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EDITORIAL

As We See It

"O liberty! liberty! how many crimes are committed in thy name!" One often wonders if a Madame Roland, well versed in economic thought, and living today would not make about the same observation about the current usage of the word "liquidity." There are few words more often encountered in discussions among "modern" economists who, as is so often the case, seem to suppose that the key to all current economic problems is to be found in the currency or monetary field. Yet the term, now employed with various meanings in various fields, is never used in the sense which was not long ago commonly accepted among informed students of financial matters. In truth the word nowadays usually has very little relationship to the term as employed, say, a half century ago or often even a quarter of a century ago. Unfortunately, there are many, some of them among the very elect, who are all too easily mislead by words which have varied meanings, none of which is the same as formerly.

The latest arrival in this welter of jargon is the term "international liquidity." To introduce further confusion this same phenomenon, apparently designating the sum total of any nation's gold stock, foreign currency convertible (within certain limitations) into gold, and its "automatic" access to credit, is also sometimes designated as the international "money supply"—another term that rolls off a great many tongues, also meaning different things to different people and to which is all too often attributed almost occult powers. Now it usually happens that one nation's loss of "international liquidity" is another nation's gain in "international liquidity." Thus, of course, our exports of gold and our attraction of large foreign deposits payable on de- (Continued on page 44)

The OTC Market: Coast-to-Coast Shopping Center for Quality Issues

By Dr. Ira U. Cobleigh, *Economist, and* Dr. Harold J. King, *Chairman, Department of Economics, Seton Hall University, South Orange, New Jersey*

Reviewing the progress of trading in the OTC market, its response to recent volumes, activity and attitude of listed issues; and the possible changes in procedures contained in legislative proposals of the Securities and Exchange Commission. Also included is a tabulation of OTC securities with unbroken cash dividend records extending from five years to almost nine generations.

Market commentators currently relate their observations to two quite recent trading milestones—the drastic selloff of May 28, 1962 and the breakthrough to a new high in DJIA on September 24, 1963. Both dates are, of course, of major import to the world's largest market—The Over-the-Counter one.

Liquidation Absorbed

Wall Street has an expression: "When they back up the wagon, everybody rides." This was certainly true 15 months ago. Listed and unlisted issues alike were asked to supply and maintain bids against a downpour of sell orders. In this donnybrook of liquidation the market quotations in the larger, most actively traded, OTC issues held up, percentage wise, quite as well as comparable listed issues. It was the smaller, regional OTC issues, many of them comparatively new and thus unseasoned offerings, that took the drubbings. In a number of instances underwriters, with meager resources, who had sponsored these issues, were unable to maintain any market at all; and the pressure of called loans caused some of these firms to close their doors. This was an unhappy day for many anguished investors but it does bring home the lesson that investment dealers must be responsible and properly resourced, and that small unknown issues held by a few hundred stockholders may, on occasion, have thin or invisible markets. If they can be propelled to fat premiums over subscription price on the offering day, they can equally fade swiftly when everyone wants to sell at one time.

Substantial Recovery

The total recovery in substantial issues traded Over-the-Counter, since late May, 1962, has been quite as impressive as that in the exchange markets; and particularly where volume permits, OTC markets in general, have proved orderly, dependable and appropriately responsive to changes in the progress, prospects and profits of individual companies. Some of the proposals of the SEC respecting the OTC market do not seem particularly drastic. The SEC would like to see some sort of public reporting of daily volume and range in active (Continued on page 22)

The Security I Like Best...

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

This Week's Forum Participants and Their Selections

Ethyl Corporation — Leslie E. Fourton, Partner-in-Charge, Institutional Sales and Research, C. B. Richard & Co., New York City. (Page 2)

Santa Fe Drilling Co. — Augustus Slater, Financial Analyst, Lester, Ryons & Co., Los Angeles, Calif. (Page 2)

LESLIE E. FOURTON

Partner-in-Charge, Institutional Sales and Research, C. B. Richard & Co., New York City

Ethyl Corporation

Over the past year, Ethyl Corporation, a major chemical-paper complex, has been one of the star performers in the "Over-the-Counter" market, exceeding the outstanding activity of such "Big Board" glamour stocks as IBM, Polaroid, Litton, Control Data and Chrysler. So far, the growing interest in Ethyl has been mostly by those so-called sophisticated investors who generally are quick to recognize the opportunities of a "blue chip" company, having a high degree of leverage, possessing superior management, a substantial cash flow and poised on the threshold of a "turn around." While some risk has always been apparent and still exists, aggressive management philosophy, improving trends and new horizons suggest a strong future growth pattern.

The underlying strength of Ethyl Corporation arises from the merging of the managements and activities of Albemarle Paper Manufacturing Company and the Ethyl Corporation on Nov. 30, 1962.

Albemarle, accounting for about 22% of sales of the combined operations, is a producer of kraft paper and board, paper boxes, multi-wall bags and absorbent and waterproof papers. This division employs nearly 2,500 people and operates plants in five states.

Ethyl, a major chemical activity which accounts for the balance or about 78% of total company sales, is best known as the leading manufacturer and marketer of antiknock compounds for gasoline. In recent years, however, Ethyl has broadened its fields of interest and has begun to produce other additives for petroleum products, various other chemicals for industry, consumer products, national defense and essential intermediates for plastics. This division employs about 4,300 people and operates five plants and two important research laboratories.

Albemarle has been a relatively small but capably managed paper company. Sales, in the past 10 years, have more than doubled, rising from $21 million to $50 million. While product price declines have been severe, firmer prices in general are already evident and selected increases combine for a brighter outlook. In addition, Ethyl provides a means of overcoming the former disadvantages of the company brought about by the competitive inroads by plastics and other paper substitutes.

Ethyl, until its patents expired in 1947, was the supplier of antiknock compounds for the petroleum industry. Since then, du Pont has become an important factor, having about 35% of industry capacity which totals 800 million pounds annually. Houston Chemical built an 80 million pound plant in 1961 and Nalco Chemical is completing a 40 million pound plant. Ethyl still leads with 400 million pounds; and, operating of about 70% of capacity, is producing approximately 50% of industry sales of around $300 million.

It is well known that consumption of antiknock compounds has been in a declining trend since 1956 due to the shift away from the use of aviation gasoline which accounted for about 10% of the market. The new jets using a kerosene type fuel have nearly eliminated the airplane market for tetraethyl lead. A second important factor has been the growth in compact car production which last year rose to 36% of the car market. This year there has been a decline to 31% and the effect on tetraethyl may lessen further. New techniques for better gasoline by petroleum refiners also had a temporary effect on demand. Now that the factors which had an adverse effect on demand are behind it, the industry expects to see the resumption of growth in demand which first became evident in 1962 and may be expected to continue at a 2% to 3% rate in the years ahead.

Prices of antiknock compounds were at the 63c per pound level 10 years ago and are now at 55c. The downtrend extended into early 1962, since which time they have been steady.

Ethyl Corporation, whose sales are currently estimated to be 22% paper, 68% antiknock compounds and 10% chemicals is expected to grow rapidly over the next five years. The company is planning for a sales breakdown of 30% paper, 50% antiknock compounds and 20% chemicals. If achieved, paper sales could nearly double and chemical sales would rise to about 2½ times the present level. However, the company expects to grow so rapidly that these percentages may change substantially before the end of the five year period. The company states that "We're going to expand in all directions, and quickly." Research and development expenditures, budgeted at 4% to 5% of sales, approximate $10 million.

The company finances are considered strong with the current ratio better than 3 to 1, working capital at nearly $70 million and cash and equivalents about $40 million. Cash flow for this year is estimated at about $28.5 million. Mandatory debt service is $8.75 million and conditional debt service is $4 to $5 million. Dividends on preferred and common stock total about $1.5 million.

Capitalization consists of about $205 million of priorities or 82% of total borrowed and invested capital, and, outstanding there are approximately 48,000 6% preferred shares, 2.3 million class A and B common shares, 800,000 warrants for class B common, at $13.75 per share, expiring in 1982 and 283,000 options exercisable over periods up to 10 years at prices ranging from $28.25 to $38.50 per share. The warrants and options could bring in nearly $20 million of new capital and would create a dilution of the common of 32%, which is not expected for many years.

With the common selling at about 70, their total stock market value plus priorities approximates $375 million. The price-earnings ratio is 13.3 times estimated 1963 earnings of $5.25 per share or 19.3 times on a fully diluted basis. The price-cash earnings ratio is 5.8 times or 8.2 times on a fully diluted basis. The common dividend is 36 cents per share.

In conclusion, the risk in this equity seems to be more apparent than real and should be viewed in terms of the fact that the outlook appears especially favorable since the company has an extensive opportunity to expand. The shares appear undervalued.

AUGUSTUS SLATER

Financial Analyst, Lester, Ryons & Co., Los Angeles, California

Santa Fe Drilling Company

By the mid-1950's it had come to be accepted that the natural gas producing potential of rapidly growing, energy-hungry California had been fully developed. Divining rods of major company geologists and seismologists alleged that there were no new sizable gas deposits to be discovered. But there were a few skeptics among the "little leaguers." Going over some of the older seismic traceries they decided certain areas in central California were worth another try. The breakthrough came in early 1958 when one of the smaller independents brought in a gas producer in an extension of the Vernalis Field—which had been producing for 20 years from a shallow zone tapped by only two wells owned by one of the large companies. Since then nature's treasure-trove has yielded up a succession of new dry gas fields within the megalopolis spread out in the shadow of San Francisco's Nob Hill. Like finding a major natural gas supply 50 miles from New York, or Chicago — it has much greater value in place, in the ground, than if located at the end of a pipeline, 2,000 miles away.

SANTA FE DRILLING (named after its Home Office location at Santa Fe Springs, Calif.) is an important participant in this burgeoning California gas play, with plenty of cash to support its exploration activities. Known in its principal role as a contract well driller for the world's major oil companies, the company has had an unusually successful record since organization in 1946. With total revenues of $25 million for the 12 months ended June 30, 1963, earnings of $2.4 million equivalent to $1.59 per share and cash flow exceeding $3.90 on the company's 1.5 million shares, at new all time highs, its 3,800 shareholders find pleasant reading in the company's informative current reports. Secret of its outstanding success in the competitive well drilling field has been superior

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

Interest Equalization Tax Bill Must Be Reconsidered

By Robert S. Boas,* *Executive Vice-President, Carl Marks & Co., Inc., New York City*

If Congress does not see fit to exempt in toto "old" foreign issues outstanding prior to July 19, 1963, then at the very least the current legislative proposal to tax purchases of foreign securities sold by foreigners to U. S. persons should be amended to avoid an unfair and uncalled for penalty. In offering this statement, foreign securities specialist Boas urges amending the proposed H. R. 8000 to exclude exchanges, conversion or substitution of foreign securities and, also, reinvestments therein resulting from the sale of such issues whenever an American finds portfolio change necessary or desirable.

We have studied the record on H. R. 8000, listened to the testimony and read, during the past few weeks, the abundant comments on this proposed legislation, and have discussed the whole complex with competent American and foreign economists, bankers and businessmen. We are much concerned and afraid that H. R. 8000 in its present form may not achieve its aims, unless appropriate amendments are incorporated.

Robert S. Boas

This situation now prompts us to make the following comments and to offer certain analytical thoughts and suggestions on this bill, as well as on the problem of the deficit in the U. S. balance of payments in general.

Looking back to 1945, the U. S. was practically an almighty creditor, and the dollar was equated with gold. This is evident from the fact that the European Payments Union and the International Monetary Fund made the accounting unit equal to the dollar. In the intervening 18 years this country, out of generosity and, in certain instances, out of political necessity, has turned from a creditor to a debtor nation—at least temporarily—although our balance of trade is favorable and the invisible income such as services, insurance premiums, etc., make our position still stronger.

Our balance of payments is, nevertheless, deficient. This is caused by facts, some of which may be unalterable, and some of which can stand correction.

It is not our idea, nor within our province to argue for a decrease of our global military commitments or for a restriction of our aid program; it is, however, our sincere hope and desire that the dollar should remain strong, and that international operations in the monetary field should be kept liquid and open; otherwise, our nation, and in due course all countries of the free world, are bound to end up with currency restrictions, and will be thrown back altogether into a reactionary situation such as the one which prevailed in many countries between the World Wars and immediately thereafter.

Weakest Alternative We Could Use

Out of the vast arsenal of weapons at the disposal of the United States, H. R. 8000 appears to be the weakest, tackling a very minor segment of the balance of payments problem, and, in our opinion, doing so neither effectively nor equitably.

Seymour E. Harris, Littauer Professor of Political Economy at Harvard University, in his book *The Dollar in Crisis*, listed 28 possible therapeutic measures to prevent a devaluation of the dollar. Yet Professor Harris agrees that the major recourse still is to stimulate exports (including tourist travel to U. S. A.); divert purchases under aid and military programs to the United States; contain inflationary wages, prices and fiscal policies; increase capital liquidity; and maintain short-term interest rates at a level sufficiently high to discourage movements of short-term capital.

Also, in 1962, the Subcommittee on International Exchange and Payments, in a report to the Joint Economic Committee for the Congress on "Payment Policies Consistent with Domestic Objectives of Maximum Employment and Growth," pointed out some of the above measures, and only as a second choice stated that ". . . if the more desirable *multilateral* avenues toward solution of the payments problems are closed to the United States, or if they should prove inadequate, serious consideration will have to be given to moves backward toward the older restrictive policies, such as prohibiting access by new foreign issues to the U. S. capital market, except where they are found not to add to the U. S. deficit. . . ."

Runs Counter to Other Expert Reports

H. R. 8000 handles the situation in the very limited manner of

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Thursday, October 10, 1963

Articles and News

THE OVER-THE-COUNTER MARKET'S INVESTMENT OPPORTUNITIES

ARTICLE starting on the cover page, "The OTC Market: Coast-to-Coast Shopping Center for Quality Issues," discusses the investment opportunities inherent in securities available only in the Over-the-Counter Market as exemplified in the tabulations showing the names of banks and companies which have paid consecutive cash dividends for 10 to 179 years (Table I, page 23) as well as those in the 5- to 10-year category (Table II, page 38).

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OBSERVATIONS...

BY A. WILFRED MAY

A CONTRARY OPINION ON MARKET FORECASTING —AND INVESTING REALISM

(The first of two sections of a paper by Mr. May presented before the Contrary Opinion Forum, Manchester, Vt., Oct. 4, 1963.)

The stock market's performance since the debacle of May-June of 1962 makes a contrary opinion forum particularly timely now. For the prevalent opinion considered it a major flattening out of the post-1929 kind, well deserved because of the excesses in new issues, glamor stock gambling, etc.

Both President Kennedy and the Treasury at news conferences offered the "excessive" price-earnings ratios as a major cause of the bust—Mr. Dillon suggesting 15 as a proper investment-bases multiplier. But since the June 1962 low the market has recovered 105% of its preceding loss, with the price-earnings ratio rising from 15 to 19 (on Moodys' 125 stock index). What say Messrs Kennedy and Dillon now?

Moreover, my own contribution, I feel certain, out-contraries the contrarians, in denying the possibility of timing market movements, with the advocacy of value analysis in its place.

In discussing stock market forecastability, let us consider first the proper place of forecasting in the investing process; second, the reasons for the continuing boom in the public's forecasting proclivities; third, weighing of the empirical results actually achieved by various categories of experts in their attempts to time market movements; fourth, reasons making the negative results inevitable; fifth, the fundamental fallacy of the concept of "the market" as an entity, or of a "trend"; and sixth, the alternative of a sound investing approach.

It is, of course, true that some amount of forecasting is present in practically all our activities. In conducting a commercial business some risky prediction is done, as in the anticipation of the public's style acceptance by the automobile manufacturer, or perhaps in financing arrangements. And in farming, account is taken of the outlook for the weather and of the likely supply-and-demand situation.

But it must be remembered that in legitimate business and farming, forecasting is engaged in as an unavoidable necessity, as **incidental** to the major productive effort, and is usually minimized as much as possible.

In investing operations, contrastingly, while some assumptions about the future, of course, must be made, the investment community stresses the forecasting elements far beyond the incidental and the unavoidable. Furthermore, an important standard in defining whether one is acting as an investor, speculator or gambler, is the relative emphasis placed on prediction. The closer one approaches a genuine investment attitude, the more will short-term forecasting, along with other risks, be minimized; conversely, the speculator-gambler, dealing in risks, concentrates on forecasting.

The Prophets Boom

In direct contrast to the depression which Wall Street as an investment business has recurrently suffered since the halcyon 1920s, its forecasting "division" assuredly has been enjoying a continuing bull market. This has centered largely in activities attempting to anticipate stock price movements through so-called internal market analysis. The remarkable growth in the popularity of prediction is contained in the intemized doubling of the literature, contained in the recently released SEC Special Study of the Securities Markets.

Its Motivation

There seems to be a variety of reasons, mostly psychological, for such popularity of the "prophecy system" — particularly of the "technical" methods for gauging the action of the market-as-a-whole. An ordered "system," particularly when supported by charting, supplies a welcome emotional ecape from the difficulties involved in the alternative approaches, such as the ability and rigorous self-discipline required for the business-like analysis and evaluation of individual securities; and also stems from disillusionment over the well-publicized stortcomings of past business and general economic predictions. The mental gymnastics involved in contemplating a pictorialized market trend (particularly as projected into the future) is tempting for its seeming simplification as well as for pure enjoyment.

"Liquidity," Blue Chipitis, and Timing

In complete misconception of the basic nature of the common stock, the market-timing technicians blithely overlook the fact that essentially a share in a business listed on an exchange is not different from a share in a business not listed; and cause the business-value elements of the listed share to be dwarfed in importance by their rapidly changing attitudes toward the market as a whole. In their "liquidity" concept the forecasters make of a security a kind of counter in the ebb and flow of market movements. Without realizing it, no doubt, they are dealing in prices in lieu of value, attempting to anticipate the extent to which their fellow-public will subsequently cause the price level to diverge from value, to outwit the market's other buyers and sellers, to out-forecast their fellow-forecaster.

The "Parlayed" Double Forecast

The forecaster's difficulties are further enormously increased by the fact that he must be correct in foretelling not only such external events, but also **their effect on the stock market.** Like the difficult feat in horse racing of winning a *parlayed* bet, he must make a correct double forecast.

And the market effect is fully as difficult to anticipate, since psychological forces govern the market participants' reactions to external events. Identical events often have successively opposite market effects.

For example, in the period following World War II the minority forecaster who turned out to be correct in his expectations of good business instead of a demobilization depression such as had occurred after all previous wars, was nevertheless "wrong" on the market, for it dropped 22% in 1946, and continued its bearish behavior until late 1949.

Outbreak of war furnishes another example of the difficulty of drawing the correct market conclusion from the correctly-predicted event. Throughout the first eight months of 1939, those expecting the outbreak of world-wide war sold stocks. But the actual occurrence of the event was followed by an immediate market *rise* averaging 20%. On the other hand, the Korean outbreak of last June was greeted by a market *drop* of 15%.

Internal Market Analysis

Time limitations prevent us from making more than a brief reference to some of the fundamental fallacies embodied in the current mass effort to anticipate stock price movements by means of so-called *internal market analysis.*

The basic fallacy common to the plethora of "technical" methods used in stock market forecasting is the implied major premise that the *future* course of a price can be determined from its *past* behavior; disregarding the hard-and-fast line between the past and the future. This error of the technicians applies not only to the charters of Dow Theory, of ratio systems, of **action reaction signals** ("according to Newton's Third Law") **explosions points; tonometers** and **"island reversals";** but as well to the more respectable sun spot cycle theory, and formula-timing practitioners. (Market conclusions tied to sun spots and stellar radiation result from other fallacies.)

Dow Theory's Basic Fallacies

Let us now very briefly summarize the fallacies containing in the popular Dow Theory, which are common to most of the other internal market analysis techniques. Charting the market's course according to its concepts of tops and bottoms, secondary areas, major and minor reversals, break-through points, valid and invalid penetrations, confirmations, primary and secondary advances, etc., the Dow theorists attempt to define whether the market is bull or bear. As a **definition** of the present this is useful, but as **prediction** it signifies nothing. It functions merely as a weather vane that shows which way the wind has been and is blowing; whether up or down the hill. Actually, it does not thereby give any clue as to how long it will continue to blow that way — not even whether it will continue to blow for another day (that is for another up-tick). The weather vane does not insure continuation of the wind; similarly recording of a past price trend does not guarantee its continuation. Stripped of its surrounding copious jargon, the Dow principle is a logical absurdity.

* * *

WE have just witnessed an example of such absurdity in the form of break-through-the-old-high imagery. "The higher the cheaper—the market is allegedly cheaper at 736 than at 726 or 626!

Incidentally—when a system for beating the stock market or a game of chance comes a cropper, its practitioner is quick to blame himself for faulty interpretation and exculpate the sacrosanct system (a masochistic mental somersault).

"The Market" and the Elusive "Trend"

Those trying to time movements of the stock market considered as an entity, or at least as containing a "trend," overlook the obstacle thereto resulting from the constant divergences within that overall tent termed "the market."

The non-existence of a market appraisable as an entity and the difficulty of defining a "trend" that is inclusive create an insuperable obstacle to forecasting of "the stock market." And those investors basing their prediction on a market-as-a-whole or a conceived-of representative *trend* also must win a "parlayed" bet—in this case first on the overall trend and second on the divergent component issues.

The concluding section of this paper, containing affirmative mechanisms for value appraisal of individual issues, will follow in next week's issue.

Brauns Joins Hayden, Stone

Robert A. W. Brauns has been elected a Vice-President of Hayden, Stone & Co., Incorporated, 25 Broad Street, New York City, members of the New York Stock Exchange, the investment firm has announced. He will be in charge of the firm's corporate department. Prior to joining Hayden Stone, Mr. Brauns served as a partner and Vice-President for McDonnell & Co., Inc., having headed that company's underwriting activities at the end of his eight-year tenure.

The new Vice-President is also Chairman of the Board of Valley Metallurgical Processing, Inc. of Essex, Conn.

Laird & Co. Elects V.-P.

Theodore J. Komosa has been elected a Vice-President of Laird & Co., Corp., members of the New York Stock Exchange, and will make his headquarters in the firm's New York City office at 61 Broadway. He will manage the newly formed utilities division of the institutional department.

Joins Murray Frumin

DETROIT, Mich.—Charles Rubenstein has become associated with Murray Frumin & Co., Penobscot Building.

Mr. Rubenstein, who holds both A.B. and M.A. degrees from Wayne State University, successfully operated his own company prior to entering the securities business.

Formerly with Straus, Blosser & McDowell, he is a specialist in planning personalized investment programs.

Capital Secs. Branch

SAN ANTONIO, Texas — Capital Securities Company has opened a branch office at 302 Valley-Hi Drive, under the management of Steve I. Spaugh.

Small Investment Accounts No Bonanza for Banks

By Charles W. Buek,* *President, United States Trust Company of New York, New York City*

Banker is mystified by the eagerness with which banks of all sizes are looking forward to operating their own mutual funds. Enabling legislation is expected to be passed at this session of Congress which will remove the tax uncertainty and allow collective investment funds for managing agency accounts. Mr. Buek calls attention to the fee restrictions of Reg. 9 in the pending bill placing them on a disadvantageous footing with non-bank mutual funds and the probable too costly operation of small funds which only trust funds of large size are able to overcome. For the profits involved, Mr. Buek believes the risk is too great. He cautions banks resolved to move into this area not to skimp on top personnel because investment results will be widely compared and publicized and, though a small part of total bank operations, can shape a bank's reputation.

The most interesting development of the year for trustmen undoubtedly has been the progress made toward the commingled investment of managing agency accounts. Recent articles in the press may have given you the impression that we were getting nowhere, but that is not the case.

Charles W. Buek

We have made rapid progress in the area of the commingling of investment management accounts and of the collective investment of H. R. 10 trusts for the self employed. We are very close to achieving for these small accounts all of the advantages which common trust funds have brought to trusts.

Investing small amounts of money has always been difficult, and common trust funds have enabled us to provide top-level supervision and broad diversification at a cost our customers could pay. Heretofore, we have had to turn away investment management customers whose funds were too small to handle properly and profitably, and H. R. 10 trusts will present the same problem.

Expects Bill's Passage This Session

Now the end is in sight, and we have high hopes of complete success during this session of Congress. Legislation has been drafted by a special committee of the ABA Trust Division, under the chairmanship of Robert D. Ferguson, Senior Vice-President of the Pittsburgh National Bank. The bill will be known as "The Bank Collective Investment Fund Act of 1963."

The Act stipulates that all such funds must be operated in accordance with Regulation 9 of the Comptroller of the Currency. The essential requirements and procedural limitations of Regulation 9 are embodied in the legislation. Furthermore, additional provision is made for mandatory prior disclosure, not only of the plan of operation of any bank collective investment fund, but also of its investment record to date. Such disclosure prior to investment seems clearly in the public interest, and it has been accepted by banks and regulatory authorities alike.

The enforcement of Regulation 9 in respect to any collective investment fund will be the responsibility of the appropriate bank supervisory agency. This will be the Comptroller of the Currency in respect to national banks, the Federal Reserve Board in respect to state banks which are members of the System, and the Federal Deposit Insurance Corporation in respect to still others. Banks not falling in any of these categories must accept the supervision of one of these agencies if they desire to operate a collective fund.

Finally, the 1963 Act permits the granting of exemptions from certain of these procedural limitations, when such an exemption would be in the public interest and not contrary to the spirit or intention of the Act. This could mean that common trust funds of the familiar type, if they continued to be operated and promoted in what might be termed the traditional manner, might not be subject to any new limitations.

Will End Tax Uncertainty

The 1963 Act, if it is enacted, will end the uncertainty regarding the tax status of collective investment funds, especially those which commingle managing agency accounts. These will fall under Section 851 (a) (2) of the Internal Revenue Code. Finally, penalties are specified for any bank which operates or promotes a collective investment fund in a manner which violates the provisions of Regulation 9. These penalties will be applicable to banks in any and all categories.

Collective investment funds, which must be operated by banks in accordance with all of the foregoing rules and limitations, will be exempt from the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Company Act of 1940.

No Bonanza for Banks

All told, the rules will be strict and the opportunity limited. I am mystified by the eagerness with which banks of all sizes are looking forward to the privilege of operating collective investment funds for managing agency accounts. I am sure that such banks have been misled by some of the debate of the past two years, and I would strongly recommend that they read Regulation 9 a second time. They will also want to study the proposed legislation in company with both their counsel and their cost accountant.

The very few bankers who dream of getting into the mutual fund business will be disappointed, for we have made no progress in that direction. Regulation 9 of the Comptroller of the Currency closed the door to the profitable operation of mutual funds by banks.

Regulation 9 limits the compensation of a bank to the fee which it would charge if an account were managed separately rather than in the collective fund. For most of us this puts a top limit on our compensation of a half of 1% of principal. In the volumes we are likely to develop, it is highly unlikely that banks could absorb the cost operation, as well as the cost of investment management, and still show a profit at a half of 1% of principal. The mutual funds have had experience in handling many small amounts of money, and they have found that costs cannot be brought down to a half of 1%, including a margin of profit, until the investment fund has risen into the hundreds of millions of dollars.

Investing small amounts of money is expensive. The mutual funds have been able to do it on a basis of a management fee plus operating expenses and usually plus a loading charge. Regulation 9 offers the banks a management fee less operating costs and no loading charge. In my opinion, an opportunity for banks to enter the mass market on a profitable basis does not exist.

Undermine a Bank's High Reputation

It is, therefore, hard to understand the willingness of banks, both large and small, to risk their fine names and well earned reputations on the fate of their investment funds in the stock market. Perhaps they have forgotton that Regulation 9 requires that the investment results of every collective fund must be published in a local newspaper. No comparison with other banks in town need be made in the news release, but you can imagine how eagerly those figures will be awaited by customers, by competitors, and by analysts and dealers in bank securities.

Comparisons can be odious and comparisons will be made. Someone will collect those figures, tabulate them, and give them wide distribution. I don't know whether it will be Trusts and Estates Magazine, or our good friend Morris Shapiro, but someone will do it. It will soon be possible to classify the investment results of these collective funds with mathematical precision and with 20-20 hindsight. It is entirely possible that a bank which is in the top ten in the country in order of deposits will find itself 299th in order of investment acumen. This will come as a shock to its president, who has kept his trust department hidden away in the annex, out of sight and out of mind.

Equipped With Top Personnel

Any bank which contemplates establishing such a collective investment fund would be well advised to take stock of its investment capabilities and the quality of its people. If the reputation of a bank is to ride on the investment results of these men, they must be every bit as proficient in their field as the commercial bankers are in theirs. This is why I am surprised to find so many banks eagerly awaiting the start of the race.

Well equipped banks may take full advantage of Regulation 9 and the new legislation, assuming its enactment. The privilege of commingling investment management accounts will permit us to do a better job with our existing accounts and to accommodate our good customers whose business has heretofore been turned away. This will be a great step forward. We will also be in a position to invest H. R. 10 trusts with adequate diversification and senior supervision.

The privilege of commingling is something to be practiced but not promoted. In skilled hands it will be a useful tool. Banks should enter this difficult field with full realization that the reward for success will be modest, and that the penalty for failure will be disproportionately severe.

*An address by Mr. Buek at the 14th Investment Seminar of the New York State Bankers Association, New York City, Sept. 20, 1963.

To Be V.-P. of Reuben Rose Co.

Richard Neuberger on Oct. 17, will become a Vice-President of Reuben Rose & Co., Inc., 115 Broadway, New York City, members of the New York Stock Exchange.

D. Wittman With Sincere & Company

David Wittman has been appointed co-manager of the New York office of Sincere & Co., 25 Broad St. He was formerly wtih William I. Rosenfeld, Jr., & Co.

A. E. Aub Adds

CINCINNATI, Ohio — Albert G. Albietz has been added to the staff of A. E. Aub & Co., Fifth Third Bank Building.

Tax-Exempt Bond Market

BY DONALD D. MACKEY

Sparked by the successful underwriting and sale of the $184,000,000 Douglas County, Washington P. U. D. issue and the subsequent brilliant underwriting and sale of the $50,000,000 Lewisport, Kentucky, Industrial Revenue issue, the state and municipal bond market has shown further stimulation in the course of the past week. *The Commercial and Financial Chronicle's* price yield Index averaged at 3.069% a week ago; it averages at 3.05% as of Oct. 9 for an indicated market rise of more than ¼ of a point for the high grade 20-year bond category.

Conflicting Reactions

The hearty investor reception accorded the Douglas County P. U. D. and Lewisport, Kentucky, Industrial Revenue issues has not, however, touched off comparable interest for new issue offerings in general. Both of these issues were of the high yield variety so short in supply during 1963. The long term bonds, bearing a 4% coupon in the case of Douglas County and 5% in the case of the Lewisport issue, fitted the yield-starved insurance company demand perfectly. The shorter serial phases of these issues were priced so generously that demand was fairly general.

On the other hand, the dozen or more important new issues brought to market during the past week yielding from 3% to 3.50% in the long end have met with only spotty investor interest. The commercial banks have been the main support in this area of the market over the past year or more but this interest has been recently less prevalent; in fact to an appreciable degree.

Unrealistic Bidding Continues

Despite this recent lag in the demand for the higher grade issues, bidding continues to be aggressively competitive. A psychology continues to generally pervade the dealer ranks that rejects the notion that bids should reasonably conform with the apparent broad investor demand. A form of new issue bidding perversion prevails that derives largely from hope and charity and it has in many important instances resulted in the most inept merchandising ever known to the investment banking industry.

The paradox is partially explainable as a situation wherein commercial banks have more recently found it profitable to expand their tax exempt bond holdings and in so doing have become the dominating market factor. As such, the market has been pushed appreciably through the interest of general investor and institutional demand.

Dollar Bonds Firm

While new issue bidding was being pressed this week to new high levels for the move, quotations for the long term toll road, toll bridge, public utility and other revenue issues were generally less firm. The *Chronicle's* Revenue bond yield Index increased from 3.519% to 3.521%. This represents only an ⅛ point average sell-off for the 23 actively traded bonds involved in the composite.

Among the toll roads the Kansas Turnpike has shown steady improvement this year. For example, in August interest was earned 1.57 times as against 1.39 times in Aug. 1962. For the year ended Aug. 31, 1963, interest was earned 1.12 times against 0.99 times for the previous year. Progress here has been slow but the trend has been toward steady improvement. There has been some market improvement in Illinois Toll Highway 3¾s over the past two or three weeks even though revenues are lower than they were prior to the opening of the Dan Ryan Expressway. A higher toll schedule beginning Oct. 1 is presumed to be helpful.

It seems idle to generalize about street inventory level because of the intangibility of inventory vs. portfolio. At any rate, as between the confusion, there is plenty of inventory or quickly convertible inventory or as one might say, vicarious inventory. The total of state and municipal bonds currently offered in the *Blue List* is $482,563,000. This total has now been below $500,000,000 for some time.

New York to Enlarge Pending Business

The new issue calendar as presently constituted is extremely light for this period of the year. Through October, presently scheduled offerings total only $460,000,000. Among these issues, there is only one as large as $75,000,000 namely, the California Toll Bridge issue scheduled for Oct. 23. However, as we near press time, it is indicated that the City of New York will receive bids for $118,000,000 serial bonds, also on Oct. 23. This issue at the time of writing has not been officially advertised. At present there are no large negotiated type issues being readied for market.

A Busy Week

This past week has been the most active period this year in the underwriting of new municipal bond flotations with over $450,000,000 of various issues having been brought to market. Competition has continued to be very keen as prices moved to new high levels. Investor reception to date has been at least encouraging.

Legal obstacles were cleared late last Friday and the nationwide syndicate of 349 investment bankers managed by *Blyth & Co.* immediately reoffered the $184,000,000 Douglas County, Washington Public Utility District #1, Wells Project revenue serial and term bonds. Investor demand among banks, insurance companies and individuals was excellent, as expected, and all of the bonds were sold during the order period. The 4s of 2018 are presently quoted 102-102¼.

Other managers of this nationwide syndicate were *Merrill Lynch, Pierce, Fenner & Smith, John Nuveen & Co., Kidder, Peabody & Co., Francis I. duPont & Co., F. S. Smithers & Co., B. J. Van Ingen & Co., Inc., Wm. P. Harper & Son & Co.* and *Foster & Marshall.* The price paid to the District was 99.291.

The serial bonds, maturing 1974 to 1991, were offered to yield from 3.15% to 3.75% for various coupons and the term bonds, maturing 2018, were offered at a dollar price of 101 for a 4% coupon to yield 3.95%.

Monday which is usually a dull day was not so this week with two loans of note offered for public bidding. The largest industrial revenue bond issue ever sold, $50,000,000 Lewisport, Kentucky, Industrial Building serial and term bonds, was purchased by the syndicate managed jointly by *Kuhn, Loeb & Co.* and *Tucker, Anthony & R. L. Day Co.*

Other major members of this syndicate include Allen & Co., Goodbody & Co., Francis I. duPont & Co., Ira Haupt & Co., B. J. Van Ingen & Co., Inc., Stein Brothers & Boyce, F. S. Smithers & Co., Riter & Co., Hayden, Miller & Co., Tripp & Co., Stifel, Nicolaus & Co., McDonald & Co., Taylor & Co., Bacon, Stevenson & Co., Fahnestock & Co. and Rand & Co.

This issue consisted of $8,000,000 serial bonds due 1967 to 1972 and $42,000,000 term bonds due 1988 as 5% bonds at 100. The serial bonds were sold pre-sale and all of the term bonds were sold during the order period and the account was marked closed. Yesterday's market on the 5s was 100-100½.

The $50,000,000 proceeds from

Continued on page 45

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California, State	3½%	1982	3.30%	3.10%
*Connecticut, State	3¾%	1981-1982	3.20%	3.10%
New Jersey Hwy. Auth., Gtd.	3%	1981-1982	3.10%	2.95%
New York State	3¼%	1981-1982	3.00%	2.90%
Pennsylvania, State	3⅜%	1974-1975	2.85%	2.70%
Delaware, State	2.90%	1981-1982	3.20%	3.05%
New Housing Auth. (N. Y., N. Y.)	3½%	1981-1982	3.15%	3.00%
Los Angeles, California	3¾%	1981-1982	3.30%	3.15%
*Baltimore, Maryland	3¼%	1981	3.20%	3.05%
*Cincinnati, Ohio	3½%	1981	3.20%	3.10%
Philadelphia, Pennsylvania	3½%	1981	3.40%	3.25%
*Chicago, Illinois	3¼%	1981	3.35%	3.25%
New York City	3%	1980	3.23%	3.13%

Oct. 9, 1963 Index=3.05%

*No apparent availability.

Larger Issues Scheduled For Sale

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

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.	1,630,000	1965-1986	3:00 p.m.
Worthington Exempted Village Sch. Dist., Ohio	1,200,000	1965-1984	11:00 a.m.
October 14 (Monday)			
Cupertino Union Sch. Dist. Calif.	1,050,000	1964-1988	10:00 a.m.
Richardson Indep. Sch. Dist., Texas	3,500,000	1964-1993	7:30 p.m.
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.
Hazel Park, Mich.	1,800,000	1965-1987	--------
Hempstead G. O., N. Y.	7,320,000	--------	--------
Kansas City Sch. Dist., Mo.	2,900,000	1964-1983	Noon
Long Beach Unified Sch. Dist., Cal.	1,500,000	1964-1983	--------
Lumberton Sch. Dist., N. C.	1,415,000	1965-1988	11:00 a.m.
Mission Indep. Sch. Dist., Texas	1,090,000	1964-1991	7:30 p.m.
Newton School District, N. J.	1,050,000	1964-1979	8:00 p.m.
Pa. State Hwy. & Bridge Au., Pa.	35,000,000	1964-1983	Noon
Santa Clara Union H. S. D., Calif.	1,525,000	1964-1988	10:00 a.m.
Santiago Water Dist., Calif.	1,000,000	1966-1993	8:00 p.m.
Tucson, Ariz.	3,800,000	1965-1983	10:00 a.m.
Washoe County, Nev.	1,000,000	1964-1983	11:00 a.m.
Ysleta Indep. Sch. Dist., Texas	2,500,000	1965-1988	7:30 p.m.
October 16 (Wednesday)			
Baton Rouge, La.	30,000,000	1964-1988	11:00 a.m.
Bethlehem City Area S. D., Pa.	8,000,000	1965-1985	7:30 p.m.
Camillus, Van Buren, Etc., Central School District No. 1, N. Y.	3,000,000	1964-1988	2:00 p.m.
Columbus, Ga.	1,000,000	1964-1993	11:00 a.m.
Louisiana (State of)	30,000,000	1964-1988	11:00 a.m.
Orleans Parish School, La.	3,500,000	1964-1983	10:00 a.m.
Richland County, S. C.	2,200,000	1965-1983	Noon
St. Clair Shores Sch. Dist., Mich.	1,985,000	1966-1993	7:30 p.m.
South Kingstown, R. I.	1,900,000	1964-1982	11:00 a.m.
Vermont (Hghwy, Sch. & Sewer)	6,200,000	1964-1983	11:00 a.m.
October 17 (Thursday)			
Austin, Texas	14,000,000	1964-1988	10:00 a.m.
Topeka, Kansas	4,372,000	1964-1983	11:00 a.m.
Worthington Exempted Village School District, Ohio	1,200,000	1965-1984	--------
October 21 (Monday)			
Owensboro, Ky.	2,000,000	1991	11:00 a.m.
October 22 (Tuesday)			
Alma, Mich.	1,200,000	1965-1995	8:00 p.m.
Antioch Unified Sch. Dist., Calif.	2,000,000	1965-1984	10:30 p.m.
Huntington Beach S. D., Bldg., Cal.	1,000,000	1964-1983	11:00 a.m.
Nevada State Building	2,150,000	1964-1973	9:00 a.m.
Pierce County Clover Park School District No. 400, Wash.	1,000,000	1965-1983	11:00 a.m.
Rayne, La.	2,908,000	1964-1988	--------
October 23 (Wednesday)			
California Toll Bridge Authority	75,000,000	1964-1992	11:00 a.m.
Folsom Joint Unified S. D., Calif.	2,375,000	1965-1988	10:00 a.m.
King County Kent SD #415, Wash.	1,080,000	1965-1978	11:00 a.m.
New York City, N. Y.	118,700,000	1964-1993	11:00 a.m.
Richland County S. D. No. 1, S. C.	1,000,000	1966-1979	Noon
Wellesley, Mass.	1,600,000	1964-1978	11:00 a.m.
October 24 (Thursday)			
Chattanooga, Tenn.	2,200,000	1965-1984	--------
Cleveland City Sch. Dist., Ohio	10,000,000	1965-1984	1:00 p.m.
Port of Seattle, Wash.	6,000,000	1964-1983	11:00 a.m.
October 28 (Monday)			
Lane County S. D. No. 19, Ore.	3,450,000	--------	--------
Maple Heights City S. D., Ohio	1,121,000	--------	1:00 p.m.
Salinas, Calif.	5,174,000	--------	--------
Texas Technological College	10,666,000	1966-2012	10:00 a.m.
October 29 (Tuesday)			
Los Angeles County Flood Control District, Calif.	15,000,000	1965-1989	--------
Ramsey County Hosp. Bldg., Minn.	7,150,000	1964-1993	10:00 a.m.
Sarasota Co. County Hospital, Fla.	1,350,000	1964-1993	11:00 a.m.
October 30 (Wednesday)			
Lenape Regional High S. D., N. J.	1,575,000	1965-1993	8:00 p.m.
October 31 (Thursday)			
Canonsburg-Houston Jt. Auth., Pa.	1,750,000	1965-2001	1:00 p.m.
November 1 (Friday)			
Honolulu, Hawaii	39,600,000	--------	--------
Univ. of Alabama Bd. of Trustees	4,805,000	1965-2003	11:00 a.m.
November 4 (Monday)			
Edina, Mass.	2,625,000	1965-1987	7:00 p.m.
November 5 (Tuesday)			
Beverly Hills Library Const., Cal.	1,560,000	1965-1984	7:30 p.m.

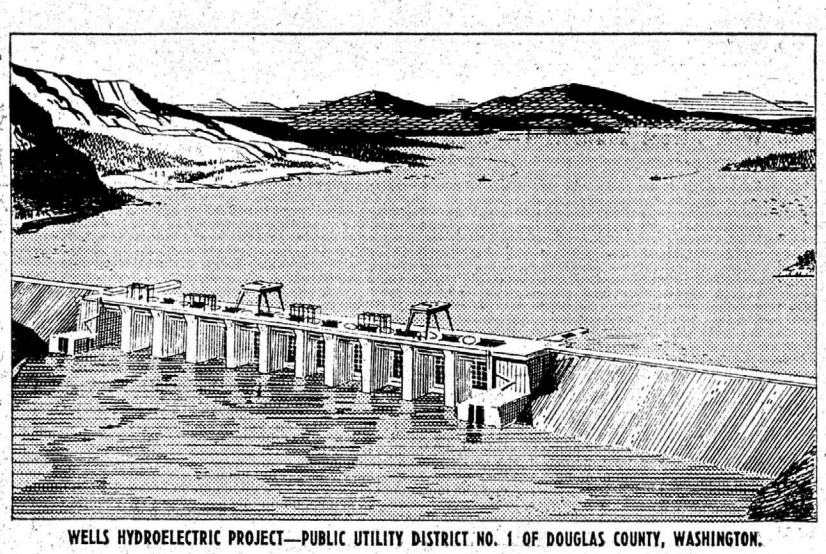
New Issue October 7, 1963

$184,000,000

Public Utility District No. 1 of Douglas County

WASHINGTON

Wells Hydroelectric Revenue Bonds, Series of 1963



WELLS HYDROELECTRIC PROJECT—PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY, WASHINGTON.

The 1963 Bonds will be dated September 1, 1963; principal and interest (semi-annually March 1 and September 1; first coupon, March 1, 1964) on coupon Bonds and principal on registered Bonds will be payable at the option of the holder at Morgan Guaranty Trust Company of New York, American National Bank and Trust Company of Chicago, or Seattle-First National Bank, Seattle. Payment of interest on each fully registered Bond will be made by the New York Paying Agent. The Chase Manhattan Bank, New York City, is Bond Fund Trustee.

The 1963 Bonds will be issued in coupon form in the denomination of $5,000, registrable as to principal only, and in fully registered form in the denomination of $5,000, or any multiple thereof. Coupon and fully registered 1963 Bonds will be interchangeable.

Interest exempt, in the opinion of Bond Counsel to the District, from present Federal income taxes under existing laws and court decisions.

$144,170,000 4% Bonds due September 1, 2018

Price 101

$39,830,000 Serial Bonds

due annually September 1, 1974 to 1991, inclusive

Amount	Rate	Due	Yield or Price	Amount	Rate	Due	Yield or Price
$1,635,000	3¼%	1974	3.15%	$2,205,000	3½%	1983	3.55%
1,685,000	3¼	1975	3.20	2,280,000	3¾	1984	3.60
1,740,000	3¼	1976	100	2,365,000	3¾	1985	3.60
1,795,000	3¼	1977	3.30	2,455,000	3¾	1986	3.65
1,855,000	3½	1978	3.35	2,545,000	3¾	1987	3.65
1,920,000	3½	1979	3.40	2,645,000	3¾	1988	3.70
1,985,000	3½	1980	3.45	2,740,000	3¾	1989	3.70
2,055,000	3½	1981	100	2,845,000	3¾	1990	100
2,130,000	3½	1982	100	2,950,000	3¾	1991	100

(Accrued interest to be added)

Bonds redeemable prior to maturity on terms and conditions which are set forth in the Official Statement.

These Bonds are offered when, as and if issued and received by us, subject to prior sale, to the right to reject any order and to withdrawal or modification of the offer without notice. Legal matters relative to authorization and issue of these Bonds are subject to approval by Messrs. Wood, King, Dawson & Logan, Bond Counsel to the District, and by Richard G. Jeffers, Esquire, Counsel to the District. Certain legal matters will be passed upon for the Underwriters by Messrs. Sullivan & Cromwell. This announcement is neither an offer to sell nor the solicitation of an offer to buy these Bonds. The offer of these Bonds is made only by means of the Official Statement, copies of which may be obtained in any State from such of the several Underwriters, including the undersigned, as may lawfully offer these Bonds in such State.

Blyth & Co., Inc.

Merrill Lynch, Pierce, Fenner & Smith Incorporated

John Nuveen & Co. (Incorporated)

Kidder, Peabody & Co.

Francis I. duPont & Co.

F. S. Smithers & Co.

B. J. Van Ingen & Co. Inc.

Wm. P. Harper & Son & Co.

Foster & Marshall Inc.

Underwriters listed alphabetically within brackets of participation

Allen & Company
Blyth & Co., Inc.
Alex. Brown & Sons
C. J. Devine & Co.
Drexel & Co.
Francis I. duPont & Co.
Eastman Dillon, Union Securities & Co.
Equitable Securities Corporation
Foster & Marshall Inc.
Glore, Forgan & Co.
Goldman, Sachs & Co.
Wm. P. Harper & Son & Co.
Harriman Ripley & Co. Incorporated
Kidder, Peabody & Co.
Lazard Frères & Co.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
W. H. Morton & Co. Incorporated
John Nuveen & Co. (Incorporated)
Paribas Corporation
Phelps, Fenn & Co.
R. W. Pressprich & Co.
Salomon Brothers & Hutzler
F. S. Smithers & Co.
B. J. Van Ingen & Co. Inc.
Wertheim & Co.
White, Weld & Co.
Dean Witter & Co.

Bache & Co.
Blair & Co. Incorporated
J. C. Bradford & Co.
First of Michigan Corporation
Goodbody & Co.
Ira Haupt & Co.
Hayden, Stone & Co. Incorporated
Hemphill, Noyes & Co.
Ladenburg, Thalmann & Co.
F. S. Moseley & Co.
Paine, Webber, Jackson & Curtis
Reynolds & Co., Inc.
L. F. Rothschild & Co.
Shearson, Hammill & Co.
Weeden & Co. Incorporated
Wood, Struthers & Co., Inc.

American Securities Corporation
Bacon, Stevenson & Co.
Bacon, Whipple & Co.
William Blair & Company
Braun, Bosworth & Co. Incorporated
Clark, Dodge & Co. Incorporated
Dick & Merle-Smith
R. S. Dickson & Company Incorporated
Estabrook & Co.
Geo. B. Gibbons & Company Incorporated
Gregory & Sons
J. A. Hogle & Co.
W. E. Hutton & Co.
Lee Higginson Corporation
Pacific Northwest Company
Roosevelt & Cross Incorporated
Tripp & Co., Inc.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Aluminum—Review—L. F. Rothschild & Co., 120 Broadway, New York, N. Y. 10005.

Aluminum — Review — Burnham and Company, 60 Broad Street, New York, N. Y. 10004. Also available is a review of the **Electric Utilities.**

Arizona Statistical Review—19th annual edition of statistical data on the state — Valley National Bank, 141 North Central Avenue, Phoenix, Ariz. 85004

Bond Market — Review — Salomon Brothers & Hutzler, 60 Wall Street, New York, N. Y. 10005.

Business & Finance in Canada—Review — Equitable Securities Canada Ltd., 60 Yonge Street, Toronto 1, Ont., Canada.

California's Financial Industries—Review with particular reference to **Transamerica Corp., First Charter Financial, Fireman's Fund Insurance** and **Bank of America** — Goodbody & Co., 2 Broadway, New York, N. Y. 10004.

Chartcraft Fall OTC Chart Book—700 current over-the-counter charts including point & figure charts on all actively traded industrial, bank and insurance stocks — Chartcraft, Inc., Dept. CF-3, 1 West Avenue, Larchmont, N. Y.—$12.50.

Consumer Finance Industry—Analysis with particular reference to **Budget Finance** — D. H. Blair & Company, 5 Hanover Sq., New York, N. Y. 10004.

Department Store Stocks—Report—Courts & Co., 11 Marietta St., N. W., Atlanta, Ga. 30301.

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.

Growth Rates of Industries and Products—Discussion—David L. Babson and Company Incorporated, 89 Broad Street, Boston, Mass. 02110.

Insurance Stocks — Analysis—Laird,, Bissell & Meeds, 120 Broadway, New York, N. Y. 10005.

Japanese Market — Review of outlook — Daiwa Securities Ltd., 149 Broadway, New York, N. Y. 10006. Also available are analyses of **Taisei Construction, Sankyo, Hitachi Machinery, Isikawajima Harima Heavy Industries,** and **Bank of Tokyo.**

Life Insurance Companies — Review—Rohrbaugh and Company, Union Trust Building, Washington, D. C. 20005.

"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.

Paper Industry — Analysis with particular reference to **International Paper** and **Nekoosa Edwards**—Robert W. Baird & Co., 631 North Water Street, Milwaukee, Wis. 53201.

Petroleum Companies — Annual financial analysis of 33 companies—The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N. Y. 10015.

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.

Selected Stocks—Lists of Stocks in various categories which appear interesting — The Illinois Company, 231 South La Salle St., Chicago, Ill. 60604.

Selected Stocks—Issues in various categories which appear attractive — Emanuel, Deetjen & Co., 120 Broadway, New York, N. Y. 10005.

Steel Industry — Analysis — T. L. Watson & Co., 25 Broad Street, New York, N. Y. 10004. Also available is an analysis of **Jones & Laughlin Steel Corp.**

Stocks for Income—Selected issues — Watling, Lerchen & Co., Ford Building, Detroit, Mich. 48226.

Tobacco Stocks—Comment—Rittmaster, Voisin & Co., 40 Exchange Place, New York, N. Y. 10005. Also available are reports on **Capital Cities Broadcasting, Columbia Broadcasting System, Colonial Corp. of America, E. J. Korvette, Inc., Litton Industries** and **Ronson Corp.**

Wall Street Transcript — Weekly publication containing full original text of brokers comments and reports, reprinted and cross-indexed — Available on annual subscription — Copy of current issue $1—Wall Street Transcript, Dept. 928, 54 Wall Street, New York, N. Y. 10005

* * *

Advocate Mines Ltd.—Review—Doherty Roadhouse & McCuaig Bros., 335 Bay Street, Toronto, Ont., Canada. Also available are reviews of **Brunswick Mining and Smelting Corp** and **Patino Mining Corp.**

Alside Inc.—Comments—Bregman, Cummings & Co., 4 Albany Street, New York, N. Y. 10006. Also available are comments on **American Enka, American Research & Development, Dynamics Corp of America, Electric Associates, Grumman Aircraft, Kerr McGee Oil Industries** and **Standard Packaging.**

Aluminum Company of America—Analysis—Colby & Company, 85 State Street, Boston, Mass. 02109 (firm requests stamped addressed envelope when writing for copies). Also available is an analysis of **Western Union.**

American Foundation Life Insurance Co. — Analysis — Trulock & Company, 111 Fifth Avenue, Pine Bluff, Ark.

Archer-Daniels-Midland Company—Analysis—Kidder, Peabody & Co., 20 Exchange Place, New York, N. Y. 10005.

Beaunit Corp.—Comments—Walston & Co., 74 Wall Street, New York, N. Y. 10005.

Boise Cascade Corp.—Comments—Hannaford & Talbot, 111 Sutter Street, San Francisco, Calif. 94104. Also available are comments on **Winchell Donut House, Sanders Associates, Louis Lesser Enterprises, U. S. Markets Inc., Atlas Corp.** and **Royal McBee Corp.**

Bridgeport Hydraulic Company—Report—Chas. W. Scranton & Co., 209 Church Street, New Haven, Conn. 06507. Also available are reports on **New Haven Gas Co., Associated Spring Corp., Veeder Root Inc.**

California Packing Corp.—Analysis—Schwabacher & Co., 100 Montgomery Street, San Francisco, Calif. 94104.

Campbell Soup—Review—Newburger & Company, 1401 Walnut Street, Philadelphia, Pa. 19102. Also available are reviews of **Equitable Gas, General Public Utilities, Thomas & Betts, West Virginia Pulp & Paper** and **Convertible Securities.**

Canal Assets—Analysis—Howard, Weil, Labouisse, Friedrichs and Company, 211 Carondelet Street, New Orleans, La. 70112. Also available are analyses of **Southern Industries** and **Sterling Sugars, Inc.**

Chenango & Unadilla Telephone Corp.—Annual Report—Chenango & Unadilla Telephone Corp., Norwich, N. Y.

Chicago & Northwestern — Comments—H. Hentz & Co., 72 Wall Street, New York, N. Y. 10005. Also available are comments on **Canadian Pacific.**

Chrysler—Comments—Independent Advisors to Investors, 36 West 44th Street, New York, N. Y. 10036. Also available are comments on **North American Aviation.**

Colonial Board Company—Analysis — Putnam & Co., 6 Central Row, Hartford, Conn. 06103.

Continental Insurance Company Analysis—Powell, Kistler & Co., 110 Old Street, Fayetteville, N. C.

Continental Insunrance Company—Survey — Abraham & Co., 120 Broadway, New York, N. Y. 10005. Also available is a survey of **Rayonier.**

Duriron Company Inc.—Financial report — The Duriron Company, Inc., Dayton, Ohio.

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

General Mills Inc.—Report—Dean Witter & Co., 45 Montgomery St., San Francisco, Calif. 94106.

General Shale Products Corp.—Analysis — Glore, Forgan & Co., 135 South La Salle St., Chicago, Ill. 60603.

W. R. Grace—Review—Hirsch & Co., 25 Broad Street, New York, N. Y. 10004. Also available are comments on **Sperry Rand, Arlan's Department Stores, Montana Dakota Utilities, May Department Stores, General Telephone & Electronics, Amsted Industries, Interstate Power,** and **Merck & Co.**

Hartford Electric Light Company—Annual report—Hartford Electric Light Company, Secretary's Office, Box 2370, Hartford, Conn. 06101.

Hayes Industries — Comments—Henry Gellermann, Dept. CFC, Bache & Co., 36 Wall Street, New York, N. Y. 10005. Also available are comments on **A. O. Smith, Allen Industries, Canadian Pacific, American Export, American Commercial Barge, May Department Stores, Mercantile Stores, Northwest Airlines, Western Airlines, Borg Warner.**

Hill's Supermarkets — Analysis — Edwards & Hanly, 100 North Franklin Street, Hempstead, N. Y.

Kayser Roth Corp.—Analysis—Pyne, Kendall & Hollister, 60 Wall Street, New York, N. Y. 10005.

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

Minnesota Mining & Manufacturing Co.—Analysis—Halle & Stieglitz, 52 Wall Street, New York, N. Y. 10005.

National Can Corp.—Analysis—Harris, Upham & Co., 120 Broadway, New York, N. Y. 10005. Also available is a report on **Mesabi Trust.**

New York Central Railroad—Analysis—Shearson, Hammill & Co., 14 Wall Street, New York, N. Y. 10005.

Pacific Petroleums Ltd.—Report—Gairdner & Company Limited, 320 Bay Street, Toronto 1, Ont., Canada.

Pittsburgh Plate Glass—Survey—Evans & Co., Incorporated, 300 Park Avenue, New York, N. Y. 10022. Also available is an analysis of **Kimberly Clark Corp., Minneapolis Honeywell, Westinghouse Electric, General Mills, Kaiser Industries.**

Howard W. Sams & Co. Inc.—Analysis—W. E. Hutton & Co., 14 Wall Street, New York, N. Y. 10005.

Southwestern Electric Service Company—Annual and quarterly reports—Southwestern Electric Service Company, Mercantile Bank Building, Dallas, Texas 75201.

Texaco Inc.—Report—Richard S. Graham, Dept. CFC, Reynolds & Co., 120 Broadway, New York, N. Y. 10005. Also available is a report on **General Tire & Rubber.**

Trans Coast Investment Company—Analysis—R. J. Henderson & Co., Inc., 621 South Spring Street, Los Angeles, Calif. 90014.

Unishops Inc.—Analysis—Jay V. Grimm Securities Co., 165 Broadway, New York, N. Y. 10006.

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

Dempsey-Tegeler Branch

PHILADELPHIA, Pa.—Dempsey-Tegeler & Co., Inc. has opened a branch office at 12 South 12th St., under the management of John C. Graham.

Greene & Ladd Office

COLUMBUS, Ohio — Greene & Ladd has opened an office at 22 East Gay St., with James M. Mack as registered representative in charge.

Interest Rate Trend May Change Upward by 1964

By Tilford C. Gaines, Vice-President, The First National Bank of Chicago, Chicago, Ill.*

Mr. Gaines explains why he believes U. S. securities will remain near their present levels for the next few months and why, however, their underlying direction will be upward commencing, perhaps, the end of this year or quite early 1964.

Rates of return available on U. S. Government obligations have adjusted rather significantly higher over the past year. Yields on short-term securities are generally one-half to five-eighths of a point higher than they were a year ago. Intermediate maturities are one-quarter to three-eighths of a point higher, and long-term bonds yield one-eighth of a point more than they did last September. Most of this adjustment has taken place during the past three months. Since June, yields on short-term obligations have increased by about 40 basis points, on intermediate obligations by 20 basis points, and on longer maturities by about 7 basis points.

Tilford C. Gaines

The principal reason for the recent adjustment in market rates of return was the movement toward tighter money taken by the Federal Reserve System in July. Federal Reserve discount rate was increased from 3% to 3½%, and the availability of reserves to the commercial banking system was reduced. These Federal Reserve actions were responsible for the rising rate trend in short securities. Another important influence toward higher rates, this time on the longer-term obligations, was the Treasury's mammoth advance refunding in early September. As a consequence of this refunding, more than $1 billion 30-year Government bonds were issued, $3.7 billion 10-year bonds, and $1½ billion 5-year bonds. The placement of this volume of securities in the 5-year and longer maturity brackets had the predictable effect on interest rates.

Interest Rate Movement to Date

Recent developments in the Government securities market are an extension of the policies followed by the Federal Reserve System and the Treasury for the past two years and longer. In order to restrain the flow of short-term funds to foreign capital markets in search of higher yields, the Federal Reserve and the Treasury have endeavored to force short-term rates of interest higher in our market. This policy has been eminently successful, and the movement of short-term funds abroad has no doubt been much smaller than would have occurred if our short-term rates had not been increased. At the same time, the monetary authorities have endeavored to maintain an ample availability of credit and to prevent longer-term rates from increasing more than marginally in order not to interfere with domestic economic growth. This aspect of policy also has been quite successful, although intermediate and longer-term rates of interest have tended to edge up gradually during the past year. Side by side with the overriding concern for our balance of payments and the rate of domestic economic growth, it has been necessary for the Treasury to be concerned about the maturity distribution of the public debt. That is to say, a compromise had to be reached between the desire to prevent longer-term rates from increasing and the need to avoid the inflationary consequences that would ensue if all Government financing were to be only in short-term securities. Consequently, the issuance of longer-term obligations already referred to was undertaken even though the financing operation was inconsistent with the objective of an ample availability of long-term funds and the avoidance of upward pressure on long-term rates.

Short Run Outlook

Looking ahead, it seems likely that market rates on U. S. Government securities should remain near their present levels for at least the next few months. For one reason, the recent Treasury financing probably will be the last big financing involving longer-term securities for the balance of this year. The Treasury has a relatively small refunding in November, and it must raise about $6 billion of new money before the end of the year. But it is likely that nearly all of this financing will be in short-maturities, thus helping to hold short-term rates up while avoiding further pressure on long-term rates.

Another important reason for thinking that rates may remain around present levels is the fact that preliminary indications suggest that the deficit in our balance of payments during the third quarter will be appreciably smaller than the deficit incurred in the first half of this year. It should not be necessary, therefore, for the Federal Reserve System to take further aggressive steps toward tighter money as a means of assisting the balance of payments. Simultaneously, the strength in domestic business activity that is expected during the fourth quarter should make it unnecessary for the Federal Reserve to relax monetary pressures as a means of stimulating domestic business. The balance of the forces at work suggest a flat interest rate movement.

Upward Long Run Trend

If one attempts to project further ahead, however, it would appear that the underlying direction of interest rate movement is still upward. The improvement in our balance of payments during the third quarter probably will be due to temporary influences; the basic payments deficit will still remain a matter of serious concern. In addition, the prospect of a tax cut superimposed upon an economy already moving at a good pace suggests that there might need to be little if any concern about economic growth and that, in fact, the concern over our growth rate might during the course of the next year be replaced by fear of inflation. Another important consideration in projecting interest rate movements is the presently illiquid condition of the banking system. Only a rather slight further tightening in the availability of bank reserves might lead to a rather pronounced increase in pressure on the banks and, as a consequence, greater pressure on the bond markets.

For these various reasons it is my guess that the next important movement in interest rates will be toward still higher levels. It would be difficult to guess when this movement might begin, but it could begin before the end of this year or quite early in 1964.

*From a talk by Mr. Gaines at the Second Annual Public Officials Conference sponsored by The First National Bank of Chicago, Chicago, Ill., Sept. 26, 1963.

First Gotham Formed

BROOKLYN, N. Y.—First Gotham Investors Planning Corporation has been formed with offices at 1469 Flatbush Avenue to engage in a securities business. Martin J. Simon is President.

Fordson Co. Opens

DALLAS, Texas—Larry F. Ferguson is conducting securities business from offices in the Mercantile Bank Building, under the firm name of Fordson Company.

Murphey Favre 75th Anniversary

SPOKANE, Wash. — Murphey Favre, Inc., Spokane and Eastern Building, is celebrating the 75th anniversary of the firm's establishment in 1888.

Alonzo M. Murphey opened Alonzo M. Murphey & Co., the predecessor of the present company, in a small office at Howard and Main Streets, a block from the firm's offices today. Murphey Favre Inc. has now expanded to more than 40 employees and maintains branch offices in Missoula, Montana, and Walla Walla and Wenatchee, Wash.

Mr. Murphey principally handled the securing of Eastern mortgage money to assist in the expansion of pioneer Spokane. When the city burned in August, 1889, shortly after he had started his activities, he was able to keep in business by placing his desk in a vault and waiting for the ashes to cool.

When Eugene B. Favre joined the company in 1908, activities were expanded to include the underwriting and sale of investment securities which began to take precedence over the mortgage business, which was eventually discontinued.

The first bonds ever issued by Spokane School District 81 were handled by Alonzo M. Murphey & Co., and Murphey Favre Inc. has continued to be a major participant in bonds issued to finance construction at Whitman College, Washington State University, University of Idaho, Montana State University, Oregon State and other institutions.

In 1939, Murphey Favre Inc. organized the Composite Bond and Stock Fund, Inc., and in 1949 Composite Fund, which emphasizes investments in common stocks.

George R. Yancey, President of Murphey Favre Inc., has been associated with the firm 42 years; Clara McRayde, Assistant Secretary Treasurer, 35 years; H. Phillips Lowry, Secretary, 34 years; and Harold M. Martin, Vice-President, 33 years. Other officers are Leonard H. Aspinwall, Lloyd A. Buty, and Roy S. Shea, Vice-Presidents, and Preston E. Macy, Treasurer.

Murphy & Dimpel Formed in NYC

Charles O'Brien Murphy III and Ralph T. Dimpel have formed Murphy & Dimpel with offices at 50 Broad St., New York City, to transact a general securities business. Both were formerly with Mackay & Co. Prior thereto, Mr. Murphy was an officer of Pearson, Murphy & Co., Inc. and was with John R. Boland & Co. and Merrill Lynch, Pierce, Fenner & Beane. Mr. Dimpel in the past was with John J. Laver & Co. and Lubetkin, Regan & Kennedy.

Structural Changes In British Banking

By Paul Einzig

Dr. Einzig's discussion of significant postwar banking changes in Britain describes the revived inroads merchant banks are making against commercial banks. Nevertheless, the latter are found to still be dominant and offer no indication they will step aside to let the merchant banks put the clock back to the 19th century when the opposite situation prevailed.

LONDON, Eng. — Gradually, almost imperceptibly, some important changes have taken place in the British banking organization during the post-War period. Foremost amongst them has been the increase in the relative importance of merchant banks compared with commercial banks. In the old days most merchant banks were family concerns managed by members of the well-known banking families. Already before the War some of them became converted into public corporations, and even though the orginal owners retained control, a large proportion of the common stock came to be owned by the public. Other merchant banks introduced new blood by admitting to partnership people not related to the banking families concerned.

This trend continued after the War. One merchant bank after another issued common stocks and practically all of them have ceased to be family concerns. What is more important, there had been a number of mergers between merchant banks, which means that, while the number of the old-established firms has become reduced, each one of them has become much stronger. New banking firms have also appeared on the scene, and some of them have made remarkable progress within the short time of their existence

The division of labor between merchant banks and commercial banks has undergone complete change. Before the War the former confined themselves almost entirely to international business, leaving domestic financing to commercial banks. Today most merchant banks are actively engaged in domestic financing. Even though their resources are still much smaller than those of big commercial banks with hundreds of branches, they have become quite active rivals in the domestic banking sphere.

The resources of merchant banks have increased to a higher degree compared with those of commercial banks. This is due partly to the fact that they are not bound by the cartel arrangement between commercial banks which fixes the maximum interest payable on deposits at 2% under the Bank rate of the day. Merchant banks are entitled to offer higher deposit rates and are able in many instances to divert deposits from commercial banks.

In addition merchant banks are more active in the Euro-dollar market than commercial banks. It was they who initiated it in 1957 and for a long time commercial banks kept aloof from it. Even now some of the big commercial banks are not very keen on it. The reason for it is that, while Euro-dollars lent by banks can be reckoned as part of their liquid resources, they cannot be included as part of their cash reserves which consist of actual cash and balances with the Bank of England. Even though there is no statutory reserve ratio or liquidity ratio in Britain, it is a well-established tradition that banks do not allow the ratio of their liquid resources to their liabilities to decline below 30%. Under this rule a Euro-dollar deposit of $1 million re-lent to a banking borrower enables a bank to increase its liabilities by $3.3 million—that is by $2.3 million in addition to the liability represented by the borrowing of the deposit. Commercial banks on their part are unable to benefit in the same way, because they have to keep an eye also on their cash reserve which is not supposed to decline below 8%. It is largely because of this handicap that commercial banks are not nearly so keen on Euro-dollar business as merchant banks.

This does not mean that commercial banks keep off the Euro-dollar market. They can engage in profitable activity by borrowing and relending deposits, even if the deposits they re-lend cannot serve as a basis for credit expansion.

Another post-War development has been the participation of both types of banks in a number of instalment credit finance houses. Some of the banks have actually acquired a controlling interest in those finance houses, while others were content with securing a substantial participation which ensures for them a say in the management. This branch of business has proved to be somewhat disappointing, however, in many instances, because optimistic anticipation about everlasting prosperity in the instalment business has failed to materialize.

An entirely new branch of activity for merchant banks has been their role in advising industrial firms in respect of mergers and "take-over bids." From time to time they receive much publicity when they are engaged to advise opponents engaged in competitive bidding for the control of some firm. Before the War when industrial firms needed advice in such situations, they enlisted the help of lawyers and accountants. It seems that in the meantime the overwhelmingly financial character of the problems involved has come to be realized. While legal advice and advice of accountants on the valuation of assets is still essential, advising in respect of the handling of the financial aspects of such duals has become much more important. Merchant bankers are currently qualified to perform that function.

Altogether the leading merchant banks have certainly grown in stature since the war. They would have, of course, still a long way to go if they tried to recover the prominent position they held during the greater part of the 19th Century. There can, of course, be no question of putting the clock back. Commercial banks have retained their lead and will always retain their lead by a very considerable margin.

With H. C. Wainwright

PORTLAND, Maine — Lloyd A. Heldman is now with H. C. Wainwright & Co., Casco Bank Bldg. He was formerly with A. C. Allyn & Co.

FROM WASHINGTON ... Ahead of the News

BY CARLISLE BARGERON

Seldom before in history has there been this far in advance so much enthusiasm as there is for Senator Goldwater of Arizona.

So great is the enthusiasm for him that there is going to be plenty of disappointment if he does not get the nomination. Millions of Americans are sick and tired of the Republicans metooing the Democrats in every election. It will be a clear cut fight and determination once and for all whether the country is conservative or liberal. The issue was almost decided in the 1960 election when the Republican nominee, Nixon, barely lost to the Democrats at a time when the issues were mixed.

Every day some development breaks in favor of Senator Goldwater. His name arouses enthusiasm when it comes up. It would be remarkable indeed if a man were nominated from a state the size of Arizona, but Senator Goldwater is likely to be nominated by a block of states having more strength than New York. In their trips around the country Senator Goldwater has drawn larger audiences than Governor Rockefeller.

Only recently the Senator picked up the support of Senator Norris Cotton of New Hampshire. He announced his support for Senator Goldwater—the antithesis of President Kennedy. Senator Cotton is powerful in his state and should he be successful in his fight to be elected delegate to the convention it will be quite encouraging to Goldwater. New Hampshire is the first of the states to hold its convention. Much will depend on what Ray Bliss, National Committeeman from Ohio, decides to do. There is talk out there of running Governor Rhodes as a favorite son. Ohio is a state which went Republican last time.

In New Hampshire Senator Cotton has presented to Republicans the problem which they must face in the presidential primaries and the National Convention next year. The problem is whether to go all out in opposition to most of the domestic and international policies of the Kennedy Administration. Or whether they will pick for the head of their national ticket a more moderate opponent of President Kennedy.

At the same time, Senator Cotton denied flatly that Senator Goldwater is "so reactionary that if he were President, we would abandon social security, retreat into isolationism, bring back the McKinley tariff, and return to the kerosene lamp." The reasons for attempting to paint Goldwater in such colors were obvious, he said. "The Goldwater I know," he said, "is too wise to break down our foreign relations and too prudent to risk nuclear war. But the day he becomes President, foreign chancellories will sit up and take notice, knowing that the days of the soft touch are over—that they must now deal with a keen, incisive, mature mind."

Senator Cotton's statement of Goldwater support was widely circulated in New Hampshire. The response has been quick and satisfactory. Of several hundred letters and messages received at the Senator's office, only three were adverse. Since New Hampshire will hold the first of the presidential preferential primaries in 1964, and since the friends of Governor Rockefeller of New York insist the Governor will enter that primary, the result there could go far toward determining the nominee who will be chosen by the Republicans in San Francisco in July. Rockefeller is a graduate of Dartmouth College, and as such he will have the sympathy of many of the other graduates who reside in the state. A former Governor, Hugh Gregg, is already organizing for Rockefeller.

The Republican Party in New Hampshire has been badly split into factions. Largely in consequence it suffered severe defeats at the polls last year. The Democrats elected a Governor and a Senator for the first time in many years, although the Republicans were able to re-elect Senator Cotton and to retain the state's two seats in the House of Representatives. By and large, the Republicans in New Hampshire have been and are conservative. This should be an aid to the Goldwater drive there.

In New Hampshire one of the uncertain factors is former Governor Wesley Powell. His latest statement — after Senator Cotton announced for Goldwater—was that he did not think much of bandwagons at this stage of the game, that there probably would be a third candidate entered in the New Hampshire primary. It is uncertain whether he meant himself running as a favorite-son candidate for the presidential nomination or whether he had in mind one of the other Republican presidential possibilities—such as Gov. Romney of Michigan, Gov. Scranton of Pennsylvania, Senator Morton of Kentucky, or some dark horse. As of today, New Hampshire must remain an uncertain quantity. Gov. Rockefeller, if he goes in there, is expected to make an intensive personal campaign.

Mericka Joins Lawrence Cook

CLEVELAND, Ohio — James R. Mericka has become associated with the investment firm of Lawrence Cook & Co., East Ohio Building, members of the Midwest Stock Exchange, as Executive Vice-President, according to an announcement by Donald G. Rundle, President.

Mr. Mericka will assist in the general management of the expanding Cook firm, in which Mr. Rundle acquired control earlier this year. Mr. Mericka will specialize in corporate finance and in servicing new business and institutional and individual investors.

A graduate of the University of North Carolina in 1951, Mr. Mericka for ten years was associated with Wm. J. Mericka & Co., Inc., founded by his father, previous to its merger with Hayden, Miller & Co. last July.

ADR: Sponsor and Shepherd Of Scientific Enterprises

By Dr. Ira U. Cobleigh, *Economist*

Outlining the unique opportunity for venture-minded investors to benefit from early phase entry into promising companies through investment in American Research and Development.

American Research and Development Corporation was founded in Boston in 1946 to assist "in creating companies based on the ideas and new techniques of competent men," to invest "in new companies," and to invest "in existing small or medium-sized companies which appear to have growth potential." How well it has succeeded is documented by growth in total net assets from $3,374,721 at the end of 1946, to $33,113,147 at June 30, 1963 or, on a per share, basis from $8.04 to $21.57.

Within the past five years there has been a great hue and cry about the Small Business Investment Company and its usefulness in supplying capital and management to eager young enterprises. ARD has been supplying these services to properly qualified ventures for 17 years and offers great advantages over a SBIC by virtue of its larger capital resources, the eclat of its Board of Directors, the outstanding competence of its managerial staff and consultants, the broad diversification it provides and, especially, its distinguished performance record.

Stellar Performers

In 1946, ARD invested $200,000 in High Voltage Engineering Corporation, a specialist in particle accelerators and ion propulsion systems. By the end of 1962, this original investment had attained a total market value of over $10 million and about 66% of the holding was spun off as a dividend to ARD shareholders. The 173,230 HVE shares remaining in portfolio on June 30, 1963 had a market value at that time of $6,100,000.

Another excellent result was attained in Ionics, Incorporated, which perfected a process for demineralization of water and industrial solutions, and has done advanced work in fuel cells. Here an original investment (39% of voting securities) cost $402,000 and was worth $2,169,000 at June 30, 1963. Other especially profitable situations, listed in the June 1963 semi-annual report, were 31,500 shares of Cutler-Hammer Inc. common costing $84,677, and worth $1,882,000; 90,300 shares of Camco, Inc. (oil recovery equipment) costing $357,000 and worth $1,264,000; and 109,100 shares of The Geotechnical Corporation costing $300,000 and worth $1,063,000 in mid-1963.

Digital Equipment Corporation

One member of the ARD family of companies that is particularly talked about today is Digital Equipment Corporation, maker of high speed digital data processing equipment, and magnetic core memory test equipment. In the computer field this company is being compared to Control Data Corporation whose corporate growth and share performance have been spectacular.

Financial reports on Digital Equipment are not publicly available but an estimate made by a Wall Street analyst indicated total sales of around $10 million for year ended June 30, 1963, and an earned surplus of about $2,500,000. At any rate the 35,000 shares of Digital Equipment Corp. common (69% of voting securities) acquired by ARD at a cost of $70,000 were given a value at June 30 last of $4,900,000. Both the growth rate and profit margins of Digital Equipment are believed to be quite unusual and the only way investors can presently share in the fairly exciting potentials here is by being ARD stockholders.

The ARD Method

While investor and speculators for decades have avidly sought early entry into promising technological enterprises, the chances of survival, much less success, have always been thin. Only one new company in four is alive on its 4th birthday; the majority founder principally because of insufficient capital or incompetent managements. ARD has developed a sound method for solving these early stage problems and for sponsoring and stimulating ventures of promise. First it seeks out new or established companies or projects that require development capital. It screens them carefully with a team of its experts, placing heavy emphasis on the character and competence of the men behind the new ideas. If ARD decides it cannot share in the financing of a given project, it can often help launch it by suggesting other sources of capital or assistance.

If the company venture meets its standards for acceptance and participation then ARD will offer financial assistance (usually anywhere from $50,000 to $1 million) and provide mature managerial and technical guidance. The financing provided is usually in the form of short or medium term notes often convertible or bearing warrants, and/or an outright investment in equity.

ARD does not seek control of the companies it sponsors although in certain instances where a heavy investment is made, ARD control may be maintained in the early years. As the project flowers and prospers, the notes will be paid and the equity either retained as an investment, spun off in whole or in part to ARD's shareholders, sold in private or public offering, or merged on attractive terms into another company. In any event the major corporate objective at ARD is capital appreciation.

Portfolio

The June report of ARD showed investments in 44 companies covering a wide diversity of fields including technically based companies, publishing, gas gathering, educational supplies, oil exploration, lawn and garden equipment and consulting and data processing.

All Are Not Meteors

There is always some shifting in the portfolio going on as older investments are liquidated and new ones added. Not all work out well. There are some companies that simply don't click; and there are others whose growing pains may last for several years. Because of the wide diversity of investments, however, and the high percentage gains achieved in such as HVO, Ionics, and Cutler-Hammer, etc., ARD common gives its holders not only substantial insulation against speculative risk but interesting opportunities for capital gain.

Listed Market

Most speculators in early phase enterprises are required to stake their funds in unseasoned individual company shares often with thin and erratic over-the-counter markets. ARD common, on the other hand, is a seasoned security with a proven track record, enjoying an active trading market on NYSE. There are only 1,535,000 shares outstanding so that good news can be quite sensitively translated into stimulated market activity. The 1961-63 range of the issue has been between 14 and 42¼, against current quotation at 28¼. Dividends of 31 cents a share have been paid this year.

With a noticeable market resurgence in scentific shares recently, perhaps an analytical look at ARD might now prove timely and possibly gainful.

Form Carolina Investors

RALEIGH, N. C. — Carolina Investors Corporation has been formed with offices at 120 South Salisbury Street to engage in a securities business. Officers are John C. Smith, President; Melvin Clanton Vice-President and Treasurer; and M. C. Clymer, Secretary. Mr. Smith and Mr. Clanton are partners in Smith, Clanton & Co.

Now With Kirchner

DENVER, Colo.—James M. Fleming has become affiliated with Kirchner & Co., 718 Seventeenth Street. He was formerly with Walston & Co., Inc. and prior thereto with Cruttenden, Podesta & Miller.

Hendrix, Mohr & Head Formed

BIRMINGHAM, Ala.—Announcement has been made of the formation of Hendrix, Mohr & Head, Inc., with offices in the First National Bldg., Birmingham, and the First National Bank Bldg., Montgomery, to act as underwriters and distributors of municipal and corporate securities.

James R. Hendrix

Sidney J. Mohr, Jr.

Beverly P. Head, Jr.

James R. Greene

Officers of the new firm are James R. Hendrix, President; Sidney J. Mohr, Jr., and Beverly P. Head, Jr., Executive Vice-Presidents; Edward W. Pennington, James R. Greene and Peter C. Mohr, Vice-Presidents; N. Coburn Hendrix, Secretary, and Miss Mildred Edwards, Treasurer. Mr. Head will be in charge of corporate financing; Sidney Mohr, who will manage the Montgomery office, will be in charge of institutional sales.

Messrs. Hendrix, Head and Pennington and Miss Edwards were formerly officers of Hendrix & Mayes, Inc. Sidney J. Mohr and Peter C. Mohr were officers of Mohr, Thomas & Co., and James R. Greene was formerly with First Alabama Securities, Inc.

Sidney J. Mohr, Jr. was originally with the Bond Department of the First National Bank of Montgomery, leaving the institution in 1934 to form the firm of King, Mohr & Company in partnership with Porter King who had formerly been with the Merchants National Bank of Mobile. In 1935 James R. Hendrix, formerly an investment officer of the Birmingham Trust & Savings Company, joined them in the formation of a firm which later became King, Mohr & Hendrix. In 1942 Mr. King retired from the securities business, Mr. Sidney J. Mohr, Jr. left King, Mohr & Hendrix to enter the Air Force, and some months later Mr. Hendrix formed Hendrix & Mayes, Inc. with Harold B. Mayes. Mr. Hendrix then entered the Navy as a Lieutenant and became Commanding Officer Argus 16, and Air Defense and Fighter Direction Naval Unit.

The formation of Hendrix, Mohr & Head, Inc. re-unites two partners who have been friendly competitors for 20 years. It is planned to expand the organization to take on additional activities and additional personnel.

Hendrix, Mohr & Head will be a member of both the Midwest and Philadelphia-Baltimore-Washington Stock Exchanges and will be an associate member of the Boston and Pittsburgh Exchanges. Additional emphasis will be placed on brokerage services to handle listed and unlisted securities as well as to continue in the business of underwriting and distributing municipal and corporate securities.

It is announced that Hendrix & Mayes, Inc. will remain an active corporate entity, but new business and public sales will be handled by Hendrix, Mohr & Head.

Edward D. Jones Adds

PUEBLO, Colo. — William B. Edgar has been added to the staff of Edward D. Jones & Co., Bon Durant Building. He was formerly with Peters, Writer & Christensen, Inc.

Bank Portfolios in Event Of Rising Interest Rates

By Robert S. Damerjian, *Assistant Vice-President, J. Henry Schroder Banking Corp. and Schroder Trust Company, New York City*

Bank analyst conceives of possible squeeze on available bank funds if interest rates were to rise and banks held back taking losses on their Reg. "Q" induced swelling of lengthened municipal, mortgage and Government portfolios. Mr. Damerjian's paper describes: the compositional changes in banks' portfolio resulting from Reg. "Q" changes; banks' ability to increase average returns on loans and to offset costly rising interest rates paid to depositors, and greater vulnerability resulting from extended maturities and lessened quality. Should rising costs to attract time deposits and liquidation losses not be offset by inflow of new funds to hold run-offs to a minimum, an expansion of commercial loans demand can be expected to place pressure on the prime rate which has not changed since August, 1960, when it was reduced to 4½%.

Largely as a result of the change in Regulation Q, effective Jan. 1, 1962, increasing maximum rates allowed on time deposits, bank portfolios have undergone several major changes to date. In addition, on Oct. 15, 1962, ceilings on rates of interest on time deposits of foreign governments, central banks, and other specified international institutions were also lifted for a period of three years. The latter had the effect of attracting some new funds in addition to increasing the cost on balances already held.

Robert S. Damerjian

It is still too early to determine what effect the latest change in Regulation Q (July 17, 1963) will have on bank portfolio operations. With a higher discount rate prevailing, market yields up, better business conditions, and the banks having lived with higher interest costs for almost 1¾ years, extension of over-all maturity and purchases of municipals which has occurred since January, 1962 may hold steady or be reduced.

Since January, 1962 to date, the over-all effect generally has been in the area of sizable purchases of municipals, substantial reduction of governments' holdings, and lengthening of government and municipal portfolio maturities. Economic conditions during this period, in addition to treasury debt operations, have significantly contributed to the above transition. The rapid growth in savings deposits (including the substantial growth of negotiable certificates of deposit now estimated at $9.0 billion), in response to higher rates coupled with a decline in municipal yields, largely as a result of pronounced bank demand and a decline in other yields, placed banks under severe earnings pressure. For the first time in many years, banks became active in the mortgage market forcing down yields in this area. In this respect, not only were banks undertaking less liquid loans, but as in the case of the investment portfolio, maturities were being extended. Total mortgage loans by commercial banks increased from $30.4 billion in the last quarter of 1961 to $35.2 billion at the end of the first quarter of 1963.

Increased Returns on Loans

The prime rate, which had been reduced to 4½% in August of 1960, continued to hold due to sluggish business conditions, while the pressure created by the huge savings continued to mount and profitable outlets had to be sought. Despite this, member banks were able to increase the average return on loans from 5.84% in 1961 to 5.93% in 1962.

One only has to speak to a country banker whose bank deposit composition is 50% or better in time form to determine what reasons were responsible for portfolio adjustments. In countless cases interest costs became the dominant factor as they rose to become the largest expense item.

The interest cost to the banks was not only against existing time deposits, which forced expenses up immediately, but against the subsequent large inflow.

In 1962, for all member banks, expenses rose approximately 16% over those of 1961. Nearly 64% of this was attributable to higher interest charges. For the year 1962, member bank salary and wages were $2.5 billion, while interest charged amounted to $2.4 billion. Interestingly, Reserve City banks in Chicago for the year 1962 found interest expenses $10 million higher than wages and salaries with interest charges almost doubling from 1961 to 1962. The average rate of interest paid on deposits in 1962 rose to 3.23% from 2.73% in 1961. For 1963, the average rate paid is expected to be in the area of 3.43% to 3.50%.

Time deposit growth at commercial banks, including negotiable certificates of deposit, rose from $82.5 billion in December, 1961 to $107.8 billion at the end of August, 1963 forcing banks to extend maturities not only in portfolios (government and municipals) and loans (through mortgages), but even possibly lowering quality standards on municipal and other investments to cope with mounting interest costs. Concern for the latter has been expressed by more than one high ranking monetary official.

Composition of Government Portfolios

In an effort to maximize income in the government portfolio, commercial banks lengthened such holdings considerably while, at the same time, reduced their over-all holdings. Over-all liquidity was also reduced by increasing total municipals (and their respective maturities), in addition to increased mortgage commitments. The results of these simultaneous operations are partially illustrated in the accompanying charts.

Member banks reduced total government holdings from $54 billion in December, 1961 to $47.9 billion in August, 1963. Part of the reduction undoubtedly found its way into more profitable municipal holdings.

The rapid shift among the various maturities clearly points (see charts) to the effects of the change in Regulation Q in January, 1962 as well as advance refundings. Extension of maturities also took place as a result of easier money conditions during most of 1962 in connection with normal bank desire to improve yield through maturity extension.

Reductions in under one-year issues were more than made up by increases in after five-year holdings. Partially as a result of extension and higher market yields, return on government holdings by member banks was increased from 3.05% to 3.22% during 1962. This extension could later become expensive in terms of market prices should yields rise. Assuming a seven-year average maturity (in the five-year and longer holdings), a .15 basis rise in yield can create almost a 1 point loss.

Some reduction was witnessed in bonds maturing 10 years and over during 1962 partially due to bank portfolio adjustments, in addition to several issues of optional 2½% bonds of 1972 falling under the 10-year maturity range late in 1962.

During this period and for the first 8 months of 1963, banks also reduced substantially total holdings of government securities maturing within one year—indicating a reduction in primary reserves and the loss of some flexibility. This latter point appears more important due to the vulnerability in "hot" time deposits seeking bank rates only as long as they appear attractive against alternative market instruments.

For member banks outside of New York City and in leading cities, one should note that governments maturing after five years were near the same level as total holdings maturing within one year as of May of 1963.

The nine largest banks in New York from the end of 1961 to the end of 1962 increased the weighted average length of their holdings from 24 months to 35 months. Increases were from 5 months to as long as 23 months for individual banks. Since January, 1963 to August 30, from information available, it appears additional lengthening has occurred, the exact amount is, however, not determinable. This is also true in the other various categories of banks outside of New York. This is partially attested by the fact that in New York since March, 1963 to August 28, governments maturing within one to five years were larger than securities maturing within one year while at the same time over five-year maturities continued to increase. Lengthening has more than offset the lapse of time which would have caused portfolios to become shorter.

Advance Refundings

A significant portion of the lengthening in bank portfolios was achieved through the four advance refundings offered since January, 1962. It might be noted at this juncture, the average length of the marketable debt from December 31, 1961 to mid September, 1963 was increased from 4 years 6 months to 5 years 3 months. Largely due to income pressures and the fact that no profit or loss had to be recorded, advance refunding was a partial welcome to many banks' income problems. This was particularly true in those instances where low coupon issues (many of which were at current book losses) could be exchanged into higher coupons with longer maturities. The "lock in" position may have been the same in terms of market price on the new issue versus the exchanged governments, but income was vastly improved with a tax loss or profit postponed. Undoubtedly, banks could have sold for tax loss purposes and reinvested in higher yielding governments, but this may have reduced even more the slight decline in net income (member banks) experienced from 1961 to 1962. Due to other advantages and flexibility inherent in advance refundings,[1] government portfolios were extended with each of the four offerings since January of 1962. The lengthening of government portfolios through the advance refunding can only be appreciated by an examination of the published results of each operation. This is clearly revealed by glancing at the charts illustrating the continued extension in after five-year bonds and the reduction of shorter term obligations. Sight should also not be lost of other longer term offerings made by the treasury during this period.

Through the four advance refundings (pre-refunding, etc.) since Jan., 1962 to date, 11 new or existing issues have been offered, while some 25 issues were eligible candidates, one having been a candidate twice. All but three eligible issues were within the five year maturity range at the time of the offer, while only two of the offered securities matured within five years. Eligible candidates it is true, however, were not permitted to choose any new security they desired, but were restricted by each individual offering. Each eligible candidate was offered a higher coupon (up to as much as 1½% higher) one a lower coupon and in three cases the same coupon rate for extension. Improvement of current income was a prime motive for extension, while tax considerations also weighed heavily. Through the employment of the advance refunding technique, commercial banks took up approximately $14.4 billion of issues for extension purposes with $8.1 billion maturing well over five years, the remaining $6.3 billion going in the 1 to 5 year range.

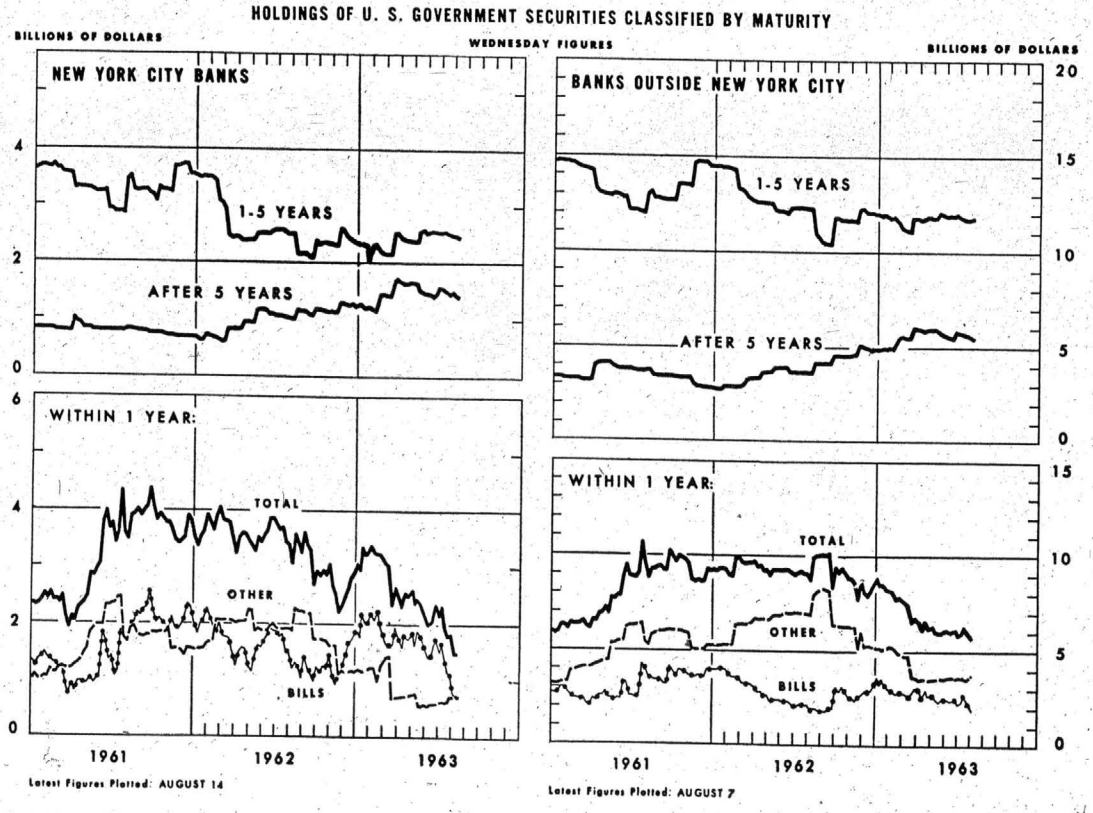
Municipal Operations

In search for high after tax yield to match current interest expenses, banks after January 1962 vigorously entered the municipal market. These moves were not, however, limited solely to new purchases, but complete portfolio reviews (swapping) in order to lift over-all yield. Starting in January 1962 to December 1962, all insured banks added approximately $4.4 billion to their municipal portfolios. For that year, this represented 80% of the new general obligation bonds sold. Since the beginning of 1963 to the end of March, insured banks have increased such holdings $1.3 billion,

1 See my article "The Government Portfolio in the Face of Advance Refunding," *The Commercial and Financial Chronicle*, June 6, 1963.

MEMBER BANKS IN NEW YORK AND OTHER LEADING CITIES

HOLDINGS OF U. S. GOVERNMENT SECURITIES CLASSIFIED BY MATURITY



representing 81% of total general obligations sold in that period. The nine largest banks in New York for the first six months of 1963 increased their municipal holding from $3.5 billion at year-end 1962 to $4.4 billion as of June 30, 1963. In terms of yield, continued bank buying of municipals starting in January 1962 contributed to average yields for Aaa to Baa bonds to fall from 3.60% to 3.22% by year-end 1962. The average yield for the month ending August 1963 stood at 3.29%. Member banks in 1962 earned 3.40% on their average portfolio of "other investments" (almost exclusively municipals) against 3.37% in 1961.

Statistics unfortunately are not available to indicate the quality or maturity of such purchases although it is believed that maturities were lengthened substantially and some concession in quality was made during 1962. In many instances average weighted maturities were between 12 and 17 years. Where information was available, it appeared conclusively that the average amount of extension was greater in the municipal portfolio than in governments, although some significant exceptions were noted during 1962 and early 1963. During this period as yields declined, banks in order to obtain a desired return either had to lengthen maturity or lower quality standards. For the first time in many years banks became fairly active in long term municipals. There is indeed a question of liquidity and marketability in some of these bonds should banks be faced with withdrawals of time funds or loan demand when yields are rising. A small change in long term yields can quickly produce a "lock in effect." This substantial extension of maturities, coupled with similar extension in the government sector places the bank's portfolio in a vulnerable position, not to mention the possible lower quality holdings in the municipal portfolio. In some instances such holdings for individual banks have become larger than the government security position.

An additional stimulant to the bank's purchases of municipals was the reduction in reserve requirements against time deposits for all classes of member banks in October of 1962.

Security purchases other than municipal bonds remained almost unchanged during the period after Regulation Q was changed in 1962. For member banks in leading cities, municipals increased to a level above mortgage holdings starting from a lower position immediately after the change in Regulation Q in 1962.

Conclusion

Most of the impact on portfolios due to the change in Regulation Q in 1962 appears to have been made. Most banks have had time to make adjustments to meet the rising interest costs. Banks immediately responded to the latest change in Regulation Q (July 17, 1963) by increasing their rates to attract and hold time funds. However, open market yields have risen (including the discount rate from 3% to 3½%) permitting higher rates to be obtained by banks on investments to offset such costs without undue lengthening. The yield curve is at a somewhat higher level and is flatter. Federal Reserve policy of higher short term rates for balance of payments problem and somewhat better business conditions appear to have also cautioned some banks recently not to undertake substantial additional lengthening. Recent figures available indicate that reporting banks in 107 cities are reducing their holdings of governments maturing over five years although the latest advance refunding has reversed this trend somewhat.* In countless cases, however, the "lock in effect" has already made itself felt by lower market prices, particularly in the large intermediate bank maturity range. Profits realized early in the year also prevent some selling for tax loss considerations.

Interest rates may rise in coming months faster than the run off of maturities of over five years forcing a squeeze on available funds for loans unless banks are willing to realize losses. Higher rates offered since the July change in Regulation Q by banks for time money should help to attract new funds and hold run-offs to a minimum, but will be as in 1962 a costly item on year-end reports. The latter in addition to liquidation of securities at losses could place pressure on the prime rate with expansion of commercial loan demand.

*Since the last advance refunding (September, 1963), there has been a real extension in portfolio maturity—(not illustrated on charts) by all classes of banks. The latter would, however, not appear due to the fact that on Aug. 15, 1963 the $2,335 million bank held 3¾% 8/15/68 bonds became holdings classsified as under 5 years. This would more than offset the effects of the latest advance refunding on a chart analysis, although in reality substantial extension has occurred.

Mil National Corp. Common Stk. Sold

Herbert Young & Co., Inc., New York, reports that its recent offering of 53,000 common shares of Mil National Corp., at $4 per share, has been all sold.

Net proceeds will be used to reduce bank loans, and to enable Mil National Corp., at $4 per share, has been all sold.

The company, located at 1101 East Tremont Ave., Bronx, New York, is engaged in the independent distribution of commercial dry cleaning and laundry equipment, and related products and accessories. Its operations are conducted principally in New York, Connecticut, New Jersey and California.

Mid-States Securities

ST. LOUIS, Mo.—Preston Estep Jr. is engaging in a securities business from offices at 901 Washington Ave., under the name of Mid-State Securities Company.

Coming Months Look Good For Production and Trade

By Roger W. Babson

Analysis of Census Bureau's consumer buying survey, employment data and other indices reveals they symptomize good business prospects are in the offing. Mr. Babson is aware of what can change the trend he foresees but he is skeptical of the possibility of the significant assumptions changing adversely.

There are many methods used to determine what business in general is going to do next, but none of them are surefire — as those of us in the forecasting business know so well. However, one barometer of business weather that I always watch with interest is consumer buying intentions. This is published each quarter by the Census Bureau.

Popular Business Pulse

When you come right down to it, public sentiment is very quick to reflect economic tendencies—even sometimes to direct them. If, for instance, people simply do not feel like buying, it is pretty difficult to make them buy. And if they do not buy, stores are caught with top-heavy inventories, orders die down, production has to be cut back, and unemployment begins to rise. Thus the scene is set for a possible recession, — or perhaps even for a depression.

Fortunately, however, the opposite is true if the nation's shoppers really want (and are able) to buy. When the future looks comfortingly secure, this desire to buy can carry consumer resistance almost to the disappearing point. The more buying increases, the more inventories are used up. Then come new orders for salesmen, for wholesalers, for manufacturers. Production starts to climb, employment expands, and chances of an early recession—or depression—practically vanish for the time being.

How Do Shoppers Feel Now?

This seems like a good time to take a look at the latest estimates of consumer buying intentions, just recently released. Over the next 12 months, more people intend to buy new automobiles than planned to in the previous year. In fact, the Census Department says that 8.4% of households reporting to it plan to purchase a new car. That is the highest level for this time of the year in the history of this statistical series.

I find this situation optimistic because a great many people are more inclined to pick up a second-hand auto than a new car unless the future looks relatively serene and prosperous. But, right now intentions to purchase used cars show practically no change from a year ago. The emphasis is on new cars—a good sign for business generally in the months ahead.

Buying Intentions for Household Goods

The picture in household goods may not be quite so rosy as that in automobiles, but it reflects a trend in the same optimistic direction. Consumers intend to buy somewhat more household equipment over the next six months than was the case for the same period a year ago. Many families also expect their incomes will be higher. This is comforting, inasmuch as figures show that people have stepped up their buying during the past year faster than they have been increasing their disposable income.

Of course, I realize that a sudden international or financial debacle could make the public pull in its horns very quickly. However, even such an occurrence could not for very long prevent a fundamentally secure-feeling populace from extending its buying again. As an example: Even the threat of war with Russia over her Cuba-planted missiles did not keep people's purse strings closed for any great length of time.

Employment Will Remain High

Even though unemployment is giving the Administration a headache, employment totals are climbing steadily, carrying incomes up with them. Except in the relatively few centers of real work scarcity, people expect to hold their jobs indefinitely, to add to their family incomes from time to time, and to be able to afford more luxuries. Better homes, second (and even third) cars per household, brand-new labor-saving devices, are all popular expectations for many households today. Fundamentally, business is good; money and credit are plentiful; Russia does not want war; 1964 is an election year, which is always favorable for business. Given co-operation by the weather, it all adds up to good production and trade in the months to come.

Garvin, Bantel Appoints LaRocca

James V. LaRocca has been named manager of the federal funds department of Garvin, Bantel & Co., 120 Broadway, New York City, members of the New York and American Stock Exchanges, it has been announced.

James V. LaRocca

In addition to their federal funds department, Garvin, Bantel specializes in securities brokerage, broker loans and securities financing.

Mr. LaRocca joined Garvin, Bantel in 1956 as a registered representative. He was previously resident manager of the firm's branch office in California. Prior to joining Garvin, Bantel, Mr. LaRocca was with The Hanover Bank in the corporate trust department.

Securing Understanding Of Governmental Officials

By Amyas Ames,* *President, Investment Bankers Association of America, and Senior Partner, Kidder, Peabody & Co., New York City*

The securities industry is urged to convene a standing group of knowledgeable, thoughtful, senior people from its ranks who would look ahead and advise the Government on the industry's overall policy, etc., without detracting from its traditional independence. In reflecting on what the IBA has accomplished this past active year, including a temporary step in this direction which gives rise to the advice made, Mr. Ames chides the industry for having faulted on establishing an interchange of counsel and understanding with the Government. He cites how, for example, Mr. Greenewalt of du Pont was able to overcome an unfriendly governmental attitude by getting the facts across about the recent G. M. stock distribution's tax impact to illustrate the need for business and Government to understand each other's problems better. He points out that so long as business must live under Government regulation it should not act belatedly on an "ad hoc" basis and in isolation from other pertinent sectors of the industry.

I want to discuss the relationship of business and government. I have been working at this relationship for what my partners like to call substantially all my time for a year, and I have developed the conviction, not only that it is an important subject, but that we in our industry are deficient in our approach to it. As I am in the final stages of my stint as President, with my successor chosen, I am in effect a political lame duck and so free to speak freely from the experience of my work. I will skip much of what I might say about the I.B.A. because I know investment bankers are fully aware of our activities. But I would like to list the business-government problems we have acted on this year as it lays the groundwork for the suggestion I would like to make.

Amyas Ames

Business-Government Liaison

First: We have urged on Congress that tax reduction was essential presenting the views of our Committee on Taxation.

Second: We have worked with the S.E.C. to get revision of the proposed legislation which will strengthen the N.A.S.D. and make it possible to spread the high standards of our leading firms more widely throughout the industry. We reached agreement with the S.E.C. in what I believe was almost a model of effective business and government cooperation to achieve something better than either could do alone.

Third: We have rallied the industry to a unified and strong endorsement of this new legislation, and testified before the Senate Banking and Currency Committee. The U. S. Senate has passed this legislation and we hope to appear shortly before the House Committee to urge like action in the House.

Fourth: We have strongly opposed the Administration's so-called "Interest Equalization Tax" on investments abroad in testimony before the House Ways and Means Committee. This is almost a classic case of the damage that is done when government fails to seek out the knowledge of able businessmen before taking action that deeply affects business.

Fifth: We have appeared before senior officials of the Treasury Department and the Internal Revenue Service to express our concern on what appeared to us to be an inequity in the tax treatment of underwriters' stock options. We now have a special industry task force working on a suggested solution to this problem in what I hope will turn out to be another example of the creative effect of cooperation between business and government.

Sixth: We have prepared testimony for the House Banking and Currency Committee hearings of Oct. 7 against Mr. Saxon's proposal to permit banks to increase their activities in the securities business by underwriting revenue bonds.

Seventh: And finally we have been laying the preliminary groundwork with the commission and staff to process the new rules that will develop from the 36 critical pounds of the S.E.C. Special Report.

These are all important subjects and in each case the way the business government relation is handled can have an important impact on the American securities business and the individual firms that constitute it.

Just before I pass on to the central point of my paper, let me pay tribute to the able, dedicated and busy men who volunteer their services to the Committees of the I.B.A. Sometimes the I.B.A. is criticized as a social organization. I wish those critics could hear the Albee Pratts, the Andrew Overbys, the Charlie Hardings, not to mention our staff and most distinguished special counsel. We are and should be very proud of the effectiveness of our committee chairman and our committees.

Living Under Regulatory Laws

I have been in this business since 1930. I have thus lived through the investigations, the publicity, the recriminations, which attended the enactment of our various Federal securities laws. I remember well the predictions of perhaps the majority in the early and middle 30s—that we could not operate under such legislation, and that our only course was to fight to the last ditch. But things have worked out otherwise over the years, as we well know. We have learned to live and operate under our Federal regulatory system, and I need not tell you that our industry has prospered. We have $1,500,000,000 of capital, a sales force of 85,000 men, 2,000 offices

across this country — the organization to serve an expanding economy. Our independent and separate American Investment Banking System is the envy of other countries of the free Western World.

Until someone finds another method, I think it is safe to say that government is here to stay. This places a high premium on working effectively with government toward constructive ends.

The Government Commissions, Departments and the Congress have to be exposed to ideas, to expert knowledge, to experience, for wise policy cannot be made in a vacuum. Consultation between a regulated industry and the governmental departments and Congress itself does not in any way compromise the independence which Government should have.

Let me, for example, relate the story of Crawford Greenewalt and the DuPont Bill. It is an interesting story that I picked up in Washington and right to the point I am making. As we all know, the DuPont Company had to divest itself of 63 million shares of General Motors stock and it was held that the distribution would be taxed as income, not capital gain. To avoid an obviously unjust outcome, special legislation was needed and two attempts to get this legislation were made—one, in the 86th, and one in the 87th, Congress. Let me contrast the two. In the 86th Congress, they had a Republican President, the backing of the Justice Department, a conservative Congress and two friendly Senators from Delaware on the Finance Committee. Minimal effort was made by the company because there seemed to be no need for it. Everything was fair and right. But the Bill only got through one committee and it was killed before it reached either floor of Congress. It died a slow and easy death.

Overcoming Unfriendly Attitude With Knowledge

In the next Congress, with a Democratic President, the direct opposition of the Justice Department, a less business-minded Congress and only one Delaware Senator on the Finance Committee—every factor less favorable—the Bill was overwhelmingly approved by all committees and by both Houses of Congress and signed by the President.

What made this change? The Company recognized that it had an obligation to secure the understanding of the governmental officials in Washington. There was an immense job to be done to educate Congress on the bill's merits and to persuade it as to its need.

Crawford Greenewalt, then President of the duPont Company, took off his coat, rolled up his sleeves and went to work. In a door-to-door personal campaign, he outlined, explained, demonstrated and argued—he saw and spoke with every key member of Congress whose vote was important to the bill's approval. He did not ask his lawyers to do the work. He did it himself. He bore no grudge and carried no special credentials other than the strong conviction of the rightness of his cause and the power of a truly able man. He educated, he persuaded and he was successful.

There is a lesson in this for the securities industry. No matter what the obstacles — no matter how special the problem, the government can and will respond favorably and responsibly—if it is given the chance. But it needs the facts, the experience, the expert knowledge that only corporate executives at the highest level can provide.

Where Have We Faulted

Now to my point. Since government is here to stay and performs such an important regulatory function in our business, since new rules and new procedures, and new responsibilities are in preparation, and since the very core of good business government relations is understanding and interchange of counsel at the highest level, then our industry should place great emphasis on policy formation and governmental relations. But I believe we can be faulted on this very point.

The economic operating unit of the business is the securities firm. The tough, practical operating problems of successful business enterprise are handled by the senior owners and managers of these firms. It is the securities firm that hires and trains personnel, that brings in the customers, that pays the bills that support the NASD and the Stock Exchanges. The most fundamental source of wise policy judgment must be found among these managers. But serious question is raised as to whether, except in time of crisis as in 1963, the industry has so organized itself so as to tap this primary source of policy wisdom.

Is it not strange that no one of the governing boards of our trade organizations is concerned directly with policy as it effects the real economic operating unit of the industry—the security firm?

The Board of Governors of the NASD has a regulatory function under a grant of authority from Congress. Nowhere in the business world is there a finer example of busy, able men, devoting their time and energy to the problems of an industry and if the new legislation is passed they will carry an even heavier load. But their focus of necessity is only on one aspect of our business, the problems of regulation.

The Boards of Governors of the Stock Exchanges and the Association are primarily concerned with stock exchange problems. Quite properly, the men who serve on these boards are chosen in the main from those who know the most about the Stock Exchange function—specialists, brokers and partners interested in the commission business in the member firms. One of the prides of our business is the quality of the men that serve on these Boards, but again their focus is largely on one aspect of our business, the Exchange functions.

Continuing IBA's Advisory Council Set Up Last Year

The Board of Governors of the IBA does not have an operating function. It has, in fact, stepped into the breach and I believe performed a most important service, coordinating its actions with NASD and the Exchanges to bring about that difficult but so effective result, a unified industry. The President of the IBA serves for only one year, and I know that is as it should be. The IBA Board of Governors is composed of 52 men, picked regionally and so does not constitute an ideal policy-making body.

To overcome this difficulty, the first step I took as President of the IBA, acting with the approval of my Board, was to appoint a committee of 11 to be an Advisory Committee to me as President. The candidates for this committee were carefully chosen, from senior managing partners of security firms diversified in operation to represent all aspects of the business. We had decided that if any one of our selected candidates refused to serve, we would not take his substitute, but move to the managing partner of another firm—but no one refused.

The first act of this committee, now known as the Harding Committee, after its chairman, Charlie Harding, was to detach itself from the IBA and to reconstitute itself as an Industry Committee. Its authority was drawn entirely from the prestige of the 11 men that served on it. Its only function was to express policy opinion on problems facing the industry. Because they were experienced, practical security firm managers, their unanimous opinions on policy carried great weight. In every speech I have made, and I have been all over this country this year, I have spread this policy-thinking and I have leaned on the prestige of these men. I personally have never heard of a committee that held fewer or shorter meetings and produced more results.

My point in telling the story of the Harding Committee is not to promote that committee — I am not even sure it still exists, or that it will ever meet again. I am sure that I have not consulted it about what I am now saying. But I do have a suggestion that has grown out of the successful experience of that committee. Let me close what I have to say by outlining that suggestion.

It is not enough for each one of our industry managers to make policy decisions for his firm alone. The managing partners have a responsibility to the industry in its over-all relation to the public. If we allow government to act without the wisest of counsel and expert knowledge, we will fail in our all-important relationship with government. If we allow too many policy decisions to be made on one section of our business without careful policy judgment to the effect of those decisions on the other sections of our business, we will find the economic operating unit of the industry, the diversified security firm, unnecessarily hurt.

I believe it is noteworthy that the Special Study Group Report of the SEC recommended that a separate division be set up in the Commission to implement the recommendation of the Report and to do forward-looking analysis and planning for the Commission. William Cary, Chairman of the SEC, in describing this new unit said he believed it to be a necessary move because it is very difficult, if not impossible, for operating people, overloaded as they always are with day-to-day problems, to find the time to sit back and take the longer view, to spot healthy and unhealthy trends, new problems, danger signals, etc. I am a great admirer of William Cary—one of the finest administrators in Washington, and the able and dedicated commissioners who serve with him. Their wisdom shows in this move. I see no reason why we should not match this wisdom. Our industry should devise a group of knowledgeable, thoughtful, senior people, who would look ahead for us and advise with respect to the policy of our industry as it relates to government—a council of seniors, an industry policy committee.

Implementation

There are problems in implementing such a plan. How to get the security firm managers to lend their backing? How to choose truly able men, whether to tie such a group to an industry association, or to have it independent; how to furnish counsel and staff? I would place high on a list of specification that it be composed of no more than 11 men; chosen from senior managers of security firms on reputation for ability alone; that it be made such an honor that our ablest men would serve, working under conditions of their own design and drawing authority directly from their prestige as successful managers. Their only concern should be policy for the security business in its relation to government—policy in the broadest sense. It is only in this way that we can most effectively discharge our responsibility to ourselves as business men and to the public we serve.

*An address by Mr. Ames before the New York Group of the Investment Bankers Association of America, New York City, Oct. 2, 1963.

The State of TRADE and INDUSTRY

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

This month's analysis of the economy's performance by the Federal Reserve Bank of New York noted that after several months of sustained advance, the economy's upward movement appeared to slow in late summer, although fragmentary September data suggest the possibility of a renewed pickup.

Industrial production and manufacturers' new orders for durable goods dropped slightly in August, while nonfarm employment and retail sales were little changed and personal income posted the smallest gain in six months. According to the N. Y. Federal Reserve Bank, in almost every case, however, these signs of hesitation could be traced to special factors in the auto and steel industries.

Thus, with car makers retooling for the 1964 models in August, shortages of some lines were apparently responsible for a slackening in the pace of sales and new orders. After model changeovers, auto output in September received a more-than-seasonal boost, and steel production turned upward slightly following its three-month decline. Auto sales continued, however, to be adversely affected by shortages of some new models, and department store sales declined somewhat from the record August pace.

Indicators of residential construction activity, the Bank reported, are continuing to ease off from their earlier exceptionally strong performance. A slight dip in nonfarm housing starts in August, the third straight monthly decline, appeared to be in line with the Commerce Department's revised forecast, which implied a moderate reduction in housing starts over the last half of the year from the high spring level.

Two expansive factors in the economic picture over the balance of the year, the Bank suggested, are the anticipated rise in government spending—reflecting the recently enacted military-pay hike and a resumption of the uptrend in state and local government outlays—and a planned step-up in business plant and equipment spending. Nevertheless, the Bank believed that "there continues to be little prospect of a significant near-term reduction of the current unemployment rate."

Most measures of business activity in the Second Federal Reserve District, since the year's first quarter, have kept pace with their national counterparts, the Bank reports, in a section devoted to District developments. The only notable exception to the District's generally good record is construction. While recent gains in construction employment have paralleled the national rate of advance, District employment in the industry is below a year ago. To a substantial degree this reflects the combined effect of several large-scale construction strikes in upstate New York and the aftermath of last year's surge of activity in New York City, as many builders "borrowed" from future projects in order to beat the deadline set under the City's new, more stringent zoning law.

Savings Keep Yields Down

Although 1963 appears to be shaping up as another year of heavy over-all demand for funds in the capital markets, supplies have again been ample so that, with the exception of yields on short-term open market instruments, interest rate movements have been mixed and quite narrow, according to the Federal Reserve Bank of New York. This finding is contained in another article entitled "Recent Capital Market Developments in the United States" in the October issue of the Bank's *Monthly Review*.

Despite expanding business activity and a somewhat less easy monetary policy, yields on long-term obligations of corporations and governments have edged up only slightly this year and are still below early-1962 levels. Moreover, home mortgage rates have actually declined, while rates charged by commercial banks on short-term loans to business have remained stable.

"It may well be that such advances as have taken place in long-term interest rates over the past nine months have been more a reflection of expectational factors than of any real change in the availability of long-term credit relative to demand," the Bank states.

The commercial banking system has continued to play an important part in financing heavy demands for credit without sharp advances in interest rates. Growth in total bank credit has again been substantial. As in 1962, the most rapid gains have been in bank acquisitions of state and local government securities and in real estate loans, while growth in business loans has continued slow.

The Bank noted that business demands for outside capital have continued to be relatively low, primarily because of the enlarged flow of internally generated funds. Net borrowings by state and local governments, however, appear to have climbed to a new high during the first half of 1963, raising market yields on these obligations even though demand by commercial banks was at record levels.

Increases in both financial claims and debt obligations of individuals have outpaced the growth of personal disposable income over the past two years. The Bank observes that "one particularly striking aspect of recent consumer financial behavior has been the sharp increase in borrowing on homes." Available evidence suggests that part of this is due to an increasing use of mortgage borrowing to finance nonhousing expenditures.

In its regular monthly *Money Market* review, the Bank cites the success of the Treasury's advance refunding in September, noting particularly the large subscriptions for the 1973 and the 1989-94 bonds. This favorable investor response was particularly gratifying in view of some recent comments suggesting that current rate levels had been rendered artificial because of official purchases of intermediate- and long-term issues.

Bank Clearings Surge 15% 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, Oct. 5 clearings for all cities of the United States for which it is possible to obtain weekly clearings were 15% above those of the corresponding week last year.

Our preliminary totals were $37,253,990,895 against $32,393,224,351 for the same week in 1962.

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

Week End. Oct. 5—	(000s Omitted) 1963	1962	%
New York	$22,244,346	$18,005,736	+23.5
Chicago	1,505,585	1,423,712	+ 5.7
Philadelphia	1,275,000	1,217,000	+ 4.8
Boston	968,411	899,760	+ 7.6
Kansas City	549,626	513,576	+ 7.0

Week's 0.2% Steel Output Advance Is the Seventh Weekly Advance in a Row and Is 7.8% Above Year-Ago Week While the Year's Cumulative Output Is 11.5% Above 1962's Period

According to data compiled by the American Iron and Steel Institute, production for the week ended Oct. 5 was 1,883,000 tons (*101.1%) as against 1,879,000 tons (*100.9%) in the Sept. 28 ending week.

This long awaited fall week-to-week upward change in output was the seventh unspectacular fractional net gain in a row out of the past 18 weeks. The seven weeks' gain amounts to 6.9% 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 equalled 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 fractionally at two-tenths of 1% above the 1957-59 base period's average weekly output and was the highest weekly production for any week in the last half of 1962 and was last equalled in mid-July, 1963. The latest statement week's output was nearly 7.8% 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 or 85,320,000 net tons (*114.5%) which is 11.5% above the Jan. 1-Oct. 6, 1962 production of 6,528,000 net tons. In the comparison with last week's cumulative index total of 114.5%, this week's tally faltered at 115.2% (1957-59=100).

September's output is estimated at having been slightly ahead of the August total of 7.8 million tons if allowance is made for the additional day in August compared to September. The year-ago September output of ingots and steel for castings aggregated 7,251,023 tons. At that time prices on about half of all steel products were about 12% less than today's. Commencing last April, 1963 (not April, 1962), prices began to rise selectively so that by last week they were up for about 75% of total tonnage sales.

District—	*Index of Ingot Production for Week Ending Oct. 5	Sept. 28
North East Coast	107	106
Buffalo	85	81
Pittsburgh	88	86
Youngstown	83	89
Cleveland	99	105
Detroit	141	144
Chicago	109	104
Cincinnati	105	111
St. Louis	114	115
Southern	97	103
Western	110	108
Total industry	101.1	100.9

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

Steel Output Climbs for Eighth Consecutive Week

Steady improvement in demand for major products will bring the eighth consecutive rise in steel production this week, *Steel* magazine said.

Output will exceed the 1,883,000 tons poured last week. Production then was at the highest level (equal to about 62% of unofficial capacity) since the week ended July 20.

Several large producers say their production schedules will not reach their second half peaks until November; one expects production will continue to rise into December. One major steel firm in the Pittsburgh area says its orders are at a rate of about four operating points above its production pace.

Demand for scrap, a steelmaking raw material, has not kept pace with the rise in steel ingot production. *Steel's* price composite on the key grade, No. 1 heavy melting, was unchanged last week at $27 a gross ton for the sixth straight week.

Imports Keep Some Prices From Rising

Market observers think the latest steel price increases will spur demand. Their thinking: The increases will have a moderate inflationary impact on business without causing undue hardship. Most consumers will be able to pass the increases along and maintain profit levels that encourage capital spending.

Top government economists contacted by *Steel* showed no alarm over possible inflationary pressures. One top official reasoned that the steel increases would add only one-tenth of a point to the wholesale price index.

But not all price adjustments were upward. Some stainless steel prices were reduced. Distributors for U. S. mills complain they can not compete against service centers that handle certain grades of European and Japanese stainless.

Three major steelmakers have announced programs giving white-collar employees vacation benefits roughly equivalent to those of hourly workers under the United Steelworkers of America contract. To minimize staffing problems, they're discouraging long vacations and offering equivalent benefits in cash or savings fund contributions.

The USW contract calls for 50% of its membership in basic steel to get one extended vacation (13 weeks with pay) in the five year period starting Jan. 1, 1964. It also gives union employees up to three additional weeks of paid vacation.

Metalworking Sales Headed Up In 1964

Momentum in the economy's current uptrend will carry through at least the third quarter, 1964, *Steel's* Panel of Economists predicts in its latest survey.

The 42 business economists forecast a $612 billion gross national product (GNP) in the third quarter, 1964. They estimate GNP will be at an annual rate of $592 billion in the fourth quarter this year.

The forecast indicates that metalworking sales, normally about 30% of GNP, could attain a record annual rate of $184 billion by the third quarter of 1964. The record: $165 billion in 1962.

Steel Recovery Stalled by Auto Buying

The steel production comeback may be stalled for a short period, *Iron Age* magazine reported.

The national metalworking weekly cautions that this could be misleading. The overall strength of the market is not in doubt. But it is hard for a recovery in steel production to continue while the auto industry is ordering only about 75% of its production needs.

Until automakers start buying steel at a rate parallel to their own production requirements, the steel market can advance only bit by bit. In fact, some backsliding in the production rate is not out of the question.

As it stands now, orders for November are coming in a little slow. However, this is the dull period of the month for steel sales offices and the order rate is not necessarily conclusive.

Further, there is some feeling that initial automotive buys for November do not make allowance for Saturday and other overtime work. If auto production schedules are maintained, this could mean supplemental buys for November.

If this happens, the current easing off of the recovery rate could be reversed and an even sharper uptrend in orders and production could occur.

Here is how this could happen: One mill now forecasts a significant drop in sheet orders from automakers for November. But it's expected that general users will take up the slack to avoid any decline. But if automakers suddenly come in for new, large tonnages, the picture at this mill would improve sharply.

Opinion is not unanimous throughout the industry, and individual mills see the situation differently. One heavily auto-oriented mill looks for a rise of 10 to 15% in auto tonnage in November. But another expects November to be a point or two off the October pace.

Iron Age said there has been little reaction from steel users to the recent price increases. Most of them are sympathetic to the steel industry's need to boost profits, and are reconciled to higher material costs.

At the same time, there is little industry-wide inclination to either pass along or absorb the increases. This depends entirely on the product and the steel user's own ability to absorb costs.

Generally, steel users with a high degree of automation in their own plants have a greater ability and inclination to absorb the price increases. In industries where steel is a major part of the product, and there are fewer steps in fabrication or manufac-

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The Security I Like Best

Continued from page 2

technical competence and mechanical equipment, business acumen, and its policy of geographical diversification with emphasis on operations in foreign fields—South America, North Africa, the Middle and Far East, and more recently Australia. Geographic spread of its facilities protects it from any severe setback due to local political crises or unusual oil supply-demand situations, and with the bulk of its operations conducted overseas, competition is limited to a few large American and European firms.

Seeking further diversification, it was logical for the company to assume a broader interest in the industry in which it is already a vital part. In partnership with others in leases covering some 90,000 acres of geologically promising lands in central California in which its own interest varies from 10%-50%, its share of gas and oil sales has already become substantial. More important is the bank account which it is rapidly building in the form of underground gas reserves which will produce income for many years.

The major portion of gas reserves so far developed is represented by a 27.8% interest in an extension of the Sutter Buttes Field in northern California, acquired in 1960. Acting as operator, Santa Fe has drilled 36 wells on the property of which 34 are producers. Pacific Gas & Electric, purchaser of the gas under contract extending to Jan. 1, 1982, is required to tie in to its gathering system all wells completed and to purchase the gas on a minimum daily take-or-pay basis in excess of 33 billion cubic feet per day from the 34 wells. More locations in the area will require drilling before this property can be considered fully developed. Santa Fe is also partner in other discoveries, including Vernalis and two zones in the McMullin Ranch. Although not yet evaluated preliminary data indicates McMullin to be a find of major importance.

In Santa Fe Drilling the investor has a two-ply value. It has an unusually successful record as a drilling contractor, with revenues and earnings at an all time high. Second, it is developing significant values via its own exploration program. PG&E gas requirements, up 50% in four years, are substantially larger than those of utilities serving the New York or Chicago areas. Apart from its 30c current selling price at the well-head, a recent production payment sale of a large block of gas by another producer indicates a minimum value of 15c per MCF of reserves **in the ground.** In the case of the Sutter Buttes Field, based on no more than PG&E's present minimum purchase extending over a period of 18 years a gas reserve value of approximately $6 per share is calculated as Santa Fe's equity in this one field alone. This would appear to be a very conservative initial guesstimate of Santa Fe's value purely as an exploration company. Selling at about $22 per share the stock has a P/E multiple of less than 14 times current earnings and 5¾ times the cash flow per share. At this level it would certainly appear to be selling ex the company's substantial potential as an oil-gas exploration enterprise. (It may be relevant that one of the more publicized independents in the California gas play is appraised at about $160 million in the market place.)

Dividends are conservative, at 7½ cents quarterly, less than 20% of current earnings. A 105% stock dividend was paid in December, 1961 and 50% a year later, the company maintaining the same cash rate as previously on the increased number of shares.

Although the stock is currently traded in the Over-the-Counter Market, the company has just applied for listing on the New York Stock Exchange.

Republic National Life Insurance Co. Capital Stock Sold

The First Boston Corp., New York and Sanders & Co., Dallas, as managers of an underwriting group have announced the public offering of 200,000 capital shares of Republic National Life Insurance Co. at $63.75 per share.

The stock, which represents approximately 6% of the total outstanding, is being sold by members of the Beasley family including Theodore P. Beasley, Chairman and Chief Executive Officer. No proceeds will accrue to the company. After the offering, Mr. Beasley and his family will continue to own approximately 46% of the company's capital stock.

The company is not authorized to do business as an insurer in New York State, and the stock is not being offered for sale in New York State.

The company, which has its headquarters in Dallas, Texas, is engaged in the writing of individual and group life, accident, sickness, medical and surgical reimbursement, hospitalization and pension insurance. It is licensed and operates in all states of the United States, except New York, and is also licensed and operates in the District of Columbia and Puerto Rico.

As of Jan. 1, 1963, the company ranked 12th among United States capital stock companies in terms of insurance in force and 43rd in terms of admitted assets. Life insurance in force on June 30, 1963 was $3,696,116,704.

Joins Francoeur & Co.

DENVER, Colo.—Charles O. Van Meter has become associated with Francoeur and Company of Chicago. Mr. Van Meter was formerly with Peters, Writer & Christensen, Inc. and Coughlin and Co.

The Market . . . And You

BY WALLACE STREETE

Stocks continued their dawdling manner for the most of this week, with industrials still hovering around their all-time high but without showing any determination to mount a spirited upsurge.

For one thing, the rail and utility sections were quiet and given to coasting along without determination which served as a restraining influence on the senior section. Overall, it was mostly a case of a consolidating phase for a market that had fared well throughout the late summer for a period of around three months.

As many of the market students were wont to point out, new all-time peaks in the industrial average in recent years have been followed by a restful pause, occasionally by temporary declines. But so far this index has refused to give ground importantly and the corrective phase of the previous advance has been one of a sidewise movement.

Majority Bullish

As holds true on any market pause, some concern was expressed over the possibility of a major top having been reached but this was still the minority worry. Most of the market observers were still looking for a renewal of the bull swing and consequently new record peaks for the industrial average. The season is fast approaching when good dividend actions will start to emerge in volume after a year of generally high profits, so there is nothing basic that would warrant any major market retreat.

As is true of the "market" at any given period, the action of the averages and specific issues bore no resemblance. Chrysler, for one, again came to life after having been one of the leaders for the past year in the market advance. It raced to a new record peak despite the stalemate in the average of which it is a part.

An intangible in the market at the moment is how much tax-loss switching is taking place currently, and how much is still due, to clean up the record-establishing that will be done this year in anticipation of lower taxes next year when such deductions won't be as advantageous.

Steels were quiet and occasionally mildly popular, as their recent price increases spurred investment interest. Steels weren't generally in too much favor because the industry has not been enjoying the prosperity apparent in other lines. But some favorable comment was starting to appear after the group showed that it could come to life on high hopes for the future.

Tax Cut Beneficiary

When it comes to possible lower taxes, the thinking was that the real boon would be felt by the home appliance outfits such as Sunbeam which is the leading independent maker of household electrical appliances. It is the maker of a well-known Mixmaster as well as other appliances that have won widespread acceptance.

Sunbeam has compiled an excellent record in sales growth over the years and has been active in cost-cutting to keep its profit picture bright. In its last fiscal year, for example, it was able to boost net income 15% on an 11% jump in sales.

Even without a tax cut, the family formations anticipated in the next several years are more or less of a guarantee of a high level of business for the houseware field and make such as Admiral, Maytag and Whirlpool familiar names in the discussions of various analysts.

Higher Telephone Dividend?

American Telephone, which seldom features in market letters, was prominent in some of the discussions, particularly since talk of a dividend increase has been prevalent for some time.

Telephone's dividend meeting is slated in about a month and a popular, and nice, round figure of $4 annually was widely mentioned against the present rate of $3.60, particularly since the earnings have been running at a rate that would cover the higher payment by a considerable margin. This year there is also talk of some type of financing through stockholders that would give them the added allure of valuable rights.

A.T.&T. has shown an excellent growth pattern both in its basic business of communications and in its participation in space age work. While its outstanding shares increased by some 3% last year, it was able to show record profits per share. And for the future, some analysts were citing average growth rates in per share earnings gains of 5% or more per year.

Look Sharp!

Gillette was a debatable issue, and showed it in erratic market action. The thinking in some circles is that Gillette, last to get into the stainless steel razor blade race, will inevitably clip its own profitable normal razor blade business more and more as it succeeds in the stainless contest. The contrary view is that the higher price on the stainless blades will more than make up for the loss of sales of normal blades because of the longer usable life of the new version.

On the Defensive

Richardson-Merrell was also a wide-open question mark, not so much because of its basic work but because it is the subject of well over a couple of hundred lawsuits. Two of its products, later recalled, had been in use for a time and form the basis of the suits. It is also target of various other actions, including a government investigation into its introduction of one of the drugs.

What the legal actions have done is to obscure the fact that Richardson-Merrell over the years has compiled a superior growth record, showing a string of 15 years of constantly expanding sales and 11 years of ever higher per-share earnings.

The company's MER/29, which was one of the questioned and recalled drugs, was billed as its largest selling ethical drug prior to the trouble. But sales growth since has been apparent, although more modest. Offsetting any possible large judgments against the company is the fact that they would be partially covered by insurance and the company has stated that "losses, if any, in excess of insurance would not have a material effect on the company's financial position." So, while there is a definite element of uncertainty in Richardson-Merrell's future, there also is a possibility of long range recovery when the troubles are cleared up.

Paper Stocks Eyed

The definite change as far as industry groups are concerned would seem to be in the investment regard toward paper company stocks. The change was stirred up by what appears to be a definite improvement in the poor earnings margins such companies have been showing in recent years as recent price increases held up after they were imposed.

The improvement in the fortunes of the paper companies is an added plus for Georgia Pacific Plywood which gets about a third of its sales from its paper lines.

Expanding Market

Cenco Instruments, no stranger to the role of "glamour" issue in the past, has been comparatively mundane in these days of a more sober market despite the fact that its business of providing equipment for schools, particularly scientific equipment, seems assured of constant expansion as more and more schools are needed and provided. Pending in the Congress is a bill to provide Federal support for school facilities.

Even without passage of this bill, the business of adding more and more classroom space is guaranteed to increase steadily. In addition, equipment for scientific education is growing increasingly complex to add that much more to the profit possibilities of Cenco which dominates the market in such types of supplies.

[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.]

MUTUAL FUNDS

BY JOSEPH C. POTTER

Life With the Funds

On the subject of life-insurance equities, there are authors, editors and Wall Street analysts who can get downright ecstatic. A reporter who covers the field vows that while his own limited means have precluded taking maximum advantage of his knowledge, his counsel has made rich men of those who have listened to him. The jacket of the book "Life Insurance Stocks" (Citadel, $2.95) heralds the subject as "the modern gold rush."

You won't find "life" stocks on the Big Board and the companies in this mighty trade (insurance in force tops $700 billion) simply don't cultivate the investor.

It is here that the mutual funds typically have done a standout job. Their function is not to sit around and wait to be sold on an investment opportunity. They are constantly on the lookout for profitable places to put their own considerable resources (over $25 billion).

In Nashville, Tenn., there is a fund known as Life Insurance Investors, Inc., which has relieved its 21,551 shareholders of the need to find their own way in this little understood field. On its board are such "life" professionals as Raymond T. Smith, President, who also is Vice-President of Alfred M. Best, insurance publisher, and J. C. Bradford, Secretary-Treasurer, who also is Chairman of the Board of Life & Casualty Insurance Co. of Tennessee.

In its report for the six months ended July 31, Life Insurance Investors puts total net assets at $59.2 million, a rise of 52.5% from a year earlier and 12.2% since the start of the current fiscal year on Feb. 1. Net asset value per share at July 31 was $17.26. Including the capital gains distribution of 45 cents per share paid on March 1, the per share value was equivalent to $17.71. This compares with $14.27 a year earlier and $17.17 at the start of this year.

The long-distance performance record of the company is little short of remarkable, even in a trade that has paid juicy rewards to nearly all who understand it. On Jan. 31, 1958, net asset value per share of Life Insurance Investors was a mere $7.24.

To coin a phrase, the reasons are not hard to find:

Indications are that 1963 will be a record year—on all counts—for life insurance. Sales of new life insurance in the first half of 1963 rose about 7% from the like 1962 period. Mortality and expense ratios continue favorable. Investment earnings are expected to show a substantial advance.

As Ray Smith states it: "No matter how you view it, life insurance directly and indirectly is a part of the life and economic welfare of every individual, every family, and is a vital force to the nation's economy as a whole—literally a service for which there is no substitute."

Anyone who has ever studied the annual report of a topflight insurance company must have been struck by the richness of its investment portfolio. Fundmen, who have a greater appreciation of portfolio than other folks, must be captivated by the bundle along with the other plus factors.

No doubt, now that insurance stocks are around their all-time peaks, the public will be hearing a good deal about the investment opportunities in this trade. For fundmen, who have been "digging" these companies for many years, it should be a source of satisfaction that they rendered a prime service to their shareholders.

The Funds Report

Bankers Trust Co. has been appointed sole transfer agent and dividend disbursing agent for the common stock $100 par value of **Connecticut Western Mutual Fund.**

* * *

Delaware Fund announces it "has completed a position" in Union Oil of California.

* * *

Shareholders of the **Exchange Fund of Boston** have received a report as of the exchange date of Sept. 5 which showed net assets at market for 2,520,409 shares of capital were at $69,283,526, equal to $27.49 per share. The Fund has accepted a list of securities representing 33 different industries. Life insurance issues made up the largest classification, accounting for 9.3% of investments.

* * *

Income Fund of Boston reports that at July 31, marking end of the first half of its fiscal year, total net assets were $51,309,855, or $8.24 per share. This compares with $42,740,374 and $7.28 a share a year earlier.

* * *

New names appearing in the **International Resources Fund** investment portfolio during the past quarter included Northwest Airlines, Pacific Southwest Airlines, Reynolds & Reynolds, Unilever, N. V., and Vanadium Corp. of America.

* * *

Ivest, Inc., announces that net asset value per share increased to $14.96 from $11.31 during the fiscal year ended Aug. 31. During the period, total net assets rose to $1,311,640 from $829,389.

* * *

Charles D. Post of Wellesley and Professor John Desmond Glover of Weston have been added to the board of **Keystone Custodian Funds.** Mr. Post is a senior partner of the Boston law firm of Goodwin, Procter & Hoar and Mr. Glover has been on the faculty of the Harvard Graduate School of Business Administration.

* * *

Putnam Income Fund reports that at Aug. 31, end of its first quarterly period, total net assets had increased to $2,903,000. Asset value per share was $9.89 and there were 600 shareholders. The Fund commenced operation on July 3, using an original investment of $227,000, supplied principally by trustees and members of **Putnam Management Co., Inc.**

Selling Wheat to Russia— Is the Price Right?

By Dr. Herman H. Browne, *Member of the New York Produce Exchange, New York City*

Grain economist analyzes the ramifications of U.S.S.R.'s entry into the world wheat market and of the consequences to us should we, too, sell wheat to Russia. Dr. Browne points out that our export subsidy, lessened by the rise in world market price, benefits no one except our own farmer and is not, therefore, in any way a subsidy to Russia or to exporters.

After long discussions in the press and private negotiations of grain exporters with Russian representatives, and after having investigated the sentiment of the public, particularly of the farm population, the Administration seems ready to approve the sale of wheat to Russia, but however, a final decision is being delayed until President Kennedy is able to obtain the support of leading Republicans for an approval of the sale. The delay may also be due to a statement by the Russians which made it doubtful whether they still want to buy wheat in the U. S. A.

Dr. H. H. Browne

A Welcomed Sale

In any event, from the economic point of view — the only one discussed here—a sale of three million tons of wheat, valued at about $200,000,000 would be very welcome. We would get rid of burdensome surpluses, the storage and handling of which costs enormous amounts. The dollars or gold we would get in payment will as Secretary Dillon emphasized, ease our balance of payments problem. Russia will also need some feed grains for the growing animal population, and empty stores at the end of this crop year may call for continuing imports next year.

Will Russia buy the wheat in the U. S. A.? They have already bought about eight million tons of wheat and flour in Canada and Australia at world market prices and on long-term credits. They also bought flour in Western Europe. By the end of the year, new crops are coming in in the Southern Hemisphere.

In various informal statements, government officials and members of Congress talked about the sale of wheat to Russia at the domestic price. What does this mean? Will Russia accept such a proposition? Hardly.

In order to secure for farmers income parity with the industrial sector of the economy our Government started at a time when grain prices collapsed all over the world—a policy of guaranteeing the farmer a support price much above world prices. In fulfilment of this guarantee the Government has to buy the grain which cannot be sold through private channels at the support level. The support prices induced farmers to allocate more resources than necessary to cover domestic requirements and huge surpluses were created. To make the export of a part of the surplus possible our Government instituted the system of export subsidies. The export subsidy paid the exporter at the time of export has to cover the difference between the domestic market price — at which the exporter has to buy the grain —and the lower international price at which he has to sell.

No Subsidy to Russia

The export subsidy is nothing else than a refund by the Government of that portion of the domestic price which the farmer is guaranteed in the form of a support price above the international price level. This is the way Government fulfills its guarantee of a minimum support price for the grain which is exported. Were the grain not exported the Government may have to buy it at the support price which includes the difference over the world market price. The export subsidy is clearly not benefiting the exporter nor the foreign importer, it is part of the price guaranteed and paid to the farmer. Without this subsidy we would not be able to sell a single pound to a foreign country and surpluses would be unmanageable. As long as grain can be bought somewhere else, no foreign country could agree to pay the price at which we support our farm economy. The sale of subsidized wheat is not, as a Senator said, "in effect a subsidy to Russia of more than one hundred million."

West Germany, France and Italy sold flour equivalent to about 100 million bushels of wheat to Russia. (The larger part of this flour will come from West Germany whose Chancellor Adenauer objects so emphatically to our sale of wheat to Russia—how ironic!) West Germany and Italy are regular buyers of our wheat. France, normally an exporter of wheat, recently bought wheat here due to this year's poor crop. The subsidy paid the U. S. A. on this wheat is, of course, reflected in the calculation of the flour sold to Russia, irrespective of whether the flour is milled from our wheat or from domestic wheat which is replaced by our wheat. Indirectly, our subsidized wheat has already gone to Russia.

Mr. Khrushchev's statement that his country has bought enough wheat to carry it over until the next crop comes in, could be interpreted as a rejection of an offer under consideration based on the domestic price level. Still, it does not seem to close the door for a deal under normal commercial terms. Tass, the official press agency, just published a report that this year domestic grain supplies available to the Government will be about 18% lower than supplies in 1962. A Reuter's dispatch from Moscow said: bread was rationed and flour was apparently unobtainable here.

Below International Wheat Agreement Price

This year the demand for our wheat from Europe, including Czechoslovakia, Hungary and Bulgaria, will be much larger. Due to this increased demand international prices are higher already and may still go higher. The subsidy on winter wheat, the main variety exported, is presently about 25% of the domestic price. At this subsidy the wheat still sells below the maximum price stipulated in the International Wheat Agreement which exists between the largest wheat exporting and importing countries. As the international price goes up the export subsidy could be reduced for exports to any country. The reduction of the subsidy on a total wheat export of about 750 million bushels as expected this year would save our Government much more than the costs of a subsidy on 100 million bushels exported to Russia. The much disputed issue of the subsidy would be solved on a pure commercial basis of supply and demand.

Clark Joins Staff Of Merrill Turben

CLEVELAND, Ohio—John S. Clark has joined the staff of Merrill, Turben & Co., Inc., as senior consultant. Mr. Clark has been active in the Cleveland investment community since 1921. He was one of the founders of Fahey, Clark & Co., an investment securities company, and during World War II served as financial Vice-President, Treasurer and a director of Cleveland Pneumatic Tool Co.

John S. Clark

Merrill, Turben & Co. is a leading Cleveland investment securities company. It recently opened an office in the Severance Center shopping center, Cleveland Heights, and has other offices in Ashland, Canton, Columbus, Dayton and Youngstown. Mr. Clark initially will be located at the Severance Center office.

Mr. Clark has served on committees of the Cleveland Chamber of Commerce and the Citizens League, participated in the establishment of the Ohio Municipal Advisory Council, was an original trustee of the Cleveland Bureau of Governmental Research and served two terms as its president, and has been a member of the Shaker Heights Board of Education.

He is a member and past president of the Cleveland Bond Club and has held many posts in the Investment Bankers Association of America, including serving as group chairman, national municipal chairman, member of the national Board of Governors, and vice-president.

Form Modern Security

EAST ORANGE, N. J. — Modern Security Planning, Inc. has been formed with offices at 110 Halsted St., to conduct a securities business. Aaron Schneider is President; Samuel M. Sacher, Secretary and Treasurer; and Leo Praeger, Vice-President.

BANK AND INSURANCE STOCKS

This Week — Bank Stocks

NINE MONTHS EARNINGS—

Shown below are earnings of some of the major commercial banks for the first nine months of 1963 as compared to the same period in 1962. In general, earnings trends may be called divergent. Initially, estimates were for slight increases in New York City, Boston, and Philadelphia. Larger increases were expected to occur in the Midwest and on the West Coast as these banks' earnings were unduly penalized in 1962 due to the high ratio of time deposits.

The most surprising performances have occurred in New York City where three of the major banks have had substantial increases in earnings. Along with an earnings increase has gone a rise in deposits but principally in the time category. These increases should continue in the "time" area as a further revision in Regulation Q in July allows commercial banks to pay a maximu mof 4% on Certificates of Deposit. Although savings deposits are costly and growth in this area can be detrimental to bank earnings, those New York institutions which are leading in deposit growth are also showing the better earnings improvements. Those banks enjoying the greater deposit increases this year are the First National City and Chase Manhattan.

Possibly the reason for the better performance is the substantial retail operation characteristic of both banks. The higher return on loans, which is also characteristic of a bank with consumer services, plus the ability to make more diverse loans, place the retail bank in this enviable position. The consumer orientation assures the retail bank of a large mortgage operation and return from this source is high with a low degree of risk.

The banks showing the poorer results are in Philadelphia and Boston. Much of this may be attributed to the fact that in 1962 earnings were not unduly penalized due to Regulation Q as these banks have never been banks with high time deposit ratios. Also, in each case, branching has come to a virtual standstill due to no change in legislation allowing more permissive branch practices. Although only one Midwestern bank's earnings are shown below, the increase is favorable. This is due to the relatively high time deposit ratio of Midwestern banks. It is expected that Chicago institutions will report a similar favorable increase.

As to the West Coast banks, earlier during the year estimates here were very favorable. Although only three banks are shown below, in each case earnings are up. Those West Coast banks which are not reported are expected to show somewhat better increases than those below. Among the large West Coast banks is the Wells Fargo whose earnings were unduly penalized for some years due to the merger on the West Coast.

In general, bank earnings are favorable for the year with fewer discrepancies area-wise. The outlook for the remainder of 1963 and 1964 continues favorable in view of the probable tax cut which could prompt the Federal Reserve Board to raise the discount rate again. Also, the rapid savings growth should slacken at some point, thus imposing no further burden on banks to find high yielding areas of loaning and investment and holding this expense at the current level.

	Nine Months Earnings		
	1963	1962	% Change
Bankers Trust Company	$2.25	$2.54	— 0.8%
Bank of California	2.20	2.18	+ 1.0
Chase Manhattan Bank	4.10	3.81	+ 7.6
Chemical Bank-N. Y. Trust Co.	3.82	3.93	— 2.5
Citizens and Southern National Bank*	2.66	2.66	---
Crocker Anglo National Bank	1.88	1.81	+ 3.9
First National Bank of Boston	4.00	4.13	— 3.2
First National City Bank	4.40	4.05	+ 8.6
First Pennsylvania Banking & Trust Co.	1.45	1.44	— 0.7
Manufacturers Hanover Trust	2.61	2.47	+ 5.6
Marine Midland Corporation	0.51	0.47	+ 8.5
National Bank of Detroit	3.74	3.38	+10.7
Security First Nat'l Bank (Los Angeles)	2.76	2.58	+ 7.0

* Excluding earnings of affiliates.

Providing S & L Assns. With Broader Investment Powers

By Dr. Grover W. Ensley,* *Executive Vice-President, National Association of Mutual Savings Banks, New York City*

S & L Associations, presently locked for the most part in one simple investment outlet, can get out of their inflexible position and still remain thrift institutions by becoming savings banks once the proposed Federal Mutual Savings Bank Bill is passed. In fact, they are encouraged to do so by Dr. Ensley who contrasts portfolio compositions of the banking and non-banking thrift institutions, outlines advantages such conversions would obtain to the S & L Associations as well as to the economy, and cautions that the unusual postwar attractiveness of mortgages may not continue indefinitely. The savings banks' economist points out that compulsory specialization in home mortgages has made for instability in its long-run growth rate, and cites several prominent concurring views on the subject.

In the postwar era, savings and loan associations have performed two basic functions: first, they have financed the construction and purchase of housing and, second, they have stimulated individuals' savings. Each of these activities is, and will continue to be, vital to a soundly expanding economy. But, for savings and loan managers, the essential question is whether these activities will, for one type of institution, continue to complement each other as well in the future as in the past.

Dr. Grover W. Ensley

The fact is that the spectacular postwar saving and loan growth to a $100 billion industry is due, in large part, to the nearly parallel expansion of savings inflows on the one hand, and home mortgage demands on the other. In looking to the future, however, against the background of recent developments, is it reasonable for specialized home finance institutions to expect these favorable circumstances to continue? Will savings and loans be able soundly to equate the objective of maximizing thrift with singular specialization in home mortgage finance? Will efforts to pursue these objectives simultaneously—in the face of new and vigorous entrants into savings and mortgage markets—lead to reduced earnings or to steady deterioration in the quality of assets?

It is my thesis that the process of equating savings inflows and mortgage repayments with quality mortgage outlets will become increasingly difficult. There is general agreement among market observers that home mortgage demands in the immediate years ahead may fall well below the generation of new savings.

All of this is not to suggest that demand for mortgage funds will decline or even level off in the long run. Nor does it suggest that the era of the specialized home mortgage lender is passing. There will continue to be room in our financial system for the savings and loan association that chooses to limit its pursuit of savings to its available home mortgage outlets. However, it is going to be increasingly difficult to stimulate thrift fully in our affluent society within the relatively narrow confines of home mortgage lending.

It remains, therefore, for those institutions that wish to pursue the basic goal of thrift promotion to acquire diversified investment powers by becoming savings banks. The means for achieving this objective lie in the Federal Mutual Savings Bank Bill.[1] This legislation now pending in the Congress would permit conversion of savings and loan associations to Federal Mutual Savings Banks, with the flexible powers needed by modern savings institutions.

Fortunately, there is growing awareness of the problems inherent in a $100 billion industry being locked, substantially, into a single private capital market sector. More and more savings and loan managers have concluded that their institutions should be endowed with broader investment powers. The need for diversification by modern savings instiutions has now been recognized by Federal agencies and private research organizations as well. And these groups have endorsed the Federal Mutual Savings Bank approach. Passage of this legislation would extend to interested savings and loan associations the diversified powers that for nearly a century and a half have proved so important to savings banks. The converted institutions would take on all the other characteristics of a bank—nomenclature, responsibilities, as well as the broadened powers we are discussing here.

One prominent savings and loan manager, Mr. A. D. Theobald, President of the First Federal Savings and Loan Association of Peoria, Illinois, expressed his support for this approach succinctly:

"If the Federal charter law is adopted in approximately its present form, the First Federal Savings and Loan Association of Peoria will convert to a Federal mutual savings bank charter. . . . It seems to me the benefits to the whole central Illinois area, to our members . . . are obvious."[2]

Advantages to S. & L. Associations

Broadened bank investment powers, feasible for savings and loan associations through Federal chartering legislation, have important advantages for the individual institution and for the national economy. The advantages for the institution may be summarized as follows:

(1) Investment **risks would be lessened** in periods of slackened housing and mortgage demands, as savings inflow and mortgage repayments in excess of new mortgage demand could be channeled into alternative investment outlets.

(2) Long-run **earning power would be strengthened,** since funds could be allocated more readily among competing investments in accordance with their highest yields.

(3) Dependence on the level of building activity would be reduced and **long-run variability in growth would be lessened.**

(4) **Ability to promote thrift continuously,** despite fluctuations in housing activity, would be strengthened.

Advantages to the Economy

For the economy as a whole, broadened investment powers through conversion of savings and loan associations into savings banks would have the following advantages:

(1) Excessive mortgage credit expansion in periods of low housing demand would be avoided, credit quality maintained, and overall **strength of the financial system enhanced.**

(2) The **flexibility and fluidity of the nation's capital markets would be encouraged.**

(3) **Increased total savings and capital formation would be fostered,** thereby accelerating economic growth.

Effect on Asset Composition

The contrast between the diversified investment powers of mutual savings banks and the narrow powers of savings and loan associations is mirrored by differences in the composition of assets held by the two types of institutions as shown in Table I. At the end of 1962, mortgages represented nearly 70% of total assets of mutual savings banks, securities about 26%. In contrast, mortgages accounted for 84% of total assets of savings and loan associations, while securities accounted for less than 6%.

The wider range of savings bank investments is also evident within mortgage and security portfolios. Savings banks held substantial amounts of multi-family residential and non-residential mortgages, nearly three times as large relative to total assets as those of savings and loan associations. In a number of states, savings banks also make consumer loans. Corporate bonds, corporate stocks and state and municipal obligations accounted for a significant proportion (12%) of savings bank assets. In contrast, securities held by savings and loan associations were, with minor exceptions, exclusively U. S. Governments.

These asset comparisons are revealing in two respects. First, they suggest how institutions with restricted powers might diversify their investments, increasing their holdings of multi-family residential and non-residential mortgages and corporate bonds and stocks. Under proposed Federal chartering legislation, savings and loans that chose to convert to Federal mutual savings banks would also have authority to make personal loans. Into these new investment outlets, the converted institutions could channel funds now held in low-yield U. S. Government securities over and above amounts required by supervisory authorities, as well as savings inflows that exceed home mortgage demand.

Second, these comparisons emphasize that acquisition of greater investment flexibility would not mean a departure from basic emphasis on home mortgage lending. The converted savings and loan associations undoubtedly would continue to channel the bulk of their investible funds into mortgages, just as mutual savings banks have done during the postwar period. Under provisions of proposed Federal chartering legislation, moreover, they would lose none of their present home financing capability, with respect to both volume and terms of lending. Furthermore, they would continue to be members of the Federal Home Loan Bank System.

Clearly, the main impact of broadened investment powers would be to permit savings institutions to supplement their home mortgage lending with other investments in periods when good home mortgages are scarce and alternative investments more attractive. How this might affect their investment activity is suggested by the way mutual savings banks have utilized their investment powers. Since the end of World War II, mortgages have absorbed 96% of the net increase in savings bank assets, a higher proportion than for any other institutional lender including savings and loan associations. At the same time, savings banks have varied their mortgage and security acquisitions in accordance with changes in relative yields on mortgages and bonds (Chart 1). Peaks in corporate security purchases generally coincide with troughs in mortgage acquisitions; conversely, peaks in mortgage lending were complementary with troughs in corporate security purchases. This flexibility of response has contributed to the basic investment goal of achieving maximum earnings consistent with safety and liquidity.

Effects on Risk Exposure

With respect to provision for risks, there is little disagreement that broad investment powers are superior to narrow specialization in a single type of investment. Diversified investment powers for savings institutions permit diversification of risks and, hence, contribute to the institutions' soundness and stability during periods of economic adversity.

Even in times of overall business prosperity, compulsory confinement to home mortgage lending could lead to excessive investment risks and undermine the future soundness of individual associations. When the supply of mortgage funds exceeds demand, lenders may be tempted to "reach" for unsound loans in order to maintain their earnings and dividend rates. Credit terms may be liberalized unduly, marginal borrowers more readily accepted, appraisal values stretched, and the quality of credit otherwise reduced. That such forces have been at work in the last three years or so is suggested by the nearly 500% increase between 1959 and 1962 in Federal savings and loan conventional mortgage lending in excess of 80% of property appraisal. There is ample evidence to show that loan-to-value ratios, together with maturity length and income of borrowers, are associated with risk.

All this is not to suggest that the savings and loan industry is unconcerned about maintaining credit quality and avoiding excessive investment risks. On the contrary, this concern is shared by savings and loan managers and, moreover, is plainly shown by the efforts of Chairman Joseph P. McMurray of the Federal Home Loan Bank Board to persuade savings and loan managers to cut dividend rates and build up loss reserves. It should be recognized, however, that without alternative investment opportunities, management faces a basic dilemma in periods of slackened housing demand. On the one hand, they may continue to pump funds into a weakening market, necessarily accepting increasingly risky loans in the process. On the other hand, they can pile up low-yield U. S. Governments with the result that earnings, dividend rates, and savings growth will tend to be reduced. No other major financial industry is confronted by such unpalatable alternatives.

Effects on Earning Power

Broadened investment authority under the Federal Mutual Savings Bank Bill, therefore, would permit the investment of funds exceeding mortgage demand in outlets other than low-yield Treasury securities. Furthermore, converted institutions would be able to vary their investment flows as yields available on different investments change. This would bolster long-run earning power, and would still be consistent with a basic home mortgage orientation.

During the postwar period, the important contribution of diversified investment powers to earnings has been obscured by a number of factors which, however, may not long continue unabated. First, demands for mortgage credit during this period have been unusually heavy, owing mainly to depression backlogs, wartime restrictions and construction, increased marriage and birth rates and rising personal incomes. Second, the potential supply of mortgage funds has been restricted by the reluctance, until recently, of commercial banks, pension funds and other important institutional lenders to participate actively in mortgage lending. This combination of demand and supply forces has produced a relative scarcity of mortgage funds and high mortgage yields during most of the

Continued on page 42

TABLE I

Assets of Mutual Savings Banks and Savings and Loan Associations

(December 31, 1962)

Item	Amount (in millions of $) Mutual savings banks	Amount (in millions of $) Savings and loan assns.	Percentage Composition Mutual savings banks	Percentage Composition Savings and loan assns.
Cash	956	3,946	2.1	4.2
Securities	11,811	5,549	25.6	5.9
U. S. Government	6,107	5,549	13.2	5.9
State and municipal	527	----	1.1	----
Corporate bonds	4,135	----	9.0	----
Corporate stock	1,042	----	2.3	----
Mortgage loans	32,056*	78,973	69.5*	84.2
1-to-4 family residential	22,210	71,605	48.2	76.3
Multi-family residential	6,971		15.1	
Nonresidential	3,139	7,368	6.8	7.9
Other loans	602†	1,407‡	1.3†	1.5‡
Other assets	695	3,941‡	1.5	4.2‡
Total	46,121	93,816	100.0	100.0

* Includes small amount of farm mortgages not shown separately. Total is net figure after deduction of valuation reserves; components are gross figures before deduction of reserves.

† Includes personal loans.

‡ Includes small amount of state and municipal obligations and other loans and investments held by some state-chartered savings and loan associations. Breakdown of other assets and other loans based on 1961 data.

SOURCE: Board of Governors of the Federal Reserve System, Federal Home Loan Bank Board and National Association of Mutual Savings Banks.

1 H.R. 258, introduced by Congressman Abraham J. Multer (D.-N.Y.). Identical bills were introduced in the House by: William A. Barrett (D.-Penna.) H.R. 259, Hugh L. Carey (D.-N.Y.) H.R. 260, Paul A. Fino (R.-N.Y.) H.R. 1595, Seymour Halpern (R.-N.Y.) H.R. 1628, Fernand J. St. Germain (D.-R.I.) H.R. 2425. An identical bill (S. 607) was introduced in the Senate by Senator John J. Sparkman (D.-Ala.).

2 A. D. Theobald, "Partners in Progress," address before the 16th Midyear Meeting of the National Association of Mutual Savings Banks, Dec. 4, 1962. Copies of this address may be obtained by writing to National Association of Mutual Savings Banks, 200 Park Avenue, New York 17, New York.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Rochester Gas & Electric Company

Rochester Gas & Electric serves electricity, gas and steam to the city of Rochester, New York, and adjacent areas, which are interconnected. Revenues are about 56% electric, 38% gas and 6% steam. Electric revenues are 43% residential, 26% commercial, 21% industrial and 10% miscellaneous. Rochester is the third largest city in New York and has over 900 diversified industrial establishments. It is noted as the home of Eastman Kodak; in addition to photographic equipment and optical instruments, electrical machinery, food products and wearing apparel are important industries. The diversity of light industry, including substantial consumer products, makes the city less subject to cyclical extremes. The territory also includes substantial farm areas.

The company purchases most of its natural gas requirements from New York State Natural Gas, and a new contract seems to assure adequate amounts for the next 20 years, allowing growth potentials in the rapidly developing northeastern territory to be realized. Gas revenue from residential heating gained 7% last year, that from commercial space-heating 13% and from industrial 1%. Although saturation of the gas house-heating market has risen from about 25% to 55% in the last decade, continued growth is expected as the area around Rochester becomes more densely settled and the company's gas lines are extended.

The company at the end of 1962 had 474,000 kw steam generating capacity and 53,800 hydro making a total of 527,000 kw, compared with the peak load of 445,000 kw, and 208,000 kw purchased power was also available. The company has a contract with the New York Power Authority for 200,000 kw of firm power. Initial delivery was made in July 1961, with the full contract demand becoming available on Jan. 1, 1963. The company has also agreed to buy a portion of the output of Niagara Mohawk's proposed 500,000 kw atomic plant planned for service in 1968. Thus new steam generating facilities will not be needed to meet anticipated load growth for at least four years.

The construction program for 1962 cost $15.5 million, including work on new high-pressure gas mains and construction of a 115,000-volt transmission line which affords an additional link in the statewide transmission network of the New York utilities. The 345,000 volt transmission system extending from Niagara Falls to New York City, completed during the year, was also an important addition to the state network. Construction for 1963 is estimated at $22.6 million.

The company does not expect to do any financing this year: 60% of construction costs will be provided by internal funds and the balance by short-term loans. Construction costs for the next five years are estimated at $120 million and for the next decade at $330 million. Cash from internal sources may supply an estimated 65% of the next five years' construction costs, so that it should not be necessary to sell additional common stock during this period. While the area is not noted for rapid growth, the company's revenues have shown an average rate of gain of about 7% over the past nine years and this trend is expected to continue. An urban renewal project in the city of Rochester is nearing completion and should result in additional demands for utility service. In 1962 residential building permits increased 13%; some 60 new apartment buildings and 5 large shopping centers were completed in the service area while many educational institutions and other commercial customers expanded their facilities.

Earnings on the common stock have shown good gains, averaging a yearly compounded increase of 7.5% for 1961-62 compared with 1956-7. However, adjustment to normalize the tax savings resulting from the use of accelerated depreciation (which in 1962 amounted to 34 cents a share) would have reduced the average gain to 2.9%.

The company apparently has no regulatory problems at this time. As of March 31, 1963 Standard & Poor's reported that it was earning 6.6% on year-end net plant, which however included flow-through of tax savings. In 1962 the New York State Public Service Commission investigated the company's gas rates and ordered a reduction of $500,000 per annum, equivalent to about 5 cents a share on the common stock.

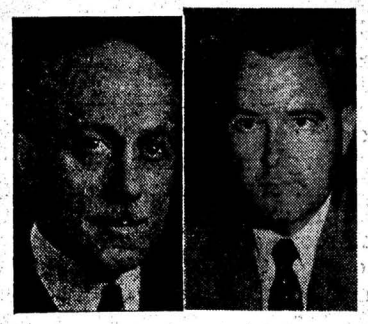
The company has been making a good showing this year. For the 12 months ended June 30, 1963, electric revenues were up nearly 6% and gas nearly 9%. With a slight reduction in the operating ratio to 81%, operating income gained 11%. While interest charges were heavier and credit for interest on construction was only about 2 cents a share, compared with 4 cents in the previous period, net income gained 12%, although part of the gain reflected increased tax savings resulting from the new "guidelines" for depreciation and the 3% investment credit (however, as a partial offset the company increased its book depreciation accruals).

The policy of paying cash and stock dividends is expected to continue. Cash dividends in the five years ended 1962 averaged 56% of earnings though the percentage would have been somewhat higher if "flow-through" of tax savings had been used. In order to avoid equity financing cash dividend payout has been held at a relatively low level and has been supplemented by 3% stock dividends in 1960-61 and 2% in 1962-63. The cash dividend rate has been increased in each year since 1958 and was recently raised from 95 cents to $1.00. The stock has been split 3-for-2 in 1956 and 2-for-1 in 1962. The equity ratio in recent years has remained around 34-36% and is currently around the higher level.

At the recent price of 35 (range this year has approximated 39-27) the stock yields 2.7%, with the annual stock dividend (if liquidated) furnishing additional income. (Normally stock dividends would not be considered income, but where they are a partial substitute for cash dividends, with the object of avoiding equity financing with its resulting dilution of earnings, it seems permissible to consider them as potential income—whereas if retained, they supply a built-in growth factor.) The price - earnings ratio is 20, which is below the industry average.

Hayden, Stone and Westheimer Co. To Consolidate

Alfred J. Coyle, President of Hayden, Stone & Co. Incorporated, 25 Broad St., New York City, and Charles I. Westheimer, managing



Irvin F. Westheimer Alfred J. Coyle

partner of Westheimer and Company, 124 East Fourth St., Cincinnati, have announced the consolidation of the two New York Stock Exchange member firms. Their joint announcement stated that the consolidation will be effective Nov. 1, 1963, subject to approval by the New York Stock Exchange and other regulatory bodies.

The decision followed a joint study undertaken by the firms, and the officers emphasized their continued confidence in the investment business as being fundamental to the decision. Mr. Westheimer also stressed the improvements in service for his firm's clients made possible by the extensive facilities of the larger, worldwide firm. The consolidation follows several years during which a close correspondent relationship was maintained between the two houses.

Westheimer and Company, established in 1916, has become a leading investment firm throughout the Midwest. The company currently operates 19 branch offices throughout Ohio, West Virginia and Indiana. A statement released by the company showed a net worth of approximately $3,900,000 on June 27, 1963.

Hayden, Stone & Co. Incorporated was established in Boston in 1892 and currently has offices and correspondents throughout the United States, Europe, South America, the Middle East and the Far East. Its net worth is currently in excess of $12,000,000.

Irvin F. Westheimer, active founder of the Cincinnati firm, has held a seat on the New York Stock Exchange since 1915, and currently is 15th in seniority among its 1,375 members.

Rittmaster, Voisin To Admit Partner

Rittmaster, Voisin & Co., 40 Exchange Place, New York City, members of the New York Stock Exchange, will admit Louis Troeder to partnership effective Oct. 17.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The competition for the investors' dollar continues to grow keener since the increase in the Central Bank rate. And there is not likely to be any lessening of this rivalry as long as there is no return to the inflation psychology with its boom and bust ideas. Investing today appears to be gaining some momentum as far as fixed income issues are concerned because of the favorable rate of return which is now obtainable from these obligations.

This means that the demand for Government issues continues to be sizable, with all sections of the list finding buyers although the greatest volume is still being done in the short-term liquid Treasury securities. The higher interest rates resulting from our balance of payments problem has helped to make these obligations attractive to investors.

Bond Yields Attractive

It seems as though investors are becoming a bit more conscious of the income that is obtainable in bonds in competition with the other forms of investment. The mortgage market is still the most important one as far as savings banks and saving and loan associations and to a lesser extent the commercial banks are concerned, because of the higher rate of return available in these obligations.

However, the competition for this form of investment has driven the income and quality now obtainable in mortgages down to levels where it is worthwhile to look at other forms of investment especially bonds, with Government issues in the growing area of classification among many investors.

Yield Spread Narrowing

It appears to be more evident that those who are looking for safety of principal and an attractive rate of return are making larger commitments in Treasury issues because of the realization that the best credit available, namely Government obligations, are selling at levels which make them attractive for just such purposes. For quite a while now the yield differential between Government securities and non-Federal obligations has been too narrow.

However, as long as the supply of Treasury issues is going to be increasing—and this seems to be the case because of the deficit which has to be financed — this small yield spread is quite likely to stay that way. It should be remembered that where the supply is ample, that's where the bargains are usually found. This could apply to Government issues because with the Treasury being involved in not only the raising of new money but also in refunding obligations as they come due, as well as in advance refunding operations, these securities will most likely continue to sell at levels which should make them attractive to investors who are interested in the best fixed income bearing obligations available.

Magic Return Is 4%

Investors have a long list of Government issues to select from and, since short-term rates have been advancing, it is indicated that a larger amount of money which would ordinarily have been seeking an outlet in other investments is now being put to work in the near-term Treasury securities. The intermediate-term obligations and short Treasury bonds are also attracting income minded investors, although it is indicated that the very attractive interest rates available now on savings and time deposits in savings and commercial banks has taken some of the money which had been looking at the middle term Government issues.

The 4% interest rate pattern which came into being with the increase in the discount rate is apparently having an important influence on the attitude of not a few investors. Evidently it is felt that unless they can do as well, if not better than this 4% rate on good high grade securities, the funds will be put into the banks.

Keeping Funds Here

The Government by issuing $2 billion tax anticipation notes maturing March 23, 1964 to replace the $2½ billion of Treasury bills coming out Oct. 15, is keeping the short-term market well supplied with securities. By this action, near-term rates here should continue to be competitive with those in other free world money centers.

First of Michigan Names Four Officers

DETROIT, Mich.—Robert A. MacAdam and Francis I. Safford have been elected Vice-Presidents of First of Michigan Corporation, Buhl Building, members of the Detroit Stock Exchange. William W. Boynton and William H. Moeller have been named Assistant Vice-Presidents.

The OTC Market: Coast-to-Coast Shopping Center for Quality Issues

Continued from page 1

issues. Further, the Commission favors more of the kind of company financial communication required of listed issues—complete financial statements, specific proxy rules and reporting of insider trading. As a start, the SEC recommends that OTC companies with over $1 million in assets and 750 or more stockholders fulfill the foregoing requirements. These proposals, in the main seem in the investor's interest, and there can be no doubt that corporations and stockholders alike benefit from a correct and continuous flow of publicity that can broaden the interest, and stimulate more active trading, in a company's securities. But daily market activity in an issue will continue to depend on the stature of the company, the number of shares outstanding, and the extent of distribution among many stockholders.

Excellent Performers

Having commented on some of its technical shortcomings, it is quite proper to cite the areas in which the OTC market is performing its functions with great efficiency and distinction. It continues to provide the indispensible market place for municipal issues, and the national area for trading government bonds, often several billions in a single day. You have noticed the return to popularity of the preferred stock, particularly the convertible variety, as a unit of exchange in mergers. Here again the OTC market performs well and the major portion of all trading in preferreds, particularly purchase or sale in blocks by institutions, is done OTC. And corporate bonds have the OTC market arena as their native habitat.

Life Insurance Stocks

In recent months there has been a greatly broadened investor interest in life insurance stocks, and a number of these issues now sell at all-time highs. Particularly in demand have been Travelers, Franklin, Republic National, Continental Assurance, Connecticut General, Philadelphia Life, American National and Lincoln. All of these trade daily Over-the-Counter, and nowhere else. In fact, of some 1,325 stock life companies, none is listed on any exchange and though some are closely held, there is fairly active trading activity in over 100 different issues. Although the shares of some fire and casualty companies are listed on exchanges, most of these issues, too, are traded OTC.

Utilities

There are quite a number of utility companies, including some large ones, which trade regularly OTC. For example, Connecticut Light and Power Co. and Pacific Power and Light, both grossing over $100 million annually, are exclusively traded and quoted OTC. Other representative issues thus traded include Central Maine Power, Kentucky Utilities, Portland General Electric, Wisconsin Power and Light, Tucson Gas and Electric and El Paso Electric. Equally, among other utilities there are dozens of gas, water, pipeline and telephone companies whose shares have for years been quoted and traded only Over-the-Counter.

Banks

The same market situation exists in operating bank stocks as in life shares—all issues trade OTC and none is listed on any Exchange. Increasingly bank stocks, formerly held mainly by the rich, are being bought by investors of modest resources. Many individuals seem to like to own stock in the banks where they have their saving or checking accounts. As a result bank stocks are in strong demand and sell today at between 18 and 20 times earnings. The selection among bank stocks is magnificent, including such titans as Bank of America (the largest), Chase Manhattan, Manufacturers Hanover, First National City, Mellon National, Continental Illinois, Security First National and Morgan Guaranty Trust. To invest in any or all of these great institutions, and other excellent but less well known ones, there is only one place you can shop—Over-the-Counter.

Panoramic Issues

Diversification has always been a cardinal principle in investing. If it's diversification you seek, you can get it in profusion OTC, with over 40,000 different issues to choose from. The leading commentators and arbiters of business and investment opinion are Dow Jones (Wall Street Journal), Dun and Bradstreet (credit experts) and Standard and Poor's (largest investment advisory service). You can buy stocks in all of these, OTC. Avon Products sells the most in cosmetics; O. M. Scott leads in lawn seed and feed; Holiday Inns is the major in motels; Cummins Engine is the top diesel manufacturer; Pabst and Anheuser Busch are ahead in brewing; Diebold and Mosler are the majors in vault protection; Grinnell world leader in fire protection; Time, Inc., is the premier magazine publisher; American Express is biggest in travel and credit cards; Weyerhaeuser, tallest timber company; and Frito-Lay definitely in the chips. The shares of all these renowned and successful companies are bought, sold and quoted Over-the-Counter exclusively.

Wide Price Range

As for price ranges, you can buy an elegant equity like Kansas City Life at $3,200 a share or you can buy a hopeful call on the future of pay television in the company holding some basic patents, Skiatron, at $2 a share. There's an OTC stock for every purse and purpose and more every month as more corporations go public. The OTC market opens up around 9 a.m. in New York and may still be active 11 hours later in San Francisco. This market network has no official opening or closing hours, has more than 5,000 trading desks, but no central trading area.

We expect progress in the OTC market: more issues quoted in financial sections; and probably, later on, some system of reporting opening and closing prices and daily range and volume on the most active issues. Meanwhile, we will continue to rely on, and benefit from, the faithful making and maintenance of markets by responsible and dependable broker/dealers, hundreds of them also exchange members, who make the OTC market a vast and continuous shopping center for every kind of security. Some of these issues, as you will note from the appended list, have rewarded investors by paying cash dividends, without skipping, for as long as 179 years!

Difference Between Listed and OTC Trading

Following the accompanying tables, we present a discourse on the difference between the listed and Over-the-Counter Market, for the benefit of those who are not conversant with how the Over-the-Counter Market functions.

TABLE I

OVER-THE-COUNTER

Consecutive Cash

DIVIDEND PAYERS

for

10 to 179 Years

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Abercrombie & Fitch Co. — Retail sporting goods	26	0.25	26	1.0
Acme Electric Corp. — Mfg. of electronic and electrical equipment and transformers for electronic and electrical industries	24	0.28	11	2.5
Acushnet Process Co. — Molded rubber products and Golf balls	*26	†0.98	32	3.1
Aetna Casualty & Surety Co. (Hartford) — Casualty, surety, fire and marine insurance	55	0.91	108	0.8
Aetna Life Insurance Co. (Hartford) — Life, group, accident, health	29	1.65	161½	1.0
Agricultural Insurance Co. — Diversified insurance	99	0.80	40	2.0
Alabama-Tennessee Natural Gas Co. — Pipeline	12	1.20	28	4.3
Alamo National Bank (San Antonio)	27	†1.25	53	2.4
Alba-Waldensian, Inc.	23	0.40	6½	6.2
Albany & Vermont RR. Co. — Local carrier	36	2.25	48	4.7
Alexander Hamilton Institute Inc. — Publishing executive training courses	17	1.00	25	4.0
Allied Finance Co. — Installment financing	22	1.00	38½	2.6
Allied Gas Co. — Natural gas distributor	15	0.60	30	2.0
Allis (Louis) Co. — Generators and electric motors	*26	1.00	31	3.2
American Aggregates Corp. — Gravel and sand	22	1.20	27	4.4
American Air Filter Co. — Filters and miscellaneous heating and ventilating equipment	29	1.15	27¼	4.2
American District Telegraph Co. — Electric protection services	60	2.15	109½	2.0
American Dredging Co. — Dredging operations	81	4.25	105	4.0
American Druggists Insurance Co. (Cinc.) — Writes Fire Insurance and extended coverage, plus casualty for druggists only	57	3.00	76	3.9
Amer. Equitable Assurance Co. of New York — Fire, marine, multiple peril insurance, and allied lines	29	1.05	26½	4.0
American Express Co. — Money orders; travelers' cheques; foreign shipping; foreign remittances; credit cards	93	1.30	60	2.2
American Felt, Co. — Manufacturer of wool and synthetic fibre felts, fabricated felt parts, filters, acoustic wall covering materials, and decorative drapery fabrics	24	1.20	18½	6.5
American Fletcher National Bank & Trust Co. (Indianapolis)	51	2.00	60	3.3
American Forest Products Corp. — Manufacturers and distributors of forest products and corrugated containers	36	1.00	24	4.2
American Furniture Co., Inc. — Large furniture manufacturer	23	0.20	5¼	3.8
American General Insur. Co. — Fire and casualty insurance	34	†0.55	89½	0.6
American Greetings Corp. Class B — Manufacture of greeting cards	13	b0.70	34½	2.0
American Hoist & Derrick — Hoists, cranes, cargo equipment, wire rope accessories and asphalt mixing plants	23	0.75	15⅞	4.7
American Home Assurance Corp. — Diversified insurance	12	0.90	41½	2.2
American Insulator Corp. — Custom moulders of plastic materials	22	†0.78	18	4.3
American Locker, Class B — Maintains lockers in public terminals	20	0.30	5⅛	5.9
American Maize Products — Manufactures various corn products	38	0.80	22	3.6
American Monorail Co. — Materials handling systems	*11	0.28	4½	6.2
American Motorists Insurance Company — Diversified insurance	33	†0.11	22¾	4.8
Amer. Natl. Bank & Trust Co. (Chattanooga)	47	2.00	85	2.4
American National Bank and Trust Co. of Chicago — NOTE: Shares split ten-for-one in Sept. 1963. Par changed from $100 to $10. Bank intends to pay $1 annually on new common, equal to $10 a share on old stock which had paid $6 a share.	28	6.00	650	0.9
American National Insurance Co. (Galveston)	41	0.23	16⅛	1.4
American Pipe & Construc'n — Reinforced concrete pipe-protective coatings, plate steel fabrication, construction	26	0.50	13½	3.7
American Re-Insurance — Multiple line insurance	41	1.30	69¼	1.9
American Stamping Co. — Pressed steel parts and stamping	26	1.35	17½	7.7
American Steamship Co. — Freighters on Great Lakes	55	28.00	515	5.4
Amicable Life Insurance Co. (Waco, Texas) — Life insurance	27	†1.44	135	1.1
Ampco Metal, Inc. — Bronze alloys and products	27	0.40	8	5.0
Anheuser-Busch Inc. — Beer, yeast, corn products	30	1.55	53⅜	2.9
Animal Trap Co. of America — Large variety of traps	26	1.05	22	4.8
Apco Mossberg Co. — Tools and wrenches	20	0.15	6	2.5
Arden Farms Co. — Dairy products, groceries, meats, etc.	19	1.00	14⅛	7.1
Arkansas-Missouri Power Co. — Electric and gas utility	*26	†0.54	16¾	3.2

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
b Plus 5% in class A stock.

Continued on page 24

OTC Market: Shopping Center For Quality Securities

Continued from page 23

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Arkansas Western Gas Co. — Natural gas public utility, production and transmission	24	†0.49	16⅝	2.9
Arrow-Hart & Hegeman Electric Co. — Electric wiring devices and controls	35	3.40	63	5.4
Arrowhead & Puritas Waters Inc. — Bottled drinking water	10	0.59	16½	3.6
Arrow Liqueurs Corp. — Cordials and liqueurs	*18	0.55	20¼	2.7
Associated Spring Corp. — Precision mechanical springs; spring steel	29	0.80	18⅛	4.4
Atlanta Gas Light — Operating public utility	*26	1.00	28½	3.5
Atlanta & West Point RR. Co. — Georgia carrier	22	4.00	55	7.3
Atlantic City Sewerage Co. — Sewerage service	49	1.30	22	5.9
Atlantic Company — Ice, coal, cold storage and E-Z Curb Service Stores	18	1.00	23	4.3
Atlantic National Bank of Jacksonville	59	1.45	86	1.7
Atlas Finance Co. — Auto financing	11	0.40	10¼	3.9
Auto-Soler Co. — Manufactures nailing machinery	13	0.40	6	6.7
Avondale Mills — Cotton fabrics and yarns	59	†1.09	29	3.8
Avon Products — Cosmetics and toiletries	44	1.70	113¾	1.5
Ayres (L. S.) & Co. — Operates department stores in Indianapolis and Lafayette, Indiana, and Springfield, Illinois	28	1.45	38½	3.8
B/G Foods, Inc. — Restaurant chain	19	1.00	14	7.1
Badger Paper Mills — Sulphite pulp and paper	29	6.00	140	4.3
Bagley Building Corp. — Detroit real estate	26	0.30	12	2.5
BancOhio Corp. — Holding company—banks	33	†1.91	115	1.7
Bangor Hydro-Electric Co. — Operating public utility	39	0.88	22¼	4.0
Bank of America NT&SA — Nation's largest bank	30	2.00	63	3.2
Bank Building & Equipment Corp. of America — Designers, Builders, Manufacturers	24	1.40	26	5.4
Bank of California, N. A.	83	1.60	64¾	2.5
Bank of Commerce (N. Y.)	28	2.25	58¾	3.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Bank of Commonwealth (Detroit, Mich.)	26	1.92	53½	3.6
Bank of Delaware	167	1.40	43	3.3
Bank (The) of New York	179	13.50	415	3.3
Bank of the Southwest National Association, Houston	54	c1.60	102	1.6
Bankers Bond & Mortgage Guaranty Co. of America — Mortgage financing	17	0.50	9½	5.3
Bankers Building Corp. — Chicago office building	17	1.00	69	1.4
Bankers & Shippers Insur. — Multiple line insurance	38	2.60	58	4.5
Bankers Trust Co., N. Y.	59	1.90	55½	3.4
Barnett National Bank of Jacksonville	a74	1.60	74	2.2
Bassett Furniture Industries Inc. — Complete line of domestic furniture	29	1.00	30¼	3.3
Baystate Corp. — Bank holding corporation	36	1.66	58¼	2.8
Beauty Counselors, Inc. — Wholesaler: Cosmetic and toilet preparations	29	1.40	37¼	3.8
Belknap Hardware & Mfg. — Hardware & furniture wholesaler	35	0.75	11¼	6.7
Bemis Bro. Bag Co. — Manufacturer of paper, textile and plastic bags	42	2.00	68	2.9
Beneficial Corporation — Investments	35	0.88	36¼	2.4
Benjamin Franklin Hotel Co. — Philadelphia hotel	16	6.00	240	2.5
Berks County Trust Co. (Reading, Pa.)	27	†1.20	36½	3.3
Berkshire Gas Co. — Operating gas public utility	41	1.10	25¾	4.3
Bibb Mfg. Co. — Textile manufacturer, Cotton goods; sheeting, etc.	76	1.00	18⅜	5.4
Biddeford & Saco Water Co. — Operating public utility	64	†1.24	25	5.0
Bird Machine Co. — Machinery for paper mills	27	1.50	27	5.6
Bird & Son — Asphalt shingles, floor covering, and paper	38	†0.39	22	1.8
Birmingham Trust National Bank (Birmingham, Ala.)	18	†0.83	44	1.9
Black-Clawson Company — Makes paper and pulp mill equipment	31	1.00	25½	3.9
Black Hills Power & Light — Operating public utility	22	1.92	51¾	3.7
Bloch Brothers Tobacco Co. — "Mail pouch" chewing tobacco	52	1.20	19½	6.2
Blue Bell, Inc. — Manufacturer of work and play clothes	39	1.05	24	4.4
Boatmen's Natl. Bk. St. Louis	91	†1.45	42¼	3.4

* Details not complete as to possible longer record.
a Including predecessors.
c Plus 20 cents per share paid to trustee.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Boston Insurance Co. — Insurance other than life	89	1.80	38	4.7
Bound Brook Water Co. — Operating public utility	38	0.40	6½	6.2
Bourbon Stock Yards Co. — Louisville stockyards	55	3.20	51	6.3
Boyertown Burial Casket Co. — Miscellaneous funeral supplies	69	0.60	14¾	4.1
Bradley (Milton) Co. — Games, toys and educational teaching aids	12	†0.14	15	0.9
Bridgeport Hydraulic Co. — Supplies water to several Connecticut communities	72	2.00	48½	4.1
Bristol Brass Corp. — Metal fabricator	31	0.70	11¾	6.0
British Mortgage & Trust Co. (Ont.) — Mortgage loans & trust business	85	†0.85	29	2.9
Brockton Taunton Gas Co. — Operating public utility	42	1.20	32½	3.7
Brockway Glass Co. Inc. — Glass containers	36	0.80	23	3.5
Brooklyn Garden Apartments, Inc. — Own and operate two Brooklyn garden apartments	29	6.00	102	5.9

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on page 38.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Brown & Sharpe Mfg. — Machine tools	*27	1.20	40	3.0
Brunswig Drug Co. — Wholesale drugs	29	0.85	17¼	4.9
Bryn Mawr Trust Co. (Pa.)	19	1.95	52½	3.7
Buchanan Steel Products Corp. — Manufacturing steel forgings	16	0.25	6¼	4.0
Buck Creek Oil Co. — Crude oil producer	22	0.04	⅞	4.6
Buck Hills Falls Co. — Hotel in Poconos	56	0.40	15½	2.6
Buckeye Steel Castings Co. — Production of steel castings	26	1.50	24¼	6.2
Burnham Corp. — Mfrs. boilers, radiators, greenhouses and warm air furnaces	16	1.25	21	6.0
Business Men's Assurance Co. of America — Life, accident and health insurance	30	0.40	75¼	0.5
Butler Manufacturing Co. — Metal products	25	1.95	32	6.1
Calgon Corp. — Water treatment chemicals	28	1.15	31⅞	3.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Drennan Appointed By G. H. Walker

ST. LOUIS, Mo. — Quintus L. Drennan, Jr., has been appointed Assistant Sales Manager of the St. Louis office of G. H. Walker & Co., 503 Locust Street, members of the New York Stock Exchange. The announcement was made by William H. Bixby, a managing partner of the investment banking firm.

For the past nine years, Mr. Drennan has been associated with the St. Louis office of Merrill Lynch, Pierce, Fenner & Smith Inc. In addition to his executive duties at G. H. Walker & Co. he will personally handle both individual and institutional accounts.

OTC Market: Shopping Center For Quality Securities

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
California Interstate Telephone Co. — Telephone service	10	0.80	25	3.2
California-Pacific Utilities — Operating public utility	20	0.90	26¼	3.4
California Portland Cement Co. — Cement and lime products	53	5.00	145	3.4
California Water Service Co. — Public utility-water	31	1.25	32	3.9
California Water & Telephone Co. — Operating public utility	27	0.72	21⅞	3.3
California-Western States Life Insurance Co. — Life, accident & health insurance	25	0.40	45½	0.9
Camco, Inc. — Gas lift equipment	10	0.10	14½	0.7
Campbell Taggart Associated Bakeries, Inc. — Bakery chain	*17	1.25	27½	4.5
Cannon Shoe Co. — Operation retail shoe stores and manufacturing of shoes	30	0.40	5⅛	7.8
Carolina Telephone and Telegraph Company — Operates telephone exchanges	63	1.20	49	2.4
Carter (William) Co. — Underwear	49	10.00	300	3.3
Carthage Mills, Inc. — Felt base floor coverings	23	1.20	24½	4.9
Cavalier Apartments Corp. — Owning and operating apartment house (Washington, D. C.)	21	1.25	20	6.3
Cedar Point Field Trust, ctfs. — Texas oil wells	12	0.25	2⅜	10.5
Central Bank & Trust Co. (Denver)	*17	0.80	22¾	3.5
Central Coal & Coke Corp. — Leases mines on royalty basis	16	1.10	40½	2.7
Central Cold Storage Co. — Refrigeration	29	2.25	45	5.0
Central Illinois Electric & Gas Co. — Operating public utility	31	0.94	27⅞	3.4
Central Indiana Gas Co. — Natural gas public utility	23	†0.75	20¾	3.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Central Louisiana Electric Co. — Electric, gas and water utility	28	1.09	38⅜	2.8
Central Maine Power Co. — Public electric utility	21	1.60	39	4.1
Central National Bank of Cleveland	22	†1.86	55¾	3.3
Central National Bank & Trust Co. (Des Moines)	26	12.00	375	3.2
Central-Penn National Bank (Philadelphia)	135	†2.24	58¼	3.8
Central Steel & Wire Co. — Metal processing and distribution	21	2.50	53	4.7
Central Telephone Co. — Telephone service (subsidiary of Western Power & Gas Co.)	18	†0.99	36¾	2.7
Central Trust Co. (Cinn.)	26	†1.12	46½	2.4
Central Vermont Public Service Corp. — Electric and gas utility	20	1.08	25⅞	4.2
Central West Co. — Investment trust	28	0.30	5¾	5.2
Chambersburg Engineering — Forging hammers, hydraulic presses	26	0.50	19	2.6
Chance (A. B.) Co. — Manufacturing products for Utility Line Construction & Maintenance	28	1.00	20¼	4.9
Charleston Natl. Bk (W. Va.)	27	†1.38	77	1.8
Charleston Transit Co. — W. Va. bus operations	23	4.00	52	7.7
Chase Manhattan Bank	115	2.60	85½	3.0
Chatham Manufacturing Co., Class A — Blankets, apparel cloth, upholstery and sales yarns	29	0.16	4	4.0
CHEMICAL BANK NEW YORK TRUST CO. — ● BANK'S ADVERTISEMENT IS ON PAGE 34.	a134	2.80	85½	3.3
CHENANGO & UNADILLA TELEPHONE CORP. — Operating telephone company ● COMPANY'S ADVERTISEMENT IS ON PAGE 29.	37	1.40	40	3.5
Chicago, Burlington & Quincy RR. Co. — Midwest carrier	101	7.50	153	4.9
Chicago Mill and Lumber — Wood and corrugated boxes, lumber, crude oil	23	1.25	30½	4.1
Chicago Molded Products Corp. — Plastic molders	24	0.20	8	2.5
Chicago Title & Trust Co.	28	5.00	120	4.2
Chilton Co. — Publisher of business magazines	26	1.00	33	3.0

† Adjusted for stock dividends, splits, etc.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
China Grove Cotton Mills Co. — Combed yarn manufacturer	39	2.50	52	4.8
Christiana Secur. Co. — Holding company	*37	d7.45	224	3.3
Churchill Downs, Inc. — "Kentucky Derby"	12	1.30	22	5.9
Citizens Commercial & Savings Bank (Flint, Mich.)	28	2.55	73½	3.5
Citizens Fidelity Bank & Tr. (Louisville)	*44	1.80	55½	3.2
Citizens National Bank (Los Angeles)	69	1.70	93	1.8
Citizens & Southern National Bank (Savannah)	58	1.70	94½	1.8
Citizens & Southern National Bank of S. C. (Charleston)	35	1.90	107½	1.8
Citizens Utilities Co., Cl. B — Public utility	25	0.71	21½	3.3
City Nat. Bank & Trust Co. (Columbus, Ohio)	28	1.00	65	1.5
City National Bank & Tr. Co. (Kansas City)	*35	†0.76	79	1.0
City Title Insurance Co. — Title insurance	27	0.40	8¼	4.8
City Trust Co. (Bridgeport, Conn.)	109	1.95	57	3.4
Civil Service Employees Insurance Co. (San Fran.) — Diversified insurance	10	0.40	29½	1.4
Cleveland Trencher Co. — Manufacturer of mechanical trench excavators	15	0.40	8	5.0
CLEVELAND TRUST CO. — ● BANK'S ADVERTISEMENT IS ON PAGE 35.	27	†5.73	339	1.7
Cleveland Union Stock Yards Company — Operates livestock yards	57	0.50	9½	5.3
Coca-Cola Bottling Co. of Los Angeles	39	1.00	29	3.4
Collins Co. — Farm and cutting implements	*48	4.00	95	4.2
Collyer Insulated Wire — Manufacturer of insulated wire and cable	45	0.70	21¾	3.2
Colonial Stores — Retail food stores in Southeast and Midwest	22	0.75	16¾	4.5
Color-Craft Products, Inc. — Wall coverings	15	0.40	4⅜	9.1

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
d Plus one-third for one in General Motors common.

Continued on page 26

OTC Market: Shopping Center For Quality Securities

Continued from page 25

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Colorado Interstate Gas Co. Natural gas transmission	28	1.25	39⅛	3.2
Colorado Milling & Elevator Flour and prepared mixes for baking	18	1.00	19¼	5.2
COMMERCE TRUST CO. (KANSAS CITY) ● BANK'S ADVERTISEMENT IS ON PAGE 37.	27	2.00	66	3.0
Commerce Union Bank (Nashville)	47	1.00	33½	3.0
Commercial Banking Corp. Dealer financing	15	0.60	11	5.5
Commercial Shearing & Stamping Pressed metal products, hydraulic oil equipment and forgings	28	0.80	16½	4.8
Commercial Trust Co. of New Jersey (Jersey City)	58	†1.64	50¼	3.3
Commonwealth Bank & Trust Co. (Pittsburgh)	61	1.45	50	2.9
Commonwealth Land Title Insurance Co. Title insurance	18	4.25	68	6.3
Commonwealth Life Insurance Co. (Ky.) Life Insurance (no accident & health)	22	0.26	59½	0.4
Commonwealth Telephone Co. (Dallas, Pa.) Telephone service	12	†0.73	26½	2.8
Community Hotel Co. (Pa.) York, Pa., hotel	16	3.75	78	4.8
Concord Elect. (New Eng.) Operating public utility	58	2.40	51	4.7
Conn (G. C.), Ltd. Top manufacturer of band instruments	15	0.30	11	2.7
Connecticut Bank & Tr. Co.	104	†2.02	72¾	2.8
Connecticut General Life Insurance Co. Life, accident and health insurance (group and individual)	85	0.85	165½	0.5
Connecticut Light & Power Operating public utility	41	1.29	34⅞	3.7
Connecticut National Bank (Bridgeport, Conn.)	*22	0.80	19⅞	4.0
Connecticut Printers, Inc. Commercial printing	83	1.08	35	3.1
Connohio, Inc. Sale of ice & oil, & warehousing	17	0.10	3¼	3.1
Consolidated Financial Corp.	30	2.20	75	2.9
Consolidated Papers, Inc. Manufactures paper and paper products	30	1.40	32¼	4.3
Consolidated Rendering Co. Tallow, grease, meat scrap, fertilizers, hides and skins	28	1.20	18	6.7
Consolidated Rock Products Co. Gravel and sand	11	0.80	25¼	3.2
Consumers Water Co. Holding co.	12	†1.15	43	2.7
Continental American Life Insurance Co. (Del.) Participating life	*38	1.70	68	2.5
Continental Assurance Co. Life, accident and health	50	†1.00	138½	0.7
Continental Casualty Co. Diversified insurance	29	1.50	75⅜	2.0
Continental Illinois National Bank and Trust Co. of Chicago NOTE: Shares split four-for-one in Sept. 1963 by converting $33⅓ par to $10 par on a 3⅓ for 1 basis to be followed by 20% stock dividend on $10 par stock. Bank intends to pay $1.20 annual dividend on new stock, equal to $4.80 on old stock which had paid $4 annually.	28	4.00	175½	2.3
Corning Natural Gas Corp. Operating public utility	11	1.35	30	4.5
County Trust (White Plains)	*59	†0.48	54⅞	0.9
Cowles Chemical Co. Mfg. industrial chemicals	24	0.60	25¾	2.3
Craddock-Terry Shoe Corp. Shoe manufacturer	23	1.00	21½	4.7
Craftsman Life Insurance Co. (Boston) Diversified insurance	*10	0.12	12½	1.0
Crown Life Insurance Co. Life, accident and sickness; also annuities	40	2.08	255	0.8
Crum & Forster Diversified insurance	37	†1.73	53¼	3.2
Cummins Engine Co. Diesel and gas engines	15	†0.54	63¼	0.9
Curlee Clothing Co. Men's suits and overcoats	24	†0.78	20	3.9
Dahlstrom Manufacturing Co. Doors, mouldings, cabinets	21	0.80	13	6.2
Dallas Transit Co. Local transit facilities	21	0.70	12	5.8
Darling (L. A.) Co. Manufacturing display equipment	16	0.31	8⅛	3.8
DAYTON MALLEABLE IRON CO. Iron, steel & aluminum castings ● COMPANY'S ADVERTISEMENT IS ON PAGE 34.	27	1.35	36¾	3.7
Decker Nut Manufacturing Corp. Manufacturer of cold headed industrial fasteners	17	0.20	3	6.7
Del Monte Properties Co. Real estate	18	3.00	117	2.6
Delaware Railroad Co. Leased and operated by P.R.R.	66	2.00	38	5.3
Delta Electric Co. Hand lanterns and auto type switches, bicycle lamps and horns marine lights and horns	27	0.40	10¼	3.9
Denver Chicago Trucking Co., Inc. Motor common carrier	13	0.55	14⅛	3.9
Denver United States National Bank	76	1.20	36¼	3.3
Detrex Chemical Industries, Inc. Chemicals, equipment and ultrasonics	*16	0.60	10½	5.7
Detroit Aluminum & Brass Bearings and bushings	*27	0.95	20	4.8
Detroit Bank & Trust Co.	28	2.20	57¾	3.8
Detroit & Canada Tunnel Owns and operates international tunnel to Windsor	22	1.00	16¼	6.2
Detroit International Bridge Operates bridge to Windsor	19	1.00	17¼	5.8
Detroit Mortgage & Realty Co. Real estate financing	24	0.22	2¾	8.0
Dial Finance Co. Consumer finance business	30	1.07	37	2.8
Dickey (W. S.) Clay Mfg. Co. Sewer and culvert pipes, tiles	27	†1.34	44½	3.0
Dictaphone Corp. Manufacture and sale of Dictaphone, dictating, recording and transcribing machines	37	1.40	33½	4.2
Diebold, Inc. Office equipment and bank equipment	44	12.00	215	5.6
Discount Corp. of New York Dealers in U. S. Treasury securities, bankers acceptances and negotiable time certificates of deposit	44	12.00	210	5.7
Dixon (Joseph) Crucible Co. Lead pencils and all graphite products	26	1.45	29	5.0
Dollar Savings & Trust Co. (Youngstown)	23	1.46	39	3.7
Drackett Co. Household, chemical specialties, plastic sprayers and dispensers	*30	0.60	23⅞	2.5
Dravo Corp. Heavy engineering projects, marine equipment	24	3.25	61½	5.3
Drexel Enterprises, Inc. Furniture manufacturer	*27	†1.40	21⅜	6.5
Drovers Natl. Bk. (Chicago)	80	0.85	30	2.8
Ducommun, Inc. Distributors of metals, tools and industrial supplies	28	1.00	17¼	5.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Form Lakeland Secs.

ANGOLA, Ind. — Lakeland Securities, Inc. has been formed with offices at 120 East Maumee St., to engage in a securities business. Officers are William V. Papaik, President, and Oliver G. Miller, Secretary and Treasurer. Mr. Papaik was formerly with Grant Securities and LSJ Securities, Inc.

Form R. C. Smith Inc.

PHOENIX, Ariz. — Robert C. Smith, Inc. has been formed with offices at 221 East Camelback Road, to engage in a securities business. Officers are Robert C. Smith, President and Treasurer, and E. L. Smith, Vice-President and Secretary.

OTC Market: Shopping Center For Quality Securities

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Duff-Norton Co. — Industrial jacks and lifting equipment	73	3.00	41	7.3
Dun & Bradstreet Inc. — Publications and services for management	30	1.40	62¾	2.2
Duncan Electric Co., Class B	25	1.10	22¾	4.8
Dura Corp.	29	†0.50	27⅞	1.8
DURIRON CO. — Corrosion resistant equipment	28	1.20	23¼	5.2
● COMPANY'S ADVERTISEMENT IS ON PAGE 36.				

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on page 38.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Eagle Stores Company, Inc. — Variety chain in South	11	0.60	16½	3.6
Eason Oil Co. — Oil and gas production	22	0.30	28½	1.1
Eastern Racing Assn. Inc. — Suffolk Downs	22	0.23	4⅝	5.0
Eastern Utilities Associates — Holding company, New England public utilities	35	2.20	49¼	4.5
Economics Laboratory, Inc. — Chemical compound manufacturers	27	†0.99	46	2.2
Ecuadorian Corp., Ltd. (Bahamas) — Holding co.—brewing interests	25	0.72	8⅝	8.3
Edgewater Steel Co. — Circle E. rolled steel railroad wheels and tires, steel rings and forgings	41	3.00	43	7.0
Edison Sault Electric Co. — Electric utility	28	0.90	20¼	4.4
Electric Hose & Rubber Co. — Rubber hose	24	1.50	31½	4.8
Electrical Products Consol. — Electrical signs	28	1.10	24¼	4.5
Electro Refractories & Abrasives Corp. — Manufacturer of crucibles, refractories and abrasive products	29	†0.59	10½	5.6
Elizabethtown Consolidated Gas Co. — Natural gas distributing utility	70	1.15	37½	3.1
El Paso Electric Co. — Public utility	35	0.64	25¾	2.5
El Paso Natl. Bank (Texas)	38	2.40	62	3.9
Empire State Oil — Oil production and refining	16	0.50	20⅛	2.5
Empire Trust Co. (N. Y.)	57	†2.91	325	0.9
Employers Casualty Co. — Fire and Casualty Insurance	39	†0.97	43½	2.2
Employers Group Associates — Diversified insurance	33	1.40	80½	1.7
Employers Reinsurance Corp. — Multiple line reinsurance	49	1.85	74	2.5
Equitable Trust Co. (Balt.)	48	†0.96	124	0.8
Equity Oil Co. — Crude oil production	15	0.40	12⅝	3.2
Erie & Kalamazoo RR. — Leased by New York Central	114	3.00	45	6.7
Erlanger Mills Corp. — Textile holding and operating co.	17	0.95	20	4.7
Essex Co. — Water power to mills	52	e1.00	25	4.0
Exeter & Hampton Electric Company — Operating public utility	55	†1.50	32½	4.6
Exeter Manufacturing Co. — Cotton and glass fabrics	22	1.25	30	4.2
Exolon Co. — Manufacture artificial abrasives and magnetic separators	29	1.60	45	3.6
Fairbanks Co. — Valves, etc.	10	0.10	5¼	1.9
Fairfield County Trust Co. (Stamford, Conn.)	70	1.70	52½	3.2
Fall River Gas Co. — Operating public utility	77	1.83	39½	4.6
Farmer Brothers Co. — Wholesale roast coffee and related products	11	0.40	8	5.0
Farrel Corp. — Mfrs. of heavy machinery Formerly Farrel-Birmingham Co. Name changed in April 1963 to Farrel Corp.	28	2.00	43¼	4.6
Fate-Root-Heath Co. — Manufactures diesel locomotives, ceramic machinery and lawn-mower and saw sharpeners	29	1.15	16	7.2
Faultless Rubber — Miscel. rubber goods, sponges	38	1.20	22	5.5
Fearn Foods, Inc. — Soup bases, seasoning compounds, etc.	10	†0.49	23½	2.1
Fed. Compress & Warehouse — Cotton compress and warehousing	37	1.20	21¾	5.5
Federal Insurance Co. — Multiple line insurance	61	1.05	78¼	1.3
Federal Screw Works — Cold headed products and screws	22	1.00	16¾	6.0
Federal Sign & Signal Corp. — Electric signs, sirens, lights, traffic and highway signs	15	†0.94	22	4.3
Federated Publications, Inc. — Michigan newspapers	28	2.30	53	4.3
Federation Bank and Trust Co. (New York)	27	†1.55	48	3.2
Fidelity & Deposit Co. of Maryland — Diversified insurance	29	2.05	72	2.8
Fidelity-Philadelphia Trust	98	2.75	89¼	3.1
Fidelity Union Tr. (Newark)	71	1.70	52½	3.2
Fifth Third Union Trust Co. (Cincinnati)	26	2.50	88	2.8
Fifty Associates (Boston) — Boston real estate	17	50.00	1600	3.1
Finance Co. of Pennsylvania — Real estate and securities	34	3.75	81	4.6
Financial Corp. of America — Title insurance	15	0.50	15⅞	3.1
Fireman's Fund Insur. Co. — Multiple line insurance	55	†1.19	36½	3.3
First Amer. Nat. Bk. (Nashv.)	25	†1.17	40½	2.9

† Adjusted for stock dividends, splits, etc.

e Dividend rate is 50c semi-annually. An extra of $1 was paid on June 1, and a $5 extra on Dec. 1. Yield is based on regular payment.

Continued on page 28

OTC Market: Shopping Center For Quality Securities

Continued from page 27

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
First Bank Stock Corp. — Bank holding company	34	2.05	65½	3.1
First Bank & Trust Co. (South Bend)	24	1.35	39	3.5
First Boston Corp. — Investment banking	25	5.00	86½	5.8
First Camden National Bank & Trust Co. (N. J.)	18	†0.99	51	1.9
First City Natl. Bk. (Houston)	30	†1.17	62¾	1.9
First Natl. Bank of Akron	24	†0.97	63	1.5
First Natl. Bank of Atlanta	97	1.60	62½	2.6
First Natl. Bank (Birming.)	20	†1.26	52	2.4
First Natl. Bank of Boston	179	3.10	87¾	3.5
First Natl. Bank (Chicago)	28	1.60	79	2.0
First Natl. Bank of Cinn.	100	2.00	65	3.1
First Natl. Bank of Dallas	88	1.36	67¾	2.0
First Natl. Bank of Denver	78	†5.90	265	2.2
First National Bank of Fort Worth	30	†0.49	28½	1.7
First Natl. Bank (Jersey City)	99	†1.53	42	3.6
First Natl. Bank (K. C.)	73	†1.63	104	1.6
First National Bank of (Maryland)	156	2.00	58	3.4
First Natl. Bank (Miami)	60	†1.40	73½	1.9
First Natl. Bank of Memphis	68	1.40	58½	2.4
First Natl. Bank (Mobile)	97	5.00	185	2.7
First Natl. Bank (Omaha)	27	1.00	41	2.4
First Natl. Bank of Oregon	92	2.20	67¼	3.3
First Natl. Bank of Passaic County (Paterson, N. J.)	98	3.50	101½	3.4
First Natl. Bank in St. Louis	45	1.60	43¾	3.7
First National Bank of Shreveport, La.	26	1.50	68	2.2
First Natl. Bank (Wichita)	43	10.10	390	2.6
First Natl. Bk. T. (Okla. City)	35	1.75	50	3.5
First National Bank and Trust Co. (Tulsa)	25	1.31	50½	2.6
First National City Bank of New York	150	†2.96	102½	2.9
First National Exchange Bank of Virginia — Formerly First National Exchange Bank of Roanoke to Dec. 1962	81	1.40	50	2.8
First National Bank of San Diego — Formerly First National Trust & Savings Bank of San Diego to March 1963	28	1.00	47⅜	2.1
First New Haven National Bank (Conn.)	27	1.40	38	3.7
First Pennsylvania Banking & Trust Co. (Phila.)	135	1.20	30¾	3.9

† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
First Trenton National Bank	88	2.00	55	3.6
Fitchburg Gas & Elec. Light — Gas and electric company	104	3.00	64½	4.7
Florida National Bank (Jacksonville)	27	0.60	44	1.4
Florida Public Utilities Co. — Operating public utility	20	†0.71	24	3.0
Florida Telephone Corp., cl. A — Telephone company	22	0.54	21⅞	2.5
Forbes & Wallace, Inc., Cl. B — Dept. store, Springfield, Mass.	27	1.75	31	5.6
Fort Wayne National Bank (Indiana)	28	1.00	35	2.9
Ft. Worth National Bank	89	0.75	40	1.9
Fort Worth Transit Co. — Fort Worth bus service	15	0.35	7¾	4.5
Fostoria Corp. — Industrial lighting units	24	†1.14	33	3.5
Fourth Natl. Bank and Trust Co., Wichita	*38	†1.16	49	2.4
Fownes Brothers & Co. — Gloves	16	†0.29	9¼	3.1
Franco Wyoming Oil Co. — Oil production, exploration and development	27	1.20	37½	3.2
Frank (Albert) Guenther Law, Inc. — Professional advertising agency	20	1.00	28	3.6
Franklin Life Insurance Co. — Life insurance	22	†0.24	61	0.4
Frito-Lay, Inc. — Manufacturer and distributor of food products	10	0.68	37	1.8
Frontier Refining Co. — Petroleum production, refining and marketing	17	†0.24	9	2.7
Fuller Brush Co., Class A — Brushes	41	1.00	36	2.8
Fulton Market Cold Storage — Refrigerated warehousing	33	0.90	14	6.4
Fulton Natl. Bank (Atlanta)	50	†1.23	61½	2.0
Garlock Inc. — Mechanical packings, gaskets, oil seals, mechanical seals and plastics	59	1.00	25½	3.9
Gary Natl. Bank (Indiana)	30	6.00	500	1.2
Gary Railways, Inc. — Transportation holding company	20	0.20	4¼	4.7
Gas Service Co. — Natural gas distributor serving Missouri, Kansas, Oklahoma and Nebraska	19	1.80	43⅞	4.1
General Crude Oil Co. — Southeastern producer	25	1.00	36¾	2.7
General Industries Co. — Mfrs. of small motors for electric phonographs, automobile heaters and home recording assemblies. Custom-molded plastic parts	23	1.00	19½	5.1
General Reinsurance Corp. — All casualty, bonding fire and allied lines	29	2.00	226	0.9
Genuine Parts Co. — Automotive parts	16	0.56	24½	2.3
Georgia Marble Co. — Marble production	20	†0.99	35¼	2.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Germantown Fire Insurance Company — Fire and allied lines insurance	15	3.25	130	2.5
Gilbert & Bennett Manufacturing Co. — Wire cloth	21	0.50	7½	6.7
Girard Trust Corn Exchange Bank (Philadelphia)	127	2.75	71¼	3.9
Glatfelter (P. H.) Co. — Pulp and paper manufacture	19	1.20	36¼	3.3
Glen-Gery Shale Brick Corp. — Brick and concrete products manufacturer	17	0.45	6⅝	6.8
Glens Falls Insurance Co. (New York) — Multiple line insurance underwriter	97	1.00	45¼	2.2
Globe & Republic Insurance Co. of America — Merged Dec. 1962 into American Equitable Assurance Co. of N.Y. Stockholders received 1.2 shares for each share held				
Goderich Elevator & Transit Co., Ltd. — Grain elevator	59	1.50	15¼	9.8
Goodall Rubber Co. — Hose, belting and packings	29	f0.50	9¼	5.4
Goodwill Stations, Inc. — Radio and television broadcasters	*35	0.65	18¼	3.6
Goulds Pumps, Inc. — Pumps and water systems	15	1.80	54	3.3
Government Employees Corp. — Auto financing	11	†0.44	43	1.0
Govt. Employees Insurance — Insurance—casualty and fire	16	0.90	81	1.1
Grace Natl. Bank of New York	16	4.00	600	0.7
Great Amer. Ins. Co. (N. Y.) — Diversified insurance	90	2.10	62½	3.4
Great Southern Life Ins. Co. — Life, accident and health	*38	1.60	151	1.1
Great West Life Assurance Co. (Winnipeg) — Life, accident and health	63	6.10	755	0.8
Green (Daniel) Co. — House slippers	*26	2.25	41	5.5
Green (A. P. Fire Brick Co. — Manufacturer of refractory products	37	1.00	18½	5.4
Green Giant Co. — Vegetable canning & distribution	*39	0.98	37¾	2.6
Green Mountain Power Corp. — Public utility, electric and gas in Vermont	12	0.80	19⅜	4.1
Greenwich Gas Co. — Public Utility — Distributor of natural gas in Connecticut	12	0.70	16¼	4.3
Gregory Industries, Inc. — Stud welding equipment and welding studs	15	†0.59	17¼	3.4
Grinnell Corp. — Pipe fittings, sprinkler systems and piping systems	29	†1.97	99½	2.0
Grolier, Inc. — "The Book of Knowledge" and "Encyclopedia Americana"	10	1.20	52	2.3
Gulf Insurance Co. (Dallas) — Fire and casualty insurance	31	1.00	50½	2.0
Gulf Life Insurance Co. (Jacksonville, Fla.) — Life and accident	31	†0.48	55¼	0.9
Hagan Chemical & Controls — Name changed in April 1963 to Calgon Corp.				
Hagerstown Gas Co. — Natural gas supplier	12	0.50	12½	4.0
Hajoca Corp. — Plumbing, heating and air conditioning supplies	21	1.25	41	3.0
Halle Bros. — Retail Department Stores	48	1.00	22	4.5
Hamilton Mfg. — Home laundry appliances, and professional furniture	24	1.00	17½	5.7
Hamilton National Bank (Chattanooga, Tenn.)	*58	2.00	88	2.3
Hamilton National Bank of Knoxville, Tenn.	31	8.00	320	2.5
Hanover Insurance Co. — Fire and casualty insurance	110	2.20	51½	4.3
Harris Trust and Savings Bank (Chicago)	55	2.00	102	2.0
Harrisburg Hotel Co. — Penn-Harris Hotel	28	3.00	39	7.7
Hart-Carter Co. — Grain handling equipment	23	1.25	22	5.7
Hartford Fire Insurance — Diversified insurance	90	1.21	64½	1.9
Hartford Gas Co.	113	†1.38	39¼	3.5
Hartford Natl. Bank & Trust	134	1.95	66½	2.9
Hartford Steam Boiler Insp and Insurance Company — Boiler and machinery insurance	92	3.00	130	2.3
Harvard Trust (Cambridge)	59	3.25	90	3.6
Haverhill Gas Co. — Gas service	45	1.63	37½	4.3
Haverty Furniture Co. — Holding company	28	†1.19	18½	6.4
Hershey Creamery — Produces dairy products in Pennsylvania	31	2.50	43	5.8
Hibernia Bank (San Fran.)	15	3.00	91½	3.3
Hibernia National Bank (New Orleans)	28	1.50	54	2.8
Higbee Co. — Department store	19	1.20	33½	3.6
Hines (Edward) Lumber Co. — Timber logging and processing	22	1.00	25	4.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
f Plus 1% in class A common.

OTC Market: Shopping Center For Quality Securities

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Holyoke Water Power Co. — Electric and hydraulic power, industrial steam and real estate	93	1.55	53	2.9
Home Insurance Co. (N. Y.) — Fire, Casualty and Life	91	2.30	76	3.0
Home Telephone and Telegraph Company of Virginia — Local and long distance phone service	42	0.38	9⅜	4.1
Home Title Guaranty Co. (Brooklyn, N. Y.) — Title insurance	22	1.00	30½	3.3
Hooven & Allison Co. — Ropes and twine	32	1.50	13	11.5
Hoover Co., class A — Vacuum cleaners	20	1.10	33¼	3.3
Hotel Barbizon, Inc. — New York City	29	14.00	590	2.4
Hotel Syracuse, Inc. — 606 rooms	19	1.20	30	4.0
Houston Natural Gas Corp. — Southern Texas utility	27	†0.72	38¼	1.9
Hubinger Co. — Corn refining	14	0.73	17	4.3
Hudson Pulp & Paper Corp., Class A — Pulp, paper and paper products	12	1.26	24	5.3
Hugoton Production Co. — Natural gas producer	10	1.60	46	3.5
Huntington National Bank of Columbus (Ohio)	51	2.00	109	1.8
Huston (Tom) Peanut Co. — Confection and food products	26	†0.62	34	1.8
Huyck, Corp. — Manufactures papermakers' felts, industrial fabrics, precision instruments and control devices	56	0.48	20¾	2.3
Idaho First Natl. Bk. (Boise)	30	1.60	56½	2.8
Imperial Sugar Co. — Sugar refining	25	3.00	40	7.5
Indiana Gas & Chemical Co. — Coke	12	1.25	43	2.9
Indiana Gas & Water Co., Inc. — Natural gas and water utility	17	†0.99	29¼	3.4
Indiana National Bank of Indianapolis	98	3.00	97	3.1
Indianapolis Stockyards Co. — Operates livestock terminal market	73	2.20	24	9.2
Indianapolis Water Co. — Operating water utility	51	1.20	32¾	3.7
Industrial Mortgage & Trust Co. (Ontario) — Savings, trust and mortgages	*36	5.00	165	3.0
Industrial Natl. Bank (R. I.)	a171	2.00	55½	3.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Insurance Co. of the State of Pennsylvania — Diversified insurance	43	1.90	57	3.3
INTER-COUNTY TITLE GUARANTY & MTGE. CO. — Title insurance	**15**	**0.88**	**18**	**4.9**
● COMPANY'S ADVERTISEMENT IS ON PAGE 37.				
Inter-Mountain Telephone Company — Operating public utility	37	0.80	21¾	3.7
International Textbook Co. — Printing, publishing and home study schools	12	3.00	55	5.5
Interstate Bakeries Corp. — Wholesale bread and cake bakeries	16	1.60	26	6.2
Interstate Financial Corp. — Small loans	22	0.60	14¾	4.1
Interstate Hosts, Inc. — Restaurant chain	19	0.40	15¾	2.5
Iowa Public Service Co. — Electricity, natural gas, steam & water	24	1.00	27¾	3.6
Iowa Southern Utilities Co. — Public utility, electric, gas Shares split two-for-one in July 1963. Dividend rate is now 92 cents annually.	17	1.64	49¼	3.3
Irving Trust Co. (N. Y.)	98	†1.58	46⅜	3.4
Ivey (J. B.) & Co. — Department stores	32	1.00	18¾	5.3
Jacobsen Manufacturing Co. — Power lawn mowers	24	0.40	11⅝	3.4
Jahn & Ollier Engraving Co. — Photo-engraving and offset color positives	30	0.25	4	6.3
Jamaica Water Supply Co. — Public Utility, water supplier	45	2.30	64½	3.6
Jantzen, Inc. — Sportswear manufacturing	22	†0.79	25¼	3.1
Jefferson Standard Life Ins. — Life insurance	51	1.10	95½	1.2
Jenkins Bros. — Valves	28	1.50	33	4.5
Jersey Insur. Co. of N. Y. — Multiple line insurance	a29	1.64	37⅝	4.4
Jersey Mortgage Co. — Mortgage banking and real estate	13	5.00	90	5.6
Johnson Service Co. — Temperature and air conditioning controls	*28	1.45	53	2.7
Jones & Lamson Machine Co. — Turrets; automatic and tracer lathes; thread and form grinders; optical comparators; precision boring machines; die heads and chasers; tape controlled equipment	28	0.60	23	2.6
Joslyn Manufacturing & Supply Co. — Electrical and communication pole line equipment	28	3.00	54	5.6
Julian & Kokenge Co. — Women's shoes	35	1.50	38½	3.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Kahler Corp. — Hotels, motels, restaurant and laundry operator	47	1.90	37	5.1
Kansas City Life Ins. Co. — Non-participating life and participating life	*39	14.00	3060	0.5
Kansas-Neb. Natural Gas Co. — Natural gas production, transmission and distribution	26	1.24	31¾	3.9
Kendall Refining Co. — Producing, refining and marketing of petroleum and its products	61	1.40	25¼	5.5
Kennametal Inc. — Hard carbide compositions, cutting tools and specialties	20	†0.90	24¼	3.7
Kent-Moore Organization — Special service tools & equipment	15	†1.13	31	3.6
Kentucky Stone Co. — Crushed stone	20	2.50	52	4.8
Kentucky Utilities Co. — Electricity supplier	24	†0.89	27⅜	3.3
Kerite (The) Company — Manufacture insulated wire and cable	31	1.50	18½	8.1
Keyes Fibre Co. — Manufacturer of molded pulp and fibrous plastic articles	13	†0.71	18⅝	3.8
Keystone Portland Cement Co. — Manufactures cement	13	†1.28	18½	6.9
Kings County Trust Company, Brooklyn, N. Y.	73	†2.12	62⅜	3.4
Kingsport Press, Inc. — Book manufacturing	19	0.50	20⅝	2.4
Kirsch Company — Manufacture venetian blinds, drapery hardware and refrigeration hardware	16	1.00	19¾	5.1
Kittanning Telephone Co. — Communication	45	1.40	26	5.4
Knudsen Creamery Co. of California — Wholesale dairy products	23	1.20	29⅜	4.1
Kuhlman Electric Co. — Manufacturer transformers, metal melting furnaces, fabricate aluminum products and packaging	17	0.80	12¾	6.3
Laclede Steel Co. — Basic steel manufacturer	52	8.00	145	5.5
Lake Superior Dist. Pwr. Co. — Public utility (electric and water)	27	1.28	28⅛	4.6
Lake Superior & Ishpeming Railroad Co. — Operating railroad	39	1.60	28	5.7
Lake View Trust & Savings Bank (Chicago)	*43	1.60	150	1.1
Lamston (M. H.) Inc. — Variety store chain	19	0.50	10¾	4.7
Lang & Co. — Investments	61	0.40	6	6.7
Langendorf United Bakeries — West Coast baker	25	1.00	17¼	5.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

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OTC Market: Shopping Center For Quality Securities

Continued from page 29

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
La Salle Natl. Bk. (Chicago)	15	†1.14	49	2.3
Latrobe Steel Co. — High speed, tool and die, specialty steels and vacuum melted alloys	25	0.60	18¾	3.2
Lau Blower Co. — Manufacture of air moving equip.	28	0.25	5⅛	4.9
Lee (H. D.) Co. Inc. — Mfr. of sportswear, western wear, uniforms and work clothing	30	0.95	21½	4.4
Leece-Neville Co. — Starting-light equipment for autos and aircraft	40	0.40	11½	3.5
Leeds & Northrup Co. — Electronic instruments	28	†0.59	30	2.0
Ley (Fred T.) & Co. — N.Y.C. real estate	11	0.35	4½	7.8
Liberty Bank and Trust Co. Buffalo (N. Y.)	18	1.75	46	3.8
Liberty Life Insur. Co. (Greenville, S. C.) Voting — Non-participating	21	†0.19	32	0.6
Liberty Loan Corp. — Consumer credit	28	1.20	42½	2.8
Liberty Natl. Bank & Trust Co. of Louisville	22	2.70	84	3.2
Liberty Natl. Bank & Trust Co. of Oklahoma City	28	†1.05	54½	1.9
Liberty National Life Insurance Co. (Birm., Ala.) — Life insurance	31	†0.28	69	0.4
Life & Casualty Ins. of Tenn. — Life, accident and health	27	†0.53	31⅜	1.7
Lincoln National Bank & Trust Co. of Central N. Y.	a28	†1.38	42	3.3
Lincoln Natl. Life Ins. Co. (Fort Wayne) — Life insurance	44	1.00	164½	0.6
Lincoln Rochester Trust Co. (Rochester)	27	†2.65	83	3.2
Lincoln Telephone & Telegraph Co. — Operating public utility	35	3.00	82½	3.6
Loblaw Inc. — Grocery chain	26	0.40	8⅛	4.9
Loft Candy Co. — Leader in the candy field	21	0.20	3	6.7
Lone Star Brewing Co. — Lager beer	18	2.30	39¼	5.9
Longhorn Portland Cement — Manufacturer of Portland Cement	26	1.50	22½	6.7
Lorain Telephone Co. — Operating public utility	a67	1.40	47	3.0

† Adjusted for stock dividends, splits, etc.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Louisiana State Rice Milling Co. — Rice and by-products	23	1.00	25	4.0
Louisville Investment Co.	10	2.00	93½	2.1
Louisville Title Co. — Title insurance on real estate	27	1.40	30½	4.6
Louisville Trust Co. (Ky.)	20	1.00	35	2.9
Lucky Stores, Inc. — Retail food chain on Pacific Coast	18	†0.78	20⅜	3.8
Ludlow Corporation — Textiles, paper, plastics and rug cushions	91	†2.38	52	4.6
Ludlow Typograph Co. — Typesetting equipment	18	1.00	14½	6.9
Luminator-Harrison, Inc. — Automotive & electrical products	17	0.10	7¾	1.3
Lynchburg Gas Co. — Natural gas supplier	20	1.25	34½	3.6
Lyon Metal Products, Inc. — Fabricated steel products	26	1.00	25	4.0
Macco Corp. — Heavy construction and four subsidiaries	15	0.60	13⅝	4.4
Macwhyte Co. — Wire, rope, cables	28	1.65	30⅞	5.3
Mading Drug Stores Co. — Houston drug chain	17	0.30	9½	3.2
Madison Gas & Electric Co. — Public utility, gas and electric	54	1.03	39	2.6
Magor Car Corp. — Railroad rolling stock	27	1.00	22	4.5
Manufacturers Hanover Trust Co. (N. Y.)	a109	2.00	51⅞	3.9
Manufacturers National Bank of Detroit	24	2.00	59½	3.4
Manufacturers & Traders Trust Co. (Buffalo, N. Y.)	76	†1.19	28	4.3
Market Basket (Los Ang.) — Retail market chain	24	†0.97	25¼	3.8
Marshall-Wells Co. — Manufactures and wholesales hardware and kindred lines	*18	7.00	350	2.0
Maryland Casualty Co. — Multiple-line insurance	15	†1.83	46⅛	4.0
Maryland National Bank	a57	g2.50	84	3.0
Maryland Shipbuilding & Drydock Co. — Ship construction, conversion, repairs and manufacturer of industrial products	29	1.25	18½	6.8
Massachusetts Protective Association, Inc. — Accident insurance, sickness insurance, and through subsidiary (The Paul Revere Life Ins.) life and group insurance	30	1.85	123	1.5
Mastic Corp. — Imprinted brick and insulating siding	24	0.25	7¾	3.2
Mathews Conveyor Co. — Conveying equipment	16	1.10	21	5.2

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
g Plus 15 cents paid to trustees of Maryland Affiliate Corp.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Maxson Electronics — Electronic equipment	14	0.05	7	0.7
Mayer (Oscar) & Co., Inc. — Meat and meat processing	27	1.10	38	2.9
McCloud River Lumber Co. — Western softwood lumber	28	4.00	107	3.7
McCormick & Co. Inc. — Manufacturers & distributors of spices, extracts, tea, etc.	39	0.85	32½	2.6
McCormick-Armstrong Co. Inc. — Textbooks and duplications printer	22	0.23	6½	3.5
Meadville Telephone Co. — Operating public utility	39	2.10	35	6.0
Medford Corp. — Lumber manufacturer	23	†2.10	54	3.9
Mellon Natl. Bank & Trust	a68	2.00	79	2.5
Melrose Hotel Co. — Dallas residential and transient hotel	31	2.00	30	6.7
Mercantile National Bank of Chicago	27	2.00	56	3.6
Mercantile National Bank at Dallas	28	1.30	45	2.9
Mercantile-Safe Deposit and Trust Co. (Baltimore)	95	2.80	77	3.6
Mercantile Trust (St. Louis)	a63	1.80	51½	3.5
Merchandise National Bank of Chicago	29	1.00	38	2.6
Merchants Acceptance Corp. — Small loans and general financing	26	1.80	39½	4.6
Merchants Fire Assurance Corp. of N. Y. — Exchange offer made in Nov. 1962 by U S Fidelity & Guaranty Co. 0.9 share for each one held				
Merchants Fire Assur. Corp.				
Merchants National Bank of Mobile	62	1.80	55½	3.2
Merchants National Bank & Trust Co. (Indianapolis)	*38	†0.86	64	1.3
Merchants National Bank & Trust Co. of Syracuse	23	1.80	45	4.0
Meredith Publishing Co. — Publishing and radio and television broadcasting	35	1.40	25½	5.5
Messenger Corp. — Manufacture and sales of funeral director service, religious calendars and greeting cards	27	0.75	13½	5.6
Meyercord Co. — Decalcomanias	22	0.30	11	2.7
Michigan Gas & Electric Co. — Electric and gas utility	18	†1.96	92	2.1
Michigan Gas Utilities Co. — Natural gas distributor	10	†0.51	18¾	2.7
Michigan National Bank (Lansing)	22	†0.90	33½	2.7
Michigan Seamless Tube Co. — Steel tubing	24	1.00	18	5.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

Hayden Stone To Acquire Offices Of Sutro Bros.

Hayden, Stone & Co. Incorporated, 25 Broad St., New York City, members of the New York Stock Exchange, will acquire all five present offices of Sutro Bros & Co., effective Nov. 1, according to an announcemet made by Alfred J. Coyle, President of Hayden, Stone.

Sutro Bros. & Co. at present operates five offices, a 80 Pine St. and 1350 Broadway in New York City, and in Washington, D. C., Miami and Palm Beach, Fla. All of these offices will become part of the Hayden, Stone network.

Sutro Bros. & Co. will remain in business independently as a member firm of the New York Stock Exchange.

OTC Market: Shopping Center For Quality Securities

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Middle States Telephone Co. of Illinois Telephone service	24	†0.93	41¾	2.2
Middlesex County Natl. Bank (Mass.)	27	2.30	53	4.3
Middlesex Water Co. Operating public utility	50	1.15	35	3.3
Midwest Rubber Reclaiming Mfrs. of reclaimed rubber	26	1.00	16⅜	6.1
Miller Mfg. Co. Tools for auto and engine repair	21	0.40	6¾	5.9
Miller & Rhoads, Inc. Richmond (Va.) department store	44	1.20	30	4.0
Minneapolis Gas Co. Natural gas distributor	a44	1.68	42¼	4.0
Mississippi Glass Co. Rolled glass, wire glass, etc.	16	1.15	22½	5.1
Mississippi Valley Barge Line Co. Commercial carrier; freight on rivers	21	0.50	14¼	3.5
Mississippi Valley Gas Co. Natural gas distributor	10	1.20	25½	4.7
Missouri-Kansas Pipe Line Holding company	23	4.20	164	2.6

a Including predecessors.
† Adjusted for stock dividends, splits, etc.

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on page 38.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Missouri Utilities Co. Electricity and natural gas	21	1.00	27¾	3.6
Mobile Gas Service Corp. Operating public utility	18	†1.03	30	3.4
Mohawk Petroleum Corp. Oil production	18	0.40	30	1.3
Mohawk Rubber Co. Rubber mfg.; tires, tubes, camelback and repair materials	21	1.20	25½	4.7
Monmouth Park Jockey Club, Common and VTC Thoroughbred horse racing	11	0.45	13	3.5
Montana Flour Mills Co. Flour and feeds	23	1.00	17½	5.7
Monumental Life Ins. (Balt.) Life insurance	35	1.10	107	1.0
Moore (E. R.) Co. Academic gowns, girls' gym ware, etc.	*11	†0.19	11¼	1.7
Moore Drop Forging Co. Light machining & drop forgings	26	1.00	17	5.9
Moore-Handley Inc. Hardware wholesaler	16	0.60	9⅞	6.1
Morgan Guaranty Trust Co.	a71	†3.73	117½	3.2
Morris Plan Co. of California Industrial loan company	38	†1.97	42½	4.6
Morrison-Knudsen Co., Inc. World-wide general contractors, heavy construction	24	1.60	31⅞	5.0
Mosinee Paper Mills Co. Sulphate pulp and paper	23	1.70	42½	4.0
Motor Finance Corp. Auto financing and insurance	38	4.00	130	3.1
Murray Co. of Texas Cottonseed oil	18	1.30	31¾	4.1
Mystic Valley Gas Co. Natural gas distributor	68	2.75	45	6.1
Nalco Chemical Co. Water and petroleum treatments and industrial chemicals	35	1.00	56½	1.8
National American Bank of New Orleans	37	h1.60	52	3.1

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
National Bank of Commerce of Houston	41	†1.43	98	1.5
National Bank of Commerce in Memphis	24	2.00	61	3.3
National Bank of Commerce in New Orleans	29	1.20	55¼	2.2
National Bank of Commerce of San Antonio	61	1.00	33¾	3.0
National Bank of Detroit	30	2.00	70¼	2.8
National Bank of Toledo (Ohio)	23	2.00	60	3.3
National Bank of Tulsa	19	†0.97	47	2.1
National Casualty Co. (Det.) Accident, health, casualty insur.	30	2.00	66	3.0
Natl. City Bank of Cleveland	27	1.60	59¼	2.7
National Commercial Bank & Trust Co. (Albany, N. Y.)	108	1.60	57¼	2.8
Natl. Fire Ins. Co. of Hartf'd Diversified insurance	92	1.60	121	1.3
National Food Products Corp. Holding company; chain food stores	23	0.80	18	4.4
National Gas & Oil Corp. Natural gas and Pennsylvania grade crude oil	13	1.20	21½	5.6
National Life & Accident Insurance Co. (Nashville) Life, accident and health	60	0.30	97½	0.3
National Lock Co. Mortise locks	22	0.40	11	3.6
National Newark & Essex Banking Co. (Newark)	158	†1.39	36⅞	3.8
National Oats Co. Cereals, animal feeds	37	0.70	20	3.5
National Screw & Mfg. Co. Screws, bolts and nuts	73	2.38	36½	6.5
Natl. Shawmut Bk. (Boston)	*66	2.60	66¾	3.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
h Plus one for one in American Assets, Inc.

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NY IBA Group Elects Baldwin

Robert H. B. Baldwin, of Morgan Stanley & Company, was elected Chairman of the New York Group of the Investment Bankers Association of America at the group's annual meeting. He succeeds H. Lawrence Bogert, Jr., of Eastman Dillon, Union Securities & Co.

Robert H. B. Baldwin

Robert R. Krumm, of W. H. Morton & Co. Incorporated, was elected Vice-Chairman and Sidney Lanier, of Morgan Guaranty Trust Company of New York, Secretary-Treasurer. H. Lawrence Bogert, Jr. of Eastman Dillon, Union Securities & Co., Robert M. Gardiner, of Reynolds & Co., Maitland T. Ijams, of W. C. Langley & Co., and Wallace C. Latour, of Francis I. duPont & Co., were elected to the executive committee.

C. O. McCartney Opens

SPOKANE, Wash. — Clifford O. McCartney is conducting a securities business from offices at 303 North Fox, under the firm name of C. O. McCartney & Co.

Forms Michigan Secs. Co.

GRAND RAPIDS, Mich.—James L. De Looff is engaging in a securities business from offices in the Building and Loan Building, under the firm name of Michigan Securities Company. Mr. De Looff was formerly with Wm. C. Roney & Co., Straus, Blosser & McDowell, and Walston & Co., Inc.

OTC Market: Shopping Center For Quality Securities

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	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
National State Bk. (Newark)	151	1.35	43	3.1
National Tank Co. — Manufactures and sells oil field equipment	16	1.20	18¾	6.4
National Terminals Corp. — Midwest storage facilities	19	1.00	19⅜	5.2
National Union Fire Insur. (Pittsburgh) — Diversified insurance	28	2.20	47	4.7
Nazareth Cement Co. — Pennsylvania producer	18	1.00	14	7.1
New Britain Gas Light Co. — Public utility, gas distribution	104	2.10	49	4.3
New Britain Machine — Machine tools	28	1.00	24	4.2
NEW ENGLAND GAS & ELECTRIC ASSOCIATION — Parent of six wholly-owned operating utilities	**16**	**1.34**	**34¾**	**3.9**
● COMPANY'S ADVERTISEMENT IS ON PAGE 37.				
New Hampshire Insurance Co. — All insurance lines except life	94	1.28	32¾	3.9
New Haven Gas Co. — Operating public utility in Conn.	113	2.00	46¼	4.3
New Haven Water Co. — Operating public utility in Conn.	84	3.45	84	4.1
NEW JERSEY BANK AND TRUST CO. (CLIFTON, N. J.)	**a94**	**†1.52**	**43**	**3.5**
● BANK'S ADVERTISEMENT IS ON PAGE 26.				
New Jersey Natural Gas Co. — Natural gas distributor	13	†0.99	42¾	2.3
New York Fire Insurance Co. — Fire, marine, multiple peril insurance, and allied lines	30	1.73	45½	3.8
N. Y. Wire Cloth Co. — Metal insert screening	11	0.20	8½	2.4
New Yorker Magazine — Publishes "The New Yorker"	34	4.70	99	4.7
Newport Electric Corp. — Rhode Island utility	24	1.30	33	3.9
Nicholson File Co. — Manufactures files, rasps & saws	91	1.30	26¼	5.0
Norfolk County Trust Co. (Brookline, Mass.)	26	2.50	63½	3.9
North American Life Insurance Co. of Chicago — Life, accident & health	23	†0.09	32½	0.3
North American Refractories — Fire brick & refractory materials	16	0.80	14¼	5.6
North Carolina National Bank Charlotte, N. C.	27	1.00	41¾	2.4
North & Judd Mfg. Co. — Manufacturing variety of hardware	100	0.90	17⅜	5.2
North Penn Gas Co. — Natural gas public utility	13	0.60	13	4.6
North River Insurance Co. — Diversified insurance	125	1.70	43¾	3.9
North Shore Gas Co. (Ill.) — Exchange offer made in Dec. 1962 by Peoples Gas Light & Coke Co. Three-quarters of a share for each one held				
Northeastern Ins. of Hartford — Reinsurance	17	0.50	17	2.9
Northeastern Pennsylvania Natl. Bank & Trust Co.	a100	2.50	51	4.9
Northern Engineering Works — Cranes and hoists	*23	0.60	8¾	6.9
Northern Life Insurance Co. — Life, accident and health	51	2.75	205	1.3
Northern Ohio Telephone Co. — Operating public utility	36	†1.58	54	2.9
Northern Trust Co. (Chicago)	68	†2.75	132	2.1
Northwest Engineering Co., Class A — Excavating machinery	27	2.20	36¾	6.0
Northwest Natural Gas Co. — Natural gas distributor	11	1.04	36⅜	2.9
Northwest Plastics, Inc. — Plastic products	12	0.30	7¼	4.1
Northwestern National Insurance Co. (Milwaukee) — Multiple-line insurance	90	1.08	32	3.4
Northwestern National Life Insurance Co. (Minn.) — Life insurance	27	†0.25	36½	0.7
Northwestern Public Service — Electric and gas public utility	16	1.30	30¾	4.2
Northwestern States Portland Cement Co. — Mfr. and sale of Portland cement	32	†1.44	48	3.0
No-Sag Spring Co. — Furniture and bedding springs	26	0.70	17½	4.0
Noxzema Chemical Co., Cl. B — Noxzema Skin Cream, Shaving Cream and Cover Girl Cosmetics	40	1.25	87	1.4
Noyes (Charles F.) Co. — Real estate	23	3.00	95	3.2
Ohio Casualty Insurance Co. — Diversified insurance	41	0.78	23¾	3.3
Ohio Citizens Trust Co. (Toledo)	28	†1.94	58	3.3
Ohio Crankshaft Co. — Besides Crankshafts, company manufactures equipment for Diesel and heavy duty engines, and electrical high frequency induction facilities for metal heating purposes	23	1.50	24	6.3
Ohio Forge & Machine Corp. — Gears, speed reducers, etc.	27	†0.88	44	2.0
Ohio Leather Co. — Tannery	32	1.00	22¼	4.5
Ohio State Life Insur. Co. — Life, accident and health	*39	†0.33	40	0.8
Ohio Water Service — Retails treated water; wholesales untreated	27	1.60	37½	4.3
Oilgear Co. — Hydraulic machinery	*21	1.50	29½	5.1
Old Ben Coal Corp. — Marked coal	16	0.90	36¾	2.4
Old Kent Bank and Trust Co. (Grand Rapids)	27	†1.54	60	2.6
Old Line Life Insurance Co. of America (Milw.) — Life, accident and health	a51	0.40	51½	0.8
Old Republic Life Insurance Company (Chicago) — Life, accident and health	a27	†0.39	31¼	1.2
Olympia Brewing Co. — Brewing	28	1.55	48½	3.2
Omaha National Bank	28	†0.86	41	2.1
Oneida, Ltd. — Manufacture sterling, silverplate and stainless tableware	27	0.50	19	2.6
Onondaga Pottery Co. — China tableware	20	2.50	45	5.6
Orpheum Building Co. — San Francisco office-theatre bldg.	25	0.16	3½	4.6
Osborn Manufacturing Co. — Manufacturers of industrial brushes and foundry machinery	39	†1.34	28¾	4.7
Oshkosh B'Gosh — Complete line of work clothing and matched sets	28	1.00	15½	6.5
Otter Tail Power Co. — Generating and distributing electrical energy	25	†0.93	24¼	3.8
Pacific Car and Foundry Co. — Heavy duty trucks, railway refrigerator cars, heavy manufacturing	20	1.84	94	2.0
Pacific Employers Insurance Co. — Multiple line insurance	28	1.00	32	3.1
Pacific Insurance Co. of New York — Multiple line insurance	58	2.60	58½	4.4
Pacific Lumber Co. — Redwood & Fir lumber products	27	12.00	315	3.8
Pacific National Bank of Seattle	35	†0.96	35	2.7
Pacific Outdoor Advertising Co. — Outdoor advertising	12	0.60	11¼	5.3
Pacific Power & Light Co. — Public utility (predominantly electric)	16	0.97	26½	3.7
Pacific Vegetable Oil Corp. — Foreign trade manufactures vegetable oil and oilseeds	21	0.80	16½	4.8
Panama Coca-Cola Bottling — Beverage bottling	*34	0.60	10	6.0
Park Drop Forge Co. — Manufactures die-forged crankshafts & large drop die forgings	53	1.25	23	5.4
Park-Lexington Co. — N. Y. C. real estate	11	10.00	185	5.4
Parker-Hannifin Corp. — Manufacturer of hydraulic and fluid system components	13	0.64	27½	2.3
Paterson Parchm't Paper Co. — Vegetable parchment, waxed and custom made papers	72	0.56	12⅝	4.4
Pearl Brewing Co. — Beer producers	24	1.40	26⅛	5.4
Peden Iron & Steel Co. — Hardware	26	1.50	25	6.0
Peerless Insurance Co. — Diversified insurance	49	1.00	64¼	1.6
Penn Controls, Inc. — Manufactures automatic electric controls	14	1.20	26¼	4.6
Pennsylvania Engin'g Corp. — Steel mills; oil refineries; chemical plants	16	0.40	14	2.9
Penobscot Chemical Fibre Co. Voting — Mfr. bleached soda and sulphite woodpulp	15	†0.14	8⅜	1.7
Penton Publishing Co. — Business publications	14	0.60	14¾	4.1
Peoples National Bank of Washington (Seattle)	35	†1.25	76	1.6
Peoples Telephone Corp. (Pa.) — Telephone utilities	37	0.94	28	3.4
Pepsi-Cola General Bottlers, Inc. — Soft drinks	16	†0.59	12¼	4.8
Perfex Corp. — Manufacturer of heat transfer products	14	1.00	17½	5.7
Personal Industrial Bankers, Inc. — Consumer finance	23	0.09	3½	2.6
Peter Paul Inc. — Popular candies	41	†1.40	33¼	4.2
Petersburg Hopewell Gas Co. — Natural gas	11	†1.16	33	3.5
Petroleum Exploration — Producing crude petroleum and natural gas	36	3.75	69	5.4
Petrolite Corp. — Chemical compounds	32	1.40	20½	6.8
Pettibone Mulliken Corp. — Railroad track equipment, forging and machinery	21	1.00	25	4.0
Philadelphia Bourse — Exhibition and office building	27	1.50	50	3.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

OTC Market: Shopping Center For Quality Securities

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Philadelphia National Bank	119	2.15	54	4.0
Philadelphia Suburban Transportation Co. Transportation of persons by street railway and motor bus	23	0.80	17½	4.6
Philadelphia Suburban Water Operating public utility	*22	i †0.87	30¾	2.8
Phoenix Insur. (Hartford) Insurance carrier (except life)	90	3.00	115	2.6
Pictorial Paper Package Corp. Paper boxes	27	0.40	7½	5.3
Piedmont & Northern Ry. Rail transportation	34	7.00	121	5.8
Pioneer Finance Co. Financing company	25	0.50	11	4.5
Pioneer Natural Gas Co. Serves West Texas	12	1.02	34¾	2.9
Pioneer Trust & Savings Bank (Chicago)	39	†2.25	105	2.1
Pittsburgh National Bank	a96	1.52	41⅞	3.6
PLASTIC WIRE & CABLE CORP. Plastic covered wire and cable ● COMPANY'S ADVERTISEMENT IS ON PAGE 32.	**11**	**1.00**	**19¾**	**5.1**
Plymouth Cordage Co. Manufacture of rope, harvest twines twisted paper products, tacks, eyelets, extruded plastics, plastic reinforced materials, fertilizers, pesticides	105	3.70	81	4.6
Plymouth Rubber Co. Plastic and rubber specialties	11	0.25	13½	1.9
Pope & Talbot, Inc. Intercoastal steamship service and West Coast lumber mills	23	1.00	26¾	3.7
Port Huron Sulphite & Paper Lightweight papers	24	†0.86	85	1.0
Porter (H. K.) Co. Inc. (Del.) Manufactures electrical equipment, industrial rubber products, steel and tool steel, copper and alloy metals, refractories, saws and tools, fittings, wire rope and related products	19	1.60	35½	4.5
Porter (H. K.), Inc. (Mass.) Mechanics' hand tools, bolt cutters, body and fender repair tools & equipment and hydraulic power tools	*25	0.60	14½	4.1
Portland General Electric Electric utility	17	0.84	25¾	3.3
Pratt, Read & Co. Piano and organ keyboards, piano actions, piano hardware, small tools, aircraft woodwork	18	†0.95	18	5.3
Princeton Water Co. Operating public utility	55	2.00	90	2.2
Providence Washington Ins. Multiple line insurance	57	1.00	30¼	3.3
Provident Bank (Cinc.)	60	2.05	59½	3.4
Provident Tradesmens Bank & Trust Co. (Phila.)	98	3.00	79½	3.8
Public Service Co. of N. H. Electric public utility	26	1.12	26¾	4.2
Public Service Co. (N. Mex.) Public utility	17	0.72	31½	2.3
Publication Corp. vot. Owns rotogravure printing plants	27	2.50	34	7.4
Purex Corp. Manufacturer of household cleaners and detergents	27	†0.47	26¾	1.8
Quaker City Cold Storage Co. v. t. c. Cold storage facilities	13	0.20	12	1.7
Quaker City Insurance Co. (Phila.) Diversified insurance	14	0.60	12½	4.8
Quaker City Life Insurance Co. (Pa.) Life, accident & health	*17	†0.71	87	0.8
Queen Anne Candy Co. Packaged, bar and bulk candy	14	0.10	4	2.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
i Plus one for eight in Water Treatment Corp. common.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Quincy Market Cold Storage Boston operation	21	2.50	54½	4.6
Racine Hydraulics & Machinery, Inc. Pumps, valves, etc.	11	0.60	16¼	3.7
Reece Corp. (Mass.) Makes button hole machines	81	†0.50	35½	1.4
Reed (C. A.) Co., class B Crepe paper	17	1.50	29½	5.1
Reinsurance Corp. of N. Y. Writes only reinsurance	26	0.60	24	2.5
Reliance Varnish Co. Paints, varnishes and enamels	19	1.40	34½	4.1
Republic Insurance (Dallas) Fire and casualty insurance	57	0.80	30	2.7
REPUBLIC NAT'L BANK OF DALLAS ● BANK'S ADVERTISEMENT IS ON PAGE 29.	43	†1.66	62½	2.7
Republic National Life Insurance Co. (Dallas)	17	0.10	57½	0.2
Republic Supply Co. of California West Coast distributor of metals, tubing, water works materials, oil field equipment and industrial supplies	41	0.60	11½	5.2
Revere Racing Assn. Dog racing, near Boston	21	0.60	9⅛	6.6
Rhode Island Hospital Trust	94	2.70	82½	3.3
Richardson Co. Manufacturers of chemicals and rubber and plastic products	31	†1.08	28¼	3.8
Rich's, Inc. Operates Atlanta department store	34	1.13	41¾	2.7
Riegel Textile Corp. Wide line textile products	25	1.15	21½	5.3
Rieke Metal Products Corp. Closures for steel drums and pails	30	†1.37	33¼	4.1
Riley Stoker Corp. Power steam generators	24	1.60	34¾	4.6
Risdon Manufacturing Co. Small metal stampings	46	3.00	44	6.8
River Brand Rice Mills, Inc. Leading rice miller and packager	a30	1.00	22⅜	4.5
Roanoke Gas Co. Distributes natural gas	19	1.03	26½	3.9
Robbins & Myers, Inc. Manufacturing motors, fans, hoists & cranes, and pumps	13	3.50	64	5.5
Robertson (H. H.) Co. Manufacturers of construction materials	27	2.40	42¾	5.6
Rochester Button Co. Buttons	26	†0.98	18½	5.3
Rochester Transit Corp. Rochester, N. Y., bus lines	13	0.40	6½	6.2
Rock of Ages Corp. Granite quarrying and mfg. of granite cemetery monuments, markers, building and construction granite	23	1.00	17¼	5.8
Rockwell Manufacturing Co. Meters, valves and regulators, and power tools	24	1.20	26⅝	4.5
Rose's Stores, Inc. Operates 151 stores in the South	36	1.40	57	2.5
Ross Gear & Tool Co. Inc. Manufacturers of steering gears	35	1.00	23½	4.3
Rothmoor Corp. Women's coats and suits	15	0.40	4⅛	9.7
Royal Dutch Petroleum Co. Affiliated with producers of many nations	18	2.87	78½	3.7
Royalties Management Corp. Oil and gas royalty interests	21	0.25	5¼	4.8
Rust Craft Greeting Cards Co. Greeting Cards	23	0.20	14¾	1.4
Sabine Royalty Corp. Oil & gas royalties	18	†0.97	29	3.3
Safway Steel Products, Inc. Manufactures steel scaffolding, grand stands and bleachers	27	0.50	8	6.3
St. Croix Paper Co. Paper manufacturers	43	1.00	35	2.9
St. Paul Fire & Marine Insur. Fire and casualty insurance	91	1.25	63	2.0
St. Paul Union Stockyards Merged with Union Stockyards Corp on Aug. 1, 1963.				
San Jose Water Works Public utility (water company)	32	1.30	36	3.6

† Adjusted for stock dividends, splits, etc.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Sargent & Co. Hardware, locks and tools	20	1.10	26	4.2
Savannah Sugar Refining Cane sugar operator	39	1.50	36½	4.1
Schenectady Trust Co. (N.Y.)	61	1.60	60	2.7
Schlage Lock Co. Locks and builders' hardware	23	†0.98	48	2.0
Scott & Fetzer Co. Vacuum cleaner manufacturer	21	1.88	30¾	6.1
Scott & Williams, Inc. Builds knitting machinery	47	1.15	15½	7.4
Scruggs-Vandervoort-Barney Department stores; St. Louis, Kansas City, Denver	23	0.60	11¼	5.3
Seaboard Surety Co. Diversified insurance	28	1.45	47	3.1
Searle (G. D.) & Co. Pharmaceuticals	28	1.90	128½	1.5
Sears Bank & Trust Co. (Chicago)	23	3.00	102	2.9
Second National Bank of Saginaw (Mich.)	82	2.50	71	3.5
Security First National Bank (Los Angeles)	82	†1.53	84¾	1.8
Security Insurance Co. of New Haven	69	†1.95	68¾	2.8
Security Trust Co. of Rochester	70	2.40	66	3.6
Seismograph Service Corp. Geophysical exploration oilwell wire-line services and mfg. of electronics products	29	0.60	22¾	2.6
Selected Risks Insurance Co. (Branchville, N. Y.) Diversified insurance	34	1.40	44	3.2
Seven-Up Bottling Co. (St. Louis) Bottler of carbonated beverages	35	0.60	11½	5.2
Shakespeare Co. Fishing reels, rods and lines	25	†0.84	20¼	4.1
Shaler Co. Vulcanizers	27	1.00	16	6.3
Shepard Niles Crane & Hoist Electric cranes and hoists	28	1.10	19¼	5.7
Sherer-Gillett Co. Manufacturer commercial refrigeration	17	0.25	2¼	11.1
Sick's Rainier Brewing Co. "Rainier" and "Brew 66" beer and "Rainier" Ale	26	0.24	4⅝	5.2
Sierra Pacific Power Co. Operating public utility	37	0.88	35¼	2.5
Sioux City Stock Yards Iowa livestock market	59	2.00	32½	6.2
614 Superior Co. Rockefeller Bldg., Cleveland	10	2.00	45	4.4
Skil Corporation Portable electric tools	28	0.60	21¾	2.8
Smith-Alsop Paint & Varnish Co. Paints and varnishes	15	1.60	22	7.3
Smith (J. Hungerford Co.) Manufacturer of soda fountain & ice cream fruits and flavors	40	1.70	46½	3.7
Snap-On Tools Corp. Manufacture and distribution of mechanics' hand service tools and related items	25	†0.85	23½	3.6
Sommers Drug Stores Co. Retail drug store chain	13	0.40	7	5.7
Sonoco Products Co. Paper and paper products	38	1.10	38	2.9
Sorg Paper Co. Stock lines and specialty papers	14	†0.69	13¾	5.0
South Atlantic Gas Co. Operating public utility	18	1.00	22	4.5
South Carolina National Bk. (Charleston)	27	†1.24	53¼	2.3
Southdown, Inc. Operates Louisiana sugar plantations, refinery and oil producer	15	†0.82	34¼	2.4
Southeastern Telephone Co. Telephone service	23	†0.99	28¾	3.4
Southern California Water Co. Operating public utility	34	0.76	19¼	3.9
Southern Fire & Casualty Co. (Knoxville, Tenn.) Fire and Casualty insurance	22	0.04	5½	0.7

† Adjusted for stock dividends, splits, etc.

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OTC Market: Shopping Center For Quality Securities

Continued from page 33

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Southern Gas & Water Corp. — Wholesale gas, retails water and ice	18	†1.16	33½	3.5
Southern New England Telephone Co. — Communications services	72	2.20	51½	4.3
Southern Union Gas Co. — Natural gas production and distribution	20	1.00	31⅝	3.2
Southland Life Insurance Co. — Life, health and accident insurance	27	1.00	150	0.7
Southland Paper Mills, Inc. — Newsprint	12	3.00	137	2.2
Southwest Grease & Oil Co., Inc. — Manufactures lubricants for industry	29	0.48	12¾	3.8
Southwestern Drug Corp. — Wholesale drugs	21	0.80	18¼	4.4
SOUTHWESTERN ELECTRIC SERVICE — Electricity supplier	**18**	**m0.80**	**21⅞**	**2.7**
● COMPANY'S ADVERTISEMENT IS ON PAGE 28.				
Southwestern Investment Co. — Sales financing, consumer loans, life and casualty insurance	27	0.60	14	4.3
Southwestern Life Insurance Co. (Dallas) — Nonparticipating life	53	1.00	151	0.7
Southwestern States Telephone Co. — Operating public utility	17	†0.68	24¼	2.8
Spindale Mills, Inc. — Yarn-dyed fancy fabrics	18	1.00	16½	6.1
Sprague Electric Co. — Electronic components	23	†1.19	64½	1.8
Springfield Gas Light Co. — Distribution of natural gas	111	1.20	31¾	3.8
Springfield Insurance Co. — Multiple line insurance	96	1.00	53	1.9
Stamford Water Co. — Operating public utility	67	1.90	41	4.6
Standard-Coosa Thatcher Co. — Cotton spinning, dyeing and bleaching	42	0.90	16½	5.5
Standard Paper Manufacturing Co. — Sulphite bonds & coated papers	12	4.00	55	7.3
Standard Screw Co. — Screws and screw machine products	58	†1.17	31¾	3.7
Stange (Wm. J.) Co. — Food colorings and seasonings	27	†0.40	14½	2.8

† Adjusted for stock dividends, splits, etc.
m Anpual dividend rate has been increased to 80 cents.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Stanley Home Products, Inc. (Non-Voting) — Manufactures and sells brushes, waxes, polishers, and personal toiletries	26	2.25	44	5.1
Stanley Works — Hardware for building trades, etc.	87	1.00	19⅝	5.1
State Bank of Albany	160	†1.83	87½	2.1
State Loan & Finance Corp. Class A — Loans and finance business	33	1.00	24½	4.1
State National Bank of El Paso	82	8.00	430	1.9
State Street Bank & Trust Co. (Boston)	44	1.50	39½	3.8
Steak 'n Shake, Inc. — Restaurant chain	10	†0.29	6½	4.5
Stecher-Traung Lithograph Corp. — Labels, packets and boxes	24	1.10	26	4.2
Sterling Discount Corp. — Auto financing	11	0.40	8⅝	4.6
Stern & Stern Textiles, Inc. — Silk, rayon and nylon fabrics	17	0.43	9	4.8
Stonecutter Mills Corp., Cl. A — Textile Manufactures	21	0.50	8¼	6.1
Stratton & Terstegge Co. — Wholesale hardware	30	1.00	22	4.5
Strawbridge & Clothier — Large Philadelphia department store	16	†0.98	25½	3.8
Stubnitz Greene Corp. — Cushion and back spring assys. polyurethane foams, refrigerator shelves and condensers	14	0.37	6¼	5.9
Stuyvesant Insurance Co. (Allentown, Pa.) — Auto, fire, casualty and marine insurance	15	0.50	42	1.2
Super Valu Stores, Inc. — Wholesale food distributor	27	0.60	28¾	2.1
Syracuse Transit Corp. — Local bus operator	21	2.00	21	9.5
Tampax, Incorporated — Manufacturer of Catamenial Devices, Tampax, Internal Sanitary Protection.	20	1.25	67¾	1.8
Tappan (The) Co. — Gas ranges	*28	†1.48	32¾	4.5
Taylor-Colquitt Co. — Railroad ties and poles	36	1.00	14¾	6.8
Taylor & Fenn Co. — Grey iron alloy castings	57	0.80	12	6.7
Taylor Instrument Cos. — Mfr. of scientific instruments	56	†0.71	36⅝	1.9
Tecumseh Products Co. — Refrigeration compressors, small engines, etc.	24	2.50	70	3.6
Tejon Ranch Co. — California land holdings	14	†0.59	27½	2.1

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Telephone Service Co. of Ohio, Class B — Holding co.	21	j 0.36	42	0.9
Tenn., Ala. & Georgia Ry. Co. — Railroad common carrier	25	0.75	22	3.4
Tennessee Natural Gas Lines, Inc. — Pipe lines	13	0.60	14¾	4.1
Terre Haute Malleable & Manufacturing Corp. — Iron castings	27	0.25	5¾	4.3
Terry Steam Turbine Co. — Turbines and reduction gears	*27	1.70	36	4.7
Texas Natl. Bank (Houston)	51	†1.62	75	2.2
Textiles, Inc. — Makes cotton yarn	22	†0.98	17	5.8
Thalhimer Brothers, Inc. — Richmond department store	25	0.70	13⅝	5.1
Third Natl. Bank in Nashville	34	1.00	79	1.3
Third National Bank & Trust Co. (Dayton, Ohio)	101	†0.50	30	1.7

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on page 38.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Third National Bank of Hampden County (Springfield, Mass.)	99	†1.22	35¼	3.5
Thomaston Mills — Wide range of cotton products	*22	1.40	28	5.0
Thompson (H. I.) Fiber Glass — Fiber glass, fabricators Hi Temp insulation, fiberglass reinforced plastic parts	17	0.32	8¾	3.7
Thrifty Drug Stores — California drug store chain	26	0.90	37¼	2.4
Time Finance Co. (Ky.) — Consumer finance—personal loans	28	0.25	12¼	2.0
Time, Inc. — Publishers of "Life," "Time," "Fortune" & "Sports Illustrated"	34	3.25	80½	4.0
Tinnerman Products, Inc. — "Speed Nuts"	*17	2.00	36½	5.5
TITLE GUARANTEE CO. (NEW YORK) — Title insurance	**11**	**1.10**	**27**	**4.1**
● COMPANY'S ADVERTISEMENT IS ON PAGE 37.				
Title Insurance Company of Minnesota — Title Insurance	a55	4.10	113	3.6
Title Insurance & Trust Co. (Los Angeles) — Insuring title to real estate	69	2.00	60¾	3.3

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
j Plus 3% in class A stock.

William Latta Joins G. H. Walker & Co.

OMAHA, Neb.—William S. Latta, Jr. has been appointed assistant manager of the new Omaha, Neb. office of G. H. Walker & Co., members of the New York Stock Exchange, 3002 Farnam Street.

Mr. Latta was formerly with the Omaha office of A. C. Allyn & Co. He was previously associated with John Douglas & Co., Inc.

Joins Dain Staff

MINNEAPOLIS, Minn.—Hugh M. Ettinger has joined the staff of J. M. Dain & Co., Inc., 110 South Sixth Street, members of the New York and Midwest Stock Exchanges. Mr. Ettinger was formerly with the investment division of Investors Diversified Services and prior thereto for many years was with Merrill Lynch, Pierce, Fenner & Smith Incorporated.

OTC Market: Shopping Center For Quality Securities

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Tobin Packing Co. — Meat packer	21	1.10	25½	4.3
Tokheim Corp. — Gasoline pumps	44	1.40	29½	4.7
Toledo Trust Co.	29	1.70	79	2.2
Toro Manufacturing Corp. — Power lawn mowers	17	1.50	39	3.8
Toronto General Insurance Co. — Fire & casualty	*10	1.00	36	2.8
Torrington Mfg. Co. — Manufactures machinery, blower wheels and fan blades	28	†0.54	24¼	2.2
Towle Mfg. Co. — Sterling silver tableware	46	†1.96	56	3.5
Towmotor Corp. — Fork-lift truck	18	1.00	29½	3.4
Transcon Lines — Motor freight—common carrier	13	0.85	27¾	3.1
Transcontinental Gas Pipe Line Corp. — Interstate natural gas pipeline system	12	†0.88	24¼	3.6
Travelers Ins. Co. (Hartford) — Life, accident, health	97	1.80	197⅛	0.9
Trico Products Corp. — Manufacturers of automotive equipment	37	2.50	90	2.8
Trinity Universal Insurance Company (Dallas) — Diversified insurance	26	1.26	39	3.2
Troxel Manufacturing Co. — Bicycle saddles	20	0.75	11½	6.5
Trust Co. of Georgia	29	3.00	164	1.8
Tucson Gas, Electric Light and Power Co. — Electric and gas utility	45	0.46	22¾	2.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Twin Disc Clutch Co. — Manufacturers of heavy duty industrial clutches, power takeoff and reduction gear units, machine tool clutches, marine reverse and reduction gears, industrial type hydraulic couplings and hydraulic torque converters, and universal joints	29	1.08	24	4.5
220 Bagley Corp. — Theatre and office building	16	2.00	33½	6.0
Tyler Refrigeration Corp. — Commercial refrigerators	26	0.70	14¼	4.9
Uarco, Inc. — Business forms	29	0.70	26¾	2.6
Union Bank (Los Angeles)	46	†1.24	82¼	1.5
Union Commerce Bank (Cleveland)	20	1.40	42½	3.3
Union Gas System, Inc. — Natural gas utility	16	1.60	45	3.6
Union Lumber Co. — California redwood	15	1.20	42½	2.8
Union Metal Manufacturing Co. — Outdoor lighting poles and foundation piling	25	3.00	47	6.4
Union Natl. Bank in Pittsburgh	*38	1.55	44	3.5
Union Natl. Bank of Youngstown, Ohio	26	1.75	38	4.6
Union Planters National Bank of Memphis	33	1.70	63	2.7
Union Trust Co. of Maryland	24	2.40	69	3.5
United California Bank	a43	1.60	65¼	2.5
United Illuminating Co. — Connecticut operating utility	63	1.50	36½	4.1
United Insurance Co. of America (Chicago) — Life, accident & health	23	†0.73	60½	1.2
United Life & Accident Insurance Co. — Life, accident & health	26	4.00	1750	0.2

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
United Screw & Bolt Corp.—Class B	24	1.60	23½	6.8
U. S. Cold Storage Corp. — Car-icing, ice, etc.	21	1.00	17	5.9
U. S. Envelope Co. — Manufacturer of envelopes, tablets, paper cups and other paper products	23	0.60	15	4.0
U. S. Fidelity & Guaranty Co. — Diversified insurance	24	1.23	63¼	1.9
U. S. Fire Insurance Co. — Diversified insurance	54	1.20	33	3.6
U. S. Life Insurance Co. in the City of N. Y. — Life, accident, health and group	12	0.20	77½	0.3
U. S. Lumber Co. — Holding company, land and mineral interests	*55	0.20	3⅜	5.9
U. S. Natl. Bank (Portland)	64	2.60	78¼	3.3
U. S. Realty & Investment Co. of New Jersey — Real estate	22	0.25	5½	4.5
U. S. Sugar Corp. — Sugar production	12	†0.99	45	2.2
U. S. Testing Co. — Testing, research, inspection and engineering	28	0.20	11½	1.7
U. S. Truck Lines (Del.) — Inter-city motor carrier	31	†0.98	19¼	5.1
U. S. Trust Co. of N. Y. — Investment management, trusts, and estates	110	†2.00	72¼	2.8
Univis, Inc. — Manufacturer and distributor of multifocal opthalmic lens blanks and eye glass frames	35	†0.59	18¾	3.1
Upper Peninsula Power — Electric public utility	15	†1.15	29	4.0
Upson (The) Co. — Exterior and interior fibre wallboard	22	0.75	16	4.7

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Continued on page 36

Wiggins Joins Heber Fuger

DETROIT, Mich.—The investment counsel firm of Heber-Fuger-Wendin, Incorporated, Penobscot Building, announces that Richard H. Wiggins has joined their staff. Mr. Wiggins will assist in the management of institutional and individual portfolios. Prior to joining Heber-Fuger-Wendin, Incorporated, Mr. Wiggins was associated with the Trust Department of The Detroit Bank & Trust Co. in a similar capacity.

Heber-Fuger-Wendin, Incorporated has been active in the investment counsel field for the past 30 years and is retained by banks, insurance companies, pension funds, other institutions and individuals in an advisory capacity. The firm also acts as financial advisors to the Secretary of the Treasury of Puerto Rico, and over the years has been retained by both business enterprises and the U. S. Treasury for fair market valuation determination.

Chicago Analysts to Hear

CHICAGO, Ill. — George W. McLellan of Corning Glass Works will be guest speaker at the luncheon meeting of the Investment Analysis Society of Chicago to be held today (Oct. 10) in the Illinois Room of the LaSalle Hotel.

Consolidated Foods will be the subject of the Oct. 17 meeting and Radio Corporation of America of the Oct. 24 meeting.

Two With Westheimer

CINCINNATI, Ohio — Gerald R. Hice and John H. Wunder have joined the staff of Westheimer & Co., 124 East Fourth St., members of the New York Stock Exchange and other leading exchanges.

$184 Million Bonds of Douglas County P. U. D. No. 1, Wash., Publicly Offered

A nationwide underwriting syndicate of approximately 350 members, managed by Blyth & Co., Inc.; Merrill Lynch, Pierce Fenner & Smith Incorporated; John Nuveen & Co. (Incorporated); Kidder, Peabody & Co.; F. I. du Pont & Co.; F. S. Smithers & Co.; B. J. Van Ingen & Co. Inc.; Wm. P. Harper & Son & Co., and Foster & Marshall Inc., announced Oct. 4 the public offering of an issue of $184,000,000 Public Utility District No. 1 of Douglas County, Wash., Wells Hydroelectric Revenue Bonds, series of 1963.

Of the total issue, $39,830,000 are serial bonds due Sept. 1, 1974 to 1991, inclusive, carrying coupons of 3¼, 3½ and 3¾%, and priced to yield from 3.15% to 3.75%. The balance of $144,170,000 are term bonds with a 4% coupon, due Sept. 1, 2018, and are priced at 101.

Net proceeds from the financing will be used to construct an electric generating plant and associated facilities on the Columbia River at the Wells site in Douglas and Chelan Counties in the State of Washington. The generating plant will have an installed nameplate rating of about 542,000 kilowatts and a peaking capability of approximately 618,000 kilowatts.

The Wells hydroelectric revenue bonds are backed by power sales contracts entered into by the Public Utility District No. 1 of Douglas County with four leading private power companies in the Northwest. These firms, Puget Sound Power & Light Company, Portland General Electric Pacific Power & Light Company and The Washington Water Power Company, have contracted to purchase 62% of the Wells project's output outright and the balance of 38% on a reserve basis.

The power purchasers are the four largest investor-owned electric utilities in the Pacific Northwest, serving an aggregate of 1,053,000 electric customers in 1962. Combined electric operating revenues for the four companies last year amounted to around $227,650,000.

The Wells Project is to be located approximately 516 river miles from the mouth of the Columbia River, about 30 river miles downstream from the Chief Joseph Project, 42 river miles upstream from the Rocky Reach Project, and about 50 miles up stream from East Wenatchee. It is expected that the District will award the main construction contract for the project in November this year. Seven generating units are to be installed initially, with the principal structures of the project to consist of an east embankment 970 feet long; the hydrocombine 1,130 feet long consisting of two end walls each 67 feet wide, 10 generator structures each 49 feet wide, and 11 spillway openings each 46 feet wide; and the west embankment 2,360 feet long. Five generating units, it is estimated will be in operation by Sept. 1, 1967 and two more by Jan. 1, 1968.

Construction cost per kilowatt hours of the Wells Project compares favorably with that of other hydroelectric projects in the Pacific Northwest, according to the consulting engineer. For Wells, the per kilowatt costs per year are estimated at $17.37, compared with $21.29 for Rocky Reach, $16.14 for Rock Island and $15.62 for Wanapum, based on the 1959 bonds.

The 1963 serial bonds will be redeemable prior to maturity as a whole at the option of the District on and after Sept. 1, 1971 at redemption prices ranging from 104% to 100%. Term bonds due 2018 will be redeemable on or after Sept. 1, 1978, in part, by lot, at the redemption price of 103% On and after March 1, 1969, the 2018 term bonds may be redeemed at the principal amount only from amounts credited to the bond retirement account in the bond fund and certain excess funds available for this purpose. These 2018 term bonds also are to be retired at the principal amount by mandatory sinking fund installments accumulated in the bond retirement account in the bond fund, commencing Sept. 1, 1992.

Boston Inv. Club To Hold Meeting

BOSTON, Mass.—The Boston Investment Club will hold a dinner meeting today (Oct. 10) at the Harvard Club, with cocktails at 5:30 p. m. and dinner at 6:45.

Benjamin F. Stacey, Vice-President of the First National Bank of Boston, will be guest speaker. He will discuss the periods of prosperity and recession of the post war economy, whether the proposed tax cut can stave off a coming recession. Mr. Stacey who has been with the First National Bank of Boston since 1947, is Vice-President in Charge of the Business Research Department, and Editor of the *New England Letter*. He was formerly regional economist for the U. S. Department of Commerce.

Officers of The Boston Investment Club are Theodore T. Whitney, Jr., Stone & Webster Securities Corporation, President; Loren L. Reeder, Blyth & Co., Inc., Vice-President; Lincoln B. Hansel, Townsend, Dabney & Tyson, Treasurer; Richard B. Doyle, Winslow, Cohu & Stetson, Inc., Secretary. John H. Bartlett, Chace, Whiteside & Winslow, Inc., is publicity chairman.

Joins Erwin Staff

DURHAM, N. C.—Mrs. Ann W. Kern has joined the staff of Erwin & Co., Inc., Central Carolina Bank Building. Mrs. Kern was formerly with J. Lee Peeler & Co., Inc.

OTC Market: Shopping Center For Quality Securities

Continued from page 35

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Upson-Walton (The) Co. — Manufactures wire rope, tackle blocks, crane hook blocks and rope fittings	28	0.65	9⅜	6.9
Utah Home Fire Insurance Company — Fire and casualty insurance	30	1.00	31	3.2
Valley Mould & Iron Corp. — Ingot moulds and stools	27	2.25	24½	9.2
Valley National Bank of Arizona	30	†0.98	63	1.6
Van Camp Sea Food Co., Inc. — Canned seafood	15	0.46	17½	2.6
Vanity Fair Mills — Lingerie	*15	1.75	66½	2.6
Van Waters & Rogers, Inc. — Wholesalers, industrial chemicals and scientific apparatus	24	†0.77	48	1.6
Vapor Corp. — Manufacturers of steam generators, thermostatic and electronic devices, car heating systems	29	1.50	32	4.7
Veeder-Root, Inc. — Makes counting and computing devices	29	2.00	46¼	4.3
Viking Pump Co. — Rotary pumps	30	1.45	27½	5.3
Virginia Coal & Iron Co. — Owns soft coal land in Virginia and Kentucky	64	9.00	210	4.3
Virginia Hot Springs, Inc. — Resort hotels	14	1.50	28	5.4
Volunteer State Life Insurance Co. — Non-participating only	20	0.60	117	0.5
VSI Corp. — Metal fasteners	a40	0.80	28½	2.8
Vulcan Corp. — Wood heels, bowling pins, etc.	13	0.23	5	4.6
Vulcan Mould & Iron Co. — Cast iron ingot molds and accessories	29	0.20	6½	3.1
Wachovia Bank & Trust (Winston-Salem)	27	0.60	40⅝	1.5
Walnut Apartments Corp. — Owning and operating apartment house in Philadelphia	16	2.75	52	5.3
Warren Bros. Co. — Paving contractors	20	1.10	25⅜	4.3
Washburn Wire Co. — Manufacturers of high carbon and alloy steel rods, wire and strip	24	1.50	30½	4.9
Washington National Insurance Co. (Evanston, Ill.) — Life, accident and health	40	0.80	83	1.0
Washington Oil Co. — Crude oil and gas producer	38	2.50	50	5.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

OTC Market: Shopping Center For Quality Securities

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Washington Steel Corp. — Producer of Micro Rold stainless steel and strip	15	1.00	18¾	5.3
Watson-Standard Co. — Manufacturer of paints, varnishes, industrial coatings, chemical compounds, and distributor of flat glass	28	0.30	6	5.0
Waverly Oil Works Co. — Oils and greases	13	0.50	10	5.0
Wells Fargo Bank	17	1.60	80¾	2.0
Welsbach Corp. — Maintenance and installation of street lighting systems	16	0.70	19¼	3.6
West Coast Telephone Co. — Operating public utility	23	0.72	23⅞	3.0
West Ohio Gas Co. — Natural gas utility (distribution only)	23	†0.69	16⅝	4.2
West Penn Power Co. — Both operating utility and holding company	*40	3.25	82	4.0
West Point Mfg. Co. — Textile manufacturing	76	1.20	23	5.2
Westchester Fire Ins. (N. Y.) — Diversified insurance	92	1.40	36¾	3.8
Western Casualty & Surety Company (Kansas) — Multiple line, fire & casualty and fidelity and surety bonds	25	1.20	46	2.6
Western Electric Co. — Makes telephone equipment for Bell System	27	3.60	275	1.3
Western Light & Telephone — Supplies electric, gas, water and telephone service	24	1.30	37⅞	3.4
WESTERN MASSACHUSETTS COS. — Electric utility holding company	37	1.30	32¾	4.0
● COMPANY'S ADVERTISEMENT IS ON PAGE 26.				
WESTERN POWER & GAS — Operating Electric and Gas. Also controls telephone companies.	21	n†1.04	32¾	3.1
● COMPANY'S ADVERTISEMENT IS ON PAGE 38.				
Western Utilities Corp. — Holding company and publishing telephone directories	11	0.41	15¾	2.6
Westran Corporation — Steel castings and transportation equipment	27	1.00	18	5.6
Weyerhaeuser Company — Manufacture, conversion and sale of forest products	30	1.20	30¾	3.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
n A 1% stock dividend was paid on Oct. 31, 1962.

Continued on page 38

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Whitaker Cable Corp. — Manufacturer of automotive cable products	28	0.90	21	4.3
Whitehall Cement Manufacturing Co. — Manufacturer of portland cement	17	†1.19	17	7.0
Whiting Corp. — Cranes, Trambean, chemical, foundry and railway equipment	26	0.40	13¼	3.0
Whitney Blake Co. — Insulated wires and cables	21	0.40	14	2.9
Whitney Holding Corp. — New Orleans banking	77	1.20	51	2.4
Will & Baumer Candle Co. — Candles and beeswax	67	1.00	18	5.6
Williams & Co., Inc. — Distributor of metals	30	1.70	33	5.2
Wilmington (Del.) Trust Co.	55	3.00	81	3.7
Winters Natl. Bank & Trust (Dayton, Ohio)	81	‡1.20	33½	3.6
Wisconsin National Life Insurance Co. — Life, accident, sickness and hospitalization insurance	44	0.73	65½	1.1
Wisconsin Power & Light Co. — Operating public utility	17	0.82	24⅜	3.4
Wisconsin Southern Gas Company, Inc. — Operating natural gas public utility	17	†0.99	27	3.7
Wiser Oil Company — Crude oil and natural gas producer	48	3.00	52	5.8
Wolverine Insurance Co., (Battle Creek) Class A — Diversified insurance	16	1.00	46	2.2
Wood Conversion Co. — Manufacturer of wallboard, insulating, cushioning materials, etc.	26	0.20	9¾	2.1
Woodward Governor Co. — Speed controls for engines and propellers	24	3.50	88	4.0
Worcester County National Bank (Mass.)	21	2.00	58	3.4
Wurlitzer Company — Manufacturer and retailer of musical instruments	14	0.90	18½	4.9
Wyatt Industries, Inc. — Steel plate fabricators and plastic and rubber molded products	50	1.50	25	6.0
Wyckoff Steel Co. — Cold finished steels	29	1.20	18	6.7
York Corrugating Co. — Metal stamping, wholesale plumbing and heating supplies	27	1.25	16¼	7.7
York County Gas Co. — Operating public utility	18	†1.50	36	4.2
York Water Co. — Operating public utility	149	1.48	35	4.2

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

Continued on page 38

Heads Dept. for Wood Walker

Vincent Smith has been appointed head of the International Department of Wood, Walker & Co., 63 Wall Street, New York City, members of the New York Stock Exchange and American Stock Exchange.

Mr. Smith was formerly associated with Kidder, Peabody & Co., as Manager of their London, England, office.

OTC Market: Shopping Center For Quality Securities

Continued from page 37

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Yosemite Park & Curry Co. — Concessioner, National Park	21	0.30	6¼	4.8
Young (J. S.) Co. — Licorice paste for tobacco	52	5.00	89	5.6
Younker Bros. — Department stores in Midwest	*16	2.00	41½	4.8
Zeigler Coal & Coke Co. — Owns mines in Illinois and Kentucky	24	1.00	26	3.8

TABLE II

OVER-THE-COUNTER

Consecutive Cash

DIVIDEND PAYERS

for

5 to 10 Years

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Jun. 28, 1963 $	Quotation Jun. 28, 1963	Approx. % Yield Based on Paymts. to Jun. 28, 1963
Acme Industries — Air conditioning and refrigerating equipment	6	0.05	4⅝	1.1
Aetna Finance Co. — Consumer financing and insurance	6	†0.47	13½	3.5
Allied Thermal Corp. — Holding co., heating equipment	9	1.70	41½	4.1
American Mail Line Ltd. — Trans-Pacific service	8	1.00	16½	6.1
Angelica Uniform Co. — Industrial and institutional service apparel	9	0.82	18¼	4.5
Barden Corp. — Precision ball bearings	9	0.58	13⅜	4.3
Beneficial Standard Life Insurance Co. Class A — Accident and health	*8	0.15	28½	0.5
Brewster-Bartell Drilling Co. — Marine and other, by contract	8	0.10	3¾	2.7
Cadre Industries Corp. — Electronic assemblies	5	0.19	5¼	3.6
Carnaco Equipment Co. — Leases refrigerating and truck equipment to Carnation Co., and subsidiaries	8	0.15	3¼	4.6
Carpenter (L. E.) & Co. — Vinyl plastic coated fabrics	5	†0.37	9½	3.9
Chattanooga Gas Co. — Operating public utility	8	0.30	7⅜	4.1
Continental Transportation Lines, Inc. — Transports commodities	9	0.70	12⅛	5.8
Craig Systems, Inc. — Electronic systems, and bank and office equipment	7	0.30	6⅝	4.5
Douglas & Lomason Co. — Auto mouldings & stampings	6	†0.58	16⅝	3.5
East Tennessee Natural Gas Co. — Supplies Oak Ridge	9	0.60	11¾	5.1
Elk Horn Coal Co. — Soft coal	8	0.70	16	4.4
Federal Life & Casualty Co. (Battle Creek, Mich.) — Life, accident & health	9	1.00	105	1.0
Federal National Mortgage Association — Government instrumentality servicing secondary market for residential mortgages	7	3.49	88½	3.9
Florida Steel Corp. — Structural and reinforcing items	6	†0.29	8⅞	3.3
Frigikar Corp. — Auto air conditioners	8	0.40	9½	4.2
Genisco, Inc. — Missile test equipment and flight instruments	6	0.30	8⅝	3.5
Hanover Shoe, Inc. — Men's shoes	7	1.00	16	6.3
Lynch Communications Systems, Inc. — Communication systems	9	0.45	10⅞	4.1
M & R Dietetics Labs — Infant foods; pream; similac	*6	0.60	27½	2.2
Moore Products Co. — Measure and control instruments	6	0.60	20¾	2.9
Niagara Frontier Transit System, Inc. — Serves Buffalo and Niagara Falls	8	†0.58	12½	4.6
Oklahoma Mississippi River Products Line, Inc. — Owns and operates oil products pipe lines	6	0.36	7⅛	5.1
Pacific Far East Line, Inc. — Steamship service	8	0.90	16¾	5.4
Pacific Gamble Robinson Co. — Grocery wholesaler	7	†0.59	13½	4.4
Piedmont Natural Gas Co. — Operating public utility	7	0.63	18⅜	3.4
Portable Electric Tools, Inc. — Portable tools	9	0.40	9¼	2.1
Public Service Co. of No. Carolina — Natural gas supplier	5	0.40	13	3.1
Russell Manufacturing Co. — Clutch facings and brake linings	5	1.00	20	5.0
Sandura Co. — Vinyl coverings for floors, walls, counters	6	0.40	9½	4.2
SAVANNAH ELECTRIC & POWER CO. — Operating public utility	8	1.20	35¾	3.4
● COMPANY'S ADVERTISEMENT IS ON PAGE 37.				
Security Columbian Banknote Co. — Engraving	7	0.30	7½	4.0
Shulton, Inc., Class A & B — Toiletry items	7	†0.54	48	1.1
Smith & Wesson, Inc. — Pistols and revolvers	9	1.00	38	2.6
South Georgia Natural Gas Co. — Natural gas pipeline	6	0.45	13⅜	3.4
Sprague Engineering Corp. — Aircraft equipment	8	0.20	6¼	3.2
Standard Milling Co. Class B, Voting — Flour, grain and charcoal	9	k0.15	3⅞	3.9
Standard Register Co. — Business forms	7	0.80	27	3.0
Tex-Tube, Inc. — Steel tubular pipe	6	0.38	4⅞	7.8
Therm-O-Disc, Inc. — Thermostatic controls	8	1.43	29	4.9
Utilities & Industries Corp. — Water supplier	7	†0.19	17½	1.1
Walter (Jim) Corp. — Shell homes	8	0.80	21¼	3.8
Western Kentucky Gas Co. — Operating public utility	8	0.85	28½	3.0
Wyandotte Chemicals Corp. — Soda ash and related products	7	1.20	58	2.1
Zero Manufacturing Co. — Metal containers	*5	0.05	4⅝	1.1

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
k Plus one for eighty in class A common.

With Collins, Eatherton

DENVER, Colo. — Thomas E. Moore and Ira A. Wilbur have become associated with Collins, Eatherton & Associates, Inc., 509 Seventeenth Street. Mr. Moore was formerly with Peters, Writer & Christensen, Inc.; Mr. Wilbur was with Earl M. Scanlan & Co.

Hemco Option Corp.

Hemco Option Corp. is engaging in a securities business from offices at 115 Broadway, New York City. Officers are Nathan Rosenblatt, President, and Marion Rosenblatt, Secretary and Treasurer.

Difference Between Listed & Over-the-Counter Trading

The exchange market is often referred to as an auction market because a stock exchange provides a focal point for the concentration of bids and offerings of potential purchasers and sellers for all securities listed on it. Genuine auction marketing in a security cannot be maintained, however, unless there is sufficient activity in it.

In those cases where less active securities are traded on an exchange, it devolves upon the stock specialist for each particular stock to create a market, in the absence of sufficient public orders to buy or sell, by, in effect though not in strict parlance, putting in an order for his own account. In other words, if you wanted to sell 100 shares of XYZ stock and the specialist had no order from anyone else to buy that stock, he himself would be expected to enter a reasonable bid on his own.

The continuity of any market thus created is largely dependent upon his financial resources and his willingness to thus risk his own money.

The Over-the-Counter Market

On the Over-the-Counter Market the situation is quite different. Here there are a tremendous number of dealer firms from coast to coast that interest themselves in making a market for unlisted and some listed stocks and bonds. Most of them can communicate with each other instantaneously through private telegraph wires or other facilities at their disposal.

Thus many over-the-counter dealer-brokers, in New York, for instance, will be doing business throughout the day with other dealer-brokers in Boston, New Orleans, Chicago, St. Louis, Denver, Los Angeles, San Francisco, Seattle and other cities from coast to coast. As an integral part of their operations dealer-brokers stand ready to buy and sell substantial quantities of the securities they are "quoting" and maintain inventories in them. Some firms, of course, choose to act solely as brokers and not dealers.

Because of competition, the spread between the bid and the asked figures on more active stocks is quite narrow. In less active stocks the over-the-counter dealer must find contra-orders if he does not wish to assume inventory positions in the securities involved. It is his business to know which other dealers in all parts of the country might have a buying interest in a given security.

One, five, ten, fifty or more over-the-counter dealers in different parts of the country may interest themselves in "making a market" for a given unlisted security. Prospects known to the first dealer, or known to those other dealers he contacts (either locally or in other cities), may often include individuals who are believed to have a buying or selling interest in the instant security, or investors who might be induced to buy.

The process of constantly seeking out buyers and sellers is characteristic of the Over-the-Counter Market.

A major characteristic, too, of the "counter" market is negotiation. If a gap in price exists after a prospect is found, the transaction does not die. Instead, negotiation ensues. The mere existence of a buy or sell order is the incentive for the "counter" dealer to find the opposite. The Over-the-Counter Market thus has no physical limitations.

As a practical matter, though, individuals in any city of 100,000 or more can frequently pick up a phone and call a dealer-broker and get an execution on an order for an unlisted security momentarily—often while the call is progressing.

Some "Counter" dealers sell directly to investors themselves. In other cases they may have a dealer following throughout the country consisting of retail firms that are always looking for securities that present good values to sell to their investor clientele.

Numerous exchange firms also deal in over-the-counter securities and any that do not must buy from or sell to an over-the-counter dealer to execute customers' orders for unlisted securities.

Many listed securities, too, are sold over-the-counter when the blocks are too large to make a quick orderly sale on an exchange possible.

An investor need not concern himself with the intricacies enumerated above, since his dealer-broker will obtain current market quotations on any over-the-counter stock or bond, and handle all details of purchase and sale.

The longer trading day in the Over-the-Counter Market is often a distinct advantage to the investor. On an exchange, securities can only be sold in New York between the hours of 10:00 and 3:30; in the Midwest between 9:00 and 2:30, and on the West Coast between the hours of 7:00 and 2:30. However, in most instances unlisted securities can be sold any time between 9:00 and 5:00 in the Midwest, and on the West Coast it's even longer than that. Dealer-brokers in the Over-the-Counter Market there are on the job from 7:00 in the morning until 5:00 in the afternoon.

Stock Exchange Commission Rates vs. Counter Dealer Charges

When an exchange-broker executes an order for you in an exchange-listed stock, he tells you the cost price as well as the amount of his commission on your confirmation slip. On the other hand the over-the-counter dealer more often than not buys from and sells to you "as principal" or on a "net" basis, as it is termed in the parlance of the securities business. This means his profit or loss is included in the price he quotes you and there is no commission charge shown on his confirmation. The over-the-counter dealer usually acts just as a merchant does in other lines of business. In other fields when you buy a set of dining room furniture, a fountain pen or what have you, the merchant sells it to you at a flat price and does not add any commission thereto. So with the "counter" dealer.

It is true that exchange commission rates more often than not are lower than the profit rates over-the-counter dealers are obliged to operate on. An important reason for this is the fact that the services of the over-the-counter dealer, besides frequently necessitating his taking the risk of an inventory position, include the extensive searching for matching bids and offers from potential buyers and sellers.

When a security is taken from the Over-the-Counter Market and listed on a stock exchange, over-the-counter dealers ordinarily lose interest in it, for they cannot make a profit trading in it at rates comparable to the commission charges of exchange firms. Though the "counter" dealers' profit rates may be somewhat higher, they may afford investors "better" prices than the less expensive service of exchanges.

Values

For one thing, the basic fact is that the price of over-the-counter stocks is not swollen by the premium the public is ordinarily willing to pay for exchange-listed securities. Then, too, active listed stocks and the exchange stock ticker system provide a ready vehicle for speculation and tend to center buying and selling decisions on short-term price swings in lieu of "real economic values." Many apparently buy stocks according to hoped-for price movement and not for true investment purposes, their interest being merely "where is the price going and when."

The mere fact that under the "exchange auction-specialist system" the spread between bid and ask prices is close or narrow is no indication that the investor gets good value when he buys or that the seller obtains a price in keeping with the intrinsic value of the stocks he wishes to sell. Intelligent investors are quick to recognize the fact that prices and values are two totally different things.

As pointed out before, the assumption of inventory positions is an integral part of the over-the-counter dealers' task. They must take the initiative in assuming such positions. Although they must be aware of and responsive to the foibles of their customers, they cannot without unwarranted hazard buy securities for inventory purposes unless they take cognizance of basic economic values.

Basic economic values may appear somewhat elusive, but they are nonetheless real. They consist of mathematical and non-mathematical elements. Some insights as to the real value of a stock may be gained by checking such things as its earnings and dividend records, book value and liquidating value. But the first three of these are tied to the past, and subject to the fact that accounting is an inexact science. And liquidating value may be largely of academic significance, if the corporation is going to continue in existence. The anticipated future average annual net income of a corporation may be capitalized numerically, but not without reference to many non-numerical concepts. They include the acumen, initiative, imagination and forcefulness of the officers and directors of the corporation. Speculation as to how the present and possible future products of a corporation will fare on the markets may be handled numerically only to a certain extent.

When an individual consistently purchases stocks without regard to basic economic values, he may at times make money, but sooner or later he will book losses. And although he may remain "in the market" for an extended period, he cannot do so after his capital is exhausted.

Inventory Positions

So it is with the over-the-counter dealer. If he habitually assumes inventory positions at prices out of line with basic economic values, the economic forces will in due time exhaust his capital and drive him from the scene. For survival he must be cognizant of the elements, listed above, which are determinants of the real value of the securities in which he is taking inventory positions. His prices cannot consistently be out of line with real values. Particularly in regard to the non-numerical elements which go into the making of the real value of a security in which he is to assume a position, he must, as a general rule, have knowledge superior to that of the lay trader.

Therefore, an important contribution of over-the-counter dealers who take important inventory positions results from the fact that their market pricing must be influenced definitely by intrinsic corporate value factors. They must stress value consciousness over quotation consciousness.

Officers and directors of the 14,000 banks and the major insurance companies of the country when buying or selling their own institution's stock for their own account do so almost entirely through over-the-counter dealers. Investment officers, of these institutions, too, are continually buying and selling government, municipal and corporation bonds and stocks through "counter" dealers for the account of their banks and companies.

Just as you get good or indifferent treatment and values from both large and small stores in other lines of business, so it is with over-the-

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Difference Between Listed and OTC Trading

Continued from page 39

counter dealers. It is not necessary for a firm to have a million dollars to be thoroughly trustworthy and to have good judgment with respect to investment values. Just be sure the over-the-counter firm or individual dealer you contemplate doing business with has a good reputation.

It is no exaggeration to say that both exchanges and the Over-the-Counter Market are vital to our economic life. Through the medium of stocks and bonds, idle capital of individuals, banks, institutions and the like flows into trade and industry and makes it possible for business to obtain the wherewithal with which to provide jobs for ever more workers at ever less human effort and at ever more remuneration. Savings thereby become an asset to society and not a problem. The beauty of it is that the capital needs of both big and small business alike can be thus served.

If it were not for the exchanges and Over-the-Counter Markets, investors of all types would find it almost impossible to quickly retrieve the capital they put at the disposal of governments, municipalities or corporations. This is one of the many reasons why it is socially important that those engaged in the investment business thrive.

NYSE to Make Odd-Lot Studies

Keith Funston, President of the New York Stock Exchange, has announced that the Exchange has retained consultants to make a study of costs of handling odd-lot transactions. Mr. Funston also said that the Board of Governors has agreed in principle to the Exchange's regulating for the first time the "differential" charged by odd-lot firms in handling the public's business.

Keith Funston

At the same time, Mr. Funston also announced that arrangements have been made for consultants to advise the Exchange on two other subjects — floor trading and statistical methods of evaluating the performance of Exchange specialists. The three studies are part of the Exchange's detailed review of the Securities and Exchange Commission's Special Study of Securities Markets.

"The Exchange has retained these consultants in the belief that they may provide helpful outside viewpoints in three key areas of current discussion, where the Board and the Exchange staff are making their own extensive review," Mr. Funston said. "The Board, of course, would determine all policies and positions on these and other subjects, after taking into consideration the findings of the staff and of these consultants, and recommendations of the SEC and its Special Study."

The odd-lot cost studies will be conducted by Price Waterhouse & Co., the national accounting firm which devised the Exchange's income and expense studies of member firms' commission business. It will seek to analyze the different types of costs incurred by odd-lot firms.

(Odd-lots—orders of less than the unit of trading, which is usually 100 shares—are executed on the floor of the Exchange by odd-lot dealers, who stand ready to buy or sell such lots for their own accounts. Prices are based on the next round-lot transactions on the floor, plus or minus differentials of 12½ cents per share on stocks selling for less than $40 and 25 cents per share for those selling at $40 and more. Before 1951, the differential was 12½ cents per share, regardless of price. The differential represents the sole charge made by the odd-lot firm, which receives no commissions, and is distinct from the commission paid by a customer to a brokerage firm for handling his order.)

Cresap, McCormick & Paget, an international management consultant firm, will advise the Exchange on the questions raised on floor trading by the SEC Study Group. Floor trading is buying and selling on the trading floor by members for their own accounts or for accounts in which they have interests.

Methods of evaluating specialists' performances will be analyzed by Joel Dean Associates, a firm of economic consultants headed by Professor Joel Dean of Columbia University. The firm will look into present and possible future ways of measuring the effectiveness with which Exchange specialists perform their functions of endeavoring to maintain orderly markets in stocks assigned to them.

E. S. Wilson Joins Winslow, Cohu Firm

Edward S. Wilson has become associated with Winslow, Cohu & Stetson, Incorporated, 26 Broadway, New York City, members of the New York Stock Exchange, as Vice-President and Director of Research. Mr. Wilson was formerly manager of the research department of W. E. Burnet & Co. and prior thereto was a partner in Theodore Tsolainos & Co.

Hayden, Stone Branch

Hayden, Stone & Co. Incorporated has opened a brance office at 200 Park Avenue, New York City, under the management of Charles J. Kelly, Vice-President of the firm.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

"What Do You Think?"

An investment counsellor sent me the following letter:

Dear Mr. Dutton:

"There are some points of similarity between your article and mine in a recent issue. I not only believe the public is always wrong, I go further and say that it MUST be wrong in order for the professionals in the investment game to make a good living.

"This is exactly vs. the theory of the good merchandiser that the public is right, for he sells a product that can be used, and he must cater to demand. Most brokers want their customers to *trade*, and commissions and related costs alone will defeat any otherwise possible success for the customer. That is why I believe that only an honest investment advisor can lead a customer to a modicum of success. The advisor has no axe to grind about trades. He prescribes for his client like the MD does for his. I have customers who have hardly touched their portfolios in years. There will come a day when certain things (or maybe all stocks) should be sold, but just to have a customer realize a profit in one security in order to have him buy something else in order to ring up two commissions, is not only a breach of faith and honor but outright fraud. That is what most account executives (formerly customer's men) do."

Sincerely,
(Name deleted)

Popular View?

This indictment has been heard many times. There may be some instances where the charge is justified. However, let's take up some of the allegations cited in the letter.

(1) "Most brokers want their customers to trade." I have never seen any accurate statistics on this subject. Possibly some brokers prefer "trading accounts" more so than investment accounts. However, let's not forget that in many instances we must deal with people who trade for the fun of it . . . are compulsive traders . . . who like to trade and do not wish to invest . . . and have a desire for "action." These people want a place to do business. They are NOT investors. They do not desire a static portfolio. They would fire an investment counsellor who didn't make a trade for them in a few weeks let alone for years. Possibly most of them should not "trade." But they have the right to do so, and will do so despite all of the warnings and "caveats" in the world.

(2) . . . just to have a customer make a profit in one security in order to have him buy something else and so ring up two commissions . . . that is what most account executives do."

In answer to this blanket indictment, I would like to ask my correspondent who he thinks sold the twenty-one billion dollars worth of mutual funds to investors during the past twenty-five years? Who sells the billions of dollars worth of tax exempt and corporate bonds to individuals, institutions, and banks, that are distributed every year? I don't know where my correspondent obtained his proof for the statement that implies that most registered representatives are guilty of what he calls, "outright fraud."

I agree that any registered representative that overtrades a discretionary account is guilty of an unconscionable act. There are very strict rules in this business that will take him out of it in a hurry, as well as cause considerable embarrasment for his firm, if this charge is proven against him. The SEC, the NASD, and the various Stock Exchanges are aware of this problem. But to indict most account executives of over-trading their accounts is simply an unproven statement of opinion.

All right, now it's your turn. This self-appointed counsel for the defense rests.

Another Interesting Letter

Dear Mr. Dutton:

"Your column of Sept. 5 really hit home. In our firm we got together and debated the value of our sales meeting. We voted to do away with it and replace it with meetings when necessary, and when there was something important to be discussed.

"Your friend's office atmosphere reminds me of our own. We have the pool room atmosphere (vintage 30 years ago) not today's modern billiard emporium. It takes a woman with plenty of gumption to venture through the masses of rough talking men to reach my desk, talk while they listen in, and ogle her as well in the process.

"Finally, your friend mentions that while his office has 20 men, 6 of them do over 70% of the business. I am among the remainder who do the 30%. Does your friend know how often his customers fill up the minority 30% salesman's time with important business, or trivialities, because broker 'So and So' is too busy? Of course, this must be done with friendliness for the good of the firm and the maintenance of a congenial atmosphere. Does your friend mention that the big salesman may be too busy to represent the office at meetings, or to have a good word for the minority, who spend part of each day backing him up? Or has he degenerated to the point where he takes credit for everything that works out well, whether it is a purchase recommendation or a new idea for the office—but has no idea of anything that fizzles?

"Sales meetings can be improved upon, offices can be redecorated, the masses can be controlled instead of letting them set the atmosphere of the office, but what does your friend have to say for the honest salesman with the rag-tag 30% of the business?"

"Sincerely yours,"
(Name deleted)

I don't know what my friend would say for the "honest 30% of the salesmen with the rag-tag 30% of the business," but I think my correspondent's office needs better management. Any office that has the atmosphere of an "old time pool room" should certainly have at least a few extra pieces of chalk for the cues within easy reach of the customers.

Obviously, this man has the drive to succeed as a salesman. I would not be surprised if he eventually landed with another firm. When senior salesmen's customers take up so much of his time that he is neglecting his own production, he is being unfair to himself. He should either straighten this out with his manager, and if he can't do that, then if I were in his place, I would seek another connection.

None of us is perfect . . . there is much to be achieved through cooperative work in solving the merchandising problems of our business. These two letters only point out some of the many areas of our work that are constantly demanding creative action.

Exchange Revises Rules on Bonds

The Board of Governors of the New York Stock Exchange has revised its rules to provide for a single market for both coupon and registered bonds which meet Exchange requirements.

In the past, the Exchange has normally traded only in the more widely used bearer, or "coupon," bonds. These are not registered in holders' names, and holders must clip and submit coupons attached to the certificates to receive interest payments. Registered bonds have had to be exchanged for coupon bonds prior to delivery or sold in a special transaction, generally at a discount from the regular market.

Under the new system, bond trades made on the Exchange may be settled by the delivery of either coupon or registered bonds, where the issuer provides fully engraved interchangeable bonds which are readily transferred and exchanged without charge.

The Exchange noted that in recent years a number of corporations have reported a growing demand for registered bonds, especially by financial institutions, which must cut and submit thousands of coupons each time interest comes due.

Some holders also request registered bonds to preclude the possibility of missing notices when bonds are called in for payment. In the case of registered bonds, where the issuer has holders' names and addresses, direct notification of calls is possible.

Abelow Elected by Manchester Terminal

Irving Abelow, senior partner in the stock brokerage firm of Mitchell & Company, New York, has been elected Vice-Chairman of the Manchester Terminal Corporation, Houston, Texas.

Mr. Abelow succeeds R. J. Mills who has been elected Chairman of the Board.

Mutual Funds of P. R.

SAN JUAN, P. R. — Richard Schoen is engaging in a securities business from offices at Marti 801, under the firm name of Mutual Funds of Puerto Rico.

Forms A & P Investors

Andreas Psilos is conducting a securities business from offices at 52 Wall Street, New York City, under the firm name of A & P Investors Service.

NEWS ABOUT BANKS AND BANKERS

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

New York, N. Y., October 3, 1963 Election of C. Richard Lanman as a vice-president of the **Grace National Bank of New York** effective Nov. 1, 1963, was announced Oct. 3 by Mr. Ralph S. Stillman, President. Mr. Lanman is Deputy Administrator of the Small Business Administration in Washington, D. C.

C. Richard Lanman

Mr. Lanman began his banking career in 1937 with the **Citizens and Southern Bank of Atlanta** and in Jan. 1953, he joined the **Atlantic National Bank of Jacksonville, Florida**, as Vice-President.

* * *

George J. Varley and Frank X. Kissane have been promoted to Vice-Presidents of the **Chase Manhattan Bank, New York.**

Mr. Varley, who is in the brokers loan administration section, joined the Bank in 1930. He was promoted to Assistant Treasurer in 1945 and to Assistant Vice-President in 1947.

Mr. Kissane is in charge of the Brooklyn division of the metropolitan department. He joined the Bank in 1929 and was appointed Assistant Treasurer in 1955 and Assistant Vice-President in 1961.

* * *

THE CHASE MANHATTAN BANK NEW YORK

	Sept. 30, '63 $	June 30, '63 $
Tot. resources	11,223,770,008	10,825,434,767
Deposits	9,861,960,508	9,365,230,290
Cash and due from banks	2,656,169,799	2,434,824,892
U. S. Govt. sec. hold'gs	1,184,369,024	1,437,133,739
Loans and discounts	5,941,219,477	5,035,332,207
Undiv. profits	103,089,514	92,361,953

* * *

The Chemical Bank New York Trust Co., New York appointed John B. Mencke and Frank A. Mutchler, Jr., Vice-Presidents.

* * *

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

	Sept. 30, '63 $	June 30, '63 $
Total resources	5,384,037,709	5,173,834,613
Deposits	4,259,461,127	4,070,423,895
Cash and due from banks	1,229,868,459	1,223,441,184
U. S. Govt. security hold'gs	488,844,590	559,812,719
Loans & discts.	2,616,560,688	2,418,451,179
Undivid. profits	158,425,212	154,220,162

* * *

James A. Coles has joined the **United States Trust Company of New York** as an Assistant Secretary in the commercial division.

* * *

The election of Alfred E. Perlman as a Director of **The Marine Midland Trust Company of New York** has been announced.

* * *

THE GRACE NATIONAL BANK OF NEW YORK

	Sept. 30, '63 $	June 30, '63 $
Total resources	269,819,256	274,623,268
Deposits	225,254,514	237,224,176
Cash and due from banks	51,794,846	69,322,839
U. S. Government security holdings	48,052,672	49,989,210
Loans & discounts	122,214,557	119,108,747
Undivided profits	1,754,121	6,320,409

* * *

Walter H. Bennett, retired Board Chairman of the **Emigrant Industrial Savings Bank of New York** died on Oct. 7 at the age of 94.

Mr. Bennett went to work 70 years ago for the **American Exchange National Bank.** He became a Vice-President in 1915 and, on its merger in 1926 with the **Irving Bank Columbia Trust Company,** was elected Vice-Chairman of the Board. In 1930 he joined Emigrant Industrial, retiring in 1947.

He had been a Director of the **Bank of Manhattan Company** and the **Grace National Bank.**

* * *

FEDERATION BANK & TRUST COMPANY NEW YORK

	Sept. 30, '63 $	June 30, '63 $
Total resources	$251,326,100	251,585,600
Deposits	222,795,800	222,550,000
Cash and due from banks	38,638,900	30,373,200
U. S. Government security holdings	33,389,400	33,173,100
Loans & discounts	129,680,200	145,898,600
Undivided profits	1,970,900	1,728,800

* * *

Douglas S. Clarke has been made Senior Vice-President of the **Meadow Brook National Bank,** in charge of the West Hempstead, L. I., bank's commercial lending program as of Nov. 1.

He is now Vice-President and General Manager of credit and asset control of the **Central National Bank of Cleveland.**

* * *

SECURITY NATIONAL BANK OF LONG ISLAND, HUNTINGTON, N. Y.

	Sept. 30, '63	June 30, '63
Total resources	$305,037,277	$285,536,186
Deposits	271,277,007	260,496,464
Cash and due from banks	25,357,394	37,175,365
U. S. Govt. security holdings	47,755,139	50,996,827
Loans and discts.	160,377,996	145,496,076
Undivid. profits	1,578,848	1,470,779

* * *

The **Long Island Trust Company, Garden City, N. Y.** will open Oct. 14, a branch on the west side of Route 110 at East Farmingdale, N. Y.

Walter L. Tindle, Vice-President, has been appointed regional manager. Arthur F. Thompson, Assistant Vice President has been named regional loan officer.

William F. Erdmann, Assistant Vice-President and Manager of the bank's South Farmingdale office, will become branch manager at East Farmingdale when it opens. Paul Bischoffberger, Assistant Secretary at the Bank's Lindenhurst office, will replace Mr. Erdmann as Manager of the South Farmingdale office.

* * *

James R. Hand was named a Senior Vice-President of **National Bank of Westchester, White Plains, N. Y.,** Oct. 3, during an executive committee meeting. At the same time, Armand W. Cureau was appointed Vice-President and Director of operations, Edward J. O'Gorman, Jr., has succeeded Mr. Cureau as Deputy Controller, and Gino Grenci was promoted to Vice-President.

* * *

The **Marine Trust Company of Western New York,** has announced that Fred D. Stone, Jr., Vice-President in charge of the Bank is being transferred from New York to the executive offices in Buffalo, effective Nov. 1. Mr. Stone will continue his present assignment and will assume additional responsibilities in the investment area of the Bank in association with Albert L. Sanderson, Executive Vice-President.

Mr. Galvin also announced that Edward L. Brown, Vice-President and Sales Manager, has been appointed Manager of the New York office of the Municipal Securities Department, effective Nov. 1.

* * *

The **State Bank of Newfane, Newfane, New York,** and **Liberty National Bank and Trust Company, Buffalo, N. Y.,** merged under charter and title of **Liberty National Bank and Trust Co.**

* * *

Lewis Pelczar has been named to the post of Assistant Vice President of the **Concord Savings Bank, Concord, N. H.**

* * *

The **Hartford National Bank & Trust Co. Hartford, Conn.** made Elmer C. Hopfner Vice-President.

* * *

The Comptroller of the Currency James J. Saxon Oct 1 announced preliminary approval of an application for a charter for a new National Bank in mid-city Philadelphia. It was the first application for a National Bank charter in that city in more than 30 years.

The new institution will bear the title, **"Lincoln National Bank,"** and will have an initial capitalization of $1,500,000. The organizers indicated in their application they would be ready to open for business at 16th and Locusts Streets within 90 days.

* * *

In a joint statement by Hooper S. Miles, chairman of the board of **Maryland National Bank, Baltimore, Md.** and J. Thomas Kibler, president of The **Chestertown Bank of Maryland,** it was announced on Oct. 1 that by action of the respective Boards of Directors of the two banks, a merger has been agreed to, subject to the approval of the Comptroller of the Currency and the stockholders of both banks.

The agreement between the two banks contemplates the issuance of 15,840 shares of Maryland National stock to the stockholders of the Chestertown Bank for the 21,120 shares of its stock now outstanding, providing a ratio of three for four.

Roger W. Simpkins, Cashier of the Chestertown Bank will become a Vice-President of Maryland National Bank. Mr. Kibler will become an advisory Director of Maryland National Bank and Chairman of an Advisory Board to be established for Kent and Queen Annes counties.

J. B. Whitworth, formerly an Advisory Director of Maryland National Bank and Chairman of its Chestertown Advisory Board, has retired from both boards.

* * *

The **Farmers Exchange Bank, Abingdon, Virginia,** and **Virginia National Bank, Norfolk, Virginia,** merged under charter and title of Virginia National Bank.

* * *

The Comptroller of the Currency James J. Saxon on Oct. 2 announced that he has given preliminary approval to organize a new National Bank at Weirton, West Virginia.

Initial capitalization of the new bank will amount to $500,000, and it will be operated under the title, **"First National Bank of Weirton."**

* * *

The Citizens Bank of St. Bernard, St. Bernard, Ohio, was absorbed by **The Fifth Third Union Trust Company, Cincinnati, Ohio.**

* * *

The Comptroller of the Currency James J. Saxon on Oct. 1 announced that he has given preliminary approval to organize a new National Bank at Evansville, Indiana.

Initial capitalization of the new bank will amount to $750,000, and it will be operated under the title, **"The American National Bank of Evansville."**

* * *

The Comptroller of the Currency James J. Saxon on Oct. 7 announced preliminary approval of the application of a group to organize a new National Bank.

At Chicago, Ill., with the title, **Columbia National Bank of Chicago,** with an initial capitalization of $750,000.

* * *

The Comptroller of the Currency James J. Saxon on Oct. 3 approved the application of **The First National Bank of Oelwein, Oelwein, Iowa,** to purchase the assets and assume the liabilities of **The State Savings Bank, Westgate Iowa,** effective on or after Oct. 10.

* * *

The comptroller of the Currency James J. Saxon on Oct 2, approved the application to merge **Woodbury Bank and Trust Company, Sioux City, Iowa,** into **First National Bank in Sioux City, Sioux City, Iowa,** effective on or after Oct. 9.

* * *

The Comptroller of the Currency James J. Saxon on Oct. 7 announced preliminary approval of the application of a group to organize a new National Bank.

At Clear Lake, Iowa, with the title, **Community National Bank of Clear Lake,** with an initial capitalization of $300,000.

* * *

The **First National Bank & Trust Co., Oklahoma City, Oklahoma** elected R. D. Harrison, an advisory Director.

* * *

M. K. Lewis Jr. has been appointed Vice-President and Trust Officer of **Pan American Bank of Miami, Fla.**

* * *

The Comptroller of the Currency James J. Saxon on Oct. 7 announced preliminary approval of the applications of groups to organize new National Banks, as follows:

At Amarillo, Texas, with the title, **Tascosa National Bank of Amarillo,** with an initial capitalization of $600,000.

At Abilene, Texas, with the title, **Abilene National Bank,** with an initial capitalization of $505,000.

* * *

The **Pacific National Bank, San Francicso, Calif.,** elected Joseph Marguleas, a Director.

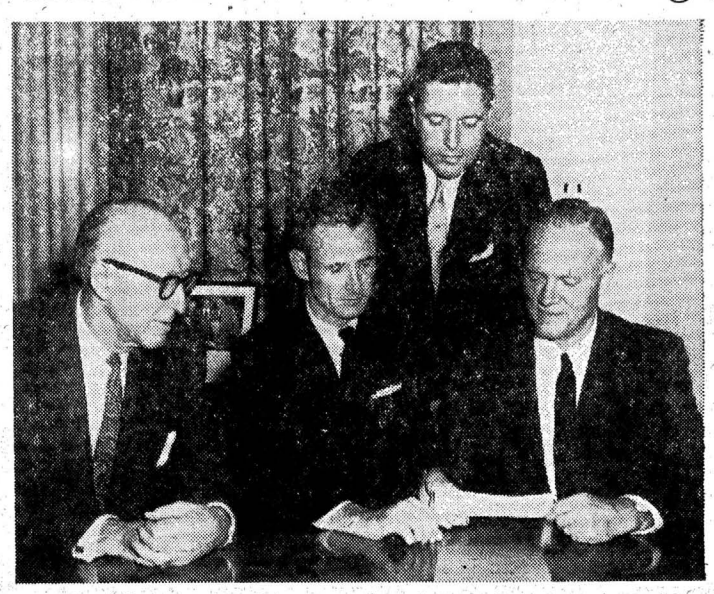
* * *

The Board of Directors of the **Mercantile Bank of Canada** announced Oct. 4 the election of James S. Rockefeller as its Chairman. Mr. Rockefeller is Chairman of **First National City Bank, New York.**

At the same meeting, Robert P. MacFadden and Stewart B. Clifford were elected to the Board and named Vice-President and Executive Vice-President, respectively. Mr. MacFadden is a Vice-President of First National City Bank heading its Canadian business.

Mr. Clifford, who has been an Assistant Vice-President in that area, has been appointed General Manager and designated Chief Executive Officer. Mr. Leslie W. Bond, formerly General Manager, has been named Consultant to the General Manager and remains as a Director.

Close Dow Chemical Deb's Offering



The closing on the public offering of $100,000,000 Dow Chemical Company Twenty-Five Year 4.35% Debentures Due 1988 took place October 3 at the offices of Smith, Barney & Co. Incorporated, manager of the underwriting group which offered the bonds to the public on Sept. 24, 1963.

The closing was an important milestone along the road of eliminating the anachronism of coupon bonds. The $100,000,000 Dow debentures will be originally issued only in registered form, which is a "first" for an issue of this type and size. The debentures also are expected to be the first new issue to be listed on the New York Stock Exchange under the revised rules of the Exchange permitting listing and trading of registered bonds interchangeably with coupon bonds.

Above, seated, center, R. B. Bennett, Treasurer of Dow Chemical, is shown accepting a proceeds check from Charles W. Kennard, Senior Vice-President of Smith, Barney & Co. Incorporated, as Calvin A. Campbell, Vice-President of Dow Chemical, seated, left, observes. Standing is Robert F. Seebeck, Vice-President of Smith, Barney & Co. Incorporated.

Providing S & L Assns. With Broader Investment Powers

Continued from page 20

postwar period. Third, until recently, tax considerations did not weigh heavily on the choice of alternative investments by savings institutions.

As a result of these factors, savings banks, as well as savings and loan associations, have been able to earn higher rates of return by channeling the bulk of their funds into mortgages. However, despite the unusual attractiveness of mortgage yields during the postwar period, corporate security investments have at times provided comparable returns when appropriate account has been taken of servicing charges and differences in liquidity and risk. This is indicated by the tendency, noted earlier, for savings banks to increase the volume of investible funds channeled into corporate bond markets during periods of rising bond yields.

Furthermore, available evidence indicates that returns on savings bank holdings of corporate stock, including both dividends and capital gains, have compared favorably with earnings on mortgage investments. This is indicated, for example, by data on holdings of shares in the Institutional Investors Mutual Fund, an investment company owned and operated by savings banks in New York. Aggregate dividend income, capital gains distributions and net unrealized appreciation on shares purchased in 1953 when the Fund was established, and held through early 1963, have averaged over 15% a year.[3] Later purchases at rising prices naturally provided smaller returns. Nevertheless, ordinary and capital gains distributions on the average book cost of shares purchased through constant monthly investments in IIMF averaged 6.5% annually in the period from early 1953 to mid-1963. In addition, institutions purchasing these shares would have experienced considerable unrealized appreciation in the market value of their holdings, since the net asset value of the shares on June 1, 1963 would have been 48% greater than their original cost.

In view of the heavier tax burdens imposed by legislation enacted last year, tax-sheltered investments in common and preferred stocks, as well as municipal bonds, will be increasingly attractive to savings institutions permitted to acquire them.

Moreover, lenders cannot assume that the unusual postwar attractiveness of mortgages will continue indefinitely. The spread between FHA mortgage interest rates and bond yields is well below the previous 1960 peak and FHA yields currently are lower in relation to Treasury bond yields than at any time in the past decade (Chart 2). Nevertheless, while accurate historical data on mortgage interest rates are not available, the mortgage-bond yield spread appears still to be higher than during much of the period from the beginning of World War I to the mid-1930's, and further reduction may occur in the next few years (Chart 3). Construction of 1-and 2-family residences has remained virtually static since 1960 and is not likely to increase greatly in the immediate future. At the same time, commercial banks and other new entrants into the mortgage market are expected to continue to invest heavily in mortgages, thereby exerting downward pressure on yields. In view of basic changes in the character of housing demands and continued urbanization, downward pressure is likely to be strongest in the home mortgage field.

To be sure, mortgage participation arrangements will be helpful to an individual association facing a particularly acute local shortage of quality mortgages. Participants may, therefore, contribute to a more even geographic distribution of mortgage funds. But such arrangements will not solve the problem of general overabundance of mortgage funds affecting the industry as a whole.

Numerous industry leaders have acknowledged that many savings and loan associations are confronted by an "earnings squeeze" and that this "squeeze" may become more severe. To be sure, other financial institutions are subject to pressure on their earnings. Unlike savings and loan associations, however, institutions with flexible investment powers are protected against reduction in mortgage yields by their ability to shift funds to other uses.

Effects on Long-Run Stability of Savings Institutions

Looking back into the history of the savings and loan industry, it is evident that compulsory specialization in home mortgage lending has made for instability in its long-run growth rate. According to data compiled by Professor Raymond W. Goldsmith, total assets of savings and loan associations since the late 1890's have traced broad cyclical swings related to major movements in the level of home mortgage debt and building activity. During extended periods of decline or stability in the home mortgage debt —such as the period from the late 1890's to the early 1900's and the decade of the 1930's — total assets of savings and loan associations also leveled off or declined (Chart 4). In contrast, periods of rising home mortgage debt were marked by rapid growth of savings and loan assets.

Indeed, the growth of savings and loans during the postwar housing boom reached phenomenal proportions. Specializing in the most rapidly growing sector of the capital market, which provided the highest returns, savings and loan associations were able to attract a sharply increased proportion of the public's savings. However, with housing demand tapering off and competition for mortgages intensified, their growth may not continue at such a rapid pace.

Mutual savings banks have been less strongly affected by broad swings in building and mortgage market activity than savings and loan associations. Since the turn of the century, total assets of savings banks have increased at a relatively constant rate. Restricted largely to the less rapidly growing areas of the Northeast, savings banks have grown at a slower pace than savings and loans during periods of sharply expanding mortgage demands. However, savings banks also have been less severely affected by the onset of reduced housing activity. While many factors affect institutional growth and stability, the fact that savings banks were not tied to a single private investment outlet was an important factor underlying their relatively steady growth experience.

Effects on Thrift

Virtual dependence on the home mortgage market, furthermore, prevents savings and loan associations from adequately performing the basic function of giving continuous encouragement of thrift. When housing demand is sluggish, savings associations may have to curtail thrift promotion programs, cut back dividend rates, and otherwise reduce their efforts to stimulate savings.

Indeed, at such times there may even be efforts to restrain savings growth at savings and loan associations by withholding FSLIC insurance from existing uninsured associations that normally would qualify. This is illustrated by the report issued late in 1960 by the Federal Savings and Loan Council of Illinois.[4] Referring to prospects for savings and loans in Illinois, the Council stated that ". . . in view of the anticipated lower demand for home credit in the next five years, the normal expansion of existing insured savings and loan facilities appears adequate to meet expected home credit requirements." The Council, therefore, concluded that ". . . it would be a legitimate objective of the FSLIC to sharply curtail the number of associations receiving insurance of accounts in the next five years."

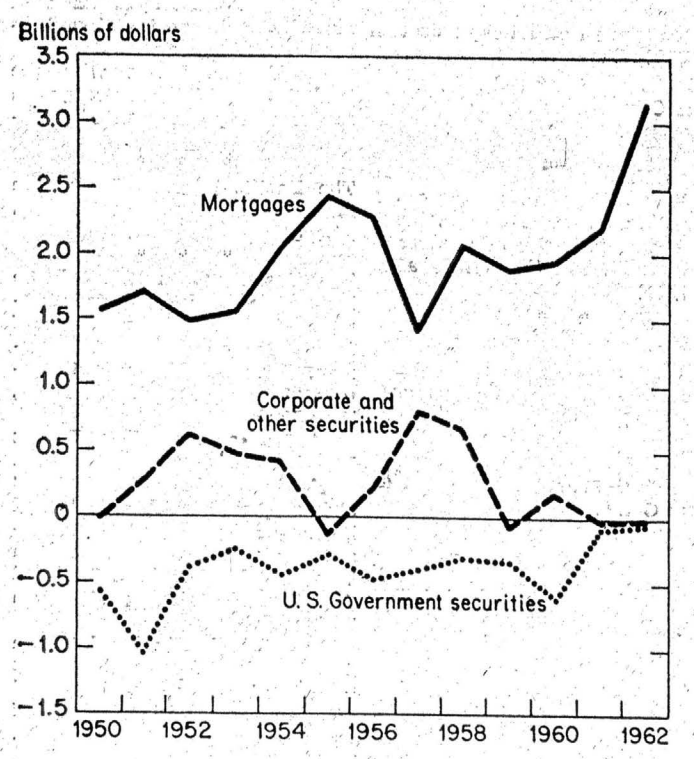
Maximum thrift promotion efforts, continuous throughout the business cycle, are essential for the steady growth of savings institutions. Such continuous efforts, furthermore, are important in stimulating the increased flow of savings needed for accelerated growth of the national economy. They cannot be carried on effectively by institutions that are tied to the ups and downs of building activity. Indeed, a specialized mortgage lending institution, in contrast to a savings bank, needs to encourage only that amount of savings necessary to carry out its basic mortgage lending function. The basic purpose of existence is clearly different from a savings bank, and re-

3 *Alfred J. Casazza, Role of Bonds and Stocks in Savings Bank Portfolios,* remarks before the Savings Banks Auditors and Comptrollers Forum, New York City, April 16, 1963.

4 *Is There a Problem of Savings and Loan Overchartering in Illinois?* A special study by the Federal Savings and Loan Council of Illinois, Fall, 1960.

Chart 1

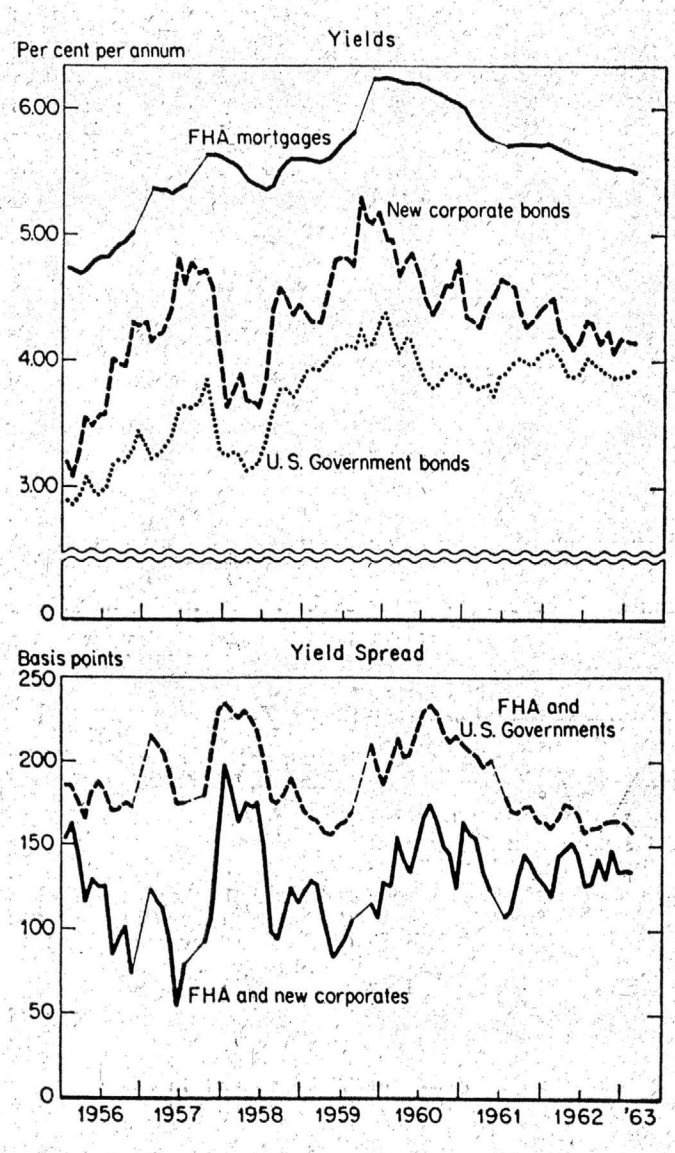
Net Capital Market Investments of Mutual Savings Banks, 1950-1962



NOTE: Changes in holdings of selected types of assets, compiled by National Association of Mutual Savings Banks. Corporate and other securities include state and local government obligations.

Chart 2

Selected Capital Market Yields and Mortgage Yield Spread, 1956-1963



NOTE: Data on FHA mortgages, new corporate bonds and U. S. Government bonds are monthly average yields. Yield spread is excess of yields on FHA mortgages over yields on bonds. FHA mortgages: computed by Federal Reserve from average prices reported by FHA regional office directors, assuming a 12-year prepayment period and a 25-year original maturity (light lines indicate periods when averages were adjusted to changes in contract interest rates). New corporate bonds: estimated by First National City Bank of New York, adjusted to an Aaa basis (figures reflect changes in industrial composition, maturity and type of offering). U. S. Government bonds: Federal Reserve figures based on bonds maturing or callable in 10 years or more. Latest figures are for February 1963.

quires different kinds of activities and powers.

Contribution to Economic Efficiency and Growth

In the area of national economic policy, rigidly limited investment powers prevent savings and loan associations from making the maximum contribution to the economy consistent with their resources and position in the financial system. As noted before, confinement to mortgage lending may lead to unsound credit practices when housing demands are relatively low, and could jeopardize the soundness of individual associations. Instability in a substantial segment of so large an industry, moreover, could not be isolated and could endanger the soundness of the financial system as a whole.

By enabling savings institutions to respond flexibly to changing credit demands, Federal chartering legislation would not only enhance overall financial stability, but would assure the placement of funds received from savers according to their most productive use. Such flexibility is at the heart of the free enterprise system. It is precisely through the responsiveness of individuals and business units to constantly changing price and yield relationships that our economy achieves maximum efficiency in the allocation of capital and manpower. Increased ability to encourage thrift continuously, moreover, would stimulate increased saving and capital formation.

The need for greater investment flexibility received strong emphasis from the Commission on Money and Credit in the following passage from its Report: [5]

"The restrictiveness of these (investment) regulations and their unequal application have handicapped these institutions in directing their lending into areas and uses where more profitable opportunities exist. The regulations also often discourage initiative and competition, which in turn reduce the contribution of the private financial institutions to economic growth. The financial system would be better able to adapt to the now unforeseen future credit needs of the economy if it were granted greater flexibility in investing."

Means of Achieving Broadened Investment Powers

In sum, from the standpoint of specific institutional operations, as well as of broad national economic goals, there are strong reasons why investment powers of savings institutions should be made more flexible. How, then, would this objective be achieved soundly and most expeditiously? More specifically, how can investment powers traditionally associated with banking institutions be attained by an industry so exclusively identified with home mortgage lending?

A crucial consideration here is the attitude of Federal Agencies and the Congress. President Kennedy's Committee on Financial Institutions, while emphasizing the advantages of diversified investment powers generally for all types of financial institutions, endorsed only limited broadening of savings and loan authority. Apparently, the Committee was reluctant to recommend comprehensive investment flexibility for savings and loan associations except if achieved through conversion to Federal mutual savings banks. The Committee, which included the heads of 11 major Federal agencies, including all those concerned with housing and supervision of financial institutions, explained its views as follows: [6]

"In recommending only a relatively modest deviation from the present portfolio regulations of savings and loan associations, the Committee has been influenced by its endorsement of a system of Federally chartered mutual savings banks. The existence of such a system would provide an alternative for savings and loan associations that desired to engage in more diversified lending and investing, under appropriate supervision and safeguards."

Reluctance to permit more than token diversification of powers for savings and loan associations is also reflected in the narrow definition of savings and loan associations provided by the Congress in the Revenue Act of 1962. Under this definition, savings and loan associations whose investments fail to meet specified criteria would be barred from the bad debt reserve provisions in the Act. The effect of this definition is to restrict the benefits that would accrue to savings and loan associations if they were able to expand significantly their powers to invest outside the mortgage field. Furthermore, the insistence of the Congress and the Treasury on rigid investment criteria suggests that proposals for broadening savings and loan powers, without provision for conversion to Federal mutual savings banks, would face serious legislative obstacles.

Conclusion

Provision for broadened investment powers is not, of course, the only desirable feature of the Federal Mutual Savings Bank Bill. Nor, obviously, is it the only reason why the efforts of savings bankers in behalf of this legislation are meeting growing support. Federal chartering legislation would extend to mutual savings banks the same dual chartering privileges now available to savings and loan associations, commercial banks and credit unions. Furthermore, establishment of Federal mutual savings banks in areas where they are needed would stimulate increased savings, and would distribute these savings more evenly throughout the nation. This would spur capital formation and economic growth.

That different groups may support Federal chartering legislation from different points of view is not a shortcoming but an advantage. In our highly competitive society, proposals to significantly liberalize powers of financial institutions are not likely to go far if one industry or group is the sole beneficiary. This is true of proposals sponsored by the savings and loan industry as well as those sponsored by others. Major financial legislation must serve the broad public interest as well as the legitimate needs of those industries principally affected. The Federal Mutual Savings Bank Bill is such legislation.

It is for this reason that a growing number of savings and loan managers have worked so closely on this legislation with leaders of the savings banking industry. This cooperation has been most helpful and I believe that as the benefits of a Federal mutual savings bank system become better understood that more and more savings and loan managers will lend their support to the Federal Mutual Savings Bank bill. I hope that many will be among them.

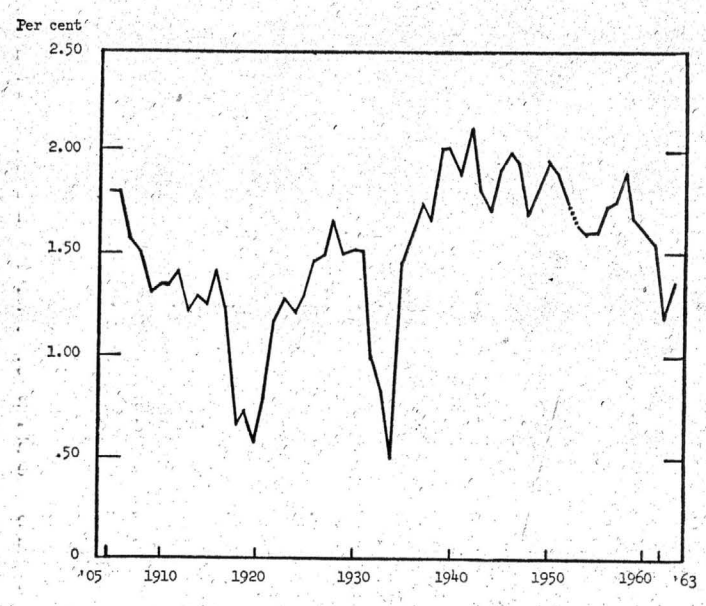
*An address by Dr. Ensley at the Midwest Savings Conference, Colorado University, Fort Collins, Colo.

5 *Money and Credit: Their Influence on Jobs, Prices and Growth*, The Report of the Commission on Money and Credit, (Englewood Cliffs, New Jersey: Prentice Hall, Inc., 1961).

6 *Report of the Committee on Financial Institutions to the President of the United States*, April 1963.

Chart 3

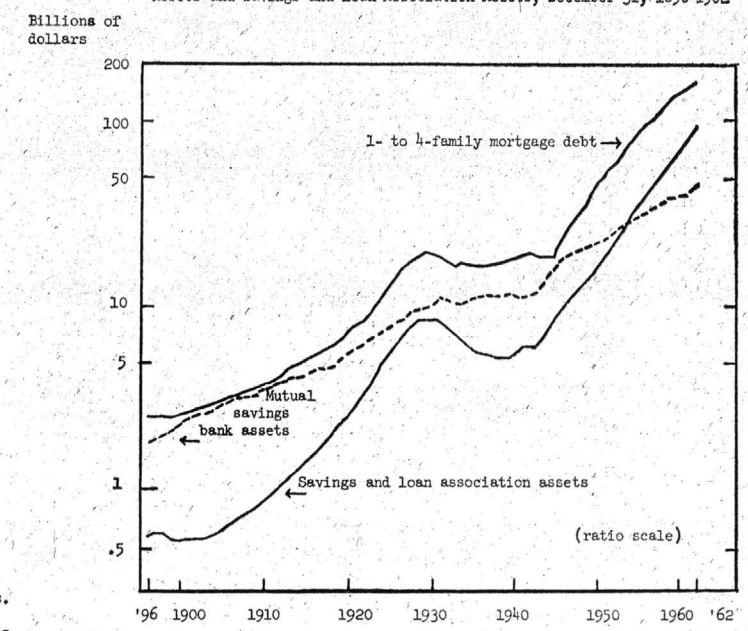
MORTGAGE-BOND YIELD SPREAD, 1905-1963



Note: Spread is excess of yields on mortgages over yields on corporate bonds. Mortgage yields refer to mortgages on properties of all types in Manhattan, New York, 1905-1952; FHA mortgages, 1953-1962 (see note to Chart 2). Corporate bond data refer to "basic yields" of 30-year bonds, generally speaking, the lowest rates on the highest quality bonds of this maturity. Dotted lines indicate change in series. 1963 figure is for the first quarter. Data are from National Association of Mutual Savings Banks, National Bureau of Economic Research, and National Industrial Conference Board.

Chart 4

Trends in 1- to 4-Family Mortgage Debt, Mutual Savings Bank Assets and Savings and Loan Association Assets, December 31, 1896-1962



Note: Data for mutual savings banks are as of June 30, 1896-1930; end of year thereafter. Data are from Raymond W. Goldsmith, A Study of Savings in the United States, Volume I (Princeton, Princeton University Press) 1955, Board of Governors of the Federal Reserve System, National Association of Mutual Savings Banks, United States Savings and Loan League.

Wertheim Team Wins Golf Tourney

The 33rd annual Charles Hayden memorial golf tournament was won at the Baltusrol Golf Club here Oct. 4 by a two-man team representing Wertheim & Co. Their low net total was 154.

Members of the Wertheim team were John Fitterer and William Kerr. The Shearson, Hammill & Co. team was the runnerup with a 155 low net total.

Eugene Francis, of Shearson, Hammill, took low gross honors with a 70, while Mr. Fitterer won the low net for the day with a 76. A total of 51 teams from 51 Wall Street firms participated in the tourney.

Ziegler Opens Office In San Francisco

SAN FRANCISCO, Calif. — Appointment of John R. Maurer as resident manager of a new district office, located at 111 Sutter Street in San Francisco, has been announced by D. J. Kenny, President of B. C. Zeigler and Company, of West Bend, Wisconsin, nationwide underwriter and distributor of church, school, hospital and retirement home bond issues.

Prior to joining the Ziegler firm, Mr. Maurer was associated for seven years with Dean Witter and Company in their San Francisco office.

The San Francisco office is the 16th sales and acquisition office opened by the Ziegler company.

Study Illustrates Puerto Rico's Economic Progress

The Government Development Bank for Puerto Rico on Oct. 2 distributed to investors its annual "Financial Facts" folder which presents in brief chart form, with accompanying illustrations, the progress being achieved in the thriving economy of Puerto Rico.

Rafael Pico

"Puerto Rico's changing economic profile is sketched in broad outline by this limited sample of selected statistical measurements," Dr. Rafael Pico, President of the Bank, states in an introductory comment. "Rapid growth is its principal feature. For the people of Puerto Rico these impersonal measurements translate themselves into something very personal. They mean better opportunities for employment, education, decent housing, health, and a host of other benefits, tangible and intangible.

"Net income of Puerto Rico's economy has grown at the surprisingly high rate of over 10% during the two most recent fiscal years."

Dr. Pico said that "the Government Development Bank for Puerto Rico has contributed to past economic growth, with all its implications for a better life for the people of Puerto Rico. It is ever ready to contribute its full share to future attainments. As a source of loan capital for the development and expansion of industry and commerce, it has and will continue an active role of service. As fiscal agent and financial advisor of the Commonwealth, its municipalities, and public corporations, it can be expected to continue its history of developing and arranging soundly based borrowing programs for the financing of capital improvement and development necessary to strengthen further the foundations of the economy.

"In carrying out its loan programs for private enterprise, the Bank strives to maximize the impact of its assistance by a policy of frank communication and cooperation with private and other governmental lending institutions."

McDonnell Branch

SILVER SPRING, Md. — McDonnell & Co. Incorporated has opened a branch office at 901 Silver Spring Avenue, under the management of Edward M. Becker.

Townsend, Dabney Branch

WINCHESTER, Mass.—Townsend, Dabney & Tyson has opened a branch office at 47 Church Street under the direction of Maurice C. Bird.

Form Superior Secs. Co.

CLEVELAND, Ohio — Superior Securities Co., Inc. has been formed with offices in the Superior Building to engage in a securities business. Officers are Nick Billie, President and Treasurer; E. R. Billie, Secretary; and Charles V. Latsa, Jr., Assistant Secretary.

As We See It

Continued from page 1

mand has very substantially increased the "international liquidity" of a number of foreign countries.

But we hope and they fear that an early correction in our international balance of payments may alter this drift substantially. Hence the President has felt it necessary, or at least wise, to assure the world, and particularly those nations which feel somewhat unsure of themselves, that if and when we "solve" our balance of payments problem we shall not fail to take what steps are necessary to prevent undue suffering abroad as a result of our gain. But, of course, all this leaves many things up in the air. What precisely will the United States do in the event that there is need to shield other countries from the effect of our return to health? What can it do? And, what if anything should be done by all the other countries independent of, or in conjunction with the United States, to assure comfortable international financial relationships in the years to come? A group of ten nations, or their representatives, are now about to undertake to learn the answers to these and closely related questions.

It is obvious that new names have been given to many old, old problems, which are thus made to appear quite new. This is a habit firmly fixed, and probably little if anything can be done about it. We live in a time when hoarding is a "liquidity preference." Tendencies which used to be called by plain terms are now all combined to give "a propensity to consume." The unfortunate merchant or manufacturer who has misgauged the market and willy-nilly accumulated large unwanted inventory has added by so much to the capital investment of the period. Individuals who buy the latest motor car are sometimes adding by so much to current consumption and sometimes investing their money—depending upon who is compiling the figures. Banks, when they continue to invest heavily in government obligations — never mind whether long- or short-term —remain liquid but when they lend private industry money to finance ocean shipments of goods they have by so much lost their liquidity. And so the story goes.

Human Nature Still the Same

But, of course, these economists who are engaged in the preparation of a new economic lexicon have done nothing, and could do nothing, to alter the immutable laws of human behavior. They may think they have. They sometimes talk and act as if they thought they had. In any event the proposals they make about protecting "international liquidity" seem to be designed for a world no more like the world in which we live than that in which Alice wandered about to the delight of many readers. All too often measures of excellency or adequacy are introduced coming apparently more or less from experience of many years but which are expected to operate in a world where natural forces are no longer permitted to operate if any way can be found to prevent them from doing so.

We, of course, have no way of knowing what sort of report this ten nation study group will come up with a year from now. What we do know is that they will have little basis in experience for estimating what the results of what they do will be. There is, of course, no reason at all to suppose that they will suggest steps looking toward greater freedom for the play of natural forces — and none to suggest that any such recommendation if made would be accepted or acted upon by any important nation of the earth. In fact, there is implicit in much that is being said everywhere, and even in the meetings which resulted in the formation of the ten nation group, a full determination not to permit natural forces to have their way. The thought of control, national or international, lies evident in virtually everything that was said in Washington during that meeting, and certainly is found in all that emanates from the New Frontier.

Always a Problem

Now, of course, no one would claim that natural forces were always given full play at any time in history, certainly not in international financial affairs. Even the swing toward freedom of action which followed the writings of Adam Smith and the others of a like mind in the political field never did succeed in removing certain deeply rooted ideas about interfering with natural forces. We ourselves for time almost out of mind saw to it that our industries had the protection of high tariffs, and various other devices were employed to accomplish much the same purpose. The dominance of the Bank of England and the city of London in international financial affairs was weakening even before World War I.

But World War I and the convulsions which followed set the stage for a complete revolution in both thinking and practice in international financial affairs. What was left soon became a victim of Keynesian and related movements during and after World War II. The ten nation group will be treading untried ground. Whatever they do or recommend will inevitably be experimental in nature. Unfortunately there is at present no feasible escape from it.

Interest Equalization Tax Bill Must Be Reconsidered

Continued from page 3

taxing U. S. persons buying foreign securities from non-U. S. persons. In other words, instead of exploring the *"multilateral avenues"* recommended by the Joint Committee on International Exchange and Payments, the bill, as proposed, tries to tackle the problem at hand with exceptional *unilateral measures*, such as are last on Professor Harris' suggestions. H. R. 8000 goes even further than the suggestion of the Joint Committee, *for the Committee mentioned exclusively new issues*, while the proposal refers to securities in general, embodying new and also outstanding issues, and equities as well as bonds, although its title refers only to equalizing interest and makes no mention of dividends.

The Booking Institute's study, "The U. S. Balance of Payments in 1968," rejects ". . . the alternatives of using comprehensive controls covering imports on goods and services and over capital movements, in order to maintain a fixed exchange rate, although this does not exclude the possibility of restraints on U. S. purchases of new issues of Western European securities."

It is worth noting that Secretary of the Treasury, Douglas Dillon, in his remarks to the Ninth Annual Monetary Conference of the American Bankers' Association in Rome, May 18, 1962, did not object to the purchase of foreign securities by American investors, but deplored ". . . the increasing use of . . . the New York capital market by European borrowers to raise funds for their own internal purposes."

H. R. 8000 purports to defend the dollar, but does not suggest an efficient machinery at the highest levels that would tackle this matter multilaterally; which is not only of grave concern to the United States, but to the entire Western world. The justification for this incompleteness, is that this is more or less only a stop-gap measure, and that, unilaterally, something had to be done before multilateral agreements can be reached with the other nations of the free world.

Doubts It Will Serve Its Purpose

Will H. R. 8000 serve even its limited purposes? We strongly believe it may not, because, for the following reasons, it is inconsistent with the permanent interests of our country:

Foreigners own many more dollars worth of U. S. securities than U. S. persons own dollars worth of foreign securities. For instance, many more shares of General Motors, Ford and Chrysler are owned by Europeans than Americans own shares of Volkswagen, Fiat, Daimler-Benz, Peugeot and Rolls Royce combined. Many more shares of I. B. M. are European-held than shares of Olivetti, Machines Bull and Elliott Automation combined in American hands. Much American Telephone and Telegraph stock is in European hands, but Americans find it very difficult to buy a European counterpart, for this type of utility is nationalized in most overseas countries. The same could be said of railroad shares and some other sectors of industry, the purchase of which is restricted.

Therefore, and particularly if confidence in the dollar were to falter, the danger that foreigners, voluntarily or government-induced, may sell or dump their American holdings is ever-present.

Retaliation Is Instinctive

Retaliation is instinctive in individuals as well as in governments. Tariff wars, unfortunately, are common in history. We are bound to end up similarly as a crowd gathered to observe a performance. One spectator tries to improve his view by standing on his toes. Eventually, everyone is standing on his toes; the original advantage has been lost, everyone is uncomfortable, and no one has substantially improved his view.

If H. R. 8000 becomes Law, it will tend materially and psychologically to freeze U. S. persons' portfolios of foreign securities which are not only individual but National Assets. The 15% tax on equities, or the effective rate on debt obligations, is sufficiently important under normal circumstances to prevent transactions, especially as this proposed Law is supposed to be in effect for a relatively short period. Yet, under panic, even 15% will not be enough of a deterrent to prevent the active buying of foreign securities by U. S. persons.

History shows that in times of accentuated fears, measures designed to prevent capital flight have never been successful.

Financial Center

Today New York is the financial market of the world. This is of great economic and political importance. We displaced London as the world's financial center because of the World Wars and the ensuing limitations that Great Britain had to impose upon its capital markets.

If we can help it, and we can, we should not lose our present hegemony to Paris, London, Zurich, or any other financial center.

We would be setting a very bad example to the other countries of the Western World who have been urged by us to reduce their international barriers and to maintain, as much as possible, the highly desirable goal of freer-flowing capital and exchange of goods and services between friendly countries.

Besides the above, H. R. 8000 is illogical because it imposes what is in effect a penalty tax on the buyer of a productive investment in foreign securities. A United States person can, however, buy abroad, free of tax, a luxury item such as, for example, a yacht, which in addition to its initial capital outflow, requires maintenance expenses yet is unproductive.

World Reaction

What has been the world reaction to H. R. 8000? Officially, polite but tepid approval. The foreign financial press, however, took a different view of H. R. 8000, and the following quotations from the London *Economist* are typical.

At the end of July, the *Economist* said: "It is easy to overstate the significance of the imbalance in America's payments that has caused this weakening over the years in the almighty dollar. It is largely an imbalance resulting from generosity, and, if the American efforts to put a war-torn world back on its feet, from Marshall Aid onwards, had not resulted in the vast hoards of gold in the Fort Knox vaults being re-distributed, it would mean that those efforts had failed."

And in the August 10 issue, the same publication said: ". . . America's difficulty is that putting its own house in order so quickly upsets its neighbors; the giant cannot move for fear of crushing the ordinary mortals who are so busy firing him with pellets and abuse."

Domestic Press

Even the domestic press has generally been critical of H. R. 8000. Only very recently, the New York *Times* quoted the First National City Bank as saying, in its monthly letter, "It is penny-wise and pound-foolish to blame the balance of payments deficit on private investments overseas." It points out that private investments now mean "money back with interest." The bank indicates it would like to see Congress reject the Administration proposal to tax foreign securities bought from foreigners by Americans. Instead, it would like to see higher long-term interest rates to narrow the gap between the even higher rates for money abroad.

In practice, since July 19, 1963, Europeans, in many instances, can and do purchase leading 'international' issues at prices lower than those paid by U. S. persons. In this manner, 'dollar premiums' have developed, which vary from instance to instance, with the result that a dollar invested in such securities may be worth as little as 85 cents.

It is already evident that these perhaps unforeseen side effects and other features of the present bill do nothing to improve the balance of payments, and, in fact, threaten to aggravate the situation.

A Better Plan

What can be done to correct this? The proposed legislation ef-

fectively puts brakes on New Issues, most of which are debt obligations which are the real drain on the dollar; but in the process, equity issues and portfolio holdings are also affected by the proposed tax. If the Committee does not see its way clear to exempt in toto the "Old" Issues, i.e. those foreign securities outstanding since before July 19, 1963, there are alternatives.

In the assumption that any changes which might be proposed should be reduced to a minimum, it has been our suggestion right along that Section 4918, entitled Exemption for Prior American Ownership, be amended to include, in some form or other, the acquisition of stock or a debt obligation of a foreign issuer or obligor, if it is established by clear and convincing evidence that such acquisition is the result of an exchange, conversion, substitution or re-investment of other taxable foreign securities which were held by a U. S. person throughout the period of his ownership or continuously since July 18, 1963. This provision would be even more effective if the substitution or re-investment had to be completed within 30 days.

H. R. 8000, in its present form —Subsection (a) of Section 4918 —*provides* a positive *exemption* to U. S. persons from taxation thereunder if the foreign stocks or debt obligations were acquired from a party who was a U. S. person throughout the period of his ownership or continuously since July 18, 1963; *yet* H. R. 8000 *does not provide* the corresponding exemption from the tax in cases of exchange, conversion or substitution of such securities, nor, in case of sale, for the tax-free re-investment of the proceeds of such holdings in other issues, whenever a U. S. person-owner finds a portfolio change necessary or advisable. It would strengthen the hand of the Administration to defend the dollar, and would make H. R. 8000 much more acceptable here and to the international community.

Avoid Penalizing American Owner

We do not believe that the Administration intended to penalize the U. S. person who held his foreign securities on or before July 18, 1963. Our country's economy would be harmed if such security holders (or their U. S. person-successors) should not receive the corresponding exemption relating to changes in their existing portfolios by preventing him or them from attempting to up-grade such security holdings whenever that action is indicated. Obviously, no such transactions could adversely affect the balance of payments; such modifications would tend to assure resumption of orderly markets and restore confidence; it would do away with present discriminatory features of this bill.

We believe the suggested amendment will do much to improve the bill, if there must be this unilateral approach and provided no realistic and more multilateral approach is in the offing. We are convinced that it would make H. R. 8000 much more workable here and more acceptable internationally.

May we close with Dr. Edward M. Bernstein's words ("The New Administration and the Dollar-Payments Problem"): ". . . The United States has a duty to its own people and to the free world. Its task is to see that the payments deficit is eliminated without inducing deflation in this country or spreading inflation in the world economy, without imposing restrictions that would stifle world trade and investment, and without weakening the defense of the free world or diminishing the aid that is desperately needed by the underdeveloped countries. The surplus countries are entitled to know that, if they do their part by increasing defense and aid expenditures and expanding their economy, the United States will do its part by maintaining a strong and stable dollar in a prosperous and growing economy."

*Statement by Mr. Boas submitted to the Committee on Ways and Means, House of Representatives, Washington, D. C., Sept. 16, 1963.

Stevenson Named NYU Trustee

John Stevenson, partner in the investment firm of Salomon Brothers & Hutzler, has been elected an alumni member of New York University's Board of Trustees. The announcement was made by George A. Murphy, Chairman of the Board.


John Stevenson

Mr. Stevenson will begin his service as an NYU trustee later this month. He graduated from the University's School of Commerce, Accounts, and Finance in 1928.

Mr. Stevenson is Business Manager of *Financial Analysts Journal*, a member of The New York Society of Security Analysts, Inc., a member of the Association of American Railroads, Eastern Sectional Group, Treasury Division, and a member of the board of managers of the St. Andrew's Society and the board of governors of the New York University Club. He is also a trustee of the Scarsdale Congregational Church and a member of the Committee on Taxation & Finance of the Town Club of Scarsdale.

NYSE Shares Pass 8 Billion

Shares listed on the New York Stock Exchange have passed the 8 billion mark, the Exchange has announced.

The Exchange estimates that the 8 billion milestone was reached with the start of trading Sept. 25 in 1,479,725 additional common shares of ACF Industries, Incorporated, issued in a 2-for-1 split of the manufacturing company's stock.

The Big Board's list has about doubled since 1956, both in number of shares and market value. Since reaching 4 billion in March, 1956, shares listed have increased at an average rate of about one billion every two years. The latest billion was added in the 22-month period since November, 1961. Market value—computed at $224 billion in March, 1956—passed the $400 billion point last month.

The 8 billionth share, and the doubling of the list in less than eight years, represent something more than reaching of statistical benchmarks, the Exchange commented. In the same period, Exchange trading volume and shareownership in public corporations have also doubled—volume from an average of 2.2 million to 4.4 million shares a day, and shareowners from 8.5 million to more than 17 million.

The statistics illustrate the vitality of the markeplace in keeping pace wih the expanding capital needs of industry and in meeting the demand for shares of a growing investing public, the Exchange said.

About one billion of the four billion shares added to the Exchange's list since 1956 resulted from original new listings of some 300 companies on the Exchange. The remainder of the growth has been from the listing of additional shares by companies whose issues were already traded on the Exchange. These shares were added for such purposes as new stock financing, stock splits, stock dividends, employee purchase plans and new acquisitions.

The Exchange was in existence for some 137 years before listing its first billion shares in August, 1929. The two-billion-share mark was reached in September, 1948; the third billion in June, 1954; the fourth in March, 1956; the fifth in December, 1958; the sixth in February, 1960; and the seventh in November, 1961.

In 1929, reported volume of shares traded reached 1.1 billion, actually exceeding the average number of shares listed and establishing a "turnover ratio" of 119%. Since then, however, annual volume traded has never exceeded either the 1929 figure or the total number of shares listed. The trend has been in the opposite direction.

Last year, witn an average of 7.4 billion shares listed, reported trading volume was slightly under one billion shares, resulting in a 13% turnover ratio for the year. So far this year the ratio is also about 14%. The high for the past decade was 19%.

The Exchange's stock list currently consists of some 1,560 issues of 1,200 companies. About 380 of these issues are preferred stocks, accounting for some 130 million shares.

Named Fund President

S. B. Jeffries has been elected President of Medical Securities Fund, Inc., 44 Wall St., New York City.

AFC Investments

CHEYENNE, Wyo. — Gerrit Mostert is conducting a securities business from offices at 249 De Smet Drive under the firm name of AFC Investments. Mr. Mostert was formerly sales director of American Finance Co.

Open New York Branch

Ashwell & Co. has opened a branch office at 15 William St., New York City, under the management of Dale H. Daniels. The firm, which has headquarters in Chicago, handles commercial paper; insurance, collateral and brokers call loans; term financing and municipal bonds.

Forms Bank Investors

DALLAS, Tex. — Erhard M. Bruhns has opened offices at 9050 Westbriar Drive to engage in a securities business under the firm name of Bank Investors.

TAX-EXEMPT BOND MARKET

Continued from page 6

this sale will provide funds to construct an integrated aluminum rolling mill in Lewisport for Harvey Aluminum, Inc. The bonds are not general obligations but are to be repaid from annual rentals charged to Harvey for use of this plant. Harvey will acquire the site, construct the buildings, install the machinery, equipment and facilities and conduct operations.

The City of Atlanta, Georgia sold $5,000,000 Airport revenue (1966-1993) bonds to the account jointly managed by *Phelps, Fenn & Co.* and *Ira Haupt & Co.* at a net interest cost of 3.5169%. This bid compared favorably with the runner-up bid, a 3.520% net interest cost, which was made by the group jointly managed by White, Weld & Co. and Robinson-Humphrey Co., Inc.

Other major members of the winning account are Stone & Webster Securities Corp., First of Michigan Corp., Dominick & Dominick, G. H. Walker & Co., Lyons, Hannahs & Lee Inc., Interstate Securities Corp., Howard, Weil, Labouisse, Friedrichs & Co., Rowles, Winston & Co., Robert K. Wallace & Co. and Horner, Barksdale & Co.

Scaled to yield from 2.40% to 3.60% for various coupons, the present balance in syndicate is $3,735,000.

Big Awards on Tuesday

Tuesday was another big day with two issues of general market importance on the schedule. The group led jointly by the *Bankers Trust Co., First National City Bank, First National Bank of Chicago* and *The First Boston Corp.* submitted the best bid for $39,610,000 Commonwealth of Massachusetts various purpose (1964-2001) bonds setting a 3.026% net interest cost. The only other bid, a 3.0442% net interest cost, came from the merged account jointly managed by the Chase Manhattan Bank, Halsey, Stuart & Co., Inc., Lehman Bros. and Phelps, Fenn & Co.

Other major members of the successful group include Bank of America N. T. & S. A., Continental Illinois National Bank & Trust Co., C. J. Devine & Co., The First National Bank of Oregon, Glore, Forgan & Co., Harris Trust and Savings Bank, Kidder, Peabody & Co., Kuhn, Loeb & Co., Mellon National Bank and Trust Co., Merrill Lynch, Pierce, Fenner & Smith, Morgan Guaranty Trust Co., F. S. Moseley & Co., National Shawmut Bank of Boston, Paine, Webber, Jackson & Curtis, L. F. Rothschild & Co., Smith, Barney & Co., Stone & Webster Securities Corp., United California Bank and White, Weld & Co.

Reoffered to yield from 2.00% to 3.40% for 3s and 3.10s, bank portfolio buying was big, with the present balance in account totaling $8,125,000.

The group led jointly by *Lehman Brothers* and *Blyth & Co.* submitted the best bid for $38,000,000 New York State Bridge Authority revenue serial bonds due 1967-1989 and term bonds due 1997. The group bid 99 for 5%, 3%, 3.10%, 3.25%, 3.30%, 3.40%, 3½% and 3.60% coupons, setting an annual net interest cost of 3.556%. This bid just nosed out the runner-up bid, a 3.559% net interest cost, which came from Harriman Ripley & Co.-Smith, Barney & Co. account.

Other major members of the winning group are First Boston Corp., Phelps, Fenn & Co., C. J. Devine & Co., Drexel & Co., White, Weld & Co., Salomon Brothers & Hutzler, Alex. Brown & Sons, Ira Haupt & Co., Hemphill, Noyes & Co., Hayden, Stone & Co., W. H. Morton & Co., Reynolds & Co., Shearson, Hammill & Co., Barr Brothers & Co., Baxter & Co., A. G. Becker & Co. and J. C. Bradford & Co.

The serial bonds were reoffered to yield from 2.50% to 3.50% and the term bonds were reoffered at a 3.60% yield. The group reports an unsold balance of $12,660,000, but this is not necessarily an accurate balance as the $18,000,000 term bonds were divided among the members of the group and are variously available in the Street.

Another Banner Day

Wednesday was another banner day with three issues on the calendar. The *Lehman Brothers* syndicate was the high bidder, at a 3.1813% net interest cost, for $12,000,000 Los Angeles, California Department of Water and Power (1964-1993) bonds. The second bid, a 3.19% net interest cost, was submitted by Harriman Ripley & Co. and associates.

Other major members of the Lehman Brothers syndicate include Halsey, Stuart & Co., Inc., Blair & Co., Inc., Phelps, Fenn & Co., Goldman, Sachs & Co. and Stone & Webster Securities Corp.

Reoffered to yield from 1.95% to 3.35% bearing various coupons, the present balance in syndicate totals $7,480,000.

Kansas City, Missouri awarded $12,000,000 Sewerage revenue (1964-1993) bonds to the *Halsey, Stuart & Co., Inc.-Lehman Bros.* account at a 3.3566% net interest cost. The runner-up bid, a 3.38% net interest cost, came from Smith, Barney & Co. and associates.

Other major members of the successful account are Blair & Co., Inc., Salomon Brothers & Hutzler, Shields & Co., Stern Brothers & Co., Hornblower & Weeks, Bache & Co. and Bacon, Stevenson & Co.

Scaled to yield from 2.00% to 3.40%, the unsold balance in group totals $9,385,000.

This week's final sale of importance to be reported was $17,250,000 Cincinnati, Ohio Limited Tax (1965-1999) bonds. The account led by the *Chase Manhattan Bank* submitted the best bid, 100.91 for a 3¼% coupon. The second bid, 100.85 also for a 3¼% coupon, was made by Halsey, Stuart & Co., Inc. and associates.

Other major members of the Chase Manhattan Bank account are Chemical Bank New York Trust Co., Smith, Barney & Co., C. J. Devine & Co., The Northern Trust Co., R. W. Pressprich & Co., and Braun, Bosworth & Co.

Reoffered to yield from 2.10% to 3.30%, a balance of $11,360,000 remains in account as we go to press.

Although the market's tone has been fairly steady, there is little indication that investor interest is broadening substantially. The dollar quoted issues have been a little easier over the past two weeks and the bids obtainable on secondary market items are significantly lower than the new issue bids for similar obligations.

Indications of Current Business Activity

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

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Steel ingots and castings (net tons)	Oct. 5	1,883,000	1,879,000	1,775,000	1,746,000
Index of production based on average weekly production for 1957-1959	Oct. 5	101.1	100.9	95.3	93.7
Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960	Oct. 5	0.615	0.61	0.58	58.5
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Sep. 27	7,578,410	7,597,510	7,597,510	7,340,060
Crude runs to stills—daily average (bbls.)	Sep. 27	8,498,000	8,509,000	8,934,000	8,263,000
Gasoline output (bbls.)	Sep. 27	30,790,000	30,604,000	32,517,000	30,212,000
Kerosene output (bbls.)	Sep. 27	2,731,000	2,580,000	3,059,000	2,798,000
Distillate fuel oil output (bbls.)	Sep. 27	14,532,000	14,966,000	15,118,000	13,596,000
Residual fuel oil output (bbls.)	Sep. 27	4,883,000	4,740,000	5,234,000	5,000,000
Stocks at refineries, bulk terminals, in transit, in pipe lines					
Finished gasoline (bbls.) at	Sep. 27	182,487,000	182,421,000	184,139,000	178,161,000
Kerosene (bbls.) at	Sep. 27	35,180,000	35,772,000	35,971,000	36,519,000
Distillate fuel oil (bbls.) at	Sep. 27	173,774,000	172,221,000	161,726,000	170,480,000
Residual fuel oil (bbls.) at	Sep. 27	52,350,000	52,909,000	52,723,000	53,949,000
Unfinished oils (bbls.) at	Sep. 27	81,713,000	83,449,000	87,235,000	83,192,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Sep. 28	620,139	596,325	582,841	596,852
Revenue freight received from connections (no. of cars)	Sep. 28	508,265	500,058	498,359	523,040
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Sep. 28	9,825,000	*9,880,000	9,680,000	8,765,000
Pennsylvania anthracite (tons)	Sep. 28	397,000	415,000	417,000	310,000
CONSTRUCTION ADVANCE PLANNING — ENGINEERING NEWS-RECORD—NEW SERIES (000's omitted):					
Total advance planning by ownership	Oct. 3	$929.000	$619,500	$543,000	$393,900
Private	Oct. 3	367,100	385,200	344,100	280,000
Public	Oct. 3	562,000	234,300	198,900	113,900
State and Municipal	Oct. 3	380,800	193,300	168,600	112,900
Federal	Oct. 3	181,200	41,000	30,300	1,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE = 100	Sep. 28	119	119	126	116
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Oct. 5	17,106,000	17,285,000	17,239,000	15,987,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Oct. 3	287	254	208	318
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Sep. 30	6.279c	6.279c	6.279c	6.196c
Pig iron (per gross ton)	Sep. 30	$63.11	$63.11	$63.11	$66.33
Scrap steel (per gross ton)	Sep. 30	$26.83	$26.83	$27.17	$24.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Oct. 4	30.600c	30.600c	30.600c	30.600c
Export refinery at	Oct. 4	28.400c	28.350c	28.400c	28.475c
Lead (New York) at	Oct. 4	11.750c	11.750c	11.500c	9.500c
Lead (St. Louis) at	Oct. 4	11.550c	11.550c	11.300c	9.300c
‡Zinc (delivered at)	Oct. 4	13.000c	13.000c	13.000c	12.000c
Zinc (East St. Louis) at	Oct. 4	12.500c	12.500c	12.500c	11.500c
Aluminum (primary pig, 99.5%) at	Oct. 4	23.000c	22.500c	22.500c	24.000c
Straits tin (New York) at	Oct. 4	117.000c	117.125c	115.125c	108.125c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Oct. 8	88.93	89.09	88.78	89.27
Average corporate	Oct. 8	88.40	88.54	88.67	87.86
Aaa	Oct. 8	91.48	91.34	91.62	91.96
Aa	Oct. 8	89.78	89.92	90.20	90.20
A	Oct. 8	88.54	88.67	88.95	87.18
Baa	Oct. 8	84.30	84.43	84.30	82.52
Railroad Group	Oct. 8	86.51	86.91	86.91	84.30
Public Utilities Group	Oct. 8	89.64	89.64	89.64	89.37
Industrials Group	Oct. 8	89.37	89.23	89.37	90.06
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Oct. 8	3.97	3.95	3.99	3.80
Average corporate	Oct. 8	4.53	4.52	4.51	4.57
Aaa	Oct. 8	4.31	4.32	4.30	4.28
Aa	Oct. 8	4.43	4.42	4.40	4.40
A	Oct. 8	4.52	4.51	4.49	4.62
Baa	Oct. 8	4.84	4.83	4.84	4.98
Railroad Group	Oct. 8	4.67	4.64	4.64	4.84
Public Utilities Group	Oct. 8	4.44	4.44	4.44	4.46
Industrials Group	Oct. 8	4.46	4.47	4.46	4.41
MOODY'S COMMODITY INDEX	Oct. 8	368.8	365.9	358.5	361.8
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Sep. 28	367,134	379,156	370,057	363,568
Production (tons)	Sep. 28	378,520	368,411	381,004	370,697
Percentage of activity	Sep. 28	98	98	100	99
Unfilled orders (tons) at end of period	Sep. 28	610,968	621,947	574,454	485,804
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1959 AVERAGE=100	Oct. 4	99.38	*99.33	99.12	98.78
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Sep. 13	3,780,570	3,305,630	2,957,460	1,997,880
Short sales	Sep. 13	707,710	726,430	664,180	409,830
Other sales	Sep. 13	2,983,600	2,601,110	2,379,180	1,445,660
Total sales	Sep. 13	3,691,310	3,327,540	3,043,360	1,855,490
Other transactions initiated off the floor—					
Total purchases	Sep. 13	712,910	983,620	659,340	428,710
Short sales	Sep. 13	94.400	115,500	122,610	67,800
Other sales	Sep. 13	672,900	591,580	529,170	332,070
Total sales	Sep. 13	767,300	707,080	651,780	399,870
Other transactions initiated on the floor—					
Total purchases	Sep. 13	1,431,104	1,352,536	1,223,420	717,193
Short sales	Sep. 13	210,910	155,630	230,560	138,616
Other sales	Sep. 13	1,139,261	1,170,440	1,036,876	682,177
Total sales	Sep. 13	1,350,171	1,326,070	1,267,436	820,793
Total round-lot transactions for account of members—					
Total purchases	Sep. 13	5,924,584	5,641,786	4,840,220	3,143,783
Short sales	Sep. 13	1,013,020	997,560	1,017,350	616,246
Other sales	Sep. 13	4,795,761	4,363,130	3,945,226	2,459,907
Total sales	Sep. 13	5,808,781	5,360,690	4,962,576	3,076,153
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	Sep. 13	1,881,835	1,621,311	1,528,043	1,145,158
Dollar value	Sep. 13	$99,096,142	$90,223,575	$77,531,548	$55,530,757
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Sep. 13	2,345,966	1,926,592	1,783,643	1,347,483
Customers' short sales	Sep. 13	18,385	14,252	13,998	25,862
Customers' other sales	Sep. 13	2,327,581	1,912,340	1,769,645	1,321,621
Dollar value	Sep. 13	$117,136,733	$99,818,957	$87,379,508	$61,984,568
Round-lot sales by dealers—					
Number of shares—Total sales	Sep. 13	926,240	653,060	652,250	470,500
Short sales	Sep. 13	------	------	------	------
Other sales	Sep. 13	926,240	653,060	652,250	470,500
Round-lot purchases by dealers—Number of shares	Sep. 13	425,430	387,300	397,740	284,490
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	Sep. 13	1,340,860	1,214,900	1,243,270	893,070
Other sales	Sep. 13	27,281,790	23,569,840	22,101,670	14,373,430
Total sales	Sep. 13	28,622,650	24,784,740	23,344,940	15,266,500
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	Oct. 1	100.3	100.3	100.3	100.8
Farm products	Oct. 1	95.7	95.3	95.5	98.5
Processed foods	Oct. 1	101.2	101.4	101.7	102.1
Meats	Oct. 1	91.6	92.9	95.1	101.4
All commodities other than farm and foods	Oct. 1	100.7	100.8	100.7	100.7

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

	Latest Month	Previous Month	Year Ago
AMERICAN IRON AND STEEL INSTITUTE—			
Steel ingots and steel for castings produced (net tons) Month of July	8,651,000	10,365,154	6,174,187
Shipments of steel products (net tons)—Month of July	6,459,994	7,375,168	4,504,907
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—217 CITIES—Month of August:			
New England	$37,819,420	$70,474,608	$27,078,008
Middle Atlantic	83,831,783	123,196,274	100,911,439
South Atlantic	74,240,920	83,178,014	58,368,879
East Central	151,445,121	130,334,644	120,143,792
South Central	123,968,690	134,453,628	112,699,836
West Central	41,783,945	*53,834,030	50,419,246
Mountain	27,736,470	51,407,707	30,998,251
Pacific	168,820,048	199,460,825	161,218,186
Total United States	$709,646,397	*$846,339,730	$661,837,637
New York City	36,790,703	62,266,994	40,091,160
Total outside New York City	$672,855,694	*$784,072,736	$621,746,477
CIVIL ENGINEERING ADVANCE PLANNING NEW SERIES—ENGINEERING NEWS RECORD—Month of September (000's omitted):			
Total U. S. construction	$2,666,200	$2,991,400	$1,514,200
Private construction	1,708,000	1,863,200	578,000
Public construction	958,200	1,128,200	1,236,200
State and municipal	870,500	984,600	517,500
Federal	87,700	143,600	918,700
COKE (BUREAU OF MINES)—Month of Aug.			
Production (net tons)	4,278,355	*4,547,772	3,741,300
Oven coke (net tons)	4,203,134	*4,466,934	3,690,900
Beehive coke (net tons)	75,221	*80,838	50,400
Oven coke stocks at end of month (net tons)	2,726,716	*2,618,098	4,065,051
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BOARD OF NEW YORK As of August 31 (000's omitted)	$2,062,000	$2,059,000	$2,119,000
COTTON GINNING (DEPT. OF COMMERCE): As of Sept. 16, running bales	2,569,498	------	2,709,889
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of August:			
Cotton Seed—			
Received at mills (tons)	359,400	*183,000	407,300
Crushed (tons)	220,900	152,800	228,000
Stocks (tons) Aug. 31	372,000	*233,500	459,800
Cake and Meal—			
Stocks (tons) Aug. 31	154,800	187,300	94,200
Produced (tons)	101,000	71,300	103,200
Shipped (tons)	133,500	94,800	142,900
Hulls—			
Stocks (tons) Aug. 31	36,400	33,800	67,500
Produced (tons)	53,900	37,100	58,900
Shipped (tons)	51,300	44,500	75,200
Linters—			
Stocks (bales) Aug. 31	105,300	130,900	91,800
Produced (bales)	66,300	42,000	69,000
Shipped (bales)	91,900	77,600	72,800
COTTON SPINNING (DEPT. OF COMMERCE):			
Spinning spindles in place on Aug. 31	19,300,000	19,306,000	19,505,000
Spinning spindles active on Aug. 31	15,757,000	15,692,000	16,731,000
Active spindle hours (000's omitted) Aug. 31	7,870,000	8,162,000	8,382,000
Active spindle hours for spindles in place August 31	393.5	326.5	419.1
DEPARTMENT STORE SALES SECOND FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF NEW YORK—1957-59 Average=100—Month of September:			
Sales (average daily) unadjusted	119	125	120
Sales (average seasonally adjusted)	118	113	100
EDISON ELECTRIC INSTITUTE—			
Kilowatt-hour sales to ultimate consumers—Month of July (000's omitted)	70,287,639	67,586,558	64,972,059
Revenue from ultimate customers—Month of July	$1,161,624	$1,116,089	$1,097,099
Number of ultimate customers at July 31	61,964,054	61,873,804	60,668,010
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE — U. S. DEPT. OF LABOR—Month of August:			
Weekly earnings—			
All manufacturing	$98.42	*$99.23	$95.75
Durable goods	107.01	*108.09	103.89
Nondurable goods	88.18	*88.36	86.18
Hours—			
All manufacturing	40.5	*40.5	40.4
Durable goods	41.0	*41.1	40.9
Nondurable goods	39.9	*39.8	39.9
Hourly earnings—			
All manufacturing	$2.43	*$2.45	$2.37
Durable goods	2.61	*2.63	2.54
Nondurable goods	2.21	*2.22	2.16
METAL OUTPUT (BUREAU OF MINES)— Month of June:			
Mine production of recoverable metals in the United States:			
Gold (in fine ounces)	108,360	*125,887	108,284
Silver (in fine ounces)	2,933,382	*3,171,947	3,067,892
Copper (in short tons)	93,741	*104,986	102,725
Lead (in short tons)	22,005	*24,124	23,950
Zinc (in short tons)	42,459	*45,418	42,367
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE — 1910-1914=100—As of Aug. 15:			
All farm products	242	245	244
Crops	234	239	228
Commercial vegetables, fresh	204	266	194
Cotton	271	269	275
Feed, grain and hay	168	168	151
Food grains	206	205	226
Fruit	270	278	241
Oil-bearing crops	255	256	245
Potatoes	207	182	173
Tobacco	494	499	511
Livestock	249	249	257
Dairy products	249	239	248
Meat animals	303	309	319
Poultry and eggs	141	137	143
Wool	264	271	253
TIN—CONSUMPTION OF PRIMARY AND SECONDARY TIN IN THE UNITED STATES BUREAU OF MINES—Month of July (in long tons):			6
Stocks in beginning of period	27,125	26,960	32,140
Receipts	5,700	7,380	5,265
Supply	32,825	34,340	37,405
Stocks at end of period	26,290	27,125	31,610
Total processed	6,535	7,215	5,795
Intercompany scrap transactions	110	230	185
Consumed in manufacturing	6,425	6,985	5,610
Primary	4,770	5,035	3,850
Secondary	1,655	1,950	1,760

*Revised figure. ¶Domestic five tons or more but less than carload lots boxed. §§Delivered where freight from East St. Louis exceeds 0.5c. **Port Colburn, U. S. duty included. ††Average of daily mean and bid and ask quotations per long ton at morning session of London Metal Exchange.

STATE of TRADE and INDUSTRY

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turing, the price will no doubt be passed on.

Record High Auto Output Boosted By New Model Headstart

The auto industry roared into the '64 model season with an introductory selling rate nearly 33% above last year, *Ward's Automotive Reports* said.

Ward's said the 33% increase over the year-ago rate which launched the most productive model year in history is indicative of booming sales and factory output for October and the fourth quarter, despite the fact several makes placed their new models on sale several days earlier than last year.

The statistical service said Sept. 21-30 new car sales topped 21,000 daily vs. 16,210 last year and pleasantly surprised many forecasters with their strength. This boosted entire September sales to nearly 390,000, or approximately 9% above last year.

The U. S. auto industry this week headed into what is planned to be the biggest month ever in passenger car production.

Ward's said today that more than 581,000 new 1964 model cars were produced by the end of September, and some 800,000 assemblies are programmed for this month. Never before have so many cars been produced in a single month, nor has a new model year ever been launched at such a pace.

The statistical agency fixed September car making at 504,525 units, a high for the month since 1950 and 7.3% above 470,398 assemblies in the month last year.

Ward's fixed output last week at 167,812 cars, climbing 9.3% over 153,549 made two weeks ago. The total last week was similarly 10.9% over 151,314 units counted for the corresponding week of a year ago.

Many assembly lines are being pressed into overtime operation. General Motors Corp. and Ford Motor Co. programmed a total of 16 plants for such work last Saturday; several other industry plants may also have to extend schedules.

Meanwhile, the U. S. truck industry, moving toward a record year in its own right, built an estimated 115,440 units in September—a record for the month—and will score a similar high in October, according to *Ward's*. Truck making this year is trending toward upwards of the 1,412,129 units made in 1951, when the Korean emergency spurred output.

Rail Carloadings and Tonnage Push Above 1962-Week

Loading of revenue freight in the week ended Sept. 28, totaled 620,139 cars, the Association of American Railroads announced today. This was an increase of 23,814 cars or 4.0% above the preceding week.

The loadings represented an increase of 23,287 cars or 3.9% above the corresponding week in 1962, but a decrease of 17,155 cars or 2.7% below the corresponding week in 1961.

Ton-miles generated by carloadings in the week ended Sept. 28, 1963, are estimated at approximately 13.2 billion, an increase of 8.5% over the corresponding week of 1962 and 7.3% over 1961.

There were 17,613 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Sept. 21, 1963 (which were included in that week's over-all total). This was an increase of 2,120 cars or 13.7% above the corresponding week of 1962 and 4,898 cars or 38.5% above the 1961 week.

Cumulative piggyback loadings for the first 38 weeks of 1963 totaled 575,137 cars for an increase of 68,109 cars or 13.4% above the corresponding period of 1962, and 155,579 cars or 37.1% above the corresponding period in 1961. There were 61 class I U. S. railroad systems originating this type traffic in this year's week compared with 61 one year ago and 58 in the corresponding week in 1961.

Truck Tonnage 1.4% Below Year-Ago Heavy Volume

Intercity truck tonnage in the week ended Sept. 28 was 1.4% lower than the volume in the corresponding week of 1962, the American Trucking Associations announced. Truck tonnage was 1.6% ahead of the volume for the previous week of this year.

While the yearly findings show truck tonnage trailing the 1962 level, this fact is colored by the unusually heavy volume at this time a year ago.

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 14 localities, with 19 points reflecting decreases from the 1962 level. One terminal city, Detroit, showed no change from the previous year. Two trucking centers registered gains of 10% or more, while four terminal areas showed a decline in excess of this amount.

Compared with the immediately preceding week, 23 metropolitan areas registered increased tonnage while 11 areas reported decreases.

Lumber Production Off 4.2% From 1962 Rate and Fractionally Below Last Week's

Lumber production in the country totaled 225,447,000 board feet in the week ended Sept. 28, according to reports received from regional lumber associations. Output declined 3.6% from the preceding week.

Compared with 1962 levels production was off 4.2%, shipments fell 5.9% and new orders fell 1.1%.

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

	Sept. 28 1963	Sept. 21 1963	Sept. 29 1962
Production	225,447	233,523	235,373
Shipments	232,567	236,159	247,362
New orders	236,157	221,100	238,789

Electric Output Shows 7.0% Gain Over 1962 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Oct. 5, was estimated at 17,106,000,000 kwh. according to the Edison Electric Institute. Output was 179,000,000 kwh. less than the previous week's total of 17,285,000 kwh. and 1,119,000,000 kwh. above the total output of 15,987,000,000 kwh. in the corresponding 1962 week or a year-to-year gain of 7.9%.

Moderate Upturn in Business Failures

Commercial and industrial failures rebounded to 287 in the week ended Oct. 3 from their downturn to 254 in the preceding week, reported Dun & Bradstreet, Inc. However, casualties remained lower than a year ago when 318 occurred and also fell short of the 330 in 1961. But, some 3% more businesses succumbed than in 1939 when the pre-war toll stood at 279.

Liabilities of $100,000 or more were involved in 45 of the week's casualties, up from 30 in the previous week and close to the 45 of this size last year. On the other hand, failures with losses under $100,000, although climbing to 242 from 224 a week earlier, continued considerably below their comparable 1962 level of 270.

The toll among retailers bounced to 140 from 127, among construction contractors to 52 from 41, and among service concerns to 30 from 19. Meanwhile, there was little change in manufacturing, at 35 as against 37, and wholesaling held steady at 30. Neither manufacturing nor retailing had as many failures as in the similar week a year ago, but in other lines mortality equalled or exceeded last year's levels.

Canadian failures changed little, edging to 45 from 47 in the preceding week and holding slightly above the 41 occurring in the comparable week of last year.

Wholesale Commodity Price Index Rises for 4th Consecutive Week

Rising for the fourth consecutive week, the wholesale commodity price level reached 269.38 this Monday, reported Dun & Bradstreet, Inc. The strongest upward push was exerted by wheat as has been the case in the last few weeks. It is felt that whether or not the prospective wheat deal with Russia goes through, the United States exports of wheat will definitely expand this year. Strong demand by packers coupled with slow to moderate marketings by farmers caused a rise in steer quotations.

The Daily Wholesale Commodity Index stepped up to 269.38 on Monday, Oct. 7, from 268.81 last week and 265.29 on the comparable date in September. However, the index remained slightly below the 270.08 of a year ago.

Wholesale Food Price Index Pushes Ahead of Last Week and Year Ago

Advancing 0.7% from the prior week, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., reached an eight-week record of $5.94 on Oct. 8. Moreover, the index outpaced by 1.0% the $5.88 chalked up last year, marking the first time since July 30 that it has led 1962. However, the index still trailed the high of 1963 of $5.98 which it reached on July 23.

Fifteen foods gained in price, whereas only three eased this week. Leaders in the upturn were hams, bellies, lard, cocoa and steers, while lesser increases occurred in flour, wheat, corn, rye, barley, sugar, coffee, cottonseed oil, prunes and hogs. Contrasting with this sizable list of advances, the three items that slipped lower in wholesale cost were butter, eggs and potatoes.

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.

Indian Summer Sinks Retail Purchases

Consumer buying wilted sadly in the balmy, Indian Summer days of the week ended Wednesday Oct. 2. At best, retail purchases managed to pull even with their year-earlier level, but in several regions and categories sagged below the comparable week of 1962. The religious holiday cut activity generally on Saturday, and heavy weekend rains hurt sectors of the South, an area that otherwise basked in more favorable weather than the rest of the country. High temperatures did not take as much starch out of the demand for home furnishings as out of interest in apparel. Hardware and building maintenance items moved well in the South Atlantic and South Central States. While no over-all score is yet available on the buying of 1964 model cars, scattered reports indicated not only zestful looking but substantial purchasing.

The total dollar volume of retail trade in the latest statement week ranged from 1% below to 3% higher than last year, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1962 levels by the following percentages: Pacific—7 to —3; West North Central —3 to +1; East North Central and New England —2 to +2; East South Central —1 to +3; Mountain 0 to +4; Middle Atlantic +1 to +5; South Atlantic and West South Central +3 to +7.

Nationwide Department Stores Sales Rise 3% Above Last Year's Level

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index were up 3% for the statement week ending Sept. 28 compared with the like period in 1962. The week's gain over the year-ago week marked the 19th encouraging weekly uptrend in a row. The weekly sales index without seasonal adjustment shows, however, sales remained unchanged from last week and were up 2.6%.

In the four-week period ended Sept. 28, 1963, sales gained 4% over last year's level for the comparable period for the country's 12 leading department store districts.

So far this year (Jan. 1 to Sept. 28), the 12 department store districts' retail dollar volume increased 4% (adjusted) over that rung up for corresponding period a year ago.

According to the Federal Reserve System, department store sales in New York City Metropolitan area for the week ended Sept. 28 gained 9% over the comparable year-ago week's figure and 7% compared to last year's four-week period. They were up 5% since the beginning of this year compared to the same cumulative period in 1962.

The seasonally adjusted index of department store sales for Sept. is estimated at 119% of the 1957-59 average. This is 6 points below the all-time high reached in August, and up two points from the 117 recorded a year ago.

A *flash figure* for New York City's sales for the Oct. 5-ending sales week revealed a plus 3%. No one can surmise, however, how much higher the New York City sales might have been in the absence of the sales tax rise from 3% to 4% last June 1. The four-week N. Y. C. flash figure revealed a plus 2% over 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. 28-ending weeks total, 2% above the comparable week last year. The year-to-year contrast for the latest four-week period showed a gain of 1%. Unlike the department store statistics, the Department of Commerce's over-all retail sales data are *not* adjusted for seasonal variations.

August's Sales 6% Above 1962

Total sales of all retail stores in the United States during Aug. 1963 were estimated at $21.0 billion, 2% higher than sales for July 1963 and 6% higher than Aug. 1962. After adjustment for seasonal variations and trading day differences, but not for price changes, Aug. 1963 sales amounted to $20.7 billion, virtually unchanged from July 1963 and 5% above Aug. 1962. Adjusted sales of durable-goods stores in Aug. 1963 decreased 3% from July 1963 but were 6% higher than Aug. 1962. Adjusted sales of nondurable-goods stores were 1% higher than sales for the previous month and 5% higher than August a year ago.

Try Not to Swell Statistics Table

Families of Americans killed on the streets and highways received a record $86 million in life insurance payments during the first half of 1963—a sharp increase of $10 million or 13% over the same period last year.

The Institute of Life Insurance estimates that if the upward trend of motor vehicle tragedies continues at the same rate during the rest of 1963, payments for the full year will total about $185 million. The traffic toll normally runs heavier in the latter half of the year.

Life insurance companies paid death claims on 23,000 policies as a result of traffic accidents during the first half of 1963, or about 1,000 more claims than during the same period last year. The number of policyholders killed was somewhat lower than the number of claims, because many policyholders have several life insurance policies.

The National Safety Council reports that 18,990 persons were killed in traffic accidents during the first half of the year, compared with 18,010 during the same period last year.

Now Burgwin, Biddle

PITTSBURGH, Pa. — The firm name of Howard J. Burgwin & Co., Union Trust Bldg., has been changed to Burgwin, Biddle & Rogers.

Loewi Co. Branch

MILWAUKEE, Wis.—Loewi & Co. Inc. has opened a branch office at 7401 west Oklahoma Ave., under the direction of Roland C. Neumann.

W. L. Smith Opens

LUBBOCK, Texas — William L. Smith is conducting a securities business from offices at 2345 Fiftieth St., under the firm name of W. L. Smith & Company.

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.

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.

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.

Allen Electric & Equipment Co. (10/14-18)
Sept. 27, 1963 filed $1,200,000 of 6% convertible subordinated debentures due 1976; also 100,000 common to be offered by a stockholder. **Price**—By amendment (max. for stock: $12). **Business**—Manufacture of equipment and tools used in servicing automobiles. **Proceeds**—For debt repayment. **Office**—2101 N. Pitcher St., Kalamazoo, Mich. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis.

● **Allright Auto Parks, Inc. (10/15)**
Sept. 24, 1963 filed $2,000,000 of 6% sinking fund subordinated debentures due 1978, 240,000 common shares and 5-year warrants to purchase an additional 80,000 common, to be offered in units consisting of one $100 debenture, 12 shares and warrants to purchase an additional 4 shares. **Price**—By amendment (max. $230 per unit). **Business** — Operation of 558 parking lots in 40 cities. **Proceeds**—For debt repayment and working capital. **Office**—825 Esperson Bldg., Houston. **Underwriter**—Equitable Securities Corp., Nashville.

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. (10/15)
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 being offered for subscription by stockholders on the basis of one share for each three shares held of record Sept. 26. Rights will expire Nov. 4. **Price** — $19. **Business** — Manufacture of various clay and concrete products. **Proceeds**—For debt repayment, plant improvement, inventories and accounts receivable. **Office**—700 National City Bank Bldg., Cleveland. **Underwriter**—None.

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

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

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

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

Bradford Speed Packaging & Development Corp. (10/14)
July 22, 1963 filed 760,207 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 of record Oct. 14. Rights will expire Nov. 13. **Price** — By amendment (max. $11.34). **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. **Note**—This statement has become effective.

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.

● **Brewer (C.) & Co., Ltd.**
Sept. 30, 1963 filed 146,735 common to be offered for subscription by stockholders on the basis of one share for each five shares held. **Price**—By amendment (max. $50). **Business** — Growing and processing of sugar in Hawaii and Puerto Rico, marketing of black strap molasses and other activities. **Proceeds**—For debt repayment. **Office**—827 Fort St., Honolulu. **Underwriters**—Blyth & Co., Inc., New York, and Butcher & Sherrerd, Philadelphia. **Offering**—Expected in late November.

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.

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. McDonnell & 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 some 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.

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.

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.

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.

Celanese Corp. of America (10/25)
Sept. 27, 1963 filed 964,390 common to be offered for subscription by stockholders on the basis of one new share for each eight held of record Oct. 25. Rights will expire Nov. 12. **Price** — By amendment (max. $60). **Business** — A major chemical company specializing in production of synthetic structural materials. **Proceeds** — For expansion and other corporate purposes. **Office**—522 Fifth Ave., New York. **Underwriter**—First Boston Corp., New York.

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 Investing 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.

Chicago Musical Instrument Co. (10/28-31)
Sept. 27, 1963 filed 190,000 common, of which 50,000 are to be sold for company, and 140,000 for stockholders. **Price**—By amendment (max. $26). **Business**—Manufacture and/or distribution of various types of musical instruments. **Proceeds** — For office and plant expansion. **Office**—7373 North Cicero Ave., Chicago. **Underwriter**—Smith, Barney & Co., Inc., New York.

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 (10/16)**
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** — $6. **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.

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 com-

panies 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.

Craft Master Corp.
Sept. 30, 1963 filed $1,000,000 of 6% convertible subordinated debentures due 1973; also 125,000 common to be offered by stockholders. **Price**—By amendment (max. $11 for common). **Business**—Manufacture of paint-by-number sets, crushed marble mosaic kits, hobby kits and wooden picture frames. **Proceeds**—For debt repayment. **Office**—328 N. Westwood Ave., Toledo. **Underwriters**—Fulton, Reid & Co., Inc., and William T. Robbins & Co., Inc., Cleveland.

Defenders Insurance Co.
Jan. 30, 1963 filed 100,000 common. **Price**—$12.50. **Business** — Company plans to write automobile insurance. **Proceeds**—For general corporate purposes. **Office**—146 Old Country Rd., Mineola, N. Y. **Underwriter**—None.

● **Denny's Restaurants, Inc. (10/15)**
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. (10/15)**
July 25, 1963 filed $3,500,000 of subordinated convertible debentures due Aug. 1, 1975. **Price** — By amendment. **Business**—Production of natural gas and its various by-products. **Proceeds**—For debt repayment and working capital. **Office**—1501 Taylor St., Amarillo, Tex. **Underwriters**—Francis I. du Pont, A. C. Allyn, Inc., Chicago; Allen & Co., New York; Metropolitan Dallas Corp., Dallas.

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

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

Eagle's Nest Mountain Estates, Inc.
Sept. 26, 1963 filed 360,000 common, of which 300,000 are to be offered by company and 60,000 by stockholders. **Price** — $4. **Business**—Company plans to develop land for a year-round amusement resort. **Proceeds**—For construction, debt repayment, working capital and other corporate purposes. **Office**—2042 S. Atlantic Ave., Daytona Beach, Fla. **Underwriter**—Alpha Investment Securities, Inc., Atlanta.

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

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.

Elite Theatrical Productions Ltd.
Sept. 26, 1963 filed 400,000 class A common. **Price** — $5. **Business**—Company plans to operate, produce and finance various types of ventures in the theatrical and entertainment fields. **Proceeds**—For working capital, and other corporate purposes. **Office** — 50 Broadway, New York. **Underwriter**—Linder, Bilotti & Co., Inc., (same address).

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

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NEW ISSUE CALENDAR

October 10 (Thursday)

General Acceptance Corp._____Debentures
(Paine, Webber, Jackson & Curtis; Eastman Dillon, Union Securities & Co.) $20,000,000

Subscription Television, Inc._____Common
(William R. Staats & Co.) $32,800,000

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)

Allen Electric & Equipment Co._____Debentures
(Dempsey-Tegeler & Co., Inc.) $1,200,000

Allen Electric & Equipment Co._____Common
(Dempsey-Tegeler & Co., Inc.) 100,000 shares

Bradford Speed Packaging & Development Corp._____Common
(Offering to stockholders of Atlas General Industries, Inc.—underwritten by Burnham & Co.) 760,207 shares

Insurance Securities Inc._____Common
(White, Weld & Co., Inc. and Kidder, Peabody & Co.) 400,000 shares

Juniper Spur Ranch, Inc._____Common
(V. E. Anderson & Co.) $300,000

National Aviation Underwriters, Inc._____Common
(A. G. Edwards & Sons) $300,000

National Union Insur. Co. of Washington__Common
(Offering to stockholders—underwritten by Ferris & Co., and McDonnell & Co.) 64,000 shares

October 15 (Tuesday)

Allright Auto Parks, Inc._____Units
(Equitable Securities Corp) 20,000 units

American-Israel World's Fair Corp._____Debens.
(H. S. Caplin & Co.) $500,000

Columbia Savings & Loan Assoc.__Guarantee Stk.
(White, Weld & Co., Inc.) 125,000 shares

Denny's Restaurants, Inc._____Common
(Dempsey-Tegeler & Co., Inc.) 167,000 shares

Dorchester Gas Producing Co._____Debentures
Francis I. du Pont; A. C. Allyn, Inc.; Allen & Co.; Metropolitan Dallas Corp.) $3,500,000

General Stone & Materials Corp._____Common
(J. C. Wheat & Co.) 130,000 shares

Jersey Central Power & Light Co._____Debentures
(Bids 11 a.m. EDST) $9,000,000

O'Malley Investing Corp._____Common
(O'Malley Securities Co.) $3,000,000

Tennessee Life Insurance Co._____Capital Stock
(First Southwest Co.) 500,000 shares

Western Maryland Ry._____Equip. Trust Ctfs.
(Bids 12 noon EDST) $2,925,000

October 16 (Wednesday)

Commercial Life Insurance Co. of Missouri__Com.
(Offering to stockholders—underwritten by Edward D. Jones & Co.) $276,000

Nevada Power Co._____Bonds
(Bids 11:30 a.m. EDST) $11,000,000

October 21 (Monday)

General Artists Corp._____Common
(Burnham & Co.) 150,000 shares

Gulf States Utilities Co._____Preferred
(Bids 12 noon EDST) 100,000 shares

Heck's, Inc._____Common
(Charles Plohn & Co.) $450,000

Iowa Beef Packers, Inc._____Debentures
(New York Securities Co. and First Nebraska Securities Corp.) $3,172,000

Iowa Beef Packers, Inc._____Common
(New York Securities Corp. and First Nebraska Securities Corp.) 50,000 shares

Pocono Downs, Inc._____Units
(Suplee, Yeatman, Mosley Co., Inc.) $4,375,000

Ramo, Inc._____Debentures
(First Nebraska Securiies Corp.) $2,000,000

October 22 (Tuesday)

Associated Truck Lines, Inc._____Common
(Hornblower & Weeks) 110,000 shares

Household Finance Corp._____Debentures
(Lee Higginson Corp.) $100,000,000

Public Service Electric & Gas Co._____Debentures
(Bids 11 a.m. EDST) $40,000,000

Redman Industries, Inc._____Units
(Eppler, Guerin & Turner, Inc.) $2,067,000

October 23 (Wednesday)

First Railroad & Banking Co. of Georgia__Debens.
(Johnson, Lane, Space Corp.) $5,000,000

Otter Tail Power Co._____Bonds
(Bids 10 a.m. CDST) $7,000,000

Pacific Southwest Airlines_____Common
(E. F. Hutton & Co., Inc.) 79,477 shares

Texas Eastern Transmission Corp._____Debens.
(Dillon, Read & Co., Inc.) $40,000,000

October 25 (Friday)

Celanese Corp. of America_____Common
(Offering to stockholders—underwritten by First Boston Corp.) 964,390 shares

October 28 (Monday)

Capitol Food Industries, Inc._____Debentures
(Walston & Co.) $1,700,000

Chicago Musical Instrument Co._____Common
(Smith, Barney & Co., Inc.) 190,000 shares

International Data Systems, Inc._____Common
(Offering to stockholders—underwritten by A. G. Edwards & Sons) 11,000 shares

Life Insurance Co. of Florida_____Common
(Pierce, Wulbern, Murphey, Inc.) 400,000 shares

Mid-West National Life Insurance Co._____Common
(Stifel, Nicolaus & Co., Inc.) 160,000 shares

Mohawk Airlines, Inc._____Debentures
(Smith, Barney & Co., Inc.) $6,000,000

Morton (B. C.) Realty Trust_____Ben. Int.
(B. C. Morton Funds Underwriters Co., Inc.) $10,000,000

Old Florida Rum Co._____Units
(Offering to stockholders—underwritten by Pierce, Wulbern, Murphey Inc., and Consolidated Securities Corp.) 338,755 shares

Research Capital Corp._____Common
(Hensberry & Co.) $5,000,000

Tonka Toys, Inc._____Common
(Bache & Co. and J. M. Dain & Co., Inc.) 179,500 shares

Wen Products, Inc._____Common
(Hayden, Stone & Co., Inc.) 200,000 shares

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

Forst (Alex) & Sons, Inc._____Common
(Arnold, Wilkins & Co.) $550,000

Pacific Gas & Electric Co._____Bonds
(Bids to be received) $70,000,000

Southern Ry. Co._____Equip. Trust Ctfs.
(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

Donaldson Co., Inc._____Common
(Paine, Webber, Jackson & Curtis) 145,000 shares

Great Lakes Homes, Inc._____Common
(The Milwaukee Co.) 160,000 shares

Natural Gas & Oil Producing Co._____Common
(Peter Morgan & Co.) $900,000

Ultronic Systems Corp._____Common
(Bache & Co.) 150,000 shares

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 12 (Tuesday)

Chicago, Burlington & Quincy RR.__Equip. Tr. Ctfs.
(Bids 12 noon CST) $5,100,000

November 13 (Wednesday)

Norfolk & Western Ry._____Equip. Trust Ctfs.
(Bids 12 noon EST) $7,000,000

Pacific Power & Light Co._____Common
(Offering to stockholders—Bids 11 a.m. EST) 717,408 shares

Seaboard Air Line RR._____Bonds
(Bids 12 noon EST) $22,000,000

November 19 (Tuesday)

New England Power Co._____Bonds
(Bids 12 noon EST) $10,000,000

New England Power Co._____Preferred
(Bids 11 a.m. EST) $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

New York Central RR._____Equip. Trust Ctfs.
(Bids 12 noon EST) $3,600,000

December 10 (Tuesday)

Northern Pacific Ry._____Equip. Trust Ctfs.
(Bids 12 noon EST) $4,800,000

Virginia Electric & Power Co._____Bonds
(Bids to be received) $30,000,000

December 11 (Wednesday)

Consolidated Edison Co. of New York_____Bonds
(Bids 11 a.m. EST) $60-$75,000,000

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home use. **Proceeds**—For a recession offer to stockholders and reduction of accounts payable. **Office**—3600 W. Pratt Ave., Chicago. **Underwriter**—None.

Federal Services Finance Corp.
July 1, 1963 filed 76,773 common being offered for subscription by stockholders of record Sept. 25. Rights will expire Oct. 15. **Price**—$18. **Business** — A holding company whose subsidiaries are engaged in the sales finance business and the writing of marine and credit life insurance. **Proceeds**—For redemption of outstanding second preferred stock, working capital, and other corporate purposes. **Office** — 1701 Pennsylvania Ave., N. W., Washington, D. C. **Underwriter**—Mackall & Coe, Washington, D. C.

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

First Railroad & Banking Co. of Georgia (10/23)
Sept. 24, 1963 filed maximum of $5,000,000 of 5% convertible debentures due Aug. 1, 1988. **Price**—By amendment. **Proceeds** — For redemption and other corporate purposes. **Office**—701 Broad St., Augusta, Ga. **Underwriter**—Johnson, Lane, Space Corp., Augusta.

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.

● **Forst (Alex) & Sons, Inc. (10/29)**
March 23, 1963 filed 100,000 common. **Price** — $5.50. **Business** — Wholesale distribution of toys and games. **Proceeds** — For selling stockholders. **Address** — New Hyde Park Road, New Hyde Park, New York. **Underwriter**—Arnold, Wilkens & Co., 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.

● **General Acceptance Corp. (10/10)**
Sept. 12, 1963 filed $20,000,000 of senior debens. due Oct. 1, 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. (10/21-25)**
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. (10/15)**
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.

Gordon (I.) Realty Corp.
Sept. 27, 1963 filed $2,113,748 of 7% subordinated convertible debentures due 1974 to be offered for subscription by stockholders on the basis of $700 face amount for each 100 common shares held. **Price**—By amendment. **Business**—General real estate. **Proceeds**—For debt repayment, and other corporate purposes. **Office**—112 Powers Bldg., Rochester, N. Y. **Underwriter**—None.

Great Lakes Homes, Inc. (11/4-8)
Sept. 27, 1963 filed 160,000 common, of which 100,000 will be sold for the company, and 60,000 for stockholders. **Price**—By amendment (max. $10). **Business**—Manufacture of custom-designed, factory built homes. **Proceeds**—For debt repayment and working capital. **Address**—Sheboygan Falls, Wis. **Underwriter**—The Milwaukee Co., Milwaukee, Wis.

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

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

● **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**—Oct. 21 (12 noon EDST) at One Wall St. (47th floor), New York. **Information Meeting**—Oct. 15 (11 a.m. EDST) same address.

● **Hawaiian Telephone Co.**
Aug. 20, 1963 filed 360,763 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. (10/21-25)**
June 12, 1963 refiled 180,000 class A common. **Price**—$2.50. **Business**—Operation of discount stores. **Proceeds**—To provide fixtures and inventory for a new store, and for working capital. **Office**—6400 MacCorkle Ave., S. W., St. Albans, W. Va. **Underwriter**—Charles Plohn & Co., New York.

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

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

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

● **Insurance Securities Inc. (10/14-18)**
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.

International Data Systems, Inc. (10/28-31)
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.

International Life Insurance Co. of Buffalo
Sept. 26, 1963 filed 125,900 capital shares to be offered for subscription by stockholders on the basis of one new share for each four held. **Price**—By amendment (max. $32). **Business**—Sale of various forms of life insurance and annuities. **Proceeds**—For investment and expansion of operations. **Office**—120 Delaware Ave., Buffalo, N. Y. **Underwriter**—None.

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.

Iowa Beef Packers, Inc. (10/21-25)
Sept. 27, 1963 filed $3,172,000 of 6% subordinated sinking fund debentures, series B due 1978 (with warrants); also 50,000 common to be offered by stockholders. **Price**—By amendment (max. $20 for common). **Business**—Operation of meat packing plants. **Proceeds**—For construction of a new plant, equipment, debt repayment and working capital. **Address**—Denison, Iowa. **Underwriters**—New York Securities Co., New York and First Nebraska Securities Corp., Lincoln, Neb.

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.

Israel Investors Corp.
Sept. 26, 1963 filed 100,000 common. **Price**—$104. **Business**—A closed-end investment company engaged in investing in private industries located in Israel. **Proceeds**—For investment. **Office** — 850 Third Ave., New York. **Underwriter**—None.

"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. (10/15)
Aug. 21, 1963 filed $9,000,000 of debentures due Oct. 1, 1988. **Price**—By amendment. **Proceeds**—For construction. **Address**—Madison Avenue at Punch Bowl Rd., Morristown, N. J. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; First Boston Corp.; Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Kidder, Peabody & Co.; Harriman Ripley & Co. **Bids**—Oct. 15 (11 a.m. EDST) at 80 Pine St., New York. **Information Meeting**—Oct. 10 (10 a.m. EDST) at same address.

● **Juniper Spur Ranch, Inc. (10/14-18)**
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.

Kentucky Fried Chicken, Inc.
Sept. 27, 1963 filed 25,000 class A voting, and 25,000 class B non-voting common. **Price**—$10. **Business**—Company franchises certain restaurants in the U. S. to prepare and sell Kentucky Fried Chicken. It also sells or leases equipment used in preparation of this item. **Proceeds** — For the selling stockholder, Harland Sanders, Chairman. **Address**—Box 67, Shelbyville, Shelby County, Ky. **Underwriter**—None.

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

Keystone International Fund, Inc.
Aug. 13, 1963 filed 200,000 common. **Price** — Net asset value plus 7½%. **Business**—A new mutual fund which will acquire assets of Keystone International Fund, Ltd., a Canadian corporation, and invest in securities throughout the Free World. **Proceeds**—For investment. **Office**—50 Congress St., Boston. **Underwriter**—Keystone Co. of Boston.

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

● **Life Insurance Co. of Florida (10/28-31)**
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 ex-

pansion. **Office**—2960 Coral Way, Miami. **Underwriter**—Pierce, Wulburn, Murphey, Inc., Jacksonville.

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

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

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

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

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

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

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

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

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

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

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

● **Midwest National Life Insurance Co. (10/28-31)**
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.

Missouri National Life Insurance Co.
Sept. 27, 1963 filed 103,500 capital shares. **Price** — By amendment (max. $6). **Business**—Writing of life, accident and health insurance policies. **Proceeds**—For an acquisition and working capital. **Office** — 1006 Grand Ave., Kansas City, Mo. **Underwriter**—Sterling, Grace & Co., New York.

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.

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.

● **Morton (B. C.) Realty Trust (10/28-31)**
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. (10/14-18)
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 refiled $8,000,000 face amount certificates (series 20) and 300,000 common shares. **Price**—For certificates, $762; for stock, $1.15. **Business**—A mortgage loan company. **Proceeds** — For general corporate purposes. **Office** — 113 S. Hydraulic, Wichita, Kan. **Underwriter**—National Mortgage Agency, Inc., (same address). **Note**—This offering will be made only in the State of Kansas.

● **National Union Insurance Co. of Washington (10/14)**
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 of record Oct. 14. Rights will expire Nov. 13. **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., and McDonnell & Co., Inc., New York.

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. (10/16)
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.

Okliana 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. (10/28-31)**
July 29, 1963 filed 338,755 common, and warrants to purchase an additional 338,755 common, to be offered for subscription by common stockholders in units of one share and one warrant, on the basis of one unit for each two shares held. **Price**—By amendment (max. $4). **Business**—Company is engaged in the production of rum and other alcoholic beverages. **Proceeds**—For working capital, loan repayment, sales promotion and equipment. **Office**—1035 N. W. 21st Terrace, Miami. **Underwriters**—Pierce, Wulbern, Murphey Inc., Jacksonville, and Consolidated Securities Corp., Pompano Beach, Fla.

O'Malley Investing Corp. (10/15)
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.

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 Power & Light Co. (11/13)
Sept. 27, 1963 filed 717,408 common to be offered for subscription by stockholders on the basis of one share for each 20 shares held of record Oct. 30, 1963. Rights will expire Dec. 5, 1963. **Proceeds**—For debt repayment. **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 Southwest Airlines (10/23)**
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 capital shares to be offered for subscription by U. S. resident stockholders on the basis of one new share for each two held. **Price**—By amendment (max. 1 cent). **Business**—Exploration for oil and gas in the Philippines. **Proceeds**—For debt repayment, and operating expenses. **Address**—Manila, The Philippines. **Underwriter**—None. **Note**—This registration has become effective.

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**—Suplee, 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. **Note**—This registration was withdrawn.

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 ac-

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quisition 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).

Public Service Electric & Gas Co. (10/22)
Sept. 26, 1963 filed $40,000,000 of debentures due Oct. 1, 1983. **Proceeds**—To redeem $36,000,000 of outstanding 3% debentures maturing Nov. 1, 1963, and for construction. **Office**—80 Park Place, Newark, N. J. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Lehman Brothers-Salomon Brothers & Hutzler (jointly); Blyth & Co.; Goldman, Sachs & Co.-Harriman Ripley & Co. (jointly); First Boston Corp. **Bids**—Expected Oct. 22 (11 a.m. EDST) at above address. **Information Meeting**—Oct. 17 (2 p.m. EDST) at One Chase Manhattan Plaza (28th floor), New York.

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. (10/21-25)**
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.

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. (10/22)**
Sept. 16, 1963 filed $1,200,000 of 6% convertible subordinated debentures due 1975 and 204,000 common to be offered in units of one $100 debenture and 17 shares. **Price**—$172.25 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.

● **Research Capital Corp. (10/28-31)**
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.

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. (10/10)**
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.

Supreme Life Insurance Co. of America
Sept. 30, 1963 filed 42,089 common to be offered for subscription by stockholders on the basis of one share for each three shares held. **Price**—$30. **Business**—Sale of life, health and accident insurance in 12 states and the District of Columbia. **Proceeds** — For debt repayment, and working capital. **Office**—3501 S. Parkway, Chicago. **Underwriter**—None.

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**—Expected in March, 1964.

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).

Tennessee Life Insurance Co. (10/15)
Sept. 19, 1963 filed 500,000 capital shares. **Price**—By amendment (max. $18). **Business**—Writing of life, accident and health insurance. **Proceeds**—For selling stockholder, Tenneco Corp., a subsidiary of Tennessee Gas Transmission Co. **Address** — Tennessee Bldg., Houston, Tex. **Underwriter**—First Southwest Co., Dallas.

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.

Tonka Toys, Inc. (10/28-31)
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.

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.

Ultronic Systems Corp. (11/4-8)
Sept. 25, 1963 filed 150,000 common. **Price**—By amendment (max. $12). **Business**—Manufacture of electronic securities and commodities quotation systems. **Proceeds**—For loan repayment, and other corporate purposes. **Office**—7300 N. Crescent Blvd., Pennsauken, N. J. **Underwriter**—Bache & Co., New York.

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).

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 Investors Corp. (Minn.)
July 29, 1963 filed $500,000 of 6% convertible debentures due 1973 to be offered for subscription by stockholders on an unlimited basis. **Price** — At par. **Business**—A holding company for United Investors Fund Corp. (a broker-dealer which sells mutual funds) and United Capital Life Insurance Co. of Minnesota. **Proceeds**—To increase capital and surplus of United Capital Life Insurance Co. of Minnesota. **Address**—1300 First National Bank Bldg., Minneapolis. **Underwriter**—None.

U. S. Controls, Inc.
Aug. 8, 1963 filed $210,000 of 6¾% debentures due 1973 and warrants to purchase 31,500 shares to be offered for public sale in units of one $100 debentures and 15 warrants. **Price**—$100 per unit. **Business**—Development and manufacture of heating equipment and automatic control systems. **Proceeds**—For inventory, sales promotion, note prepayment and working capital. **Office** — 410 Fourth Ave., Brooklyn, N. Y. **Underwriter**—M. H. Meyerson & Co., Inc., New York. **Offering**—Expected in November.

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. (10/28-31)
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, Nickolas 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.

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 parimutuel betting. **Proceeds**—For debt repayment and working capital. **Office**—3 Penn Center Plaza, Philadelphia. **Underwriter**—Stroud & Co., Inc., Philadelphia. **Offering**—Indefinite.

Winslow Electronics, Inc.
Dec. 28, 1961 filed 125,000 common. **Price**—$4. **Business**—Design and manufacture of precision electrical and electronic measuring devices and test equipment. **Proceeds**—For debt repayment and other corporate purposes. **Office**—1005 First Ave., Asbury Park, N. J. **Underwriter**—To be named.

Wyomont Petroleum Co.
May 10, 1963 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—Production and sale of petroleum products. **Proceeds**—For debt repayment, construction and working capital. **Address**—P. O. Box 670, Thermopolis, Wyo. **Underwriter**—Northwest Investors Service, Inc., Billings, Mont. **Note**—The SEC has issued an order temporarily suspending this letter.

Issues Filed With SEC This Week

★ Aerosystems Technology Corp.
Oct. 4, 1963 filed 165,000 common. **Price**—$3. **Business**—Manufacture of a new line of motor speed controls to govern the speed of electric powered tools. **Proceeds**—For additional equipment, leased facilities, advertising and working capital. **Address** — 1275 Route 23, Wayne, N. J. **Underwriter**—Chase Securities Corp., New York.

★ Balanced Income Fund, Inc.
Oct. 7, 1963 filed 2,000,000 common. **Price** — Net asset value (max. $8.72) plus 8¼%. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—120 S. LaSalle St., Chicago. **Underwriter**—Supervised Investors Services, Inc. (same address).

★ Broad Horizons, Inc.
Sept. 30, 1963 ("Reg. A") 4,000 class A non-voting common. **Price**—$25. **Business**—Company plans to develop a mountain resort near Muncy Valley, Pa., for exclusive use of Christian Scientists and their immediate families. **Proceeds**—For debt repayment, construction, and working capital. **Office** — 5612 Sonoma Rd., Bethesda, Md. **Underwriter**—None.

★ Donaldson Co., Inc (11/4-8)
Oct. 4, 1963 filed 145,000 common. **Price**—By amendment (max. $19). **Business**—Company manufactures air cleaners and mufflers for heavy duty internal combustion engines, and special seals, filters, bellows and pumps for use in aircraft and missiles. **Proceeds**—For selling stockholders. **Office**—1400 West 94th St., Minneapolis. **Underwriter**—Paine, Webber, Jackson & Curtis, New York.

★ Fall River Gas Co.
Sept. 30, 1963 ("Reg. A") 7,692 common to be offered for subscription by stockholders on the basis of one share for each 23 shares held. **Price**—$38. **Business**—Company furnishes gas service to customers in Fall River, Somerset, Swansea and Westport, Mass. **Proceeds** — For debt repayment. **Office** — 155 N. Main St., Fall River, Mass. **Underwriter**—None.

★ Georgia Power Co. (11/7)
Oct. 4, 1963 filed $30,000,000 of first mortgage bonds due 1993. **Proceeds**—For construction, and loan repayment. **Office**—270 Peachtree St., Atlanta. **Underwriters**—(Competitive). Probable bidders: 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. **Bids**—Nov. 7 (11:45 a.m. EST) at Southern Services, Inc., 115 Broadway (Room 1510), New York. **Information Meeting**—Oct. 31 (2:30 p.m. EST) at Chemical Bank New York Trust Co., 20 Pine St. (10th floor), New York.

★ Georgia Power Co. (11/7)
Oct. 4, 1963 filed 70,000 preferred (no par). **Proceeds**—For construction and loan repayment. **Office**—270 Peachtree St., Atlanta. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Lehman Brothers; Blyth & Co.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Morgan Stanley & Co. **Bids**—Nov. 7 (11 a.m. EST) at Southern Services, Inc., 115 Broadway (Room 1510), New York. **Information Meeting**—Oct. 31 (2:30 p.m. EST) at Chemical Bank New York Trust Co., 20 Pine St., (10th floor), New York.

★ Gero Metallurgical Corp.
Sept. 25, 1963 ("Reg. A") 840 common. **Price** — $110. **Business**—Company plans to exploit a new process for vacuum degassing of molten steel. **Proceeds**—For debt repayment, and working capital. **Office**—75 Federal St., Boston. **Underwriter**—None.

★ Household Finance Corp. (10/22)
Oct. 4, 1963 filed $100,000,000 of debentures due 1991. **Price**—By amendment. **Business**—Company is engaged in the consumer finance business. **Proceeds**—For debt repayment. **Address**—Prudential Plaza, Chicago. **Underwriter**—Lee Higginson Corp., New York.

★ Jurgensen's Co.
Sept. 30, 1963 ("Reg. A") 12,000 6% convertible preferred (par $25). **Price**—At par. **Business**—Operation of credit and service type retail food stores in Southern California. **Proceeds**—For debt repayment, and working capital. **Office**—601 S. Lake Ave., Pasadena, Calif. **Underwriter**—Evans, MacCormack & Co., Inc., Los Angeles.

★ New England Power Co. (11/19)
Oct. 7, 1963 filed $10,000,000 of first mortgage bonds due Nov. 1, 1993. **Proceeds** — For loan repayment and construction. **Office**—441 Stuart St., Boston. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers-Equitable Securities Corp. (jointly); Kuhn, Loeb & Co.-Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler-Paribas Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co.-White, Weld & Co. (jointly); First Boston Corp. **Bids**—Nov. 19 (12 noon EST), at above address. **Information Meeting**—Nov. 14 (11 a.m. EST) at above address.

★ New England Power Co. (11/19)
Oct. 7, 1963 filed 100,000 preferred (par $100). **Proceeds**—For loan repayment and construction. **Office** — 441 Stuart St., Boston. **Underwriters**—(Competitive). Probable bidders: 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**—Nov. 19 (11 a.m. EST) at above address. **Information Meeting**—Nov. 14 (11 a.m. EST) at above address.

★ North American Investors, Inc.
Sept. 30 1963 ("Reg. A") 100,000 capital shares. **Price**—$2.50. **Business**—A broker-dealer. **Proceeds**—For working capital and expansion. **Office**—680 W. Peachtree St., N. W., Atlanta. **Underwriter**—The company.

★ Pacific Gas & Electric Co. (10/29)
Oct. 4, 1963 filed $70,000,000 of first and refunding mortgage bonds due 1996. **Proceeds**—For loan repayment and construction. **Office**—245 Market St., San Francisco. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp. **Bids**—Expected Oct. 29.

★ Pennichuck Water Works
Sept. 24, 1963 ("Reg. A") 9,800 common to be offered for subscription by stockholders on the basis of one new share for aech 5 held of record, Oct. 21. **Price**—$30. **Business**—A public utility engaged in gathering and distributing water in Nashua, N. H. **Proceeds**—For debt repayment and working capital. **Office**—11 High St., Nashua, N. H. **Underwriter**—None.

★ People's Insurance Co.
Oct. 3, 1963 filed 100,000 common. **Price**—$10. **Business**—Company plans to engage in the writing of general liability insurance, including automobile, property damage and personal injury. **Proceeds**—To increase capital and surplus. **Office**—307 Lenox Ave., New York. **Underwriter**—None.

★ Racon Inc.
Oct. 3, 1963 filed 1,250,000 common. **Price**—$1. **Business**—Company plans to manufacture fluorocarbons for sale to refrigerant wholesalers, the aerosol industry and other users. **Proceeds** — For construction of a new plant and working capital. **Office**—11 North Jackson St., Houston. **Underwriter**—None.

★ San Morcol Pipeline, Inc.
Sept. 27, 1963 ("Reg. A") $300,000 of 6½% subordinated debentures due Nov. 1, 1983, and 45,000 common to be offered in units of $500 face amount of debentures and 75 shares. **Price** — $500. **Business**—Construction of an eight inch natural gas transmission pipeline for the cities of Las Vegas, Wagon Mount, Springer, and Maxwell, N. M. **Proceeds** — For construction. **Office** — 219 Shelby St., Santa Fe, N. M. **Underwriters** — Milburn, Cochran & Co., Inc., Wichita, Kan., and Midland Securities Co., Inc., Kansas City, Mo.

★ Security Title & Guaranty Co.
Oct. 7, 1963 filed 125,000 common to be offered for subscription by stockholders on a share-for-share basis. **Price**—By amendment (max. $7.50). **Business**—Company examines and insures titles to real property. **Proceeds**—For general corporate purposes. **Office**—17 E. 45th St., New York. **Underwriter** — New York Hanseatic Corp., New York.

★ Sheridan-Belmont Hotel Co.
Sept. 27, 1963 ("Reg. A") $300,000 of 6% convertible debentures due Nov. 1, 1968 to be offered for subscription by stockholders on a pro rata basis. Rights will expire Dec. 1, 1963. **Price**—$10. **Business**—Operation of the Belmont Hotel in Chicago. **Proceeds**—For debt repayment and working capital. **Office**—3172 N. Sheridan Rd., Chicago. **Underwriter**—None.

★ Telephone Utilities, Inc.
Sept. 30, 1963 ("Reg. A") 26,500 common. **Price** — $10. **Business**—A telephone holding company. **Proceeds**—For advances to subsidiaries, debt repayment, and working capital. **Address**—Ilwaco, Wash. **Underwriter**—None.

★ Texas Eastern Transmission Corp. (10/23)
Oct. 3, 1963 filed $40,000,000 of debentures due Oct. 1, 1983. **Price**—By amendment. **Proceeds**—For debt repayment, and advances to a subsidiary. **Address**—Southern National Bank Bldg., Houston. **Underwriter** — Dillon, Read & Co., Inc., New York.

★ Vend-It-Corp.
Sept. 20, 1963 ("Reg. A") 40,000 common. **Price** — $3. **Business**—Manufacture, sale or lease of automatic record vending machines called "Melody Vendor." **Proceeds**—For manufacture and distribution of vending machines. **Address**—Kaukauna, Wis. **Underwriter**—None.

★ Wallace (W. J.) Systems, Inc.
Oct. 1, 1963 ("Reg. A") 6,250 capital shares. **Price** — $25. **Business**—Design, manufacture, sale and installation of a new device "Tankleg" for use in the unloading of materials from ships and other carriers. **Proceeds**—For debt repayment, and working capital. **Office**—120 S. Batavia Ave., Batavia, Ill. **Underwriter**—None.

★ Young Industries, Inc.
Sept. 30, 1963 filed 100,000 class A common and warrants to purchase an additional 50,000 class A shares, to be offered in units of 50 shares and warrants to purchase 25 shares. **Price**—$501.25 per unit. **Business**—Commercial development of real estate, primarily shopping centers, in Kentucky, Indiana, Ohio and Tennessee. **Proceeds**—For debt repayment and property acquisitions. **Office**—508 West Jefferson St., Louisville, Ky. **Underwriter**—None.

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."

(The) B. V. D. Co., Inc.
600,000 common offered at $17.75 per share by Drexel & Co., Philadelphia.

Beneficial National Life Insurance Co.
200,000 common offered at $4 per share by the company, without underwriting.

Nevada Power Co.
120,000 common offered at $36.875 per share by White, Weld & Co., Inc., New York.

Recording Industries Corp.
297,000 common offered at $5 per share by Tennessee Securities Inc., Nashville.

Republic National Life Insurance Co.
200,000 capital shares offered at $63.75 per share by First Boston Corp., New York, and Sanders & Co., Dallas.

United States Shoe Corp.
225,500 common offered at $29.50 per share by Blyth & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith Inc., and Fahnestock & Co., New York.

Wisconsin Public Service Corp.
$15,000,000 of 4¾% first mortgage bonds due Oct. 1, 1993 offered at 100.416% and accrued interest, to yield 4.35%, by Halsey, Stuart & Co. Inc., Chicago.

Prospective Offerings

● Associated Truck Lines, Inc. (10/22)
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.

Central Illinois Public Service Co.
On Oct. 2, 1963, it was reported that the company plans to sell $20,000,000 of bonds in the third quarter of 1964. **Office**—607 East Adams St., Springfield, Ill. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Blyth & Co.-Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Lehman Brothers-Bear, Stearns & Co. (jointly); White, Weld & Co.

● Chicago Burlington & Quincy RR (11/12)
Oct. 7, 1963 the company announced plans to sell $5,100,000 of 1-15 year equipment trust certificates. **Office**—547 W. Jackson Blvd., Chicago. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co., Inc. **Bids**—Nov. 12 (12 noon CST) at above address.

Columbia Gas System, Inc.
Aug. 27, 1963 the company stated that it plans to sell $25,000,000 of debentures to raise money for construction. **Office** — 120 E. 41st St., New York. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.-First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.-White, Weld & Co. (jointly); Hal-

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sey, Stuart & Co. Inc.; Blyth & Co.-Lehman Brothers-Salomon Brothers & Hutzler. **Offering** — Indefinitely postponed.

● Columbia Savings & Loan Association (10/15)
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.
Oct. 7, 1963 it was reported that a registration statement will be filed in December covering about $200,000,000 of this firm's common stock to be issued in two series. Series I will be sold 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. **Price**—Maximum of $100 per share. **Business**—Congress has authorized the company to provide satellites and ground facilities for the international transmission of telephone, telegraph, television and other communications. **Office**—3029 Klingle Rd., N. W., Washington, D. C. **Underwriters**—To be named. **Offering**—Expected in early 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.
Oct. 7, 1963 the company stated that it had postponed until Mid-1964 its plans to raise additional capital. Earlier, the company said that it planned to sell $20,000,000 of debentures. No decision has been reached on the type or amount of securities to be sold in 1964. **Office** — 212 West 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.

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.

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 sel $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 $1,810,000 of 6% convertible debentures due 1975 to be offered for subscription by stockholders. **Office**—1315 Versailles Rd., Lexington, Ky. **Underwriter**—S. D. Fuller Co., 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.

Kentucky Utilities Co.
On Oct. 2, 1963, it was reported that the company plans to sell $8-10,000,000 of bonds in the third quarter of 1964. **Office** — 20 South Limestone St., Lexington, Ky. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.-White, Weld & Co., Inc. (jointly); Eastman Dillon, Union Securities Corp.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Lanvin-Charles of the Ritz, Inc.
Sept. 30, 1963 it was reported that following the proposed merger of Lanvin-Parfums and Charles of the Ritz, to be voted on by stockholders Nov. 14, E. L. Cournand, President, and certain other Lanvin stockholders plan to offer publicly 800,000 common shares. **Business**—Company is the U. S. distributor of Lanvin perfumes and other fragrances, as well as cosmetic and toiletry products. **Office**—767 Fifth Ave., New York. **Underwriters**—Goldman, Sachs & Co., and White, Weld & Co., Inc., New York. **Offering**—Expected in late December.

Long Island Lighting Co.
Aug. 29, 1963 the company announced plans to issue $25-to-$30,000,000 of first mortgage bonds in each of the years 1964 to 1968 inclusive, to help finance its $285,000,000 5-year construction program. **Office** — 250 Old Country Rd., Mineola, N. Y. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.-First Boston Corp. (jointly); W. C. Langley & Co.

Louisiana Power & Light Co.
Feb. 20, 1963 it was reported that this subsidiary of Middle South Utilities, Inc., may issue $25-$30,000,000 of bonds early in 1964. **Proceeds**—For construction. **Office**—142 Delaronde St., New Orleans. **Underwriters**—(Competitive.) Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.- Kidder, Peabody & Co.-Harriman Ripley & Co., Inc. (jointly); White, Weld & Co.-Blyth & Co., Inc.- Shields & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.-Glore, Forgan & Co (jointly); Salomon Brothers & Hutzler-Eastman Dillon Union Securities & Co.-Equitable Securities Corp (jointly).

Massachusetts Electric Co. (12/4)
Aug. 27, 1963 it was reported that this company plans to sell $10,000,000 of bonds in the fourth quarter. **Office**—441 Stuart St., Boston. **Underwriters** — (Competitive) Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co.; Kidder, Peabody & Co.; Blyth & Co.-Whtie, Weld & Co. (jointly). **Bids**—Expected Dec. 4.

Merrill Lynch, Pierce, Fenner & Smith Inc.
Aug. 19, 1963, Michael W. McCarthy, Chairman, stated that the company has held informal discussions with the staff of the New York Stock Exchange as to the feasibility of "going public." He added that, "when the time is appropriate," Merrill Lynch will request the governors to recommend that member firms approve the required changes in the Exchange's constitution to permit this. Industry sources believe that the move is several years away. **Business**—Company is the largest brokerage house in the U. S. with 139 domestic offices and over 2,300 account executives. **Office**—70 Pine St., New York.

Mexico (Government of)
July 16, 1963 following the public offering of $40,000,000 of external bonds, it was reported that the Government is authorized to sell an additional $65,000,000 of bonds in the U. S. and abroad. **Underwriters**—Kuhn, Loeb & Co., Inc., and First Boston Corp., N. Y.

★ New York Central RR (12/4)
Oct. 7, 1963 the company announced plans to offer $3,600,000 of 1-15 year equipment trust certificates. **Office**—466 Lexington Ave., New York. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co., Inc. **Bids**—Dec. 4 (12 noon EST), at above address.

New York State Electric & Gas Corp.
April 3, 1963 it was reported that the company plans to sell $20,000,000 of debt securities to finance its construction program for 1964 and 1965. **Office**—108 East Green St., Ithaca, New York. **Underwriters** — (Competitive) Probable bidders: Kidder, Peabody & Co. - Salomon Brothers & Hutzler (jointly); First Boston Corp.-Glore, Forgan & Co. (jointly); Halsey, Stuart & Co.; Harriman Ripley & Co.; Blyth & Co.

Norfolk & Western Ry. (11/13)
Oct. 1, 1963 it was reported that this road plans to sell approximately $7,000,000 of 1-15 year equipment trust certificates in November. **Office** — 8 N. Jefferson St., Roanoke, Va. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler. **Bids**—Expected Nov. 13 (12 noon EST) at the company's Philadelphia office.

Northern Pacific Ry. (12/10)
July 2, 1963 it was reported that this road plans to sell about $4,800,000 of equipment trust certificates in December. **Office**—120 Broadway, New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Salomon Bros. & Hutzler. **Bids**—Expected Dec. 10 (12 noon EST).

Northern States Power Co. (Minn.)
May 14, 1963 it was reported that the company plans to offer about 771,110 additional shares to stockholders on a 1-for-20 basis in 1964, to raise an estimated $25,000,000. **Office**—15 South Fifth St., Minneapolis. **Underwriter**—To be named. The last rights offering in July 1959 was underwritten by Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

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 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 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.-Harirman Ripley & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc (jointly).

Potomac Electric Power Co.
July 30, 1963 the company stated that it will need $50,000,000 of new money in 1964 for its construction program and expects to do permanent financing in the early part of the year. However, it has not determined the amount or type of security to be offered. **Office**—929 E St., N. W., Washington, D. C. **Underwriters**—To be named. On Feb. 19, 1963 the company sold $50,000,000 of bonds to Dillon, Read & Co., Inc.; Lehman Bros., Eastman Dillon, Union Securities & Co., Stone & Webster Securities Corp., and Johnston, Lemon & Co. Other bidders on the issue were Kidder, Peabody & Co.—Merrill Lynch, Pierce, Fenner & Smith, Inc.—White, Weld & Co.—Salomon Bros. & Hutzler (jointly); First Boston Corp.; Halsey, Stuart & Co.

Public Service Co. of Colorado
June 4, 1963 it was reported that the company plans to sell $35,000,000 of 30-year first mortgage bonds in April, 1964. **Proceeds**—For construction. **Office**—900 15th St., Denver, Colo. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Harriman, Ripley & Co., Inc.-Eastman Dillon, Union Securities & Co.-Mer-

rill 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).

★ Rayette, Inc.
Oct. 7, 1963 it was reported that this firm plans to sell about $10,000,000 of securities in January. The type or terms of the offering have not yet been decided. **Business**—Manufacture of cosmetics, supplies and equipment for beauty salons. **Office** — 261 East Fifth St., St. Paul, Minn. **Underwriter**—Allen & Co., 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) One Chase Manhattan Plaza, (54th floor), 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 EDST) at 70 Pine St., New York.

★ Southwestern Public Service Co.
Oct. 6, 1963 it was reported that the company plans to issue approximately $15,000,000 of first mortgage bonds in the first quarter of 1964. **Office**—720 Mercantile Dallas Bldg., Dallas, Tex. **Underwriter**—Dillon, Read & Co., Inc., 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.

Trans World Airlines, Inc.
Oct. 1, 1963 it was reported that a registration statement will be filed later this month covering a proposed secondary offering by Hughes Tool Co., of approximately $80,000,000 of this firm's 6½% subordinated income debentures due June 1, 1978. **Business**—Company provides world-wide air transportation services. **Office**—380 Madison Ave., New York. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York. **Offering**—Expected in late November.

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.

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 7½ 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 Paza, New York.

Washington Gas Light Co.
July 2, 1963 it was reported that this utility plans to sell $20,000,000 of bonds in the second quarter of 1964. **Office**—1100 H. St., N. W., Washington, D. C. **Underwriters** (Competitive). Probable bidders: Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; Kidder, Peabody & Co.; First Boston Corp.; Halsey, Stuart & Co. Inc.

Western Maryland Ry. (10/15)
Oct. 1, 1963 it was reported that this road plans to sell $2,925,000 of 1-15 year equipment trust certificates. **Office** — 300 St. Paul Place, Baltimore. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Expected Oct. 15 (12 noon EDST) at company's office.

Bank Earnings Continue to Top 1962 Levels

Net operating earnings of 25 major banks located in 12 U. S. cities, for the third quarter and first nine months of 1963, will continue to run ahead of the corresponding 1962 periods, according to M. A. Schapiro & Co., Inc., New York investment bankers specializing in bank stocks.

The Schapiro firm predicted in its Bank Stock Quarterly that third quarter net operating earnings will aggregate 4.6% higher than a year ago, and that for the nine months of 1963, net operating earnings will be 5% ahead of the same 1962 period. Seven leading New York City banks and 18 in 11 other representative cities are included in the survey.

The investment firm attributed the continuing favorable trend in bank earnings to a further increase in earning assets, coupled with the recent firming of short-term interest rates in response to a more restrictive Federal Reserve monetary policy. The Federal Reserve in mid-July raised the discount rate—the charge on advances to member banks—to 3½% from 3%, a rate which had been in effect for nearly three years.

The Quarterly reported that combined loans and investments of the 25 banks currently are running at about 7% above last year's level. "Although operating expenses are up, with time and savings deposits costlier than a year ago, higher operating revenues are absorbing the added expense," the commentary said.

In the section entitled "Tighter Setting for Bank Credit," the Schapiro Quarterly noted that the pressures are as great as ever to sustain short-term interest rates in order to contain the nation's persisent international balance-of-payments deficit. The investment firm foresees the possibility that the monetary authorities will seek to support seasonal bank credit expansion now underway, and yet avoid reducing short-term interest rates, through the repetition late this year of a maneuver which they successfully executed a year ago.

In November, 1962, the System lowered the reserves banks are required to maintain against time and savings deposits from 5% to 4%, thereby releasing nearly $800 million in usable funds to member banks. As a result of this action, the Federal Reserve subsequently was able to sell Treasury bills in the open market in a program designed to sustain both bill yields and the banks' supplies of reserves.

"It is probable that by the end of the year the Federal Reserve will reduce the cash reserves which member banks are required to maintain against time and savings deposits from 4% to the present statutory minimum of 3%. The move would release about $860 million," the Quarterly commented.

In an article on capital debentures, the firm's publication regards the sale of $35 million of such obligations by United California Bank and $30 million by Franklin National Bank as forerunners of "a significant buildup of debt-type securities in the capital structure of banking institutions."

In a discussion of the Supreme Court's decision in the Philadelphia bank merger case, the Quarterly foresees "the ultimate abolition of geographical restrictons on bank expansion, **interstate** as well as **intrastate.**" The firm's analysis concludes that "the extension of competition throughout the United States in all sections of the country requires the demolition of archaic, anti-competitive, state-created barriers, the effect of which has been to allocate territories among banks thereby restricting competition and preserving monopolies."

Noting that protection of small banks from destructive competition is a matter of primary concern to the New York State Legislature, the firm recommends that the lawmakers "allow banks to expand beyond district lines by merger, as an alternative to the holding company method now available."

Named Director

Allan Hoover has been elected to American Petrofina, Inc. Board of Directors, it has been announced by Harry A. Jackson, President.

Mr. Hoover has been President of Compania Minera de Guatemala, S. A. for the past 17 years, and was formerly associated with the investment banking firm of Lazard Freres & Co. He is presently a Director of Pitney-Bowes, Inc., State National Bank of Connecticut, New York and Honduras Rosario Mining Co., and Combined Metals Reduction Co.

WASHINGTON AND YOU

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

WASHINGTON, D. C. — The months before a Presidential election that finds an incumbent running for his second term can be among the most unpredictable periods in the United States form of republic. Because if there is anything at all that is predictable, it is that there will be sudden and sharp changes in policies by an administration trying to stay in power for another four years. These changes are in the works again.

One of the most certain of these changes is in the makeup of the President's cabinet. Just who will go and who will stay is impossible to predict. But that there will be change is almost as certain as sundown. Not too much speculation has come on the members of the cabinet yet — it's a little too early to name names — but most Washington observers are convinced that there will be changes.

There are several reasons for the changes that will come. The members of any administration cabinet that start with a new President take the brunt of the normal criticism that always follows changes. In addition, they've now spent almost four years away from their normal jobs, and this means considerable loss of income for most of them. They are not usually unhappy to "retire" back to private life, and the White House normally isn't unhappy to make the showing of another "fresh start." And usually, the most controversial members of a cabinet are especially vulnerable.

First Departure

In fact, the first of these changes has already taken place with the resignation of Postmaster General Edward Day. He had fought long and bitter battles in his term in office. He had fought the professional mail carriers, and had won most of his battles to try to automate operations, cut down on waste motion, install new procedures. He won a major postal rate increase, although not as big as he wanted.

He had, in effect, done what was asked — tried to install business methods in one of biggest commercial arms of government. He was ready to go back to private business, and the White House wasn't unhappy to see him go, although he is considered one of the most effective of his group by the Kennedy clan.

Mr. Hodges Next in Line

There has been speculation off and on for more than a year that Commerce Secretary Luther Hodges was soon to go back to his firm and leave government to bureaucrats. The only mistake in this speculation is probably that it was premature. He is very likely to leave the post before next November. And, again, with praise from the Administration.

Mr. Hodges, more than anyone in the cabinet, kept business opposition to the Kennedy policies to a minimum—meaning as little as could be expected considering that most of the policies are aimed at wooing consumers, unions, and other special interest groups other that business. But he is not a dynamic personality, and while he has helped ease opposition, the Administration now believes it needs a better "salesman" to put before the public. And Mr. Hodges has had his fling, and is probably ready to go back to North Carolina as an "elder statesman" of the Kennedy Administration.

Dillon "A Mystery"

Not all cabinet members by any means are eager to leave. Dean Rusk at the State Department wants to stay. So does Treasury Secretary Douglas Dillon. Rusk is no doubt safe. Dillon is something of a mystery. He shocked the Eisenhower Administration in 1960 when, after joining the Department as a Republican, accepted an appointment to the top post from the Democrats. He has sold his tax cut argument, for the most part, to business, has put depreciation reforms into effect, and —as some White House advisors see it—accomplished all that he can.

Yet, Mr. Dillon is one of the strongest spokesmen for the New Frontier. His is a top spot, a delicate spot, and many Kennedy advisers would like to see it go to an old line Democrat, not only a man who would work in the party precincts, but as a reward to one who has been working or contributing to the party. Douglas Dillon may stick, and he wants to, but he may not, and if not, it will not be a happy retirement.

McNamara's Status

To the commercial community, as well as to the political community, the biggest name on the possible replacement list is Defense Secretary Robert McNamara. His policies have caused open revolt within the professional military ranks. His policies on the TFX fighter contract has stirred up a heated and continuing Congressional probe. His research and development and procurement policies have irritated some defense contractors. He is controversial, tough, and businesslike.

Whatever the facts behind the controversies he has created turn out to be in quiet reflection, Mr. McNamara has done one job—taken firm civilian control of the military machine, and made it stick. More than one top General or Admiral now finds himself a corporate director or ambassador because of this conflict. And more than one happy defense contractor is wondering where the money went as a result of his policies. So many investors are also wondering, and this isn't always good for the political machine that employs the Defense Secretary.

These are the basic problems that White House political strategists are now weighing. Who will go and who will stay is still very much up in the air. There may only be one or two changes, but any of these men mentioned are vulnerable. Public and political reaction will be the final judge of who goes and who stays.

There is a lot more to this renewing the image before the Presidential elections. While the cabinet members are the most dramatic possibilities, the second layer of officials is the biggest section and the most changes will occur there. While a loss of a cabinet member may impress lots of voters in one sweep, too many would draw too much publicity. But at the lower level, changes could still the protests of whole industries and bring back sorely needed campaign funds.

"October is a beautiful month, Mr. Cackles—the leaves are almost as red as the ink in our books!"

Controversial Mr. Swidler

Consider the Federal Power Commission. Here, Chairman Joseph C. Swidler has caused a quiet uproar. A former Tennessee Valley Authority official, who left that job under controversy, Mr. Swidler is a dedicated government control advocate. He started out his role by imposing thorough control over natural gas production and sales, thus alienating many strong and important oil and gas men.

Lately, Mr. Swidler's zeal for tight government regulation has irritated the State Public Utilities Commission members, the backers of the Rural Electrification Administration power cooperatives, and the electric power utilities. A recent fight over a questionnaire to interestate natural gas pipelines, in which he recently backed down, caused some drop in their securities because of changes and allegations over rates of return on investment for these companies.

Thus, he has made himself extra vulnerable to "resignation." For even a compromise appointment might soothe the ruffled feathers of the heavy Texas and Oklahoma oil and gas Democrats to come back into the campaign fold. At the present, talks through that section of the country show that the best the President could expect at the moment would be that they would stay away from the polls on election day; the worst that they would be contributing to and voting for a Republican for President, and probably Republicans for state and local offices.

Other Question Marks

There are others in this boat too. The Chairman of the Interstate Commerce Commission has consistently refused to go along with the President's transportation deregulation proposals. The Chairman of the CAB has caused several furors in his time in the job. The Chairman of the Federal Maritime Board has already been pushed aside, although he is still a member of the body.

Initial patronage to any new administration is important to weed out the old policies of the predecessor, install its own people and get them to get things done. Patronage in the second instance is important too, because it remakes a public image, tries to take away some of the sting of the criticism that the first four years have developed.

These changes will be important, and they will be made. Some will hit the headlines, others will be buried on the business pages of the daily newspapers. But they will be there.

[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.]

COMING EVENTS

IN INVESTMENT FIELD

Oct. 10-11, 1963 (Washington, D. C.)
Tax Institute of America Symposium on "Alternatives to Present Federal Taxes" at the Mayflower Hotel.

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.