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EDITORIAL

As We See It

It is a sad commentary upon our common sense that so much has been made of our determination to sell, not to give, the Soviet Union a portion of our mountain of surplus wheat and probably some of the other surpluses that have cost the taxpayers large sums of money. How we should gain by refusal to do any such thing when Russian bids or their equivalent are in, we can not imagine. Other countries, as the President well points out, have all along sold various types of goods to the communist nations, and indeed would be free to buy our wheat, grind it and sell the flour at a profit to the Soviet Union. Our past official policy in such matters appears to have been born of and nourished by popular feeling which, though understandable, is hardly well based. To continue it now, blindly ignoring the facts of international economic life would, so it seems to us, be quite silly.

We have so often felt obliged to differ sharply with the Chief Executive that it is a pleasure to support him in this instance. "Basically, the Soviet Union will be treated like any other cash customer in the world market who is willing and able to strike a bargain with American merchants.

"While this wheat, like all wheat sold abroad, will be sold at the world price, which is the only way it can be sold, there is in such transactions no subsidy to the foreign purchaser, only a saving to the American taxpayer on wheat the Government has already purchased and stored at the higher domestic market which is maintained to assist our farmers.

"This transaction has obvious benefits for the United States. The sale of four million metric tons of wheat, for example, for an estimated $250 (Continued on page 26)

How to Liberate the Banks From Today's Never-Never Merger Land

By G. Russell Clark,* *Chairman of the Board, Commercial Bank of North America, New York, N. Y.*

Despite guidelines in the Bank Merger Act of 1960, banks are still in a "never-never land" as far as mergers are concerned. The author, former New York State Superintendent of Banks, executive head of the ABA and of the New York Clearing House Association, is recognized as one of banking's leading spokesmen. He analyzes here the critical problem of confusing and conflicting supervisory authority facing banks — especially over bank mergers — and outlines a suggested plan for a solution.

It seems to grow increasingly difficult for the average banker to keep abreast of the rapidly changing, and at times contrary, winds of supervisory opinions on a multitude of banking matters. It seems as though we need more anchor and less sail.


G. Russell Clark

We are concerned with supervisory regulations and opinions in many areas including chartering, branching, interest rates, examinations, etc., but one of the most widely discussed is that of the bank merger area. I should like to direct a few thoughts in that direction.

When the Bank Merger Act of 1960 with its seven tests for applicability to bank mergers was enacted, it was claimed, and widely predicted in the publications of the day, that this legislation was the cornerstone on which, at long last, positive direction would be given to bank mergers. This Act vested authority over mergers in one of three Federal agencies, i.e., Federal Reserve Board, Federal Deposit Insurance Corp., and Comptroller of the Currency: The jurisdiction over national bank mergers is vested in the Comptroller; state member banks in the Federal Reserve Board, and insured state nonmember banks in the F. D. I. C.

The latter two agencies give their consideration to merger proposals following affirmative action by the respective state banking departments. The Comptroller has sole jurisdiction over national banks and also sits as one of three members of the F. D. I. C., which has brought objection from the NASSB.

At the time of the passage of the Bank Merger Act of 1960, great debates took place as to the posture of the Justice Department in the bank merger field, and it was finally resolved by requiring the Justice Department to submit an advisory opinion on each merger before the Federal bank regulatory agency having approval jurisdiction. Such advisory opinions were also required from each of the other two bank regulatory agencies.

Substantial pressure was exerted in certain quarters to place the Justice Department in a commanding position on bank merger considerations. In the testimony preceding the legislative sessions, the then Chairman of the F. D. I. C. stated:

"No examination or review by the Department of Justice, or other agency or commission outside the bank supervisory field, of the facts of a merger transaction, can be an adequate substitute for the background, knowledge and current information which presently reposes in the supervisors."

The trend of Congressional thinking on this point has been recently reflected in S. 1642, covering amendments to the Secu- (Continued on page 26)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 31.

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

Ashland Oil & Refining Co.—Alfred R. Hill, Partner, Hill & Co., Cincinnati, Ohio. (Page 2)

Coastal States Gas Producing Co.—Samuel Weinberg, President, S. Weinberg, Grossman & Co., Inc., New York City. (Page 2)

ALFRED R. HILL
Partner, Hill & Co., Cincinnati, Ohio
Members New York Stock Exchange

Ashland Oil & Refining Company

Since our first Ashland Oil story was published six years ago, many important changes have taken place. Reviewing the pattern of those changes should shed some light on future prospects for the company.

Refining

Ashland Oil now operates five refineries, including one acquired in 1959 in Louisville, Ky., and has two more small plants on standby. In 1958 the company was operating six plants and processing 135,000 barrels a day. Current refinery runs average 165,000 barrels a day . . . for about a 20% increase over 1958.

Crude Oil Supply

Probably the most significant changes occurred here. Today, from the United States, Canada and Venezuela, Ashland's directly owned production averages 22,000 barrels daily, compared with an average of 8,139 barrels in 1958. Natural gas production, negligible in 1958, now is approximately 45 million cubic feet per day. Approximately 67% of Ashland Oil's domestic oil production and 50% of the company's reserves comes from the United States and Canada with the balance coming from Venezuela. Proven domestic reserves have increased to an estimated 78 million barrels from an estimated 12 million barrels in 1958.

In addition, Ashland Oil owns a 14.13% stock interest . . . the equivalent now of approximately 15,000 barrels a day of crude oil compared with about 6,000 barrels a day in 1958 . . . in American Independent Oil Company. Aminoil produces and refines crude oil in the Kuwait-Saudi Arabia Neutral Zone, and participates in the Iranian Consortium. The company's investment of $1,904,769 in Aminoil dates from 1948. Aminoil established a dividend policy in 1962 and to date Ashland Oil has received cash dividends of $2,013,605, with the total for the fiscal year ending Sept. 30, 1963 amounting to $1,343,000. Net reserves of Aminoil in the Neutral Zone and Iran have been estimated by an independent petroleum adviser to be as much as 1,800,000,000 barrels of oil, and with expanding world markets for petroleum products, it is a reasonable assumption that Aminoil will pay good dividends for many years. Ashland Oil has the right to take crude oil from Aminoil in kind in proportion to stock ownership, but to date has never done so.

Through the acquisition of United Carbon Co. early in 1963, Ashland Oil gained valuable new oil and gas properties in the United States and Canada. Most of the current domestic production of oil and gas from the acquired properties was dedicated by United to satisfy a reserved oil payment, but ownership by Ashland if the remainder of production and reserves after retirement of the oil payment could have an important long-term effect. According to the estimates of DeGolyer & McNaughton, independent petroleum engineers, production after satisfaction of the oil payment in about 10 years should produce revenue, estimated at current prices for crude oil, of an aggregate of more than $120,000,000. Much of the undeveloped acreage formerly held by United Carbon was not dedicated to the oil payment, and it is anticipated that exploration and development of these properties will obtain additional crude oil production for Ashland Oil.

As a result of this expansion of owned domestic and foreign crude oil production, and completion of significant long-term arrangements to obtain crude oil, Ashland Oil has established an assured crude oil supply well in excess of current needs. Against refinery requirements of approximately 165,000 barrels a day, Ashland Oil has available under current arrangements nearly 230,000 barrels a day of crude oil and therefore has become a substantial reseller.

Transportation

Ashland Oil's transportation network, inter-connecting its producing, refining and marketing areas, includes crude oil and products, pipelines, tankers barges and trucks. This transportation network has grown steadily, and in recent months has been expanded by the addition of several important new pipelines. A 93-mile pipeline has been constructed by Interprovincial Pipe Line Company to bring Canadian crude oil into Ashland Oil's refinery at Buffalo, N. Y. Also, a 500-mile crude oil gathering and trunk line system serving oil fields in Louisiana and Mississippi has been acquired, and inter-connected by pipeline and water with Ashland Oil's refineries.

A products pipeline from Louisville to Lexington, Ky., now under construction, will have a capacity of approximately 20,000 barrels daily of gasoline, kerosene, diesel oil and heating fuels to serve the rapidly growing Central Kentucky market.

Marketing

The dynamic Ohio Valley is the heart of Ashland's Oil's marketplace. Long a highly industrialized area, the future potential of the Valley is best indicated by the investment of over $17 billion in new plant facilities by various industries over the past 12 years along the Ohio River and its tributaries. From this basic market area, Ashland Oil's sales of lubricants and special products reach out across the continent, and into many foreign countries. Sales in 1958 were $280,124,973. For nine months of fiscal 1963 sales reached $269,987,860, and should total approximately $365,000,000 for the current fiscal year.

Ashland Oil markets all the conventional petroleum products—gasolines, fuel oils, asphalts, lubricants and others—plus a steadily increasing volume of specialty products and petrochemicals. Gasoline is sold primarily through Ashland Oil branded service stations and to private brand independent chains. Also Ashland Oil is a major manufacturer and supplier of asphalt in its principal marketing areas. Higher profit petrochemicals, although comprising only a small volume percentage-wise, are an important factor in earnings. Most of the $33 million Ashland Oil has invested in refinery expansion over the past five years has been for new petrochemical facilities.

In the recent $150 million United Carbon acquisition, Ashland Oil also gained a new domestic and international market. Carbon black, made mostly from petroleum stocks, is used primarily in the making of tires. Ashland Oil's new United Carbon division has a half-dozen domestic plants and owns, fully or partially, three plants overseas plus one blueprinted for India.

Research

Ashland Oil's research organization which compares favorably in applied research with many of its larger competitors has been expanded with the addition of personnel and facilities acquired in the United Carbon transaction. In general, research efforts are centered on lubricants, jet fuels, heavy hydro-carbons and specialty products.

Conclusion

The energy needs of the United States have been predicted to almost double between 1960 and 1980. Should this occur, which we think it shall, Ashland Oil appears very well situated to participate in full measure from the potential growth. The company's shares are listed on the New York Stock Exchange.

SAMUEL WEINBERG
President, S. Weinberg, Grossman & Co., Inc., New York City
Members New York Security Dealers Association, New York City

Coastal States Gas Producing Co.

Earlier this month, the Annual Report of Coastal States Gas Producing Company for the fiscal year ended June 30, 1963 was published, and, once again, the story was one of record-breaking operations. This has been the case ever since the company was founded in November, 1955.

Perhaps the best testimony to Coastal States' past record (and likewise an endorsement of future potential) is the fact that, from fiscal 1958 to fiscal 1963, per share net income rose to $1.41 per share from $0.23, for a compounded annual growth rate of 44%.

The primary aspect of Coastal States' business is gathering sales. For the most part, this relates to the gathering and transportation of gas, but the gathering and

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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.)

Stock Market Outlook— An Unorthodox View

By Anthony Gaubis,* *Anthony Gaubis & Company, Investment Counselors, New York City*

Mr. Gaubis explains why he sees the market near a cyclical peak at the present time — 760-80 DJIA — why a second peak may occur early 1964; and why he is not as optimistic as others about the business and stock market outlook for 1964. The author, a participant in the first Contrary Opinion Forum initiated by Humphrey B. Neill, "The Art of Contrary Thinking," Fraser Publishing Co., Wells, Vt., and by his associate Jim Fraser, presents four approaches he uses in deciding where to reduce equity holdings even though he is bullish about the long-run trend. Those approaches are used to illustrate why it is necessary at times to go against overwhelming popular opinion. They deal with the determining influences of: supply of liquid funds and significant rediscount rate changes, annual changes in earnings, relationship of business activity to normal long-term trend, and the workings of three overlapping ten-year cycles.

This Forum is particularly timely, as there has been so much misunderstanding of the real aims and goals of those of us who are willing to go against Dale Carnegie's advice to always try to agree with our friends and associates. Many people are interpreting the Contrary Opinion theory as meaning that it is invariably desirable in stock market operations, at least, to go against the prevailing view. This is a rather serious distortion of Humphrey Neill's basic principle, as I understand it, since his "contrary opinion" approach is merely one of calling attention to the fact that when "everyone" seems to think alike, it is especially important to examine the opposite or contrary point of view. In other words, that it is time to really make the effort to "think."

Anthony Gaubis

Unfortunately, this does not seem to be an easy thing to do. As some may recall, Thomas Edison once remarked that he was always amazed at the lengths to which people would go to avoid the hard labor of thinking. A recent version of Thomas Edison's observation is that only about 5% of the people really think, with another 5% believing that they think, while 90% of us would rather die than think! It is not surprising, therefore, that it is not too difficult for the Wall Street propagandists to get the public to buy stocks when they are selling at double or triple the prices prevailing during the preceding few years, even though earnings may have risen by one-third as much; and to get the public to dispose of their holdings when they should be adding to their positions.

Lessons on the Need to Be Contrary at Times

My own experience with the need to be willing to go against overwhelming opinion from time to time dates back to the late '20's. I still remember the admonition of Emerson Wirt Axe, under whom I worked for a brief period in the Business Forecasting Division of the AT & T, that in the stock market it is always necessary to "beware of the obvious." Subsequently, I was able to watch at close hand the reasoning of Edgar Lawrence Smith, one of the few really independent thinkers I have met in Wall Street, when he was pleading with brokers and investment bankers in the Summer of 1929 to stop exploiting the gullibility of the public through the promotion of all types of funds under the theory that we had found a way to avoid depressions, were about to have a shortage of stocks, and, therefore, a permanent bull market.

In the Spring of 1930, I had another indelible lesson in the need to be contrary at times. The type of studies on which Mr. Smith and I had been working called for a much longer decline in the stock market than had been witnessed between September and November of 1929, and we saw little likelihood of an upturn in business activity for at least another year. However, at a meeting of twenty of the leading economists of that day, there was not a single dissenting voice to the conviction that the trend of business activity would turn upward by sometime between April and July. In the Spring of 1937, I vainly tried to convince the senior partners of an Investment Counsel firm with which I was then connected, that the odds definitely favored a major decline in stock prices during that year. The record shows that at least 90% of those who were willing to express unhedged opinions on the market outlook at that time were confident that any reaction that might be witnessed would be of

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OBSERVATIONS...

BY A. WILFRED MAY

A CONTRARY OPINION ON MARKET FORECASTING —AND INVESTING REALISM

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

The Constructive Alternative of a Sound Investing Approach

Having reached the conclusion from the foregoing analysis, that success in anticipating market movements is unattainable as well as inconsistent with genuine investment principles, nevertheless we fortunately do not need to leave our audience without a constructive alternative in the form of a sound and logical investing method.

Our own investment value approach is based on the premise that market price recurrently departs from value, in this way creating valid occasions for purchases and sales (in the **genuine** sense of buying cheap and selling dear). We assume further that the investor must estimate in a realistic way the likely return from a share of stock considered as an interest in a property, as he would in investigating a privately owned business; that similar to the buyer of real estate or a business, the holder of a share in a listed company cannot be guaranteed constant liquid market cashability without loss; but that he can legitimately secure reasonable expectation of an investment return on his capital sufficient to compensate him for the use and risking of his money.

Our quantitative value appraisal approach conforms to the principle that there is no logic in an investor gauging the value of an equity share according to cyclical or other short-term factors; that process really resting on the speculative assumption that one will be able to find some less well-informed "sucker" to take it off one's hand later at a higher price; or, conversely, that coming bearish news will cause someone to sell it to him mistakenly at an unwarrantedly low price (a sort of Ponzi philosophy).

Realistic Valuation

Instead of trying to gear investment operations to *timing* in one way or another, we should determine the present worth of a stock by capitalizing its carefully-estimated long-term future average annual dividend at a rate that reflects the going yield of riskless interest to serve as the rental value of our invested principal, plus an increment for annual amortization to compensate for the risk involved. The risk components and rental of our capital should be taken care of in the buying price, to give the "hard-boiled" investor a reasonable expectation of recouping his principal with interest plus a chance for profit. Through this quantitative concept, capital can be employed realistically with account taken of the calculable risks.

This gives real meaning to the composition of the earnings and dividend yield; and rationality to the multiplier in arriving at the market price; in lieu of leaving it haphazardly fixed according to the dictates of historical precedent, convention, style, window-dressing or some other non-quantitative standard.

Even the 15 designated by Secretary Dillon as the proper multiplier remains a figure picked out of thin air.

A cost price which yields a future average dividend of 7½% would roughly in 25 years afford complete amortization of your invested capital. That is, after deducting the rental value of your money at 3½%, leave you 4% for annual amortization, which means that after 25 years you will have gained your share in the property, including the liquid assets, written down to zero.

Amortization as an Offset to Risk

The choice of the amortization period would depend on the stock being valued. The stronger the company, the longer the amortization period — i.e., the longer you are willing to wait to recoup your capital investment. You'd be willing to wait 25 years for a riskless ATT, but only 20 years for a General Dynamics.

The accompanying table demonstrates our "advantageous buying price" for General Motors, calculated in the Summer of 1960.

GENERAL MOTORS

Average annual per share earnings—past 10 years	$2.79
Average annual per share earnings—past 5 years	3.19
Single year 1959 earnings	3.06
Average payout 10 years	65%
Average payout 5 years	70%
1. Estimated average annual earnings 25 years	$4.80
2. Average annual dividends estimated 25 years	3.25
3. Annual rental value capital invested	3½%
4. Annual amortization reserve 25-year life	4%
5. Annual requirement for (3) plus (4)	7½%
6. Capitalization of $3.25 dividend at rate of 7½% gives advantageous buying price of	$44

(GM's current price of about 80 leaves nothing for rental value of the capital or current return after amortization)

Value Appraisal and Portfolio Management

Value-appraisal activities should be practiced as part of consistent long-term portfolio management. They should be used against the background of liberal diversification of one's entire portfolio between equities and fixed-interest securities in the following way:

Primarily, we would continually inspect individual issues according to our evaluation technique, both those which we do and do not already own. We would at all times buy undervalued issues, under the sole proviso that their total should be limited by a predetermined maximum limitation on our entire portfolio's proportion of equity share holdings (say from 50-70%). Similarly, in dealing with appraised over-valuations, we would sell off such issues, but under the proviso that the total of our portfolio's share holdings should never decline below a predetermined minimum (say 20-40%).

The overall aim is to insure continuing proper diversification but not in blind subservience to formula-timing schedules. In other words the formula is distinctly secondary to the value criteria.

Even investors who accept the principle of value-analysis of one kind or another, still want to use market-timing simultaneously as a so-called "tool." The "when vs. what" alternatives as a guide to action then present a continuing problem to most market followers. How shall they weigh their timing efforts against evaluating individual issues on a business-appraisal basis? Which choice shall they make when discerning opportunities to buy good values at a time when the market averages are at historically high level?

My own answer, made on the basis of experience as well as logic, is that, rigorous though it may be, a black-and-white choice between timing and valuing must be made; that compromise means falling-between-two-stools into constant confusion of investment with speculation; and finally that the decisive principle must be: **Any time is a good time to buy a good value!**

* * *

Summary and Conclusions

Now let me offer the following summary and conclusions to my remarks on this question of stock market forecastability:

(1) Some amount of forecasting is necessary in investment, business and agriculture; but in the latter two fields it is kept incidental, while in securities operations it is usually engaged in to exert a major influence. Minimization of the forecasting element determines classifications of behavior as investing in lieu of speculating or gambling.

(2) "Wall Street" has been experiencing a continuing and growing boom in forecasting, in contrast to the recurrent post-1929 depressions in its other activities.

(3) The motivations for this proclivity to forecasting overemphasis include: the psychological desire to *escape* from the rigors and evidenced difficulties involved in appraisal methods; the ordered system appeal; the temptation to pictorialize the future from the past; misconceptions about market "liquidity"; confusion of value with price; and enjoyment of prediction as a game.

(4) The empirical results actually achieved in market timing by various categories of experts have been decisively negative.

(5) As the causes making such abortive results inevitable, we have cited:

(a) the many imponderables ever present in the market as well as in the external outlook;

(b) the market's habit of contradictory reactions to the same event;

(c) its changing and illogical selective emphasis among conflicting elements; resulting in the insuperable obstacle of having to be correct on both the external eventualities and the market's reactions thereto;

(d) increasing government interventionism and its unpredictability;

(e) in theories of internal market analysis and trend-projection, basic fallacies as assumption of the future from the past; and

(f) the constant sharp divergence between the price action of the individual issues and groups composing the market.

(6) As the alternative to the unattainable goal of anticipating market movements, we offer the would-be genuine investor the constructive alternative of confining himself to appraising individual issues according to valid business-value standards, as he would in estimating the worth of a going business property or real estate.

Gaylord Promoted By First Republic

Joseph Gaylord has been appointed a Vice-President of The First Republic Corporation of America (OTC), 530 Fifth Ave., New York, it was announced by Jerome Wishner, president. He will be responsible on a national level for the leasing of all properties owned and operated by First Republic.

Joseph Gaylord

The First Republic Corporation of America is a publicly held real estate company with a portfolio of approximately $50 million in office and apartment buildings, industrial centers and other properties throughout the nation.

Nakagama Now With Laidlaw & Co.

Sam I. Nakagama has joined Laidlaw & Co., 25 Broad Street, New York City, members of the New York Stock Exchange, as economist. Mr. Nakagama was previously associate economist of the First National City Bank of New York where he was a major contributor to the well known First National City *Monthly Economic Letter.*

Sam I. Nakagama

Mr. Nakagama joined the First National City Bank in 1960 after four years as an assistant editor of *Business Week,* where his responsibilities included economic analysis for the "Business Outlook" department as well as the preparation of major economic articles. During 1955 and 1956 he was commerce and industry editor of the *American People's Encyclopedia,* where he was responsible for all material dealing with business, industry and economics.

A native of California, Mr. Nakagama is a graduate of the University of Chicago (B.A. 1950) and obtained his master's degree there in 1954. During World War II he served in the U. S. Army as a language specialist attached to G-2. During the postwar Japanese occupation, from 1946 to 1948, he was second in charge of public opinion and sociological research at SCAP headquarters in Tokyo.

Clark, Dodge to Acquire Pa. Offices

Clark, Dodge & Co., Inc. has agreed to acquire the Pennsylvania offices of Green, Ellis & Anderson, subject to New York Stock Exchange approval, it has been announced by Eugene M. Geddes, president of Clark, Dodge & Co., Inc. and Richard I. Robinson and Herbert Anderson, Jr., senior partners of Green, Ellis & Anderson.

Clark, Dodge would acquire the Wilkes-Barre, Hazleton, Bloomsburg and State College offices on Nov. 29, 1963. Mr. Robinson and Mr. Anderson would become Vice-Presidents of Clark, Dodge at that time. John B. Strater and Norman MacMillan and certain others of the New York office of Green, Ellis & Anderson would also join Clark, Dodge.

Clark, Dodge & Co., Inc. was established in 1845 and is a member of the New York and American Stock Exchanges. Its head office is at 61 Wall St., New York City, and branches are maintained at 410 Park Ave., New York, Boston, Mass., Newark and Princeton, N. J. and London, England.

G. B. Gerding Opens

COLLINGSVILLE, Ill.—Glenn B. Gerding is conducting a securities business from offices at 116 East Main Street under the firm name of G. B. Gerding Company. He was formerly with Reinholdt & Gardner.

Nat'l Conference Brotherhood Awards

"Religious distinctions, once a governing factor in operations of most companies and organizations in the Wall Street financial community, are now definitely disappearing. Progress made in


Bernard J. Lasker


Peter M. Flanigan


Henry M. Watts, Jr.


Dale E. Sharp

this area in the last 10 years exceeds anything of the past half-century."

That statement was made by Dr. Lewis Webster Jones, President, The National Conference of Christians and Jews, in announcing names of the organization's annual Brotherhood Awards in the financial community.

Recipients to be honored at a dinner at the New York Hilton, Nov. 19, are:

Peter M. Flanigan, Vice-President, Dillon, Read & Co., Inc., and board member of both New York University-Bellevue Medical Center and the New York Foundling Hospital.

Bernard J. Lasker, member of the New York Stock Exchange and a partner of E. H. Stern & Co., recently Chairman of the $22,500,000 annual campaign of the Federation of Jewish Philanthropies of New York.

Henry M. Watts, Jr. Chairman of the Board of Governors of the New York Stock Exchange and a partner in Mitchell, Schreiber, Watts & Co.

Dale E. Sharp, Vice-Chairman, Morgan Guaranty Trust Company, is Dinner Chairman.

Mr. Flanigan will be introduced by Walter N. Thayer, President, The New York Herald Tribune. Mr. Lasker will be introduced by John A. Coleman, civic and philanthropic leader, partner, Adler, Coleman and Co., and past Chairman of the Board of Governors of the New York Stock Exchange. Mr. Watts will be introduced by Gustave A. Levy, partner, Goldman, Sachs & Co., former President, Federation of Jewish Philanthropies, and President of Mount Sinai Hospital, New York.

In making his announcement, Dr. Jones said: "The National Conference, founded in 1928, has long been interested in helping foster civic cooperation and mutual understanding among people of all religions and ethnic groups. The financial community, because of the influence it exercises throughout the U. S. and the world, sets a standard for many others.

"In preparing for the current awards we have given a close scrutiny to religious divisions in Wall Street. We have found that, in sharp contrast to the situation existing as recently as 10 or 15 years ago, there is underway in the financial community a rapid movement toward the elimination of purely religious distinctions. We have noted great efforts through education and discussion to achieve greater civic cooperation and mutual understanding, as well as the resolution of community problems.

"Strict division of firms and organizations along denominational lines is no longer true. Companies are not considered exclusively as representative of one or another faith. Associations and business and personal relationships are more and more based upon the individual rather than his religious affiliation. Moreover, financial community participation in many philanthropic and civic activities extends across religious lines in a way that would have been considered impossible little more than a decade ago.

"The National Conference is not an interfaith movement aimed at any amalgamation of religious bodies. Rather, its goal is to bring together people of different affiliations for mutual philanthropic, civic and business efforts within the framework of existing institutions and organizations of our society.

"The men chosen to receive the Award this year particularly demonstrate this in the wide range of their interests. Mr. Watts, for example, is Chairman of the Wall Street division of the Muscular Dystrophy Association of America and the Boy Scouts of America. Mr. Lasker, in addition to his work at Federation, also heads the 50th Anniversary Committee of the Jewish Guild for the Blind, serves on the Board of Mount Sinai Hospital, and is active in many other social welfare and philanthropic groups. Mr. Flanigan, in addition to his hospital affiliations, is associated with the American Musuem of Natural History, International House, and the Convent of the Sacred Heart."

Winn-Dixie: Super Profits From Supermarkets

By Dr. Ira U. Cobleigh, *Economist*

A review of the progress of this expanding Southern grocery chain and the steady advance in its net earnings and dividend distributions.

The grocery chain business is, as everyone knows, highly competitive and the trick is to make money on a profit margin that seldom exceeds 1½c per sales dollar. Winn-Dixie Stores, Incorporated, however, has found a formula that not only makes money but has created a growth in earning power that is quite remarkable. Winn-Dixie has increased its dividends each year for 20 years in a row, and earns above 20% on its capital. This is a very high return in this industry—roughly double the return on capital reported by some of the larger chains.

Range of Operations

In point of size, Winn-Dixie ranks seventh among grocery chains and now operates about 610 stores in 10 states, only one of which is Northern (Indiana). Heaviest representation is in Florida, North and South Carolina. The stores are operated under the names Winn-Dixie, Kwick-Check and Hills Stores (around Birmingham, Ala.). Operating results are under constant scrutiny and in the past seven years some 200 stores, outmoded or not adequately rewarding, were closed; and in the same period about 350 stores were opened or acquired.

Operations are directed from major divisional centers in Jacksonville, Miami and Tampa, Florida; Greenville, South Carolina, Raleigh, North Carolina, New Orleans, La., and Louisville, Ky. Increasingly Winn-Dixie has expanded its own production facilities. For example, there are two baking plants in Florida, and one in South Carolina; at Orlando, Fla., there's a plant turning out peanut butter and salad dressing; at Jacksonville there are facilities for processing and packaging tea, coffee and spices; and there's a cookies plant in Georgia.

Emphasis on Cash

The guiding operating principle derives from a slogan of the founder the late William M. Davis, "Stay liquid, sell for cash and don't buy real estate." How well this instruction has been followed is indicated by current working capital of about $66 million and rental of most of its complex of stores and warehouse facilities. Winn-Dixie believes in using its cash to buy merchandise—not brick and mortar—and it maximizes the usefulness of this cash by turning over its inventory every 20 days. (Most supermarkets require 25 days or more to do this). Even in acquisition Winn-Dixie has preferred to use cash in most instances.

Management

The four sons of the founder constitute the top management team with James Ellsworth Davis, Chairman, Artemus Darius Davis, President, at the Jacksonville headquarters; Austin Davis and Tine Davis, Executive Vice-Presidents with regional assignments.

Whereas many chains concentrate the management function heavily at the home office, Winn-Dixie allows considerable latitude to its divisional maangers permitting them to buy extensively, locally in meats and vegetables, and to arrange pricing schedules to adjust to local competitive conditions.

Labor Relations

The integration problem is naturally of some concern to Winn-Dixie. The company now employs Negroes to the extent of about 12% of its work force of 12,000; and one store has a Negro manager. Employee relationships have in general been excellent and have benefitted from extensive stock purchase plans and incentive bonuses for improved efficiency and speed.

Winn-Dixie does not favor huge outlets. Most of its stores (averaging about 15,000 square feet) are actually smaller than those of competitors, functional, but not elaborately or gaudily equipped. Cost controls are rigidly maintained and sales per store have steadily risen. Weekly sales (per store) which averaged $18,674 in 1955 have now risen to over $27,000 per week.

Growth

The overall growth in sales has been truly impressive. Net sales which totaled $203 million for 1953 (fiscal year ends June 30) have risen consistently year by year to $831 million for fiscal 1963. Sales for 1963 increased by 7.6% over the preceding year and net earnings reached an all-time high of $18.3 million.

Capitalization

Corporate structure is quite simple with $12,400,000 in serial debentures preceding 12,658,019 common shares listed on the New York Stock Exchange and currently selling at 31. In the last five years, WIN common has ranged between a low of 20 and a high of 41 (in 1961).

Of particular interest is the dividend policy. Dividends have risen in each of the past 20 years. In 1953 the payout was 20 cents per share. The current indicated rate is $1.08 paid, not quarterly as is customary, but 9 cents per share each month. While this more frequent mailing, and three times as many checks annually cost about $42,000 a year more, it seems most satisfactory to Winn-Dixie's family of 27,000 shareholders, many of whom are employees and customers. It is, in fact, quite common for customers to cash (and spend) their monthly dividend checks at Winn-Dixie stores.

Horizons

Looking ahead, the management expects another good year in 1964 with sales increasing around 4%, and, no doubt, another new high in per share net which increased from $1.38 in 1962 to $1.45 for 1963.

Stockholders in the past have been rewarded, not only by rising cash dividends, but by splits; 3-for-1 in 1950 and 2-for-1 in 1960. Of the outstanding shares, about 28% is held by the Davis brothers and their families, which is solid evidence of their faith in Winn-Dixie, and their continuing dedication to its success and progress.

For those who have neglected grocery chain shares up to now, or seek for purposes of diversification, growth and income, quality representation in such equities, a penetrating look into the values inherent in WIN common is suggested. Historically, it has proved to be a dependable and desirable investment, with an attractive Southern accent on profitability.

Now With McCarley

CHARLOTTE, N. C. — Ralph E. Randall has become affiliated with McCarley & Co., Inc., Liberty Life Building. He was formerly with Harris, Upham & Co. and Thomson & McKinnon.

Tax-Exempt Bond Market

BY DONALD D. MACKEY

The state and municipal bond market has faltered in the course of the last week following the lift apparent in the market place which was stimulated by the successful high yield Lewisport, Kentucky industrial revenue and Douglas County, Washington PUD flotations. Even as these popularly priced items were being avidly taken by a variety of investors the general run of state and municipal offerings were receiving only scant investor interest.

The bids for new issues continue to reflect the aggressive contention as between dealers in efforts to gain the awards though a large share of the underwriting is unprofitable. Quicky price cutting has become standard practice for accounts that have not been sold down to the 50% level upon reoffering, regardless of market conditions. Usually as small an interest of from $50,000 to $100,000 of bonds qualifies for a price cut of down 10 basis points less one-quarter or one-half. The 5-10-20 bond buyers pay list of course.

Traditional Policy Ignored

It has always been dealer practice to make some concession for sizable sales from slow accounts with benefits to all accruing. However, the present practices bear little resemblance to these traditional distribution practices. In today's marketplace, overcompetition dictates b i d d i n g through the level at which broad investor interest prevails. Dealers are in effect bidding a level at which some bank interest seems likely to appear. If it immediately appears in fair volume the account may show a profit. If the issue gets off to a slow start, which characterizes 90% of the underwriting today, the account may supinely hope for bids down 10 or 15 basis points, usually from a group within a group.

The highly successful deals of recent months have invariably involved some special situation: high yield, as in Lewisport and Douglas County, has been sure fire naturally; bank interest in specific issues has accounted for some successful underwriting; special local offerings have in many cases been priced for ready sale; but generally syndicate underwriting over the past six months has been confused by the artificially high level of the market, the confusion as between long and short term interest rates, the tax cut uncertainty and the underwriting controversy as regards revenue bond issues. Moreover, the effects of inflation particularly over the longer term has recently loomed as a major deterrent for the cogent investor.

Market Lower

The *Commercial and Financial Chronicle's* market Index averaged from the offering yields for preselected 20-year high-grade general obligation bonds shows the market to be off one-quarter of a point over the past week. The yield Index was increased to 3.064% from 3.05% in the course of the week. Thus the gain recorded the previous week, while hope ran high with the placement of the Douglas and Lewisport issues, has given way.

Interestingly the bid for Douglas 4s is off from 102¼ to 101⅝ and the Lewisport 5s which had been 100⅝ bid are now 99½ bid.

Dollar Bonds Off Substantially

The long-term dollar quoted toll road, toll bridge, public utility and other revenue and authority issues fared rather badly during the past week's sessions. The *Chronicle's* Revenue Bond Index derived from averaging the offering yields for 23 of the most actively traded issues shows the market to be off about one-half a point. The Index increased to 3.552% from 3.521%. While several issues were unchanged and off one-quarter, Chicago-O'Hare 4¾, Florida Tpke. 4¾s, Illinois Toll Highway 3¾s, Indiana Toll Road 3½s, Kansas Tpke. 3⅜s Mackinac Bridge 4s and Kentucky Tpke. 4.85s were all off about a point.

This sensitive area of the tax-exempt bond market would seem to indicate that the market in general is tenuously poised on a nervous shifting level, not realistically reflected in the new issue bidding.

Large New York Issues Scheduled

The new issue volume scheduled continues to average out at the $500,000,000 - $600,000,000 level. Through November the scheduled and tentatively scheduled calendar totals about $600,000,000 with no important negotiated offerings showing. Of this total, the largest component is a $118,700.000 of New York City (1964-1993) issue set for sale Oct. 23. The New York Port Authority has scheduled $25,000,000 term bonds due 1994 for offering Oct. 30.

The schedule is well diversified in volume and geography with the only king-size offering other than that of New York City being $75,000,000 California Toll Bridge Authority Revenue bonds for public bidding Oct. 23.

Inventories Enlarged

It appears that inventories have been built up some during the past two or three weeks. This has been partly due to a heavier volume of new issues and partly due to unrealistic pricing practices. A voluminous insurance company and individual investor market continues to be 10-25 basis points away from the level that dealers feel compelled to sustain in their fitless controversy between themselves. The *Blue List* of state and municipal bond offerings totals $537,059,500 as of Oct. 16.

New issues continued to fetch aggressive bidding at a level about in line with the trend in recent weeks. The sales of bonds out of these recent new issue accounts indicated investor resistance to present prices and sales have been disappointingly slow. Over $190,000,000 of various bonds were purchased at competitive sale and we will briefly enunciate the important flotations.

Recent Awards

Last Thursday there were three important loans of note on the Calendar. Wayne County, Mich. awarded $33,000,000 Airport Revenue (1967-1999) bonds to the syndicate jointly managed by *Smith, Barney & Co., Lehman Bros. & Co., Goldman Sachs & Co.,* and *Harriman Ripley & Co.* at a net interest cost of 3.705%. The second and only other bid, a 3.752% net interest cost, was made by the group headed by Blyth & Co., First Boston Corp., First of Michigan Corp., Drexel & Co., and F. S. Smithers & Co.

Other major members of the winning syndicate include Kuhn, Loeb & Co., Merrill, Lynch, Pierce, Fenner & Smith Inc., Alex. Brown & Sons, Shields & Co., Stone & Webster Securities Corp., Hornblower & Weeks, A. G. Becker & Co., Francis I. duPont & Co., Weeden and Co., Bache & Co., Blair & Co., R. S. Dickson & Co., Hallgarten & Co., Hemphill, Noyes & Co., W. H. Morton & Co., Reynolds & Co., Shearson, Hammill & Co., Bacon, Whipple & Co., and Estabrook & Co.

Scaled to yield from 2.70% to 3.75%, initial demand has been disappointing with the present balance in syndicate totaling $18,975,000.

This money is to be used to enlarge present facilities at Detroit Metropolitan Wayne County Airport and will permit the transfer of operations of six airlines presently using Willow Run Airport at Ypsilanti to the new facility. The Airlines are United; Trans World; Eastern; Mohawk; North Central and Lake Central. Thus, all commercial passenger operations in Detroit will be consolidated at a single air terminal. A large addition to the present terminal building will be erected; a complete second terminal will be built; a five-story central services building will be put up and modernization of all airport facilities will be undertaken.

The City of Buffalo, New York awarded $12,000,000 Water & General improvement (1964 - 1993) bonds to the account composed of the *First Boston Corporation, Bank of America NT & SA, First National Bank in Dallas, National Shawmut Bank, Boston* and *Commerce Trust Co., Kansas City* at a dollar price of 100.1899 for a 3.10% coupon. The runnerup bid, 100.174 also for a 3.10% coupon was made up by the First National City Bank and Associates.

Reoffered to yield from 1.95% to 3.20%, balance in account at press time was $6,085,000.

There was also an issue of $3,698,000 Elmira, New York City

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MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California, State	3½%	1982	3.30%	3.15%
*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	3.24%	3.16%

October 16, 1963 Index=3.064%

*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 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.
La Porte Ind. S. D., Texas	1,000,000	1975-1978	-------
Oyster Bay C. S. D. No. 2, N. Y.	1,960,000	1965-1993	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.	2,008,000	1964-1938	-------
Washington Co., Miss.	1,000,000	1964-1983	10:00 a.m.
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)			
Babylon U. F. S. D. No. 5, N. Y.	1,475,000	1965-1993	2:00 p.m.
Brunswick Co. School, Va.	1,084,000	1965-1984	Noon
Chattanooga, Tenn.	2,200,000	1965-1984	11:00 a.m.
Cleveland City Sch. Dist., Ohio	10,000,000	1965-1984	1:00 p.m.
Lubbock, Texas	1,666,000	1964-1968	2:00 p.m.
Port of Seattle, Wash.	6,000,000	1964-1983	11:00 a.m.
October 28 (Monday)			
Atlanta Water Rev. Certs., Ga.	1,750,000	1964-1983	Noon
Dearborn Tp. S. D. No. 4, Mich.	3,200,000	1965-1989	7:30 p.m.
Garland Co., Ark.	1,500,000	1966-1993	11:00 a.m.
Jeffersonville, Ind.	2,035,000	1964-1988	7:30 p.m.
Lane County S. D. No. 19, Ore.	3,450,000	1965-1984	8:15 p.m.
Maple Heights City S. D., Ohio	1,121,000	1965-1984	1:00 p.m.
Salinas, Calif.	5,174,000	1964-1988	7:30 p.m.
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.
Washington Union H. S. D., Calif.	1,531,000	1964-1988	10:00 a.m.
West Ottawa S. D., Mich.	1,200,000	1964-1989	8:00 p.m.
October 30 (Wednesday)			
Baltimore Co., Md.	15,000,000	1965-2003	11:00 a.m.
Honolulu, Hawaii	39,600,000	-------	-------
Lenape Regional High S. D., N. J.	1,575,000	1965-1993	8:00 p.m.
Port of N. Y. Authority, N. Y.	25,000,000	1994	11:00 a.m.
Worthington, Minn.	1,900,000	1966-1985	1:00 p.m.
October 31 (Thursday)			
Canonsburg-Houston Jt. Auth., Pa.	1,750,000	1965-2001	1:00 p.m.
Nankin Mills S. D., Mich.	1,025,000	1965-1989	8:00 p.m.
November 1 (Friday)			
Univ. of Alabama Bd. of Trustees	4,805,000	1965-2003	11:00 a.m.
November 2 (Saturday)			
Arkansas Southern State College Var. Bldg. Rev., Va.	1,897,000	1965-2002	3:00 p.m.
November 4 (Monday)			
Corpus Christi Ind. S. D., Texas	3,000,000	-------	4:00 p.m.
Edina, Mass.	2,625,000	1965-1987	7:00 p.m.
Farmington Tp., Mich.	2,625,000	1964-1993	8:00 p.m.
Harrison, N. J.	2,890,000	1964-2003	8:30 p.m.
November 5 (Tuesday)			
Beverly Hills Library Const., Cal.	1,560,000	1965-1984	7:30 p.m.
Van Dyke S. D., Mich.	1,750,000	1964-1988	8:00 p.m.
November 6 (Wednesday)			
Wyoming, Mich.	1,475,000	1967-2001	8:00 p.m.
November 7 (Thursday)			
Albany Port District Municipal Building Construction, N. Y.	1,500,000	-------	-------
November 12 (Tuesday)			
Maryland (State of)	38,270,000	1966-1978	11:00 a.m.
November 13 (Wednesday)			
Philadelphia, Pa.	31,800,000	1965-1994	Noon
November 14 (Thursday)			
Jefferson Par. Comm. Center & Playground Dist. No. 4, La.	1,000,000	1965-1984	2:00 p.m.
Jefferson Par. East Bank Cons. Sewerage Dist., La.	3,000,000	1968-1994	2:00 p.m.
St. Clair Co. Belleville Tp. H. S.-Jr. Coll. Dist. 201, Ill.	7,300,000	1965-1983	8:15 p.m.
Yuba County, Court House Bldg., Refunding, Calif.	2,265,000	1963-1988	-------

The Common Market And Trade in Chemicals

By Wolfgang Schoellkopf,* *European Economic Specialist, The Chase Manhattan Bank, New York City*

Bank research economist discusses the adverse impact of the EEC trade bloc on our chemical exports; the establishment of U. S. manufacturing facilities abroad; and the rise of price competition in Europe pressuring European sales to, and direct investments in, foreign countries — similar to the U. S. A. pattern. A new kind of world market is envisioned wherein increased regionalism and barriers to world trade lead to direct foreign investments resulting in local subsidiaries competing within regional markets and trade becoming relatively less important. Moreover, the author attributes this to greater stability in the operation of individual companies and dependence on local production. Nevertheless, the importance of trade to our balance of payments cannot be ignored and, despite the new trend, the author warns we must push our chemical exports.

The European Economic Community, generally known as the Common Market, was universally praised when it was formed in 1958. This attitude of great enthusiasm prevailed in the years after and continued all through 1962. It was only in recent months that a more critical, and if I may say so, a more realistic attitude to the Common Market has gained ground. This change in outlook was heralded by Britain's failure to gain Common Market membership. But the more important factor in this reappraisal was a growing awareness of the Community's overall tariff discrimination against outsiders and the mounting difficulties encountered by U. S. exporters attempting to maintain last year's share of the European markets. These adverse effects of the Common Market have gained added significance because of the continuing deficit in the U. S. balance of payments.

Wolfgang Schoellkopf

Up to now, American business and the chemicals industry in particular have generally benefited from the formation of the Common Market. Total U. S. exports to the Community have increased at an annual rate of 7.1% since 1952 and U. S. chemicals exports expanded ever faster at an average rate of 16.8% a year. The most important factor in this increase of U. S. sales to the Common Market has been the very rapid growth of the European economies. Total production of goods and services grew on the average by 7.6% annually, which was over twice the average rate of growth of the United States economy; and the European chemicals industry was the fastest growing sector of a rapidly expanding industrial economy. Over the last 10 years, French chemicals production increased almost three-fold, that of Germany more than three-fold, and Italy's chemicals production four-fold.

Adverse ECM Tariff Wall Impact

This very rapid industrial growth has so far overwhelmed the new trade discrimination of the EEC nations against U. S. exports. By 1962, U. S. exports of chemicals to the Common Market had reached $398 million, which is 22% of total U. S. chemical exports. However, from now on, the adverse effects of the EEC trade bloc on U. S. exports of chemicals are likely to become much more important. For one thing, internal tariff elimination will divert trade away from outsiders to an increasing degree in the period ahead. Further, the new common external tariff wall now appears to be considerably more protective than the old national tariffs. And finally, the industrial advance of the European economies has slackened in the last two years, thus indicating a slower growth of industrial demand in future years than in the 1950's.

But one may ask, to what extent will the Common Market actually divert trade into new channels—and away from the United States. Remember, many U. S. exports will be unable, under the new conditions, to jump the tariff wall and still sell at competitive prices. Common Market users of chemicals will buy a growing proportion of their import needs from companies located within the Community. The extent of such shifts to suppliers inside the Common Market, often called trade diversion, is best illustrated by a few figures. In 1958 the six member nations imported a little over 44% of their chemicals from each other. But by 1962, only four years later, this share had already increased to over 50%. The greatest changes took place in the markets of the two largest EEC importers—Germany and France. Over the last four years, Germany increased its chemical imports from the other EEC countries from 28% to 39% of its total chemical imports. In the case of France the shift was even greater —from 35% to 49%.

Trade Diversion

The extent of trade diversion that has already occurred may be illustrated by still another comparison. In order for U. S. producers to supply the same share of the European chemical import market in 1962 that they had supplied in 1958, U. S. exports of chemicals to the Common Market would have had to increase about 10%, which is the equivalent of $40 million at 1962 levels. This did not happen, of course, and I think we can be pretty certain that the shift away from U. S. suppliers in favor of the European chemicals industry will continue well beyond 1967, the date at which all internal tariffs are scheduled to have been eliminated. Based on information developed by the Brookings Institution, U. S. exports to the Common Market are expected to rise by $650 million less during the next five years because of the formation of the Common Market. On this basis, a reasonable estimate would be that U. S. exports of chemicals would rise by about $70 million less by 1968, due to the Common Market's trade diversion.

The other negative influence of the Common Market on U. S. exports is the greater protection afforded by the new common external tariff wall. A straight comparison of EEC and U. S. tariffs shows that U. S. tariffs are higher for most product groups, with the exception of pharmaceuticals and fertilizers. Also, many U. S. chemicals tariffs are above 25% while most Common Market rates lie between 15% and 25%. These facts are often cited, but a straight comparison of tariff rates is not an indication of the Common Market's increased protection. The more relevant comparison here is that United States rates have remained the same, while Common Market rates are becoming more protective as the Common External Tariff becomes fully established. This higher protection is the result of three distinct factors.

ECM Tariffs Are Higher Than It Seems

First, the new EEC external tariff is, in most cases, the arithmetic average of the four former tariff areas — namely Benelux, France, Germany, and Italy. However, tariff reductions made just prior to 1958 were discounted in the calculations, and in the case of many zero Benelux tariffs on chemical imports, artificial rates of 12% were used to arrive at an average. Further, the Rome Treaty contains special tariff lists on which many chemical products are enumerated, for example, ethyl and butyl alcohols, synthetic rubbers, and bromides. These products are subject to special tariff negotiations between the member countries—and this procedure generally results in rates well above the arithmetic average.

Second, in addition to tariffs, all the EEC countries levy other taxes on imports. These are called equalization taxes or turnover taxes, and they range anywhere from 6% to 25% on the various chemical products. These taxes are imposed on the duty-added-value of the imported product. Their purpose is to compensate for domestic turnover taxes, a major form of taxation in Western Europe. Yet a frequent complaint is that these additional import taxes are higher than necessary for compensation and that they can be changed with impunity. In June of this year, for example, German import taxes were raised by 2% on a number of manufactured items accounting for about 10% of annual imports into Germany.

The third factor and clearly the most important of the three is that many of the new EEC tariffs will increase the protection afforded the low-cost chemical producers within the Common Market. It is indeed small comfort for U. S. exporters to know that French tariffs on chemicals will be reduced when at the same time the low-cost suppliers—say, German chemical firms—will in fact receive more tariff protection than they previously had enjoyed. The low-cost suppliers already compete effectively at their low national tariffs but will nevertheless receive added protection by the method of tariff averaging of the Common Market And since the products of the low - cost chemical firms will receive the same protection in all the member countries, comparable products from the United States and elsewhere may be kept out of the whole area.

Face Substantial Tariff Hike

The Brookings Institution Study on the U. S. Balance of Payments strongly suggests that EEC tariffs on chemicals and other products will be more protective unless substantially reduced. In fact, just to hold the old level of protection the Common Market would have to lower its external tariff wall by 49% for inorganic chemicals, 50% for organic chemicals, 48% for paints, and 25% for pharmaceutical products.

Thus, in the absence of a down-

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DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Argentina — Review — First National Bank of Boston, 45 Milk St., Boston, Mass. 02109.

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

Automobile Equipment Industry —Review with particular reference to **Clevite Corp., Dana Corp.,** and **A. O. Smith Corp.**—Purcell, Graham & Co., 50 Broadway, New York, N. Y. 10004. Also available is a bulletin on **United Shoe Machinery Corp.**

British Carribbean — Economic Review—Bank of Nova Scotia, 44 King St., West, Toronto I, Ont., Canada.

Canadian Stocks—Brief reviews of fifty active mining, petroleum and industrial stocks — Canadian Forecaster, 238 Adelaide St., West, Toronto, Ont., Canada.

Canadian Stocks—Selection guide giving statistics on Canadian stocks, arranged by industries— Gairdner & Company Limited, 320 Bay St., Toronto, Ont., Canada. Also available is a bulletin on **Canada Packers Limited.**

Candidates For Tax Selling— Stocks with high percentage of decline below highs—Hornblower & Weeks, 1 Chase Manhattan Plaza, New York, N. Y. 10005. Also available are comments on **Steel, M. A. Hanna, P. Lorillard, A. O. Smith, Western Union, American Telephone & Telegraph** and **Hoover Ball Bearing.**

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.

Current Business Picture—Review—David L. Babson and Company, Inc., 89 Broad St., Boston, Mass. 02110.

Electric Utility Construction — Study—Goodbody & Co., 2 Broadway, New York, N. Y. 10004. Also available is a review of the **Bond Market.**

Farm Machinery Industry — Analysis—With particular reference to **Deere and Company** and **Massey Ferguson Ltd.**—Thomson & McKinnon, 2 Broadway, New York, N. Y. 10004. Also available are comments on **Masonite Corp.**

Investment Review And Outlook —Fall edition covering 55 stocks recommended for different investment objectives; a discussion of the **Capital Goods Industry,** etc.—Roger Stevens, Dept. CFC, Eastman Dillon, Union Securities & Co., 1 Chase Manhattan Plaza, New York, N. Y. 10005.

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

Japanese Market — Review — Daiwa Securities Ltd., 149 Broadway, New York, N. Y. 10006. Also available are comments on **Toyota Motor, Nippon Breweries, Nippon Gaishi, Chubu Electric Power, Nippon Musical Instruments, Shin Mitsubishi Heavy Industries,** and **Minolta.**

Life Insurance Stocks for Lifetime Gains—Ira U. Cobleigh— Basic information, highlighted for investors, about the attractiveness of life stocks, the historic growth of representative life insurance companies, and criteria for prudent current selection of seasoned life stocks with a view to long term capital gains—Cobleigh & Gordon, 220 East 42nd St., New York, N. Y. 10017—$2 per copy (quantity prices on request).

Market Patterns — Comparative study of the Dow Jones 30 Industrial Averages 1896 to 1963 with emphasis on the new patterns since 1949—Moore & Schley, 120 Broadway, New York, N. Y. 10005.

"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.

New York City Banks—Comparative figues on nine largest banks—Bankers Trust Company, 16 Wall St., New York, N. Y. 10015.

New York City Bank Stocks— Comparison and analysis of 10 leading banks—Laird, Bissell & Meeds, 120 Broadway, New York, N. Y. 10005.

New York City Securities—Essential facts and supplementary information for investors—Comptroller, City of New York.

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.

Paper Outlook — Review — With particular reference to **Hammermill Paper, Kimberly Clark** and **St. Regis Paper.** H. Hentz & Co., 72 Wall St., New York, N. Y. 10005. Also available is a report on **Gimbel Brothers.**

Puerto Rico Aqueduct & Sewer Authority — Annual report — Aqueduct & Sewer Authority, San Juan, Puerto Rico.

Selected Stocks—List of stocks in various categories which appear interesting — Courts & Co., 11 Marietta St., N. W., Atlanta, Ga. 30301.

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

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Air Products & Chemicals—Comments—E. F. Hutton & Co., Inc., 1 Chase Manhattan Plaza, New York, N. Y. 10005. Also available are comments on **Aldens, Armour, Beech Aircraft, Boeing Co., Great Western Financial, International Business Machines Corp., Owens-Corning Fiberglas** and **United Aircraft Corp.**

American Cyanamid—Comments —Hirsch & Co., 25 Broad St., New York, N. Y. 10004. Also available are comments on **Combustion Engineering, Crown Cork & Seal, Agricultural Machinery, Ronson Corp., Niagara Mohawk, Steel, Harris Intertype** and a list of **Selected Stocks.**

American Greetings Corporation —Analysis—Hill Richards & Co., Inc., 621 South Spring St., Los Angeles, Calif. 90014. Also available is an analysis of **Coastal States Gas Producing.**

Andrew Jergens Company — Analysis—Birr, Wilson & Co., Inc., 155 Sansome St., San Francisco, Calif. 94104. Also available is an analysis of **McLouth Steel Corp.**

Arrow Hart & Hegeman Electric Company — Analysis — Chas. W. Scranton & Co., 209 Church St., New Haven, Conn. 06507. Also available is an analysis of **Peter Paul, Inc.**

Broken Hill Proprietary Company Limited — Analysis—Burnham and Company, 60 Broad St., New York, N. Y. 10004. Also available is a review of the **Japanese Economy.**

Chrysler Corporation—Technical analysis—McDonnell & Co., Inc., 120 Broadway, New York, N. Y. 10005. Also available is a technical analysis of **Radio Corporation of America.**

Cole National Corporation — Analysis—Walston & Co., Inc., 111 West Jackson Blvd., Chicago, Ill. 60604.

Continental Assurance Company —Analysis—William Blair & Co., 135 South La Salle St., Chicago, Ill. 60603. Also available is an analysis of **Continental Casualty Company.**

Cook Coffee Company—Analysis —A. G. Becker & Co., Inc., 60 Broad St., New York, N. Y. 10004.

Ford Motor Company—Review— Carl M. Loeb, Rhoades & Co., 42 Wall St., New York, N. Y. 10005. Also available are comments on **Discount Merchandising, Haveg Industries, American Telephone & Telegraph Co., Honda Motor, International Business Machines, Kimberly Clark,** and **Shamrock Oil & Gas.**

General Life Insurance Corporation of Wisconsin — Analysis — Piper, Jaffray & Hopwood, 115 South Seventh St., Minneapolis, Minn. 55402.

General Mills Incorporated—Analysis — Mitchum, Jones & Templeton, Inc., 510 South Spring St., Los Angeles, Calif. 90013.

General Tire & Rubber Co.—Analysis—Colby and Company, Inc., 85 State St., Boston, Mass. 02109 (firm requests stamped addressed envelope when writing for copies). Also available is a review of **Monsanto Chemical Co.**

Grand Union Co. — Review — Fahnstock & Co., 65 Boadway, New York, N. Y. 10006. Also available is a review of **Simmons Co.** and a list of **Stocks** which appear interesting.

International Minerals & Chemical Corp. — Analysis—Richard S. Graham, Dept. CFC, Reynolds & Co., 120 Broadway, New York, N. Y. 10005.

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

Mandrel Industries Inc.—Analysis —Bacon, Stevenson & Co., 25 Broad St., New York, N. Y. 10004.

Radio Corporation of America— Bulletin — Henry Gellermann, Dept. CFC, Bache & Co., 36 Wall St., New York, N. Y. 10005. Also available are comments on **Champion Paper, Von's Grocery, Air Lines, Northwest Bancorporation** and **Marine Midland.**

Jos. Schlitz Brewing Co.—Analysis—The Marshall Company, 111 East Wisconsin Ave., Milwaukee, Wis. 53202.

Standard Oil Company of Indiana —Analysis—Glore, Forgan & Co., 135 South La Salle St., Chicago, Ill. 60603.

Standard Oil Of Indiana—Review L. F. Rothschild & Co., 120 Broadway, New York, N. Y. 10005. Also available are reviews of **Puerto Rican Cement Co.** and **Square D.**

Swingline Inc. — Analysis — Schweickart & Co., 2 Broadway, New York, N. Y. 10004.

Thompson Ramo-Wooldridge — Analysis—Freehling & Co., 120 South La Salle St., Chicago, Ill. 60603.

Thompson Ramo-Wooldridge Inc. —Analysis—Dean Witter & Co., 45 Montgomery St., San Francisco, Calif. 94106. Also available is an analysis of **United Aircraft Corp.**

Transamerica — Analysis in current issue of "Investornews"— Francis I. duPont & Co., 1 Wall St., New York, N. Y. 10005. Also in the same issue are an analysis of the **Amusement Industry** and reports on **Alco Products** and **Mountain Fuel Supply.**

Yale Express System—Analysis— Hemphill, Noyes & Co., 8 Hanover St., New York, N. Y. 10004.

Rogers Joins Dreyfus & Co.

William P. Rogers has joined Dreyfus & Co., 2 Broadway, New York City, members of the New York Stock Exchange, as a limited partner, Jack J. Dreyfus, Jr., has announced.

Wm. P. Rogers

Mr. Rogers, former Attorney General of the United States, 1957-1961, is a partner in the law firm of Royall, Koegel & Rogers of New York, New York, and Washington, D. C., which firm acts as General Counsel to Dreyfus & Co. and the Dreyfus Corporation. Mr. Rogers is on the Board of Directors of the Dreyfus Fund Inc., The Washington Post Company and Newsweek Magazine and is a trustee of Colgate University and Clarkson College.

Franklin National Bank Debentures Sold

Completion of the placement with institutional investors of $30,000,000 of Franklin National Bank 4¾% capital debentures due in 1988, was announced by M. A. Schapiro & Co., New York, which negotiated the placement.

State Tax Collections Reach New Highs in 1963

By V. Judson Wyckoff, *Department of Economics, De Pauw University, Greencastle, Indiana*

Annual examination of State tax collections shows they have not ceased their upward trend since 1932 and that they stem primarily from increasing shift of private to public services and/or of expansion of Government services accompanying population growth. Greatest gain in fiscal 1963 was State income taxes, and the ratio of State tax intake to GNP indicates the tax burden continues to mount. Study compares changes in various types and amounts of taxes for different States, and cautions on the difficulties of inter-State comparisons in view of different services and taxes involved.

State tax collections for the 1963 fiscal year (ending June 30 for most states) continued the upward trend unbroken since at least 1932. The preliminary figure recently reported by the Bureau of the Census was $22.1 billion, 7.5% above the $20.6 billion collected by the 50 states the prior year. Figures for consecutive years before 1932 are not obtainable on a basis which allows valid inter-year comparisons, but the tax collections were substantially smaller, dropping below one billion dollars by 1922.

V. J. Wyckoff

Each of the major state tax revenue groups increased in 1963: sales and gross receipts were up 6.8% over 1962 to 12.9 billion helped especially by the general sales taxes ($5.5 billion) used in 37 states. Selective sales taxes on motor fuels were next in dollar importance with $3.8 billion, followed by $1.1 billion for tobacco products. Other specifically taxed items yielded less than one billion each for fiscal 1963; even alcoholic beverages which though 7.4% above 1962 were just about $800 million.

State Income Taxes Gain the Most

Net income taxes turned in the greatest gain, 10.6% with the rise of 8.3% from individual incomes well boosted by the 15.2% tax increase from corporations. Thirty-five states tax individuals, 37 corporate net. The total receipts from these two sources came to $4.5 billion.

License taxes brought in $2.8 billion of which motor vehicles contributed $1.6 billion—a gain for the group of 5.8% over 1962. Property, death and gift, and severance taxes on the state level, although respectively yielding well under one billion dollars, advanced over similar sources for fiscal 1962.

The above actual dollar figures for the years indicated contain the influences of changes in population and commodity prices. These influences are removed for interyear comparisons by simple arithmetical adjustments in order to get a per capita figure in constant dollars. On this basis state tax collections for fiscal 1963 were about 4.4% above 1962 rather than 7.5% for the absolute dollar amounts of those same two years. (With few exceptions population growth in the United States and price changes have not been enough over the decades to offset higher state taxes. The result has been a persistent growth in taxes.)

There is at least one more comparison in dealing with tax collections, namely, to determine their "burden." This can be best gauged by comparing taxes with the income from which they are paid. If income keeps in step with taxes, a taxpayer is no worse off than before. Gross National Product is a good measurement of income or tax paying ability by this country's individuals and corporations. In 1963 the ratio of state tax collections to GNP (using June dates) was 3.81%. The year before this was 3.73%; for 1952, 2.85%, and for 1941 (the last year before World War II) 2.86%.

Interstate Comparisons

But how do tax collections of one state compare with those of others? Census tabulates tax collections in this annual report on a per capita basis, then gives a warning about the use of such figures. This warning is necessary because there is considerable variation among states in the proportions of public services (education, highways, public welfare, hospitals, police protection, etc.) offered by the state government rather than by the local units such as counties, townships, cities.

For the most part the larger the state government's portion of the total state-local tax collections, the larger the state per capita 1963 tax collections. (Census gives these percentages.) For instance, Delaware and Hawaii were first and third for per capita state tax collections with $208 and $192, respectively. They were two and one in the table giving state taxes as a percentage of total state-local collections.

A generally similar correlation is found for those at the bottom, namely Nebraska ($66 per capita state tax collections), New Hampshire and New Jersey ($75 each). It is obvious that residents of New Jersey, for instance, do not lack adequate schools, highways etc., vis-a-vis other states, but in New Jersey such services come in far greater part from local governments. Thus interstate tax collection comparisons are of limited value.

In absolute dollar amounts the big, wealthy states lead the list, of course, i. e. California ($2.6 billion), New York ($2.5 billion), and Pennsylvania ($1.3 billion). In contrast were the sparsely settled or small states: Alaska ($39 million), Wyoming ($45 million), and New Hampshire ($48 million).

But comparisons which do not need to be so qualified are those of tax collections of 1963 compared with 1962 on a state-by-state basis. For fiscal 1963 every state except Colorado showed some increase ranging from a gain of 30.4% by Wisconsin to a negligible 0.6% in Hawaii. For the most part the gains were under 10%. Where rather high, the reasons usually were new taxes, increased rates, changes in collection procedures, or a mixture of these causes.

Why Taxes Increase

What are the reasons underlying this persistent upward trend in state taxes and what of the future?

The continued population growth in the United States accounts for part of the annual increase in the dollar amounts of tax collections. More people, more taxpayers. On the expenditure side, some economies of size are experienced in governmental operations with population expansions as in business. But in time more governmental personnel and buildings are necessary, and state finance officers try to match such increases in expenditures with more tax collections.

Price changes also affect both government revenues and expenditures. The upward though uneven movement of prices in this country is too well known to need statistics at this point. Under such conditions tax revenues can hardly help but expand especially where the tax rate is a percentage of the tax base and even more so if the rate is progressive. Net income taxes are good illustrations.

But after making an allowance for population increase and price changes—as was done in the per capita constant-dollar state tax collections data of a prior paragraph—there is plainly evident an absolute growth in state governmental services.

Some of this growth comes from internal forces such as "empire building" by governmental administrative officers. But a larger part is the result of demands by citizens for added services. More schools and better schools, more roads and better roads, more and better recreational facilities, *ad infinitum*. All of these cost money.

Shift From Private to Public Services

To meet these demands government is moving into fields covered heretofore by private enterprise. Historically: private education has become subordinate to the public school system, private toll roads and bridges for the most part have been replaced by public highways, most of which are toll free. Today we take as a matter of course public hospitals, public welfare, public recreation, public art museums. It is important to note that some of these state ventures are the result of Federal Government pressures such as grants of money if the states match Federal funds. This is important because we probably shall have more such Federal pressures.

This shift from private to public services in varying degrees may be considered creeping socialism or the welfare state. But as long as we in this country protect our democratic institutions such "creeping" expresses the wishes of the effective political-economic groups, whether minorities or majorities.

Lying behind these demands for more governmental services (Federal, State, and local) is an environment with changes which are more apt to grow than level off or decline. The dominant change is the fact that almost none of us can live independently from others. Cut off transportation, city people will die. Even the traditionally self-sufficient farmer no longer stands on his own feet. His farm runs by electricity and motor fuels; his wife buys groceries (canned vegetables and perhaps milk) in the nearest city; his children go by bus to (consolidated) public schools.

Enough voters feel that this interdependence has become too complete and complex to rely solely on private enterprise and the free market to provide adequate living conditions. So they turn to (their) governments to make sure that they will have the necessities and some of the fringe benefits of modern life.

This is the reason that the odds seems heavy for a continued expansion of government. Some persons will favor a rapid rate of expansion; others a minimum of government. Probably most find themselves somewhere between these positions.

But whatever the view, the prospect is for more government. With such will go a continuation of the upward trend in state tax collections.

Customers Brokers To Hold Meeting

The Association of Customers' Brokers will hold an educational meeting on the outlook for the oils on Oct. 22 at 4 p.m. at 15 William St. Speakers will be Frank K. Woodfin, Standard & Poor's Corporation; Charles W. Haynie, Sr., Wood Struthers & Winthrop; and Leslie E. Fourton, C. B. Richard & Co.

First Calif. Branch

BAKERSFIELD, Calif. — First California Co. has opened a branch office at 1415 Eighteenth St. under the direction of Leroy Killebrew.

Connecticut Brevities

Fafnir Bearing Company of New Britain, a leading producer of ball bearings, and **Barden Corporation**, a Danbury-based manufacturer of miniature and precision bearings, have disclosed a preliminary agreement to merge. Under the terms of the agreement, Barden will become a wholly-owned subsidiary of Fafnir under the same management and with the same business policies as at present. The merger, which is subject to the approval of stockholders of both companies, is to be effected through the exchange of all outstanding Barden stock for approximately $12 million in Fafnir stock.

* * *

Travelers Insurance Company has placed an order with the Univac Division of Sperry Rand for what is believed to be one of the world's largest single commercial computer systems. The computer system, which will represent an estimated $12 million of equipment, is to be employed at the company's proposed data processing center in Hartford's Windsor Street redevelopment area. Classified as a data transmission computer installation, the new system will be utilized in processing casualty and fire insurance written by the Travelers.

* * *

Knox Glass Company is planning a substantial expansion program at its Danielson operation. The proposed expansion, which is contingent on the receipt of a Federal agency loan, will add nearly 200,000 square feet of manufacturing and warehousing space to the facility at an estimated cost of $3 million. Knox presently employs a work force of 250 and anticipates adding 200 more as a result of the plant additions.

* * *

Marquette Cement Manufacturing Company is constructing a major cement distributing plant in Rocky Hill. Located adjacent to the Connecticut River, the new plant will have modern dockside handling and storage facilities which will enable it to be served by ocean-going cement carriers. The plant's planned 62,000 barrel storage capacity will provide for bulk deliveries of cement to customers throughout the state.

* * *

Waterman-Bic Pen Corporation, the world's largest producer of ball point pens, commenced operations at its new manufacturing plant in Milford. The new 120,000 square foot facility, which replaces a smaller plant in Seymour, is equipped with efficient precision machinery and has triple the production capacity of the former plant.

* * *

The Hartford Gas Company has placed in operation the world's largest air conditioner with a rated cooling capacity of 4,500 tons. The new unit, an addition to the company's central heating and cooling plant, increases the capacity of the original facility to 11,000 tons, which is sufficient to fully air condition about 3,700 average size homes. Opened in 1962, the plant was the first to provide heating and cooling on a year-round metered basis to utility customers.

* * *

Bristol Brass Corporation is negotiating for the purchase of the **Noble and Westbrook Company** of East Hartford. The East Hartford firm, which was established in 1906, produces a broad line of automatic labeling and marking equipment. Under the proposed plan of acquisition, it would become the Noble and Westbrook Division of Bristol Brass and remain at its present plant location.

The Aetna Life Affiliated Companies have purchased the outstanding capital stock of the **SPAN Data Processing Center** of Hartford. Originally established by a group of competing insurance companies to provide them with data processing services, SPAN will become a separately operated corporate affiliate of Aetna Life under a continuing management. Located in a specially designed data processing headquarters, SPAN operates four computer systems and will provide for Aetna Life's expanding data processing requirements.

Miss Rasmussen Elected By Long

ELIZABETH, N. J.—Miss Wilbertha Rasmussen has been elected director of foreign sales of Hugh W. Long and Co., Inc., Parker at Westminster, underwriter for Fundamental Investors, Diversified Investment Fund and Diversified Growth Stock Fund.

W. Rasmussen

One of the few women executives on the policy-making level in the mutual fund industry, Miss Rasmussen is a Vice-President and a Director of the Long Company, one of the leading mutual fund sponsors in the country.

Miss Rasmussen will leave for Paris on Oct. 24, with an itinerary which calls for stops at Milan and Bergamo, Italy; Zurich, Switzerland; Luxembourg; Strasbourg, West Germany, and Brussels, Belgium. She will return in about a month.

In Bergamo, she is scheduled to conduct a week-long seminar for a group of officials from banks in the common market countries and representatives of Intertrust, S. A., a Luxembourg corporation formed last April which distributes shares of Fundamental Investors through bearer certificates in Europe. She will discuss mutual funds, the American economy and opportunities offered through investments in American industry.

Intertrust has sold about one million dollars of Fundamental Investors' shares through bearer certificates since its formation. Sales have been principally through banks, the traditional medium for distribution of securities in Europe.

Active in European sales for several years, Miss Rasmussen has been associated with the Long Company since 1944 and has spent her entire business career in the securities business. In private life, Miss Rasmussen is the widow of Paul Bartholet, a founder and former executive director of the National Association of Investment Companies, now the Investment Company Institute.

Dorchester Gas Producing Co. Debentures Sold

Public offering of $3,500,000 Dorchester Gas Producing Co., 5½% subordinated convertible debentures due Oct. 1, 1975 is being made at par and accrued interest by Francis I. duPont & Co., Chicago; Allen & Co., New York and Metropolitan Dallas Corp., Dallas, Tex., and associates.

Proceeds will be used to repay approximately $3,000,000 of outstanding 6% mortgage notes of the corporation, and increase working capital.

Dorchester of 1501 Taylor St., Amarillo, Tex., is engaged in the production, gathering, and sale of natural gas and in the processing, extraction, fractionation, and upgrading of natural gas liquids through the ownership and operation of natural gas processing plants. The company also distributes a variety of products derived from natural gas.

J. R. Timmins Co. To Admit Two

On Oct. 24, L. Henry Timmins and Robert N. Timmins will be admitted to partnership in J. R. Timmins & Co., 61 Broadway, New York City, members of the New York Stock Exchange and other exchanges. L. Henry Timmins will make his headquarters at the firm's Toronto office, 372 Bay Street.

Tessel, Paturick Adds

CINCINNATI, Ohio — Robert H. Leshner has been added to the staff of Tessel, Paturick & Co., 45 East Fourth Street. He was formerly with S. D. Gradison & Co.

Now With W. T. Robbins

CLEVELAND, Ohio. — Lester E. Woideck has joined the staff of William T. Robbin & Co., Inc., Terminal Tower. He was formerly with Murch & Co., Inc., and Prescott & Co.

A Two-Way Squeeze For Commercial Banks

By Dr. Frances W. Quantius, *Professor of Economics, The Ohio State University, Columbus, Ohio*

The growing, sizable cash position of some of the larger industrial corporations, enhanced by accelerated depreciation and tax credit measures since 1962, poses as an uncomfortable challenge to commercial banks. Dr. Quantius points out how banks have lost out as lenders and, in seeking other outlets to put their funds to work, are confronted with competition from their ex-borrowers who have entered the money market in the new role of lenders. The advantages corporations have over banks, their similarities in investment needs, and greater use made of portfolio specialists suggest this may develop into a growing problem for the banking industry.

Problem-creating developments of considerable significance for many commercial banks are now evidenced in the changed relations that some of them are experiencing with industrial corporations. Growing numbers of banks are caught in a two-way squeeze by corporate customers having cash items in volume. These business firms not only fail to exhibit the usual loan demand but are starting to compete actively with banks in the money and capital markets to which these banks frequently turn for earnings in an attempt to compensate for the loss of business loans.

Frances W. Quantius

In financial markets the industrial corporations have a number of advantages over banks as well as a sizable influence on the prices, yields, and availability of certain money market instruments and securities. Interesting to note, in addition, are the similarities in the investment outlook and position of these two competitors. Both now have employed financial specialists; both have liquidity problems; both, in varying degrees, are using marginal funds in their investing; and both are faced with tax considerations.

Today the industrial corporation has more cash than in former years and has become more efficient in using it. Examination of the pattern of commercial bank lending shows that the percentage of commercial and industrial loans to total earning assets has decreased. Business has become less dependent upon banks as residual lenders of both working and fixed capital. When external financing is needed, the banks may be bypassed as other types of credit are tapped more cheaply and conveniently.

Large firms have access to the commercial paper market, security markets, and pension funds. Far more important, however, is the new regular employment of larger sums of internally-generated funds derived from retained earnings, the 7% tax credit on new investment, and more liberal depreciation schedules which permit the writing off of certain fixed assets over a shorter period of time. The last two factors are largely a result of Administration and Congressional action in 1962 when 80% of the funds for long-term use were acquired internally. According to Commerce Department releases, in 1962 depreciation schedules and the tax credit accounted for corporate savings of $1.3 billion and $1 billion respectively—a total of $2.3 billion. The greatest benefits accrued to the largest companies in the fields of transportation, mining, and manufacturing. For example, corporations in manufacturing with assets of over $100,000,000 were able to show gains of 18% in depreciation deductions as compared to the 7% deduction of those with assets under $10,000,000.

Furthermore, for business as a whole the sum of these depreciation charges plus retained earnings presently exceeds total capital spending. This means that not only is the necessity for borrowing from banks obviated, but that there is a large accumulation of liquid funds beyond plant and equipment requirements. Thus many corporations find themselves with substantial surpluses to invest in competition with the banks. In spite of the availability of funds, there are limitations to new outlays for purposes of modernization. Many firms operate under a five year capital budget. To undertake further expansion the anticipated rate of return must be adequate. At times during the present year the outlook has been dampened somewhat by the widening of the balance of payments deficit (to a $5.2 billion annual rate in the second quarter), subsequent additional loss of $116,000,000 in gold, continued unemployment, the early price break in the stock market, and doubts as to the extent and nature of tax cuts. Then, too, there are anti-trust considerations. Some firms have carried diversification—the buying of new companies, etc.—as far as they can go.

In comparison with earlier years liquid funds are in large supply. Pertinent balance sheet statistics for the last decade reveal the degree of improvement in corporate cash positions. At year end in 1953, for example, the cash items of General Motors amounted to $367.4 million and on June 30, 1963, $2,341.4 million of which $1,700,000,000 represented short-term securities. In the case of the Ford Motor Company, 1954 year end figures show $327.7 million and June 30, 1963 figures, $1,102.9 million.

The new role of the corporation in established money markets depends only in part upon the ability to accumulate large surpluses. It is also a by-product of the recent practice of acquiring financial specialists and giving them a free hand. Formerly portfolio management was a part-time duty ordinarily assigned to some officer with little knowledge of financial markets and hedged about in his investing by maturity restrictions and other directives. The new financial officers promptly shift idle cash balances to earning assets, making smaller cash balances work harder. They have entered practically all submarkets of the money market rather than confining themselves to United States Treasury securities. Their portfolios include municipals, commercial paper, marketable certificates of deposit, and repurchase agreements negotiated with government bond dealers.

Similarities in the investment positions of the commercial bank and industrial corporation intensify their competition. First, both usually invest funds regarded as marginal. This would be expected of the usual business firm but probably not of a bank. Banks ought to consciously balance their lending and investing functions, but in actuality most commercial banks are not yet investment-oriented. They regard their investments as an important sideline and place main emphasis upon the loan portfolio. Second, in both cases liquidity considerations are stressed as future needs for the funds are somewhat uncertain. The banks carry deposits payable upon demand. The industrial corporation needs liquid funds because of such factors as seasonality and labor troubles. Both therefore make an effort to concentrate portfolio holdings in short maturities. Third, both pay corporate income and other taxes and must maneuver to maximize after tax yield.

Two instruments that meet these requirements very well and will serve as illustrations are the repurchase agreement and the municipal bond. The former is a negotiable contract between the bank or industrial corporation and the dealer in United States Treasury obligations. Its purpose is to finance dealer trading positions. At the same time it meets the liquidity requirements of these two buyers. Corporate repurchase agreements are both short and long term and may be arranged to provide predictable funds needed on future dates for purposes such as dividend and tax payments. Industrial corporations now have made an appreciable dent in this market. Federal Reserve figures available for the week ended July 31, 1963 show, for example, that corporations financed these dealers to the extent of $1,741,000,000 whereas commercial bank financing amounted to $1,063,000,000. Because these repurchase agreements provide precise maturity tailoring and sometimes an attractive yield differential, they may be preferred to outright investments in government securities. Both institutions, however, also hold government securities outright. Federal Reserve statistics as of May 31, 1963, show commercial bank holdings of Treasury bills due within a year to be $7,954,000,000; the corresponding figure for non-financial corporations is $8,178,000,000.

In the case of the municipal, the tax exempt feature is the attraction. After Jan. 1, 1962, when commercial banks were permitted to increase interest paid on time deposits, they expanded their holdings of municipals approximately 35%, taking one half of the $8 billion in municipals marketed in that year.

Comprehensive information on the current holding of municipals is not available, but it appears that business corporations, although their holdings are relatively small, will make a decidedly better showing than will banks with regard to expected rate of increase in holdings. Estimates of the net increase in holdings of outstanding state and local issues by investor groups indicate for commercial banks and for industrial corporations $4.6 billion and $0.2 billion, respectively, in 1962; in 1963, $3.0 billion and $0.3 billion, respectively.[1]

In the municipal market the commercial bank is at a disadvantage from the beginning in that it faces legal restrictions as to the size and nature of its purchase of any single issue. This means that when securties must be obtained through an investment banker, he will tend to overlook the commercial bank if it appears that a large block, or perhaps an entire small issue, may be placed in one spot by contacting an industrial corporation with cash items in volume. Of course an investment banker may have to do a little allotting when he especially desires to retain a really good commercial bank customer. Nevertheless, today not even the largest banks can always obtain a specific issue. A further restriction limits commercial banks to the first four rating categories in their purchases. The exception is the case in which they are able to adequately defend a good but relatively insignificant, and thus unrated, issue. Many banks do not have the time and staff to devote to this.

Another problem concerns yield. This is vital to the banks as they use the tax free interest received on municipals to service savings and time deposits. Today this may involve 4% interest to the savings depositor and another 1% for handling. Any increase in the combined municipal demand of other institutions raises prices and lowers yields. This forces the commercial bank either to go out in time to get yield or to reduce interest paid to savings depositors. Commercial banks do not lengthen their portfolios by choice, yet some of the leading banks in the nation now hold municipals of twenty year maturity. During July and August the reserve banks indicated that most of the growth in member bank holdings of municipals occurred in the longer maturities. In Chicago a survey of district member bank holdings showed the following changes in maturity distribution over the last seven years:[2]

Member Bank Holdings of Municipals — 7th District

Maturity	June 30,'56	Jan. 2,'63
Within 1 year	18.1%	11.6%
1 to 5 years	44.7	42.3
5 to 10 years	30.0	35.0
Over 10 years	7.2	11.1
	100.0%	100.0%

Similar problems arise with regard to other financial instruments. The above examples suffice to make the point and obviate the necessity of running the gamut of the money market. At present relatively few industrial corporations are deeply involved —in general not beyond the first five hundred. Yet many individual banks have experienced considerable pressure from this source. There is value in recognizing a growing problem in its early stages. The situation also serves to further emphasize the fallacy of viewing the competition of commercial banks as consisting entirely of other commercial banks as has been the standard procedure in recent bank merger cases prosecuted under the anti-trust acts.

1 O'Leary, James J., "The Outlook for the Bond Market," *Journal of Finance*, May 1963, p. 414ff.

2 *Business Conditions*, August 1963, Federal Reserve Bank of Chicago, pp. 10-11.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

With the signing of a wheat agreement with Russia we will have come full circle in our relations with that nation. Back in 1939 we looked upon that nation as a friend before she signed an agreement with Germany which unleased World War II. Subsequently, she repudiated this agreement and professed to join up with us as our ally, when she spied upon and stole our secrets. Throughout the early part of the war she carried on an agitation that we open up a second front at a time when it was well known that we were unprepared to do so. At the end of the war, she violated all the agreements made with us and Great Britain regarding Eastern Europe, and we have been in a cold war ever since. This cold war has cost us billions of dollars. It is considered significant that only about a week ago the ink had hardly dried on the signing of the test ban treaty when she went back on her agreements and provoked incidents at several east-west German border points.

Instead of our being able to drive some sort of a bargain in connection with a wheat agreement, we were jockeyed into a position of going to Russia and soliciting her to buy the wheat. All of it will be sold at a loss, and the American taxpayers will pick up the bill.

Under the agreement the Russians promised not to send any of the wheat to Cuba or Red China, but our experiences with Russia don't make for too much confidence in their good faith. For several years in Congress there has been a strong opposition to any trade with Russia or any of her satellites. There are several measures on the statute books now, yet there is no doubt that this opposition would have been removed had this matter been taken in that body. It is the old question of our selling steel to Japan before we went to war with that country. This sale to Russia is said to be necessary in order to help maintain our balance of payments and the balance of payments has to be bolstered up in order that we can pour out money to the rest of the world.

It is the Democrats, rather than the Republicans, who try repeatedly to get along with Russia. The Republicans would not recognize her and it remained for Roosevelt to give her recognition. One of the conditions of that recognition was that Russia would not agitate in this country. When Litvinov, Russia's foreign minister, left the White House with the recognition in his pocket, he was asked what he intended to do about this condition. He replied, "Forget it." Whereupon the United States was subjected to the greatest wave of Communist activity that she has ever know. Now we carry on a steady activity in the satellite countries against Russia through our radio station Free Europe, operated out of France. The American people give millions of dollars for the maintenance of this activity. The only change that has come recently in our relations with Russia is the partial test ban treaty. This is something that both nations admit they do not need anyhow.

The Republicans have already indicated that they will make an issue of the deal in the next campaign but the principal support for the agreement seems to be coming from the Middle West, the wheat growing country. Influential farmers and the American Bankers Association are for it. Selling the wheat to Russia is better than letting it rot on the ground, they contend, although wheat is a war weapon. The Russians are to get the wheat at 55 cents a bushel less than the Americans would pay. In addition to the wheat, the Administration hopes to open up trade in other commodities on the grounds that it is tired of furnishing money to other countries to enable them to sell to Russia while we deny ourselves this lucrative business, but it would seem the Democrats would be leary of taking another go at friendship with Russia after they have been burned so many times.

Reuben Rose V.-P.

Warren Greenspan became a Vice-President of Reuben Rose & Co., Inc., 115 Broadway, New York City, members of the New York Stock Exchange, effective Oct. 10.

Now Corporation

YONKERS, N. Y.—Jaclen Securities Corporation is continuing the investment business of Jaclen Securities Company, 114 Crisfield Street. Officers are Leonard H. Youdelman, President, and Jacqueline Youdelman, Secretary.

Dempsey-Tegeler Office

PHOENIX, Ariz. — Dempsey-Tegeler & Co., Inc. has opened a branch office at 300 West Osborn Road under the management of Warren L. Miller.

Halle & Stieglitz Branch

PARIS, France—Halle & Stieglitz, members of the New York Stock Exchange, have opened an office at 15 Rue de la Paix under the management of Patrick J. M. La Fosse, resident partner.

Quinn & Co. Names Municipal Manager

ALBUQUERQUE, N. Mex.—Quinn & Co., 200 Second St., N. W., members of the New York Stock Exchange, have appointed Douglas Henslee manager of the municipal bond department.

Joins Powell, Kistler

FAYETTEVILLE, N. C. — Luther C. Thompson is now connected with Powell, Kistler & Co., 110 Old Street, members of the New York and Midwest Stock Exchanges.

Solving Today's and Future Balance of Payments Crises

By Murray Shields,* Chairman, MacKay-Shields Economics, Inc., New York City

Economist Shields urges a four-point program to remedy our world payments imbalance and the devaluation of gold to $70 an ounce to solve future world liquidity needs once we achieve a $1-$2 billion payments surplus. The former bank and now management consulting economist contends that increased short-term rates and a modest rise in long-term rates sufficient to thwart the dollar outflow, and a 25% reduction in each category of both military and foreign economic aid, would not require new legislation, entail austerity nor adversely affect our domestic policies. To forestall any inflationary impact from devaluation, the economist would have the IMF receive all gold profits in exchange for deposit reserves to finance future needs of any country suffering a temporary deficit or to enlarge the credit base for world expansion.

Our balance of payments hemorrhage is being stemmed. We are not yet out of danger, but finally the professional experts have been called in and, after getting a real fright, we are now adjusting our financial way of life so as to restore health in our international payments position. The prospect now is that within two or four years, the U. S. will be back in its normal traditional position of balance in its international financial accounts.

Murray Shields

For many years this nation has been walking into a balance of payments trap—a prospect which was frightening to all knowledgeable experts in international finance.

What are the facts?

(1) We have had a balance of payments deficit in every year but one in the last 13 years;

(2) The total balance of payments deficit in that period has amounted to almost $26 billion;

(3) The recipients of the dollars sent abroad as a result of our balance of payments deficits have exercised their privilege of drawing on our gold to the tune of $8.4 billion and they have added $17.4 billion to their holdings of bank deposits in the U. S. and short term government securities —all of the later a future claim on gold;

(4) Our free gold stock, i. e., the amounts of our gold not held in legally required reserves against Federal Reserve note and deposit liabilities amounted 13 years ago to $12 billion or 140% of our total of foreign short term liabilities. As of June 30 of this year, our free gold represented only 14% of our total short term liabilities.

Obviously this sort of thing cannot go on for long. If the trends of 1961 and 1962 were to be continued, our free gold would be exhausted in only three years and our short term foreign liabilities in that period would have been increased by $5 billion to $30 billion. The eventual end of this road is a feverish run on the dollar, a constrictive gold crisis, a demoralizing devaluation and possibly a disasterous depression.

Far From Being Bankrupt

The predicament in which we find ourselves is serious and it is urgently necessary that we get on with the job of dealing with it. But this is not to say that the U. S. is bankrupt.

(1) We are solvent on international investment account, for at the end of 1962 our foreign assets exceeded our foreign liabilities by no less than $33 billion. We had private direct investments of $37 billion in foreign countries, and other long and short term foreign assets of $43 billion—a total of $80 billion. On the other side of the ledger, foreigners had only $8 billion of direct investments in the United States and $39 billion in deposits, short term securities and stocks and bonds. Our trouble is not that our liabilities exceed our assets, but that we are over extended on short term account — our short term private and government assets abroad being only $11 billion against our short term liabilities of $25 billion. This clearly is dangerous for monetary history is full of evidence that nations which borrow short and lend long are asking for and generally get into trouble.

(2) We have, to be sure, been losing gold at an unhealthy clip—but we are not near the bottom of the barrel. We have lost $7 billion of gold in the past five years, but we still have over $15 billion left in the till and that represents an impressive 38% of the Western World's total gold stock. The trouble is not that we are short of gold. It is that we have let our liabilities payable in gold at the option of foreign holders grow far too high.

Favorable Factors

(3) If one takes a look at the situation in the rest of the world, and particularly in Europe, we look pretty good—comparatively:

We have been in the economic doldrums for several years: Europe should soon be entering its period of doldrums; Our rate of growth in the last half of the current decade is sure to be higher than it was in the early years of the decade; in Europe the rate of growth is just as sure to slow down; Our rate of wage inflation is on the wane; it is picking up some real momentum elsewhere;

Our profit margins have been on the decline for many years and are about to begin a slow rise; in Europe, the trend of profits cannot help but be downward from the rarified levels of the past;

The rise in the cost of living in many other nations has recently been far more rapid than in the U. S. and the divergence in trends promises to continue.

The resurgence of the political left in many countries has no counterpart on the U. S. political scene; and, European business is giving a massive vote of confidence to U. S. business management by employing our management consulting firms to teach them how it is done here.

We may be in trouble on balance of payments accounts, but economically we still carry a lot of muscle.

With all these strengths, it is a pity that we have permitted ourselves to drift into a position where we are vulnerable in case our foreign creditors decide to withdraw their funds—motivated either by apprehension concerning our financial policies or by the desire to employ their funds elsewhere.

Our involvement is fundamentally serious. After the War, we became the world's banker and the dollar emerged as the world's major central reserve currency. But we persistently refused to knuckle under to the rules by which the world's banker must live, i. e., to maintain balance in his international accouts and in his internal budget and to maintain flexible interest rates to that international considerations can have their effect on domestic rates.

Nations not in the enviable — or perhaps unenviable — position of being the world's banker can manage their internal economies with less respect to their international position and image. They can and have on occasion devalued or revalued their currencies. We lost that right when the dollar became the world's reserve currency. Under such circumstances, it was flirting with trouble to permit our gold reserves to run down with our liabilities increasing ominously. We are now approaching a position where the whole structure can be put in jeopardy if we fail to stem the erosion in our international payments.

Jeopardizes Kennedy's Grand Plan

Another point which finally became apparent to the authorities is that the danger of a gold crisis threatens to obstruct the whole "great design" of the Kennedy Administration to get business booming in 1964, to prevent a recession in 1965 and to achieve a big step-up in the country's rate of growth. The economic stimulants counted on to produce those desirable objectives include tax reduction, immense expenditures for area development, urban rehabilitation, roads and low income housing, huge deficits and easy money. This package is capable of undermining confidence among holders of dollars in which event the "grand design" would be an economic shambles. Easy money will simply drive more money into foreign markets and increase foreign borrowings in the United States. Large-scale deficiteering, either through tax cuts or large expenditure programs, can cause foreign — and domestic — holders of dollars to seek protection by moving their funds abroad.

While we appear to be moving toward the peril point in this whole unsavory business, it is reassuring that the Administration clearly is aware of the dangers involved and gives evidence of a solid determination to take remedial action. Several points are now clear:

(1) The danger of a bone crushing gold crisis in the pre-election period obviously represents a form of economic dynamite which the party in power would like to remove.

(2) If the next slump in business is complicated by a run on the dollar it can be made into something far more severe than the mild recessions experienced since the war.

(3) It will be exceedingly difficut to produce a major expansion in our rate of growth if we have constantly to live under the balance of payments Sword of Damocles.

Another danger is that, if we fail to restore balance in our international accounts, we may be tempted to resort to some quite silly panaceas. Already we have heard suggestions, many of which are palpably unworkable and would, in fact, do more harm than good.

Dangerous Suggestions

(1) It has been suggested that we restrict tourist expenditures abroad. Any attempt to erect a tourist "iron curtain" can have some interesting side effects. Many foreign countries would be inclined to retaliate. Some tourists would be encouraged to engage in a wide variety of roundabout ways of getting their money abroad and then leaving it there. Besides, it would be a backward step for the U. S. to go to the system of tourist control from which European and other nations are now happily freeing themselves. After all, what we need is a Western World free of the restraints on freedom which are the mark of communism.

(2) Another suggestion is that we subsidize exports. This would be quite something, for the nation which has been trying to lead the world to more trade freedom and has adopted the Trade Expansion Act in an effort to free the whole Western World of the iniquitous system of trade restriction, regulations and subsidies.

(3) It has been suggested, furthermore, that we apply discriminatory tax devices to reduce the volume of foreign borrowing in the United States. Well, they won't work, for in practical application they would soon be full of loopholes. And what an anomalous situation for the nation which has led the fight for free markets. free enterprise and free finance to be engaging in this sort of thing.

(4) Some observers have even gone so far as to talk about the possibility that we could just stop buying gold. This is a form of partial demonitization of gold — for which the world is hardly ready. But the basic absurdity in it is that no one wants to sell us gold anyhow. It has been a long while since we have been on the buying side. This would be just another means of muddying the international financial waters. And since it might be regarded as but the initial step in a long series of blocking operations the response of the foreign holders of dollars might be spectacular.

(5) There have been some arguments for full demonitization of gold which means, I suppose, that we would stop either buying or selling gold. This would leave the dollar floating and inevitably expose it to some quite wild fluctuations at a time when the Western World desperately needs stability in the exchanges. And it would be ridiculous for us to disregard all the advice we have given so copiously to other nations which permitted their payments position to get out of balance. On those occasions we have been exceedingly generous with demands that they just stop the foolishness and get their financial houses in order. But the main danger is that demonitization of gold would end all of the high hopes centered in the International Monetary Fund for a Western World of stability in the exchanges. We would be a long while recovering from this one.

(6) Another gimmick concerning which there has been discussion is to have the U. S. borrow from the International Monetary Fund so that it can continue in deficit in its balance of international payments. The IMF was created to tide nations over temporary—not permanent—deficits in their balance of payments and the IMF is obligated not to make such credit available unless the nations receiving it take decisive action to get their financial houses in order. If the United States with the world's central reserve currency pulls this sort of thing off, it would be the death knell for the IMF. If we raid that organization, every other nation will get up to the trough as promptly as possible.

(7) The Treasury has recently invented some ingenious devices to delay the day when the basic problem must be faced. It has done so by borrowing abroad on its own short term paper to make our balance of payments situation look better than it really is. This is in effect just a time bomb with a short fuse and really makes the situation much worse. The foreign central banks and governments which buy this paper do so reluctantly and are and will be very nervous about a long position in the dollar if nothing fundamental is done about our balance of payments position.

Opposes Special Tax or Inducements

(8) The idea has been advanced by some that we should give some special tax or other inducements to entice foreigners to buy larger amounts of U. S. securities and to step up direct investment in new plants in the U. S. which would, of course, tend to ease our balance of payments position. But this is absurd. For what is proposed in essence is that our government continue borrowing money here to give it away abroad so that foreigners can increase their investments here. We have enough overcapacity now without subsidizing foreign competition within our own market. Anyhow, Europe's major problem is to expand its own production to satisfy the growing needs of its people. Therefore, its investments — portfolio as well as direct—should be in Europe, not in the U. S.

(9) It has been proposed by still others that since the world's gold stocks are likely within a few years to represent an inadequate monetary base for the soaring credit needs of a world where production and trade are rising vigorously, we should set up a super central bank. Such an institution could create still more reserves for use in international settlements, the hope being that this would take us out of the present situation where an attempt by one nation to put its international payments into surplus produces a deficit in some other nation. But this is nothing more or less than a means of building a still larger pyramid of credit over what is already an adequate

gold base. This is just asking for trouble later on if not soon.

We have reached the point where panaceas cannot work. We now must deal with the basic distortions in our international position. It is clear that if we are going to go our merry way with continuing huge deficts in our balance of payments, even larger budgetary defícts, maintenance of artificially low interest rates, and still more inflation of credit, then devaluation *must* be the inevitable result. Well, if the Federal Government is not going to be willing to stop these trends, the sooner we raise the international price of gold the better. There is no reason whatever to wait for a major run on the dollar to spark a deflationary crisis and throw us into a depression and then be forced into devaluation. We might just as well commit the final act of financial irresponsibility before the debacle, accept inflation as our way of life, and join many of the Latin American nations in their not very exclusive club of financial irresponsibility.

Furthermore. if we are going to continue down the road of financial irresponsibility it would be courting disaster for us to fail to reduce materially or to eliminate altogether our 25% gold reserve requirements against Federal Reserve note and deposit liabilities — and to do so long before our free gold reserves are close to exhaustion. If our already dangerous gold liabilites are to be permitted to rise still further, all of our gold reserves must at all times be available for instantaneous use.

We woud be well advised to repeal the legal requirement that our Treasury cannot issue securities with a coupon rate of more than 4¼% — which is senseless now that our Federal Government has assumed such colossal contingent liabilities and guarantees. Our Employment Act requires that the Federal Government spend money freely to prevent economic disaster. In case of economic trouble, our Treasury will have to issue huge amounts of bonds to provide funds for the Social Security System. We have guaranteed commercial bank deposits, savings and loan accounts, mortgages, etc., etc. If we fail to stop the erosion in our international accounts, the eventual impact on our economy will be so adverse that the Treasury will have to go to the market for quite handsome amounts of funds. In that event our Treasury must have complete freedom to raise funds quickly by issuing bonds at whatever rate the market will require. And the time to take such action is now; we must not wait until the need becomes urgent which would but advertise our weakness.

Before dealing with the means by which we can stop the erosion in our international payments position, it will be helpful to list the factors responsible for the deficits of the past.

Reasons for Past Deficits

(1) The trouble is not in our international trade, for in the past 13 years we exported $206 billion of goods while our imports of goods were only $164 billion, leaving a surplus here of so less than $42 billion. Clearly our trouble is not in our trade relations with the rest of the world.

(2) On private service accounts, we also were in surplus, the total for the same period being $23 billion. Foreign capital entering the United States amounted to $5 billion.

(3) As for investment abroad by U. S. business and individuals, the total for the 13 year period was $30 billion, but even after substracting this from the total surplus trade and service accounts, we still had a surplus of $40 billion for the entire period on private account.

(4) The offset to all this was the balance of payments deficits due to the government's expenditures abroad. On net military account the total was $31 billion. On foreign aid it was $26 billion. In addition, government capital outflows less loan repayments amounted to $7 billion offset in part by government income on investment of $4 billion. So, for the 13 years as a whole, the government drain amounted to no less than $60 billion. This means that for all practical purposes the only reason we have been in deficit during the entire period has been that our government has been giving and spending money so lavishly abroad.

Curing the Nub of Our Deficit Problems

And now we get to the nub of the matter. Our deficit was $2.4 billion in 1961, $2.2 billion in 1962 and it may well be $2.5 billion in 1963. All we have to do to eliminate the deficit in our international payments is:

(1) To permit our short term interest rates to raise to a point where there will be no rate inducement for U. S. citizens and corporations to move funds abroad. The rise in interest rates required is quite moderate and would not in any real sense represent a depressing factor for the economy. The average annual short term capital outflow has been $1.1 billion in the past three years. So by stopping the outflow we would reduce our balance of payments deficit by that amount. The authorities have already wisely decided to nudge short term interest rates upward by whatever amounts experience shows to be necessary to stop the outflow;

(2) To facilitate a moderate rise in long term rates in order to reduce the incentive for foreigners to borrow here rather than at home. This will be easy to arrange if the Treasury refunds some more of the bloated floating debt into long term obligations. The administration clearly is determined to stop the flood of foreign borrowing in our markets. It has used a combination of persuasion and threats to apply an interest equalization tax to deter our investors from buying foreign stocks and bonds. But it would be prepared—if all else fails—to go to a system of capital controls. My preference is for doing the job by lifting long term interest rates moderately and by having the Treasury through refunding operations absorb the funds which otherwise might seek employment abroad.

(3) To reduce our foreign military outlays abroad by 25% or $750 million per year, a result which can be achieved by reducing the costs of our military base operations, etc., in Europe and Japan by about one half. The remaining forces in those two areas would be far more than "token." Our position would still be one of "full commitment" with our Allies in case they were attacked. Many of us have heard Europeans and others agree that they should maintain their own defense establishment but say that as long as we are so eager to spend the money, there is no reason to tax their people to do so. Well, the nations in which we make such lavish contributions to their own defense establishments are in great prosperity now. When we first started to maintain huge base establishments abroad. Europe and Japan needed all of their financial resoruces for reconstruction. Now we should, for reasons not only having to do with balance of payments considerations, but also in common justice to our long suffering taxpayers, shift the burden of defending Europe, Japan and other areas to people of the countries involved;

(4) To reduce our foreign economic aid expenditures and long term loans abroad by $750 million per annum—or about one quarter. Surely after having poured almost $100 billion into foreign economic aid since the war, we should now be able to make a reduction in our assistance. The time has come to let the other industrial nations — now exceedingly prosperous — make larger contributions toward speeding up growth in the less well developed nations, to be less aggressive in seeking out recipients for our aid, to shift more of our aid into loans instead of gifts, to stem the flow of "soft" loans on terms clearly indicative of little or no intention to repay, to limit our aid to countries willing to abjure the right to expropriate U. S. investments, to transfer more of the responsibility for foreign investment to the international lending institutions set up for that purpose and to ask such institutions to shift more of their own borrowing from the country with the lowest interest rates, i. e., the U. S. to nations with balance of payments surpluses.

No New Legislation Is Necessary

I do not believe that any further actions are required to restore balance. Please note that—

No new legislation—involving a hassle with Congress—is necessary. The Administration has all the power it needs to refinance the floating debt. The Federal Reserve will surely cooperate in making the changes necessary to achieve a moderate increase in interest rates. And the Administration can—at its own initiative—just draw back some of our military forces abroad, sell for hard cash the military hardware at our bases and quietly slow down on economic aid spending;

None of the steps suggested would adversely affect our domestic economy. No domestic expenditures would be cut. In fact, the money now poured abroad could be used to accelerate our domestic programs for building roads, schools, low income housing, etc., or even to reduce taxes still further than now contemplated.

It is neither necessary nor desirable for the U. S. to try to eliminate its balance of payments deficit through the adoption of policies of economic austerity involving the risk of recession and unemployment. We do not need to use a bludgeon to force our private international accounts into balance. They are already in substantial surplus. All we have to do is to make a moderate reduction in the outflow of dollars through the government spigot.

No really violent action is called for since it is likely that several other tendencies will soon be working in our favor. The rate of foreign investment by U. S. business may well slow down. Many companies already have production facilities scattered over the major and many of the minor countries of the world and future investment may well be made more out of the earnings of present foreign subsidiaries than out of new funds shipped abroad. Furthermore, when start-up outlays are completed on many of the new operations, our earnings on foreign investments account may get asizeable lift. Another probability is that sooner or later tourists expenditures in the United States may be expected to rise. As Europeans become more affluent they are likely to decide to take a look at the major cities of this country. And the money markets in Europe, which in the past have had a scale of operation far too small to supply the credit needs of large-scale industry operating in a common market environment, have been far too slow in devising means to attract and mobilize savings inside their own countries. But they do seem now about to reach for a higher degree of money market effectiveness so that our financial market will no longer be the only one in the world capable of handling large new issues expeditiously and economically.

So, I return to my prediction. I believe that enough of the remedial steps referred to will be taken so that the next two to four years will see us returning to balance in our international payments with the prospect thereafter that we shall hold our net position within say one-half billion surplus or deficit.

So much for the prediction. Now I would like to present my personal feelings as to what we should do about the three related problems, i.e., balance of payments, foreign liabilities and gold.

Would Set $1 Billion-Surplus-Goal

I think that it is advisable for our objective to be not simply to eliminate the deficit in or international payments, but to reach for a surplus of at least $1 billion and perhaps $2 billion per annum. This can be done by nudging our short term interest rates upward to a point where some of the balances corporations and others have placed in Eurodollars or in covered bank balances or short term investments in Europe will be returned to United States. Again the required rise in interest rates would be moderate and should not be enough to affect business adversely. In addition, we could advantageously phase down over a period of two to three years foreign military and economic aid outlays by a bit more than referred to earlier.

Once we regain a position of moderate surplus in our international accounts, we can take the bull by the horns and call an international monetary conference, not to rescue the dollar, but to reorganize the international monetary machinery of the world so that it will be adequate to the task of supporting a really great leap forward in production, employment, income and trade.

Favors Future Devaluation to Create IMF Reserves

At such a conference I should think that the first order of business might well be to raise the international price of gold to $70 per ounce which would at one full swoop double the Western

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Solving Today's and Future Balance of Payments Crises

Continued from page 13

World's monetary monetary gold reserves to $83 billion. With such a base we would have the means for expanding credit all over the commercial world so that the monetary barrier to economic expansion would be leveled once and for all. Such action would not change any currency relationship with that of any other. No country would be devaluing its currency. All countries would simply be simultaneously changing their relationships to gold by precisely the same percentage.

At such a conference it could also be decided that all of the profits on the devaluation of the international price of gold would be transferred to the International Monetary Fund in exchange for deposit reserves in that institution. The purpose here would be to set up a huge gold base for the expansion of the IMF into a super central bank capable of clearing international transactions and able to expand its credit through open market operations in any member country whose balance of payments happened to be temporarily in deficit or through open market operations in all countries to enlarge the credit base for world trade expansion.

An important purpose to be served by transferring the gold profit to the IMF would be that a rise in the international price of gold would be prevented from having inflationary repercussions. The "gold profit" would simply be sterilized in the IMF accounts until the growth of world trade volume suggested to the Board of that institution and to the major central banks of the world that there was a need for additional reserves. And this method of handling the matter would absolve no nation from the discipline of the gold and foreign reserve position with respect to its individual balance of payments situation.

I am aware of the possibility that the period when such proposals were under active consideration might not be altogether tidy, but most of the discussions would be private only to the governing body of the IMF, need not be prolonged and might be conducted under an agreement that the *status quo* in central bank gold positions would be maintained until the discussions had been concluded.

It is, of course, true that while central banks holding foreign currencies in lieu of gold would sustain no losses on the upward revision of the international gold price, they would forego the profits they might otherwise have made had their reserves been held in gold. However, the huge gains in their reserves have been the result of our foreign military and aid programs so that it is not unreasonable to ask that they accept the disposition of the matter suggested here.

Those whose are opposed to any increase in the international price of gold argue that such action would provide a tremendous windfall to the Russians who are reputed to hold huge amounts of the monetary metal — although Russian failure to disclose their holdings may originate in the smallness of their true position. But this aspect of the matter might be dealt with by a joint agreement on the part of IMF members not to take gold of Russian origin at other than the present official price—a tactic difficult but not impossible to police. In any event, it would be better to permit the Russians to make a profit on their gold than to fail to enlarge the gold base for world tra e.

The world is moving slowly but surely toward the internationalization of business and finance for the reason that recent technological developments in transportation, communication and production make economic nationalism as impossible as it is undesirable. And the sooner we facilitate the transition to a new international financial world, the better off we will all be.

What I am recommending in brief is that we get our international position in surplus, then see to it that the international price of gold is raised and use the profits therefrom to provide the International Monetary Fund with the resources with which it can maintain the credit base necessary to lift the whole Western World into a new phase of rapid and sustained economic growth and prosperity.

*An address by Mr. Shields before the Mortgage Bankers Association of America, San Francisco, Calif., Oct. 2, 1963.

Topics & Speakers For A. B. A. Automation Conf.

Joseph Walker Barr, Chairman-Designate of the Federal Deposit Insurance Corporation, will be keynote speaker for the first National Automation Conference of The American Bankers Association, Nov. 13-15, at the LaSalle Hotel, Chicago.

Dr. Charles E. Walker, Executive Vice-President of the A. B. A., announced that other speakers will include William F. Kelly, A. B. A. Vice-President and President, The First Pennsylvania Banking and Trust Company, Philadelhpia, who will speak on "Facts and Fallacies about Computer Usage"; and John A. Mayer, President, Mellon National Bank and Trust Company, Pittsburgh, whose topic is "New Opportunities for Banking through Computer Services."

Robert K. Wilmouth, Vice-President of the First National Bank of Chicago, will serve as General Chairman of the conference.

Guest Speaker is Professor C. Northcote Parkinson, of England, noted author and lecturer, who will discuss "Parkinson's Law."

Dale L. Reistad, Director of Automation and Market Research, A. B. A., will present the results of his department's national automation survey.

Among major subjects to be presented are: "The Common Language Program"; "Supervisory Aspects of Bank Automation"; and "Linking Small Banks to Computer Facilities."

The agenda will feature concurrent sessions for two groups. Group I, banks with computers installed or on order, will consider: "Getting Better Mileage Out of Your Computer"; "Keeping Automation Costs in Line with Productivity"; "Management Information Systems and Reports"; "The Role of the Computer in Bank Management Science"; "Proof and Transit Automation"; and "Guidelines for Banks Offering New Automated Services."

Group II, banks having their work processed by cooperative ventures, service bureaus, or correspondent banks, and banks still studying automation but not yet committed to a prlogram, will consider: "Let's Not Automate"; "A Small Bank Feasibility Study"; "Case Studies of Banks Using Punched Card, Coupon, and Small-scale Computer Systems"; "Cooperative Data Processing"; "The Correspondent Servicing Plan"; "The Service Bureau Approach"; "Evaluating the Various Approaches to Automation."

A feature of the conference will be exhibits and displays from major suppliers and will include computer equipment. Some 500 representatives of banks of all sizes are expected to attend.

"Prospects 1964" Is Theme of Coming Conf.

The Seventh Annual Business Conference of St. John's University, sponsored by the University's College of Business Administration and its Alumni Association, will be held on Thursday, November 21, at the Hotel St. George in Brooklyn. This year's Conference theme is "Prospects '64."

According to Dr. John J. Clark, Dean of St. John's College of Business Administration, Charles A. Coombs, vice-president of the Federal Reserve Bank of New York, will be featured speaker at the luncheon which will open the program. Coombs will talk on "The Balance of Payments."

Robert J. Dixon, president of Johnson and Johnson International of New Brunswick, N. J., is the general chairman for the Conference which includes a panel session following the luncheon. Panelists and their topics are: William F. Butler, vice president of the Chase Manhattan Bank of New York, "The General Economic Outlook for 1964"; Edmund A. Mennis, vice president of the Wellington Management Co. of Philadelphia, "The Prospects for Corporate Profits," and Dr. Morris Cohen, associate editor of Fortune Magazine and a member of the St. John's faculty, "Capital Expenditures."

Those interested in attending the St. John's Business Conference can contact Dr. Clark at the University's College of Business Administration, Grand Central and Utopia Parkways, Jamaica, N. Y. or 96 Schermerhorn Street, Brooklyn, N. Y. The fee for the program is $15 which includes both the luncheon and the reception which concludes the day's events.

Herzig, McKenna Names

Abe Farber has been appointed director of retail sales of Herzig, McKenna & Co., 50 Broadway, New York City, members of the New York Stock Exchange.

New Putnam Office

FAIRFIELD, Conn.—Putnam & Co. has opened a branch office at 53 Unquowa Place under the direction of Bruce F. Wilcox.

Your Will Is Important

By Roger W. Babson

Mr. Babson cannot overstress the importance of making a will no matter how little the money involved may be. He expounds clearly on how to go about making such a document and on what it should contain.

Everyone should make a will, and many should now make a codicil. I give here seven reasons why. Too many people die suddenly and unexpectedly (especially in automobile accidents). While of course you may live a long life, you also may die next week. My wife, after many happy years which we had together, died suddenly a few months ago after only two days of illness. She had made her will six years ago; but I am sure she would have made many important changes but was too busy to get to it.

Appoint Your Own Executor

Reason 1. To be sure of having an executor friendly to your interests and one who would be pleased with your will, rather than having some judge perhaps appoint a friend of his as executor with whom you might not be satisfied. You can appoint your own executor when writing your will; but I would not let the executor know what it contains until after your death.

Reason 2. If you die without a will and the court has to disburse your estate, it may feel obliged to advertise for heirs you might never have heard of. Such expense and complications can be largely eliminated by making a will and appointing your own executor. You can then also provide that the executor give your beneficiaries property or securities at a fair value instead of cash.

Reason 3. By making a will you can give your executor certain discretionary powers, like determining what property to sell and deciding various other things. You can directly will certain articles of furniture, clothing, etc., to definite people and be sure things are done as you would want to do them yourself, without fear of litigation.

Reason 4. If a court should liquidate your estate, it might sell property hurriedly or during a depression. By making a will you can give your executor time and enable him to use his judgment and consult other people. This privilege could save your estate thousands of dollars.

Consider Leaving Money in Trust

Reason 5. By making a will, you can arrange to leave money in trust so that your brother or sister or spouse may thus have the full income during his or her lifetime and then have it go to the children or to others. You may wish to distribute your property in unequal proportion, especially if one beneficiary is disabled or handicapped. To do this, you must make a will or add a codicil.

Reason 6. If the estate goes to a court-appointed executor it may take two years or more before being settled and your wife and family may have nothing on which to live during this period. By making a will you can authorize your executor to pay your wife a certain amount each month pending settlement of your estate, or to give her more money if an unexpected illness or other trouble should come.

Reason 7. I hope you will have some church or charities, as well as friends, to whom you wish to make a gift. This can be done only by executing a will. The only hope of this old world is religion; and the church holds the key and is the doorway thereto.

Consult a Good Lawyer

Don't try to make your own will or codicil yourself to save a few dollars; but go to a good lawyer. I reared my will once every year—usually on my birthday—usually make a codicil as needed.

The lawyer should be a resident of your state; laws differ in different states. He will tell you how many witnesses must see you sign your will, and explain that these witnesses should be people who are NOT mentioned in the will or codicils. There also are other technicalities which your lawyer will explain to you.

Finally, let me stress the importance of letting nobody except the lawyer who draws up the will for you know its contents. Sign only the original will and original codicils, and then take these—sealed with red wax—to your bank for safekeeping, getting a receipt. Have your lawyer make only the original will and codicils, and only one carbon copy which you can keep **unsigned** in your safe deposit box to reread once a year. The receipt for the original you can also keep in your safe deposit box; but sign no duplicates of your will or codicils.

EVEN IF YOU NOW HAVE ONLY VERY LITTLE MONEY, YOU SHOULD MAKE A WILL!

First Monticello Officers

ELLENVILLE, N. Y.—Irwin M. Stern is now President of First Monticello Securities Corp., 122 Canal St. Eugene Gulsker has been elected Vice-President; and Sheldon A. Levine, Secretary and Treasurer.

With Stranahan, Harris

GRAND RAPIDS, Mich.—Jerome C. Manett is now representing Stranahan, Harris & Co. in Grand Rapids from offices at 417 Cheshire Drive, N. E.

With Richards Co.

PITTSBURGH, Pa. — Wade H. Lowry has become associated with Richards & Co., Union Trust Building, members of the New York Stock Exchange, as a registered representative.

With Wallace Inv.

DENVER, Colo. — Robert G. Weaver is now connected with Lester Wallace Investments, Inc. of South Bend, Ind.

Form Watts Associates

SAN DIEGO, Calif. — Al Watts and Associates, Inc. has been formed with offices at 2136 El Cajon Boulevard, to engage in a securities business. Albert D. Watts is a principal.

F. I. du Pont Branch

GREEN BAY, WIS.—Francis I. duPont & Co. has opened a branch office at 234 East Walnut St. under the management of Richard J. Seroogy.

Net U.S.S.R.'s Gold Reserves Probably Exceed U.S.A.'s

By Paul Einzig

Probability of U. S. S. R. having larger gold reserves than the U. S. A., after discontinuing short-term liabilities, is raised by Dr. Einzig. The well known international finance expert surmises that the warming U. S. A.-U. S. S. R. political climate has induced the latter to dip into its gold hoard to avoid curtailing imports than to take the alternative of reducing present industrialization plans. Ideally, Dr. Einzig points out, the Russians would prefer borrowing in an attempt to finance the import balance but neither Canada nor the U. S. A. could find this preferable to not taking immediate advantage of building up their reserves.

LONDON, England—In quarters familiar with economics of the Communist bloc it has been known for some time past that the agricultural situation there is a weak spot. Apart altogether from the accident of bad harvests, the trend in agriculture in the Soviet Union and in other Communist countries has been distinctly unfavorable. The system of collective farming, so far from consolidating itself, has proved to be increasingly unsatisfactory. It is difficult to find an explanation, but it seems probable that, with the improvement of good conditions in towns, the younger generations of workers are inclined to drift from collective farms to factories. The manpower at the disposal of agriculture tends to decline in quantity and in quality. The result is inadequate output of agricultural products.

U. S. S. R Farm Output Problem

In any case, it is a natural tendency for a country which becomes industrialized to change from being an exporter of land products to being an importer of land products. We would all like to eat our cake and keep it by achieving a spectacular increase of our industrial capacity without having to accept a reduction of our agricultural capacity. In practice that end is seldom achieved. The world witnessed a remarkable progress of industrialization in the Soviet Union in a very short time. The price Russia has to pay is the development of a deficiency in the supply of land products. This in spite of the remarkable efforts to fertilize vast areas which had hitherto been sterile.

It is of course possible that the Soviet Government may succeed in covering this deficiency through stepping up the use of tractors and other methods of efficient agricultural production and by bringing further vast areas under cultivation. Much could be achieved by giving agriculture higher priority than it has been receiving lately, at the expense of giving lower priority to industrialization or armaments, or space projects. A series of good crops too might change the immediate position. Meanwhile, however, the Soviet Union and the other Communist countries are faced with the necessity of importing large quantities of grain. Fortunately for them surpluses are available, especially in North America. The problem is simply one of financing the imports.

Even before the announcement of the recent large grain purchases there were indications that the Communist bloc had an adverse balance of payments. It was all the more remarkable that during the first seven months of this year there were hardly any sales of Soviet gold to finance the trade deficit. The explanation lies probably in the increase in the net borrowing of Euro-dollars and other Euro-currencies by Communist banks in the Western European markets. While these banks were both lenders and borrowers on balance they were distinctly borrowers. As a result the Soviet Government was able to defer the gold exports required for financing the trade deficit.

Apparently it has been decided in Moscow that this method of financing would not be applied in connection with the large autumn grain purchases. Consequently Soviet gold reappeared in the Western markets during August and September. Even if the large purchases from the United States and Canada could be financed partly with the aid of commercial credits sooner or later they will have to be paid for in the form of gold.

U. S. S. R. Net Gold Reserves Exceed U. S. A.'s

There is no reason why the Soviet Government should be reluctant to part with gold in payment for the grain imports. Even though the amount of its gold stock is a closely guarded secret it is generally assumed to be second in size to that of the United States only.

Moreover, while the American gold reserve is subject to sudden reductions through withdrawals by foreign Central Banks holding dollars, the only external short-term debts of considerable importance that would have to be offset against the Soviet gold reserve are the Euro-dollars borrowed by the Communists. It is, therefore, probable that the Soviet Government's net gold reserve, after reduction of external short-term liabilities, is larger than the corresponding figures for the United States.

For the Soviet Union the maintenance of a very large gold reserve has not the same importance as for a country with a free exchange which is exposed to adverse pressure. The ruble is safeguarded against such pressure by the operation of watertight exchange control and foreign trade control.

U. S. S. R. Would Rather Borrow

Hitherto the Soviet policy of accumulating a large gold reserve was partly explained by cold-war considerations. Now that relations between Moscow and Washington have improved there is not the same inducement for the Soviet Government to accumulate and retain the huge gold reserve for the sake of the power and glory its possession entails. If in parting with gold the Soviet Government can avoid curtailing imports needed for industrialization there is, from the Russian point of view, everything to be said for that solution. Needless to say, the ideal solution from the Russian point of view would be to retain the gold and finance the grain imports entirely with the aid of external borrowing.

From the American point of view, however, there is everything to be said for receiving payment in gold. Both the United States and Canada would stand to benefit through the resulting strengthening of their reserves. It would be against their interests if the transactions were financed by credits which through repeated renewals would deprive them of the benefit of strengthening the defenses of their exchanges.

Five Join City College

Five new professors, including a former mayor of Boulder, Colo., have been added to the faculty of City College's Bernard M. Baruch School of Business and Public Administration to strengthen graduate work, it was announced by Dean Jerome B. Cohen.

Dr. Leo Barnes, author of *Your Investments, Your Buying Guide to Mutual Funds and Investment Companies* and *Handbook for Business Forecasting,* among others, is serving as Visiting Professor of Economics and Finance. Dr. Barnes was previously associated with Prentice-Hall as chief economist. He also lectured at the New School.

Dr. Ronald Gatty, former Chairman of the New York Jersey Federal-State Marketing Research Committees will teach graduate courses in Business Administration and help develop the School's research effort. Dr. Gatty has taught at Villanova University and at Rutgers University and has served as a consultant to several business firms.

Dr. T. Edward Hollander of the Professional Development Division staff of the American Institute of Certified Public Accountants is teaching graduate courses in Accounting. He was previously associated with New York University, Duquesne University and the University of Pittsburgh.

Professor Leo Riethmayer, a Visiting Professor of Political Science, will teach courses on the graduate level. Professor Riethmayer is Director of the Graduate Program of Public Administration at the University of Colorado and has served as director of its Bureau of Governmental Research since 1960. In 1956 he was elected Mayor of Boulder.

Dr. Lawrence Zeitlin, who has served as a research psychologist with United States Army Medical Research Laboratory, with emphasis on missile programs, has joined the graduate faculty of psychology. Dr. Zeitlin was Program Director of Dunlap and Associates and headed the Human Factors Department at the Radio Corporation of America Airborne Systems Laboratory.

The Graduate Division of the Baruch School offers courses in sixteen different fields ranging from Accounting to Industrial Psychology. The Baruch School is under the direction of Dean Emanuel Saxe.

Joins du Pont Staff

PORTLAND, Maine—George C. Monell has joined the staff of Francis I. du Pont & Co., 630 Congress St.

The State of TRADE and INDUSTRY

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

Our economy came through the third quarter in highly satisfactory fashion, with a further moderate increase in national output of goods and services, said The First National Bank of Boston in the current issue of its *New England Letter*. Continuing, the Bank said, the seasonally strong fall period finds business to be basically healthy. A further moderate advance seems reasonably expectable, with no clear-cut areas of weakness in view. It is difficult to generate great optimism, however, for the changes in prospect seem to lack decisiveness as one examines the various sectors of the economy for signs of marked upward power.

After-tax corporate profits made a new high on a seasonally adjusted basis in the second quarter at $26.8 billion, which was $1.4 billion above January-March of this year and $2.2 billion above the like 1962 period. For manufacturing firms alone, the average profit margin widened significantly to 5% from 4.2%, to bring the best spread in four years. Better profits have lessened the squeeze on many firms which arose from the necessity of absorbing cost increases, and the need for price advances in some lines now appears somewhat less pressing. Higher sales volume combined with generally larger cash flow from more liberal depreciation and greater retained earnings provide a strong support to rising capital expenditures.

Analysis of the individual sectors of the economy, based upon present known facts, produces a fairly convincing case that 1964 could be another year of favorable business growth. And since it is an election year, we may expect that the not inconsiderable influence of the Federal Government will be directed toward this objective.

In such an early look ahead we should not neglect consideration of the monetary sphere, where those who are bearishly inclined can point to some potential problems. One of these is the availability and cost of funds, and its effect upon business activity. Another is the concern over the possible deterioration in the quality of credit after a sustained period of easy money. A third is the persistent balance of payments deficit, and the possibility that credit tightening and higher rates might be more aggressively used to improve the situation. Others would add to this list the potential for triggering business contraction, should the record high stock market undergo any drastic downward adjustment. Whether such factors vitally affect economic activity in the next year will depend upon the vigor of the uptrend. International as well as domestic monetary and fiscal forces will need, more than usual, to be carefully scrutinized in appraising the course of business.

Production Index Gains Disappointing One-Tenth of One Per Cent

Industrial production, construction activity, and the unemployment rate were relatively unchanged in September. Retail sales declined appreciably. Bank credit, the money supply, and time and savings deposits at commercial banks increased. These are the recent findings of the Federal Reserve System.

According to Federal Reserve's *National Summary of Business Conditions*, industrial production in September was 126% of the 1957-1959 average, the same as in August and 5% above a year ago.

The data actually worked out to 125.7% in September from 125.6% in August. The index had dropped one percentage point from July (126.5%) to August's 125.6% and economists were hoping that last month would have picked up the loss and even a gain.

Auto assemblies, which had declined in August, increased 3% in September as production of 1964 models began; production schedules indicate a further rise in October. In September output of most other consumer goods changed little. Activity in business equipment industries continued to expand, reflecting gains in industrial machinery and freight and passenger equipment.

Output of iron and steel, after falling sharply in July and August, declined only 2% further in September. Output of most other materials, durable and nondurable, remained at advanced levels.

Construction

New construction activity rose 3% in August to a record seasonally adjusted annual rate of $66½ billion, on the basis of revised figures, and remained at about that level in September. Private residential activity and public construction were unchanged in September while business construction edged higher.

Employment

Employment in nonagricultural establishments increased slightly in September, reflecting in part recovery in the auto industry following the August decline associated with model changeovers. The unemployment rate was 5.6%, about the same as in August. In manufacturing the average workweek increased to 40.6 hours.

Bank Credit, Money Supply, and Reserves

Seasonally adjusted commercial bank credit increased $2.2 billion in September, somewhat more than the average monthly expansion earlier this year. Loans rose sharply, reflecting in part temporary borrowing by security dealers in connection with the Treasury's advance refunding. Holdings of non-Government securities increased slightly further, following rapid expansion earlier in the year, while holdings of U. S. Government securities again declined. After a slight reduction in August, the average money supply increased $400 million. Time and savings deposits at commercial banks rose $800 million, somewhat less than in July and August.

Required and total reserves rose by more than the usual amounts in September. Excess reserves declined while member bank borrowings from the Federal Reserve were about unchanged. Reserves were absorbed principally through currency outflows and were supplied through increases in Reserve Bank float and System holdings of U. S. Government securities.

Security Markets

Between mid-September and mid-October, yields on Treasury and corporate bonds changed little while those on state and local government bonds and short-term Treasury issues increased slightly further. After reaching a new high in late September, common stock prices declined moderately.

Bank Clearings Surge 24.0% Above 1962 Week's Volume

Bank clearings in the latest statement forged ahead of a year ago due to the fact that Columbus Day last year fell on a Friday while this year it came on a Saturday. The longer week of this year, therefore, had a full five week-days. 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. 12 clearings for all cities of the United States for which it is possible to obtain weekly clearings were 24.0% above those of the corresponding week last year.

Our preliminary totals were $31,394,468,123 against $25,313,550,891 for the same week in 1962.

Our comparative summary for some of the principal money centers follows

Week End.	—— (000s Omitted) ——		
Oct. 12—	1963	1962	%
New York	$17,957,907	$13,128,474	+36.8
Chicago	1,313,300	1,004,314	+30.8
Philadelphia	1,105,000	861,000	+28.3
Boston	851,881	614,885	+38.5
Kansas City	541,040	513,129	+ 5.4

Week's 1.7% Steel Output Advance Is the Eighth Weekly Advance in a Row and Is 9.7% Above Year-Ago Week While the Year's Cumulative Output Is 11.4% Above 1962's Period

According to data compiled by the American Iron and Steel Institute, production for the week ended Oct. 12 was 1,915,000 tons (*102.8%) as against 1,183,000 tons (*100.1%) in the Oct. 5 ending week.

This long awaited fall week-to-week upward trend in output was the eighth unspectacular modest net gain in a row out of the past 19 weeks. The eight week's gain amounts to 8.7% 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. So far, since the Aug. 17 low for the year, production has advanced only 10%.

Last week's output was 2.8 percentage points 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

Continued on page 28

The Market . . . And You

BY WALLACE STREETE

The stock market coasted for the most part again this week, the same pattern of pinpoint demand and consequent wild price moves in a handful of issues obscuring the basic fact that little overall progress was being recorded. Hesitant markets in October, as analysts digest the business picture for indications of how the final quarter will fare for the economy, and what lies ahead next year, as not unusual.

There were some indications that investors were busy absorbing tax losses which, if there is a general tax cut next year, would be more advantageous in offsetting gains this year. It served, in any event, as a ready excuse for the stalemate in the general list which has seen the industrial average hover slightly under its all-time peak for some three weeks without showing any intention of punching decisively through.

Profits Rising

Business indicators were generally favorable, both for the rest of the year and into the new one. Profit reports made good reading for the most. And in a few cases, Polaroid notably, where there was a temporary drop in earnings for one reason or another, it failed to chill enthusiasm. Thus, Polaroid was able to give a good account of itself although it was well under this year's high and not showing any inclination to joust with the high.

International Business Machines, which has confounded its critics for years, was able to make a new high for the year although, here again, the price is well under its historic peak.

Birth Control Issues in Limelight

Birth control pills were the powerful market stimulant but this isn't exactly a new story since G. D. Searle, which has been marketing them for some time, had some wild price moves in the counter market. In listed trading, the prospect of Johnson & Johnson starting a price war in this field by offering a lower-priced version provided a definite feature this week.

After the company's plans to market the new product were announced, Johnson & Johnson was crippled by a flood of buy orders with few holders willing to sell the stock. It resulted in a trading jam of several hours' duration when, despite higher and higher bid prices, no offerings of stock could be found. And when buy orders were finally matched with sell ones, a price appreciation of some 20% was recorded.

Auto Issues Static

The active items were familiar ones, Chrysler and Sperry Rand, but neither showed any indication of anything more than a tug-o-war between the buyers and the sellers. Neither was doing anything of a record-breaking nature pricewise.

The other auto shares were active but undistinguished in their price action and reports of good sales of the new models failed to stimulate much in the division. Presumably the year-end dividend action is what is being watched by the auto followers.

Rising Expectations

The situation is the same with various of the other big name outfits, such as American Telephone where talk of a dividend increase has been picking up tempo pending next month's meeting of directors to consider action.

For nearly a third of a century discussions about A.T.& T.'s dividend were mainly whether the company could keep the classic rate of $9 on the old shares. Since they were split, and the dividend raised twice, the company has become something of a perennial candidate for dividend improvement and even for another split, mostly proving that the company's shares have earned a new appraisal from the investing fraternity.

Bright Outlook

As usual, a good bit of the hunting for likely prospects was centered on items that have not been in the headlines and where something of a turn for the better might be possible, such as May Department Stores which had its heyday sometime back when it was sufficiently encouraged to expand into new geographical regions.

The early result, as is natural, was that the earnings became static until the new units started adding to the profit potential. Once the expansion costs were over, and the company realigned to meet the new types of competition encountered, the prospects turned brighter. Earnings were up last year and the gains continued during the first half of this year to where in some quarters the company is now a prospect for dividend improvement and, if the definite turn for the better has been negotiated, a promising investment for the future.

There were some unknown elements around that made certain issues something of a gamble, including AVC Corp. which sold its assets to Monsanto Chemical. After the sale of its assets, the old American Viscose unit decided to redeem its own shares at net asset value which, at that time, was $77.22 a share. The payment will be in a combination of cash, shares of Monsanto and participating certificates which were indicated as being valued at $2 a share. The AVC stock since has held pretty much in that general area. However, the increase in the value of its Monsanto holdings, the unknown of the company's tax bill or possible tax refunds, and the increase in asset value, if any, through Monsanto dividends and interest on short-term investments, makes the fixing of an ultimate value of AVC stock mostly a matter of conjecture.

International Minerals & Chemical Corp. has been busy expanding but, in view of the expenses entailed, is not showing earnings commensurate with its broadened outlook. Some of these expenses are at the point where they should taper off and the basic improvement in the company's profit potential should then become more apparent.

The company bills itself as the world's largest producer of fertilizer materials and last year teamed up with Northern Natural Gas to make nitrogen and anhydrous ammonia to make it the only company in the industry that is a major factor in all aspects of fertilizer ingredients.

It has been busy expanding its phosphate situation, including a new granulating plant and development of a potash deposit in Canada. In half a dozen years some $100 million has gone into expansion and plant improvement. Much of the expansion program is now over and operations are nearing capacity so a chance for a good earnings increase is considered excellent.

Students of International Minerals give the company a good possibility in the current fiscal year of showing earnings that would be double the indicated $2 dividend requirement and indicate that the company has turned the corner for which it was aiming.

A plus in favor of Revere Copper & Brass is that its half ownership of Ormet, fourth ranking aluminum producer, could become a valuable contribution now that the aluminum business generally has taken a turn for the better. In addition, this year will see the liquidation of the last of the bank loans originally made to finance Ormet.

On a bookkeeping basis, the accelerated depreciation charges will run out in this year's final quarter to give earnings that much more of a lift. The other half-owner of Ormet is Olin Mathieson which, itself, has been stirring marketwise and largely due also to improved conditions in the aluminum industry.

Revere's earnings in the first half of this year were static so the shares are available at a price that shows an indicated return of a shade over 4%, an above-average figure. But a better second half seems assured so that full year earnings will show a comfortable increase over last year. And, the chances are good that the improvement in earnings will run into next year.

[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.]

Barone Joins Herzig, McKenna

George Barone, formerly Director of Research of Ira Haupt & Company, has joined Herzig, McKenna & Company, members of the New York Stock Exchange, 50 Broadway, New York City. He joined the Haupt organization in 1953 as a security analyst and became head of its research staff in 1961.

During his employment at Ira Haupt he instituted a weekly closed circuit program for the registered representatives and partners of 14 branch offices comprising this national firm.

Mr. Barone started his career in Wall Street in 1950 as a trainee for Standard & Poor's. One year later he left to join Van Alstyne, Noel & Company, investment bankers and members of the New York Stock Exchange. He worked there until his move to Ira Haupt.

Hertz, Neumark To Admit Cohn

Effective Oct. 24 Paul R. Cohn will be admitted to partnership in Hertz, Neumark & Warner, 2 Broadway, New York City, members of the New York Stock Exchange.

L. A. Bond Club To Hear Ness

LOS ANGELES, Calif. — Dr. Norman T. Ness, Vice-President of Anderson, Clayton & Co., will address The Bond Club of Los Angeles at a luncheon meeting today, at the Biltmore Hotel, on the topic of "Our Balance of Payments — Is it a Threat to the Dollar?"

In addition to a successful career in university teaching, Dr. Ness has had many years of service as adviser to important Federal departments, agencies, and missions, including the U. S. delegation to the International Monetary Conference at Bretton Woods in 1944. Most recently, Dr. Ness was chairman of a special U. S. Chamber of Commerce committee established at the request of President Kennedy, to report on the balance of payments problem.

As a forthright and impartial analyst in both academic and business fields, Dr. Ness approches the controversial subject of America's balance of payments problem as it relates to the integrity of our dollar.

Brunjes Joins Francis I. duPont

George J. Brunjes has become associated with Francis I. duPont & Co., 1 Wall Street, New York City, members of the New York Stock Exchange, it has been announced. Mr. Brunjes will be in charge of dealer relations in the investment firm's Trading Department.

Mr. Brunjes was with J. P. Morgan & Company from 1938 to 1957. Since 1957, he has been with the First Boston Corporation.

Appointments by Smith, Barney

Smith, Barney & Co., 20 Broad Street, New York City, have announced the appointment of William S. Goedecke as national sales manager; Russell M. Sanderson as administrative sales manager; Gilbert B. McDowell as manager of the main office sales department, and L. F. Boker Doyle as manager of the investment advisory department.

BANK AND INSURANCE STOCKS This Week — Insurance Stocks

MERGER TRENDS IN THE INSURANCE INDUSTRY

The recent announcement by Reliance Insurance Company that it proposes to exchange approximately $50 million of its common stock for all of the shares of two New York-based insurance concerns that are managed and largely owned by Corroon and Reynolds Corp. is another in the long list of insurance mergers that have been proposed and subseqently consummated since 1960. Thus far in 1963, American Insurance has merged with Fireman's Fund; Maryland Casualty has acquired Northern Insurance; Continental Casualty is in the process of acquiring American Casualty Company; and Hartford Fire and Great American Insurance have purchased Hawaiian insurance companies. These are merely the highlights of the trend during the year in which mergers and acquisitions have occurred on virtually a weekly basis.

Reliance Insurance has been one of the leading advocates of growth and diversification through acquisition. In the current move the company seeks to acquire ownership of American Equitable Assurance Company of New York and New York Fire Insurance Company, which are under the control of Corroon and Reynolds organization, and are primarily writers of property insurance lines. Earlier in the year, Central Standard Life Insurance Company of Chicago was acquired in exchange of stock through which Reliance bolstered its position in the life insurance field. In 1961 the company became a major writer of casualty lines through the acquisition of Standard Accident Insurance Company. These moves, plus several smaller acquisitions in the interval, will have resulted in the addition of $100 million in annual premium volume upon consummation of the present proposal over a three-year period, approximately one-half of Reliance's anticipated premium volume for the year.

The trend toward increasing mergers in the insurance industry has been principally motivated by the desire to obtain increased profitability. It has been accelerated in recent years by the heavy underwriting losses incurred by several fire and casualty concerns, whose directors felt that the quickest and easiest method to return to profitable operations was to join with a stronger organization.

A closer examination of the general belief that greater profitability can be achieved through the merger route reveals several significant background factors. First, insurance underwriting has become an "all-line" proposition. Virtually 90% of the leading stock fire and casualty companies now offer life insurance facilities through an affiliation with a life insurance underwriter. The ability to provide "all-line" service has become practically a competitive necessity today, and is leading more and more life insurance firms to seek fire and casualty affiliation.

Secondly, as the heavy underwriting losses of fire and casualty companies have been due to an uncontrollable increase in losses, greater attention is being paid to expenses. Through merger and the attainment of higher volume, companies are able to put their expensive automated equipment to more efficient use. In addition, highly trained employees are acquired to handle improved underwriting techniques, duplicate facilities can be eliminated, and over-all clerical costs can be reduced over a period of time thereby reducing the expense ratio. In addition, higher volume enables a company to provide increased stability, capacity and flexibility in providing better service to its customers.

The advantages of mergers and acquisitions are generally enthusiastically accepted by most insurance executives. Various agency groups have voiced opposition to the trend which has resulted in certain disruption in their ranks as the weaker agents are weeded out by the surviving entity, but they are powerless to bring it to a halt. More important is the attitude of the Federal Government, which has expressed considerable interest in other fields in which numerous mergers have occurred in recent years. To date, the various arms of the Department of Justice, Federal Trade Commission, and Securities and Exchange Commission have refrained from taking any action detrimental to the merger trend with one exception—the required divestiture proceedings against Chicago Title & Trust Company for its acquisition of Kansas City Title Insurance Company some months ago. It is not likely that the insurance field will become a hot spot for antitrust activities, as concentration is relatively low in the field, unless the merger trend greatly accelerates.

It is likely that the trend toward mergers will continue in the insurance field. Undoubtedly, there still exists a place for the small specialty underwriter that has been able to maintain a profitable underwriting record. However, the bulk of the remaining unprofitable independent concerns that have not joined ranks with others in recent years are finding it increasingly difficult to survive on their own in competition with their larger, richer, and well-diversified brethren.

* * *

August Fire Losses

The National Board of Fire Underwriters estimates that the nation's fire losses rose to an unusually high midsummer level of $113.7 million in August. The month's figure represented an increase of 20.2% over the total for the comparable month of 1962, and were 12.7% ahead of July's total of $100.9 million. Each of the first eight months of the present year has seen recorded fire losses in excess of $100 million. This is quite abnormal, particularly the results for the summer months of the year, when losses resulting from heating hazards are at a minimum.

For the eight months through August, fire losses in the United States are estimated at $989.7 million, up 13.8% from the $869.8 million figure for the similar period of 1962. Total fire losses for the year are certain to run well ahead of last year's record high of $1,265 million.

Woodcock, Moyer Exec. Changes

PHILADELPHIA, Pa.—John E. Fricke, former President of Woodcock, Moyer, Fricke & French, 123 South Broad Street,

John E. Fricke Samuel K. McConnell

members of the New York and Philadelphia-Baltimore-Washington Stock Exchanges, has become Chairman of the Board, succeeding the late Harold P. Woodcock. Formerly a partner in Bache & Co., he joined Woodcock in 1959.

The Honorable Samuel K. McConnell, Jr. was elected President of the firm, succeeding Mr. Fricke.

Active in politics, Mr. McConnell was Chairman of the Republican Party in Lower Merion Township and in Montgomery County and was also Lower Merion Township Commissioner. He was a member of the United States House of Representatives for 14 years and was Chairman of the Education and Labor Committee in the House.

He resigned from Congress in September, 1957, to become National Executive Director of the United Cerebral Palsey Association, Inc. Mr. McConnell became Vice-President of Woodcock, Moyer, Fricke and French in December, 1961.

Courts Adds to Staff

CHARLOTTE, N. C. — James P. Falls has been added to the staff of Courts & Co., Liberty Life Building.

SECURITY SALESMAN'S CORNER BY JOHN DUTTON

A New Approach to the Discovery of Sales Aptitude

Many written tests have been developed that claim they can help management select men with sales ability. These tests have been used in other lines of business with some degree of success. I have not heard of very much testing in the investment business that has been of value. There is an organization that has made a wide study of their tests, covering over 3,000 people, who were applicants for sales positions. Included in the group were 114 mutual fund sales applicants who, on the basis of the test, were graded as follows: (A) 11; (B) 20; (C) 49; and (D) 34. Here is how the men tested worked out according to sales performance at the end of six months:

Group	Top ¼	Top ½	3rd ¼	4th ¼	Quit or Fired
A	5	4	1	0	1
B	4	9	3	0	4
C	0	4	15	12	18
D	0	1	7	10	16

Basis of Tests

The originator of these tests is the Marketing Survey and Research Corp., 175 West 13th St., New York 11, N. Y. Their President, Dr. Herbert Greenberg, claims that until his tests were developed, many others failed to locate people with the potential to become successful salesmen because they overlooked what he considers to be the two main essential qualifications for this profession. First, a salesman must have a strong persuasive empathy for people. This is the "ability to feel and 'feed back' a flow of understanding with others. It is a capacity to project and adjust your attitudes, expressions and mood to the ever changing emotions and reactions of others. It is not a blind agreement of ideas but an ability to 'tune in' on others and find a climate of understanding." The second quality is, "a particular kind of ego drive which makes a salesman need to make the sale in a personal ego way, not merely for the incentive of the money to be gained, or other external benefits. His feeling must be that he has to make the sale. The customer is only there to help him fulfill his personal need. His empathy coupled with this ego drive, will enable him to home in on the target and make the sale."

The claim is made for the tests that if a salesman has tested out with a strong inner sales drive and empathy for people he will shortly be at the top of the sales force. "A salesman with fine empathy but too little drive may be a nice fellow but will be unable to drive through to close his deals effectively. A salesman with too much drive but too little empathy will bulldoze his way to some sales, but he will miss a great many, and will hurt his employer through his lack of understanding people."

Some Differing Conclusions

In the field of specialty selling such as automobiles, household goods and life insurance, I believe there is some merit in the conclusions that a strong "ego sales drive" to make the sale, plus empathy for people, are prerequisites for a successful sales career. In the field of investment counselling, and the sale of general market securities, it is also possible that these two qualities are valuable assets. But I am inclined to the opinion that there are several other qualifications that are equally important if you want to be a clientele builder in the investment business.

I would add, for example, the ability to think logically and project your acquired knowledge of a prospect's financial situation into a plan for capital investment that is suited to his long range needs. This certainly precludes and over-rides the salesman's immediate necessity for making a sale to satisfy an inner "ego sales drive." I have known men with a very engaging ability to find a strong kinship with others. They also had the most powerful "ego sales drive" imaginable. They finally sold themselves right out of this business. They sold so well that they oversold their clients, timed their offerings miserably, and were careless in the choice of securities they sold. Possibly you can't hurt your customers if you sell them life insurance or mutual funds . . .but you can ruin a clientele in a short while with too much empathy, ego sales drive, and too little common sense.

The trouble with being a great salesman in the investment business is that you have to live with the securities you sell as long as your customers own them. This is an entirely different, complex and changing problem that is presented to a salesman of securities. He must rise above his own powerful emotional and personality capacities if he is going to build and keep a clientele . . . because there are times when he must refrain from making sales if he is going to do a conscientious job for his customers. To think otherwise would be the same as putting him in the category of a surgeon who looked upon everyone who had a gas pain in his belly as a potential victim for an exploratory on his insides.

Reselling When Wrong

Another qualification that is valuable in selling securities is adaptability and versatility. People with static minds cannot succeed in the ever changing world that is the securities business. Decisiveness and courage are also valuable assets. The market waits for no one. If you have sold an "idea" as of yesterday and today, you come to the conclusion that you were wrong, you should know how to go back and resell your customer on the reasons why you believe you "were wrong." Do you know any other line of business where a salesman has that problem? This is where "technique selling" comes into play. You have to sell without over-selling; you must learn how to motivate without going out on a limb; you even have to make up people's minds for them without letting them realize that "you did it" and they think "they did it." This takes diplomacy and tact in addition to courage and decisiveness.

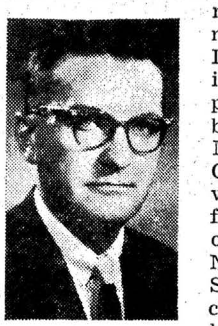
In conclusion, a good security salesman needs maturity. He must evaluate his life a bit higher than satisfying his inner "sales drive." He must take people as they are . . . the emotional, impulsive, careless, egotistical, and compulsive ones; as well as the trusting, lazy, indolent, careless and the intelligent investors he will meet. He can't change the world but he can change his own immature reactions to his environment. He can do his job well because of the inner satisfaction that he achieves. If you add these qualifications to the twin assets that the Marketing Survey and Research Corp. tests claim they can uncover, you may have the makings of a successful career investment salesman.

Next week, I will deal with specifics. I took some notes when I attended a sales meeting that was conducted by a salesman who has grossed over $100,000 per year for the past five years. He has 30 years experience in the business, and I think he is quite a man. I found several of his suggestions very helpful and I will pass them on to you.—J. D.

[John Dutton is the pen name of a registered representative employed by a large member firm of the New York Stock Exchange.]

Loewi & Co., Inc. Opens New Branch

MILWAUKEE, Wis.—Loewi & Co., Incorporated, has announced the opening of their new branch office at 7401 W. Oklahoma Avenue. This new branch, Loewi's 16th, is the company's third branch in Milwaukee County, as well as the first branch office of a New York Stock Exchange firm to be located in the southern half of the county. Roland C. Neumann, who has been associated with Loewi & Co. for more than 25 years, is the manager of the office. Associated with him in the office as registered representatives are Donald D. Berther, Michael J. Ollmann and Victor J. Unrein, all from the downtown office of the company.



Roland C. Neumann

In addition to the downtown main office and the new Southwest office, Loewi operates branches at Mayfair and on East Silver Spring Drive in Whitefish Bay, all in Milwaukee County, as well as offices in Appleton, Beaver Dam, Chippewa Falls, Green Bay, Janesville, Kenosha, Madison, Monroe, New London, Racine, Waukesha, Wausau and Wisconsin Rapids, all in Wisconsin.

Shaskan & Co. To Admit Partner

On Nov. 1 Shaskan & Co., 67 Broad Street, New York City, members of the New York Stock Exchange, will admit Joseph Buchman to partnership.

Another Big Auto Year Seen for 1964

Auto makers are predicting sales of at least seven million new cars in 1964 and there are ample grounds for believing the rosy estimates are reasonable, according to the United Business Service. The Boston-based advisory firm points out that this would be the third big auto year in a row, and that sales have grown with the economy in recent years rather than from some extraordinary stimulus. This is in contrast to the record 1955 sales which reflected the increase to 36 months in car financing that suddenly brought many new customers into the market.

Main requirements for active auto sales are high employment and rising disposable consumer income, since most cars are sold on credit, and buyers must be confident before they undertake long term debt. Both factors are now favorable, and a tax cut would provide an extra stimulus next year. Credit is adequate and the portion of consumer income going for cars is not excessive. Household formations are rising again, and the explosion in teen-age population boosts demand for used cars and speeds the increase in multiple car families.

The United Service also points out that rising scrappage of cars is an important element in the auto outlook. Scrappage exceeded five million cars for the first time in 1962, and is estimated at 5.5 million this year. Because cars built since 1954 have many more accessories that are costly to repair, and because increasing use of salt on northern roads is hastening body rust, replacement car demand is likely to increase. Moreover, the record year 1955 cars are only now hitting the junk pile in large numbers. Scrappage at the 1963 level suggest a normal car demand in the area of seven million, and General Motors predicts that eight million car years will be normal before 1970.

Bache & Co. Takes Over McGann Offices

SOUTH BEND, Ind.—Effective Oct. 14, Bache & Co., acquired the South Bend office of Albert McGann Securities Company, Inc., 125 West Colfax Avenue. Richard Cleary will be manager and Albert McGann associate manager of the new Bache office.

Also acquired by Bache were the office at 500 South Main Street, Elkhart, Ind., under the management of Thomas E. Blackburn, and the office at 224 East Main Street, Niles, Mich., with Allan B. Stevens as representative in charge.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The attraction which common stocks appear to have for the appreciation minded buyer has not taken money away from the fixed income market to any appreciable extent yet. It is believed in certain quarters of the financial district that the reverse is true in some measure with funds being transferred from equities into bonds.

The short-term securities which make up the money market are in as large demand as ever with indications that funds which had been in common stocks are now ensconced in the most liquid government securities. The longer-term Treasury obligations continue to attract investors especially those who are interested in the highest quality obligation with a satisfactory rate of return. The 4⅛% of 1989/1994 appears to be that kind of a security at this time.

Investors' Strong Response

The feature of the long-term government market has been the way in which the 4⅛s of 1989/1994 have been finding permanent homes in the strong hands of investors. It is indicated that those with funds which are to be invested in long-term obligations are using the new money raising and more recently the advance refunding obligation, namely the 4⅛% due 1989/1994, for such a purpose. The yield that is available on the long-term 4⅛% Treasury bond is less than the return which is obtainable in corporate bonds, but when quality is considered it is a much more satisfactory security in the opinion of many capital market specialists. It is being pointed out that the best quality obligation in the capital market is a government bond, and the yield differential between these Treasury securities and the various non-Federal bonds is so small that it is very worthwhile to make commitments in one of the longest government bonds, like the 4⅛% of 1989/1994. It is the institutional investor who is making these purchases of the 4⅛s of 1989/1994 with pension funds among the largest buyers of this bond.

The 4⅛% of 1989/1994 was originally offered to the public last April when the Treasury floated $300,000,000 of these bonds under competitive bidding at a price of 100¾ to yield 4.08%. This was not a successful operation as far as the underwriters were concerned because the issue did not go well at the offering price, which had to be cut in order to get the bonds out of the syndicate and the hands of the underwriters. This was a new money raising obligation that went sour, and quite possibly ended for the time being this way of picking up new money for the government. The 4⅛s of 1989/1994 were not readily digested by the market although it was reported that many of these bonds were being bought by long-term investors during the summer although prices of the 4⅛s of 1989/1994 made little or no progress on the up side.

A Bit of a Surprise

When the recent advance refunding operation of the Treasury came along and the 4⅛% of 1989/1994 was reopened as part of this package deal, it was not expected that this long-term government bond would be too well taken in this debt lengthening deal even though it was attractively priced. Much to the surprise of the financial district the 4⅛s of 1989/1994 were taken in the amount of $1,260,000,000 which was considerably more than had been looked for by most capital market specialists. It is believed that the long-term funds which are now going into this 4⅛% bond are again coming in some measure from exchange operations this time from the non-Federal obligations.

Another security which came out of the last advance refunding, the 4% 1973, is also being used for investment purposes by those buyers who are interested in a medium-term bond. In this case there are also reports that the monies which have been put to work in this security have come in some measure from switches with non-Federal bonds and other forms of investment being disposed of in this instance.

Group Seeks to Enlarge Foreign Investing in U. S.

President Kennedy on October 2 named a 13-man Task Force to study ways of promoting increased foreign investment in the securities of United States private companies and to survey the availability of foreign financing to United States private companies operating abroad. These questions bear importantly upon the future of the U. S. balance of payments. The Task Force includes both government officials and private members of the financial community.

Government officials on the Task Force are:

Henry H. Fowler, Under Secretary of the Treasury, who will serve as Chairman of the Task Force, representing the Treasury Department.

Robert M. McKinney, retiring United States Ambassador to Switzerland, who will serve as Executive Officer of the Task Force, representing the Department of State.

Ralph A. Young, adviser to the Board of Governors of the Federal Reserve System, who will represent the Board.

Charles A. Coombs, Vice-President for foreign operations of the Federal Reserve Bank of New York, who will represent the Bank.

Private members of the Task Force include:

Frederick M. Eaton, partner in the New York law firm of Shearman and Sterling.

G. Keith Funston, President, New York Stock Exchange.

George F. James, Senior Vice-President for planning and finance, Socony Mobil Oil Co., Inc., New York.

George J. Leness, President, Merrill Lynch, Pierce, Fenner and Smith Incorporated, New York.

Andre Meyer, senior partner, Lazard Freres & Company, N. Y.

Dorsey Richardson, President, Investment Company Institute, New York.

Arthur K. Watson, President, IBM World Trade Corporation, New York.

Walter B. Wriston, Executive Vice-President, First National City Bank of New York.

John M. Young, partner, Morgan Stanley and Company, New York.

The creation of this Task Force is in line with Section 6 of President Kennedy's Special Message on the Balance of Payments, July 18. The purpose and background of the Task Force study is outlined in more detail in Section 6 of the President's Message and in a separate Treasury Department release based on an Organization Plan and working program worked out by the Treasury Department, in consultation with the State Department.

At the conclusion of its work, the Task Force will make a report to the President.

Fieldhouse Joins Garvin, Bantel

Richard C. Fieldhouse has become associated with the Money Department of Garvin, Bantel & Co., 120 Broadway, New York City, members of the New York Stock Exchange, it has been announced.

Richard C. Fieldhouse

Since 1956, Mr. Fieldhouse has been with the Federal Reserve Bank of New York, serving as a market specialist.

Williston & Beane Names Managers

Three promotions in the expanding sales organization of J. R. Williston & Beane, 2 Broadway, New York City, members of the New York Stock Exchange, have been announced by Alph C. Beane, Chairman. They are:

Seymour Lubliner, former manager of the Fifth Avenue office, to sales manager at the main office at Two Broadway; Harvey L'Hommedieu, from manager of the 360 Lexington Avenue office, to manager of the newly acquired Atlanta, Ga., branch; William Maguire, from assistant manager to manager of the Lexington Avenue office.

Form George Securities

SPOKANE, Wash.—O. C. George Securities, Inc., has been formed with offices in the Peyton Building to engage in a securities business. Officers are Grover C. George, President; J. M. Farnsworth, Vice - President; and Dorothy V. George, Secretary and Treasurer.

THE SECURITY I LIKE BEST...

Continued from page 2

transportation of crude oil and condensate and the proceeds from the sale of liquid hydrocarbons extracted from its gas are also included in this category.

Another important moneymaker for the company is the production of gas and oil. Also in the picture are the operations of a refinery which the company acquired in May, 1962, located in Corpus Christi, Texas, where Coastal States has its headquarters.

A Successful Pioneer

Coastal States was a pioneer in gas gathering back in 1955. Its management had the foresight and resourcefulness to come up with the successful technique to bring together the numerous relatively small, capped gas wells that were searching for markets, and the major pipelines that were seeking single sources of large amounts of gas on a reliable, efficient delivery schedule. What Coastal States did, under the leadership of Board Chairman and President Oscar S. Wyatt, Jr., was to purchase shut-in gas under long-term contract dedications, build lines from these wells to a central gathering point, and sell these accumulated amounts of gas also on a long-term contract basis, to large users such as pipelines, industrial consumers and, more recently, municipalities.

With Coastal States, performance speaks for itself. Editorial comment is hardly necessary.

On June 30, 1956 the company had 91 miles of gas gathering lines with a combined daily capacity of 87,000 MCF. During the subsequent 12-month period (the 1957 fiscal year), net gas sales to purchasers amounted to 35,327,000 MCF. In the 1963 fiscal year, these sales totalled 190,-773,000 MCF, and Coastal States had 2,031 miles of line in operation or under construction, with a daily capacity of 1,977,000 MCF.

Fiscal 1963 gathering sales of $34,269,924 were up 29% over the prior year accounting for 79.3% of revenues. Furthermore, the new fiscal year started with gas reserves of 6,761,011,000 MCF. dedicated to the company's gathering operations, the highest level in Coastal States history.

New Contracts

The most important new gas sales contracts in the 1963 fiscal year were those the City of Austin and the Lower Colorado River Authority (LCRA), to provide gas to be used in generating electricity. These are intrastate gas sales contracts for 20-year periods. Total deliveries are expected to average more than 150,000 MCF daily over the life of the two contracts.

Although deliveries to Austin's power plant were scheduled to start on Jan. 1, 1964, it now appears that they will begin before that date. Gas is expected to flow to LCRA's Bastrop, Texas steam generating plant in 1965.

A noteworthy subsequent development with respect to the Austin market took place this past August. The company has entered into a contract to sell to the gas distributor in Austin all of the city's consumer gas requirements for a period of 20 years commencing April 1, 1967, or at an earlier date should the purchaser so choose. In the first years of this new contract, it is estimated that starting deliveries will be at an annual rate averaging more than 25,000 MCF daily.

Austin was the second large municipal market penetrated by Coastal States. Since April 1, 1962, the company has been selling gas and providing gathering and delivery services to the Alamo Gas Supply Co. Alamo has a contract with San Antonio calling for deliveries to the city's electric generating plants and gas distributions systems totalling a maximum of two trillion cubic feet of natural gas over a 20-year period. These deliveries also are classified as intrastate sales.

Originally, Coastal States held 25% of Alamo's outstanding stock. However, a few weeks ago it was announced that the company plans to acquire the remaining 75% in exchange for approximately 70,000 shares of Coastal States common stock.

Future Targets

Among the targets that Coastal States is apparently aiming at for the future are the gas markets in the Houston area. Starting in 1966, a substantial quantity of gas sales will be coming up for renewal. If the past is any indication, Coastal States is likely to gain its full share of this new business.

Also on Coastal States' agenda is the installation of a gas processing plant, at an estimated cost of $800,000, on the San Antonio delivery facilities. This plant, which may be owned jointly with others, is scheduled for completion in January 1964. There are presently in operation six such liquid hydrocarbon extraction plants processing gas made available by Coastal States. These plants were financed, built and are operated by others. With no capital investment on its part, Coastal States receives between 40% and 55% of the net proceeds from the sale of the by-products removed from its gas.

The growth of gas and oil production in the overall Coastal States picture was a natural outcome of its successful gas gathering operations. Once it had been established that Coastal States represented a significant gas purchaser, the company was repeatedly sought after as a partner in well ownership and property development. This not only generated a prime source of income for the company, while consistently adding to proved reserves, but it tied in favorably with Coastal States' policy of drilling away taxable income.

Gas and crude oil production of $5,787,058 in fiscal 1963 was 21% above the year before, and contributed 13.4% of total revenues. Even with record production, the company's proved reserves advanced to new peaks during 1963: 844,107,900 MCF of gas, 6,492,510 barrels of oil and 36,485,040 barrels of condensate, as of June 30, 1963.

Cash Earnings Advance

For fiscal 1963 cash earnings were up 48% to $14,014,791. Per share cash earnings of $2.21 were 44% ahead of the comparable figure of the preceding year.

Net income in 1963 was $8,952,-999, an increase of 52% over fiscal 1962. On a per share basis, the $1.41 earned was equivalent to a 47% improvement.

As of June 30, 1963 there were 6,352,046 shares outstanding.

1,814,289 shares were reserved for outstanding stock warrants and 202,454 shares for employees' stock options. The exercise of these warrants and options would involve an aggregate purchase price of over $21,100,000, which would be added to the company's equity.

It is relevant to point out that, in fiscal 1963, Coastal States' net income was equal to a 30.9% return on average stockholders' equity.

This ability to put its earnings to work efficiently has aided Coastal States in obtaining money for its growth. An even more influential factor has been the long-term contracts to buy and sell gas which characterizes most of the company's gathering operations. This makes it possible to have a good insight into future earnings. Under such circumstances financing is greatly facilitated. An offering of $50,000,000 of 5% First Mortgage Bonds was made in June 1963, and the principal security behind the bonds were these gas contracts. Issued at par, the bonds immediately rose to a premium. Coastal States further strengthened its financial position recently by negotiating a five-year $30,000,000 revolving line of bank credit at a rate equal to the prime New York City bank rate plus ¼%, but not less than 4½%.

With officers and directors owning about 22% of the shares outstanding, there is ample incentive for management to continue with even greater vigor, its fine work. The granting of stock options at all levels of the organization provides an added impetus.

In February 1961, Coastal States Gas Producing Company was my choice as "The Security I Like Best." I then stated that "As a sound situation of high caliber affording excellent capital depreciation prospects, Coastal States has become a well merited favorite throughout the financial community."

The events that have since taken place have reinforced my high regard for the company. Now listed on the Big Board, Coastal States appears to have the experience, management and finances required to make the future as bright as the past.

Capital Outlays by U. S. Oil Firms Totaled $5.2 Billion Last Year

Capital expenditures of 33 U.S. petroleum companies in 1962 amounted to $5.2 billion, 14% more than in 1961, according to a survey released by the Chase Manhattan Bank.

Expenditures connected with the production of crude oil and natural gas represented almost two-thirds, or $3.3 billion, of the total outlay, the bank noted in its annual "Financial Analysis of 33 Petroleum Companies." The combined operations of these companies constitute a major proportion of the world-wide activities of the petroleum industry.

"Historically, the group's expenditures for refining have always ranked second after production," the report said. "But in 1962 the pattern changed, and the outlay for marketing facilities for the first time exceeded the refining expenditure. The $788 million spent for marketing was 16% more than in 1961."

"A major portion — as much as three-fourths—of the over all capital outlay," the report continued, "was made in behalf of domestic operations. As a result of the increase — the largest in a decade — the domestic expenditures of $3.9 billion were the highest ever."

"In the form of direct taxes," said the report, "the group paid to domestic and foreign governments in 1962 a total of $2.3 billion—9% more than in the previous year. The increase of $193 million was equal to more than three-fourths of the gain in net earnings.

"In its onerous role of tax collector for government, the group extracted from its customers $5.5 billion in sales and excise taxes. Altogether, the tax revenue flowing to various governments from the group's operations amounted to $7.8 billion—more than double the net earnings of $3.3 billion."

"To its stockholders," the report said, "the group paid $1.7 billion in cash dividends, which is 11.5% more than in 1961. Dividend payments have risen in all of the postwar years, but the $177 million increase in 1962 was the largest by a substantial margin. It was, in fact, almost equal to the combined gain for the preceding four years."

"After an interval of five years," the report continued, "the group once again saw its earnings reach a new record level. Net income in 1962, totaling $3.3 billion exceeded by approximately a quarter of a billion the previous high set in 1957."

"Over-all, the 1962 earnings were 8% higher than those achieved the year before. Of the total earnings increase, two-thirds flowed from the group's foreign activities," according to the survey.

Walston Opens Branch

HAVERHILL, Mass. — Walston & Co., Inc. has opened a branch office at 91 Merrimack Street, under the management of Nicolas Panos.

Clark & Hart Branch

LAWTON, Okla.—Clark & Hart, Inc., has opened a branch office at 609 D Avenue under the management of Jimmy Johnson.

New Joyce Branch

DELAWARE, Ohio — John B. Joyce & Company has opened a branch office at 507 West William Street under the management of Robert C. Fenwick, Jr.

Steichen Opens Branch

ST. PAUL, Minn.—R. J. Steichen & Company has opened a branch office in the Minnesota Building under the direction of Carl C. Meixner.

Stock Market Outlook— An Unorthodox View

Continued from page 3

minor proportions, either because inflation was supposed to take hold, or because "we have never had a bear market when money rates were low." Furthermore, since margin requirements were 50%, as compared with 20% or less in 1929, we were assured that stocks were in strong hands. As things turned out, we had one of the largest bear markets on record during the twelve months from March, 1937 to March, 1938, with the leading market averages staying below their 1937 highs for the next eight years.

One of the problems facing those who are willing to risk being unpopular by going against prevailing opinion from time to time, is to find ways of determining just *when* it is necessary to be contrary. I shall try to summarize in the limits of this paper some of the studies which I have found to be helpful from this point of view. The first and possibly most controversial of these has to do with Timing Cycles.

First Approach

While I was working with Edgar Lawrence Smith, in 1929 and 1930, I developed a Timing approach on which Mr. Smith did a great deal of additional research in the next few years, and subsequently expounded in his book *Tides in the Affairs of Men*, published in 1939. Mr. Smith referred to these studies as the Decennial Pattern, and is inclined to believe, as I do, that they have a basis in energy and/or in weather cycles. My first memorandum on this subject of Timing was written in July, 1930. I pointed out that there appeared to be three overlapping ten-year cycles, one of which called for a decline in the stock market starting in the third year of every decade and ending either late in that year or sometime in the fourth year. The second called for a decline in either the sixth or seventh year of each decade; while the third indicated that the line of least resistance in the stock market appeared to be definitely downward in the tenth year of each decade. Subsequent studies showed that the Timing of these three decennial peaks can be influenced to some extent by the duration of the preceding declines and/or by major political factors. For example, when the setback which normally gets under way sometime in the third year of the decade carries well into the second or third quarter of the following year, the next peak is likely to be reached late in the sixth year or early in the seventh year, rather than in the early months of the sixth year.

There have been two periods in the last 33 years when major political developments have temporarily offset the indications of our Timing studies. These include the first half of 1949, when the trend of the stock market should have been upward, as judged by our Timing Cycles, and when stocks were selling at only between 7 and 9 times earnings for the Dow Industrials. However, President Truman's attempts to keep this campaign pledge to impose excess profits taxes on corporations kept stock prices in a downward trend until Congress gave the President a resounding "No" in June, 1949.

Another example of a political development which temporarily dominated the market was seen in the Spring of 1962. At that time, President Kennedy shattered investment confidence by his characterization of businessmen in very inflattering terms. This led to extreme pessimism in Wall Street and a sharp decline in stock prices in spite of the implications of our Timing studies and the definitely favorable outlook for business.

Non-Mechanistic Use of Timing Cycles

These experiences confirm the common sense conclusion that Timing Cycles, like other technical studies, should be used only as indicators of the probable line of least resistance in the stock market or "signals" to stop and *think*, rather than as mechanical forecasting formulae. This Timing approach, as originally developed in 1930, has been helpful about 80% of the time in calling attention to periods when it was especially desirable to question the prevailing optimism or pessimism in line with the theory of contrary opinion. These Timing studies were one of the reasons for my fear, in November, 1936, that the prevailing complacency and virtually universal optimism were not really warranted, as was proven by subsequent events. The high touched by the New York *Times* Industrial Stock Average in November, 1936 was not equalled again for fourteen years!

This Timing approach was also of great help in the Fall of 1939 in warning us to question the prevailing view which called for a further rise in stock prices because of war orders from Europe and the inauguration of our own armament program. Instead, the trend of the stock market was to be downward for three years. More recently, this approach indicated the desirability of questioning Wall Street's hopes that we would see the beginning of the "soaring sixities" by January, 1960. These expectations were bolstered at that time by the widespread propaganda of a leading statistical service that the trend of the market was likely to be upward during the first nine or ten months of 1960 because we were in an election year.

While these Timing studies did not warn us that a substantial decline was to be witnessed during the first six months of 1962, they did indicate that the odds were 26 to 1 in favor of a fairly prompt retracement of that decline, and that stock prices were likely to get above their 1961 peaks as measured by the leading market averages before there was a danger of a real bear market. They now tell us that an important peak in stock prices will probably be seen fairly soon, with the subsequent downward trend likely to continue into the third quarter of 1964.

Second Approach

A second basic study I have found helpful in deciding when to follow Humphrey Neill's admonition to do some especially serious thinking from a contrary point of view, is the relationship of business activity to long-term "normal." To be sure there is always room for difference of opinion on just how a long-term trendline of business activity should be computed and projected. However, the fact remains that once business activity is at a much higher level than appears sustainable on the basis of previous rates of growth, there is real danger of a reversal of the favorable trends. Putting this another way, common sense tells us that if and when production is running at substantially above previous peak levels, after allowing for a reasonable rate of growth, it is only a question of time before there will be a letdown in activity.

Unfortunately, the prevailing or non-contrary point of view is usually one of rising optimism on the outlook for stock prices when business is booming, even if stock quotations by that time have shown a much greater gain over the levels of recent years than have earnings. Following a downturn in business activity, there is a tendency to conclude that stocks are not attractive for either intermediate or long-term holding even after they have declined by 50% to 75% in the case of the more volatile issues.

At present, the level of business activity in relation to "normal" confirms the warnings of our Timing studies that the risks in stock prices are now quite high. Business activity is about 11% above the level which might be considered "normal," as judged by growth trends since the end of World War II. It might be argued that our trendlines are not steep enough, but an equally good case could be made for the conclusion that business activity has been artificially stimulated by the abnormally sharp increases in both public and private debt in recent years — some $600 billion in the past 17 years! This means that the demand for goods in this postwar period has been supported by a rate of spending of borrowed funds which can hardly be considered sustainable from a long-term point of view.

Third Approach

A third approach I have found helpful in telling us to be especially careful in following the type of optimism which develops after an extended advance in stock prices, has to do with the supply of liquid funds. I believe everyone will agree that money is the lifeblood of business. It is also generally conceded that the Federal Reserve Board can and does control the over-all supply of credit.

My own simple rules as to when developments in the credit field should be taken as a warning to look carefully at the contrary point of view are based on (1) changes in available bank reserves; and (2) increases of 100% in the rediscount rate. I have found that any reduction of as much as $1 billion in available bank reserves, or any increase of 100% in the rediscount rate from the level prevailing within the preceding five years, should be taken as a signal to stop and think. The fact that bank reserves were reduced by $1 billion during 1936 confirmed the indications of our Timing Cycles, and suggested that the vast majority who were optimistic on the outlook for stock prices in the Spring of 1937 were on relatively treacherous ground. Subsequent periods in which warnings were given by a decline of $1 billion in bank reserves include late 1952; the last half of 1955; and the late Spring of 1959. Bank reserves are currently more than two-thirds of the way down toward a warning signal of this type. A further decline of between $200 million and $300 million in bank reserves would change the reading of this barometer from neutral to unfavorable.

In connection with my observation that a rise in the rediscount rate of 100% should be considered a danger signal, I must confress that I am not certain as to whether emphasis should be placed on the increase from the previous cyclical low, or from the lowest rate charged within the preceding four or five years. The fact is that, with one minor exception, either calculation would have given us exactly the same warnings in the past.

The record shows that a definite rediscount rate warning was given on Aug. 8, 1929, when the rate was increased to 6%, as compared with a level of 3% touched in 1924. Another danger signal was flashed in October, 1931, when the rediscount rate was rather suddenly increased from 1½% to 3½% within a few weeks, with the result that there was a further advance of only 6% in the stock market before the downward trend was resumed. The next 100% rise in the rediscount rate occurred in April, 1946, when it was raised to 1% from the ½% rate which had been in effect for about 3½ years, or from late 1942. Another doubling of the rediscount rate from this 1% level occurred in January, 1953 and apparently helped to touch off a decline in the stock market which carried into the following October in spite of the optimism generated in some quarters by the election of a Republican President for the first time in twenty years.

A decline in the rediscount rate in 1954, to 1.5%, was followed by a series of advances to the 3% level by April, 1956, when the leading market averages were recording the highest levels they were to see for more than two years. The fifth time the rediscount rate was increased by 100% from a previous cyclical low was in May, 1959, when it was brought up to 3.5% from the mid-1958 level of 1¾%. It might be interesting to note that the New York *Times* Industrial Stock Average reached a high about two months later which has not been exceeded to date.

The recent stepping up of the rediscount rate from 3% to 3.5% cannot be considered as strong a warning of an impending peak in the stock market as was the May, 1959 rise to the same level, since the rediscount rate did not fall to below 3% during the 1960-61 decline in stock prices and in business activity. However, the questions can properly be raised as to whether interest rates would not have been forced down to near the 1958 low if it had not been for the balance-of-payments problem which started to have a major influence on the Federal Reserve Board's monetary policies following the accelerated outflow of gold in 1961. From a practical and realistic point of view, therefore, I would currently look upon the recent rise in the rediscount rate as only a minor negative development, but would consider a further increase to 4.0% as a fairly definite warning signal.

Fourth Approach

The fourth and last approach I should like to touch upon is the relationship of stock prices to earnings. This is another type of study upon which there is a great deal of misunderstanding and misleading propaganda. We are currently being told, for example, that stocks are still fairly priced because the Dow-Jones Industrial Average at 740-750 is equal to less thn 19 times the earnings of about $40 a share in prospect for this year. We are reminded that in 1961 the Dow-Jones Industrials reached a peak equal to more than 23 times earnings. Nothing is said about the fact that in 1961 earnings were 15% below those recorded in both 1955 and 1957 in spite of the underlying growth of the economy. The commentators apparently overlooked the fact that over the past thirty years there has been only one exception to the rule that in a peacetime economy, price/earnings relationships can be expected to decline from the previous year's levels when earnings increase, and vice-versa. (I might mention that the one exception occurred in 1954, when the Federal Reserve Board was permitting a very sharp increase in excess bank reserves and lowered the rediscount rate, in two steps, by 25%. In that year, stocks sold above the 10.8 times earnings touched at the high in 1953, even though earnings were to rise by 4%.) This generally overlooked inverse correlation between year-to-year changes in earnings and price/earnings relationships has a logical basis, of course, as stock prices are influenced to a considerable degree by average earnings power rather than entirely by earnings in any one year.

Since this year's earnings for the Dow Industrials seem likely to exceed last year's levels by about 10%, we should not expect the Dow Industrials to sell at more than 19 or 19½ times earnings at any time this year, as compared with 20 times earnings reached at the high in 1962. On the basis of this approach, the contrarian may well conclude that it is probably overly optimistic to expect the Dow Industrials to get above the 760-780 range this year.

* * *

Expects Cyclical Stock Market Peak Soon

I have touched on only four of the studies I have found especially helpful in deciding when it is desirable to deduce holdings of equities from the very high levels which I personally favor most of the time because of the underlying growth of the country and the very long-term outlook for further inflation. I realize that I am being somewhat unorthodox (and contrary) in basing my appraisals of the economic outlook on merely four or five time-tested fundamental and technical factors rather than going along with the recently popular multiple indicator approach. It has been my experience that by doing this it is possible to make fewer mistakes, and to avoid getting yourself in the position where, as someone once observed, "If you are not confused, it is because you have not looked at all of the facts."

As you have undoubtedly concluded from what I have told you, I think it is time to begin to question the recent growing optimism as to both the business and stock market outlook, just as it was necessary to question the pessimism which developed in June, 1962. I cannot go along with the forecasts which appeared in a recent issue of *Business Week* to the effect that the trend of the stock market may be expected to continue upward for an indefinite period ahead, with no reaction of any consequence likely until the Dow Industrials get well above the 800 level. As I have indicated, my short-term guess is that we are near a cyclical market peak at the present time, which is likely to be in the 760-780 zone for the Dow Industrials. However, I am inclined to expect a second peak early in the new year at somewhere within 2% or so of whatever high is to be seen during the next few weeks, in line with the experience of 1937, 1946, 1956 and 1959. I also would keep in mind that the long-term risks in some stocks are much greater than those present in others, as has been true at every market peak in the past thirty or forty years. I believe selling decisions should be made on a selective basis, just as are buying decisions.

I am particularly concerned about the outlook for 1964 because of the implications of market history following the end of every major war since the days of Napoleon, once the world had caught up with the war-time, pent-up demands, and the countries with low wage costs developed surplus capacities which permitted stepping up their exports. I am also concerned over the tendency to take seriously the propaganda that we are able to compete with foreign producers whose wage scales are only about one-third of ours, and where there is room for more rapid increases in productivity than is the case in the United States. I am a little afraid that the economic theorists who have the ear of the President may turn out to be just as unrealistic as were our leading economists in the late '20's. Next year's political uncertainties, and the extent to which our economy has been bolstered by substantial deficit spending on the part of both the public and our local, state and Federal Governments, also raise questions about the current assumption of a further substantial rise in the demand for both consumer and capital goods next year. The attitude of labor, together with the tendency of our leading politicians to go along with many shortsighted demands of that group, makes me wonder whether stocks are really worth 20 times peak earnings to date. The very long-term outlook is now almost as inflationary as it was in the Spring of 1937, but it is not necessary to be contrary to realize that inflationary forces could be kept under leash—and usually are—until there is some emergency, such as the outbreak of war or a very severe business depression.

I hope I may be pardoned for not ending this talk on a more optimistic note. Perhaps others will be able to tell us why I may turn out to be overly concerned as to the outlook for the economy during the first two or three quarters of next year.

*An address by Mr. Gaubis at the First Annual Contrary Opinion Forum, Manchester, Vt., Oct. 4, 1963.

With Thomson, McKinnon

ATLANTA, Ga.—Roy Collier, Jr., has become associated with Thomson & McKinnon, Healey Building. He was formerly with the Bank of Georgia.

MUTUAL FUNDS

BY JOSEPH C. POTTER

Wiesenberger's Crystal Ball

Keeping up with the fast-moving Arthur Wiesenberger is no small chore. The senior partner of the New York Stock Exchange firm that bears his name is a foremost authority on mutual funds, hence his views are always of interest to the trade.

This past spring, after consulting his guarded crystal ball, Mr. Wiesenberger was off to London for the wedding of Princess Alexandra. The public prints do not disclose that he brought a gift of fund shares for the princess and her bridegroom, Mr. Angus Ogilvy, although it was reported that he bought a Bentley for himself.

He could hardly do less after telling the British press that the Dow-Jones Industrials would stand at 1066 by 1966. Mr. Wiesenberger received widespread respectful attention, although one editor did suggest that the figure of 1066 was "perhaps conjured up with thoughts of the imminent second French victory over Harold."

More recently, Mr. Wiesenberger, fresh from his London triumph (he was hailed as "the Sage of Wall Street"), turned up in royal American surroundings—the Concord Hotel at Kiamesha Lake, deep in the Catskills. His audience this time was the 650-strong sales force of Investors Diversified Services. He was no less bullish in the heart of the Borscht Belt than he was in the shadow of Buckingham Palace. Said he:

"I have not the slightest doubt that the mutual funds will emerge from the present period of investigation and publicity larger and stronger than ever, to rise to new levels and heights in the period ahead. Both the life insurance business and the public utility industry also have long histories of investigation and punitive legislation. Both are numbered among our leading growth industries today."

Mr. Wiesenberger, who likes to tell audiences that he keeps a crystal ball in a guarded, air-conditioned vault at his downtown Broadway office, told the salesmen he remained bullish "on the world, on the U. S. economy, on the stock market . . . I am certainly a bull on the mutual fund industry."

Of course, the gentleman is neither swami nor conjure man, but a gifted investment leader endowed with showman qualities. His colorful and lively approach to the subject of the marketplace commands the attention that is often denied equally able Wall Streeters who, unfortunately, are unable to project beyond their immediate bailiwick.

Behind the Wiesenberger persiflage, there is a measured case for his bullishness—things like an easing of international tensions, demand catching up with industrial capacity, corporations coping successfully with the rising-cost squeeze, improved labor-management relations, prospect of a new capital-goods boom, a rising profit curve.

A more favorable international and domestic environment is bound to help the stock market, he notes, adding:

"Stocks, too, respond to the law of demand and supply. With the cash flow of corporations so large, there is less need to resort to outside financing to effect expansion. Thus, no large addition to the supply of equities appears in sight. At the same time, the rising standard of living of the nation, the increase of incomes, the increasing population of the middle classes, the increases of savings, the growth of the pension plans, mutual funds and other institutional investors—all promise to add inexorably to the demand for stocks over the years."

To hear him tell it, fund salesmen never had it so good.

The Funds Report

Abacus Fund reports that at Sept. 30 net assets totaled $40,736,111, equal to $47.67 per share, compared with $33,253,880, or $38.86 a share, a year earlier.

* * *

American Business Shares announces that at Aug. 31 net assets totaled $27,894,187, equal to $4.24 a share, against $26,233,749, or $4.36 a share, at Nov. 30, 1962, end of the fiscal year.

* * *

Federated Growth Fund Ltd. reports that at Sept. 30 assets totaled $6,022,037, or $4.95 per share. This compares with assets of $2,601,722, equal to $4.28 a share, a year earlier.

* * *

Fidelity Capital Fund reports that at Aug. 31 net assets amounted to $164.4 million, or $9.38 per share, against $135.9 million and $7.63 a share, a year earlier.

* * *

Investment Trust of Boston reports that at Aug. 31 net asset value was $11.98 a share, against $11.68 at the close of the fiscal year on May 31. On Aug. 31, net assets were $75,611,724.

* * *

Massachusetts Investors Growth Stock Fund reports that on Aug. 31, marking end of the third quarter of the fiscal year, net assets amounted to $648,799,636, or $8.56 per share, compared with $511,467,489, equal to $7.07 a share, a year earlier.

* * *

Putnam Growth Fund reports that at July 31 net assets totaled $278,592,000 or $8.68 per share, compared with $231,726,000 and $7.63 a share a year earlier.

* * *

Total net assets of **Scudder, Stevens & Clark Balanced Fund** on Sept. 30 were $102,104,942, equal to $19.68 a share, against $77,778,409 and $17.41 a share, a year earlier.

* * *

Total net assets of **Scudder, Stevens & Clark Common Stock Fund** were $63,968,113, or $10.55 a share on Sept. 30. Comparative figures were $46,026,070, equal to $8.60 a share, a year earlier.

Texas Fund Adds to Staff

HOUSTON, Tex. — Texas Fund Management Company, Texas National Bank Bldg., has announced the addition to its Research Department of John W. Pancoast Jr. Although a native Texan, most of Mr. Pancoast's investment career has been spent in New York City where he was associated with the firm of Dominick & Dominick, members of the New York Stock Exchange. After being assigned senior analyst responsibilities with Dominick & Dominick in 1959, Mr. Pancoast specialized in the "electronic technology" group of industries.

John W. Pancoast, Jr.

Returning to Texas he joined the investment research staff of Texas National Bank of Houston as a Trust Officer and remained there until his association with Texas Fund Management Company.

Pace College Grad. P. R. Program

A new graduate program of study in Public Relations has been introduced this fall in the Graduate Division curriculum of Pace College, New York City, it was made known by Dr. J. S. Schiff, the Division's newly appointed dean.

Faculty of the M.B.A. program in Public Relations planned its program of courses with two groups of students in mind: personnel of public relations and advertising firms as well as corporate public relations departments; and recent liberal arts and business administration graduates who seek a career in public relations.

Both groups will be guided in their studies to attain what top management seeks in their public relations counsellors and personnel: men and women who combine a knowledge of ethical and social standards with the ability to solve problems arising from the impact of public opinion on business operations.

Fordham Wall St. Ass'n Meeting

The Fordham Wall Street Association will open its 1963-64 season with a cocktail party and buffet supper on this evening (Oct. 17) at Ye Olde Firehouse Tavern, 126 Cedar Street. Association President John O'Brien of W. E. Burnet and Company will announce attractive plans for an outstanding year. All Fordham alumni in the financial community are invited to attend.

With G. H. Walker

OMAHA, Neb. — John Dimitroff has been added to the staff of G. H. Walker & Co., 3002 Farnam. He was formerly with A. C. Allyn & Co. and Harris, Upham & Co.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Baltimore Gas & Electric Company

Baltimore Gas & Electric, with annual revenues of nearly $200 million (about two-thirds electric and one-third gas, with a small amount of steam) serves the City of Baltimore and adjacent areas with a total population of about 1,900,000. The division of electric revenues is 36% residential, 30% commercial, 33% industrial and 1% miscellaneous; while gas is 69% residential, 9% commercial, 20% industrial and 2% miscellaneous. Residential heating saturation is 44%.

The company has enjoyed good growth with revenues more than doubling in the past decade. Earnings per share have also almost doubled—they are estimated at $1.65 for this calendar year compared with 84 cents in 1953, after adjusting for a 2-for-1 split in 1959. Growth in the gas division has been particularly rapid, 1962 revenues showing a gain of 175% over 1952. The number of homes heated by gas increased from 50,000 in 1952 to 170,000 in 1962 and the total volume of gas sold nearly tripled. About 7,000 new gas customers and 11,000 new electric are expected to be added annually; electric sales are expected to gain 6%-7% per annum and gas 7%-10%. Much of the growth reflects population increases in suburban areas. However, there are many new office buildings either recently completed or under construction in Baltimore, partially as the result of urban redevelopment. New commercial and industrial business acquired last year was expected to ultimately produce about $7 million annual revenues.

The company has six generating plants with a capacity of 1,470,000 kw, supplemented by hydro power available from Safe Harbor Water Power (the latter's 400,000 kw capacity is allocated two-thirds to Baltimore G. & E. and one-third Pennsylvania Power & Light). A second 191,000 kw steam unit was installed at the Crane plant earlier this year and a 319,000 kw unit is scheduled for completion in 1966. The company has joined with nine other companies in a survey of the Susquehanna River Basin, including the hydro potential.

Freight Savings From New Locations

Baltimore G. & E. is a member of the large power pool called the Pennsylvania-New Jersey-Maryland Interconnection (or PJM for short) which is planning with other utilities a $350 million inter-area project to build new generating stations near coal mines (saving freight costs) and a network of extra-high-voltage (EHV) transmission lines. Baltimore G. & E. will pay a portion of the cost of operating one of the power plants and part of the transmission facilities and will be entitled to use 340,000 kw generating capacity of low cost power. This will permit deferring for at least two years the construction of a new unit which would otherwise be required in 1968. The EHV inter-area ties will contribute further savings through lower reserve requirements and greater economy-interchange of power.

Construction expenditures in 1962 approximated $40 million and are expected to be about $34 million this year. Last year the company sold $25 million bonds but this year bank loans may be relied on for necessary funds (bank loans outstanding at the close of 1962 were repaid in January 1963). No sale of common stock is contemplated until 1967 or later except for amounts issued in connection with conversion of debentures and sales to employees.

Natural gas requirements are purchased from Columbia Gas under long-term contracts, and high Btu oil gas plants are maintained for stand-by and peak load purposes. The gain in gas revenues in 1962 reflected somewhat colder weather, plus new residential customers and the sale of industrial gas to Bethlehem Steel under a new contract for supply of gas to its blast furnaces on an interruptible basis. Electric revenues would have been about $900,000 greater except for lower summer temperatures which affected the air conditioning business.

Return on Net Plant

The company has no special regulatory problems at this time. In 1958 the company was granted a 6¼% return on a fair value rate base. This raised the percentage return on net plant (original cost) from 5.9% in 1958 to 6.5% in 1959 and it has since remained close to that level. (The return on fair value would, of course, be a somewhat lower percentage.) The company's accounting policy is conservative: it does not use accelecated depreciation, hence there are no tax deferral savings to be normalized. Earnings do not benefit by the investment credit. Also, the company is one of only a few utilities which does not use a credit for interest on construction.

Dividends have been paid since 1910 and current payout is about 75%. The dividend rate has been raised in each year since 1954 and was increased to $1.24 with the latest quarterly payment Oct. 1.

The stock has been selling recently around 35 to yield 3.5%. Based on the earnings of $1.66 for the 12 months ended Aug. 31 the price-earnings ratio is 21.1. Range of the stock this year has approximated 33-37; the record high was about 42 in 1961.

Now Proprietor

SPOKANE, Wash. — Richard H. Ellis is now sole proprietor of the investment business of Frank D. Ford Co., Paulsen Building.

Form Francis & Murray

MILL VALLEY, Calif.—Francis & Murray, Inc. has been formed with offices at 29 Miller Avenue to engage in a securities business. Officers are Charles J. Francis, President; Theodore A. Murray, Vice-President and Treasurer, and Maxine R. Francis, Secretary. Mr. Francis and Mr. Murray were both formerly with Beckman & Co., Inc.

Ohio Valley IBA Group Elects

COLUMBUS, Ohio—Incoming and outgoing officers of the Ohio Valley Group of the Investment Bankers Association of America at the Group's annual meeting in Columbus, Ohio. Seated, left to right, are John B. Joyce, Sr., of John B. Joyce & Co., Columbus, new Second Vice-Chairman; George Rinker, Jr., The Ohio Company, Columbus, 1962 Chairman; Milton S. Trost of Stein Bros. & Boyce, Louisville, National Governor; and William Alden of Alden & Co., Louisville, newly elected Chairman. Standing, left to right, are: William W. Crawford of W. L. Lyons & Co., Louisville, new Secretary-Treasurer; Gordon Reis, Jr., of Seasongood & Mayer, Cincinnati, First Vice-Chairman; and Donald Noe of Bache & Co., Columbus, outgoing Secretary-Treasurer.

NCFC Announces Convention of Commercial Finance Industry

Outstanding authorities in commercial financing and factoring, banking, accounting and government will be among featured speakers at the 19th Annual Convention of the Commercial Finance and Factoring Industry, sponsored by the National Commercial Finance Conference, trade group for the industry, at the Waldorf-Astoria, Oct. 20-22, 1963.

Two important panels are scheduled and one that is attracting considerable attention in financial circles relates to a Roundtable Review of Administrative and Operating Principles and Developments in Commercial Financing. The following topics will be discussed: Personalize Servicing of Clients vs. Institutionalized Handling . . . Personnel Set-Up and the Problems Arising Therefrom . . . Cost Saving Areas and Methods . . . Recognized Standard Safe-Guards . . . Participations. Appearing on this Panel, which will be held on Oct 21, will be S. Lawrence Goldstein, Executive Vice-President, Prudential Capital Corp.; Gerald Nickoll, President, Civic Finance Corp.; and Irving S. Reiss, Executive Vice-President, Concord Financial Corp. Moderator of the Panel will be Herbert A. Busch, President, Northern Financial Corp.

A Roundtable Discussion on Current Problems in Commercial Financing, including Credit Standards . . . Real Estate Financing . . . International Financing . . . Reserves for Losses . . . Fraud Insurance, will be held at the morning session of Oct. 22. Panelists are Harry Culshaw, Executive Vice-President, James Talcott, Inc.; Robert H. Greenberg, Sr. Vice-President-General Counsel, Walter E. Heller & Co.; John E. Rand, Vice-President, A. J. Armstrong Co.; and Nathan Schulman, President, The Mastan Co., Inc. Moderating this Panel will be Walter S. Seidman, President, Jones Financial Corp.

Principal speaker at the Tuesday Luncheon on Oct. 22 will be Dr. Roy L. Reierson, Sr., Vice-President and Chief Economist, Bankers Trust Co. His topic will be "Economic Prospects."

Another highlight of the Convention will be the presentation of awards to three business concerns for achievement in business growth made possible through use of commercial finance company funds. The award program was instituted by the National Commercial Finance Conference some nine years ago to demonstrate the flexibility and effectiveness of commercial financing especially in growth situations, and to date nationally known concerns, numbering among them National Airlines, Continental Motors, Lithium Corporation, Diners' Club, Vitimin Corporation of America, United Artists, Buitoni Foods Corporation and Helene Curtis Industries have received awards. The award winners last year were: EICO Electronic Instrument Co., Inc.; Tonka Toys, Inc.; and Jim Walter Corporation.

The Chairman of this session will be Herbert R. Silverman, President of James Talcott, Inc. Presentation of the awards will be made by W. P. Gullander, President, National Association of Manufacturers.

The Convention will be called to order by Eugene B. Hanson, President of the Conference, and President of Northern Finance Corp., Minneapolis, Minn. A report on the commercial finance and factoring industry in 1963 will be presented to the delegates by William J. Drake, Executive Vice-President of the Conference, immediately after the Convention convenes. Legal and statutory developments in 1963 will be noted by Eli S. Silberfeld, General Counsel of the Conference and Partner, Kupfer, Silberfeld, Nathan & Danziger, New York, N. Y.

Keynote speaker of the Convention will be Jacob Seiler, Chairman, A. J. Armstrong Co., Inc. and Chairman of the Conference who will address the delegates on the topic, "Commercial Financing: A Reappraisal."

The Convention will close with the Annual Dinner at the Grand Ballroom on Tuesday evening, Oct. 22. The dinner guest speaker will be Mr. J. Lewis Powell, who will address the final session on the topic: "The Challenge of Change."

Bryan E. Simpson With Amos C. Sudler & Co.

DENVER, Colo.—Bryan E. Simpson has become associated with Amos C. Sudler & Co., American National Bank Building. Mr. Simpson who has been in the investment business for many years was formerly with Brereton, Rice & Co. and Dempsey-Tegeler & Co., Inc. and in the past conducted his own investment business in Denver.

Chicago Analysts To Hear

CHICAGO, Ill.—Max Karl of the Mortgage Guarantee Insurance Corporation will be guest speaker at the luncheon meeting of the Investment Analysts Society of Chicago to be held today (Oct. 17) in the Grand Ballroom of the La Salle Hotel.

Radio Corporation of America will be the subject of the Oct. 24 meeting and Crown Zellerbach Corporation of the Oct. 31 meeting.

S. M. Rasmussen Opens

BRIGHAM CITY, Utah — Sverre M. Rasmussen is engaging in a securities business from offices at 125 East First North.

NEWS ABOUT BANKS AND BANKERS

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

William H. Burgoon, James C. Donan and Edward J. Dunningham have been promoted to Assistant Vice-Presidents of the **Chase Manhattan Bank, New York.**

Appointed Assistant Treasurers were Michael A. Gaffigan, James W. Herbert and Ralph L. Riehle, all in the metropolitan department.

Also made known were the appointments of James S. Martin, Richard J. Moynihan, Eugene E. Ressler and H. Richard Vartabedian as investment officers in the trust department; John W. Fuller as Personal Trust Officer; Paul L. Martin as Corporate Trust Officer; and Johannes G. Van Thiel as Manager in the Paris branch.

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THE FIRST NATIONAL CITY BANK OF NEW YORK

	Sep. 30, 1963 $	June 30, 1963 $
Tot. resources	10,943,150,099	10,599,376,142
Deposits	9,553,698,723	9,236,297,630
Cash and due from banks	2,523,913,081	2,366,388,618
U. S. Govt. security hlds.	1,339,778,596	1,534,328,750
Loans and discounts	5,569,848,714	5,176,196,230
Undiv. profits	161,472,846	157,405,171

REPORT OR CONDITION OF

Underwriters Trust Company

of 50 Broadway, New York 4, N. Y., at the close of business on September 30, 1963, published in accordance with a call made by the Superintendent of Banks pursuant to the provisions of the Banking Law of the State of New York.

ASSETS	
Cash, balances with other banks, and cash items in process of collection	$6,240,027.56
United States Government obligations, direct and guaranteed	23,114,660.73
Obligations of States and political subdivisions	3,516,636.87
Loans and discounts (including $2,125.34 overdrafts)	30,123,886.34
Bank premises owned, none, furniture and fixtures	220,845.54
Other assets	268,638.33
TOTAL ASSETS	$63,484,695.37
LIABILITIES	
Demand deposits of individuals, partnerships, and corporations	$21,642,916.35
Time and savings deposits of individuals, partnerships, and corporations	8,647,680.76
Deposits of United States Government (including postal savings)	433,525.97
Deposits of States and political subdivisions	24,971,410.56
Deposits of banks	1,605,370.91
Certified and officers' checks, etc.	1,465,120.13
TOTAL DEPOSITS	$58,766,024.68
(a) Total demand deposits	28,035,434.44
(b) Total time and savings deposits	30,730,590.24
Other liabilities	385,381.49
TOTAL LIABILITIES	$59,151,406.17
CAPITAL ACCOUNTS	
Capital: Common stock, total par value	$2,000,000.00
Surplus fund	1,300,000.00
Undivided profits	1,033,289.20
TOTAL CAPITAL ACCOUNTS	$4,333,289.20
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	$63,484,695.37
MEMORANDA	
Assets pledged or assigned to secure liabilities and for other purposes	$16,156,008.75
(a) Loans as shown above are after deduction of reserves of	123,081.78
(b) Securities as shown above are after deduction of reserves of	200,754.73

I, NICHOLAS F. PIOMBINO, Auditor of the above-named institution, hereby certify that this report of condition is true and correct to the best of my knowledge and belief.

NICHOLAS F. PIOMBINO

Correct—Attest:

CHRISTIAN W. KORELL
JOSEPH B. V. TAMNEY } Directors
SUMNER FORD

Edmund W. Madden, a Vice-President in charge of 20 branches of the **Manufacturers Hanover Trust Co. in Brooklyn,** died Oct. 13 at the age of 62.

Mr. Madden began his banking career in 1921 and joined the then **Manufacturers Trust Co.** 10 years later through a merger with the **Brooklyn National Bank.** He was made a Vice-President in 1952.

* * *

Richard L. Guiterman, John J. Kelly, John P. Landolt, H. Ray Norton, Gerard M. Thompson and William F. Wilkinson have been appointed Assistant Vice-Presidents of **Chemical Bank New York Trust Company, New York,** it was announced by Harold H. Helm, Chairman. All are with the bank's Metropolitan Division except Mr. Landolt who is in the International Division.

* * *

The Irving Trust Company, New York, has made John L. Cataletto and James V. Tomai Vice-Presidents. Both are officers in the bank's mortgage and real estate division.

* * *

THE STERLING NATIONAL BANK AND TRUST COMPANY, NEW YORK

	$ Sep. 30, '63	$ Mar. 31, '63
Total resources	200,293,585	182,155,399
Deposits	181,422,108	164,063,400
Cash and due from banks	31,143,122	30,568,225
U. S. Government security holdings	29,559,289	29,570,435
Loans & discounts	124,085,120	118,798,163
Undivided profits	2,406,330	2,340,198

* * *

UNDERWRITERS TRUST COMPANY, NEW YORK

	Sep. 30, '63	Jun. 29, '63
Total resources	$63,484,695	$57,053,724
Deposits	58,766,024	52,524,260
Cash and due from banks	6,240,028	5,766,218
U. S. Government security holdings	23,114,661	17,852,600
Loans & discounts	30,123,886	30,404,730
Undivided profits	1,033,289	977,708

* * *

The Greenwich Savings Bank, New York, announced the election of David W. Peck and Charles J. Stewart as Trustees.

* * *

The Lincoln Savings Bank, Brooklyn, N. Y. announced the following elections: Fred. Gretsch, Jr. from Vice-President to Chairman of the Board; Michael J. Burke from President to President and Chief Executive Officer; Edmond G. Murphy, from Vice-President and Comptroller to Executive Vice-President and Comptroller.

* * *

A proposal to merge the **First National Bank of Brewster, Brewster, N. Y.,** into the **County Trust Company, White Plains, N. Y.,** was approved by Oren Root, New York State Superintendent of Banks.

* * *

The Comptroller of the Currency James J. Saxon on Oct. 9 announced preliminary approval of of application to organize a new National Bank at Syracuse, N. Y., with the title, **Metropolitan National Bank of Syracuse,** with an initial capitalization of $3,000,000.

* * *

Edward L. Clifford, President of **Worcester County National Bank, Worcester, Mass., announced** that shareholders voted at a special meeting Oct. 15 to approve consolidation of the **Clinton Trust Company** with the Worcester County National Bank. Approval was also voted by shareholders of Clinton Trust at a special meeting Oct. 15. Final approval on the action is expected to come from the Comptroller of the Currency later in October.

The consolidated association will operate as the Worcester County National Bank under its present charter, and will have total capital funds of $16,165,000 including Surplus of $8,695,000 and Undivided Profits of $3,285,000. Capital Stock will amount to $4,185,000 which is represented by 418,500 shares of stock at a par value of $10. Total combined assets of the bank will be $204,569,000 based on Sept. 30, 1963 figures.

Directors of Clinton Trust Company will become Advisory Directors of the Clinton office and its branches. Francis W. Fleischner, President of Clinton Trust, will become a Senior Vice-President.

* * *

THE CONNECTICUT BANK AND TRUST COMPANY, HARTFORD, CONN.

	Sep. 30, '63 $	Jun. 30, '63 $
Total resources	538,647,046	532,404,207
Deposits	458,903,715	460,282,098
Cash and due from banks	97,614,343	108,034,572
U. S. Government security holdings	69,238,025	74,419,780
Loans & discounts	291,501,193	271,603,520
Undivided profits	9,391,126	9,004,917

* * *

William E. Howard, Vice-President in charge of the Metropolitan Department of **Mellon National Bank and Trust Company, Pittsburgh, Pa.,** has been promoted to the post of Senior Vice-President, and made a general officer of the bank.

Mr. Howard will be succeeded as head of the Metropolitan Department by Hugh M. Redhead, who will also continue as head of the Marketing Office.

* * *

The First & Merchants National Bank, Richmond, Va., made Joseph H. McConnell, a Director.

* * *

The State-Planters Bank of Commerce & Trusts, Richmond, Va., made Richard T. Wilson III a Vice-President.

* * *

The Virginia National Bank, Norfolk, Va., elected R. Cosby Moore, Chairman, effective Jan. 1, succeeding John S. Alfriend, who resigned but who will become Chairman of the Executive Committee.

* * *

The Capital Bank, Cleveland, Ohio, elected Frank B. Fisher President and a Director. He was formerly Executive Vice-President of **County National Bank, Middletown, N. Y.**

* * *

The First National Bank of Chicago, Ill., announced promotions in the official staff.

Nelson L. Kramer, was elected Vice-President of Division "B."

John A. Anderlik, was promoted to Assistant Vice-President of Division "D."

Also, Alexander H. Glover, was promoted to Assistant Vice-President of Division "G," and Richard E. Willer was promoted from Assistant Cashier to Assistant Vice-President of that Division.

* * *

The Central National Bank, Chicago, Ill., elected Robert H. Schroeder a Vice-President.

* * *

The Board of Governors of the Federal Reserve System on Oct. 15 announced its approval of the acquisition of the assets of **Peoples State Bank of Bloomingdale, Bloomingdale, Mich.,** and the assumption of its deposit liabilities by **Bank of South Haven, South Haven, Mich.**

BANK OF THE COMMONWEALTH, DETROIT, MICH.

	Sep. 30, '63 $	Dec. 31, '62 $
Total resources	554,219,269	504,714,842
Deposits	509,288,488	468,294,548
Cash and due from banks	55,283,300	51,061,068
U. S. Government security holdings	237,005,863	220,748,159
Loans & discounts	216,162,112	184,805,636
Undivided profits	8,554,329	7,766,334

* * *

The Marshall & Ilsley Bank, Milwaukee, Wis., elected A. Greenlee Drum a Vice-President.

* * *

The National Bank of Tulsa, Oklahoma elected J. Edgar Heston a Director.

* * *

The Comptroller of the Currency James J. Saxon on Oct. 17 announced preliminary approval of application to organize a new National Bank in Lawton, Oklahoma, with the title, **"Cache Road National Bank of Lawton,"** with an initial capitalization of $400,000.

* * *

The Comptroller of the Currency James J. Saxon on Oct. 9 announced preliminary approval of application to organize a new national bank at Poplar Bluff, Missouri, with the title, **"First National Bank of Poplar Bluff,"** with an initial capitalization of $612,500.

* * *

Henry W. Large, has been elected a Director of **First National Bank in St. Louis, Mo.**

* * *

The Plaza Bank of Commerce, Kansas City, Mo., elected W. A. Stephens and D. B. Adamson Vice-Presidents.

* * *

The newly organized **American National Bank in Springfield, Springfield, Mo.,** commences business Oct. 15, with capital of $200,000 and surplus of $100,000.

E. H. Green, is President and Chairman of the Board, and Y. Sterling Seaton, Executive Vice-President and Cashier.

* * *

The North Shore Bank, Miami Beach, Florida, converted to a National Bank under title of **City National Bank of Miami Beach,** effective Oct. 1.

* * *

The National Bank of Commerce, Dallas, Texas made Chester L. Brewer, former Assistant Vice-President of **Commerce Trust Co., Kansas City, Mo.,** a Vice-President.

* * *

The Comptroller of the Currency James J. Saxon on Oct. 11 announced preliminary approval of applications for new National Banks at Beaumont," Texas, with the title, **"Citizens National Bank of Beaumont,"** with an initial capitalization of $1,000,000, and on Oct. 9 at Dallas, Texas, with the title, **"Commonwealth National Bank of Dallas,"** with an initial capitalization of $750,000.

* * *

The Bank of America, San Francisco, Calif., Oct. 15, named Rudolph A. Peterson as President and Chief Executive Officer.

He will succeed S. Clark Beise, who will retire Nov. 1 as an active officer. Mr. Beise will retain his post on the Board of Directors and continue as a member of the Executive Committee.

Mr. Peterson has been Vice-Chairman of the Board since 1961 and was given responsibility, for practical purposes, for management of the bank last February.

* * *

The Bank of California, San Francisco Calif., made the following official appointments:

San Francisco Main Office—Joseph A. Henske, Jr., Vice-President; Eugene D. Garibaldi, Assistant Vice-President and William T. McClean, Assistant Vice-President.

San Francisco Head Office—Donald E. Seese, Controller and Eugene F. McKelligan, Assistant Vice-President.

* * *

The Comptroller of the Currency James J. Saxon on Oct. 9 announced preliminary approval of applications to organize new National Banks as follows:

At Burlingame, California, with the title, **"Peninsula National Bank of Burlingame,"** with an initial capitalization of $2,500,000.

At Santa Ana, California, with the title, **"Commercial National Bank,"** with an initial capitalization of $2,250,000.

* * *

W. M. Hammond has joined the staff of **Ahamson Bank and Trust Co., Beverly Hills, Calif.,** as customer relations officer.

* * *

Walter M. Scott, a Vice-President of **Security First National Bank, Los Angeles, Calif.,** is celebrating his 40th anniversary with the bank this month.

* * *

The Comptroller of the Currency James J. Saxon on Oct. 11 announced preliminary approval of the application to organize a new National Bank at Redwood City, California, with the title, **"San Mateo County National Bank,"** with an initial capitalization of $1,500,000.

* * *

Clifford J. Ash and Harry Randall were appointed deputy general managers of the **Bank of Nova Scotia.**

A.B.A. Names Peacock Dep. Mgr.

Dr. Leslie C. Peacock has been appointed deputy manager of The American Bankers Association and director of the Department of Economics and Research.

Dr. L. C. Peacock

The dual promotion is effective immediately, according to Dr. Charles E. Walker, ABA Executive Vice-President.

Dr. Peacock had served as deputy director in charge of the department's continuing activities since February. His recent assignments included direction of staff work on the "Statement on the Balance of Payments" issued in July by the association's Advisory and International Committee and Economic Policy Committee.

Dr. Peacock, 33, joined the Department of Economics and Research in 1961. In September, 1962, he was named Secretary of the Economic Policy Committee and associate secretary of the Government Borrowing Committee. He also served a number of months as acting secretary of the Advisory and International Committee.

L. M. Huppeler Opens

NEW YORK CITY—Lambert M. Huppeler is engaging in a securities business from offices at 400 Park Avenue, New York City.

As We See It

Continued from page 1

million, and additional sums from the use of American shipping, will benefit our balance of payments and gold reserve by that amount and substantially strengthen the economic outlook for those employed in producing, transporting, handling and loading farm products.

"Wheat, moreover, is our No. 1 farm surplus today to the extent of about one billion unsold bushels. The sale of around 150 million bushels of wheat would be worth over $200 million to the American taxpayer in reduced budget expenditures."

If there was, as some commentators seem to think, "a certain political risk" in taking such action and if these plain words of the President do not remove it, then we have by that much less reason to be proud of our electorate. We have long been deceiving ourselves with the thought that we could and should influence if not control the actions of other sovereign nations by tinkering with our economic system in one way or another. The practice, we are certain, has done nothing to enhance our standing with other peoples of the world. It is well that we at length have made what we must hope is the beginning of a sort toward correction of this situation.

At the same time let the impression not gain ground that in this way we can do more than extend certain temporary support to our international balance of payments position, and probably do even less for our basic agricultural problem. Of course, shipments of the magnitude now contemplated would in an appreciable measure reduce the current surplus of farm products that our subsidizing policy has accumulated, but the help must be strictly temporary and nothing worth mentioning will have been accomplished in the way of putting our agriculture on a sound and self supporting footing. Nothing short of that would or will suffice to relieve the taxpayer of the burden of carrying some millions of its citizens along upon his back in payment for the production of goods no one will buy.

In the case of wheat itself, for example, the current crop will add (or should we say has added?) to our stocks an amount that is several times that which we now expect to sell to Soviet Russia and all the rest of the communist bloc—and, incidentally, nearly double our normal consumption for the year. There are, as a matter of fact, few major crops which are not now in excess supply in this country, and farmers are still being paid subsidies to add to these stocks. The budget for years past has always carried huge sums for the aid of agriculture. The truth is that for many years, even decades, the farmer has been given special treatment at the hands of the Federal government. He has been told over and over again in effect that farming is not a business but "a way of life" that must be preserved at any cost—and it has been preserved at increasing cost to the rest of us. The so-called land-grant colleges have for many decades been instilling into the minds of their students the idea that somehow agriculture is a thing apart, much as the physiocrats of old maintained.

Now Largely Commercialized

It is, however, within the life span of the present generation that all this type of false philosophy has been converted into dollars and cents for the benefit of the farmer —or at least that so large a part of it has thus been given a direct commercial value. And we embarked upon this course at a time when we were on the threshold of vast advances in technology which would render policies more or less self defeating. It is no accident that greatly enlarged production of most staple crops has been accompanied by a continual reduction in the number of people working on the farms. Not only have a vast number of new types of equipment now come into common use — most of it, of course, labor saving in nature —but improvements in modes of cultivation, in plant breeding and the availability of fertilizers have all added their bit to what in other industries is usually termed "productivity." Then, of course, wherever government has succeeded in reducing acreage devoted to crops, there has been a natural selection of the best land for continued cultivation.

Now just at a time when advances in technology, stimulated by determined demand of the labor monopoly for higher and ever higher wages for less work, is drastically reducing the number of ordinary workers required to produce a given quantity of industrial product, there is obvious need for a large number of those engaged in agriculture to find employment elsewhere. Now, of course, to take advantage of advances in technology required funds, sometimes quite substantial funds. It is here that government-sponsored credit and government-supported credit enables the revolution in agricultural production to gain additional momentum. Here again it has proved to be a tangled web that was woven when farm relief began.

Time To Go to Work

It is obvious that the decision to sell communist nations and communist peoples grain and other farm products can have but temporary and relatively slight effect upon this situation. Much more is required, and we should not delay getting at the job.

Getting Out of the Never-Never Land of Bank Mergers

Continued from page 1

rities Act. The Senate in this bill proposes to give full and complete regulatory powers over disclosure and trading in securities of banks to the Federal supervisory agencies as against the Securities and Exchange Commission.

Philadelphia National Bank

On June 17, 1963, a decision was rendered by the United States Supreme Court in the Philadelphia National Bank case which has had the apparent practical effect of removing conclusive judgments on bank mergers from the duly authorized supervisory agencies to the realm of legal decision.

This decision, expressing the views of five members of the Court, holds that Section 7 of the Clayton Act applies to all bank mergers. To the mind of the average banker it means that regardless of approvals given by appropriate supervisory agencies, merger proposals involving banks shall be subject to Federal anti-trust laws and that such mergers approved by the appropriate bank supervisory agencies are not immune from challenge under such laws.

Cites Sen. Robertson's Reaction

The distinguished junior Senator from Virginia, Honorable A. Willis Robertson, who has fully demonstrated over the years a clear and objective view on banking matters, has expressed himself as shocked by the decision, and that it "is one of the most incredible cases of judicial legislation which the Court has handed down." "I was shocked," he said, "both at the result and at the Court's casual disregard for congressional intent and purpose."

In the case at hand, the Court decided that inasmuch as the proposed merger would result in the control, by one bank, of over 30% of the commercial bank business conducted in the Philadelphia metropolitan trade area, Section 7 would be violated. The merger would have resulted in a bank, the largest in the city of Philadelphia, with 36% of the area's total bank assets; 36% of deposits; 34% of net loans. It would also have resulted in making a national bank the largest bank in the area superseding the present largest bank—a state bank. It would also be able to retain this ranking even though all the remaining 39 banks in the area were to merge into the state bank.

By way of comparison, in the New York area a merger of the first and third largest banks would produce a lower percentage of all New York City bank resources than the merger discussed here would represent of all bank resources in the city of Philadelphia.

It should be mentioned here that two of the remaining Justices dissented on the ground that Section 7 did not apply to bank mergers. Another agreed in part with the dissenters.

The ninth Justice did not participate in the decision.

Furnishing a partial background to this decision is the historical fact that, prior to the institution of this case, the Justice Department had taken anti-trust action in only one other case—a case which was subsequently settled during the course of litigation.

To complete the background of the case in the lower court it would be helpful to quote from the opinion of the presiding Justice:

"Generally, the complaint alleges that commercial banking and several of its integral parts comprise interstate commerce; that commercial banking with its integral parts fills an essential and unique role in the nation's economy with a combination of services unduplicated by other financial institutions; that existing and potential competition in commercial banking in the Philadelphia area would be substantially and unreasonably lessened; that the merger would substantially and unreasonably increase concentration in banking in the Philadelphia area and that existing and potential competition in the commerce and industry served by commercial banks in the Philadelphia area would be substantially and unreasonably lessened. Parenthetically it may be noted at the outset that the last of these averments has not been seriously presented by the plaintiff and, for all practical purposes, has been abandoned."

From the viewpoint of the layman—and the average banker —the foregoing serves to highlight one outstanding fact: that this decision by the highest court in the land has changed all the ground rules applicable to mergers in the banking field. In one thrust we have been placed in a position where no longer can a banker, contemplating a merger operation, look only at the proposal from the standpoint of long-range economic effect on the community or trade area in which his bank is located. Banks are now in the general position vis-a-vis anti-trust statutes of any other corporate entity, inasmuch as the decision applies to all mergers, including mergers between banks. Our previous posture, under which banking has operated for so long a time, has now apparently been dissolved. Under the belief that banking has been for years closely regulated and subject to supervision and controls of governmental bank supervisory agencies, both state and Federal, we felt, perhaps over-optimistically, secure in our belief that further controls were unwarranted and unnecessary. The thoroughness of the Congress in its consideration of Senate Bill 1062 in the spring of 1960 indicated crystallized opinion on the question of the agencies of government which should be charged with responsibility for approval of bank mergers. Senator Fulbright, who with Senators Robertson and Capehart, were sponsors of the bill, said in presenting the bill for vote:

"As it passed the Senate, S. 1062 expressed the view of the Senate, for the third time, that bank mergers should be regulated by the Federal banking agencies on the basis of banking factors and competitive factors and with no single factor being in itself controlling. S. 1062 was a clear statement, for the third time, of the Senate's view that the provisions of Section 7 of the Clayton Act should not apply to bank mergers. The amendments to S. 1062 made by the House do not change this aspect of the bill. The House has agreed with the Senate that bank mergers should be controlled by the Federal banking agencies on the basis of both banking factors and competitive factors, and that Section 7 of the Clayton Act should continue to be inapplicable to bank mergers."

The Bank Merger Act of 1960 also received the following accolade from the then Senator Johnson of Texas on the day it passed the Senate:

"This bill establishes uniform and clear standards, including both banking and competitive factors, for the consideration of proposed bank mergers. It eliminates a number of gaps in the statutory framework, which now permits many bank mergers to occur with no review by any Federal agency. It provides for a thorough review by the appropriate Federal bank supervisory agency, under these comprehensive standards, and with the benefit of any information which may be supplied by the Department of Justice in the report required from them, of the bank mergers by asset acquisitions and other means which are now and will continue to be exempt from the anti-merger provisions of Section 7 of the Clayton Anti-Trust Act."

By comparison, in his dissenting opinion, Justice Harlan, while saying that Section 7 of the Clayton Act did not apply to a bank merger, said with respect to the Bank Merger Act of 1960, "its enactment turns out to be an exorbitant waste of Congressional time and energy."

In the hit show, "The King and I," the King sings a lovely song in which he expresses the thought that those who seek to protect him will protect him out of all he owns, and concludes that it "is a puzzlement." So it is with the average banker as he views the judicial-legislative-supervisory fog which surrounds his objective merger. He is advised to "consult competent counsel" and to take advantage of the Anti-Trust Division's clearance procedure. Does the banker, or his counsel, first consult his primary supervisory agency; the Federal Reserve Board; the FDIC, or the Comptroller following his State Supervisor; or does he commit what may be the unpardonable sin of going over their respective heads to the Anti-Trust Division?

Final Veto Power

To the layman, therefore, it now appears that the advice which the primary supervisory agency was required to seek from the Department of Justice by the intent of Congress, is now no longer to be categorized as "advisory," but rather, in the nature of a warning that if the decision reached by the primary agency is not parallel to that of Justice, then a suit may be forthcoming.

A spokesman for the Division said recently that "assuming that all relevant information regarding a proposed merger has been supplied to us, and as soon as the agency having initial jurisdiction has advised us of its decision, we shall advise such agency and the parties to the proposed merger of any action that the Anti-Trust Division intends to take regarding the merger." The element of time involved in consideration of a merger is most important to a participating bank, its depositors, its shareholders and the trade area it serves. It is to be hoped that there will be no undue delay in finalizing opinion on a merger, and if there is no action to be taken by the Division it would not seem unreasonable to expect a prompt statement to that effect. In effect, it appears to place the three bank supervisory agencies in the position of the average State Bank Supervisor, namely, that it has only the initial veto power and any approval that it may extend may be vitiated by a non-bank governmental agency. The only criterion which Congress apparently delegated to the attention of the Justice Department in mergers was that of the competitive factor, which has now, apparently, contrary to the intent of Congress, been assigned the role of the primary and dominating factor of the seven controlling factors. The traditional banking factors have been relegated to a place of secondary importance.

It is a fair statement, I believe, to say that relatively few bank mergers do not have some elements of lessening of competition; but, conversely, favorable consideration of the banking factors may justify an agency granting approval of a merger even though it may have an adverse effect on competition.

Terminological Differences

To illustrate the wide range of terminology upon 115 mergers submitted to the Justice Department for comment, as published in the recently released annual report of the Comptroller for 1963, we read the following characterizations of the basis for Justice Department advisory opinions:

1—Favorable	0
2—No adverse effect	12
3—Not substantially adverse	37
4—Slightly adverse	3
5—Adverse effect	26
6—Significantly adverse	3
7—Substantially adverse	34
8—Substantially adverse and serious anti-competitive effect	7
9—Threat of litigation	1
	*115

*Total as shown in the report although it adds to 123.

On the same merger proposals, the Federal Reserve Board employed the following terminology regarding its advisory opinions:

1—Will increase competition	4
2—May increase competition	7
3—No adverse effect on competition	33
4—No serious adverse effect on competition	3
5—Will have little adverse effect on competition	21
6—Probably no adverse effect on competition	2
7—Might have adverse effect on two parties	2
8—Might have adverse effect on competition	6
9—Will eliminate competition between two banks exposing remaining banks to greater competition	11
10—Will eliminate some competition	12
11—Will eliminate substantial competition	6
12—Will have adverse effect on competition	2
13—Will eliminate present and potential competition	5
14—Will result in concentration	1
	115

The FDIC was concise, by comparison:

1—Enhancement of competition	1
2—Over-all effect on competition would not be unfavorable	102
3—No effect on competition	2
4—No adverse effect on competition	1
5—Appears favorable	1
6—Effect would be unfavorable	8
	115

The report also reveals that the Comptroller approved during 1962, 110 applications for merger, including 3 emergency decisions, while denying 7, and 1 was withdrawn.

During the same year according to the Annual Report of the Federal Reserve Board, the Board approved 37 and disapproved 5 mergers, consolidations, acquisitions of assets or assumptions of liabilities. This report also reflects that 94 reports on competitive factors were sent to the Comptroller and 38 reports to the FDIC.

Never-Never Land

Banks are, therefore, in a never-never land as far as mergers are concerned. It appears that the tiniest nuance of judgment on the part of any one of the agencies involved may throw a merger one way or the other. The absence of unanimity as between the governmental agencies involved as to the worthiness of a merger has beclouded the atmosphere and has led to proposals for a single Federal Commission to rule on bank matters including mergers. The banker, therefore, finds himself in a most difficult position, not knowing what laws, rules, regulations or interpretation are applicable to his proposals.

We can appropriately characterize the present situation as one where we are confused with promotional interpretations—in other words, interpretations of laws and regulations which tend to favor one group of banks under a supervisor against other groups of banks under other supervisors. This tends to create a great deal of dissatisfaction among those who are left without equalizing privileges and may cause banks to shift from State to National bank basis or vice versa, depending upon the degree of enforcement of sound and conservative banking practice, or conversely, the relaxation of the same standards.

To add to your collective confusion, a thought-provoking passage appears in the District Court's opinion which may have escaped your attention, and which I quote:

"The Court was not impressed with the attempts of the Government to show that banking is of minor importance in the life of a community generally and of almost absolute unimportance in the business life of the community. The Government, in its attempt to establish this contention by testimony that no single particular individual industrial organization has ever entered a particular territory, because of the presence or absence of banking facilities, has ignored the industrial history of the United States. Should one ever speculate as to whether any industry would enter a community without banking facilities, the answer would be completely obvious. Historically, banking facilities have preceded industry in every community."

As bankers, we have been trained in the belief that we are, and have been by practice and tradition cast in the role of service institutions. It comes as somewhat of a shock to learn, particularly in the centennial year of the dual banking system, that, as indicated by the court, a high officer of Government evaluates our services at such a minimal level. It confirms the thought that if Federal authority ever reaches a point where it supersedes and submerges the authority of States over State banks, that will be the point of no return and will mark the demise of the dual banking system.

Greatest Deterrent

The greatest deterrent to this trend is the capable and efficient State Bank Supervisor. In spite of long experience in this field, I am not one who believes that the "old way" is necessarily the best way to conduct our business, either as bankers or as supervisors. As we have grown as a nation from an essentially agrarian society to the foremost industrial power in the world, the challenges and opportunities for development of our country through our banking system have required the continuing broader development of the public interest objective by bank supervisors. Yours are the standards of judgment by and under which we operate our banks. We can be helped by your awareness of our problems and we may be hindered in our progress and services if you take a position against progressive thinking.

Submits Plan

Your appraisal of the needs of a sound and conservative banking system is the fulcrum upon which can tilt the vitality and effects of our efforts. There have been a number of proposals designed to break the log-jam which seems to exist in consideration of bank mergers and chartering by supervisory agencies. It seems to me that if criticism of a system is undertaken, then a responsibility exists for suggestions to effect corrections in that system. Accordingly, I submit the following outline of a plan for a more uniform and understandable course to be followed in bank merger applications by supervisory agencies:

(1) That bank mergers and charters be first considered by a District Committee composed of:

(a) The Superintendent of Banks of the State in which the banks seeking to merge are located;

(b) The Chief National Bank Examiner of the district;

(c) The Chief FDIC Examiner of the district;

(d) The Chief Federal Reserve Bank Examiner of the district. In any case the representative would be the senior official of his agency in the district in which the applicant banks are located.

Approval of a merger would require a ¾ vote of those participating as above.

If disapproved by the District Committee, the application would be terminated. If approved, notice of such approval would be given to the applicant banks and to a Board of Review located, for convenience, in Washington. This Board of Review would be given not more than 30 business days after receipt of such approval of the District Committee, to indicate its disapproval of a merger or charter application; otherwise, the decision of the District Committee would stand. To carry out the intentions of Congress as expressed in the Bank Merger Act, notice of the approval of the District Committee would also be furnished to the Justice Department with the provision that the views of the Department on the competitive effects of the merger be furnished to the Board of Review not more than 30 business days after receipt of such notice.

The Board of Review would be composed of the following representatives appointed by their respective Boards for a term of three years:

(1) A member of the Federal Reserve Board.

(2) A member of the FDIC Board, assuming that the previous legislative recommendation made in this connection by the NASSB is adopted; namely, that the Comptroller of the Currency should not be a member of the FDIC Board.

(3) The Comptroller of the Currency.

Disapproval of a merger would require a ⅔rd vote of the Board of Review.

I am aware that many proposals along these lines have been previously made. It is always possible, however, that perhaps from the sum of ideas represented, a gleaning by the proper legislative body of these proposals would produce a pattern which would serve to alleviate the present ferment in our industry.

It has been said that we are the victims of our own shortcomings. Avoidance of public controversy, and indeed, avoidance of contact with our legislative representatives has long been a hallmark of our behavior. We have need for a better field of understanding on the part of both segments. The leaders of our industry as well as our trade associations, acting in concert with the progressive, intelligent State Supervisor and legislators can contribute much at the grass roots level of each State to bring about a clearing of the uncertainty that impedes our ability to fully serve the free enterprise economy which has made this country outstanding on the pages of history.

*An address by Mr. Clark at the 62nd Annual Convention of the National Association of Supervisors of State Banks, Williamsburg, Va., Oct. 2, 1963.

Southeastern IBA Group Elects

WHITE SULPHUR SPRINGS, W. Va.—George S. Kemp, Jr., Resident Partner, Abbott, Proctor & Paine, Richmond, Va., was elected Chairman of the Southeastern Group, Investment Bankers Association of America, announced Millard F. West, Jr., Partner, Auchincloss, Parker & Redpath, Washington, D. C., retiring Chairman of the Group. Election was held at the 43rd Annual Meeting of the Group, Oct. 11-13, at The Greenbrier, White Sulphur Springs, W. Va. Elected with Mr. Kemp were the following officers:

George S. Kemp, Jr.

W. W. Lanahan, Jr.

William D. Croom

Vice-Chairmen: W. Wallace Lanahan, Jr., Stein Bros. & Boyce, Baltimore, Md.; William D. Croom, First Securities Corporation, Durham, N. C.

Secretary-Treasurer: Thomas L. Anglin, Mackall & Coe, Washington, D. C.

Members of the Executive Committee: Harvey B. Gram, Jr., Johnston, Lemon & Co., Washington, D. C.; Marshall H. Johnson, McDaniel Lewis & Co., Greensboro, N. C.; Joseph J. Muldowney, Scott & Stringfellow, Richmond, Va.; Truman T. Semans, Robert Garrett & Sons, Baltimore, Md.; Millard F. West, Jr., Auchincloss, Parker & Redpath, Washington, D. C.

Mr. Muldowney has been elected a Governor of the IBA representing the Southeastern Group, effective with the Annual Convention of the IBA, December 1-6, at the Hollywood Beach Hotel, Hollywood, Florida.

Featured speakers at Saturday's sessions were Amyas Ames, Senior Partner, Kidder, Peabody & Co., New York, and President of the Investment Bankers Association of America, and Avery Rockefeller, Jr., Partner, Dominick & Dominick, New York, Chairman, Education Committee, Investment Bankers Association of America. Principal speaker at Saturday evening's banquet meeting was Benjamin N. McKelway, Editorial Chairman, Washington Evening Star.

Peter Speckman Opens

CHARLOTTE, N. C. — Peter J. Speckman is engaging in a securities business from offices at 1508 Dilworth Road, specializing in the sale of mutual funds.

New Walston Office

PALM BEACH, Fla.—Walston & Co., Inc., has opened a branch office at 235 South County Road, under the management of Robert C. Barth.

STATE of TRADE and INDUSTRY

Continued from page 16

was nearly 9.7% above that for the year-ago week.

The cumulative total output of ingots and castings since Jan. 1 topped the year-ago period with a total of 87,235,000 net tons (*114.2%) which is 11.4% above the Jan. 1-Oct. 13, 1962 production of 78,274,000 net tons. In the comparison with last week's cumulative index total of 114.5%, this week's tally faltered at 114.2% (1957-59=100).

September's Net Tons 8.4% Above Year-Ago Month

The steel industry produced 7,860,000 net tons of ingots and steel for castings last month or 8.4% more than the 7,251,023 net tons produced in September, 1962. In the past quarter, output totaled 24,295,104 tons compared to 20,523,126 tons in the year-ago period for a gain of 18.4%. For the first nine months of this year, steel operations advanced 11.9% to 83,538,424 tons as against 74,621,305 tons for the 1962 period.

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. 12	Oct. 5
North East Coast	108	107
Buffalo	88	85
Pittsburgh	91	88
Youngstown	87	83
Cleveland	97	99
Detroit	139	141
Chicago	109	109
Cincinnati	106	105
St. Louis	120	114
Southern	103	97
Western	109	110
Total industry	102.8	101.1

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

October Steel Shipments Could Top Forecasts

Steel shipments may be higher than expected this month, thanks to booming auto sales and surprising strength in the construction market, *Steel* magazine said.

Some steelmakers who originally figured October shipments would be 10% higher than September's are predicting a 15% gain because:

(1) Automakers, their biggest customers, are working extra shifts to boost dealer inventories and maximize sales. They are planning to build 792,000 cars this month—far more than they assembled last October (723,600).

Automotive steel stocks are still above normal, but they are dwindling rapidly. Some car companies may soon have to place supplemental orders.

(2) Construction, the second most important steel consuming industry, is going great guns. Contractors are taking advantage of unusually good weather to complete projects they hadn't expected to finish.

(3) Smaller steel consumers are pressing for quick deliveries, a sure sign they've completed inventory adjustments. Some users are stepping up orders for cold rolled and hot rolled sheets, the products stocked in greatest volume.

Price Increases Are Being Accepted

Early reactions to steel price hikes indicate the selective adjustments are being accepted, *Steel* reported.

Prices have been increased this year on mill products that account for about 75% of the steel industry's tonnage shipments. Items that haven't been bumped are the ones that face fierce competition from imported steel and other domestic materials — wire rods, wire products, tin plate, tool steels.

Some of the recent price hikes may be absorbed. A *Steel* spotcheck of representative steel users shows that the desire to pass the price increases along to customers is universal, but that doesn't mean that everybody is going to do it.

Automakers absorbed higher sheet prices, so they'll probably insist that part suppliers do likewise on bars. Plate fabricators and fastener makers hint that they'll try to boost prices.

The production uptrend is continuing. Look for the ninth consecutive increase in steel ingot production this week. Output will slightly exceed the 1,915,000 tons that *Steel* estimated the industry poured in the week ending Oct. 12, 1963.

Steel's price composite on No. 1 heavy melting grade of scrap held at $27 a gross ton last week for the seventh straight week.

Record High Non-Ferrous Output

The traditionally volatile, profit lean nonferrous industry is set to shatter a parade of records this year, *Steel* said.

U. S. consumption of aluminum, lead, zinc, and nickel are headed for possible records. The copper industry will have its best peacetime year in history. Titanium mill product shipments will about equal last year's record. Magnesium shipments will top last year's.

Prices have been strengthening, and a round of price hikes is in the wind.

Foreign Steel Mills Feel Financial Pinch

Global steel price weakness and operating cutbacks are cutting severely into earnings of foreign steelmakers, *Iron Age* magazine reported.

In a special report on world steel competition, *Iron Age* said the combination of sliding prices and sagging output has produced deficit operations for some big foreign steel companies.

The magazine said this tends to support contentions of some American steelmen who have argued that prices of imports in this country were not sound and were not returning normal profits to foreign suppliers.

With the spread of dumping throughout world markets, it appears that foreign steel mills are squeezed when forced to charge sub-marginal prices for a major part of their output, *Iron Age* stated.

In the American steel market, *Iron Age* says the outlook is for an upward movement. This will follow the current, temporary easing in the recent uptrend.

Before the pause, the recovery had reached a point well above that reached last year. The industry then, as now, was fighting out of a period of inventory liquidation following a steel labor settlement.

Current industry reports show steel output at a monthly rate of 8.16 million tons. Based on a normal yield, this would mean shipments of 5.8 million tons.

Last year, the shipping peak for the second half was October, when 5.6 million tons were shipped. Although production in November and December continued to inch upward, shipments eased off in those months.

Now, November and December could see a continued climb in both production and shipments.

Iron Age noted that orders from auto parts makers are coming in almost one-third stronger than last month. This means parts makers are now gearing steel buying to production. With parts makers coming into the steel market strongly, automakers can not be far behind, the magazine said.

In a report from the European Machine Tool Exhibition, Milan, Italy, *Iron Age* observed European machine tool builders are running well behind 1962 in new orders. Production is more than keeping up with sales; backlogs are shrinking and delivery times are normal.

The consequences of rising inflation in Europe are making investors keep their hands in their pockets, *Iron Age* said.

Referring to the 1,200 machine tool companies exhibiting, *Iron Age* said the staggering size of the show brought home to builders the competitive struggle for machine tool markets that lies ahead.

Week's Auto Output at Year's Highest Level

Auto output in the U. S. last week is scheduled at its highest level of the year, *Ward's Automotive Reports* said.

The statistical agency said 175,089 assemblies were planned for the period, rising 6.4% from 164,625 cars made two weeks ago and 14.2% above 153,312 units in the corresponding period a year ago.

Ward's said that since 176,106 cars made in a single week last December, this week's output will also be a high for any week since 1955. The industry's record in weekly output came in April, 1955, when 184,277 cars were made in such a period.

By individual producer, Ford Motor Co. scheduled its production last week at an eight-year high. It ordered overtime for last Saturday's operations in 14 of its 16 car assembly plants; General Motors Corp., after falling some 5% below schedule two weeks ago, had planned its biggest yield since striking an all-time high of 92,112 units made in a June week this year. Eight GM car plants were set for last Saturday's operation.

Meanwhile, Chrysler Corp. maintained optimum output with five-day work slates at all but its Detroit Jefferson Ave. plant. American Motors and Studebaker Corp. ended the week's work last Friday.

Still in prospect, *Ward's* said, is an all-time monthly high of some 800,000 cars in entire October this year, including the 1,000,000th 1964 model early this week. Also, by end of October, output since Jan. 1 will range more than 500,000 units ahead of like 1962, according to present schedules.

The truck industry is also making a bid for a record October. Some 139,000 units planned will also be a 151-month high, dating to May of 1951.

Of passenger cars programmed last week, GM Corp. accounted for 51.4%; Ford, 29.2%; Chrysler Corp. 13.0%; American Motors 4.9%; and Studebaker Corp 1.5%.

Freight Car Loadings Up 6.3% Over Year-Ago

Loading of revenue freight in the week ended Oct. 5, totaled 632,049 cars, the Association of American Railroads announced. This was an increase of 11,910 cars or 1.9% above the preceding week.

The loadings represented an increase of 37,274 cars or 6.3% above the corresponding week in 1962, but a decrease of 7,735 cars or 1.2% below the corresponding week in 1961.

Ton-miles generated by carloadings in the week ended Oct. 5, 1963, are estimated at approximately 14.0 billion, an increase of 11.4% over the corresponding week of 1962 and 9.8% over 1961.

There were 17,471 cars reported loaded with one or more revenue highway trailers or highway containers piggyback) in the week ended Sept. 28, 1963 (which were included in that week's over-all total). This was an increase of 2,069 cars or 13.4% above the corresponding week of 1962 and 4,010 cars or 29.8% above the 1961 week.

Cumulative piggyback loadings for the first 39 weeks of 1963 totaled 592,608 cars for an increase of 70,178 cars or 13.4% above the corresponding period of 1962, and 159,589 cars or 36.9% 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 Rises 2.8% Above Last Year

Intercity truck tonnage in the week ended Oct. 5 was 2.8% ahead of the volume in the corresponding week of 1962, the American Trucking Associations announced. Truck tonnage was 1.4% above the volume for the previous week of this year.

While recent reports have shown truck tonnage running slightly behind the 1962 level, the yearly increase is the most substantial since late August of this year.

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

The terminal survey for last week showed increased tonnage from a year ago at 22 localities, with 12 points reflecting decreases from the 1962 level. Truck terminals at Houston registered the largest year-to-year tonnage gain —up 15.4%. Four other trucking centers showed increases of 10% or more, while only one terminal area reflected a decline in excess of this amount.

Compared with the immedately preceding week, 20 metropolitan areas registered increased tonnage, while 14 areas reported decreases.

Lumber Production Off 3.7% From 1962 Rate and 7.3% Below Last Week's

Lumber production in the country totaled 208,899,000 board feet in the week ended Oct. 5, according to reports received from regional lumber associations. Output declined 7.3% from the preceding week.

Compared with 1962 levels production was off 3.7%, shipments fell 3.2% and new orders fell 0.2%.

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

	Oct. 5 1963	Sept. 28 1963	Oct. 6 1962
Production	208,899	225,447	217,068
Shipments	215,995	232,567	223,281
New orders	221,254	236,157	221,917

Electric Output Shows 5.7% Gain Over 1962 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Oct. 12, was estimated at 17,255,000,000 kwh. according to the Edison Electric Institute. Output was 149,000,000 kwh. more than the previous week's total of 17,106,000 kwh. and 938,000,000 kwh. above the total output of 16,317,000,000 kwh. in the corresponding 1962 week or a year-to-year gain of 5.7%.

Business Failures Down in Latest Week

Continuing on an uneven weekly course, commercial and industrial failures turned down to 257 in the week ended Oct. 10 from 287 in the preceding week, reports Dun & Bradstreet, Inc. While this business toll fell moderately below the year-ago level of 298 in the similar week, it dropped sharply from the 341 recorded in 1961. Despite the up and down pattern of recent weeks, casualties remained 8% more numerous than in the corresponding week of 1939 when the pre-war toll came to 237.

Failures with liabilities of $100,000 or more dipped to 39 from 45 a week earlier but still exceeded the 36 of this size occurring a year ago. Among smaller casualties involving losses under $100,000, there was a decline to 218 from 242 in the previous week and 262 last year.

Most of the week's downswing occurred in retailing where the toll dropped to 117 from 140. Mild dips took place in wholesaling, off to 23 from 30, in construction, down to 44 from 52, and in commercial services, off to 26 from 30. In contrast, manufacturing mortality mounted to 47 from 35 and, as well, was the only function in which casualties topped 1962 levels. In fact, wholesalers and retailers accounted for all of the year-to-year decline in failures — construction and service tolls remained even with their year-earlier levels.

Canadian failures eased to 40 from 45 in the prior week, but inched ahead of the 37 chalked up in the similar week of 1962.

Wholesale Commodity Price Index Falls Below Last Week and Year Ago

Ending the week-to-week advance in effect since the middle of September, the wholesale commodity price level dropped appreciably to 268.68 this Monday, reported Dun & Bradstreet, Inc. Sharp movements in the quotations for two products counterbalanced each other somewhat so that their net effect was not as great as their individual changes. Corn prices plunged downward, probably as a result of the Department of Agriculture's record forecast of 4 billion bushels for the year 1963. On the other hand, sugar damage in Cuba and the smaller Caribbean islands due to the hurricane drove sugar prices up, but not as strongly as corn had pitched in the opposite direction. However, mild rises in wheat added impetus to the upward trend of the index.

The daily wholesale commodity index declined to 268.68 on Monday, Oct. 14, from 269.38 last week and 270.29 on the comparable date a year ago. Nevertheless, the index ran ahead of the 265.07 of a month ago.

Wholesale Food Price Index Tumbles to 17-Week Low

The wholesale food price index, compiled by Dun & Bradstreet, Inc., tumbled to a seventeen-week low of $5.89 on Oct. 15 running 0.9% below the $5.94 of last week. Nevertheless, for the second consecutive week, the index outpaced a year ago, this week by 0.3%, whereas it had trailed 1962 for the seven previous weeks.

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.

Consumer Buying Rallies

Reviving from the Indian summer languor of last week, retail purchases gained some zip in the week ended Wednesday, Oct. 9, 1963. Sales of new model cars, off to a heady start, were a major factor in propelling volume strongly ahead of that in the corresponding week of 1962. Good activity also hummed in home goods departments, despite the distractions of the World Series. However, the pace in women's and children's apparel continued to be slowed by high temperatures, although men's clothing moved comparatively well. Strong contradictory trends prevailed within geographic areas —within the East North Central Region, a limping pace in Chicago was offset by a fast sprint in Cleveland, whereas on the Pacific Coast, liveliness in California buying was pared by a sluggish to poor tempo in Oregon and Washington.

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

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 Oct. 5 compared with the like period in 1962. The week's gain over the year-ago week marked the 20th encouraging weekly uptrend in a row. The weekly sales index without seasonal adjustment shows, however, sales remained unchanged from last week and were up 2.5%.

In the four-week period ended Oct. 5, 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 Oct. 5), 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 Oct. 5 gained 5% 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. 12-ending sales week revealed a minus 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 no increase 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 Oct. 5-ending week's total 6% above the comparable week last year. The year-to-year contrast for the latest four-week period showed a gain of 3%. Unlike the department store statistics, the Department of Commerce's over-all retail sales data are *not* adjusted for seasonal variations.

September's Total Retail Sales Rise 2% Over Year-Ago Month

Total sales of retail stores in September were $19.0 billion, the U. S. Department of Commerce announced. This advance figure, after adustment for seasonal variations and trading day differences, but not for price changes, was 2% below August 1963 and 2% above September 1962.

The Office of Business Economics noted that after adjustment for seasonal and trading day differences, most major lines of trade experienced a reduction in sales from August to September. Durable goods stores sales declined 2% and nondurables 3% between these months. Based on the full sample, seasonally adjusted sales of all retail stores in August 1963 were virtually unchanged from July.

The Common Market And Trade in Chemicals

Continued from page 7

ward adustment of the EEC tariffs, the overall effects of European trade discrimination will be substantial, especially in the chemicals industries. This is extremely important to the chemical industry because of the homogeneous nature of many chemical products, particularly basic chemicals. This means that price plays an important role in determining who makes the sale—more important than in most manufacturing industries. For one thing, price comparisons can be made easily, for another, significant quality differences between competitors' products often do not exist. In general, except in the case of patented products or processes, the chemical producer is always exposed to the full force of price competition.

For this reason, a relatively wide range of chemicals exports are threatened by even small changes in tariff rates. Yet the total price effect of eliminating tariffs between the member countries and of the common external tariffs, will be substantial. This has long been recognized by American chemical companies, and their reaction to the formation of the Common Market therefore has been very pronounced.

Leaping Over the Tariff Wall

Most companies have followed two main strategies in order to counter the new developments in Europe. The more spectacular move was—and still is—the establishment of manufacturing facilities in Europe, either through acquisition or through new direct investment. Since 1958, more than 200 new production facilities —either wholly-owned or in partnership with European firms—were put into operation by American chemical companies in the six EEC countries alone. The most favored sectors for new direct investments were petrochemicals and pharmaceuticals but practically all sectors of the industry experienced foreign investments. This tremendous flow of investment capital into the Common Market seems to continue unabated, and a so-called peaking out of direct investments is not yet in sight, despite frequent forecasts to this effect.

Today almost all major American chemical companies have manufacturing facilities inside the Common Market. Still, their European-made product line is usually limited. They therefore supplement local production by shipments from the United States. For this reason, even world-wide chemical concerns are unable to avoid completely the adverse effects of European trade discrimination. But clearly, geographical diversification of production facilities did help the international companies to soften the effects of tariffs and other trade restrictions. And this is the major reason for the continuing flow of investment funds to Europe.

Price Competition

The other competitive response of the American chemical industry has been increased price competition. Ever since the formation of the Common Market, European chemical prices have tended to be weak. For example, the price index of German chemicals has fallen 5% since 1954 and the Italian index has plummeted 15% since then—a period that otherwise witnessed substantial increases of wages and other production costs.

An early cause of the downward pressures on European chemicals prices was competition from American exporters who found it increasingly difficult to maintain their European market shares. Yet increasingly, the price competition arose from the rapidly expanding chemical industries within the Common Market. This leads us to another important aspect of our discussion — the impact of the Common Market on the chemicals industries in Europe itself.

The impact was two-fold: it led to a merging of the various national markets in Europe, and because of that, to greater price competition.

By encouraging free trade within the Community, the Common Market countries are now rapidly becoming a single chemicals market. Each European chemical company now sees greatly expanded sales opportunities. Not only are new markets being opened, but the rapid pace of economic growth in the first years of the Common Market created a sharp rise in the demand for chemicals throughout the Community. Rapidly rising standards of living stimulated sales of pharmaceuticals and cosmetics and brought about a greatly increased demand for synthetic fibers.

However, this broadening of European markets brought with it a sharp increase in the number of competing sellers. And this resulted in greatly increased internal competition. I think it is correct to say that the persistently weak prices of European chemicals are the result of this greater price competition within the whole area of the Common Market.

The reaction of the larger European chemical companies to increased competition and lower prices in Europe was similar to the reaction of American companies to the formation of the Common Market. More difficult selling at home also led to a renewed emphasis of European firms on international business—with the major push in establishing footholds abroad and a relatively lesser effort to increase export sales of domestic factories. Like American companies, European firms began to realize that sales in foreign markets can often be sustained only if supported by local manufacturing facilities abroad.

European Firms Invest Directly Abroad

This expansion in overseas investments of European chemicals companies is taking place all over the world, with Canada, the United States, and Latin America being the major targets. The expansion of the large European chemical firms outside the Common Market that has occurred over the last five years illustrates the degree of internationalization already accomplished and may also serve as a rough indicator of things to come.

Thus it is probably not too much to claim that the increased regionalization of world trade—a process of which the formation of the Common Market is the most prominent example — was the major factor motivating direct investments abroad. All major chemical companies, whether American, British, or based in the Common Market have found it necessary to expand into foreign markets. This trend towards world-wide subsidiary networks is almost certain to continue in the chemicals industries. As production costs and technologies are becoming more equal in the Western countries, tariffs and transportation costs account for more and more of the price differences in international trade. Foreign direct investments are one way to overcome such competitive disadvantages, and for this reason, expansion to foreign markets will continue.

New Kind of a World Market

The ultimate result of this trend of chemical companies to spread production facilities all over the globe will be a new kind of world market where the major firms compete in the regional markets through local subsidiaries and where trade between the areas will become relatively less important. Such a world structure of the chemicals market puts the larger companies on an equal footing within each area, be it in Latin America, in the European Free Trade Association, in the Common Market, or in the United States.

Except for proximity to raw material sources, the large and diversified international chemical company is able to shift production from one area to another without significantly affecting either overall sales or the world-wide structure of the firm. Thus the chemicals company of the future will be in a better position to absorb the effects of regional economic groupings or national tariff policies and become less dependent on particular national tariffs.

Implications

The implications of this general conclusion are clear. Although the formation of the Common Market required many changes in company policy and competitive strategy of American as well as European firms, the ultimate result is likely to be a lesser dependence on national trade policies and a greater stability in the operations of individual companies.

As a corollary development, Atlantic trade in chemicals will become relatively less important since the large chemical companies will, on balance, export less and depend more on their local production facilities in the various countries.

In the long run, therefore, the Common Market and its common external tariff wall is something the chemicals industries can adjust to. But while private companies will, in the end, overcome or neutralize the trade discrimination inherent in the Common Market, the United States as a whole cannot do so. This country must earn a substantial surplus on its trade balance with Europe in order to balance its international payments. It is therefore of utmost importance to the United States that the forthcoming GATT negotiations be successful in reducing overall EEC protection. This cannot be achieved without some concessions on our part.

Let me therefore conclude by expressing the hope that the American chemicals industry will not have to bear an unduly large share of the U. S. concessions. Because clearly, in the short run, tariff changes can hurt very badly, and European tariff discrimination already requires many difficult adjustments on the part of the chemicals industry. But let me also express complete confidence that the American chemicals industry—dynamic and modern as it is — will rise to the economic challenges that confront our nation along with other free nations on the road to economic cooperation and mutual partnership.

*An address by Mr. Schoellkopf before the 145th National Meeting of the American Chemical Society, New York City.

Forms McCoig Co.

LAS VEGAS, Nev.—David C. McCoig is engaging in a securities business from offices at 3521 Maryland Parkway South under the firm name of Dave McCoig Co.

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. 12	1,915,000	1,883,000	1,804,000	1,746,000
Index of production based on average weekly production for 1957-1959	Oct. 12	102.8	101.1	96.8	93.7
Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960	Oct. 12	0.625	0.615	0.59	59.5
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Oct. 4	7,595,560	7,578,410	7,574,760	7,346,010
Crude runs to stills—daily average (bbls.)	Oct. 4	8,860,000	8,498,000	9,012,000	8,372,000
Gasoline output (bbls.)	Oct. 4	30,978,000	30,790,000	32,343,000	29,671,000
Kerosene output (bbls.)	Oct. 4	2,815,000	2,731,000	3,469,000	2,927,000
Distillate fuel oil output (bbls.)	Oct. 4	14,453,000	14,532,000	14,631,000	13,369,000
Residual fuel oil output (bbls.)	Oct. 4	4,625,000	4,883,000	4,859,000	5,521,000
Stocks at refineries, bulk terminals, in transit, in pipe lines					
Finished gasoline (bbls.) at	Oct. 4	181,077,000	*182,227,000	183,450,000	177,241,000
Kerosene (bbls.) at	Oct. 4	34,845,000	35,180,000	36,024,000	35,845,000
Distillate fuel oil (bbls.) at	Oct. 4	175,175,000	173,774,000	165,973,000	174,097,000
Residual fuel oil (bbls.) at	Oct. 4	52,060,000	52,350,000	52,637,000	54,705,000
Unfinished oils (bbls.) at	Oct. 4	83,367,000	81,713,000	86,455,000	83,784,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Oct. 5	632,049	620,139	494,208	594,775
Revenue freight received from connections (no. of cars)	Oct. 5	519,776	508,265	432,699	526,321
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Oct. 5	9,700,000	*9,875,000	8,110,000	8,831,000
Pennsylvania anthracite (tons)	Oct. 5	393,000	397,000	363,000	345,000
CONSTRUCTION ADVANCE PLANNING — ENGINEERING NEWS-RECORD—NEW SERIES (000's omitted):					
Total advance planning by ownership	Oct. 10	$620,200	$929,000	$583,100	$337,700
Private	Oct. 10	328,100	367,100	399,200	204,700
Public	Oct. 10	292,100	562,000	183,900	133,000
State and Municipal	Oct. 10	281,500	380,800	177,800	102,900
Federal	Oct. 10	10,600	181,200	6,100	30,100
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE = 100	Oct. 5	122	119	108	118
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Oct. 12	17,255,000	17,106,000	18,107,000	16,317,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Oct. 10	257	287	208	298
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Oct. 6	6.368c	6.279c	6.279c	6.196c
Pig iron (per gross ton)	Oct. 6	$63.11	$63.11	$63.11	$66.33
Scrap steel (per gross ton)	Oct. 6	$26.83	$26.83	$26.83	$24.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Oct. 11	30.600c	30.600c	30.600c	30.600c
Export refinery at	Oct. 11	28.400c	28.400c	23.375c	28.525c
Lead (New York) at	Oct. 11	12.000c	11.750c	11.500c	9.500c
Lead (St. Louis) at	Oct. 11	11.800c	11.550c	11.300c	9.300c
‡Zinc (delivered at)	Oct. 11	13.000c	13.000c	13.000c	12.000c
Zinc (East St. Louis) at	Oct. 11	12.500c	12.500c	12.500c	11.500c
Aluminum (primary pig, 99.5%) at	Oct. 11	23.000c	23.000c	22.500c	24.000c
Straits tin (New York) at	Oct. 11	118.125c	117.000c	115.375c	107.375c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Oct. 15	88.74	88.93	88.80	89.44
Average corporate	Oct. 15	88.54	88.40	88.54	87.86
Aaa	Oct. 15	91.48	91.48	91.34	92.06
Aa	Oct. 15	89.78	89.78	89.92	90.06
A	Oct. 15	88.67	88.54	88.95	87.32
Baa	Oct. 15	84.30	84.30	84.30	82.40
Railroad Group	Oct. 15	86.51	86.51	86.91	84.17
Public Utilities Group	Oct. 15	89.64	89.64	89.51	89.37
Industrials Group	Oct. 15	89.37	89.37	89.37	90.20
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Oct. 15	4.02	3.97	3.98	3.78
Average corporate	Oct. 15	4.52	4.53	4.52	4.57
Aaa	Oct. 15	4.31	4.31	4.32	4.27
Aa	Oct. 15	4.43	4.43	4.42	4.41
A	Oct. 15	4.51	4.52	4.49	4.61
Baa	Oct. 15	4.84	4.84	4.84	4.99
Railroad Group	Oct. 15	4.67	4.67	4.64	4.85
Public Utilities Group	Oct. 15	4.44	4.44	4.45	4.46
Industrials Group	Oct. 15	4.46	4.46	4.46	4.40
MOODY'S COMMODITY INDEX	Oct. 15	372.0	368.8	357.9	361.3
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Oct. 5	435,786	367,134	326,890	406,017
Production (tons)	Oct. 5	381,406	378,520	284,732	355,086
Percentage of activity	Oct. 5	98	98	75	97
Unfilled orders (tons) at end of period	Oct. 5	668,552	610,968	615,842	536,369
OIL, PAINT AND DRUG REPORTER PRICE INDEX— 1959 AVERAGE=100	Oct. 11	98.20	*99.36	99.33	98.98
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Sep. 20	3,175,650	3,780,570	2,763,460	2,233,010
Short sales	Sep. 20	602,950	707,710	557,490	453,710
Other sales	Sep. 20	2,417,320	2,983,600	2,082,760	1,794,120
Total sales	Sep. 20	3,020,270	3,691,310	2,640,250	2,247,830
Other transactions initiated off the floor—					
Total purchases	Sep. 20	562,000	712,910	632,620	382,570
Short sales	Sep. 20	62,800	94,400	50,000	81,800
Other sales	Sep. 20	545,490	672,900	531,830	423,450
Total sales	Sep. 20	608,290	767,300	581,830	505,250
Other transactions initiated on the floor—					
Total purchases	Sep. 20	1,112,979	1,431,104	1,081,743	796,043
Short sales	Sep. 20	141,890	210,910	219,910	167,250
Other sales	Sep. 20	1,040,315	1,139,261	938,482	818,918
Total sales	Sep. 20	1,182,205	1,350,171	1,158,392	986,168
Total round-lot transactions for account of members—					
Total purchases	Sep. 20	4,850,629	5,924,584	4,477,823	3,411,623
Short sales	Sep. 20	807,640	1,013,020	827,400	702,760
Other sales	Sep. 20	4,003,125	4,795,761	3,553,072	3,036,488
Total sales	Sep. 20	4,810,765	5,808,781	4,380,472	3,739,248
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. 20	1,523,434	1,881,835	1,359,620	1,335,747
Dollar value	Sep. 20	$82,905,305	$99,096,142	$70,242,663	$64,030,756
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers' total sales	Sep. 20	1,959,698	2,345,966	1,674,895	1,527,926
Customers' short sales	Sep. 20	13,828	18,385	12,110	41,429
Customers' other sales	Sep. 20	1,945,870	2,327,581	1,662,785	1,486,497
Dollar value	Sep. 20	$98,816,593	$117,136,733	$81,095,551	$74,172,809
Round-lot sales by dealers—					
Number of shares—Total sales	Sep. 20	810,100	926,240	659,610	557,990
Short sales	Sep. 20	------	------	------	------
Other sales	Sep. 20	810,100	926,240	659,610	557,990
Round-lot purchases by dealers—Number of shares	Sep. 20	355,220	425,430	321,660	320,530
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. 20	1,040,230	1,340,860	1,018,650	1,103,830
Other sales	Sep. 20	23,353,200	27,281,790	19,972,110	17,189,970
Total sales	Sep. 20	24,393,430	28,622,650	20,990,760	18,293,800
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):					
Commodity Group—					
All commodities	Oct. 8	100.4	100.3	100.2	100.6
Farm products	Oct. 8	95.9	95.7	95.1	97.9
Processed foods	Oct. 8	101.7	101.2	101.3	101.6
Meats	Oct. 8	93.4	91.6	94.6	100.5
All commodities other than farm and foods	Oct. 8	100.8	100.7	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 ZINC INSTITUTE, INC.—Month of September:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	77,866	77,173	74,512
Shipments (tons of 2,000 pounds)	87,103	92,540	73,426
Stocks at end of period (tons)	55,356	64,593	168,943
COAL EXPORT (BUREAU OF MINES)— Month of August:			
U. S. exports of Pennsylvania anthracite (net tons)	420,112	212,417	226,451
To North and Central America (net tons)	86,608	52,900	95,510
To Europe (net tons)	331,306	154,035	130,173
To South America (net tons)	628	285	497
To Asia (net tons)	1,352	4,672	148
To Australia (net tons)	218	525	123
COAL OUTPUT (BUREAU OF MINES)—Month of September:			
Bituminous coal and lignite (net tons)	39,690,000	41,995,000	34,163,000
Pennsylvania anthracite (net tons)	1,689,000	1,959,000	1,193,000
COPPER INSTITUTE — For month of Sept.:			
Copper production in U. S. A.—			
Crude (tons of 2,000 pounds)	107,598	*107,301	111,072
Refined (tons of 2,000 pounds)	133,162	*146,161	126,063
Delivered to fabricators—			
In U. S. A. (tons of 2,000 pounds)	117,029	*130,996	117,358
Refined copper stocks at end of period (tons of 2,000 pounds)	84,004	*82,834	107,276
COTTON AND LINTERS — DEPARTMENT OF COMMERCE—RUNNING BALES:			
Consumer, month of August	667,382	690,272	692,589
In consuming establishments as of Aug. 31	1,086,606	1,214,944	1,269,306
In public storage as of Aug. 31	9,911,933	9,684,685	6,677,586
Linters—Consumed month of August	114,253	105,536	105,177
Stocks, Aug. 31	484,737	553,574	523,945
Cotton spindles active as of Aug. 31	15,757,000	15,692,000	16,731,000
DEPARTMENT STORE SALES SECOND FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF NEW YORK—1957-59 Average=100—Month of August:			
Sales (average daily) unadjusted	102	94	94
Sales (average seasonally adjusted)	127	123	117
METAL PRICES (E. & M. J. QUOTATIONS)— September:			
Copper—			
Domestic refinery (per pound)	30.600c	30.600c	30.600c
Export refinery (per pound)	28.390c	28.409c	28.588c
††London, prompt (per long ton)	£234.125	£234.125	£234.131
††Three months, London (per long ton)	£234.975	£234.798	£232.600
Lead—			
Common, New York (per pound)	11.628c	11.354c	9.500c
Common, East St. Louis (per pound)	11.428c	11.154c	9.300c
††London, prompt (per long ton)	£67.818	£67.060	£51.900
††Three months, London (per long ton)	£67.670	£66.851	£51.956
Zinc—			
East St. Louis (per pound)	12.500c	12.500c	11.500c
§§Prime Western, delivered (per pound)	13.000c	13.000c	12.000c
††London, prompt (per long ton)	£76.643	£76.363	£64.088
††London, three months (per long ton)	£76.393	£75.914	£64.900
Silver and Sterling Exchange—			
Silver, New York (per ounce)	129.260c	128.782c	115.461c
Silver, London (per ounce)	111.488d	111.077d	99.206d
Sterling Exchange (check)	$2.79767	$2.79959	$2.80095
Tin, New York Straits	116.088c	114.892c	108.480c
Gold (per ounce U. S. price)	$35.000	$35.000	$35.000
Quicksilver (per flask of 76 pounds)	$187.000	$182.455	$192.000
Antimony—			
¶New York, boxed (per pound)	36.250c	36.250c	36.250c
Laredo, bulk (per pound)	32.500c	32.500c	32.500c
Laredo, boxed (per pound)	33.000c	33.000c	33.000c
Platinum, refined (per pound)	$80.000	$77.682	$82.000
Cadmium (per pound) delivered ton lots	$2.45500	$2.35000	$1.75000
(Per pound) small lots	$2.50500	$2.40000	$1.80000
Cobalt, 97% grade (per pound)	$1.50000	$1.50000	$1.50000
Aluminum—			
99% grade ingot weighted average (per lb.)	22.500c	22.500c	24.000c
99% primary pig export	22.500c	22.500c	22.500c
**Nickel	79.000c	79.000c	79.000c
Bismuth (per pound)	$2.25	$2.25	$2.25
MOTOR VEHICLE FACTORY SALES FROM PLANTS IN U. S. AUTOMOBILE MANUFACTURERS' ASSN.—Month of Sept.:			
Total number of vehicles	620,761	239,575	556,492
Number or passenger cars	505,228	156,962	471,170
Number of trucks and motor coaches	115,533	82,613	85,322
NEW CAPITAL ISSUES IN GREAT BRITAIN MIDLAND BANK—Month of August	£35,880,000	£65,933,000	£49,642,000
RUBBER MANUFACTURING ASSOCIATION, INC.—Month of August:			
Passenger & Motorcycle Tires (Number of)—			
Shipments	8,136,940	11,141,159	8,830,030
Production	8,110,367	8,927,591	9,493,422
Inventory	24,820,506	24,839,290	22,963,530
Tractor Implement Tires (Number of)—			
Shipments	263,060	338,737	310,617
Production	254,578	256,675	297,758
Inventory	1,048,861	1,054,343	976,860
Passenger, Motorcycle, Truck and Bus Inner Tubes (Number of)—			
Shipments	3,031,871	3,649,818	3,209,728
Production	2,792,177	3,021,322	3,025,768
Inventory	9,576,464	9,818,070	8,772,352
Tread Rubber (Camelback)—			
Shipments (pounds)	41,328,000	39,643,000	43,350,000
Production (pounds)	41,772,000	39,358,000	42,895,000
Inventory (pounds)	17,377,000	17,073,000	16,030,000
Truck and Bus Tires (Number of)—			
Shipments (pounds)	1,420,568	1,540,177	1,371,657
Production	1,258,007	1,254,716	1,228,093
Inventory	3,831,333	3,990,528	3,569,687
U. S. GOVT. STATUTORY DEBT LIMITATION As of Sept. 30 (000's omitted):			
Total face amount that may be outstanding at any time	$309,000,000	$309,000,000	$308,000,000
Outstanding—			
Total gross public debt	306,635,039	306,534,617	299,498,292
Guaranteed obligations not owned by the Treasury	693,071	674,131	487,334
Total gross public debt & guaranteed obligations	$307,328,111	$307,208,749	$299,985,627
Deduct—Other outstanding public debt obligations not subject to debt limitation	366,332	367,054	373,498
Grand total outstanding	$306,961,779	$306,841,694	$299,612,128
Balance face amount of obligations issuable under above authority	2,038,220	2,158,305	8,387,871
UNITED STATES GROSS DEBT DIRECT AND GUARANTEED—(000's omitted):			
As of Sept. 30	$307,328,111	$307,208,749	$299,985,627
General funds balance	9,783,378	6,845,784	9,268,346
Net debt	$297,544,733	$300,362,965	$290,717,281
Computed annual average	3.428%	3.403%	3.285%

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 parentheses 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 capition "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.

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.

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.

• Allen Electric & Equipment Co. (10/29)
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. (11/4-8)
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. (10/17)
Aug. 26, 1963 filed $500,000 of 7% 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.

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).

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. **Note**—This registration was withdrawn.

• Bradford Speed Packaging & Development Corp.
July 22, 1963 filed 699,380 common being 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**—$11.05. **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 stockholders, Atlas General. **Office**—62 William St., New York. **Underwriter**—Burnham & Co., New York.

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

• Brewer (C.) & Co., Ltd. (10/30)
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 of record Oct. 28. Rights will expire Nov. 15. **Price** — By admendment (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, Phila.

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. (10/23)
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 La Salle 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 Street, Chicago. **Underwriter**—To be named. **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 Instruments Co. (10/22)
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 (10/18)
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 of record Oct. 8 Rights will expire Oct. 30. **Price** — $6. **Business** — Sale

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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 companies operating in the European Common Market. **Proceeds**—For investment. **Office**—9465 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Kennedy, Cabot & Co. (same address). **Offering**—Indefinite.

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

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

● **Craft Master Corp. (11/11-15)**
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 County Rd., Mineola, N. Y. **Underwriter**—None.

● **Denny's Restaurants, Inc. (10/21-25)**
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.

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.

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**

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NEW ISSUE CALENDAR

October 17 (Thursday)
American-Israel World's Fair Corp.______Debens.
(H. S. Caplin & Co.) $500,000

October 18 (Friday)
Commercial Life Insurance Co. of Missouri__Com.
(Offering to stockholders—underwritten by Edward D. Jones & Co.) $276,000

October 21 (Monday)
Denny's Restaurants, Inc.______________Common
(Dempsey-Tegeler & Co., Inc.) 167,000 shares
Gulf States Utilities Co.______________Preferred
(Bids 12 noon EDST) 100,000 shares
Subscription Television, Inc.______________Common
(William R. Staats & Co.) $32,800,000
Tonka Toys, Inc.______________Common
(Bache & Co. and J. M. Dain & Co., Inc.) 179,500 shares

October 22 (Tuesday)
Chicago Musical Instrument Co.__________Common
(Smith, Barney & Co., Inc.) 190,000 shares
General Artists Corp.______________Common
(Burnham & Co.) $1,050,000
Household Finance Corp.__________Debentures
(Lee Higginson Corp.; White, Weld & Co.; William Blair & Co.) $100,000,000
Pacific Southwest Airlines______________Common
(E. F. Hutton & Co., Inc.) 79,477 shares
Public Service Electric & Gas Co.________Debentures
(Bids 11 a.m. EDST) $40,000,000
Redman Industries, Inc.______________Units
(Eppler, Guerin & Turner, Inc.) 12,000 units

October 23 (Wednesday)
Capitol Food Industries, Inc.__________Debentures
(Walston & Co.) $1,700,000
Insurance Securities Inc.______________Common
(White, Weld & Co., Inc. and Kidder, Peabody & Co.) 400,000 shares
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
Otter Tail Power Co.______________Bonds
(Bids 10 a.m. CDST) $7,000,000
Texas Eastern Transmission Corp.________Debens.
(Dillon, Read & Co., Inc.) $40,000,000
Wen Products, Inc.______________Common
(Hayden, Stone & Co., Inc.) 200,000 shares

October 24 (Thursday)
First Railroad & Banking Co. of Georgia__Debens.
(Johnson, Lane, Space Corp.) $5,000,000

October 25 (Friday)
Celanese Corp. of America______________Common
(Offering to stockholders—underwritten by First Boston Corp.) 964,390 shares
O'Malley Investing Corp.______________Common
(O'Malley Securities Co.) $3,000,000

October 28 (Monday)
Heck's, Inc.______________Common
(Charles Plohn & Co.) $450,000
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 Consolidated Securities Corp.) 338,755 shares
Pocono Downs, Inc.______________Units
(Suplee, Yeatman, Mosley Co., Inc.) $4,375,000
Ramo, Inc.______________Debentures
(First Nebraska Securies Corp.) $2,000,000

October 29 (Tuesday)
Allen Electric & Equipment Co.________Debentures
(Dempsey-Tegeler & Co., Inc.) $1,200,000
Allen Electric & Equipment Co.__________Common
(Dempsey-Tegeler & Co., Inc.) 100,000 shares
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 8:30 a.m. PST) $70,000,000
Southern Ry. Co.______________Equip. Trust Ctfs.
(Bids 12 noon EDST) $6,420,000

October 30 (Wednesday)
Brewer (C.) & Co., Ltd.______________Common
(Offering to stockholders—underwritten by Blyth & Co., Inc. and Butcher & Sherrerd) 146,735 shares

October 31 (Thursday)
General Motors Acceptance Corp.______Debentures
(Morgan Stanley & Co.) $150,000,000

November 1 (Friday)
Intra State Telephone Co.______________Common
(Offering to stockholders—No underwriting) $893,300

November 4 (Monday)
Aerosol Techniques, Inc.______________Common
(Laird & Co., Corp.) 150,000 shares
Allright Auto Parks, Inc.______________Units
(Equitable Securities Corp) 20,000 units
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
Juniper Spur Ranch, Inc.______________Common
(V. E. Anderson & Co.) $300,000
Natural Gas & Oil Producing Co.__________Common
(Peter Morgan & Co.) $900,000
Ultronic Systems Corp.______________Common
(Bache & Co.) 150,000 shares

November 6 (Tuesday)
Southern Pacific Co.__________Equip. Trust Ctfs.
(Bids 12 noon EST) $8,970,000

November 7 (Thursday)
Georgia Power Co.______________Bonds
(Bids to be received) $300,000,000
Georgia Power Co.______________Preferred
(Bids to be received) $7,000,000
Mosler Safe Co.______________Common
(Blyth & Co., Inc.) 350,000 shares

November 11 (Monday)
Craft Master Corp.______________Common
(Fulton, Reid & Co., Inc., and William T. Robbins & Co., Inc.) 125,000 shares
Craft Master Corp.______________Debentures
(Fulton, Reid & Co., Inc., and William T. Robbins & Co., Inc.) $1,000,000

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 18 (Monday)
Missouri National Life Insur. Co.____Capital Shares
(Sterling, Grace & Co.) 103,500 shares
San Morcol Pipeline, Inc.______________Units
(Milburn, Cochran & Co., Inc., and Midland Securities Co., Inc.) $300,000

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

March 10, 1964 (Tuesday)
Potomac Edison Co.______________Bonds
(Bids 10 a.m. EST) $12,000,000

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—For new sales offices, advances to subsidiaries and working capital. **Office**—5150 Wilshire Blvd., Los Angeles. **Underwriter**—To be named. **Offering**—Indefinite.

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

● **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. **Note**—This registration was withdrawn.

● **First Railroad & Banking Co. of Georgia (10/24)**
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**—Expected in mid-Nov.

● **Florida Power Corp.**
Sept. 10, 1963 filed 457,265 common being 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** — $40. **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 Artists Corp. (10/22)**
Sept. 6, 1963 filed 150,000 common. **Price** — $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.

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.

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. (4th 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., (4th floor), New York.

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 du Pont 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. (10/28-31)**
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.

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).

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. **Underwriters**—Lee Higginson Corp., and White, Weld & Co., New York; William Blair & Co., Chicago.

● **Insurance Securities Inc. (10/23)**
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.**
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. **Offering**—Indefinitely postponed.

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. (11/1)**
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. Rights will expire Nov. 16. **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. **Note**—This statement has become effective.

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. (10/23)**
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-Raasco 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).

● **Juniper Spur Ranch, Inc. (11/4-8)**
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.

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.

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. **Offering**—Indefinite.

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

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insurance. **Proceeds**—For investment and eventual expansion. **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. (11/18-22)**
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, 1963 filed $10,000,000 (10,000 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**—Expected in early 1964.

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. **Note**—This registration will be withdrawn.

National Memorial Estates
Oct. 11, 1962 filed 4,750,000 common. **Price** — $1. **Business** — Company plans to engage in cemetery development and to establish and operate a life and disability insurance concern. **Proceeds**—For general corporate purposes. **Office**—13 S. Broadway, Red Lodge, Mont. **Underwriter**—Security Brokerage Co., Billings, Mont.

National Mortgage Corp., Inc.
Dec. 28, 1962 refiled $8,000,000 face amount certificates (series 20) and 300,000 common shares. **Price**—For certificates, $762; for stock, $1.15. **Business**—A mortgage loan company. **Proceeds** — For general corporate purposes. **Office** — 113 S. Hydraulic, Wichita, Kan. **Underwriter**—National Mortgage Agency, Inc., (same address). **Note**—This offering will be made only in the State of Kansas.

● **National Union Insurance Co. of Washington**
Aug. 12, 1963 filed 64,000 common being 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.

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

New England 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.

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.

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.

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 three 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. **Underwriter**—Consolidated Securities Corp., Pompano Beach, Fla.

● **O'Malley Investing Corp. (10/25)**
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 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**—Oct. 29 (8:30 a.m. PST), at above address.

Pacific Mines, Inc.
July 24, 1963 filed 100,000 common. **Price**—$1.50. **Business**—Company plans to explore iron deposits on its property. **Proceeds**—For mining operations, debt repayment and operating expenses. **Office**—1218 N. Central Ave., Phoenix. **Underwriter**—None.

Pacific 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 (10/22)**
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.

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.

● **Pocono Downs, Inc. (10/28-31)**
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.

Princeton Research Lands, Inc.
March 28, 1963 filed 40,000 common. **Price**—$25. **Business**—Purchase and sale of real property, chiefly unimproved land. **Proceeds**—For debt repayment, and acquisition of additional properties. **Office**—195 Nassau St., Princeton, N. J. **Underwriter**—None.

Provident Stock Fund, Inc.
April 11, 1963 filed 1,000,000 common. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—316 North Fifth St., Bismarck, N. D. **Underwriter** — Provident Management Co (same address).

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 (2:30 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.

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.

● **Ramo Inc. (10/28-31)**
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**—By amendment (max. $175.25 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.**
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.

● **San Morcol Pipeline, Inc. (11/18-22)**
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.

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. (10/21-25)**
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).

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.

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. (10/21-25)**
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.

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**—Indefinitely 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. (10/23)**
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.

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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 pari-mutuel betting. **Proceeds**—For debt repayment and working capital. **Office**—3 Penn Center Plaza, Philadelphia. **Underwriter**—Stroud & Co., Inc., Philadelphia. **Offering**—Indefinite.

Winslow Electronics, Inc.
Dec. 28, 1961 filed 125,000 common. **Price**—$4. **Business**—Design and manufacture of precision electrical and electronic measuring devices and test equipment. **Proceeds**—For debt repayment and other corporate purposes. **Office**—1005 First Ave., Asbury Park, N. J. **Underwriter**—To be named.

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.

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.

Issues Filed With SEC This Week

★ Bank Leumi le-Israel B. M.
Oct. 16, 1963 filed 1,793,750 ordinary shares and 5,147,500 "A" ordinary shares to be offered for subscription by stockholders on the basis of one new share for each two like shares held. **Price**—By amendment. **Business**—A general commercial bank. **Proceeds**—To increase capital funds. **Address** — Tel-Aviv, Israel. **Underwriter**—Kuhn, Loeb & Co., Inc., New York.

★ Carlon Products Corp.
Oct. 9, 1963 filed 304,293 common to be offered for subscription by stockholders on the basis of five new shares for each three held. **Price**—By amendment (max. $3.50). **Business** — Manufacture of extruded plastic pipe, and molded and fabricated plastic pipe fittings. **Proceeds**—For debt repayment, working capital, and other corporate purposes. **Address**—P. O. Box 133, Aurora, Ohio. **Underwriter**—None.

★ Central Mutual Telephone Co., Inc.
Oct. 11, 1963 filed 38,564 common to be offered for subscription by stockholders on the basis of one new share for each three held. **Price**—$23.50. **Business**—Company furnishes telephone service in Prince William, Stafford and Fairfax Counties, Virginia. **Proceeds**—For construction and loan repayment. **Address**—Manassas, Va. **Underwriter**—Folger, Nolan, Fleming & Co., Inc., Washington, D. C.

★ Charleston Rubber Co.
Oct. 3, 1963 ("Reg. A") 16,750 common. **Price** — $17.50. **Business**—Manufacture of special purpose safety equipment and electric utility, general industrial and scientific products. **Proceeds** — For a new plant and equipment. **Address**—Stark Industrial Park, Charleston, S. C. **Underwriter** — Johnson, Coleman, Manning & Smith, Inc., Charleston, S. C.

★ General Motors Acceptance Corp. (10/31)
Oct. 16, 1963 filed $150,000,000 of debentures due 1985. **Price**—By amendment. **Business**—A consumer finance company specializing in financing new products manufactured by General Motors Corp. **Proceeds**—For general corporate purposes. **Office**—1775 Broadway, New York. **Underwriter**—Morgan Stanley & Co., New York.

★ Grand Corp.
Oct. 7, 1963 ("Reg. A") 16,600 units, each consisting of five shares and a warrant to purchase one additional share. **Price**—$15 per unit. **Business**—Manufacture, development and sale of an installation tool, a repeater balling gun, and microprojector motivation kits. **Proceeds**—For debt repayment, inventories, advertising, and working capital. **Office**—5532 Harlan Arvada, Colo. **Underwriter**—Nemrava & Co., Denver.

★ Lansing Stamping Co.
Oct. 3, 1963 ("Reg. A") 6,229 common. **Price**—About $8. **Business**—Manufacture of metal forms for the automotive industry. **Proceeds**—For a selling stockholder. **Office**—1159 S. Pennsylvania Ave., Lansing, Mich. **Underwriter**—None.

★ Life Affiliates Corp.
Oct. 14, 1963 ("Reg. A") 55,000 class A common. **Price**—$5. **Business**—Company is an operating, holding and management company specializing in the life insurance industry. **Proceeds**—For working capital. **Office**—40 Exchange Place, N. Y. **Underwriter** — First Philadelphia Corp., New York.

★ Mosler Safe Co. (11/7)
Oct. 16, 1963 filed 350,000 common. **Price**—By amendment. **Business**—Manufacture of safes, bank vault equipment, and mechanical and electronic security products. **Proceeds**—For selling stockholders. **Office** — 320 Park Ave., New York. **Underwriter**—Blyth & Co., Inc., N. Y.

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."

Bradford Speed Packaging & Development Corp.
699,380 common being offered to stockholders of Atlas General Industries, Inc., parent, at $11.05 per share, on the basis of one Bradford share for each two Atlas shares held of record Oct. 14. Rights will expire Nov. 13. Burnham & Co., New York, is the principal underwriter.

Columbia Savings & Loan Association
125,000 shares of guarantee stock offered at $14 per share by White, Weld & Co., Inc., New York. (Issue was exempted from SEC registration.)

Dorchester Gas Producing Co.
$3,500,000 of 5½% subordinated convertible debentures due Aug. 1, 1975, offered at par plus accrued interest by Francis I. duPont & Co., Chicago.

Florida Power Corp.
457,265 common being offered to stockholders at $40 per share, on the basis of one new share for each 20 held of record Oct. 10. Rights will expire Oct. 31. Kidder, Peabody & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc., New York, are the principal underwriters.

General Acceptance Corp.
$20,000,000 of 4⅞% debentures due 1983, offered at 99.40% and accrued interest to yield 4.92% by Paine, Webber, Jackson & Curtis, and Eastman Dillon, Union Securities & Co., New York.

General Stone & Materials Corp.
130,000 common offered at $7 per share by J. C. Wheat & Co., Richmond, Va.

Jersey Central Power & Light Co.
$9,000,000 of 4⅝% debentures series due Oct. 1, 1988, offered at 101.262% and accrued interest to yield 4.54% by First Boston Corp., New York.

National Union Insurance Co. of Washington
64,000 common being offered to stockholders at $12 per share, on the basis of 1.78 new shares for each share held of record Oct. 14. Rights will expire Nov. 13. Ferris & Co., Washington, D. C., and McDonnell & Co., New York, are the principal underwriters.

Nevada Power Co.
$11,000,000 of 4½% first mortgage bonds due Oct. 1, 1993, offered at 99.186% to yield 4.55% by White, Weld & Co., Inc., New York.

Tennessee Life Insurance Co.
500,000 capital shares offered at $17.50 per share by First Southwest Co., Dallas.

Prospective Offerings

● Associated Truck Lines, Inc.
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. **Offering**—Indefinitely postponed.

★ Bank of the Southwest N. A. (Houston)
Oct. 16, 1963 it was reported that stockholders had approved a 2-for-1 split and the offering of 100,000 $10 par shares to stockholders on the basis of one new share for each 20 held of record Oct. 15. Rights will expire Jan. 6, 1964. **Price**—$45. **Proceeds**—To increase capital funds. **Office**—900 Travis St., Houston, Tex. **Underwriter**—None.

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); Halsey, Stuart & Co. Inc.; Blyth & Co.-Lehman Brothers-Salomon Brothers & Hutzler. **Offering** — Indefinitely postponed.

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.

★ Consolidated Foods Corp.
Oct. 10, 1963 it was reported that the company plans to offer publicly from 102,000 to 350,000 common shares, following the acquisition of Booth Fisheries Corp., on Jan. 15, 1963. **Business**—Consolidated is engaged in the manufacture of a wide line of food products and the operation of three retail food chains and one retail drug store. **Proceeds** — For acquisition of Booth Fisheries. **Office** — 135 So. LaSalle St., Chicago. **Underwriters**—Kuhn, Loeb & Co., Inc., and Lehman Brothers, N. Y.

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 sell $10,000,000 of bonds in the last half of 1964. **Office**—823 Walnut St., Des Moines. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; White, Weld & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Lehman Brothers; Blyth & Co.

Irving Air Chute Co., Inc.
Sept. 11, 1963 it was reported that the company plans to file a registration statement shortly covering $1,810,-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.

★ **Kansas City Power & Light Co.**
Oct. 16, 1963 it was reported that the company plans to sell $18-$20,000,000 of first mortgage bonds in January 1965. **Address** — 1330 Baltimore Ave., Kansas City, Mo. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.-First Boston Corp. (jointly); Lehman Brothers-Bear, Stearns & Co. (jointly); Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); White, Weld & Co.-Shields & Co. (jointly).

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.**
Oct. 16, 1963 it was reported that this subsidiary of Middle South Utilities, Inc., plans to issue $25,000,000 of bonds in second quarter of 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.**
Oct. 16, 1963 it was reported that the company plans to sell 30,000 shares of $100 par preferred stock in the first quarter of 1964. **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. (3/10/64)**
Oct. 16, 1963 it was reported that this subsidiary of Allegheny Power System, Inc., plans to sell $12-$15,000,-000 of first mortgage bonds due 1994. **Office**—200 East Patrick St., Frederick, Md. **Underwriters**—(Competitive). Probable bidders: W. C. Langley & Co.-First Boston Corp. (jointly); Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; White, Weld & Co.-Shields & Co. (jointly); Lehman Brothers-Eastman Dillon, Union Securities & Co.-Harriman Ripley & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly). **Bids**—March 10, 1964 (10 a.m. EST) at 320 Park Ave., New York.

Potomac Electric Power Co.
July 30, 1963 the company stated that it will need $50,-000,000 of new money in 1964 for its construction program and expects to do permanent financing in the early part of the year. However, it has not determined the amount or type of security to be offered. **Office**—929 E St., N. W., Washington, D. C. **Underwriters**—To be named. On Feb. 19, 1963 the company sold $50,000,000 of bonds to Dillon, Read & Co., Inc.; Lehman Bros., Eastman Dillon, Union Securities & Co.; Stone & Webster Securities Corp., and Johnston, Lemon & Co. Other bidders on the issue were Kidder, Peabody & Co.—Merrill Lynch, Pierce, Fenner & Smith, Inc.—White, Weld & Co.—Salomon Bros. & Hutzler (jointly); First Boston Corp.; Halsey, Stuart & Co.

Public Service Co. of Colorado
June 4, 1963 it was reported that the company plans to sell $35,000,000 of 30-year first mortgage bonds in April, 1964. **Proceeds**—For construction. **Office**—900 15th St., Denver, Colo. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Harriman, Ripley & Co., Inc.-Eastman Dillon, Union Securities & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc.-Dean Witter & Co. (jointly); First Boston Corp.; Lehman Brothers-Kidder, Peabody & Co.-White, Weld & Co. (jointly); Blyth & Co., Inc.-Smith, Barney & Co. (jointly).

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

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Sears' stock or would be required to divest themselves of it, if Sears' itself owned a mutual fund." Earlier, Allstate said that the fund would be in operation late in 1963 on a "very small scale," and would be started on a state-by-state basis as approval was granted. **Office**—925 So. Homan Ave., Chicago. **Distributor**—Allstate Enterprises, Inc., Chicago.

Southern California Edison Co.
Aug. 21, 1963 it was reported that the company plans to sell $50,000,000 of first mortgage bonds in the first quarter of 1964. **Office**—601 West Fifth St., Los Angeles. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.-Dean Witter & Co. (jointly); Blyth & Co.-Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc.-Salomon Brothers & Hutzler (jointly).

Southern Co.
Aug. 12, 1963 the company stated that it is considering the sale of $35 to $40,000,000 of common stock early in 1964 to help finance its $570,000,000 construction program. **Office**—1330 West Peachtree St., N. W., Atlanta, Ga. **Underwriters**—To be named. The last sale of common on Feb. 15, 1961 was made to a group headed by Eastman Dillon, Union Securities & Co., Blyth & Co., and Equitable Securities Corp. Other bidders were: First Boston Corp.-Lehman Brothers (jointly); Morgan Stanley & Co.-Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

Southern Counties Gas Co. of Calif.
Jan. 2, 1963 it was reported that this subsidiary of Pacific Lighting Corp., plans to sell $27,000,000 of first mortgage bonds in the fourth quarter. **Address**—P. O. Box 2736, Terminal Annex, Los Angeles 54, Calif. **Underwriters**—(Competitive) Probable bidders: White, Weld & Co.; Blyth & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Halsey, Stuart & Co. Inc.; First Boston Corp.

★ **Southern Pacific Co. (11/6)**
Oct. 15, 1963 it was reported that this company plans to sell $8,970,000 of 1-15 year equipment trust certificates. **Office**—165 Broadway, New York. **Underwriters**—(Competitive). Porbable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids—Nov.** 6 (12 noon EST), at above address.

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**—(Competiitve). 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. **Information Meeting**—Nov. 18 (11 a.m. EST), same address.

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 7⅓ 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.

Normal Growth Seen for Hawaii

Bank of Hawaii's annual economic forecast for Hawaii sees two possible soft spots more than offset by factors of strength to assure a normal year of business growth in fiscal year 1963-64. Long range view envisions strategic economic importance of the island state in its relations with Pacific Ocean countries. Report also documents dramatic changes in the Island's economy in the past decade.

The Bank of Hawaii's 1963 Annual Economic Report (just released) forecasts a normal year of business growth in the islands for fiscal 1963-64.

Two soft spots in Hawaii's economy are noted: (1) A leveling off in pineapple output due largely to the competition of low-wage foreign producers; and (2) a prospective moderation in construction during fiscal 1963-64 because the supply of housing, office space, and hotel rooms has caught up with demand—resulting in a gradual increase in competitive offerings.

Factors of Strength

These, however, are more than offset by factors of strength, including (1) a prospective all-time high this year in the dollar-volume of Hawaiian sugar; (2) continuing growth in manufacturing; (3) further expansion in public utilities and other basic services; and (4) substantial advances in tourism.

In respect to tourism, the report forecasts a 1963 growth over 1962 levels of 10 to 12%—indicating total tourist arrivals in excess of 400,000 and a dollar-volume of tourist trade totaling 165 to 170 million dollars.

As an over-all result of these varying rates of expansion, Bank of Hawaii's research department estimates a general advance for the economy of Hawaii of four to five percent during the fiscal 1963-64.

Six underlying trends continue to support growth: (1) The broadening of the base of the economy through the diversification of manufacturing, agriculture, and service enterprises; (2) The continued unification of the Islands, accompanied by improvements in business organization; (3) The integration of Hawaii with the mainland economy at progressively higher levels; (4) Continuing improvements in public utilities and other basic services; (5) A rising volume of investment in Hawaii; and (6) A growing population with increasing incomes and rising living standards.

Long Range Expansion

From a long-range point of view, the expansion of Hawaii's relations with countries bordering the Pacific has now become a developing and a clearly evident growth factor. As an example, eastbound visitors (from New Zealand, Australia, and the Pacific Far East) totaled only slightly more than 11,000 in 1955, but are estimated this year in excess of 100,000. This and other developing relations throughout the Pacific will make Hawaii a more cosmopolitan community—based on a technically more advanced, and a far more diversified, economy.

The 1963 report contains the usual factual and analytic sections for which it has become known, including (1) A detailed statistical table indicating the 1950 to 1962 growth of each of the many factors that comprise the economy (extending from population, labor force, and income through the various fields of production, services, trade, and finance to real estate and taxation); (2) A more detailed review of the 1962-63 developments in each of these fields; (3) An appraisal of the "business climate in Hawaii;" and (4) The traditional annual statement covering "Hawaii's account with the mainland and other areas."

Decade's Dramatic Changes

This account with overseas areas reveals some dramatic changes in the economy between 1952 and 1962. On the credit side are (1) A pronounced rise in defense and other Federal expenditures in Hawaii; (2) A 351.4% advance in tourist and crew expenditures; and (3) A 168.1% increase in payments made to Hawaiian investors in overseas areas. On the debit side are (1) A marked increase in imports into Hawaii; (2) A 106.6% increase in tax and other payments to the Federal government; (3) a 163% rise in payments for ocean freight and overseas travel of Hawaiian residents; and (4) a 185.7% increase in returns paid to overseas investors in Hawaii.

The report also presents three special sections. The first covers "The Growth Pattern of Hawaii's Economy," with particular emphasis on four basic periods of postwar development.

The second is an analysis of the economy by islands, indicating recent changes on each island and its outlook for fiscal 1963-64.

A special feature this year is a section on the postwar rise in "Invisible Exports" (which accounts for the title given the report—"Services as an Export for Island Growth"). This indicates that while commodity *imports* into Hawaii grew from $338 million in 1952 to $548 million in 1962 — commodity *exports* rose only from $239 million to $294 million. On the basis of overseas trade in commodities alone, Hawaii would thus have a negative balance of such magnitude that it quickly would become insupportable.

"Invisible Exports" however, rose from $356 million in 1952 to $748 million in 1962. These consist largely of goods and services that are sold within Hawaii for mainland dollars to the armed forces, to tourists, and to shipping and air lines.

In this, services play a large role. The increase in the "Export" of Hawaiian services thus has been and will continue to be an outstanding element of growth in Hawaii's postwar economy.

Named Branch Manager

MAPLEWOOD, N. J. — Jay N. Tabatchnick has been appointed manager of the local office of Halle & Stieglitz, 1808 Springfield Ave.

Whitman Branch

YAZOO CITY, Miss. — Whitman Securities Co. has opened a branch office at 315 East Madison under the management of Charles M. Dunn.

Now Frederick Entman

The firm name of Crosse & Co., Inc., 37 Wall St., New York City, has been changed to Frederick Entman Inc.

Now Milbrook Secs.

BALTIMORE, Md. — The firm name of Barrette & Co., Inc., 114 West 21st St., has been changed to Milbrook Securities Co., Inc.

With Ball, Burge

CLEVELAND, Ohio — Richard L. Johnson has been added to the staff of Ball Burge & Kraus, Union Commerce Building, members of the New York and Midwest Stock Exchanges.

TAX-EXEMPT BOND MARKET

Continued from page 6

School District (1964-1992) bonds up for sale on Oct. 10. The syndicate managed jointly by the *First National City Bank* and the *Marine Trust Co. of Western New York* was the high bidder at 100.-139% for a 3.10% coupon and the runnerup bid, 101.25 for a 3.20% coupon was made by the First Boston Corp. account.

Other major members of the winning account are Kuhn, Loeb & Co., Wood Struthers & Co., Dominick & Dominick, Brown Bros., Harriman & Co., Industrial National Bank of Rhode Island, and Kenower, Mac Arthur & Co.

Scaled to yield from 1.90% to 3.25% the present balance in account totals $1,903,000.

Current Week's Business

Friday and Monday were dull days in the underwriting business with no issues of general market importance on the schedule. Tuesday, however, was a banner day for new financing and commercial banks once again flexed their muscles and bravely bought all of the important loans. After another ruling by Comptroller of the Currency Saxon allowing National Banks to underwrite Revenue bonds the group managed jointly by the *First National City Bank, The Philadelphia National Bank* and *Continental Illinois National Bank and Trust Co.* was the high bidder for $35,000,000 Commonwealth of Pennsylvania State Highway and Bridge Authority Revenue (1964-1983) bonds at a net interest cost of 3.0327%. The runnerup bid, a 3.041% net interest cost, was made by the Drexel & Co. account. The third and final bid, a 3.048% net cost, was made by the Halsey Stuart & Co. syndicate.

Other major members of the winning group include First National Bank of Dallas, First National Bank of Memphis, Ladenburg, Thalmann & Co., Republic National Bank of Dallas, Seattle-First National Bank, Mercantile National Bank at Dallas, Banco Credito, Clark Dodge & Co., First National Bank in St. Louis, Industrial National Bank of Rhode Island, Henry Harris & Sons, National Bank of Commerce of Seattle, The National Shawmut Bank of Boston, National State Bank, Newark, New Jersey, Spencer Trask & Co., The National City Bank of Cleveland, City National Bank and Trust Co., Kansas City and the First National Bank of Miami.

The bonds were reoffered to yield from 1.95% to 3.20% for various coupons and demand appeared widespread, with all but $3,575,000 of the bonds taken.

The *Meadowbrook National Bank, West Hempstead, New York*, bidding alone, was the successful bidder for $7,325,000 Hempstead, New York various purpose (1964-1977) bonds at 100.132 for a 2.90% coupon. The second bid, 100.25 for a 3% coupon, was made by the First National City Bank and associates. The bonds were not reoffered.

Green Bay, Wisconsin awarded $3,100,000 corporate purpose 1964-1983) bonds to the account managed by the *Northern Trust Co.* at a 3.074% net interest cost. This bid compared favorably with the second bid, a 3.077% net interest cost, made by Halsey Stuart and Co. and associates.

Other members of the successful account are Harriman Ripley & Co., Braun, Bosworth & Co., Blunt Ellis & Simmons, Roosevelt & Cross, Mullaney Wells & Co., Loewi & Co., and Channer Newman Securities Co.

Reoffered to yield from 2.00% to 3.15%, the account reports an unsold balance of $465,000.

To make it a clean sweep for the banks on Tuesday the *Boatman's National Bank of St. Louis*, bidding alone, was the successful bidder for $2,900,000 Kansas City, Missouri School District (1964-1983) bonds at a net interest cost of 2.91619%. Here, as in the case of Hempstead, New York, the bonds could have been bought considerably cheaper from the second bidder. The First Boston group bid a 2.953% interest cost for this issue. Scaled to yield from 1.95% to 3.00% there were $600,-000 bonds left for public reoffering after the bank took care of its needs.

On Wednesday two sales worthy of mention sold at public bidding. The State of Vermont, an infrequent borrower and a state which carries the highest of credit ratings, awarded $6,200,000 various purpose (1964-1983) bonds to the *First Boston Corp.* and associates at a 2.82% net interest cost. The second bid, a 2.83% net interest cost was made by the Harris Trust & Savings Bank account.

Associated with the First Boston Corp. as major underwriters are Bank of America NT & SA, Mellon National Bank and Trust Co. and the National Bank of Detroit.

The bonds were reoffered to yield from 1.90% to 2.90% for all 2.90s and the present balance is $3,820,000.

This week's final sale to be reported involves $30,000,000 State of Louisiana Highway (1964-1988) bonds. The account headed jointly by the *First National City Bank* and *Halsey Stuart & Co.* was the high bidder at a net interest cost of 3.2969% and the runnerup bid, a 3.329% net interest cost, was submitted by the group managed by the Chase Manhattan Bank, C. J. Devine & Co. and Ira Haupt & Co.

Other members of the winning account include Chemical Bank New York Trust Co., Northern Trust Co., Harriman Ripley & Co., Kidder Peabody & Co., Kuhn Loeb & Co., White Weld & Co., Eastman Dillon Union Securities & Co. and Blair & Co.

Scaled to yield from 2.00% to 3.40% for various coupons, the account reports a balance of $19,-500,000 in syndicate as we go to press.

Oregon Taxpayers Rebel

In this period of expanding debt, budget and taxes the people occasionally are given an opportunity to express themselves on the general condition. Such an occasion was recently celebrated in the State of Oregon. The citizens of Oregon voted three to one against a $60,000,000 rise in state taxes. The measure would have increased the state income tax by about $50,000,000 with other tax increases. The defeat will mean that the $400,000,000 budget will be cut by about 14% as deficit operations are precluded by state law. It's a pity that there are no Federal overtones implied.

Hartzmark Adds

CLEVELAND, Ohio — William B. Benson has been added to the staff of Hartzmark & Co., Inc., East Ohio Building, members of the New York Stock Exchange.

We Wonder!

"Automation is a major factor in eliminating jobs in the United States at the rate of more than 40,000 a week.

"We must also keep in mind that automation is not only displacing people directly, but also indirectly through what are called 'silent firings' in reference to workers who would have been hired for jobs eliminated by automation.

* * *

John I. Snyder, Jr.

"Another myth that needs to be laid to rest is the belief that those who lose their jobs to automation can be retrained and put into other jobs requiring higher skills and paying more money. As studies have shown, automation is more likely to reduce rather than increase the demands for skills and aptitudes and, besides, many workers are just not retrainable, due to their levels of intelligence, education and age."—John I. Snyder, Jr., Chairman and President of U. S. Industries, Inc.

We wonder if our worker displacement problems would be so great were it not for the fact that monopolistic labor unions are able to exact higher and ever higher wages in the presence of declining demand for these skills.

Businessman's BOOKSHELF

Affluent Society—John Kenneth Galbraith—A Mentor Paperback—The New American Library, 501 Madison Avenue, New York, N. Y. 10022 (paper), 75¢.

Automated Data-Processing Systems—Principles and Procedures—Robert H. Gregory and Richard L. Van Horn—Second Edition—A new and revised edition of a tax offering a complete and comprehensive introduction to automatic data-processing systems used in business and accounting problems; the approach is directed to the student and layman, with no prerequisites or previous experience required—Wadsworth Publishing Company, Belmont, Calif. (cloth).

Basic Bibliography on Marketing Research—Hugh G. Wales and Robert Ferber — American Marketing Association, 230 North Michigan Avenue, Chicago, Ill. 60601, $6.

Consumers Advisory Council—First Report—Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402 (paper), 40¢.

Corporations in Crisis—Richard Austin Smith—A study of corporations which have had great difficulties with success, based on 50 case histories and giving an individual analysis of eight of the most significant crises in recent years — Doubleday & Company, 575 Madison Avenue, New York, N. Y. 10022 (cloth), $4.50.

Documents and Data for Estate Planning—Lawrence X. Cusack and Thomas J. Snee—A guide to assist attorneys organization and systematize planning for estate practice including a complete procedural system, sample forms, etc. —Prentice-Hall, Inc., Englewood Cliffs, N. Y., $15.

Exporting to Latin America: Problems and Opportunities for U. S. Small Business—Carl H. Madden—University Bookstore, Lehigh University, Bethlehem, Pa., $4.

Federal Tax Reform—Dan Throop Smith—McGraw-Hill Book Company, Inc., 330 West 42nd Street, New York, N. Y. 10036 (paper), $2.45.

Finance Facts Yearbook, 1963—National Consumer Finance Association, 1000 16th Street, N. W., Washington, D. C. 20036 (paper).

Fiscal Policy, Cycles and Growth—Michael E. Levy—National Industrial Conference Board, 845 Third Avenue, New York 22, N. Y. (paper), $2.50.

Freeman, October 1963—Containing Articles Perceptual Basis of Liberty, Great Britain is at Age of Economic Growth, etc.—Foundation for Economic Education, Inc., Irvington-on-Hudson, N. Y. 10533 (paper), 50¢.

Future of Federalism—Nelson A Rockefeller—An Atheneum paperback—Colonial Press, Inc., Clinton, Mass. (paper), 95¢.

Future of the Dollar: Prospects and Precautions—Guenter Reimann—International Reports, Inc., 200 Park Avenue, South, New York, N. Y. 10003 (paper), $21.

Government Finance: An Economic Analysis — John F. Due — Richard D. Irwin, Inc., Homewood, Ill. (cloth), $10.60.

Handbook of International Marketing—How to Export, Import and Invest Overseas—Alexander O. Stanley—A compendium of tested practices in overseas marketing designed to clarify the differences between domestic and international marketing techniques and to lay down precise guidelines to enable private enterprise to participate profitably in overseas markets—McGraw Hill Book Company, Inc., 330 West 42nd Street, New York, N. Y. 10036 (cloth), $17.50.

How to Make a Hobby Tax Deductible—Howard A. Rumpf—Alexander Hamilton Institute, 235 East 42nd Street, New York, N. Y. 10017 (paper), $2.50.

How Race Relations Affect Your Business—Theodore W. Kheel—A booklet designed to assist in coping with the problem of integrating a workforce — Prentice-Hall, Inc., Englewood Cliffs, New Jersey (paper).

How to Get an Executive Job After 40—Charles S. Miner—A volume designed to guide the seasoned executive in placing himself in a new job—Harper & Row, Publishers, Incorporated, 49 East 33rd Street, New York, N. Y. 10011 (cloth), $4.50.

Human Behavior and Life Insurance—G. Hugh Russell and Kenneth Black, Jr.—A guide for the insurance underwriter in understanding the motivation for purchase of insurance and the forces influencing the prospect's decision—Prentice-Hall, Inc., Englewood Cliffs, N. J. (cloth), $6.60.

Instalment Credit Computations for Yields, Charges, Rebates and Earnings—Nathan A. Batchker—Revised edition — Bankers Publishing Company, 89 Beach Street, Boston, Mass. 02111 (paper) $7.00.

Investment Club Way to Stock Market Success—Helen J. McLane and Patricia Hutar—A handbook on the organization and running of an investment club—Doubleday & Company, 575 Madison Avenue, New York, N. Y. 10022 (paper), 95¢.

Japan Economic Year Book 1963—Review of the economy, securities business, and Japanese industries—The Oriental Economist, Tokyo, Japan, $7.50.

Life Insurance Stocks: The Modern Gold Rush—Arthur Milton—Discussion of life stocks for growth—Citadel Press, 10 East 43rd Street, New York, N. Y. 10017 (cloth), $2.95.

Merriam - Webster Seventh New Collegiate Dictionary—Completely new edition containing 20,000 new words and new meanings, complete definitions with usage examples to illustrate fine shades of meaning; synonym paragraphs and etymologies; also contains special biographical and geographical sections, rules for spelling and punctuation; forms of address; abbreviations; etc.—G. C. Merriam Company, Springfield, Mass. 01102—in various bindings ranging from $5.75 for tan cloth with plain edge to $15.00 for pigskin.

Nickel: An Historical Review—F. B. Howard-White—An account of the development of the use of nickel from early times to the present day—D. Van Nostrand Company, Inc., 120 Alexander Street, Princeton, N. J. (cloth), $6.95.

Popular Financial Delusions—Robert L. Smitley—Roland Swain Company, Philadelphia, Pa. (paper), $3.95.

Punctuate It Right!—Harry Shaw — An authoritative quick-reference guide to modern punctuation —Barnes & Noble, Inc., 105 Fifth Avenue, New York, N. Y. 10003 (paper), $1.25; cloth, $3.75.

Rural Electrification Administration: An Evaluation — John D. Garwood and W. C. Tuthill—American Enterprise Institute, 1012 14th Street, N. W., Washington, D. C. 20005 (paper), $1.

Title Insurance Companies—An investment review—Philo Smith & Co., Inc., 1 Atlantic Street, Stamford, Conn.—$10.00.

WASHINGTON AND YOU

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

WASHINGTON, D. C.—Out in Winnipeg, which claims to be Canada's fourth largest city, there was an air of optimism a few days ago in this metropolis just 60 miles above the border of the United States.

The capital of Manitoba Province is the greatest wheat center in the Americas. Canadians in the lobby of the city's Fort Garry Hotel, and in the city's outstanding stores of the Hudson's Bay Co. and Eaton's, were discussing Canada's $500,000,000 wheat sale to the Soviet Union.

Officials of Winnipeg and bankers in the city agreed that the wheat sale is going to be the biggest economic shot in the arm for Canada's Prairie Provinces in years. Some bankers, however, were a little apprehensive that the big sale would bring on a mild round of inflation in Canada before next spring.

Nevertheless, there was agreement that the sale of a half billion dollars worth of Canadian wheat would prove to be a good thing for the Canadian economy which needs an uplift at this time.

Back in the great wheat growing states of the United States there is more than passing interest in what the future held in wheat sales of our country to the Soviet bloc.

If the Soviet bloc of countries buy as much of the surplus United States wheat as it is hoped for by many wheat farmers, it will have a marked economic effect in the wheat growing states.

A few days ago an informal spot check showed there was keen interest in favor of wheat sales to Russia and her Communist bloc countries out in North Dakota, South Dakota, Nebraska and Kansas, and there was a great deal of interest in our No. 1 corn and hog state of Iowa.

A Bigger Topic Than Wheat

While agriculture and livestock is the economic life blood of these states, the people out in this vast area were discussing other things of interest to them including the quintuplets at Aberdeen, S. D., and the political fortunes of President John F. Kennedy and a Republican Senator named Barry Goldwater.

Out in this region where there are tremendous herds of white-faced Herefords and black Angus cattle on the ranches for hundreds and hundreds of miles, the ranchers and the farmers were talking politics and about the big crop of ringed-necked pheasants in South Dakota.

Goldwater's Popularity

At Bismarck, where the towering State Capitol could be seen for miles away, an official ventured the expression that North Dakota's delegates to the Republican Convention are certain to be for Senator Goldwater. "Yeah—there's no mistake about that," he said. "We have a Democratic Governor (William Guy) in office now, but this is a Republican state."

This was the same story in effect told by a rancher as he ate a stack of hot cakes and sausages in the Patterson Hotel at Bismarck.

At Fargo, the largest city in North Dakota which is separated from Minnesota by the Red River, a qualified observer expressed the conviction that Governor Nelson A. Rockefeller has "little or no following at all in this part of the state."

At Grand Rapids, where the Northwest Orient Airlines makes its final stop in North Dakota before landing shortly thereafter at Winnipeg, there was a prediction by a local businessman on the plane that the big First District of North Dakota was getting ready to elect a Republican to the U. S. House of Representatives in a special election to succeed the late Republican Congressman from this District, Hjalmer Nygaard.

In the little town of Strasburg, N. D., of perhaps less than 1,200 people, there is a big sign on the highway between Bismarck and Pierre that welcomes visitors to the "home town of Lawrence Welk," the band leader. The little bus that plies between the Capital cities of North and South Dakota stopped at 16 communities along the way and delivered mail to the post offices. When it stopped at Strasburg some farmers were gathered at the post office.

"I guess that most of the Republicans around here would take Goldwater if they had their choice," said one of them. "And there are a few that would like Governor Romney of Michigan. There might be some Rockefeller supporters among the Republicans, but I have not heard about it."

In Pierre (pronounced Peer) the small capital city, the South Dakota real estate people were holding their annual convention where they discussed farm prices, rising interest rates, and some politics on the side as they met at the Holiday Inn Motor Hotel and the St. Charles Hotel.

There was a substantial amount of Goldwater sentiment at Rapid City, the Mountain Time Zone city of Western South Dakota and in the Black Hills country.

In the Cornhusker Hotel at Lincoln, Neb., and in the restaurant at the skyscraper Capitol a few blocks away, Nebraskans were excited over the unbeaten Cornhusker football team of the University of Nebraska.

"Goldwater is the apparent choice of most Republicans in this state," said the man as he sat on a high-legged stool drinking a cup of coffee.

Doubtful Rockefeller Supporter

"I'll support Rockefeller if he is nominated, but I don't think he is going to get the nomination," said a Nebraska matron as she and some other folk were attending a conference at the Sheridan Frontenelle hotel in Omaha, a big, bustling, prosperous looking city.

In Iowa where some of the fine black agriculture land sells for $300 an acre, if you can get it, the farmers control state politics. The finances of the State government are healthy as usual, and there is interest in the national political scene.

The conservative wing of the Republican party in Iowa is out lending vocal support to Senator Goldwater. Some of the top leaders of the party in that state are already seeking to get things in line for the Arizona senator for the San Francisco convention.

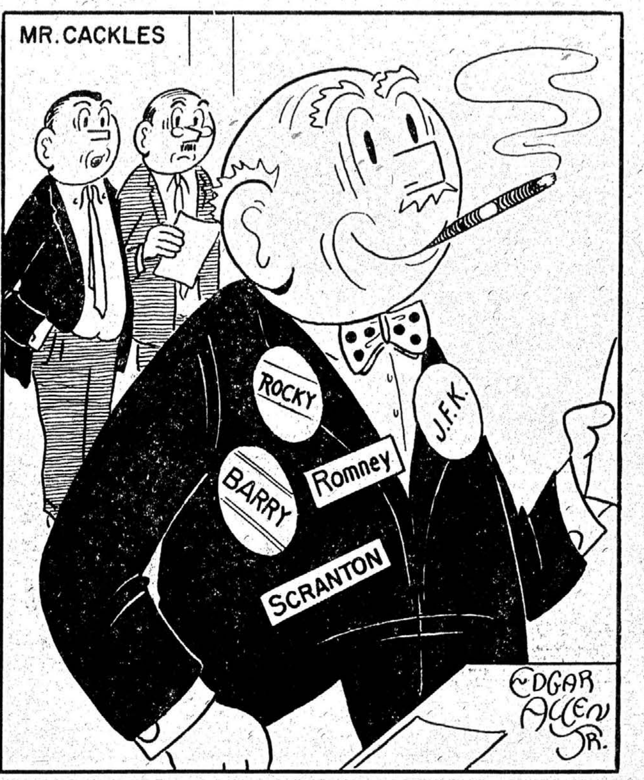
Here in the Nation's Capital, I. Lee Potter, the Republican staff member who heads the GOP's "Operation Dixie," maintains that the South is definitely Goldwater territory. If the election was held tomorrow between Mr. Kennedy and Mr. Goldwater, the senator would win the South, declares Mr. Potter.

Speculation About Lyndon B. Johnson

Meantime, the latest wave of political speculation in Washington concerns the possibility of President Kennedy dumping Vice-President Lyndon B. Johnson as his running mate next year.

Apparently there is no sound basis for the speculation, but it is making the rounds. President Kennedy probably will be called upon soon to answer the speculation. The President in all likelihood will say there is nothing to the rounds of rumors and speculation.

[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.]



"Personally, I think he goes a little too far to avoid offending a customer."

COMING EVENTS

IN INVESTMENT FIELD

Oct. 17-18, 1963 (Atlanta, Ga.)
Georgia Security Dealers Association fall party—dinner at the Top of the Mart, Oct. 17; outing and dinner at the Standard Club Oct. 18.

Oct. 17-18-19, 1963 (New York City)
National Association of Investment Clubs annual Convention at the Statler Hilton Hotel.

Oct. 20-24, 1963 (Bal Harbour, Miami Beach, Fla.)
National Association of Bank Women 41st annual convention at the Americana Hotel.

Nov. 13-15, 1963 (Chicago, Ill.)
American Bankers Association First National Automation Conference at the La Salle Hotel.

Nov. 20, 1963 (New York City)
Association of Stock Exchange Firms Annual Meeting of members for election of new officers and governors; Governors' Dinner at the University Club.

Dec. 1-6, 1963 (Hollywood Beach Fla.)
Investment Bankers Association of America Annual Convention at the Hollywood Beach Hotel.
CHRONICLE's Special Pictorial Supplement Dec. 19.

Dec. 2-3, 1963 (New York City)
National Association of Mutual Savings Banks 17th Mid-Year meeting at the Commodore Hotel.

April 8-9-10, 1964 (Houston, Tex.)
Texas Group Investment Bankers Association Annual Convention at the Shamrock Hilton Hotel.
CHRONICLE's Special Pictorial Section April 30.

Apr. 22-23-24, 1964 (St. Louis, Mo.)
St. Louis Municipal Dealers spring party at the Chase Park Plaza Hotel and Glen Echo Country Club.

May 16-24, 1964 (New York City)
National Association of Mutual Savings Banks 44th Annual Meeting at the Commodore Hotel.

Oct. 12-16, 1964 (Coronado Beach, Calif.)
National Security Traders Association Annual Convention at the Del Coronado Hotel.

Dec. 7-8, 1964 (New York City)
National Association of Mutual Savings Banks 18th Annual Mid-Year meeting at the Commodore Hotel.

May 17-18-19, 1965 (Washington, D. C.)
National Association of Mutual Savings Banks 45th Annual meeting at the Washington Hilton Hotel.

May 16-17-18, 1966 (Philadelphia, Pa.)
National Association of Mutual Savings Banks 46th Annual meeting at the BellevueStratford Hotel.

May 22-23-24, 1967 (Boston, Mass.)
National Association of Mutual Savings Banks 47th Annual meeting at the Hotel America.

Joins Townsend, Dabney

BOSTON, Mass.—Samuel D. Doggett has become associated with Townsend, Dabney & Tyson, 30 State Street, members of the New York and Boston Stock Exchanges. Mr. Doggett was formerly with A. C. Allyn & Co. and Bond & Goodwin Inc.