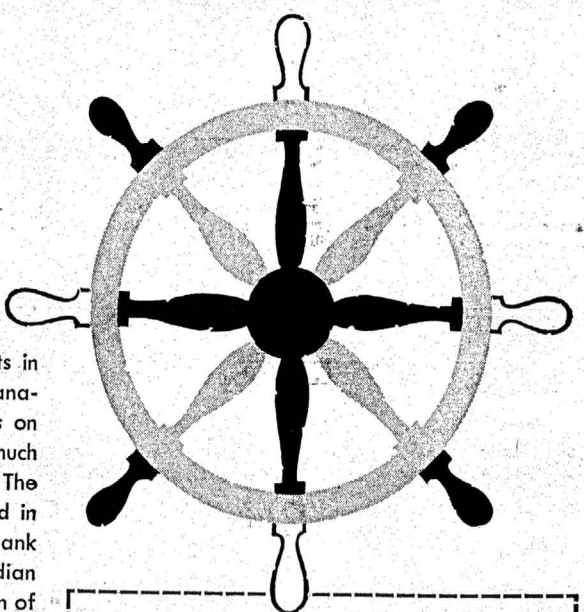
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Canada: A Durable Haven For Long-Term Investing

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 28, 1963	Quota- tion June 28, 1963 [♦]	Approx. % Yield Based on Paymts. to June 28, 1963 — Canadian \$ —
Gatineau Power Co.----- Hydro-electric energy in Eastern Canada	26	1.80	(Taken over by Province of Quebec)	
General Bakeries Ltd.----- One of Canada's largest inde- pendent bakery operations. Makes bread, cakes, biscuits and con- fectionery	13	0.42½	13½	3.2
Giant Yellowknife Mines Ltd. Gold producer Yellowknife area, N. W. T.	11	0.95	12½	7.5
Goderich Elevator and Transit Co. Ltd.----- Operates 4 grain elevators. Capa- city 3,000,000 bushels	31	1.50	b16	9.4
Goodyear Tire & Rubber Co. of Canada, Ltd.----- Natural and synthetic rubber products	37	6.00	183	4.5
Gordon Mackay Stores Ltd. "B"----- Manages subsidiaries which dis- tribute textile products and allied goods	39	0.50	8½	5.9
Great Lakes Paper Co., Ltd.--- Manufactures newsprint and un- bleached sulphite paper	17	0.70	19½	3.7
Great West Coal Co., Ltd. "B" Wholesale distributor of lignite coal	17	0.30	4.15	7.2
Great-West Life Assur. Co.--- Wide range of life, accident and health policies	64	6.10	b800	0.8
Greening Industries Ltd.----- Wide variety of wire products	26	0.10	3.00	3.3
Guaranty Trust Co. of Can.--- General fiduciary business	35	1.32½	59½	2.2
Hallnor Mines, Ltd.----- Ontario gold producer	25	0.15	2.20	6.8
Hamilton Cotton Co., Ltd.--- Wide variety of textile products	22	1.00	26¾	3.7
Harding Carpets Ltd.----- Specializes in seamless "Axmin- ster" and "Wilton" rugs	28	0.32	24½	1.3
Hayes Steel Prods. Ltd. (new) Wide variety of automotive parts	21	†0.90	22	4.1
Hinde and Dauch Ltd.----- Wide variety of paperboards, boxes, etc.	30	1.80	56	3.2
Hollinger Consolidated Gold Mines, Ltd.----- Ontario gold producer	48	0.70	26¾	2.6
Hudson's Bay Co.----- Operates chain of department and retail stores in Western Canada. Also wholesale name brand prod- ucts. Has 229 all type stores. Ac- quired Henry Morgan & Co. Ltd. in 1960	26	0.33¼	14½	2.3
Hudson Bay Mining & Smelting Co. Ltd.----- Manitoba copper & zinc products	29	3.00	55½	5.4
Hughes-Owens Co. Ltd. "B" Mfg. & retailer of drafting equip. scientific instruments & artists' supplies	11	0.35	b8	4.4
Huron & Erie Mortgage Corp. Lends money on first mortgage security and operates deposit and debiture- accounts	99	1.32½	64¼	2.1
Imperial Flo - Glaze Paints Ltd.----- Varnishes, lacquers, enamels, paints, etc.	23	1.60	33	4.8
Imperial Life Assurance Co. of Canada----- Comprehensive range of life, en- dowment and term policies	89	3.00	180	1.7

♦ 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.
† Adjusted for stock dividends, splits, distributions, etc.
b Bid.

Continued on page 22

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

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 the issue of the hour, and its solution should come as fast as possible. In the interim, there is the struggle on the part of 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, which are showing 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 of money are being put to work in common stocks. This upward movement in prices of equities has been brought about mainly by those purchasers of securities who are evidently more interested in making commitments for the purpose of price appreciation as contrasted to the income which would be obtained 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 Flight From Bonds

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

In other words, there is no 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 hardening operations of 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 investment money, under foreseeable circumstances is still going to be large enough so that yields on fixed income bearing issues are not likely to advance more than moderately in spite of the operations by the monetary authorities towards higher interest rates. This

assumes, to be sure, that the balance of payments problem will not get so bad that drastically higher interest rates will have to be resorted to in order to protect the dollar and our gold holdings.

Bond Investment Attractive

Modestly higher rates of interest, without any appreciable curtailment of credit which is needed to keep the economy moving ahead, should turn out to be profitable to the buyers of fixed income bearing securities because of the better yields that should be available to them. This will go for Government bonds, as well as corporates and the tax sheltered issues. It should, however, be borne in mind that new offerings of bonds coming into the market, even during a time of modestly higher rates of interest, can sometimes be overpriced. Nonetheless, during times like now, good quality bonds, especially Government issues bought at yields which are considered to be right, should turn out to be very attractive investments. The yield differentials between the various credit ratings of fixed income issues will mostly likely continue to be narrow, which affords the discriminating buyer an opportunity to make some real good quality purchases.

Refunding Operation Helpful

The maturity extending operation of the Treasury had a favorable influence on the money and capital markets even though some of the refunding issues will still have to be digested. Somewhat of a surprise was the sizable amount of the 4½s of 1989-1993 which were taken in exchange for the refundable obligations. However, this long-term Government bond, a top quality obligation, is still at an attractive level from any angle one may look at this investment issue.

The 4% bond due in 1973, the most favored obligation in the recent refunding operation, is now finding homes in the portfolios of investors that have been switching from other investments.

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Samuel J. Grossman will become a Vice-President of Reuben Rose & Co., Inc., 115 Broadway, New York City, members of the New York Stock Exchange, effective Oct. 3.

Shearson, Hammill Appoints Falk

Arthur Falk, formerly project supervisor for institutional and overseas advertising at First National City Bank, has been appointed advertising manager of Shearson, Hammill & Co., 14 Wall Street, New York City, members of the New York Stock Exchange.



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<i>Continued from page 21</i>									
Imperial Oil Ltd.	64	1.40	40%	3.4	Lambton Loan & Investment Co.	120	1.51	37 1/4	4.0
With subsidiaries comprises full integrated oil enterprises					Oldest mortgage company in Canada. Company also issue debentures and accepts deposits.				
Imperial Tobacco Co. of Canada, Ltd. "Ord."	52	0.75	13 1/2	5.6	Laura Secord Candy Shops, Ltd., new	37	0.70	16 1/4	4.3
Tobacco, cigars and cigarettes					Retail candy chain in Ontario & Quebec—137 stores				
Industrial Acceptance Corp., Ltd.	16	1.00	25	4.0	Lawson and Jones Ltd. "B"	15	1.00	31 1/8	3.2
Purchases acceptances; also small loans & gen'l insurance business					Engaged in printing and lithographing, manufactures labels, folding cartons and calendars, etc.				
Industrial Minerals of Canada Ltd.	11	0.30	5	6.0	Leitch Gold Mines Ltd.	26	0.11	1.35	8.1
Mines and processes nepheline syenite for use in glass and ceramic trade in Ontario.					Ontario gold producer				
Industrial Mortgage & Trust Co.	18	5.00	b160	3.1	Lewis Bros., Ltd.	18	0.10	7 1/4	1.4
General fiduciary business					Wholesale hardware trade in Eastern Canada				
Interior Breweries Ltd. "B"	13	0.30	b6	5.0	Loblaw Cos. Ltd. "B"	32	0.19625	8 1/2	2.3
Operates 2 breweries with combined capacity of 70,000 barrels per year					Operates chain of 238 "self-service" grocery stores in Ontario				
International Bronze Powders Ltd.	13	0.80	21 1/2	3.7	Loblaw, Inc.	25	*0.40	8%	4.9
Holding co. Subs. manufacture bronze and aluminum powders					Operates 252 "self-service" food markets in northern New York, Pennsylvania and Ohio				
International Nickel Co. of Canada, Ltd.	30	*2.10	66 1/4	3.1	Lower St. Lawrence Power Co.	13	1.40	(Taken over by Province of Quebec)	
Holding and operating co.—Primary operations at mines and smelters near Sudbury, Ontario					Quebec electric utility				
International Paper Co.	18	*†1.029	32 3/4	3.2	Walter M. Lowney Co., Ltd.	28	1.00	b21	4.8
Holding and operating co.—Operates pulp and paper mills in Canada and the U. S.					Chocolate and other confection products				
International Utilities Corp. New	20	†0.80	24	3.3	Macassa Mines, Ltd.	15	0.20	3.20	6.3
Management and development of natural gas and electrical companies in Alberta					Ontario gold producer				
Interprovincial Pipe Line Co.	11	3.00	84 3/4	3.5	MacLaren Power & Paper Co. "B"	22	1.10	22%	4.8
Owns and operates crude oil pipeline from Red Water, Alta. to Superior, Wis. and Sarnia, Ont. 1,930 miles					Holding company—newsprint, lumber and power interest				
Investment Foundation Ltd.	20	2.40	50 1/2	4.8	MacMillan, Bloedel & Powell River Ltd.	23	0.87	23 3/4	3.7
Management type investment trust					Fully integrated lumber business; large exporter				
Jamaica Public Service, Ltd. new	11	0.70	11 1/4	6.2	Madsen Red Lake Gold Mines Ltd.	24	0.15	2.32	6.5
Holding company. Holds all common stock of Jamaica Public Service Co. Ltd. which serves Jamaica with light & power from 2 steam electric, 5 hydro-electric and 4 diesel power generating stations. Capacity 67,400 hp.					Ontario gold producer				
Jockey Club Ltd.	12	0.12	3.20	3.8	Maple Leaf Gardens, Ltd.	18	1.50	38	3.9
Operates several horse race tracks in Ontario					Owns and operates Toronto sports arena of same name				
Johnston Terminals & Storage Ltd.	11	0.40	‡	‡	Maple Leaf Mills, Ltd., new	18	0.50	12%	4.0
Holding Co. Through subsidiaries operates as freight distributors, movers and operates warehouses & cartage.					Grain handling; flour milling; operation of bakeries, etc.				
Kerr-Addison Gold Mines Ltd.	24	0.64	6.70	9.6	Maritime Telegraph & Telephone Co. Ltd.	24	0.90	22	4.1
Ontario gold producer					Operates largest telephone system in Nova Scotia and through subsidiaries in P.E.I.				
Labatt (John) Ltd.	19	0.48 1/4	16%	2.9	Massey-Ferguson, Ltd.	18	0.45	14 1/8	3.2
General brewing business					Complete line of farm implements and machinery				
Lamaque Gold Mines Ltd.	25	0.20	3.75	5.3	McCabe Grain Co., Ltd., com.	17	1.40	48	2.9
Onebec gold producer					General grain dealings				
					McIntyre Porcupine Mines, Ltd.	47	1.40	50 1/4	2.8
					Ontario gold producer				
					Midland & Pacific Grain Corp., Ltd.	18	0.15	4.00	3.8
					Dealers in grain and operates line elevators in Western Canada				
					Milton Brick Co., Ltd.	14	22 1/2	3.40	6.6
					Makes first quality face brick				
					Mining Corp. of Canada, Ltd.	15	0.95	16	5.9
					Holding, exploration & financing company				
					Molson's Brewery, Ltd. "B"	19	1.05	30 1/2	3.4
					Montreal brewer				
					Monarch Investments Ltd.	16	2.00	64 1/2	3.1
					Operates and owns number of apartment houses				

* 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.
 † Dividend paid in U. S. currency.
 ‡ Adjusted for stock dividends, splits, distributions, etc.
 † Inactive issue; doesn't trade.
 b Bid.

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Dir. of SFC Corp.

William J. Kissell, credit and loan policy Vice-President of Bankers Trust Company, has been elected a director of SFC Financial Corporation (formerly Standard Financial Corporation) Theodore H. Silbert, President, has announced.

Mr. Kissell started his banking career in New York with the National Bank of Commerce. He was Vice-President and director of the Public National Bank before it merged with Bankers Trust Co.

Now With Russell, Hoppe
PORTLAND, Ore.—George M. Fick has become affiliated with Russell, Hoppe, Stewart & Bal-four, Wilcox Building. Mr. Fick was formerly with First California Company and Zilka, Smither & Co.

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Canadian Investment Securities

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60 Yonge Street, Toronto, Canada

Branches: Montreal Hamilton Kitchener

U. S. Subsidiary: Equisec Canada Inc.

Canada: A Durable Haven For Long-Term Investing

	No. Con- secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 28, 1963 — Canadian \$ —	Quota- tion June 28, 1963*	Approx. % Yield Based on Paymts. to June 28, 1963
Pacific Atlantic Canadian Investment Co. Ltd.-----	22	0.19	3.25	5.8
Investment trust of Management type				
Pacific Coast Terminals Co. Ltd., new -----	20	0.35	b17	2.1
Owns terminal facilities and cold storage warehouse at New Westminster, B. C. Capacity—1,500,000 tons cargo per year				
Page-Hersey Tubes, Ltd.-----	38	0.90	20%	4.4
Industrial pipe and tubing				
Parker Drilling Co. of Canada Ltd.-----	10	0.30	3.20	9.4
Owns & operates oil drilling rigs in Western Canada				
Pato Consolidated Gold Dredging Ltd.-----	25	0.75	3.45	21.8
Operates a gold dredging project in Colombia, S. A.				
Penmans Ltd.-----	57	1.80	29	6.2
Woolen, cotton and silk knitted goods				
People's Credit Jewellers Ltd. (new)-----	22	†0.52½	11½	4.6
Retailer of jewelry and associated merchandise				
Photo Engravers & Electrotypers Ltd.-----	30	0.80	14½	5.5
Photo engravings, electrotypes, commercial photography, etc.				
Placer Development, Ltd.---	31	1.00	26	3.8
Investment—holding company—gold interests				

Listed Companies Which Have Paid Consecutive Dividends From 5 to 10 Years Appear in the Second Table Starting on Page 24.

Power Corp. of Canada, Ltd. New -----	27	†0.225	9¼	2.4
A utility holding management and engineering company				
Premier Trust Co.-----	47	8.00	323	2.5
Operates as trust company trustee, etc.				
Price Brothers & Co., Ltd.---	20	2.00	36½	5.5
Newsprint and related products				
Provincial Bank of Canada---	63	1.30	51¼	2.5
Operates 178 branches and 176 agencies in eastern Canada				
Quebec Power Co.-----	49	1.60	(Taken over by Province of Quebec)	
Operating public utility				
Quebec Telephone-----	13	1.20	48	2.5
Provides telephone services to some 300 towns & villages in 17 counties of Eastern Quebec				
Quemont Mining Corporation Ltd.-----	13	0.95	10%	8.7
Produces gold, silver, copper, zinc, and pyrites in Quebec				
Quinte Milk Prod., Ltd.-----	15	0.25	b5	5.0
Wide variety of milk products				
Reitman's (Canada) Ltd.-----	13	0.45	11¼	4.0
Through holdings of 3 subs. operates 153 retail clothing stores in Ontario and Quebec				
Robertson (P. L.) Manufac- turing Co., Ltd.-----	22	0.30	12	2.5
Wide range of screws and bolts				

* 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.
† Adjusted for stock dividends, splits, distributions, etc.
b Bid.

Continued on page 24

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

This Is a Very Personal Business

Investment salesmen who have had long experience are often asked by new people, who are striving to build a clientele, for ideas and methods that have been helpful to them. Frankly, it is not an easy road, if you are a trainee who has just completed your limited and sketchy course of instruction in the fundamentals, to put your brief case under your arm and go out and look for customers. Of course, I am not including those who have established connections, through friends and relatives, who will GIVE them orders. Such people do enter the business and often make a successful job of it. But the unknown, and the unconnected, have a difficult time getting started.

Quite frankly, it is my opinion that there is insufficient training and supervision throughout the investment business, in HOW TO PROPERLY BUILD A CLIENTELE. Most of the trainees study courses in investment and operative procedures. They do not have access to experienced guidance when they are faced with the actual reality of how they are going to develop customers, open accounts, and service these accounts, if and when, they make THE SALE. I have seen these men and women . . . they sit at their desks . . . they have passed their Stock Exchange and their N.A.S.D. exams . . . but they don't know what to do next.

Some make good, because of their own aptitude for making contacts, for establishing the confidence of a few investors, and then building slowly and carefully. Others flounder around. Many of them eventually give it up. Some should have never tried the investment business in the first place. Possibly they had good aptitudes for acquiring facts, but no self motivation for acquiring the basic knowledge of salesmanship that is essential to success in the career of security salesmanship.

Selling Securities is a State Of Mind

After many years in this business, I believe that unless you have some practical common sense, the ability to learn from your OWN FOLLIES, and a basic philosophy of life (that includes some very personal idealism about the way you wish to live) you had better choose some other field of endeavor as a career. Briefly, may I try to explain each of these three precepts.

PRACTICAL COMMON SENSE: In every area of your work as a security salesman you must THINK STRAIGHT AND PLAN RIGHT. When you are prospecting for customers, look at the whole picture. Common sense comes to the fore immediately. Whom do you know who can help you get started, or meet people with investment problems, and give you entree to possible avenues for business? The salesman with common sense doesn't start out pell-mell, rushing hither and yon, looking for customers. He doesn't fill the mails with hundreds of meaningless pieces of investment literature and sit at his desk waiting for results. He starts

with one brick, then he puts another on top of it, and he builds his house step by step, according to the blue-print he has laid out for himself.

One whole book could be written on means and methods of FINDING CUSTOMERS in the investment business. There are specific ideas that require creative imagination and they are helpful. I am not referring to "trick salesmanship," "stunt selling," or that sort of thing. The libraries are full of "How To Do It Books" on salesmanship. Some of it applies in this specialized field . . . most of it does not. There is not enough space here to cover all the major phases of servicing an account after you open it, or obtaining referrals, but throughout the entire spectrum of security salesmanship, common sense . . . NOT SALES GIMMICKS . . . is the guide of all successful investment, career, security salesmen.

LEARN FROM YOUR OWN FOLLIES: Here is the best school of all. You learn by your mistakes. The man who made the wrong approach, who didn't know his securities, who failed to check his markets, who went out to see a prospect not fully prepared, or who did not do his home work and made recommendations based upon a lack of research (that was backed up by something more than a sketchy report of some statistical service, or even his own research department) will either learn not to make that mistake again, or he will FAIL IN THIS BUSINESS. It takes about twenty years of training to become a reasonably proficient doctor of medicine, then many more years to become a great doctor. In my book, those of us who sell investment securities are doctors of financial health. We can either be "quacks" or "pros," and it takes years to be a "pro." Volumes could be written on this subject too. But the best teacher is our own mistakes.

A PHILOSOPHY OF LIFE: If a human being has not been put on this earth for a few short years for any other purpose than to ENJOY HIS LIFE, then our very existence is a wasteland of futility. In my experience the

happiest human beings I have ever met are those who enjoyed what they were doing, whether it was raising a family, publishing a paper, running a government, or digging a ditch. If you can't enjoy your work, then find something else to do.

Several months ago we had a meeting in our office and a question of ethics was discussed. One man, now nearing the end of a long career in our business, whom we all respect, quietly spoke up. He stated it very simply, "All my life, and throughout my business career, I have tried to treat other people as I wanted them to treat me. I don't need any artificial props, and admonitions, or compulsions in order to accomplish this: I believe that unless you follow this procedure you cannot live with yourself, nor can you succeed and gain the confidence of others."

This is a personal business. Every person you meet has some sort of financial problem. They want your PERSONAL help and attention, they want YOU to advise them as honestly and as effectively as you are able to do so. When you learn that you are selling HELP, not stocks and bonds, you have taken the first step toward building an investment business.

Named Director

Alan H. Temple, a Director of several large U. S. corporations, has been appointed a member of the Trust Board of First National



Alan H. Temple

City Bank. Mr. Temple also will serve on the bank's Investment Policy Committee.

Mr. Temple is a Director of Monsanto Chemical Co., Mead Corp., Lazard Fund, Seaboard Surety Co., Atlantic Mutual Insurance Co., and has been Chairman of the trustees and Vice-Chairman of the National Industrial Conference Board, and is a trustee of Columbia University. For 30 years he served First National City in various executive capacities, retiring as Vice-Chairman of the bank in 1961.

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Canada: A Durable Haven For Long-Term Investing

Continued from page 23

	No. Con-secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 28, 1963 — Canadian \$ —	Quota-tion June 28, 1963*	Approx. % Yield Based on Paymts. to June 28, 1963
Robinson Little & Co., Ltd.	16	0.80	b15¼	5.2
Wholesale and retail merchandising of dry goods & variety store lines				
Rolland Paper Co., Ltd. "B"	14	0.275	9%	2.9
High-grade bond writing paper & related products				
Royal Bank of Canada	95	2.60	76	3.4
Operates 1,042 branches throughout the world				
Royal Trust Co.	64	1.95	64	3.0
General fiduciary business				
St. Lawrence Corporation Ltd.	13	1.00	22¼	4.5
Newsprint and allied products				
Sangamo Co., Ltd.	27	0.30	11	2.7
Electric meters, motors, switches, etc.				
Scythes & Co. Ltd.	28	1.00	b16%	6.0
Manufactures cotton and wool waste, cotton, wipers, etc.				
Shawinigan Water and Power Co. new	57	1.00 (Taken over by Province of Quebec)		
Quebec electric utility				
Sherwin-Williams Co. of Canada, Ltd.	22	1.00	25½	3.9
Paints, varnishes, enamels, etc.				
Sigma Mines (Quebec) Ltd.	24	0.30	5.25	5.7
Quebec gold producer				
Silknit Ltd.	16	1.25	34	3.7
Lingerie, swim suits and other rayon products				
Silverwood Dairies, Ltd. "A"	17	0.60	12¾	4.6
Full line of dairy products				
Simpson's Ltd.	18	0.85	33%	2.5
Owens and operates through subs. dept. stores in Canada				
Sisco Mines Ltd.	14	0.085	1.80	4.7
Holding Co. with interest in various mines located in Ontario and Quebec				
Slater Steel Industries Ltd.	26	0.30	10%	3.0
Pole-line hardware for power companies; also metal stampings and forgings				
Southern Co., Ltd.	28	0.95	32	3.0
Publishes seven daily newspapers across Canada; operates three radio stations				
Southern Canada Power Co., Ltd.	41	2.50 (Taken over by Province of Quebec)		
Operating public utility; Southern Quebec				
Standard Paving & Materials Ltd.	16	0.40	9%	4.0
General paving contractor				
Standard Radio Ltd. (new)	23	†0.19	9¾	1.9
Through subsidiaries owns and operates radio and short wave stations in Canada				
Stanfield's Ltd. "B"	26	1.00	b22	4.5
Manufactures woolen & rayon underwear and hand knitting yarns				
Stedman Brothers Ltd., new	29	†0.50	14½	3.4
Wholesale and retail small wares business				
Steel Co. of Canada, Ltd.	48	0.65	20¼	3.2
Engaged in all branches of steel production				
Sterling Trust Corp.	27	1.65	53	3.1
General fiduciary business				
Stuart (D. A.) Oil Co., Ltd.	24	1.25	29	4.3
Makes extreme friction lubricants and related products				
Sun Publishing Co. Ltd., "B"	10	0.65	23.25	2.8
Publishes The Vancouver Sun, 216,500 circulation and has other varied interests.				
Supertest Petroleum Corp., Ltd. "Vot. Com."	38	0.05	b3.55	1.4
Markets petroleum products in Ontario and Quebec				

* 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.
† Adjusted for stock dividends, splits, distributions, etc.
‡ Inactive issue; doesn't trade.
b Bid.

	No. Con-secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 28, 1963 — Canadian \$ —	Quota-tion June 28, 1963*	Approx. % Yield Based on Paymts. to June 28, 1963
Switson Industries Ltd.	10	0.04	1.40	2.9
Mfgs. vacuum cleaners, floor polishers, gas heaters, furnaces, etc.				
Tamblin (G.) Ltd.	27	1.05	20¼	5.1
Operates chain of 134 drug stores				
Teck-Hughes Gold Mines, Ltd.	38	0.10	1.85	5.4
Ontario gold producer				
Texaco Canada Limited	20	1.60	49	3.3
Oil production, refining and distribution				
Third Canadian General Investment Trust Ltd., New	35	†0.30	8¼	3.6
Investment trust of the management type				
Toronto-Dominion Bank	106	2.10	65	3.2
Operates 588 branches, 584 in Canada, one in New York, Chicago, and two in London, England				
Traders Finance Corp., Ltd. "B" new	17	†0.80	13	6.2
Purchases installment sales obligations				
Turnbull Elevator Ltd.	11	0.60	13¼	4.5
Owens & operates companies mfg. food flavors, paints, industrial rubber goods, moulded drug sundries, elevator gears & machinery. Plants in Montreal, Toronto and Farnham, Ont.				
Union Gas Co. of Canada, Ltd.	15	0.50	21½	2.3
Production, storage, transmission and distribution of natural gas				
United Amusement Corp., Ltd., "A"	38	0.50	‡	‡
Operates 34 motion picture theatres in Montreal and other Quebec cities				
United Canadian Shares Ltd.	39	0.90	24	3.8
Holding co.—insurance interests				
United Corporations Ltd. "B"	23	1.00	27	3.7
An investment trust of the management type				
United Keno Hill Mines Ltd.	10	0.40	5.60	5.5
Silver-lead-zinc-cadmium producer, Yukon				
United Towns Electric Co. Ltd.	13	0.40	16	2.5
Supplies power to 160 communities in Newfoundland. Operates 10 plants with capacity of 29,060 hp.				
Upper Canada Mines Ltd.	24	0.06	1.39	4.3
Ontario gold producer				
Viau Ltd.	17	0.80	12½	6.4
Biscuits and confectionery				
Victoria & Grey Trust Co. New	13	†0.37	14¼	2.6
Operates as trust company				
Walker (Hiram)-Gooderham & Worts, Ltd.	28	2.00	57	3.5
Holding company—extensive liquor interests				
Waterloo Trust & Savings Co.	50	1.55	b73	2.1
Accepts deposits and general fiduciary business				
Westeel Products Ltd.	22	0.15	13	1.2
Manufactures sheet metal				
Westminster Paper Co., Ltd. Common	31	0.80	35	2.3
Wide range of paper specialty products				
Weston (George) Ltd. "B"	34	0.35	20½	1.7
Fine biscuits, bread, cakes, confectionery, etc.				
Wood Alexander Ltd.	13	0.20	2.65	7.5
Operates wholesale hardware business				
Wood, John, Co., Ltd., New	21	†0.50	9%	5.3
Holding Co. Subs. Canada & U. S. mfr. water heaters, oil trade equipment, etc.				
Woodward Stores (1947) "A" Ltd.	16	0.55	19¼	2.9
A holding company which operates seven departmental stores in western Canada through subsidiaries				
Zeller's Ltd.	23	1.40	37¼	3.8
Operates chain of 61 specialty stores across Canada				

* 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.
† Adjusted for stock dividends, splits, distributions, etc.
‡ Inactive issue; doesn't trade.
b Bid.

TABLE II

CANADIAN

(Listed and Unlisted)

Common Stocks

On Which
CONSECUTIVE CASH
DIVIDENDS

Have Been Paid From

5 to 10 Years

	No. Con-secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 28, 1963 — Canadian \$ —	Quota-tion June 28, 1963*	Approx. % Yield Based on Paymts. to June 28, 1963
Algoma Steel Corp. Ltd.	7	1.40	56¼	2.5
Owens & operates fully integrated plant for iron, steel, coke & by-products. Also Iron mines & subs. operates coal mines.				
Algonquin Building Credits Ltd.	6	0.575	10¼	5.6
Purchases from dealers installment obligations for sale of home improvement materials				
Anglo Canadian Oils Ltd. (Brandon)	9	1.00	b41	2.4
Owens & operates refinery in Brandon, Man. Distributes and sells through company owned stations & agents				
Anglo Scandinavian Investment Corp. of Canada	8	0.35	8.00	4.4
Operates as an investment company				
Anthes-Imperial Co., Ltd. "A" new	9	0.44	18	2.4
Manufactures and distributes pipe and fittings for soil, water and air. Also boilers, radiators and steel scaffolding				
Ash Temple Limited	6	0.80	17	4.7
Manufactures and distributes dental equipment & supplies				
Atlas Steels Ltd.	8	1.00	37.60	2.7
Major producer of wide range of alloy & tool steels & stainless steel with plant at Welland, Ont. Subsidiaries operate in England, Mexico, has interest in similar operation in Belgium.				
Bowes Company Ltd.	9	1.50	b34	4.4
Manufacturers, importers and wholesalers of confectioners' and bakers' supplies				
Bow Valley Industries, Ltd., New	8	†0.12125	5¼	2.3
Operates as contract driller for oil & gas wells. Owns 9 modern rigs capable of drilling from 4,500 ft. to 10,000 ft.				
Bralorne Pioneer Mines Ltd.	9	0.40	5.25	7.6
Owens 2 producing gold mines, Cadwallader Creek, Bridge River area British Columbia				
Bright, T. G., & Co.	7	1.00	86	1.2
Manufactures Canadian Wines, owning 1,500 acres of vineyards in Ontario. Plants in Niagara Falls, Ont. and Lachine, Que. Storage capacity 5,000,000 gals. Also operates 14 retail stores.				
British Columbia Packers Ltd. "B"	9	1.00	17	5.9
Packs Salmon, clams, oysters, etc. with plants in British Columbia, Nova Scotia and Manitoba. Brand names are "Clover Leaf" and "Rupert Brand."				
Bulloch's Ltd. "B"	8	0.35	b5	7.0
Manufactures warm air furnaces using gas, oil or coal with plant in Winnipeg.				

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† Adjusted for stock dividends, splits, distributions, etc.
‡ Inactive issue; doesn't trade.
b Bid.

CANADIANS

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Coast Exchange Member

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

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

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	No. Con-secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 28, 1963 — Canadian \$ —	Quota-tion June 28, 1963*	Approx. % Yield Based on Paymts. to June 28, 1963		No. Con-secutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 28, 1963 — Canadian \$ —	Quota-tion June 28, 1963*	Approx. % Yield Based on Paymts. to June 28, 1963
Calgary Power Ltd. ----- Alberta power utility	8	0.60	22 3/8	2.7	Greyhound Lines of Canada Ltd. ----- Operates bus service in eastern and western Canada. Thru subs also manufactures buses and parts	6	1.00	24 1/8	4.1
Canada Crushed & Cut Stone Ltd. ----- Processes crushed stone, chemical stone, agriculture limestone. Produces bituminous asphalt. 3 quarries in Ontario. Warehouse and docks at Hamilton, Ontario.	7	0.60	19 1/2	3.1	Gunnar Mining Ltd. ----- Uranium producer in northern Saskatchewan	6	1.00	8.95	11.2
Canadian Arena Co. ----- Operates Montreal Forum	8	4.00	a180	2.1	Highland Bell Ltd. ----- Owns producing silver-lead-zinc-gold property in British Columbia.	7	†0.20	b2.75	7.3
Canadian General Securities Ltd. "B" ----- Investment holding company	9	1.40	20	5.0	Investors Syndicate of Canada Ltd. ----- Issues and distributes investment certificates. Also acts as manager & distributor on fee basis.	7	1.10	64	1.7
Canadian Power & Paper Securities Ltd. ----- Investment Trust of management type	7	0.25	13	1.9	Labrador Mining & Exploration Ltd. ----- Has leases on extensive iron ore prospect acreage in Labrador. Also holds interest in producer, Iron Ore Co. of Can. and receives royalties on all ore produced. Co. also has right to ship ore for its own account.	7	0.50	28 1/2	1.8
Canadian Utilities Ltd. ----- Supplies electricity in Alberta. Operates 12 plants; Capacity 90,460 KW; serving 46,082 customers	7	1.35	33 3/8	4.0	Loeb, M., Limited ----- Wholesale food distributors	5	0.20	18 3/4	1.1
Canadian Wallpaper Manufacturers Ltd. "B" ----- Manufactures wallpapers. Through subsidiaries operates wallpaper & paint stores.	8	1.00	b20	5.0	Maher Shoes Ltd. ----- Manufactures & distributes shoes etc., thru 112 retail stores in Ontario	6	1.20	26 3/4	4.5
Cassiar Asbestos Corp., Ltd. ----- Owns producing asbestos property in B. C.	6	0.60	11	5.5	Manitoba and Saskatchewan Coal Co. Ltd. "B" ----- Mines and wholesales lignite coal. Capacity: 850,000 tons per year.	9	0.40	b5 1/2	7.3
Copp Clark Publishing Co., Ltd. ----- Prints and publishes books and prints and lithographs other specialized printed material.	7	0.40	b7 1/2	5.9	Northern Quebec Power Co. Ltd. ----- Generates & distributes power in N. W. Quebec mining areas. Operates five electrical merchandise stores. Serves 15,889 customers.	8	2.00 (Taken over by Province of Quebec)		
Coronation Credit Corp., Ltd. ----- On own behalf and thru subs. makes loans on real estate in B.C., Alta., Ont & Que.	9	0.24	6 1/2	3.7	Ocean Cement & Supplies Ltd ----- Through subsidiaries manufactures and sells cement and allied products	6	0.45	12 3/4	3.5
Craig Bit Co. Ltd. ----- Manufactures and sells detachable bits for rock drilling and carbide drill rods	9	0.08	b1.83	4.4	Ocean Fisheries Ltd. ----- Holding company. Through subsidiaries operates in fishing, processing and marketing seafood fish and fish byproducts	7	0.42 1/2	‡	‡
Denison Mines Ltd. ----- Uranium producer in Ont.; interests in companies engaged in cement and gravel pit operations	5	1.00	11 1/2	8.7	Pamour Porcupine Mines Ltd. ----- Ontario gold producer	6	0.08	1.04	7.7
Dominion Electrohome Industries Ltd. ----- Manufactures and sells radios, phonographs, television, electric fans, electric motors and allied products	9	0.30	11 1/8	2.7					
Dow Brewery Ltd. ----- Brewer with plants at Montreal, Quebec City, and Toronto	6	1.50	b57	2.6					
Edmonton Concrete Block Co. Ltd. ----- Manufactures concrete blocks and lightweight aggregate. Capacity is 20,000 8-in. blocks per day	8	0.24	b3	8.0					
Emco Limited ----- Plumbing supply mfg.	5	0.52 1/2	13 1/4	4.0					
General Paint Corp. of Canada Ltd. "B" ----- Manufactures complete line of paints, enamels, varnishes and lacquers	8	1.10	b11	10.0					
Great Northern Capital Co., Ltd. ----- (Name changed from Great Northern Gas Utilities Ltd.) Through subsidiaries, distributes natural gas in Alberta	5	0.40	11 3/4	3.4					

* 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.
† Adjusted for stock dividends, splits, distributions, etc.
‡ Inactive issue, does not trade.
b Bid.

* 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.
b Bid.

Dow Chemical Debs. Offered

A public offering of \$100,000,000 Dow Chemical 4.35% debentures due Sept. 15, 1988 is being made by an underwriting group headed by Smith, Barney & Co., Inc., New York. The debentures are priced at 100% plus accrued interest.

The debentures will be delivered to purchasers in fully registered form and thereafter may be exchanged for coupon debentures without service or other similar charge.

A mandatory annual sinking fund commencing Sept. 15, 1968 will retire 80% of the issue prior to maturity. The company may increase the annual sinking fund payment by an amount equal to not more than the mandatory payment. The debentures will be redeemable for the sinking fund at 100% plus accrued interest.

The debentures also are optionally redeemable at any time at prices ranging from 104.35% to 100%; until Sept. 15, 1968, however, they may not be redeemed out of funds borrowed at an interest cost of less than 4.35%.

Net proceeds from the sale of the debentures will be applied against bank borrowings and certain short-term indebtedness of the company.

Application has been made for the listing of the debentures on the New York Stock Exchange.

The company, headquartered in Midland, Mich., manufactures a diversified line of organic and inorganic chemicals, plastics, and metals.

Forms Quintal Inv. Co. NEW BEDFORD, Mass.—Antone G. Quintal is conducting a secu-

rities business from offices at 261 Union Street under the firm name of Antone G. Quintal Investment Company.

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As We See It Continued from page 1

tax cut means new markets for American business. American citizens will spend, as history shows us, an overwhelming percentage of the extra after-tax dollars left in their pockets.

"And this spending will broaden markets for businessmen, put idle machines to work and require new machines and new factories to be built. The multiplied effect of these private consumption and investment expenditures released by the tax cut will create a new market right here at home nearly equal to the gross national product of Canada and Australia combined.

"A tax cut means higher family income and higher business profit and a balanced Federal budget. Every taxpayer and his family will have more money left over after taxes for a new car, a new home, new conveniences, education and investment.

"Every businessman can keep a higher percentage of his profits in his cash register, or put it to work expanding or improving his business.

"And as the national income grows, the Federal Government will ultimately end up with more revenues. Prosperity is the real way to balance our budget.

"Our tax rates are so high today that the growth of profits and paychecks in this country has been stunted, our tax revenues have been depressed and our books for seven out of the last 10 years have been in the red.

"By lowering tax rates, by increasing jobs and income, we can expand tax revenues and bring, finally, our budget into balance."

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 and indefinitely. We do say that both experience and common sense, to say nothing of the teachings of many learned men and many statesmen 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 his tax plans would put us on the road toward a balance in our international accounts. And, so it seems to us, the Chief Executive's attempt to reassure those who are troubled about mounting Federal outlays at a time when

we are told that we should sharply reduce the income of the Federal Government is anything but satisfying. To be told in generalities that "no 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, actual and planned, mount 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 strange to some to condemn tax reduction even when cuts are planned in the wrong places—or at least not in the most needed places — and when smooth generalities about "tight budgets" fill the air. The fact is though that no public need during the past 15 or 25 years for that matter has been as great or more urgent in peacetime than that of true fiscal responsibility in Washington, something, incidentally, that we have not seen since Franklin Roosevelt entered the White House in 1933. It is horribly unfortunate that so plain a need, so vital a need and so simple a need can be so obscured by such unnecessary complexities and by such elaboration of long discredited fiscal fallacies.

Often Refuted

The arguments now put forward by the President have been often effectively refuted, but a few pointed questions are still certainly in order. The President says that "these high rates (of taxes) do not leave enough money in private hands to keep this country's economy growing and healthy." Precisely how would a simple reduction in tax rates or in taxes alter this situation if the actual expenditures of government continue to mount? The government, of course, would in that event have to find somewhere else the funds it did not take in taxes. Would the taxpayers who are excused from the payment of part of their taxes lend the government the equivalent of the reduction in their tax bill? If they do, or the public as a whole lends the government funds totaling the amount of reduced taxation, then how does the President

or his advisers figure that more money would be left in the hands of individuals for spending either in consumption or in private investment to work 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, where will the government get the necessary funds? There is but one answer. The funds will be raised through the commercial banks in operations which in their essence are but the modern equivalent of the printing of greenbacks! Is 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?

Named Director

ROCHESTER, N. Y.—Richard N. Benjamin, President of Stone & Webster Inc., New York, has been elected a Director of Bausch & Lomb Inc., according to an announcement by Carl S. Hallauer, B&L Board Chairman. Bausch & Lomb is one of the foremost manufacturers of ophthalmic and scientific optical and and electronic products. Mr. Benjamin has spent his entire business career with Stone & Webster, a world-wide organization engaged in engineering, construction, investment banking, and management advisory services. He joined the firm 37 years ago, following graduation from Harvard College and the Harvard Graduate School of Business Administration. He was President, Stone & Webster Service Corp., management advisory services subsidiary, before becoming President of the parent company in 1958.



Richard N. Benjamin

Customers Brokers

To Hold Meeting

The Association of Customers Brokers will hold a stock market forum on Oct. 1 at 15 William Street, New York City. Speakers will be R. W. Mansfield, Mansfield Stock Chart Service; Louis L. Schellbach, Standard & Poor's Corporation; and Robert H. Stovall, E. F. Hutton & Co., Inc.

Joins Ira Haupt Co.

DENVER, Colo.—Victor H. Gerali has been added to the staff of Ira Haupt & Co., Denver Hilton Hotel Building. Mr. Gerali was formerly with Hornblower & Weeks and Peters, Writer & Christensen, Inc.

In Securities Business

SCHENECTADY, N. Y.—The Carl Company is engaging in a securities business from offices at 430 State Street.

MUTUAL FUNDS

BY JOSEPH C. POTTER

In a Puritan's Purse

Joseph P. MacCarthy, born a century ago, once wrote that to be happy in New England: "You must select the Puritans for your ancestors."

One of the Fidelity management group of funds is Boston-based Puritan Fund, a title that was bound to endear it to the hearts of the thrifty folk of Yankeeeland. But Puritan has, in addition to a fortunate name, a commendable history of its own.

One day last month the Congress Street fund issued its 17th annual report, covering the year to July 31. Edward C. Johnson, II, President, was able to tell his 33,300 shareholders:

"The fiscal year just ended was a record one . . . total net assets amounted to a new high of \$166,607,970, an increase of 41.7% over the total of \$117,537,871 a year ago. . . . Total net assets and the number of shareholders have recorded new highs in each year in the past decade, reflecting the ever-widening of interest by investors in a fund with primary emphasis on income."

At the close of the fiscal year, net asset value per share was \$8.52, compared with \$7.47 a year earlier, when the stock market was on the skids. It even bettered the previous all-time high of \$8.49 for a yearend, recorded at the close of fiscal 1961.

There is much unpuritan-like celebrating in this latest report, even smacking of egoistic hedonism. But then this is no ordinary Puritan, for inside the purse are to be found Buckingham Corp. (Scotch whisky), National Distillers & Chemical, Family Finance and some \$10.5 million of tobacco.

Indeed, this Puritan would have fared even better but for its tobacco habit. At the end of the preceding fiscal year tobacco was the fifth largest industrial category in which its funds were invested, representing 5.2% of the net assets. By the end of the latest year, tobacco was the No. 4 favorite of Puritan and toted up to 6.3% of the asset total. The stocks are P. Lorillard, Philip Morris and American Tobacco.

But then this is a fund that puts prime emphasis on income. If tobaccos have not been sending up much smoke in the marketplace, at least they've been paying handsome dividends.

The Puritan obviously has a unique appetite. Thus, at the close of the fiscal year on July 31, 1962, the most favored category was railroads, accounting for 12.2% of the whole portfolio. There are—although their ranks are dwindling—investment managers who regard purchase of carrier stocks as a kind of mental aberration. But not Puritan, which, a few years ago, had as much as 15.8% of the total in rails.

The patient Puritan has been richly rewarded for its faith, as the carriers have shown considerable buoyancy during the past year. Of course, a Puritan can be expected to show taste and discernment. And this is reflected in the kind of rails to which it is tied: Sante Fe, Chesapeake & Ohio, Norfolk & Western and Southern Railway.

Now, however, the railroad stake, down to 10.6% of total net assets, is matched by the investment in steels. Only a year ago, steels accounted for a mere 3.7%.

Puritan has been adding to its already sizable holdings of Armco and Youngstown Sheet & Tube. All told, there are nine steels in the Puritan's purse.

This Puritan must be described as a bull, for its investment in common stocks is the highest for any fiscal year. At the close of the last fiscal year, over 80% of assets were in common stocks, compared with less than 79% a year earlier (when equities were in disfavor), 77% at the end of fiscal 1961 and less than 60% at the close of fiscal 1960.

Being Puritan, Mr. Johnson and his colleagues do not throw caution to the winds. As he says: "The strength in common stock prices in the past six months has reduced yields on the better-grade securities considerably."

This is the kind of sober reasoning that is to be expected from Puritan, 42% of whose shares are owned by womenfolk, with religious, charitable and fiduciary organizations close behind.

The Funds Report

Electronics Investment Corp. reports that at July 31 assets totaled \$28,899,081 or \$5.32 a share. This compares with \$5.61 a year earlier, end of the first quarter of the fiscal year.

Energy Fund reports that net assets at Aug. 31 totaled \$33,330,593, equal to \$23.14 a share. This compares with \$26,399,266, or \$19.67 a share, a year earlier.

Clinton LaTourrette, Los Angeles attorney and financial consultant has been elected to the Board of Directors of **International Resources Fund**.

Selected American Shares announces that at Sept. 12 net assets totaled \$128,128,330, or \$10.14 per share, compared with \$102,119,386, equal to \$8.31 a share, a year earlier.

Net asset value per share of **Scudder Fund of Canada, Ltd.** at Aug. 31 was \$14.23 (U. S.), against \$12.68 a year earlier.

Texas Fund reports that at the end of the fiscal year on Aug. 31 net assets totaled \$61,781,793, or \$12.29 per share, compared with \$46,091,796, equal to \$10.14 a share.

The Common Stock Fund of Group Securities reports that at the end of the third quarter on Aug. 31 net assets totaled \$192,875,041, or \$13.80 a share, against \$186,521,627, or \$13.56 a share three months earlier and \$160,096,206, or \$11.94 a share, at Nov. 30, 1962, end of the fiscal year.

During the latest quarter the company made an initial commitment in 10,000 shares of National Lead and eliminated holdings of R. H. Macy with sale of 15,000

shares. In the three months holdings were increased in 18 issues and reduced in two.

The Income Fund of Boston in its semi-annual report announces that net assets at July 31 were \$46,022,348, or \$8.24 a share, against \$38,604,191, equal to \$7.28 a share a year earlier.

Incorporated Inv. Exec. Changes

BOSTON, Mass. — Incorporated Investors and Incorporated Income Fund, 200 Berkeley Street, announce the election of Charles Devens, President, as Chief Executive Officer, of Richard M. Cutler as Executive Vice-President and a Director and of John L. Middleton as Vice-President.



Charles Devens

The Funds also announce the resignation of William A. Parker as Chairman and a member of the Board of Directors and of George D. Aldrich and Amory Parker as Officers and Directors.

Incorporated Investors was formed in 1925 and is one of the oldest mutual funds. William A. Parker was one of its principal founders and has been its Chief Executive Officer for many years.

Messrs. Devens and Cutler have been officers of the Funds for nine years. Mr. Middleton was for many years with White, Weld & Company and has been connected with these Funds for over seven years.

The investment services furnished by The Parker Corporation to the two Funds will be carried on under the direction of Messrs. Devens, Cutler, Middleton and James Ullman. It is expected that in due course The Parker Corporation will be realigned.

Gardner Joins Staff Of Mass. Investors

BOSTON, Mass.—M. Dozier Gardner has joined the research staffs of Massachusetts Investors Trust and Massachusetts Investors Growth Stock Fund, 111 Devonshire Street, as an Industry Specialist, it has been announced by Dwight P. Robinson, Jr., Chairman.

Mr. Gardner has been associated with the Harvard Graduate School of Business Administration since 1959. He has served as an instructor in Business Administration during the past two years. He previously held appointments of Research Associate and Research Assistant.

Westheimer Adds

CINCINNATI, Ohio—Westheimer and Company, 124 East Fourth Street, members of the New York and Cincinnati Stock Exchanges, have added Louis T. Kenny to their staff.

Joins Dempsey-Tegeler

COLUMBUS, Ohio—Jerry L. Dover has joined the staff of Dempsey-Tegeler & Co. Inc., 20 North High Street.

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 gas to 194 municipalities in Massachusetts, Rhode Island and New Hampshire, most of the business being in Massachusetts. A Connecticut subsidiary (Mystic Power) was sold last spring to Connecticut Light & Power. Principal cities in the area include Providence, Worcester, Lowell, Lawrence and Quincy. Leading industries include metal products, textiles, chemicals, paper, printing, food products and rubber goods. Educational and research activities are important in Massachusetts. Revenues are about 83% from sale of electricity, with most of the balance from gas. Electric revenues are 42% residential, 25% commercial, 24% industrial and 9% wholesale and miscellaneous.

NEES had some 60 subsidiaries a few years ago, but has now greatly reduced the number. The four retail electric subsidiaries in Massachusetts were merged a year ago into Massachusetts Electric Co., which serves 622,000 customers, more than Boston Edison or any other New England utility. There are also two electric retailers in Rhode Island and New Hampshire, a wholesale power company (New England Power) and a service company. There are still eight gas subsidiaries in the System, all in Massachusetts, and serving mainly areas also served with electricity. There has been a long-standing SEC order which may require eventual sale of the gas properties but this is not considered an adverse factor since they are earning an excellent rate of return.

The electric subsidiaries have generating capability of 1,650,000 kw. of which about one-third is hydro. The system is interconnected with large New York 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 Mohawk was placed in service; this provides a strong interconnection to the west and enables the system to buy large blocks of cheap power.

NEES has been building the big new Brayton Point generating station with two units of 250,000 kw. capacity; the first was put in service in August and the second should be ready next May, 1964.

This station will be one of the most efficient in the country with a heat rate under 8,800 Btus per kwh.; only about 6/10 of a pound of coal will be needed to produce one kwh. The low heat rate compares with the present overall system rate of 11,000 Btus, but with both Brayton units in operation, the system rate should drop to about 9,500, which might mean an estimated coal saving of about \$3.5 million a year, or 12 cents a share. Cost of the power produced at Brayton should be under 6 mills per kwh.

NEES has a 30% interest in the Yankee Atomic Power Plant, which has proved more efficient than anticipated. The plant has been operating continuously for over 11 months, quite a record for

dependability. Output will be increased with a second core and again when the third core is installed. Cost per kwh. is now estimated around 10 mills per kwh. and may drop to 9 mills when the fourth core is installed. (The original estimate before the plant was constructed was 12-14 mills.) The New England utilities are now planning to build a much larger atomic power plant at Haddam, Conn., with a capacity about three times the size of the first Yankee plant. NEES will have a 15% interest in the new plant. The cost of the new plant is estimated at \$80 million and it will be the same type as the present Yankee plant. Overall power costs are expected to drop to around 6½ mills in this plant, which should be competitive with any conventional steam plant now operating in New England, with the exception of the new Brayton units.

The New England utilities are now cooperating fully in their construction programs so that larger and more efficient new units can be constructed. For example, NEES arranged to buy about one-third of the low-cost power output of Boston Edison's big new unit which will be in operation in 1965—thus permitting Edison to install a 300,000 kw. unit. New high tension transmission networks through New England will help transmit cheap power, enabling New England to take greater advantage of the diversity in peak loads in New York and New England.

With this prospect for an increased supply of low cost power, NEES is promoting electric house heating and has set up a new

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 and it is hoped to double this percentage within 3 years.

New England Electric's share earnings have increased modestly over the past decade, \$1.36 being reported for 1962. 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 \$1.16 currently, the rate having recently been raised from \$1.12.

The company has had a rather heavy construction program, with 1962 expenditures of \$65 million, the highest in its history. In 1963, about \$53 million is being spent but expenditures should drop to around \$45 million next year and \$38 million in 1965. Public financing includes bonds and preferred stocks of subsidiaries; NEES sold 872,000 shares of stock last year but additional equity financing will not be necessary until early in 1965.

The company's overall rate of return of about 5½% on the rate base means that the system is not particularly vulnerable so far as rate of return is concerned and any future savings in Federal income taxes due to the proposed reduction in the 52% tax rate should be reflected in higher net income.

At the recent price around 28, NEES yields 4.1% and sells at 19.3 times current earnings.

In Securities Business

SYRACUSE, N. Y.—Curry McLaughlin & Len, Inc., Pickard Building, is engaging in the securities business.

S. Eisenberg Opens

BROOKLYN, N. Y.—Stanley Eisenberg has opened offices at 400 Stanley Avenue to conduct a securities business.

Sutro & Co. to Admit Partners

SAN FRANCISCO, Calif.—Sutro & Co., 105-year-old West Coast investment firm, 460 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges, has announced the proposed admission of two new general partners, Theodore R. Seton and Harvey D. White.

Mr. Seton came to Sutro in 1962 after fifteen years' service with Merrill Lynch, Pierce, Fenner & Smith, where he was a stockholder. Starting in sales, he later held administrative posts; for five years he was head of Merrill Lynch's Legal Department and, subsequently, Manager of Planning. Since his affiliation with Sutro, he has been assistant to the senior partner. He will continue to have various management and administrative responsibilities and assist in planning for the firm's future growth.

Mr. White's entire career in the securities field has been with Sutro. He became associated with the firm as a trainee in 1945. After 14 years as an account executive in the firm's San Jose office, he was appointed its manager. He will continue to hold this post as Resident Partner.

These admissions are subject to Exchange approval.

Clarke & French Co.

SYRACUSE, N. Y.—Clarke & French Company, 215 Newcastle Road, is engaging in a securities business.

Smith Charles Formed

Smith Charles Co. has been formed with offices at 79 Wall Street, New York City, to engage in a securities business. Partners are Stephen S. Smith and Charles R. Iorio.

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★ The 1963 Fall edition of our OVER-THE-COUNTER MARKET ISSUE will present an up-to-date resume of the securities traded in the world's largest market.

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The COMMERCIAL and FINANCIAL CHRONICLE

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Higher Interest Rate Policy Would Worsen Our Problems

Continued from page 3

labor force increase is 1.0 million: for 1965, 1.5 million, of whom 900 thousand will be young people 14 to 24 years of age. Furthermore, labor force growth has fallen one-half million behind projections made not much more than a year ago. To use these available labor resources, current rates of increase in output will have to be significantly bettered, no matter how impressive by previous cyclical experience. Given the declining participation ratio of labor force to population that has recently prevailed, we should expect that if rising employment demands materialize they will induce a substantial labor force re-entry. This slack will have to be taken up before the statistical evidence of achieving our goal appears.

So far as business fixed capital is concerned, industrial capacity utilization has been significantly below levels prevailing from the spring of 1955 into 1957. Most recently, however, in June and July, following the sharp spurt this year, manufacturing output, according to Federal Reserve estimates, reached 87% of capacity, the best showing since the spring of 1959. But this is still significantly below the 92% of late 1955.

Another distinctive — and commendable — feature of the years since 1957 is that they have been free of inflationary pressures. Wholesale prices of the broad range of industrial commodities, and prices of the more sensitive industrial materials are, on average, little different today from what they were six years ago. It is true that consumer prices have risen a little over 1% a year, but much of the rise is attributable to services. Furthermore, quality improvements in consumer products — and in a wide range of industrial products as well — suggest that official indexes have some upward bias over time.

In manufacturing, unit labor costs are about the same as they were in late 1958, a sharp contrast to the sustained and large increase in 1955, 1956, and 1957. Productivity gains in this expansion compare favorably with gains in other postwar expansions. The increase since the spring of 1960 has been 14%; in the comparable three years or so from the summer of 1953 to the fall of 1956, the rise was only 11%. Another major influence in holding down manufacturing unit-labor costs has been the progressive slowdown in the rate of increase in wage rates and average hourly earnings.

There are, of course, other features worthy of comment. The auto "boom" for the second consecutive year has been exciting to some and has certainly contributed to expansion. In accord with the most recent industry statements, however, I find performance gratifying but hardly spectacular for the 1960's. Seven to eight million units should be the norm for the mid-sixties. But spending for autos and parts — the best publicized of all consumer outlays — nevertheless accounts for only 6% of total consumer purchases of goods and services.

It is hardly news when consumer spending rises — it has risen in 60 of the 66 quarters since the beginning of 1947. It is a record that sup-

ports faith in the eagerness of the American consumer to statistically spend most of his income on "current" consumption. For example, we find that consumers spend 92.4% of their disposable income in 1961, 92.4% in 1962, and 92.6% in the second quarter of 1963. These are rates virtually identical to the average of the past decade and suggest that in recent years — as distinct from early in the postwar period and in contrast to the big consumer spending splurge of 1955 relative to incomes — consumers, as a group, have been in a rather stable expenditure pattern.

Capital Spending Lags Re GNP

So far as business spending is concerned, inventory accumulation started unusually early in this expansion period but inventory policies by and large have been on the cautious side. Stock-sale ratios have been and continue low. On the other hand, spending for fixed capital, though showing a cyclical rise and at last exceeding the 1956-57 highs, lags significantly relative to total GNP. It has been for some years — and remains today — a major cause of defaulted expectations for fuller utilization of manpower and industrial resources.

The flow-of-internal funds to corporations has been in record volume and has accelerated recently, rather unusual for 2½ years after a cyclical low. Profits before tax, though lower relative to GNP than earlier in the postwar period have on the whole, with some allowance for the effect of liberalized depreciation guidelines, continued to move up, although irregularly, throughout the expansion; an atypical cycle development. Ample corporate funds have not had the generative effect on corporate spending that is often assumed.

The Short Run Outlook

Let me now turn to the short run economic outlook. For the immediate future, i.e., for some months ahead, prospects are quite good for a continuation of the recent moderate increases in overall activity. This is a pace that is hardly likely to make a dent in the unemployment rate; or to raise the rate of industrial capacity utilization sufficiently to touch off anything approaching a fixed capital investment boom; or to result in any strain on credit markets; or to stimulate or support any significant advance in industrial prices.

For the current quarter, GNP should be in the vicinity of \$585 billion, annual rate; for the fourth quarter, \$592-593 billion. If realized, these estimates would yield a total of \$582 billion for year 1963, at the upper end of the Council of Economic Advisors' beginning of the year estimate of \$578 billion + \$5 billion. The Council's estimate was predicated on substantial tax reduction, effective July 1.

This judgment about the near-term future is based on a variety of considerations, including the following:

(1) Further expansion in Federal and State and local purchase of goods and services, with Federal outlays in the fourth quarter bolstered by an advance of \$1

billion, annual rate, attributable to pay increases for the military.

(2) Further advance in business spending for fixed capital, in line with the Commerce-SEC survey released in June. Broadly speaking, the findings of this survey have been supported by a fairly sustained rise in new orders for nonelectrical machinery.

(3) The pattern of housing starts this year, based on the newly revised seasonal factors, suggests that the high in residential construction activity probably occurred in the Spring or Summer months. Some decline from these peak levels is likely.

(4) Consumer spending should keep pace with incomes, with spending for nondurable goods making a better showing than the rather anemic one in the first half of the year. As you probably recall, retail sales changed little from late last year to May. Most recently, with incomes continuing to advance, retail sales in June and July broke out above the earlier plateau, with spending strong for nondurable goods.

(5) On inventories, patterns in four of the past five years have been distorted by steel accumulation concentrated some time in the first-half of the year and by liquidation concentrated in the second half. This year is no exception, but the pattern is unlikely to be as acute as in other recent years; accumulation has not been so large and the rate of steel consumption is higher. The moderate rise in new ordering for steel in July is consistent with this thesis. For inventories as a whole, accumulation is likely to be down in the current quarter and to accelerate only moderately in the fourth quarter. With supplies and capacity ample, and with demands for goods showing only a modest further rise this year, incentives for large-scale accumulation are simply not present.

Longer Run Outlook

The record of the immediate past — including such foreshadowing measures as new orders and consumer and business surveys — is tenuous enough as a foundation for the near-term outlook; it is hardly any support at all for an appraisal of prospective developments over the next 16 months or so. For such an appraisal, broader considerations must weigh heavily in one's judgment.

It seems to me that national economic policy — fiscal and monetary — will be of crucial importance in shaping developments as we get into 1964. Fiscal and monetary policies may well be the decisive elements in whether or not we have recession next year; they will certainly be major elements in rates of expansion and degree of resource use for 1964 and beyond.

From fiscal policy, we need a combination of expenditure programs and tax reduction that would more than match the increase in potential full employment receipts. Expenditure programs alone, as presented in the Budget Message for fiscal 1964 and in the light of developments since then, would be insufficient. This gives the enactment of tax reduction legislation, of the general order of magnitude apparently being recommended by the House Ways and Means Committee, a high priority.

Opposes Interest Rate Rise

On monetary policy, assuming that the private economy will

continue to generate a large and perhaps growing volume of gross savings, we need policies that at the least will not put upward pressure on long-term interest rates so long as unemployment remains high, industrial capacity more than ample, and inflationary pressures absent — whether from the demand or the cost side. Such policies are essential for maintenance of high levels of housing activity, for helping to encourage an increased volume of business spending on fixed capital, and for stimulating expansion in other credit using private areas.

Among the many potentially adverse consequences of a continued serious balance of payments problem is that monetary policy may be called on — and may actually attempt — to raise short-term interest rates again, this time sharply. The consequent effect on long rates, and more importantly, on the differential between long and short rates is certain to have a deleterious effect on domestic activity.

Ominous Combination

So far as the outlook is concerned the most ominous combination of public policies for next year would be a failure to enact substantial tax reduction coupled with an increasingly restrictive monetary policy.

I reach this judgment on the crucial nature of policy for next year because, without outside stimulus, prospective demands at best will permit but a modest, irregular pace of expansion that will not be sufficient to reduce the unemployment rate or to provide adequate stimulus for business spending on fixed capital.

We can reasonably expect Federal purchases of goods and services to continue to rise next year, but probably more slowly than this year; State and local spending to advance by \$1 billion or so a quarter; and consumer purchases of services to increase by \$2 billion or more a quarter. If disposable incomes rise, so will consumer spending for nondurable goods. So far, so good.

Private Sector Uncertainties

The critical uncertainties in private demand are: consumer purchases of durable goods and housing, business fixed investment, and inventory investment. Uncertainties exist also about the future course of exports and imports. One recurrent pattern of recent years that will be absent in 1964 is alternating influence on over-all activity of actual and prospective strikes in the steel industry. Taken altogether, these critical and sensitive areas might, at best, give us a slight plus; they could, however, also give a minus big enough to precipitate recession.

With reasonably favorable public policies uncertainties in these critical areas would tend to be resolved on the favorable side. Thus, with incomes bolstered by tax reduction and with activity and employment expanding, a total of 1.5 million housing starts in 1964 is probable, a figure not very different from what will be realized this year.

For automobiles, another seven million plus year is reasonable in the light of continued growth in population, households, and incomes and the large and apparently rising volume of auto scrapping.

The course of business investment may well be the determining influence on over-all developments for next year. We can expect the internal flow of funds to continue

in large volume, incentives to invest to cut costs to remain strong, and expenditures for replacements — now two-thirds of manufacturing investment — to be substantial. Nevertheless, whether spending will rise slow or fast or whether it will decline, will be determined largely by incentives for enlargement of capacity in manufacturing, the primary incentive being the pressure of output on capacity. If recent utilization rates can be increased some, or even maintained, in the months immediately ahead and if favorable expectations for next year can be engendered, say — by tax reduction — manufacturers' plans for 1964 are likely to be on the expansive side, and total business spending for fixed capital might well continue to rise for some time. I need hardly remind you, however, that much weaker markets than assumed for housing, autos, and perhaps consumer nondurable goods could materially affect investment plans and spending for 1964.

If final demands turn out more or less as developed today, I would expect inventory investment to be an essentially neutral factor next year, with accumulation at a moderate rate.

Current Account Prospects

Let me comment most briefly on prospects for our current account in the balance of payments, i.e., exports and imports of goods and services. The outlook for exports is not on balance unfavorable. I don't envisage over the next 16 months or so any marked departure from domestic industrial wage and price trends of recent years, which have tended to maintain the U. S. competitive position in world markets. Moreover, business conditions in Western Europe — and perhaps elsewhere — appear to be in an expansive phase. Let us not forget, however, that Western Europe and Japan remain highly competitive in important world markets.

But even if exports of goods and services are maintained, or are even increased moderately, would the next export balance be eroded by a surge in imports if domestic activity should move to higher levels? There are several reasons for discounting the likelihood of this.

First, imports in recent years have not grown as fast as GNP. Second, stocks of imported materials appear to be in closer balance with the level of domestic activity than perhaps any time in the postwar era, and there is no reason to expect any sudden disturbance of this balance as domestic activity moves to higher levels.

On the whole, then, a tentative prediction of "little change" may be the best guess one can make with regard to the direct impact of international transactions on the level of U. S. economic activity over the next year or so. There does not seem to be any reason for expecting sharp improvement in the current account of the balance of payments in the near-term.

Policy Issues

I turn now to the problems policy makers face and the effect of their decisions on the business outlook. The problems are the deficit in the balance of payments and a sluggish growth rate in the domestic economy with consequent unemployment. If I debate more than I discuss policies to deal with these problems, it is because that, in fact, is my posture. The fact that these is-

sues are discussed later rather than sooner in my appraisal of the outlook does not mean, as I indicated earlier, either that public policies are of secondary importance or that they are passively adapted to developments in the private sector. We are, of course, dealing with an interdependent system in which public and private actions influence and react to each other. This reciprocal relationship has always existed at least implicitly between developments and policies. Now, for the U. S., there is an additional dimension to the link between public policies and economic developments; namely, the balance of payments and public policies to deal with it.

In today's world, 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. In view of the fact that the U. S. payments deficit is not of the traditional type, involving excess demand at home attracting excess resources from abroad, my view has been that we should not use traditional means to deal with it. Rather, general fiscal and monetary policies should be primarily aimed at domestic expansion while special purpose instruments are applied to the balance of payments problem. The recently proposed interest equalization tax is a step in this direction and, if needed, I would hope that additional measures can be developed.

I shall now discuss fiscal, monetary, and balance of payments policies in turn.

Warns Against Contradictory Policies

Fiscal policy—There is little to add on the subject of fiscal policy beyond what I have said earlier. A tax cut is highly desirable as a contribution to aggregate demand, especially consumer demand. Without this contribution, the longer run outlook is much weaker.

I am not in a position to suggest the likely course of Federal expenditures in the period ahead, with or without the tax cut, but it is a reasonable assumption that they will continue to advance, 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 to expand roughly in line with the growth of potential GNP.

Putting this in other terms, one may view the tax cut as a means of reducing the magnitude of the full employment budget surplus. The sizable surplus that is implicit in the present budget acts as a drag on economic expansion, for it puts too large a burden on private investment to absorb the savings which our economy generates at high and rising income levels. If private investment is not buoyant enough to carry this burden, and it has not been, we succeed in achieving neither full employment nor the budget surplus. The implicit surplus can be reduced either by cutting tax rates or by increasing expenditures more rapidly than full employment tax revenues or some combination of 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 couple of years, monetary policy has attempted to cope with conflicting objectives. It has sought to encourage full utilization of resources at home while also maintaining upward pressure on short-term interest rates so as to minimize incentives for capital to flow abroad.

Opinions differ on the degree of domestic stimulation from monetary policy in the past year or so. There are those who believe that monetary policy has been excessively easy and for too long a 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 credit increased about 9% as compared with a 5% increase in GNP. From the trough of the recession in early 1961 to mid-1963, loans and investments at all commercial banks increased about 20%, while GNP grew 16%. On this evidence, it is claimed that the banking system was being provided with reserves to make a substantial contribution to the available credit supply.

It is necessary, however, to analyze the credit growth in its full context. All of the monetary and credit magnitudes in the past year and a half have been significantly affected by the upward movement in interest rates paid on commercial bank time and savings deposits following changes in the Board's Regulation Q. An important result of these interest rate changes was that commercial banks became more attractive as financial intermediaries. A substantial fraction of the apparent growth in commercial bank credit simply represents a shift toward greater intermediation, as businesses and individuals were induced to increase their claims in the form of time and savings deposits at commercial banks as a substitute for direct holdings of securities or claims on other financial institutions. To the extent that this type of shift occurred, only a part of the increase in total bank deposits and bank assets should be regarded as constituting monetary expansion or as contribution to total credit expansion. The remainder represented a rechanneling of the financial flow of funds as the public added commercial bank time deposits rather than securities to its financial assets.

In further support of this interpretation of monetary and credit developments, I point to two significant facts. One is that the money supply, that is, demand deposits and currency, has increased at an annual rate of less than 2% in the past year and a half. Secondly, the behavior of interest rates does not indicate that credit supplies have been excessive. Short-term rates have advanced and the decline in long-term rates has been moderate. Furthermore long-term rates remain high by historical standards. It is difficult to believe that long rates have declined by any more than is accounted for by the disappearance of the premium earlier demanded by lenders with inflationary expectations.

It is for these reasons that I would characterize monetary policy in the current upswing as having been passively responsive but not actively stimulative. Furthermore, I believe that were it not for the balance of payments constraint, monetary policy would have done much more to encourage economic expansion.

The policy of maintaining and in fact increasing short-term interest rates has acted as a direct impediment to further reductions in long-term rates which might encourage higher levels of domestic investment. As long as short yields remain high, lenders have little incentive to move out on the yield curve, for the cost of remaining liquid is very low. If we are to encourage capital formation, we need to make short-term assets less attractive to lenders so as to increase the availability and reduce the cost of long-term funds.

Monetary policy has in a sense had one hand tied behind its back. It has not really had a chance to exploit the elasticity that exists in the relationship between long-term interest rates and investment outlays. The problem is how can we give it a chance—that is, how can we permit a reduction in short- and long-term interest rates—without aggravating our balance of payments.

Tying Capital Exports to Exports

Balance of Payments Policies—Our balance of payments problem may be characterized as follows: Although we have an export surplus in terms of goods and services, we are attempting to give and lend abroad an even larger amount. The result is that the rest of the world is acquiring short-term dollar claims on the U. S. at a greater rate than it appears to want them, while the U. S., in turn, acquires long-term claims on the rest of the world. In real terms, an export of capital which is not used to purchase American goods and services does not represent a real burden on the United States; it simply leads to a deterioration in our liquidity position. Ironically, the U. S. would be in less trouble internationally if the real burden of our capital exports could be increased.

Various policies have been adopted by the U. S. Government to attempt to deal with this imbalance as between our capital and current accounts. Among the major approaches, aid is being tied to U. S. exports, and a tax has been proposed on long-term capital outflows in the form of portfolio investment.

I believe these are steps in the right direction. Despite the criticism that has been levied at aiding by economists, it seems to me that this approach deserves encouragement and further extension. If it could be implemented administratively, a good case can be made for tying all capital exports and unilateral outflows to U. S. exports.

The United States, given its high real income and even higher potential income, is quite willing to provide real resources to the rest of the world in the form of an excess of export over imports of goods and services. We get into trouble internationally when we attempt to export dollar claims in an amount greater than our current account surplus.

If we tied capital flows to exports, an adjustment would come about in our balance of payments either through an increase in exports or a reduction in capital

flows or a combination of the two. Such a measure would not, as I have said, restrict the ability of foreign nations to tap real resources here. It would simply restrict the export of unused claims on us. I should stress that by the term "tying" I do not necessarily mean a narrow concept of financing specific exports of capital goods. I would not want to rule out capital flows that contribute to the financing of domestic outlays abroad which in turn induce general imports into the recipient country from the U. S. But in cases where the recipient country does not need our resources, directly or indirectly, little purpose is served by a flow of capital.

It can also be argued that a policy of this general nature would be preferable from both the domestic and the international viewpoints, to a policy of direct discouragement of capital outflows because it would be less likely to discourage American exports.

For economists, the case against tying aid is based on the general belief that multilateralism makes for better resource use than bilateralism. With this general proposition, I am in full agreement. What

economists need to examine, however, is whether the case of capital outflows (government or private) is also covered by this general proposition.

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 resource allocation. Before we reject this approach, however, we ought to compare its costs, both short- and long-term, with the costs of alternative approaches to dealing with the balance of payments problem. In particular, failure to realize potential output and employment is a real and substantial cost.

It should be apparent that in my view the policy alternatives involved in achieving more rapid economic growth and reducing our balance of payments deficit are critical to the longer term business outlook. The traditionalist forecaster has, however, no clear crystal ball for predicting the moves of policy makers. For me it would not be appropriate at all.

*An address by Mr. Mitchell at the Annual Meeting of the American Statistical Association, Cleveland, Ohio, September 6, 1963.

THE SECURITY I LIKE BEST . . .

Continued from page 2

try's conversion to the oxygenation process. Warner has an estimated 60,000,000 tons of limestone reserves at Cedar Hollow and 100,000,000 tons at Bellefonte, Pa. With the anticipated sales increase, this division is expected to make a significantly larger contribution to over-all earnings from here on.

Without question, Warner's most valuable asset is its huge land holding in the Morrisville area outside the city limits of Philadelphia, Pa. It is estimated that this tract alone is worth more than double the company's depreciated book value of \$23.00 per share. This is a 6,500 acre tract contiguous with U. S. Steel Corp's Fairless Works on the northeast and 3.1 miles of frontage on the deep water channel of the Delaware River. This 10-square-mile tract is bisected by the Pennsylvania R.R.'s main line between New York and Washington, D. C., for a distance of 4.7 miles and has major highways running through and adjoining it, including U. S. Route 13, a limited access high-speed industrial artery on the west and U. S. Route 1 on the north. The Penna. and New Jersey Turnpikes and Delaware Expressway from Philadelphia, are within two miles of the southerly end of the Warner tract. At the request of the Bucks County Industrial Development Corp., Warner has granted them an option to purchase up to 50 acres out of the 3,500 acres not needed for Warner's operations. This would be used to create a deep water port facility. Real estate experts and industrial park developers are unanimous in their conviction that this excess land will be ultimately converted into very profitable use because of its strategic location.

Capitalization consists solely of 1,087,000 shares of common stock. At the 1962 year-end, current assets of \$8,221,607, including cash of \$3,513,162, compared with current liabilities of \$2,523,485. Annual dividend rate is \$1.00 per share which has been supplement-

ed in recent years with extras of cash or stock.

Sales and earnings in recent years, plagued by management deficiencies and labor trouble among its customers, have given little reflection of Warner's real profit potential. With its new and younger management and settlement of major strikes in the construction industry in recent months, Warner should show about a 40% improvement in operating earnings in 1963 with an estimated \$1.60 per share vs. \$1.13 earned in 1962 (excluding \$0.34 per share in non-recurring items). Based upon the current record backlog of orders for ready-mix concrete, expanding sales of lime, and savings from a cost reduction and new equipment program, management believes that, barring unforeseen unfavorable developments, earnings should amount to \$2.50 to \$3.00 per share in 1964.

To sum up, Warner Company common, selling currently on the NYSE around \$28 per share, represents a most intriguing "double-play" situation. Near-term, it should reflect the considerable improvement in sales and earnings already in being. Long-term, the ultimate conversion of its excess land holdings so centrally located in the fast-growing Delaware Valley should result in extraordinary benefits to the Warner shareholders.

Joins Boettcher & Co.

DENVER, Colo.—James C. Contis has joined the staff of Boettcher and Company, 828 17th Street, members of the New York Stock Exchange. Mr. Contis was formerly with Coffin & Burr in New York and Schirmer, Atherton & Co. in Boston.

McNeel Adds

ATLANTA, Ga. — Douglas L. Harper has become connected with McNeel & Co., Inc., Candler Building, members of the Philadelphia - Baltimore - Washington Stock Exchange. He was formerly with Miller Securities Corp.

STATE of TRADE and INDUSTRY

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above the corresponding period of 1962, and 145,445 cars or 36.8% above the corresponding period in 1961. There were 61 class I U. S. railroad systems originating this type traffic in this year's week compared with 61 one year ago and 58 in the corresponding week in 1961.

Inter-City Truck Tonnage Fractionally Below Year-Ago

Intercity truck tonnage in the week ended Sept. 14 was .02% 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 this year. 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 ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

The terminal survey for last week showed increased tonnage from a year ago at 18 localities, with 15 points reflecting decreases from the 1962 level. One terminal city reported no change. No terminal city registered a gain of 10% or more, while only one terminal area showed a decline in excess of this amount, emphasizing the small variation from year-ago figures.

Compared with the immediately preceding week, all 34 metropolitan areas registered increased tonnage for the week following the Labor Day holiday.

Lumber Production Gains 5.5% Above 1962 Rate and 14% Above Last Week's

Lumber production in the country totaled 237,333,000 board feet in the week ended Sept. 14, according to reports received from regional lumber associations. Output advanced 14% over the preceding week.

Compared with 1962 levels production advanced 5.5%, shipments rose 7.3% and new orders rose 17.1%.

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

	Sept. 14 1963	Sept. 7 1963	Sept. 15 1962
Production	237,333	207,718	224,787
Shipments	241,042	201,522	224,602
New orders	246,655	207,475	210,540

Electric Output Shows 6.3% Gain Over 1962 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Sept. 21, was estimated at 17,478,000,000 kwh. according to the Edison Electric Institute. Output was 629,000,000 kwh. less than the previous week's total of 18,107,000 kwh. and 1,039,000,000 kwh. above the total output of 16,439,000,000 kwh. in the corresponding 1962 week or a year-to-year gain of 6.3%.

Failures Hold Close to Prior Week

Commercial and industrial failures numbered 281 in the week ended Sept. 19, easing only slightly from the 11-week high of 288 set a week earlier, reported Dun & Bradstreet, Inc. While casualties fell short of the 311 and

337 occurring in the comparable weeks of 1962 and 1961, they ran 18% above the pre-war toll of 239 in the similar week of 1939.

Failures involving liabilities of \$100,000 or more dipped to 42 from 49 in the preceding week but exceeded the 36 of this size last year. Meanwhile, smaller casualties with losses under \$100,000 held steady at 239, the same as a week ago, although they were appreciably lower than their comparable 1962 level of 275.

The toll among manufacturers slipped to 43 from 49, among wholesalers to 27 from 32, among service businesses to 31 from 38. In contrast, increases lifted retailing casualties to 126 from 120 and construction to 54 from 49. All of the decline from last year's levels centered in manufacturing and retailing, whereas tolls in other lines did not vary by more than one or two cases from their year-ago pace.

Commodity Prices Climb Pushed By U.S.S.R. Purchase

Climbing steadily higher every day this past week, the wholesale commodity price level reached 267.96 on Monday, Sept. 23, reports Dun & Bradstreet, Inc. The needs of Russia, formerly an exporter but now an importer of grains, caused rye and wheat prices to soar ahead again this week. The reduced harvests in the Ukraine have created an imbalance in world trade which can possibly be filled by countries like the United States with surpluses. Sugar prices in New York also surged ahead reflecting the trend in the world market. Rubber made moderate advances on reports of political turmoil in the new country of Malaysia, which is the world's largest producer.

The Daily Wholesale Commodity Index stepped up to 267.96 on Monday, Sept. 23 from 265.69 last week. For the second week in a row, the index surpassed that of a month ago, but remained below 1962 as it has for some time.

Wholesale Food Price Index Slips Below Last Week and Year Ago

After keeping to an even level for the last two weeks, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., eased 0.2% from \$5.93 in the prior week and 0.8% from \$5.97 a year ago to \$5.92 on Sept. 24. This marks the sixth consecutive week that the index has trailed both last year and 1961.

Pushing the index down were sizable declines in quotations for bellies, cheese, eggs, and steers, along with moderate easings in beans, peas and lambs. Fourteen foods rose in price, but they failed to offset the sharpness of the downturns. These products were flour, wheat, corn, rye, oats, barley, hams, lard, butter, sugar, coffee, cottonseed oil, potatoes and hogs.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meat in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Retail Purchases Uneven

With college and school buying past its peak and with unfavorable weather prevailing in some areas, consumer buying made uneven headway in the week ended this Wednesday, although volume

continued ahead of year-ago levels. On the West Coast and North West, high temperatures discouraged shopping for fall. Some other areas, after a good autumn-like weekend, were hit by rains and storms in the early part of this week. Demand for new cars slowed appreciably as the introduction of 1964 models neared, but used autos were selling at an accelerated pace. Building materials and hardware business gained new life, particularly in the South. In apparel, some wavering in the call for women's and children's wear was offset by continued zest in the demand for men's clothing and home goods.

The total dollar volume of retail trade in the week ended this Wednesday ranged from 3 to 7% higher than a year ago, according to spot estimates collected by Dun & Bradstreet Inc. Regional estimates varied from comparable 1962 levels by the following percentages: West North Central -4 to 0; Mountain and Pacific -2 to +2; West South Central 0 to +4; East South Central +2 to +6; Middle Atlantic +4 to +8; New England +5 to +9; East North Central +6 to +10; South Atlantic +8 to +12.

Nationwide Department Stores Sales Rise 8% Above Last Year's Level

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index were up 8% for the statement week ending Sept. 14 compared with the like period in 1962. The week's gain over the year-ago week marked the 17th encouraging weekly uptrend in a row. The weekly sales index for the latest statement week was up 13% compared to the Sept. 7-ending week.

In the four-week period ended Sept. 14, 1963, sales gained 7% over last year's level for the comparable period for the country's 12 leading department store districts.

So far this year (Jan. 1 to Sept. 14), the 12 department store districts' retail dollar volume increased 5% (adjusted) over that rung up for corresponding period a year ago.

According to the Federal Reserve System, department store sales in New York City for the week ended Sept. 14 gained 12% over the comparable year-ago week's figure. New York City's department store sales were up 9% for the four week period ending Sept. 21. They were down 1% compared to last year's cumulative period, whereas department stores in the N. Y.-Northeastern New Jersey Metropolitan area were up 5% in the Jan. 1-Sept. 14, 1963 period from the corresponding year-ago period.

A flash figure for New York City's sales for the Sept. 21-ending sales week revealed a minus 5%. Until then, the year-to-year comparison for every week since June 1 of this year revealed a gain for the N. Y. C. department stores notwithstanding the N. Y. City sales tax hike from 3% to 4% commencing last June 1. No one can surmise, however, how much higher it might have been in the absence of the sales tax rise. The four-week N. Y. C. flash figure revealed no advance over comparison with last year's period.

A broader set of data encompassing total retail sales, compiled by the Bureau of the Census, U. S. Department of Commerce, put the Sept. 14-ending

IBA Slate for 1964

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Rauscher, Pierce &
Co., Inc., Dallas

week's total 2% above the comparable week last year. The year-to-year contrast for the latest four-week period showed a gain of 2%. 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 Year-Ago But Unchanged From July

Total sales of retail stores in August were \$21.1 billion, the U. S. Department of Commerce announced. This advance figure, after adjustment for seasonal variations and trading day differences, was virtually unchanged from July 1963 and 6% above August 1962.

The Office of Business Economics noted that, after adjustment for seasonal variations and trading day differences, most major durable goods trades showed lower sales from July to August. Sales of nondurable goods stores increased to a new high in August. Small gains were recorded in most soft-goods lines. Based on the full sample, seasonally adjusted sales of all retail stores in July 1963 were about 1% above June.

With Hersh Eatherton

DENVER, Colo.—Timothy Collins has become affiliated with Hersh Eatherton & Associates, Inc., 509 17th Street. He was formerly with Peters, Writer & Christensen, Inc.

With J. H. Naylor

DENVER, Colo.—Milford A. Erickson is now connected with J. H. Naylor, Inc., 5810 West 38th Avenue. He was previously with Peters, Writer & Christensen, Inc.

N. Y. Municipal 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. Pollock, of Harris Trust & Savings Bank, who remains a member of the Board of Governors.

Miss Haggerty, who holds a trading position in the Municipal Bond Department of Phelps, Fenn, is one of the few women in the United States to have such a distinction with a major underwriting firm. She has spent her entire business career with Phelps, Fenn & Co. and is well known throughout the country by bond traders, dealers and underwriters.

Also elected at the meeting were Jeanette F. Boonias, of Dempsey-Tegeler & Co., Inc., Vice-President; Lenore McConkey, of Eastman Dillon, Union Securities & Co., Treasurer; Ann J. Lascari, of Phelps, Fenn & Co., Secretary. Madeline B. Sundstrom, of Chemical Bank New York Trust Co., and Anne R. Mullaney, of Reynolds & Co., were elected members of the Board of Governors to serve for two years.

In addition to Mrs. Pollock, the retiring President, Maureen T. Cates, of Kuhn, Loeb & Co., and Charlene F. Koke, of John Nuveen & Co. will continue on the Board of Governors until the annual meeting in September, 1964.



Elaine C. Haggerty

Indications of Current Business Activity

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

	Latest Week	Previous Week	Month Ago	Year Ago	Latest Month	Previous Month	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:							
Steel ingots and castings (net tons).....	Sept. 21 1,863,000	1,804,000	1,761,000	1,715,000			
Index of production based on average weekly production for 1957-1959.....	Sept. 21 100.0	96.8	94.5	92.1			
Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960.....	Sept. 21 0.605	0.59	0.575	0.585			
AMERICAN PETROLEUM INSTITUTE:							
Crude oil and condensate output—daily average (bbbls. of 42 gallons each).....	Sept. 13 7,565,860	7,574,760	7,666,760	7,301,910			
Crude runs to stills—daily average (bbbls.).....	Sept. 13 8,586,000	9,012,000	8,634,000	8,511,000			
Gasoline output (bbbls.).....	Sept. 13 31,561,000	32,343,000	31,617,000	31,626,000			
Kerosene output (bbbls.).....	Sept. 13 2,863,000	3,469,000	2,709,000	2,960,000			
Distillate fuel oil output (bbbls.).....	Sept. 13 14,890,000	14,631,000	14,097,000	12,858,000			
Residual fuel oil output (bbbls.).....	Sept. 13 4,765,000	4,859,000	5,314,000	5,792,000			
Stocks at refineries, bulk terminals, in transit, in pipe lines							
Finished gasoline (bbbls.) at.....	Sept. 13 182,970,000	183,450,000	186,179,000	179,792,000			
Kerosene (bbbls.) at.....	Sept. 13 36,053,000	36,024,000	34,837,000	35,989,000			
Distillate fuel oil (bbbls.) at.....	Sept. 13 168,051,000	*165,973,000	151,514,000	165,901,000			
Residual fuel oil (bbbls.) at.....	Sept. 13 53,216,000	52,637,000	51,849,000	54,223,000			
Unfinished oils (bbbls.) at.....	Sept. 13 84,020,000	86,455,000	88,512,000	84,810,000			
ASSOCIATION OF AMERICAN RAILROADS:							
Revenue freight loaded (number of cars).....	Sept. 14 598,056	494,208	576,657	586,626			
Revenue freight received from connections (no. of cars).....	Sept. 14 477,016	432,699	476,010	494,354			
COAL OUTPUT (U. S. BUREAU OF MINES):							
Bituminous coal and lignite (tons).....	Sept. 14 9,750,000	8,110,000	9,385,000	8,803,000			
Pennsylvania anthracite (tons).....	Sept. 14 430,000	363,000	459,000	294,000			
CONSTRUCTION ADVANCE PLANNING—ENGINEERING NEWS-RECORD—NEW SERIES (000's omitted):							
Total advance planning by ownership.....	Sept. 19 \$920,600	\$583,100	\$583,300	\$336,700			
Private.....	Sept. 19 579,500	399,200	400,400	153,800			
Public.....	Sept. 19 341,100	183,900	182,900	182,900			
State and Municipal.....	Sept. 19 330,800	177,800	105,300	180,300			
Federal.....	Sept. 19 10,300	6,100	77,600	2,600			
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE=100							
.....	Sept. 14 122	108	113	113			
EDISON ELECTRIC INSTITUTE:							
Electric output (in 000 kwh.).....	Sept. 21 17,478,000	18,107,000	18,082,000	16,439,000			
FAILURES (COMMERCIAL AND INDUSTRIAL)—DUN & BRADSTREET, INC.							
.....	Sept. 19 281	288	275	311			
IRON AGE COMPOSITE PRICES:							
Finished steel (per lb.).....	Sept. 16 6.279c	6.279c	6.279c	6.196c			
Pig iron (per gross ton).....	Sept. 16 \$63.11	\$63.11	\$63.11	\$66.44			
Scrap steel (per gross ton).....	Sept. 16 \$26.83	\$26.83	\$27.17	\$26.50			
METAL PRICES (E. & M. J. QUOTATIONS):							
Electrolytic copper.....	Sept. 20 30.600c	30.600c	30.600c	30.600c			
Domestic refinery at.....	Sept. 20 28.425c	28.400c	28.400c	28.475c			
Export refinery at.....	Sept. 20 11.750c	11.500c	11.500c	9.500c			
Lead (New York) at.....	Sept. 20 11.550c	11.300c	11.300c	9.300c			
Lead (St. Louis) at.....	Sept. 20 13.000c	13.000c	13.000c	12.000c			
Zinc (delivered at).....	Sept. 20 12.500c	12.500c	12.500c	11.500c			
Zinc (East St. Louis) at.....	Sept. 20 22.500c	22.500c	22.500c	24.000c			
Aluminum (primary pig, 99.5%) at.....	Sept. 20 116.875c	115.750c	114.750c	108.500c			
Straits tin (New York) at.....							
MOODY'S BOND PRICES DAILY AVERAGES:							
U. S. Government Bonds.....	Sept. 24 88.93	88.74	89.16	88.88			
Average corporate.....	Sept. 24 88.54	88.54	88.81	87.45			
Aaa.....	Sept. 24 91.34	91.34	91.77	91.62			
Aa.....	Sept. 24 89.78	89.92	90.20	89.51			
A.....	Sept. 24 88.67	88.81	89.09	87.32			
Baa.....	Sept. 24 84.43	84.30	84.43	82.03			
Railroad Group.....	Sept. 24 86.78	86.78	87.05	83.91			
Public Utilities Group.....	Sept. 24 89.51	89.51	89.92	88.95			
Industrials Group.....	Sept. 24 89.37	89.37	89.51	89.64			
MOODY'S BOND YIELD DAILY AVERAGES:							
U. S. Government Bonds.....	Sept. 24 3.97	4.00	3.93	3.85			
Average corporate.....	Sept. 24 4.52	4.52	4.50	4.60			
Aaa.....	Sept. 24 4.32	4.32	4.29	4.30			
Aa.....	Sept. 24 4.43	4.42	4.40	4.45			
A.....	Sept. 24 4.51	4.50	4.48	4.61			
Baa.....	Sept. 24 4.83	4.84	4.83	5.02			
Railroad Group.....	Sept. 24 4.65	4.65	4.63	4.87			
Public Utilities Group.....	Sept. 24 4.45	4.45	4.42	4.49			
Industrials Group.....	Sept. 24 4.46	4.46	4.45	4.44			
MOODY'S COMMODITY INDEX							
.....	Sept. 24 366.0	359.6	358.8	367.0			
NATIONAL PAPERBOARD ASSOCIATION:							
Orders received (tons).....	Sept. 14 377,509	326,890	371,221	343,679			
Production (tons).....	Sept. 14 381,739	284,732	378,185	358,534			
Percentage of activity.....	Sept. 14 99	75	98	98			
Unfilled orders (tons) at end of period.....	Sept. 14 614,072	615,842	597,036	498,222			
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1959 AVERAGE=100							
.....	Sept. 20 99.40	*99.33	98.98	97.28			
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS							
Transactions of specialists in stocks in which registered—							
Total purchases.....	Aug. 30 3,036,890	2,763,460	2,217,360	2,006,130			
Short sales.....	Aug. 30 575,550	557,490	534,010	431,370			
Other sales.....	Aug. 30 2,414,080	2,082,760	1,738,520	1,652,690			
Total sales.....	Aug. 30 2,989,630	2,640,250	2,272,530	2,084,060			
Other transactions initiated off the floor—							
Total purchases.....	Aug. 30 686,380	632,620	422,020	379,300			
Short sales.....	Aug. 30 71,950	50,000	61,900	44,600			
Other sales.....	Aug. 30 601,950	531,830	397,270	369,820			
Total sales.....	Aug. 30 673,900	581,830	459,170	414,420			
Other transactions initiated on the floor—							
Total purchases.....	Aug. 30 1,207,357	1,081,743	878,540	678,846			
Short sales.....	Aug. 30 211,250	219,910	205,060	96,074			
Other sales.....	Aug. 30 1,149,965	938,482	708,860	572,740			
Total sales.....	Aug. 30 1,361,215	1,158,392	913,920	668,814			
Total round-lot transactions for account of members—	Aug. 30 4,930,627	4,477,823	3,517,920	3,064,276			
Total purchases.....	Aug. 30 858,750	827,400	800,970	572,044			
Short sales.....	Aug. 30 4,165,995	3,553,072	2,844,650	2,505,250			
Total sales.....	Aug. 30 5,024,745	4,380,472	3,645,620	3,167,294			
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE—SECURITIES EXCHANGE COMMISSION							
Odd-lot sales by dealers (customers' purchases)—†							
Number of shares.....	Aug. 30 1,547,185	1,359,620	1,260,039	1,177,638			
Dollar value.....	Aug. 30 \$84,220,858	\$70,242,663	\$69,972,645	\$59,023,305			
Odd-lot purchases by dealers (customers' sales)—							
Number of orders—customers' total sales.....	Aug. 30 1,832,003	1,674,895	1,376,772	1,214,022			
Customers' short sales.....	Aug. 30 11,111	12,110	19,043	29,393			
Customers' other sales.....	Aug. 30 1,820,892	1,662,785	1,357,729	1,184,629			
Dollar value.....	Aug. 30 \$90,409,041	\$81,095,551	\$69,426,086	\$59,580,963			
Round-lot sales by dealers—							
Number of shares—Total sales.....	Aug. 30 705,910	659,610	471,900	427,020			
Short sales.....	Aug. 30 705,910	659,610	471,900	427,020			
Other sales.....	Aug. 30 406,470	321,660	347,180	372,670			
Round-lot purchases by dealers—Number of shares.....	Aug. 30 705,910	659,610	471,900	427,020			
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):							
Short sales.....	Aug. 30 1,091,400	1,018,650	1,055,750	876,780			
Other sales.....	Aug. 30 22,821,900	19,972,110	15,892,550	13,833,170			
Total sales.....	Aug. 30 23,913,300	20,990,761	16,948,300	14,709,950			
WHOLESALE PRICES, NEW SERIES—U. S. DEPT. OF LABOR—(1957-59=100):							
Commodity Group.....							
All commodities.....	Sept. 17 100.2	*100.2	100.4	101.0			
Farm products.....	Sept. 17 95.0	*95.1	96.1	100.0			
Processed foods.....	Sept. 17 100.9	*101.3	101.7	102.6			
Meats.....	Sept. 17 93.2	*94.6	95.4	102.7			
All commodities other than farm and foods.....	Sept. 17 100.8	100.7	100.7	100.8			
AMERICAN PETROLEUM INSTITUTE—Month of June:							
Total domestic production (barrels of 42 gallons each).....	258,798,000	267,588,000	246,833,000				
Domestic crude oil output (barrels).....	226,853,000	234,493,000	217,712,000				
Natural gasoline output (barrels).....	31,939,000	33,082,000	29,117,000				
Benzol output (barrels).....	6,000	7,000	4,000				
Crude oil imports (barrels).....	31,872,000	34,484,000	33,817,000				
Refined product imports (barrels).....	22,253,000	27,052,000	24,726,000				
Indicated consumption domestic and export (barrels).....	285,847,000	304,697,000	286,464,000				
AMERICAN RAILWAY CAR INSTITUTE—							
Month of August:							
Orders of new freight cars.....	3,021	4,356	2,781				
New freight cars delivered.....	4,141	4,017	3,541				
Backlog of cars on order and undelivered (end of month).....	20,749	21,925	12,429				
AMERICAN TRUCKING ASSOCIATION, INC.—							
Month of July:							
Intercity general freight transport by 350 carriers (in tons).....	6,488,237	6,369,886	4,832,041				
AMERICAN ZINC INSTITUTE, INC.—Month of August:							
Slab zinc smelter output all grades (tons of 2,000 pounds).....	77,173	73,117	72,805				
Shipments (tons of 2,000 pounds).....	92,540	99,027	67,304				
Stocks at end of period (tons).....	64,593	79,960	167,857				
BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM							
Month of August (000,000's omitted).....	\$300,500	*\$320,700	\$281,000				
BANKERS DOLLAR ACCEPTANCES OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK—As of August 31:							
Imports.....	\$555,516,000	\$555,104,000	\$487,763,000				
Exports.....	771,711,000	791,047,000	666,725,000				
Domestic shipments.....	13,312,000	19,832,000	17,030,000				
Domestic warehouse credits.....	39,558,000	44,203,000	55,383,000				
Dollar exchange.....	105,100,000	128,490,000	138,019,000				

Securities Now in Registration

★ INDICATES ADDITIONS
SINCE PREVIOUS ISSUE
● ITEMS REVISED

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

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

● **Adkins-Phelps Co. (10/2)**

Aug. 7, 1963 ("Reg. A") 50,000 common. Price—\$6. Business—Wholesale distribution of agricultural products. Proceeds—For working capital. Office—403 Magnolia St., North Little Rock, Ark. Underwriter—Trulock & Co., Pine Bluff, Ark.

● **Airway Hotels, Inc.**

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

● **Allegheny Ventura Corp.**

July 12, 1963 filed 37,231 outstanding common being offered for subscription by stockholders of Allegheny Airlines, Inc., parent, on basis of one Ventura share for each 25 Allegheny shares held of record Sept. 13. Rights will expire Oct. 14. Price—\$9.60 per share. Business—Car rental. Proceeds—Allegheny will receive the proceeds and loan them to Ventura. Address—Washington National Airport, Washington, D. C. Underwriter—None.

● **Amerel Mining Co. Ltd.**

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

● **American-Israel World's Fair Corp. (10/14-18)**

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

● **American Vitrified Products Co.**

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

● **Amerline Corp. (10/2)**

Sept. 5, 1963 filed 100,000 class A. Price—By amendment (max. \$26.50). Business—Development and manufacture of magnetic tape reels, dust-proof containers and endless magnetic tape cartridges for producers of computers,

business machines, tape recorders, etc. Proceeds—For selling stockholders. Office—2727 West Chicago Ave., Chicago. Underwriter—Dean Witter & Co., Chicago.

● **Atlantis International Corp.**

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

● **Atlas Management Co.**

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

● **B. V. D. Co., Inc. (10/7-11)**

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

● **Bay State Exchange Fund, Inc.**

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

● **Bede Aircraft, Inc.**

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

● **Beneficial Standard Life Insurance Co. of N. Y.**

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

● **Bradford Speed Packaging & Development Corp. (10/7-11)**

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

● **Brantly Helicopter Corp.**

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

● **Bridges Investment Fund, Inc. (11/4-8)**

July 25, 1963 filed 200,000 capital shares. Price—Net asset value (max. \$10). Business—A new mutual fund. Proceeds—For investment. Office—8401 W. Dodge Rd., Omaha. Underwriter—None.

● **Canaveral Hills Enterprises, Inc.**

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

● **Castle Hospitality Services, Inc.**

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

● **Chemair Corp.**

Dec. 28, 1962 filed \$150,000 of 6% subordinated income debentures due 1973 and 30,000 common shares to be offered in units consisting of one \$10 debenture and two common. Price—\$12 per unit. Business—Production and sale of chemicals designed to control odors, bacterial growth and air pollutants; and development, production and sale of an electronic vaporizing unit for dispensing such chemicals. Proceeds—For debt repayment, equipment, sales promotion and working capital. Office—221 N. La Salle St., Chicago. Underwriter—Price In-

vesting Co., New York. Note—This company formerly was named Chemair Electronics Corp. Offering—Indefinite.

● **Chestnut Hill Industries, Inc.**

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

● **Citadel Life Insurance Co. of New York**

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

● **Coleridge Press Inc.**

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

● **Colorado Imperial Mining Co.**

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

● **Commercial Life Insurance Co. of Missouri**

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

● **Common Market Fund, Inc.**

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

● **Community Health Associations, Inc.**

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

● **Continental Reserve Corp.**

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

● **Defenders Insurance Co.**

Jan. 30, 1963 filed 100,000 common. Price—\$12.50. Business—Company plans to write automobile insurance. Proceeds—For general corporate purposes. Office—148 Old Country Rd., Mineola, N. Y. Underwriter—None.

● **Denny's Restaurants, Inc. (10/7-11)**

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

● **Deuterium Corp.**

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

● **Doman Helicopters, Inc.**

April 19, 1962 filed 418,680 common to be offered for subscription by stockholders on the basis of two new shares for each three held. Price—By amendment (max. \$1.25). Business—Research, development and construction of experimental helicopters. Proceeds—To obtain certification of models, train service personnel, repay debt, etc. Address—Municipal Airport, Danbury, Conn. Underwriter—None. Note—The SEC has issued a stop order suspending this registration statement.

● **Dorchester Gas Producing Co. (10/8)**

July 25, 1963 filed \$3,500,000 of subordinated convertible debentures due Aug. 1, 1975. Price—By amendment. Business—Production of natural gas and its various by-products. Proceeds—For debt repayment and working

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Dri-Zit Corp.

Business—Manufacturer of dri-zit (a home product used to absorb odors and moisture); a cleaner for oven and barbecue grills; and a diaper garment for infants. **Proceeds**—For expansion, inventory and debt repayment. **Office**—2 Ryland St., Reno, Nev. **Underwriter**—First Nevada Securities Corp., Reno, Nev.

Dynapower Systems Corp.

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

Eberstadt Income Fund, Inc.

May 31, 1963 filed 2,000,000 capital shares. **Price**—Net asset value plus 8 1/2%. **Business**—A new mutual fund seeking current income. **Proceeds**—For investment. **Office**—65 Broadway, New York. **Distributor**—F. Eberstadt & Co., Managers & Distributors, Inc., New York.

Electro-Optical Systems, Inc.

June 11, 1963 filed 403,000 common, of which 140,000 are to be offered by company and 263,000 shares by stockholders. **Price**—By amendment (max. \$10). **Business**—Design and manufacture of optical systems for the Defense Department and for private industry. **Proceeds**—For debt repayment and working capital. **Office**—300 N. Halstead St., Pasadena, Calif. **Underwriters**—White, Weld & Co., Inc., and Kidder, Peabody & Co., Inc., N. Y. **Note**—This statement was withdrawn. Xerox Corp., has agreed to purchase the company's assets.

Electronic Dispenser Corp.

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

Equity Funding Corp. of America

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

Fedco Corp.

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

Federal Services Finance Corp. (10/1)

July 1, 1963 filed 64,000 common to be offered for subscription by stockholders of record Oct. 1. Rights will expire Oct. 15. **Price**—By amendment (max. \$20). **Business**—A holding company whose subsidiaries are engaged in the sales finance business and the writing of marine and credit life insurance. **Proceeds**—For redemption of outstanding second preferred stock, working capital, and other corporate purposes. **Office**—1701 Pennsylvania Ave., N. W., Washington, D. C. **Underwriter**—Mackall & Coe, Washington, D. C.

First American Israel Mutual Fund

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

Florida Jai Alai, Inc.

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

Florida Power Corp. (10/11)

Sept. 10, 1963 filed 457,265 common to be offered for subscription by common stockholders on the basis of one new share for each 20 held of record Oct. 10. Rights will expire Oct. 31. **Price**—By amendment (max. \$42). **Business**—Production, distribution and sale of electricity in northern and central Florida. **Proceeds**—For loan repayment, and construction. **Office**—101 Fifth Street, South, St. Petersburg, Fla. **Underwriters**—Kidder, Peabody & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Frazure, Hull, Inc.

Aug. 21, 1963 ("Reg. A") 133,333 common. **Price**—\$2.25. **Business**—Fruit growing, publishing of a farm newspaper, citrus fruit brokerage and operation of a retail store. **Proceeds**—For expansion of the newspaper, working capital and debt repayment. **Address**—West Highway

50-Winter Garden, Fla. **Underwriter**—Prudential Investment Corp., Miami.

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

● **General Acceptance Corp. (10/9)**

Sept. 12, 1963 filed \$20,000,000 of senior debentures due 1983. **Price**—By amendment. **Business**—Company is engaged in the consumer finance business, also does general commercial financing. **Proceeds**—For loan repayment and working capital. **Office**—1105 Hamilton St., Allentown, Pa. **Underwriters**—Paine, Webber, Jackson & Curtis and Eastman Dillon, Union Securities & Co., New York.

● **General Artists Corp. (10/14-18)**

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

● **General Stone & Materials Corp. (10/3)**

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

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

● **Greater Miami Industrial Park, Inc.**

Feb. 25, 1963, filed 136,094 common to be offered for subscription by stockholders on the basis of one share for each 4 1/2 shares held. **Price**—\$5.50. **Business**—Acquisition and development of real estate. **Proceeds**—For general corporate purposes. **Office**—811 duPont Plaza Center, Miami, Fla. **Underwriter**—None.

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NEW ISSUE CALENDAR

September 20 (Monday)

Key Finance Corp. Common
(Myron A. Lomasney & Co.) 80,000 shares

October 1 (Tuesday)

Federal Services Finance Corp. Common
(Offering to stockholders—Underwritten by Mackall & Coe)
64,000 shares

Jersey Central Power & Light Co. Bonds
(Bids 11 a.m. EDST) \$18,525,000

Juniper Spur Ranch, Inc. Common
(V. E. Anderson & Co.) 300,000

National Union Insurance Co. of Washington Com.
(Offering to stockholders—underwritten by Ferris & Co.)
\$768,000

O'Malley Investing Corp. Common
(O'Malley Securities Co.) \$3,000,000

Recording Industries Corp. Common
(Tennessee Securities Inc.) \$1,485,000

October 2 (Wednesday)

Adkins-Phelps Co. Common
(Trulock & Co., Inc.) \$300,000

Amerline Corp. Class A
(Dean Witter & Co.) 100,000 shares

Rogers Brothers Co. Common
(Dean Witter & Co.) 105,458 shares

October 3 (Thursday)

General Stone & Materials Corp. Common
(J. C. Wheat & Co.) 130,000 shares

Wisconsin Public Service Corp. Bonds
(Bids 10 a.m. CDST) \$15,000,000

October 7 (Monday)

B. V. D. Co., Inc. Common
(Drexel & Co.) 600,000 shares

Bradford Speed Packaging & Development Corp. Common
(Offering to stockholders of Atlas General Industries, Inc.—underwritten by Burnham & Co.) 819,024 shares

Denny's Restaurants, Inc. Common
(Dempsey-Tegeler & Co., Inc.) 167,000 shares

International Data Systems, Inc. Common
(Offering to stockholders—underwritten by A. G. Edwards & Sons) 11,000 shares

National Aviation Underwriters, Inc. Common
(A. G. Edwards & Sons) 300,000

Republic National Life Insur. Co. Capital Shares
(First Boston Corp. and Sanders & Co.) 200,000 shares

Subscription Television, Inc. Common
(William R. Staats & Co.) \$32,800,000

October 8 (Tuesday)

Dorchester Gas Producing Co. Debentures
(A. C. Allyn & Co.; Allen & Co.; Metropolitan Dallas Corp.) \$3,500,000

Nevada Power Co. Common
(White, Weld & Co., Inc.) 120,000 shares

United States Shoe Corp. Common
(Merrill Lynch, Pierce, Fenner & Smith Inc., Blyth & Co., Inc., and Fahnestock & Co.) 225,500 shares

October 9 (Wednesday)

General Acceptance Corp. Debentures
(Paine, Webber, Jackson & Curtis; Eastman Dillon, Union Securities & Co.) \$20,000,000

Louisville & Nashville RR. Equip. Trust Cfs.
(Bids 12 noon EDST) \$3,750,000

October 10 (Thursday)

Columbia Savings & Loan Assoc. Guarantee Stk.
(White, Weld & Co., Inc.) 125,000 shares

October 11 (Friday)

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

October 14 (Monday)

American-Israel World's Fair Corp. Debens.
(H. S. Caplin & Co.) \$500,000

Associated Truck Lines, Inc. Common
(Hornblower & Weeks) 110,000 shares

General Artists Corp. Common
(Burnham & Co.) 150,000 shares

Heck's, Inc. Common
(Charles Plohn & Co.) \$450,000

Morton (B. C.) Realty Trust Ben. Int.
(B. C. Morton Funds Underwriters Co., Inc.) \$10,000,000

Pacific Southwest Airlines Common
(E. F. Hutton & Co., Inc.) 79,477 shares

Ramo, Inc. Debentures
(First Nebraska Securities Corp.) \$2,000,000

Redman Industries, Inc. Units
(Eppler, Guerin & Turner, Inc.) 12,000 units

Wen Products, Inc. Common
(Hayden, Stone & Co., Inc.) 200,000 shares

October 15 (Tuesday)

Jersey Central Power & Light Co. Debentures
(Bids 11 a.m. EDST) \$9,000,000

October 16 (Wednesday)

Nevada Power Co. Bonds
(Bids 11:30 a.m. EDST) \$11,000,000

October 21 (Monday)

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

Pocono Downs, Inc. Units
(Suplee, Yeatman, Mosley Co., Inc.) \$4,375,000

Research Capital Corp. Common
(Hensberry & Co.) \$5,000,000

October 22 (Tuesday)

Public Service Electric & Gas Co. Debentures
(Bids 11 a.m. EDST) \$40,000,000

October 23 (Wednesday)

Otter Tail Power Co. Bonds
(Bids 10 a.m. CDST) \$7,000,000

October 28 (Monday)

Capitol Food Industries, Inc. Debentures
(Walston & Co.) \$1,700,000

Mohawk Airlines, Inc. Debentures
(Smith, Barney & Co., Inc.) \$6,000,000

October 29 (Tuesday)

Brockton Edison Co. Preferred
(Bids to be received) 60,000 shares

Brockton Edison Co. Bonds
(Bids to be received) \$5,000,000

Pacific Gas & Electric Co. Bonds
(Bids to be received) \$70,000,000

Southern Ry. Co. Equip. Trust Cfs.
(Bids 12 noon EDST) \$6,420,000

November 4 (Monday)

Aerosol Techniques, Inc. Common
(Laird & Co., Corp.) 150,000 shares

Bridges Investment Fund, Inc. Capital Shares
(No underwriting) 200,000 shares

Natural Gas & Oil Producing Co. Common
(Peter Morgan & Co.) \$900,000

Seaboard Air Line RR. Bonds
(Bids 12 noon EST) \$22,000,000

November 7 (Thursday)

Georgia Power Co. Bonds
(Bids to be received) \$30,000,000

Georgia Power Co. Preferred
(Bids to be received) \$7,000,000

November 13 (Wednesday)

Pacific Power & Light Co. Common
(Offering to stockholders—Bids 11 a.m. EST) 716,000 shares

November 19 (Tuesday)

New England Power Co. Bonds
(Bids to be received) \$10,000,000

New England Power Co. Preferred
(Bids to be received) \$10,000,000

November 20 (Wednesday)

Union Electric Co. Preferred
(Underwriter to be named) \$20,000,000

Union Electric Co. Bonds
(Bids 11 a.m. EST) \$30,000,000

December 3 (Tuesday)

Pacific Northwest Bell Tel. Co. Debentures
(Bids 11 a.m. EST) \$50,000,000

December 4 (Wednesday)

Massachusetts Electric Co. Bonds
(Bids to be received) \$10,000,000

December 5 (Thursday)

Columbia Gas System, Inc. Debentures
(Bids to be received) \$25,000,000

December 10 (Tuesday)

Northern Pacific Ry. Equip. Trust Cfs.
(Bids 12 noon EST) \$4,800,000

Virginia Electric & Power Co. Bonds
(Bids to be received) \$30,000,000

December 11 (Wednesday)

Consolidated Edison Co. of New York Bonds
(Bids 11 a.m. EST) \$60-\$75,000,000

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Greater Nebraska Corp.

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

Gulf States Utilities Co. (10/21)

Sept. 17, 1963 filed 100,000 preferred (par \$100). Proceeds—To repay short-term loans. Office—285 Liberty Ave., Beaumont, Tex. Underwriters—(Competitive). Probable bidders: Stone & Webster Securities Corp.; Lehman Brothers-Equitable Securities Corp. (jointly); Glore, Forgan & Co.-W. C. Langley & Co. (jointly); Lee Higginson Corp. Bids—Expected Oct. 21. Information Meeting—Oct. 15 (11 a.m. EDT) at One Wall St. (47th floor), New York.

Hawaiian Telephone Co.

Aug. 20, 1963 filed 534,000 common being offered for subscription by stockholders on the basis of one new share for about each 10 held of record Sept. 25. Rights will expire Oct. 24. Price—\$19.50. Proceeds—For expansion. Office—1130 Alakea St., Honolulu. Underwriter—None.

Heck's, Inc. (10/14-18)

June 12, 1963 refilled 180,000 class A common. Price—\$2.50. Business—Operation of discount stores. Proceeds—To provide fixtures and inventory for a new store, and for working capital. Office—6400 MacCorkle Ave., S. W., St. Albans, W. Va. Underwriter—Charles Plohn & Co., New York.

Hill Street Co.

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

Holiday Mobile Home Resorts, Inc.

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

Horace Mann Life Insurance Co.

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

International Data Systems, Inc. (10/7-11)

Aug. 2, 1963 ("Reg. A") 11,000 common to be offered for subscription by stockholders on a pro-rata basis. Price—At-the-market. Business—Development, design and manufacture of electronic devices. Proceeds—For a selling stockholder. Office—2925 Merrell Rd., Dallas. Underwriter—A. G. Edwards & Sons, St. Louis.

Intra State Telephone Co.

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

Investors Inter-Continental Fund, Inc.

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

Investors Realty Trust

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

Israfund-Israel Fund, Inc.

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

Israel American Diversified Fund, Inc.

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

Israel Baby Food Co. Ltd.

Sept. 12, 1963 filed \$190,000 of 8% subordinated debentures due 1975 and 14,000 8% preferred ordinary shares. Price—For debentures, \$100; for stock \$10. Business—Company plans to prepare and market baby food in Israel and abroad. Proceeds—For loan repayment, construction, equipment, and other corporate purposes. Address—Givat Brenner, Israel. Underwriter—Brager & Co., New York.

Israel Fund, Inc.

July 18, 1963 filed 500,000 common. Price—\$12.50. Business—A closed-end investment company which plans to

invest in Israeli firms. Proceeds—For investment. Office—4200 Hayward Ave., Baltimore. Underwriter—Investors Planning Corp. of America, New York.

"Isras" Israel-Rassco Investment Co., Ltd.

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

Jaap Penraat Associates, Inc.

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

Janus Fund, Inc.

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

Jersey Central Power & Light Co. (10/1)

Aug. 15, 1963 filed \$18,525,000 of first mortgage bonds due Oct. 1, 1993. Proceeds—To refund outstanding 5½% first mortgage bonds due 1990, and reimburse company's treasury for construction expenditures. Address—Madison Ave., at Punch Bowl Rd., Morristown, N. J. Underwriters—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Kidder, Peabody & Co.; Harriman Ripley & Co. Bids—Oct. 1 (11 a.m. EDT) at 80 Pine St., New York. Information Meeting—Sept. 26 (10 a.m. EDT) at same address.

Jersey Central Power & Light Co. (10/15)

Aug. 21, 1963 filed \$9,000,000 of debentures due Oct. 1, 1988. Price—By amendment. Proceeds—For construction. Address—Madison Avenue at Punch Bowl Rd., Morristown, N. J. Underwriters—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Kidder, Peabody & Co.; Harriman Ripley & Co. Bids—Oct. 15 (11 a.m. EDT) at 80 Pine St., New York. Information Meeting—Oct. 10 (10 a.m. EDT) at same address.

Juniper Spur Ranch, Inc. (10/1-4)

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

Key Finance Corp. (9/30)

June 7, 1963 filed 80,000 common. Price—By amendment (max. \$5). Business—Operation of a small loan business in Puerto Rico. Proceeds—For loan repayment, expansion and other corporate purposes. Address—Rio Piedras, Puerto Rico. Underwriter—Myron A. Lomasney & Co., New York.

Keystone International Fund, Inc.

Aug. 13, 1963 filed 200,000 common. Price—Net asset value plus 7½%. Business—A new mutual fund which will acquire assets of Keystone International Fund, Ltd., a Canadian corporation, and invest in securities throughout the Free World. Proceeds—For investment. Office—50 Congress St., Boston. Underwriter—Keystone Co. of Boston.

Krasnow Industries, Inc.

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

Life Insurance Co. of Florida

Aug. 16, 1963 filed 400,000 common. Price—By amendment (max. \$6). Business—Writing of industrial life, accident and health insurance as well as ordinary life insurance. Proceeds—For investment and eventual expansion. Office—2960 Coral Way, Miami. Underwriter—Pierce, Wulburn, Murphey, Inc., Jacksonville. Offering—Temporarily postponed.

Logos Options, Ltd.

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

Lord Jim's Service Systems, Inc.

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

Lunar Films, Inc.

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

Mahoning Corp.

July 26, 1963 filed 200,000 common. Price—\$3. Business—Company plans to engage in the exploration and development of Canadian mineral properties. Proceeds—

For general corporate purposes. Address—402 Central Tower Bldg., Youngstown, Ohio. Underwriter—None.

Management Investment Corp.

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

Marshall Press, Inc.

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

Medic Corp.

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

Medical Industries Fund, Inc.

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

Medical Video Corp.

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

Meridian Fund, Inc.

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

Middlesex Water Co.

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

Midwest National Life Insurance Co.

Sept. 17, 1963 filed 160,000 common. Price—By amendment (max. \$7). Business—Sale of life insurance. Proceeds—For working capital. Address—Empire Bldg., Springfield, Mo. Underwriter—Stifel, Nicolaus & Co., Inc., St. Louis.

Midwest Technical Development Corp.

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

Mobile Home Parks Development Corp.

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

Morton (B. C.) Realty Trust (10/14-18)

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

Municipal Investment Trust Fund, Series B

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

National Aviation Underwriters, Inc. (10/7-11)

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

National Equipment & Plastics Corp.

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

National Fence Manufacturing Co., Inc.

Nov. 29, 1962 filed 100,000 common. Price—\$8.75. Business—Manufacture of galvanized chain link fence, welded concrete reinforcing fabric, gates and related products. Proceeds—For construction of a plant in Ireland, and working capital. Office—4301 46th St., Bladensburg, Md. Underwriter—Netherlands Securities Co., New York.

National Memorial Estates

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

National Mortgage Corp., Inc.

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

National Union Insurance Co. of Washington (10/1-4)

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

Natural Gas & Oil Producing Co. (11/4-8)

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

Nevada Power Co. (10/8)

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

Nevada Power Co. (10/16)

Sept. 6, 1963 filed \$11,000,000 of first mortgage bonds due 1993. Price—By amendment. Proceeds—For construction and loan repayment. Address—P. O. Box 230, Las Vegas, Nevada. Underwriters—(Competitive). Probable bidders: White, Weld & Co.; Eastman Dillon, Union Securities & Co.—Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.—Lehman Brothers—Salomon Brothers & Hutzler (jointly). Bids—Oct. 16 (11:30 a.m. EDST) at 20 Exchange Place (Room 1709), New York. Information Meeting—Oct. 4 (11 a.m. EDST) at 55 Wall St., (5th floor), New York.

New Campbell Island Mines Ltd.

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

New World Fund, Inc.

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

Nordon Corp. Ltd.

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

Northwest Hydrofoil, Inc.

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

Nuclear Science & Engineering Corp.

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

Oklahoma Corp.

Sept. 12, 1963 filed 500,000 common and 500,000 preferred (\$6 par); to be offered in units of five preferred and five common shares. Price—\$35 per unit. Business—Company plans to engage in the life insurance business through the formation of two subsidiaries, or through the purchase of stock in an existing insurance company. Proceeds—For acquisition of above stock, loan repayment and working capital. Office—2201 Northwest 41st St., Oklahoma City. Underwriter—Equity Underwriters, Inc. (same address).

Old Florida Rum Co.

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

O'Malley Investing Corp. (10/1-4)

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

Otter Tail Power Co. (10/23)

Sept. 16, 1963 filed \$7,000,000 of first mortgage bonds due 1993. Proceeds—For loan repayment, and construction. Office—215 South Cascade St., Fergus Falls, Minn. Underwriters—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. Inc.; Glore, Forgan & Co.—Kalman & Co. (jointly); White, Weld & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.—Salomon Brothers & Hutzler (jointly). Bids—Oct. 23 (10 a.m. CDST) at office of Fiedly, Austin, Burgess & Smith, 11 So. La Salle St., Chicago.

Outlet Mining Co., Inc.

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

PMA Insurance Fund Inc.

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

Pacific Mines, Inc.

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

Pacific Southwest Airlines (10/14-18)

Sept. 13, 1963 filed 79,477 common. Price—By amendment (max. \$40). Business—Company provides daily air passenger service between the Los Angeles, San Francisco and San Diego metropolitan areas. Proceeds—For selling stockholders. Address—3100 Goddard Way, San Diego. Underwriter—E. F. Hutton & Co., Los Angeles.

Philippine Oil Development Co., Inc.

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

Pocono Downs, Inc. (10/21-25)

Sept. 10, 1963 filed \$2,500,000 of 6½% subordinated sinking fund debentures due 1978, 375,000 common and 250,000 warrants to purchase additional common, to be offered in units consisting of one \$100 debenture, 15 shares and warrants to purchase an additional 10 shares. Price —\$175 per unit. Business—Company plans to operate a harness racing track in Luzerne County, Pa. Proceeds—For construction, and loan repayment. Address — 504 First National Bank Bldg., Wilkes-Barre, Pa. Underwriter—Supplee, Yeatman, Mosley Co., Inc., Philadelphia.

Powell Petroleum, Inc.

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

Princeton Research Lands, Inc.

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

Provident Stock Fund, Inc.

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

Quality National Corp.

Sept. 16, 1963 filed 200,000 class A common. Price — \$5. Business—Company plans to form a subsidiary life insurance company. Proceeds—For general corporate purposes. Office—2904 Georgian Court, Lincoln, Neb. Underwriter—None.

Ramo Inc. (10/14-18)

Sept. 16 1963 filed \$2,000,000 of 6¼% subord. sinking fund debens. Due Oct. 1, 1975. Price—At par. Business—Company processes domestic and imported nutmeats for sale to food distributors, supermarket chains and other wholesale outlets. Proceeds—For construction of a new plant, and working capital. Address—84th St., and West Dodge Rd., Omaha, Nebr. Underwriter—First Nebraska Securities Corp., Lincoln, Nebr.

Rassco Plantations Ltd.

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

Recording Industries Corp. (10/1)

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

Recreation Industries, Inc.

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

Redman Industries, Inc. (10/14-18)

Sept. 16, 1963 filed \$1,200,000 of 6½% convertible subordinated debentures due 1975 and 204,000 common to be offered in units of one \$100 debenture and 17 shares. Price—By amendment (max. \$168 per unit). Business—Manufacture and sale of mobile homes. Proceeds—For general corporate purposes. Office—7808 Carpenter Freeway, Dallas. Underwriter — Eppler, Guerin & Turner, Inc., Dallas.

Republic National Life Insurance Co. (10/7-11)

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

Research Capital Corp. (10/21-25)

Sept. 3, 1963 filed 400,000 common. Price—\$12.50. Business—A small business investment company. Proceeds—For investment. Office—2909 Bay-to-Bay, Tampa. Underwriter—Hensberry & Co., St. Petersburg, Fla.

Resort Corp. of Missouri

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

Retirement Foundation, Inc.

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

Rogers Brothers Co. (10/2)

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

Satawa Gold Mines Ltd.

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

Selective Financial Corp.

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

Shaker Properties

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

Squire For Men, Inc.

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

Stein Roe & Farnham Foreign Fund, Inc.

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

Subscription Television, Inc. (10/7-11)

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

Sutro Mortgage Investment Trust

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

Teaching Machines, Inc.

April 1, 1963 filed 150,000 common. Price—\$5 Business—Company develops and sells teaching machines exclusively for Grolier Inc. Proceeds—For loan repayment and other corporate purposes. Office—221 San Pedro, N. E. Albuquerque. Underwriter—S. D. Fuller & Co., New York. Offering—Indefinitely postponed.

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Issues Filed With SEC This Week

Tecumseh Investment Co., Inc.

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

Texas Plastics, Inc.

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

Top Dollar Stores, Inc.

May 1, 1962 filed 200,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders. Price—\$6. Business—Operation of a chain of self-service retail stores selling clothing, housewares, etc. Proceeds—For expansion, equipment and working capital. Office—2220 Florida Ave., Jasper, Ala. Underwriter—Van Alstyne, Noel & Co., New York. Offering—Temporarily postponed.

Transarizona Resources, Inc.

May 28, 1962 filed 500,000 capital shares. Price—\$1.50. Business—Exploration, development and production of the Lake Shore copper deposit near Casa Grande, Ariz. Proceeds—For equipment, exploration and working capital. Office—201 E. 4th St., Casa Grande, Ariz. Underwriter—None.

Transpacific Group, Inc.

July 26, 1963 filed 155,000 common. Price—By amendment (max. \$15). Business—An insurance holding company. Proceeds—For expansion. Office—520 S. W. 6th Ave., Portland, Ore. Underwriter—None.

Trans World Life Insurance Co.

July 31, 1963 filed 465,000 common. Price—By amendment (max. \$5). Business—Company plans to sell general life and disability insurance policies. Proceeds—To increase capital and surplus. Office—609 Sutter St., San Francisco. Underwriter—Alex. Brown & Sons, Baltimore. Offering—Indefinite.

United Investors Corp. (Minn.)

July 29, 1963 filed \$500,000 of 6% convertible debentures due 1973 to be offered for subscription by stockholders on an unlimited basis. Price—At par. Business—A holding company for United Investors Fund Corp. (a broker-dealer which sells mutual funds) and United Capital Life Insurance Co. of Minnesota. Proceeds—To increase capital and surplus of United Capital Life Insurance Co. of Minnesota. Address—1300 First National Bank Bldg., Minneapolis. Underwriter—None.

U. S. Controls, Inc.

Aug. 8, 1963 filed \$210,000 of 6½% debentures due 1973 and warrants to purchase 31,500 shares to be offered for public sale in units of one \$100 debentures and 15 warrants. Price—\$100 per unit. Business—Development and manufacture of heating equipment and automatic control systems. Proceeds—For inventory, sales promotion, note prepayment and working capital. Office—410 Fourth Ave., Brooklyn, N. Y. Underwriter—M. H. Meyerson & Co., Inc., New York. Offering—Expected in November.

Unified Mutual Shares, Inc.

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

United States Shoe Corp. (10/8)

Sept. 17, 1963 filed 225,500 common. Price—By amendment (max. \$37). Business—Manufacture and retail sale of shoes. Proceeds—For selling stockholders. Office—1658 Herald Ave., Cincinnati. Underwriters—Merrill Lynch, Pierce, Fenner & Smith Inc.; Blyth & Co., Inc., and Fahnstock & Co., New York.

Unimed, Inc.

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

United Variable Annuities Fund, Inc.

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

Universal Moulded Fiber Glass Corp.

Aug. 23, 1963 filed 738,408 common being offered for subscription by stockholders on the basis of three new shares for each four held of record Sept. 19. Rights will expire Oct. 15. Price—\$2.50. Business—Production and molding of plastics or related materials reinforced by fiber glass. Proceeds—For loan repayment, and working capital. Address—Commonwealth Ave., Bristol, Va. Underwriter—None.

Urethane of Texas, Inc.

Feb. 14, 1962 filed 250,000 class A and 250,000 common to be offered in units of one share of each class. Price—\$5.05 per unit. Business—Manufacture of urethane foams. Proceeds—For equipment, working capital, leasehold expenses and other corporate purposes. Office—2300 Republic National Bank Bldg., Dallas. Underwriter—First Nebraska Securities Corp., Lincoln, Neb. Offering—Temporarily postponed.

Valley Investors, Inc.

Jan. 23, 1963, filed 328,858 common. Price—\$1. Business—A new mutual fund. Proceeds—For investment. Address—Sidney, Mont. Underwriter—To be named.

Warwick Fund

June 17, 1963 filed 300,000 units of participation in the Fund to be offered in exchange for certain acceptable securities on the basis of one unit for each \$100 of deposited securities. Business—A new exchange type mutual fund which plans to continue indefinitely to exchange its units for additional contributions of securities, and to seek long term growth of capital and income. Office—3001 Philadelphia Pike, Claymont, Del. Distributor—Wellington Co., Inc., Philadelphia. Note—This statement is expected to be withdrawn.

Waterman Steamship Corp.

Aug. 29, 1961 filed 1,743,000 common. Price—By amendment. Business—The carrying of liner-type cargoes. Proceeds—For the purchase of vessels, and working capital. Office—71 Saint Joseph St., Mobile, Ala. Underwriter—Shields & Co., Inc., N. Y. Note—This registration will be withdrawn.

Wen Products, Inc. (10/14-18)

Sept. 13, 1963 filed 200,000 common. Price—By amendment (max. \$10). Business—Manufacture of electrically powered hand tools, including electric saws, soldering guns, sanders, planers and drills. Proceeds—For selling stockholder, Nicholas T. Anton, President. Address—5810 Northwest Highway, Chicago. Underwriter—Hayden, Stone & Co., Inc., New York.

Western Steel, Inc.

Jan. 17, 1963 ("Reg. A") 245,000 common. Price—\$1. Business—Company plans to erect a mill to produce certain types of iron by the new "Taylor Process." Proceeds—For plant construction and general corporate purposes. Address—Suite 412-413 Hynds Bldg., Cheyenne, Wyo. Underwriter—C. B. Hoke Agency, Cheyenne, Wyo. Note—The SEC has issued an order temporarily suspending this issue.

Western Transmission Corp.

Sept. 16, 1963 filed 1,162,537 capital shares to be offered for subscription by holders of the capital stock and 6% convertible subordinated debentures due 1977 of U. S. Natural Gas Corp., on the basis of one share of Western Transmission for each U. S. Natural share held. Price—\$1. Business—Company plans to operate a natural gas gathering system in the south central part of Wyoming. The gas to be sold initially, will be purchased from U. S. Natural, which has agreed to guarantee the payment of all expenses approved by U. S. Natural for the company's organization, financing and other start-up costs. Proceeds—For construction, working capital, and other corporate purposes. Office—1907 Chamber of Commerce Bldg., Houston. Underwriter—None.

Western Union International, Inc.

March 29, 1963 filed \$4,000,000 of 6½% subordinated debentures due 1983, and 400,000 common. Price—For debentures, at par; for stock \$3.50. Business—Company will take over and operate Western Union Telegraph's international telegraph operations. Proceeds—For selling stockholder, Western Union Telegraph Co., parent. Office—60 Hudson St., New York. Underwriters—American Securities Corp., and Glore, Forgan & Co., New York. Note—This registration has become effective.

William Penn Racing Association

March 8, 1963 filed \$1,000,000 of 6½% sinking fund debentures due 1978 and 100,000 class A non-voting common shares to be offered in units of one \$100 debenture and 10 shares. Price—\$220 per unit. Business—Company has been licensed to conduct harness racing with pari-mutuel betting. Proceeds—For debt repayment and working capital. Office—3 Penn Center Plaza, Philadelphia. Underwriter—Stroud & Co., Inc., Philadelphia. Offering—Indefinite.

Winslow Electronics, Inc.

Dec. 28, 1961 filed 125,000 common. Price—\$4. Business—Design and manufacture of precision electrical and electronic measuring devices and test equipment. Proceeds—For debt repayment and other corporate purposes. Office—1005 First Ave., Asbury Park, N. J. Underwriter—To be named.

Wisconsin Public Service Corp. (10/3)

Aug. 27, 1963 filed \$15,000,000 of first mortgage bonds due Oct. 1, 1993. Proceeds—To repay bank loans and either for refunding of outstanding 5¼% first mortgage bonds due Nov. 1, 1989, or for construction. Office—1029 North Marshall St., Milwaukee. Underwriters—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly); First Boston Corp.; White, Weld & Co.; Kidder, Peabody & Co. Bids—Oct. 3 (10 a.m. CDST) at 231 South LaSalle St., Chicago. Information Meeting—Sept. 26 (10:30 a.m. CDST), same address.

Wyomont Petroleum Co.

May 10, 1963 ("Reg. A") 120,000 common. Price—\$2.50. Business—Production and sale of petroleum products. Proceeds—For debt repayment, construction and working capital. Address—P. O. Box 670, Thermopolis, Wyo. Underwriter—Northwest Investors Service, Inc., Billings, Mont. Note—The SEC has issued an order temporarily suspending this letter.

★ Aeronautical Electronics, Inc.

Sept. 6, 1963 ("Reg. A") 8,148 capital shares. Price—At-the-market. Business—Manufacture and sale of two-way mobile communications sets. Proceeds—For selling stockholders. Address—P. O. Box 6527, Raleigh, N. C. Underwriter—None.

★ Aerosol Techniques, Inc. (11/4-8)

Sept. 20, 1963 filed 150,000 common, of which 80,000 are to be offered by company and 70,000 by certain stockholders. Price—By amendment (max. \$25). Business—Manufacture of various types of aerosol products. Proceeds—For acquisition, equipment, debt repayment and working capital. Address—Bridgeport, Conn. Underwriter—Laird & Co., Corp., New York.

★ Brockton Edison Co. (10/29)

Sept. 20, 1963 filed 60,000 shares of preferred stock (\$100 par). Business—Transmission of electricity and incidentally, the sale of electric appliances. Proceeds—To refund outstanding 5.60% and 5.48% preferred stock. Office—36 Main St., Brockton, Mass. Underwriters—(Competitive). Probable bidders: Kuhn, Loeb & Co.-Salomon Brothers & Hutzler-Wood, Struthers & Co., Inc. (jointly); Stone & Webster Securities Corp.; Kidder, Peabody & Co. Bids—Oct. 29 (11 a.m. EST) at 49 Federal St., Boston. Information Meeting—Oct. 25 (11 a.m. EDST) at same address.

★ Brockton Edison Co. (10/29)

Sept. 20, 1963 filed \$5,000,000 of first mortgage and collateral trust bonds due 1993. Business—Transmission of electricity and incidentally, the sale of electric appliances. Proceeds—To refund outstanding 5¼% first mortgage and collateral trust bonds due 1989. Office—36 Main St., Brockton, Mass. Underwriters—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Kuhn, Loeb & Co.-Salomon Brothers & Hutzler-Wood, Struthers & Co., Inc. (jointly); Kidder, Peabody & Co.-White, Weld & Co.-Shields & Co. (jointly); Eastman Dillon, Union Securities & Co. Bids—Oct. 29 (11 a.m. EST) at 49 Federal St., Boston. Information Meeting—Oct. 25 (11 a.m. EDST) at same address.

★ Capitol Food Industries, Inc. (10/28-31)

Sept. 20, 1963 filed \$1,700,000 of 6½% sinking fund convertible subordinated debentures due 1978. Price—At par. Business—Company is a supplier of fruit concentrate bases, syrups, toppings, flavorings and other food ingredients. Proceeds—For loan repayment and working capital. Office—105 South LaSalle St., Chicago. Underwriter—Walston & Co., Chicago.

★ Curry, McLaughlin & Len, Inc.

Sept. 3, 1963 ("Reg. A") 80,000 common. Price—\$3. Business—Research, development and manufacture of electronic equipment. Proceeds—For equipment and working capital. Office—Pickard Bldg., 5858 E. Molloy Rd., Syracuse, N. Y. Underwriter—None.

★ First Railroad & Banking Co. of Georgia

Sept. 24, 1963 filed \$11,500,000 of 5% convertible debentures due Aug. 1, 1988. It is proposed to offer \$10,451,250 of the debentures at par in exchange for an equivalent amount of outstanding 5% collateral trust bonds due Aug. 1, 1988. Following the exchange offer, the company intends to redeem at 103% unexchanged bonds. It is proposed to make a public offering of the remaining \$1,048,750 of debentures (plus up to \$3,951,250 of debentures which may not be accepted under the exchange offer). Price—By amendment. Proceeds—For redemption and other corporate purposes. Office—701 Broad St., Augusta, Ga. Underwriter—Johnson, Lane, Space Corp., Augusta.

★ Insurance Securities Inc.

Sept. 20, 1963 filed 400,000 common. Price—By amendment. Business—Company manages and distributes a mutual fund and owns all the stock of Life Insurance Co. of California. Proceeds—For selling stockholders. Office—100 California St., San Francisco. Underwriters—White, Weld & Co., Inc., and Kidder, Peabody & Co., New York.

★ Koeller Air Products, Inc.

Aug. 27, 1963 ("Reg. A") 32,686 common. Price—\$2. Business—Company is a retail distributor of oxygen, acetylene, hydrogen, propane and other industrial gases; also welding and cutting equipment and supplies. Proceeds—For working capital. Office—594 Lexington Ave., Clifton, N. J. Underwriter—None.

★ M. I. D. Co., Inc.

Sept. 9, 1963 ("Reg. A") 7,000 common. Price—\$5. Business—A development company engaged in the construction of industrial buildings in Maxton, North Carolina. Proceeds—For construction. Address—P. O. Box 37, Maxton, N. C. Underwriter—None.

★ Mohawk Airlines, Inc. (10/28-31)

Sept. 24, 1963 filed \$6,000,000 of convertible subordinated debentures due Nov. 1, 1978. Price—At par. Business—Company provides short-haul air transportation service in 50 cities in the eastern half of the United States. Proceeds—For loan repayment and equipment. Address—Oneida County Airport, Utica, N. Y. Underwriter—Smith, Barney & Co., Inc., New York.

★ Tonka Toys, Inc.

Sept. 23, 1963 filed 179,500 common, of which 129,500 are to be offered by company and 50,000 by certain stockholders. Price—By amendment (max. \$28). Business—Company manufactures various types of toy trucks and

other related plastic toys and accessories. **Proceeds**—For acquisition, working capital and other corporate purposes. **Address**—Mound, Mich. **Underwriters**—Bache & Co., New York and J. M. Dain & Co., Inc., Minneapolis.

Effective Registrations

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

Chesapeake & Ohio Ry.

\$3,780,000 of 4 3/4% equipment trust certificates due Aug. 1, 1964-78 offered at prices to yield from 3.90% to 4.35% by Salomon Brothers & Hutzler, New York.

Computer Sciences Corp.

200,000 common offered at \$12.50 per share by White, Weld & Co., Inc., New York.

Dow Chemical Co.

\$100,000,000 of 4.35% debentures due Sept. 15, 1988 offered at 100% and accrued interest by Smith, Barney & Co., Inc., New York.

First Western Financial Corp.

600,000 common offered at \$22.625 per share by A. C. Allyn & Co., Chicago.

Lewis Business Forms, Inc.

\$1,250,000 of 4 3/4% convertible subordinated debentures due 1975 offered at 100% and accrued interest by Reynolds & Co., Inc., New York, and Saunders, Stiver & Co., Cleveland.

Monarch Marking System Co.

\$2,500,000 of 4 1/2% convertible subordinated debentures due Sept. 1, 1983 offered at 102% and accrued interest by McDonald & Co., Cleveland.

Summit National Holding Co.

110,000 common offered at \$12 per share by Fulton, Reid & Co., Inc., Cleveland.

Universal Moulded Fiber Glass Corp.

738,408 common being offered for subscription by stockholders at \$2.50 per share, on the basis of three new shares for each four held of record Sept. 19. Rights will expire Oct. 15. No underwriting is involved.

ATTENTION UNDERWRITERS!

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

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

Prospective Offerings

Associated Truck Lines, Inc. (10/14-18)

Sept. 18, 1963 it was reported that 110,000 common shares of Associated will be sold publicly, of which 40,000 will be sold for the company and 70,000 for certain stockholders. **Business**—Company is a short haul motor common carrier operating in Michigan, Ohio, Indiana and Illinois. **Proceeds**—To retire outstanding 6% cumulative preferred stock. **Office**—15 Andre St., S. E., Grand Rapids, Mich. **Underwriter**—Hornblower & Weeks, New York.

Bethlehem Steel Co.

Feb. 26, 1963, Arthur B. Homer, Chairman, announced that the company will embark on a \$750,000,000 capital improvement program to be completed by 1965. He said that approximately two-thirds of the financing for the program will be generated internally and the balance secured externally. Mr. Homer added that this would not be required until at least 1964. **Office**—25 Broadway, New York. **Underwriters**—To be named. The last public sale of securities in May, 1955, was handled by Kuhn, Loeb & Co., and Smith, Barney & Co., New York.

Canon Camera Co.

June 26, 1963 it was reported that the company plans to sell \$5,000,000 of convertible bonds in the U. S. **Business**—Manufacture of cameras and other photographic equipment. **Proceeds**—For expansion. **Address**—Tokyo, Japan. **Underwriter**—Yamaichi Securities Co. of New York, Inc.

Chicago Burlington & Quincy RR.

Sept. 5, 1963 the company announced tentative plans to sell \$5,000,000 of equipment trust certificates in early December. **Office**—547 W. Jackson Blvd., Chicago. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc.

Columbia Gas System, Inc. (12/5)

Aug. 27, 1963 the company stated that it plans to sell \$25,000,000 of debentures in early December to raise money for construction. **Office**—120 E. 41st Street, New York. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.-First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Halsey, Stuart & Co. Inc.; Blyth & Co.-Lehman Brothers-Salomon Brothers & Hutzler. **Bids**—Expected Dec. 5.

Columbia Savings & Loan Association (10/10)

Sept. 12, 1963 it was reported that the company plans to sell 125,000 shares of guarantee stock. **Price**—To be determined. **Business**—A savings and loan association engaged in the business of making loans, principally secured by first liens on real estate. **Proceeds**—For selling stockholders. **Address**—5420 Wilshire Blvd., Los Angeles. **Underwriter**—White, Weld & Co., Inc., New York.

Communications Satellite Corp.

Feb. 20, 1963 it was reported that papers of incorporation have been filed for this company, in Washington, D. C. Company's common voting shares, without par value, will be divided into two series. Series I will be issued to the public, firms that produce space exploration equipment and other non-communications concerns. Series II will be issued to FCC-approved communications common carriers, with the provision that no more than half the company's total shares can be held by these carriers, and no individual or group may hold over 10% of the remaining 50%. **Price**—Maximum of \$100 per share. **Business**—Congress has authorized the company to provide satellites and ground facilities for the international transmission of telephone, telegraph, television and other communications. **Office**—3029 Klinge Rd., N. W., Washington, D. C. **Underwriters**—To be named. **Note**—Leo D. Welch, Chairman, has announced that the company hopes to make a public offering of its stock "not later than the early part of 1964."

Connecticut Yankee Atomic Power Co.

April 23, 1963 it was reported that the 12 utilities which jointly own this new firm, have petitioned the SEC for exemption from the Public Utility Holding Company Act to permit the negotiated sale of \$55,000,000 of the firm's bonds. The request has been opposed by a major underwriter who wants the bonds to be sold at competitive bidding. **Business**—Company was formed in December, 1962, to own and operate a 500,000 kw. atomic power plant at Haddam Neck, Conn. **Proceeds**—For construction of the \$70-\$80,000,000 plant. **Office**—441 Stuart St., Boston. **Underwriters**—To be named.

Consolidated Edison Co. of New York (12/11)

Sept. 17, 1963 the company stated that it plans to sell \$60-\$75,000,000 of bonds in December. **Proceeds**—For construction. **Address**—4 Irving Place, New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; First Boston Corp. **Bids**—Expected Dec. 11 (11 a.m. EST), at above address.

Consumers Power Co.

Aug. 16, 1963, it was reported that the company plans to sell \$20,000,000 of straight debentures in the 4th quarter of 1963. **Office**—212 W. Michigan Ave., Jackson, Mich. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Shields & Co. (jointly); Harriman Ripley & Co. Inc.-First Boston Corp. (jointly); Morgan Stanley & Co., Salomon Brothers & Hutzler-Blyth & Co.-Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Control Data Corp.

Sept. 16, 1963 it was reported that the company plans the sale of \$25,000,000 or more of securities sometime in 1964. A company spokesman stated that the timing and type of issue, will depend on market conditions at the time. **Office**—8100 34th Ave., South, Minneapolis. **Underwriter**—To be named. The last sale of debentures on Aug. 28, 1962 was handled by Dean Witter & Co., Chicago.

Duke Power Co.

Sept. 17, 1963 it was reported that the company has tentative plans to issue \$50,000,000 of first mortgage bonds in the second quarter of 1964. **Office**—30 Rockefeller Plaza, New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co.; Stone & Webster Securities Corp.

Eastern Freight Ways, Inc.

Oct. 9, 1962 the ICC authorized the company to issue 100,000 common. **Price**—By amendment (min. \$5). **Business**—A motor vehicle common carrier operating in nine eastern states from Vermont to Virginia. **Proceeds**—For working capital, debt repayment and advances to subsidiaries. **Office**—Moonachie Ave., Carlstadt, N. J. **Underwriter**—Allen & Co., New York.

General Aniline & Film Corp.

April 3, 1963 Attorney General Robert F. Kennedy announced that the Justice Department had reached an out-of-court agreement with Interhandel, a Swiss holding company, designed to settle the 20-year old dispute over control of the 540,894 class A and 2,050,000 class B shares of General Aniline seized by the U. S. Government in 1942 as a German asset. The stock represents 98% of the voting control of the company. Mr. Kennedy said that if General Aniline should be sold for \$200 million, the Government would receive about \$140 million and Interhandel about \$60 million. The settlement terms, recently approved by Interhandel stockholders, also must be approved by the U. S. District Court at Washington, D. C. **Business**—Company is a leading domestic producer of dyestuffs, chemicals and photographic materials. **Office**—111 W. 50th St., New York. **Underwriters**—(Competitive). Probable bidders: Blyth & Co.-First Boston Corp. (jointly); Lehman Brothers-Kuhn, Loeb & Co.-Glore, Forgan & Co. (jointly); Bache & Co.

Georgia Power Co. (11/7)

Jan. 22, 1963 it was reported that this subsidiary of The Southern Co., plans to sell \$30,000,000 of first mortgage bonds and \$7,000,000 of preferred stock in November. **Proceeds**—For construction. **Office**—270 Peachtree Bldg., Atlanta. **Underwriters**—(Competitive). Probable bidders: (Bonds) Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); Blyth & Co.-Kidder, Peabody & Co.-Shields & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.; Harriman Ripley

& Co.; Morgan Stanley & Co.; Lehman Brothers. (Preferred): First Boston Corp.; Lehman Brothers; Blyth & Co.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Morgan Stanley & Co. **Bids**—Expected Nov. 7, 1963.

Hartford Electric Light Co.

April 30, 1963 the company announced plans to sell \$15,-\$20,000,000 of securities in 1964 to help finance its \$26,-000,000 construction program. **Office**—176 Cumberland Ave., Wethersfield, Conn. **Underwriters**—First Boston Corp., New York; Putnam & Co., Hartford; Chas. W. Scranton & Co., New Haven.

International Milling Co.

July 8, 1963 the company announced that it expects to file a registration statement covering its first public offering of common stock. The sale will include both a primary and a secondary distribution. **Business**—Company is one of the world's largest flour millers with operations in five countries. **Proceeds**—For expansion, research and debt repayment. **Address**—1200 Investors Bldg., Minneapolis. **Underwriter**—Kidder, Peabody & Co., Inc., New York.

Iowa Power & Light Co.

Jan. 16, 1963 it was reported that the company plans to sell \$10,000,000 of bonds in the last half of 1964. **Office**—823 Walnut St., Des Moines. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; White, Weld & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Lehman Brothers; Blyth & Co.

Irving Air Chute Co., Inc.

Sept. 11, 1963 it was reported that the company plans to file a registration statement shortly covering \$1,600,-000 of convertible debentures to be offered for subscription by stockholders. **Office**—1315 Versailles Rd., Lexington, Ky. **Underwriter**—To be named. The last offering of common stock was underwritten by Hornblower & Weeks, New York.

Japan (Government of)

May 1, 1963 it was reported that the Government plans to sell an additional \$35,000,000 of external loan bonds in the U. S. during the fiscal year ending March 31, 1964. It is expected that the majority would be sold by Dec. 31, 1963. **Underwriter**—First Boston Corp., New York.

Long Island Lighting Co.

Aug. 29, 1963 the company announced plans to issue \$25-to-\$30,000,000 of first mortgage bonds in each of the years 1964 to 1968 inclusive, to help finance its \$285,-000,000 5-year construction program. **Office**—250 Old Country Rd., Mineola, N. Y. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.-First Boston Corp. (jointly); W. C. Langley & Co.

Louisiana Power & Light Co.

Feb. 20, 1963 it was reported that this subsidiary of Middle South Utilities, Inc., may issue \$25-\$30,000,000 of bonds early in 1964. **Proceeds**—For construction. **Office**—142 Delaronde St., New Orleans. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co.-Harriman Ripley & Co., Inc. (jointly); White, Weld & Co.-Blyth & Co., Inc.-Shields & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.-Glore, Forgan & Co. (jointly); Salomon Brothers & Hutzler-Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly).

Louisville & Nashville RR (10/9)

Sept. 17, 1963 it was reported that this road plans to sell \$3,750,000 of 1-15 year equipment trust certificates. **Office**—220 E. 42nd St., New York. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Oct. 9 (12 noon EDST), at above address.

Massachusetts Electric Co. (12/4)

Aug. 27, 1963 it was reported that this company plans to sell \$10,000,000 of bonds in the fourth quarter. **Office**—441 Stuart St., Boston. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co.; Blyth & Co.-White, Weld & Co. (jointly). **Bids**—Expected Dec. 4.

Merrill Lynch, Pierce, Fenner & Smith Inc.

Aug. 19, 1963, Michael W. McCarthy, Chairman, stated that the company has held informal discussions with the staff of the New York Stock Exchange as to the feasibility of "going public." He added that, "when the time is appropriate," Merrill Lynch will request the governors to recommend that member firms approve the required changes in the Exchange's constitution to permit this. Industry sources believe that the move is several years away. **Business**—Company is the largest brokerage house in the U. S. with 139 domestic offices and over 2,300 account executives. **Office**—70 Pine St., New York.

Mexico (Government of)

July 16, 1963 following the public offering of \$40,000,-000 of external bonds, it was reported that the Government is authorized to sell an additional \$65,000,000 of bonds in the U. S. and abroad. **Underwriters**—Kuhn, Loeb & Co., Inc., and First Boston Corp., N. Y.

New England Power Co. (11/19)

July 10, 1963 it was reported that this utility plans to sell \$10,000,000 of bonds and \$10,000,000 of preferred stock in the fourth quarter. **Office**—441 Stuart St., Boston. **Underwriters**—(Competitive). Probable bidders: (Bonds) Halsey, Stuart & Co. Inc.; Lehman Brothers-Equitable Securities Corp. (jointly); Kuhn, Loeb & Co.-Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler-Paribas Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co.-

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White, Weld & Co. (jointly); First Boston Corp. (Preferred) First Boston Corp.; Dean Witter & Co.-Smith, Barney & Co.-Wertheim & Co. (jointly); Equitable Securities Corp.-Kidder, Peabody & Co.-Lee Higginson Corp.-White, Weld & Co. (jointly); Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc.-Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected Nov. 19.

New York State Electric & Gas Corp.

April 3, 1963 it was reported that the company plans to sell \$20,000,000 of debt securities to finance its construction program for 1964 and 1965. **Office**—108 East Green St., Ithaca, New York. **Underwriters**—(Competitive). Probable bidders: Kidder, Peabody & Co.—Salomon Brothers & Hutzler (jointly); First Boston Corp.—Glore, Forgan & Co. (jointly); Halsey, Stuart & Co.; Harriman Ripley & Co.; Blyth & Co.

Northern Pacific Ry. (12/10)

July 2, 1963 it was reported that this road plans to sell about \$4,800,000 of equipment trust certificates in December. **Office**—120 Broadway, New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Salomon Bros. & Hutzler. **Bids**—Expected Dec. 10 (12 noon EST).

Northern States Power Co. (Minn.)

May 14, 1963 it was reported that the company plans to offer about 771,110 additional shares to stockholders on a 1-for-20 basis in 1964, to raise an estimated \$25,000,000. **Office**—15 South Fifth St., Minneapolis. **Underwriter**—To be named. The last rights offering in July 1959 was underwritten by Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

★ Northwest Natural Gas Co.

Sept. 25, 1963 the company announced tentative plans to sell 50,000 shares of preferred in early 1964. **Proceeds**—To refund 50,000 shares of outstanding 5.75% preferred. **Office**—735 S. W. Morrison, Portland, Ore. **Underwriter**—Lehman Brothers, New York.

Otter Tail Power Co.

Sept. 10, 1963 it was reported that the company plans to sell 30,000 shares of \$100 par preferred stock, sometime in 1964. Action is subject to approval by both common and preferred stockholders. **Office**—215 So. Cascade St., Fergus Falls, Minn. **Underwriter**—To be named. The last sale of preferred on March 8, 1950 was handled by Glore, Forgan & Co., New York and Kalman & Co., Inc., St. Paul.

● Pacific Gas & Electric Co. (10/29)

Aug. 19, 1963 the company announced plans to sell \$70,000,000 of first and refunding mortgage bonds in the fourth quarter. **Office**—245 Market St., San Francisco. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp. **Bids**—Expected Oct. 29.

Pacific Northwest Bell Telephone Co.

Aug. 27, 1963 the company announced plans to offer stockholders the right to subscribe for additional common in mid-November. The number of shares, price and the ratio to shares held will be announced later. **Business**—Furnishing of telephone service in Washington, Oregon and Idaho. **Proceeds**—To reimburse the company's treasury for construction expenditures. **Office**—1200 Third Ave., Seattle. **Underwriter**—None.

Pacific Northwest Bell Telephone Co. (12/3)

Aug. 27, 1963 the company announced plans to sell \$50,000,000 of debentures due Dec. 1, 2000. **Proceeds**—To repay \$48,700,000 debt due Pacific Telephone & Telegraph Co., former parent. **Office**—1200 Third Ave., Seattle. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.; Halsey, Stuart & Co. Inc. **Bids**—Dec. 3 (11 a.m. EST) at 195 Broadway, New York. **Information Meeting**—Nov. 26 (2:30 p.m.), same address.

Pacific Power & Light Co. (11/13)

Sept. 16, 1963 it was reported that the company will offer stockholders the right to subscribe for about 716,000 common shares on the basis of one new share for each 20 held of record Oct. 30. Rights will expire Dec. 5. **Office**—920 S. W. Sixth Ave., Portland, Ore. **Underwriters**—(Competitive). Probable bidders: Kidder, Peabody & Co.; Blyth & Co.; Ladenburg, Thalmann & Co.; Lehman Brothers-Eastman Dillon, Union Securities & Co.-Bear, Stearns & Co.-Dean Witter & Co. (jointly). **Bids For Compensation**—Nov. 13 (11 a.m. EST) at Ebasco Services, Inc., 2 Rector St., New York. **Information Meeting**—Nov. 7 (3:30 p.m. EST), same address.

Pacific Telephone & Telegraph Co.

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

Pennsylvania Power & Light Co.

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

Philadelphia Electric Co.

Sept. 18, 1963 it was reported that the company is considering the sale of \$50,000,000 of first mortgage bonds in mid-1964. **Office**—1000 Chestnut St., Philadelphia. **Underwriters**—(Competitive). Probable bidders: Morgan

Stanley & Co.-Drexel & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co.

Potomac Edison Co.

Aug. 16, 1963 it was reported that this subsidiary of Allegheny Power System, Inc., plans to sell \$12,000,000 of bonds in the first quarter of 1964. **Office**—200 East Patrick St., Frederick, Md. **Underwriters**—(Competitive). Probable bidders: W. C. Langley & Co.-First Boston Corp. (jointly); Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; White, Weld & Co.-Shields & Co. (jointly); Lehman Brothers, Eastman Dillon, Union Securities & Co.-Harriman Ripley & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Potomac Electric Power Co.

July 30, 1963 the company stated that it will need \$50,000,000 of new money in 1964 for its construction program and expects to do permanent financing in the early part of the year. However, it has not determined the amount or type of security to be offered. **Office**—929 E St., N. W., Washington, D. C. **Underwriters**—To be named. On Feb. 19, 1963 the company sold \$50,000,000 of bonds to Dillon, Read & Co., Inc.; Lehman Bros., Eastman Dillon, Union Securities & Co., Stone & Webster Securities Corp., and Johnston, Lemon & Co. Other bidders on the issue were Kidder, Peabody & Co.—Merrill Lynch, Pierce, Fenner & Smith, Inc.—White, Weld & Co.—Salomon Bros. & Hutzler (jointly); First Boston Corp.; Halsey, Stuart & Co.

Public Service Co. of Colorado

June 4, 1963 it was reported that the company plans to sell \$35,000,000 of 30-year first mortgage bonds in April, 1964. **Proceeds**—For construction. **Office**—900 15th St., Denver, Colo. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Harriman, Ripley & Co., Inc.-Eastman Dillon, Union Securities & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc.-Dean Witter & Co. (jointly); First Boston Corp.; Lehman Brothers-Kidder, Peabody & Co.-White, Weld & Co. (jointly); Blyth & Co., Inc.-Smith, Barney & Co. (jointly).

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

July 23, 1963 the company announced plans to issue \$40,000,000 of debentures due 1983. **Proceeds**—To redeem \$36,000,000 of outstanding 3% debentures maturing Nov. 1, 1963 and for construction. **Office**—80 Park Place, Newark, N. J. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Lehman Brothers-Salomon Brothers & Hutzler (jointly); Blyth & Co.; Goldman, Sachs & Co.-Harriman Ripley & Co. (jointly); First Boston Corp. **Bids**—Expected Oct. 22 (11 a.m. EDT) at above address. **Information Meeting**—Oct. 17 (2 p.m. EDT) at One Chase Manhattan Plaza (28th floor), New York.

Rochester Telephone Co.

May 7, 1963 the company announced plans to sell \$16,000,000 of debentures in the first quarter of 1964, but may do so earlier if market conditions are favorable. **Proceeds**—For construction. **Office**—10 Franklin St., Rochester, N. Y. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Eastman Dillon, Union Securities & Co.-Kidder, Peabody & Co. (jointly); Kuhn, Loeb & Co.; Halsey, Stuart & Co. Inc.

Ryder System, Inc.

Sept. 10, 1963 it was reported that the company plans to offer its stockholders later this year, the right to subscribe for about \$5,400,000 of convertible subordinated debentures due 1983. **Business**—A holding company for firms in the trucking, manufacturing and equipment leasing fields. **Office**—So. Bayshore Bldg., Miami, Fla. **Underwriter**—Blyth & Co., Inc., New York.

San Diego Gas & Electric Co.

Sept. 10, 1963 it was reported that the company is considering the sale of about \$20,000,000 of debt securities in mid-1964. **Office**—861 Sixth Ave., San Diego, Calif. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp.-Eastman Dillon, Union Securities & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Lehman Brothers-Salomon Brothers & Hutzler (jointly).

★ Seaboard Air Line RR. (11/13)

Sept. 24, 1963 the company announced that it plans to sell \$22,000,000 of first mortgage bonds due 1988 at competitive bidding in November. **Proceeds**—For loan repayment and working capital. **Office**—3600 W. Broad St., Richmond, Va. **Underwriters**—(Competitive). Probable bidders: Kuhn, Loeb & Co.-White, Weld & Co. (jointly); First Boston Corp.; Eastman Dillon, Union Securities & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co. Inc. **Bids**—Expected Nov. 13 (12 noon EST) 54th floor, 1 Chase Manhattan Plaza, New York.

Sears, Roebuck & Co.

Feb. 19, 1963, Allstate Enterprises, Inc., subsidiary, announced that it had delayed its plans to form a new mutual fund until it received clarification of an SEC ruling which "has been construed by some to mean that registered investment companies could not purchase Sears' stock or would be required to divest themselves of it, if Sears' itself owned a mutual fund." Earlier, Allstate said that the fund would be in operation late in 1963 on a "very small scale," and would be started on a state-by-state basis as approval was granted. **Office**—925 So. Homan Ave., Chicago. **Distributor**—Allstate Enterprises, Inc., Chicago.

Southern California Edison Co.

Aug. 21, 1963 it was reported that the company plans to sell \$50,000,000 of first mortgage bonds in the first quarter of 1964. **Office**—601 West Fifth St., Los Angeles. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.-Dean Witter & Co. (jointly); Blyth & Co.-Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc.-Salomon Brothers & Hutzler (jointly).

Southern Co.

Aug. 12, 1963 the company stated that it is considering the sale of \$35 to \$40,000,000 of common stock early in 1964 to help finance its \$570,000,000 construction program. **Office**—1330 West Peachtree St., N. W., Atlanta, Ga. **Underwriters**—To be named. The last sale of common on Feb. 15, 1961 was made to a group headed by Eastman Dillon, Union Securities & Co., Blyth & Co., and Equitable Securities Corp. Other bidders were: First Boston Corp.-Lehman Brothers (jointly); Morgan Stanley & Co.-Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Southern Counties Gas Co. of Calif.

Jan. 2, 1963 it was reported that this subsidiary of Pacific Lighting Corp., plans to sell \$27,000,000 of first mortgage bonds in the fourth quarter. **Address**—P. O. Box 2736, Terminal Annex, Los Angeles 54, Calif. **Underwriters**—(Competitive). Probable bidders: White, Weld & Co.; Blyth & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Halsey, Stuart & Co. Inc.; First Boston Corp.

Southern Railway Co. (10/29)

Aug. 5, 1963, the company announced plans to sell \$6,420,000 of equipment trust certificates in October. This is the second instalment of a proposed \$12,840,000 offering. **Office**—70 Pine St., New York. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Oct. 29 (12 noon EDT) at 70 Pine St., New York.

Tokyo (City of)

May 1, 1963 it was reported that the Diet had authorized the sale of \$20,000,000 City of Tokyo bonds in the U. S. during the fiscal year ending March 31, 1964. **Underwriter**—To be named. The last issue of Tokyo bonds in March, 1927, was handled by Kuhn, Loeb & Co. **Offering**—Indefinite.

★ Transcontinental Gas Pipe Line Corp.

Sept. 25, 1963 the company announced that it plans to sell \$50-\$55,000,000 of first mortgage bonds and possibly some preferred in the first half of 1964. **Business**—Transmission of natural gas. **Proceeds**—For loan repayment. **Office**—3100 Travis St., Houston, Texas. **Underwriters**—White, Weld & Co., and Stone & Webster Securities Corp., New York.

Ultron Systems Corp.

May 28, 1963 it was reported that a registration will be filed shortly covering the first public sale of this firm's common stock. While the size of the offering has not been determined, it is said to be a relatively small deal, involving over 50,000 shares. **Business**—Manufacture, rental and service of the "Ultron Stockmaster," a desk unit used to provide stock brokers with instantaneous information on stock and commodity market action of selected issues. **Proceeds**—For working capital. **Address**—Pennsauken, N. J. **Underwriter**—Bache & Co., N. Y.

Union Electric Co. (11/20)

Sept. 17, 1963 the company stated that it plans to sell \$20,000,000 of preferred stock. It added that it may sell the preferred on a negotiated basis instead of by competitive bidding, as in the past. **Office**—315 N. 12th Blvd., St. Louis. **Underwriters**—The last issue of preferred in November, 1949 was won by First Boston Corp. If the company decides to sell the stock competitively, the following groups are expected to bid: First Boston Corp.-White, Weld & Co.-Shields & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Lehman Brothers (jointly); Blyth & Co.-Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly).

Union Electric Co. (11/20)

Sept. 17, 1963 the company stated that it plans to sell \$30,000,000 of first mortgage bonds due 1993. **Office**—315 N. 12th Blvd., St. Louis. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers-Blyth & Co., Inc.-Eastman Dillon, Union Securities & Co.-Bear, Stearns & Co. (jointly); Salomon Brothers & Hutzler; White, Weld & Co.-Shields & Co. (jointly); First Boston Corp. **Bids**—Expected Nov. 20 (11 a.m. EST) at Bankers Trust Co., 16 Wall St., New York.

★ Union Planters National Bank (Memphis)

Sept. 20, 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 7 1/2 held of record Nov. 6. Rights would expire Nov. 27. This offering is subject to stockholder approval on Nov. 6. **Price**—\$40. **Proceeds**—To increase capital funds. **Office**—61 Madison Ave., Memphis. **Underwriter**—To be named.

United California Bank (Los Angeles)

Sept. 17, 1963 it was reported that the bank is offering its stockholders the right to subscribe for 431,014 additional common shares on the basis of one new share for each 12 shares held of record Sept. 13. Rights will expire Oct. 22. **Price**—\$62.50. **Proceeds**—To increase capital funds. **Office**—600 South Spring St., Los Angeles. **Underwriter**—None.

Utah Power & Light Co.

July 2, 1963 it was reported that this utility plans to sell about \$20,000,000 of bonds and \$10,000,000 of preferred stock in the second quarter of 1964. **Office**—1407 West North Temple St., Salt Lake City. **Underwriters**—(Competitive). Probable bidders (bonds): Salomon Bros. & Hutzler; Halsey, Stuart & Co., Inc.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); White, Weld & Co.-Stone & Webster Securities Corp. (jointly); First Boston Corp.-Blyth & Co. (jointly); Eastman Dillon, Union Securities & Co.-Smith, Barney & Co. (jointly); Lehman Brothers-Bear, Stearns & Co. (jointly). (Preferred Stock) White, Weld & Co.-Stone & Webster Securities Corp. (jointly); First Boston Corp.-Blyth & Co. (jointly); Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.-Smith, Barney & Co.-Salomon Brothers & Hutzler (jointly); Lehman Brothers.

Valley Gas Co.

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

Underwriters—(Competitive). Probable bidders: Kidder, Peabody & Co.; Stone & Webster Securities-Corp.

Virginia Electric & Power Co. (12/10)
July 30, 1963 the company announced plans to sell \$30,000,000 of securities, probably first mortgage bonds, in December. **Address**—Seventh and Franklin Sts., Richmond. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Salomon Bros. & Hutzler-Goldman, Sachs & Co. (jointly); Eastman Dillon, Union Securities & Co.—Merrill Lynch, Pierce, Fenner & Smith Inc.—Lehman Bros. (jointly); White, Weld & Co.; Stone

& Webster Securities Corp. **Bids**—Expected Dec. 10. **Information Meeting**—Dec. 5 (11 a.m. EST) at One Chase Manhattan Plaza, New York.

Washington Gas Light Co.

July 2, 1963 it was reported that this utility plans to sell \$20,000,000 of bonds in the second quarter of 1964. **Office**—1100 H. St., N. W., Washington, D. C. **Underwriters**—(Competitive). Probable bidders: Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; Kidder, Peabody & Co.; First Boston Corp.; Halsey, Stuart & Co., Inc.

TAX-EXEMPT BOND MARKET

Continued from page 6

cance was \$2,220,000 Florida State Board of Control, South Florida University Dormitory (1965-2002) bonds. This issue was purchased by the *Housing and Home Finance Agency* as 3½s at 100 in the absence of a more favorable dealer bid.

Current Week's Business

On Monday, there were no important new loans, but Tuesday was a busy day with this week's two largest issues selling at public sale. The State of North Carolina, an infrequent borrower, having been absent from the market since early in 1961, awarded \$21,985,000 Capital Improvement (1964-1980) bonds to *The First Boston Corporation* and associates at a net interest cost of 2.834%. The second bid, a 2.852% net interest cost, was made by the Wachovia Bank and Trust Co., Winston-Salem and there were three additional groups, which submitted bids for this popular issue.

Other major members of the winning account include Bank of America N.T. & S.A., National Bank of Detroit, Phelps, Fenn & Co., First Union National Bank of North Carolina, Reynolds & Co., The Ohio Company, Field, Richards & Co., Carolina Securities Corp. and Prescott & Co.

Reoffered to yield from 1.90% to 2.90% for various coupons, initial demand has been moderate with the present balance in account \$9,650,000. All of the bonds maturing 1978, 1979 and 1980 were sold.

The group headed by *Bank of America N.T. & S.A.* submitted the best bid, a 3.178% net interest cost, for \$8,000,000 City and County of Honolulu, Hawaii Public Improvement (1966-1983) bonds. The runner-up bid, a 3.194% net interest cost, was made by the syndicate jointly managed by Lehman Bros., Phelps, Fenn & Co. and R. H. Moulton & Co.

Other members of the winning group are *The Northern Trust Co.*, *First National Bank in St. Louis*, *Walston & Co.*, *Wells & Christensen Inc.*, *Fidelity Union Trust Co.*, *Newark*, *Allan Blair & Co.*, *Stockyards National Bank*, *Wichita, Kansas*, and *Austin Tobin & Co.*

The securities were reoffered at prices to yield from 2.30% to 3.30% and press time balance was \$4,890,000.

Also, on Tuesday, the City of Monroe, Louisiana, awarded \$6,500,000 Water and Electric revenue (1965-1993) bonds to the *Blyth & Co.* group at a net interest cost of 3.5416%. This bid compared very favorably with the second bid, a 3.543% net interest cost, made by *F. S. Smithers & Co.* and associates and the third bid, a close 3.544% net interest cost, made by the *Kidder, Peabody & Co.* group.

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

Blair & Co., Inc., *Hornblower & Weeks*, *Howard, Weil, Labouisse, Friedrichs & Co.*, *Wm. E. Pollock & Co.* and *Stranahan, Harris & Co.*

Scaled to yield from 2.20% to 3.60%, the present balance in group is \$2,255,000.

Tuesday's final sale of note involved \$3,750,000 *Corpus Christi, Texas, General Improvement (1964-1983)* bonds. The syndicate headed by the *First National City Bank* was the successful bidder for these limited tax bonds at a net interest cost of 3.1772%. The second bid, a 3.19% net interest cost, was made by the *First National Bank, Dallas*, and there were nine additional bids ranging in interest cost from 3.20% to 3.29% made for this loan.

Other major members of the winning syndicate are *Bankers Trust Co.*, *First National Bank of Chicago*, *Reynolds & Co.*, *W. H. Morton & Co.*, *Johnston, Lemon & Co.*, *Industrial National Bank of Rhode Island*, and *Wells & Christensen Inc.*

Scaled to yield from 2.00% to 3.25%, bank buying was good and the present balance in syndicate is only \$550,000.

Wednesday's only sale of consequence was \$5,120,000 *Suffolk*

County (Riverhead), New York Public Improvement (1964-1993) bonds. The account managed by *C. J. Devine & Co.* was the successful bidder at a dollar price of 100.4999 for a 3.20% coupon and the runner-up bid 100.43 also for a 3.20% coupon came from *Halsey, Stuart & Co., Inc.* and associates.

Other major members of the *C. J. Devine & Co.* account include *B. J. Van Ingen & Co., Inc.*, *F. S. Moseley & Co.*, *Ira Haupt & Co.*, *American Securities Corp.* and *Adams, McEntee & Co., Inc.* The securities are offered at prices to yield from 2.00% to 3.35% and initial orders have amounted to \$2,000,000.

As we go to press, a balance of \$2,985,000 remains in account.

Despite the confusing and often contradictory elements involved in the money market and the economy generally, it would now seem that the municipal bond market's simple technical factors are favorable enough to encourage some advance in prices. However, these factors are subject to almost overnight change and the trend ought not to be expected.

that the reverse is more likely to be true.

As you might guess, my view is not shared by some people. Banking legislation is enmeshed in politics, and upstate New York and downstate have split politically for years. Too, there is a feeling on the part of the public, reflected by some supervisory authorities and politicians, that bigness per se is bad. Most people think that their own bank is adequate if the teller smiles and calls them by name, and they can secure a loan without much red tape. It will take a strong effort over a number of years to educate people to what most of you men already recognize . . . that a big state cannot be financed without big banks.

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 here had the same availability of multi-billion dollar branch banking systems as California enjoys. In California several banks operate branch banks that cover geographic areas equally as large as New York State and, in some cases, several times that size. Compare this to the branching restrictions imposed both in New York City and in upstate New York where you have only one bank in the billion dollar class (a *Marine Midland* affiliate) and the largest banking district is limited to 16 counties.

I have a hope that one day New York State will have a number of great regional banks, banks large enough to serve the economic demands that an \$800 billion or more *Gross National Product* will lay on your shoulders and mine. Our New York State legislature, the *New York State Bankers Association*, the *Savings Bank Association of New York State* and others are working on this matter. I have no timetable for it, but I feel that from the various efforts will evolve a plan of permissive legislation which will enable thoughtful bankers to develop our banking structure into a system capable of supporting the state's future growth.

*An address by Mr. Maul before the 49th Annual Meeting of the Associated Industries of New York State, Inc., White Face, N. Y., Sept. 21, 1963.

Monarch Marking Debs. Offered

McDonald & Co., *Cleveland* has announced the public offering of \$2,500,000 *Monarch Marking System Co.* 4½% convertible subordinated debentures due Sept. 1, 1983 at 102 plus accrued interest.

Net proceeds, together with other funds, will be used for construction of a new plant.

The company, located at 216 South Torrence St., *Dayton, Ohio*, is the world's largest manufac-

turer specializing in merchandise price marking equipment and tickets, tags and labels.

Products also include pin tickets, pin-on tickets, string tags, gummed labels, *Senco* (pressure sensitive) labels, button tags, jewelry tags, slip-fold tickets and book and ring tickets.

Columbian Secs. Office

MANHATTAN, Kans.—*Columbian Securities Corporation* has opened a branch office at 114 South Fifth Street under the management of *Harry J. McLaughlin*.

DIVIDEND NOTICES

DOME MINES LIMITED

September 20, 1963
DIVIDEND NO. 184
At a meeting of the Board of Directors of DOME MINES LIMITED, held this day, a quarterly dividend of Twenty Cents (20c) per share in Canadian Funds was declared payable on October 30, 1963, to shareholders of record at the close of business on September 30, 1963.
CLIFFORD W. MICHEL,
Chairman and Treasurer

CONSOLIDATED NATURAL GAS COMPANY
30 Rockefeller Plaza
New York 20, N. Y.
DIVIDEND No. 63
THE BOARD OF DIRECTORS has this day declared a regular quarterly dividend of Fifty-Seven and One-Half Cents (57½¢) per share on the capital stock of the Company, payable November 15, 1963 to stockholders of record at the close of business October 15, 1963.
JOHN MILLER, Secretary
September 19, 1963

BOSTON EDISON COMPANY
Preferred Dividend
A quarterly dividend of \$1.07 per share has been declared payable on the first day of November 1963 to stockholders of record at the close of business on October 10, 1963 of the Company's Cumulative Preferred Stock, 4.25% Series.
Preferred Dividend
A quarterly dividend of \$1.20 per share has been declared payable on the first day of November 1963 to stockholders of record at the close of business on October 10, 1963 of the Company's Cumulative Preferred Stock, 4.78% Series.
Common Dividend No. 298
A quarterly dividend of 33c per share on the Common Stock of the Company has been declared payable on the first day of November 1963 to stockholders of record at the close of business on October 10, 1963.
Checks will be mailed from Old Colony Trust Company, Boston.
ALBERT C. McMENIMEN
Treasurer
Boston, September 23, 1963

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

Continued from page 15

the area, and to offer broader services.

Merging is an historic process in New York State banking and has been going on in all parts of the state for 50 years and more as banks have adapted to changing conditions and to changing needs within our economy. Bank mergers were encouraged in 1934 when the legislature changed the *New York State Banking Law* to provide that a bank might expand beyond its principal city through branching or mergers within the limits of any one of nine banking districts. At the time our state was first divided into these nine banking districts, they resembled reasonable trading areas.

Almost 20 years have gone by and population has shifted. Methods of transportation and communications and modes of shopping and recreation all have changed. Businesses have grown tremendously and local businesses have become part of national concerns. District lines that were sensible then have become outmoded and overly restrictive.

A 1961 *Omnibus Banking Law* permitted *New York City* banks to branch or merge into two counties adjoining the *New York City* banking district, and vice versa. This enables those 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 *Clayton Act* applies to bank mergers means that the possibilities of further bank mergers in some of these nine districts are limited so that we must look further afield for expansion.

New York State As a Region

In 1961, I expressed a view that perhaps the whole state should be considered as a single region. In the past two years I have examined and re-examined that position and I am convinced that *New York State* must eventually be so considered. The banks in various upstate districts should be permitted to join together within the limits of maintaining competition, to create banks more representative of the whole area. The authorities might eventually permit mergers between upstate institutions and those in *New York City*. A strong case can be made that if upstate is to reach its full potential, its banks will need to be able to call on the resources of *New York City* institutions, either through holding companies as presently permitted, or through merging which currently is not permitted. The fear is expressed that *New York City* banks would drain funds from upstate, but our forecasts indicate

WASHINGTON AND YOU

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

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

The labor unions have renewed their recommendations that the work week be reduced to 35 hours in an effort to take up some of the unemployment slack in some areas.

The union position, as it continues to pressure the Kennedy Administration to make more jobs, is that 1,350,000 new jobs must be created each year to provide employment for young people coming into 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 now disseminate "retail" quotations by means of electronic devices. Further improvement would make possible the central storing of all bids and offers and reports of transactions, thereby making possible compilation of actual price and volume data as in the case of listed 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 historically characterized both the operation and regulation of Over-the-Counter 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 Market. 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

Meantime, 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 automation impact 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 use of automation equipment can result in some truly big errors. For instance, it is known that a man not too many weeks ago got one thousand 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 may be started as soon 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 Orleans and sent to several disbursing points for mailing. The Agriculture Department says the payroll automation plan 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 employment rights 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 another department of the Government that needs 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 already.

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 loran stations, light stations, fog signal stations, radio beacon stations, lighted and unlighted buoys, among other things.

More and more the light stations are unmanned, which is 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.

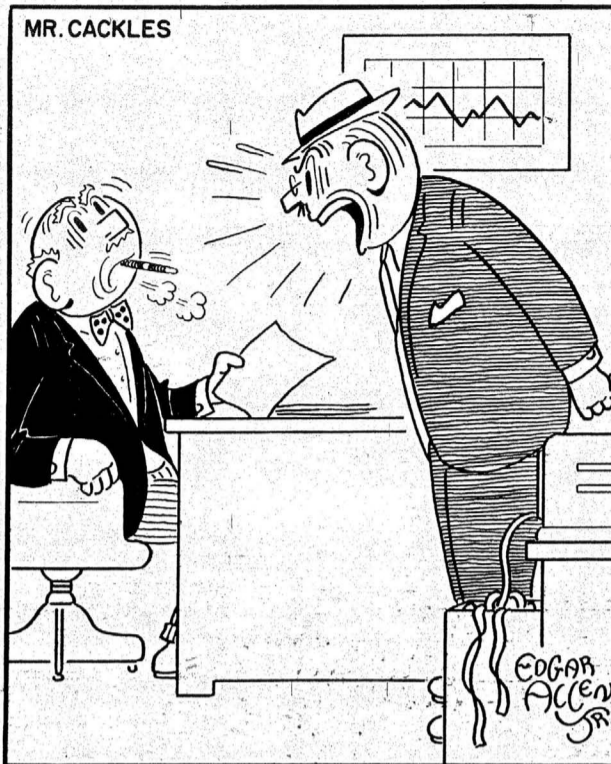
The Coast Guard still had a long way to go in some cases to make the major offshore light stations automatic, but as more automatic power equipment becomes available the less offshore personnel will be needed.

Some Unfounded Pessimism

Just about every size bank in the country will eventually be affected by bank automation. Interest in cooperative data processing for bank groups has been 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



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

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. Meantime, several leading Government economists say that their statistics indicate that the first part of 1964 appears favorable from an economic standpoint—at least as good as 1963.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

Brauns To Be V.-P. Of Hayden, Stone

Effective Oct. 1, Robert A. W. Brauns will become a Vice-President of Hayden, Stone & Co. Inc., 25 Broad Street, New York City, members of the New York Stock Exchange and other leading national exchanges. Mr. Brauns was formerly Vice-President and syndicate manager for McDonnell & Co. Incorporated.

COMING EVENTS

IN INVESTMENT FIELD

Sept. 27, 1963 (Philadelphia, Pa.) Bond Club of Philadelphia 38th annual outing and field day at the Huntingdon Valley Country Club, Huntingdon Valley, Pa.

Sept. 27, 1963 (New York City) Municipal Bond Club of New York 2nd Annual Fall Sports Outing at the Sleepy Hollow Country Club, Scarborough - on - Hudson, New York.

Oct. 2, 1963 (New York City) New York Group Investment Bankers Association Annual Dinner at the Waldorf-Astoria Hotel.

Oct. 6-9, 1963 (Washington, D. C.) American Bankers Association Annual Convention.

Oct. 17-18, 1963 (Atlanta, Ga.) Georgia Security Dealers Association fall party—dinner at the Top of the Mart, Oct. 17; outing and dinner at the Standard Club Oct. 18.

Oct. 17-18-19, 1963 (New York City)

National Association of Investment Clubs annual Convention at the Statler Hilton Hotel.

Oct. 20-24, 1963 (Bal Harbour, Miami Beach, Fla.)

National Association of Bank

Women 41st annual convention at the Americana Hotel.

Nov. 13-15, 1963 (Chicago, Ill.) American Bankers Association First National Automation Conference at the La Salle Hotel.

Nov. 20, 1963 (New York City) Association of Stock Exchange Firms Annual Meeting of members for election of new officers and governors; Governors' Dinner at the University Club.

Dec. 1-6, 1963 (Hollywood Beach, Fla.)

Investment Bankers Association of America Annual Convention at the Hollywood Beach Hotel.

CHRONICLE's Special Pictorial Supplement Dec. 19.

Dec. 2-3, 1963 (New York City) National Association of Mutual Savings Banks 17th Mid-Year meeting at the Commodore Hotel.

April 8-9-10, 1964 (Houston, Tex.) Texas Group Investment Bankers Association Annual Convention at the Shamrock Hilton Hotel.

CHRONICLE's Special Pictorial Section April 30.

Apr. 22-23-24, 1964 (St. Louis, Mo.)

St. Louis Municipal Dealers spring party at the Chase Park Plaza Hotel and Glen Echo Country Club.

May 16-24, 1964 (New York City) National Association of Mutual Savings Banks 44th Annual Meeting at the Commodore Hotel.

Dec. 7-8, 1964 (New York City) National Association of Mutual Savings Banks 18th Annual Mid-Year meeting at the Commodore Hotel.

May 17-18-19, 1965 (Washington, D. C.)

National Association of Mutual Savings Banks 45th Annual meeting at the Washington Hilton Hotel.

May 16-17-18, 1966 (Philadelphia, Pa.)

National Association of Mutual Savings Banks 46th Annual meeting at the Bellevue Stratford Hotel.

May 22-23-24, 1967 (Boston, Mass.) National Association of Mutual Savings Banks 47th Annual meeting at the Hotel America.

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