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EDITORIAL

As We See It

New Frontiersmen are apparently beginning to worry seriously about prices. Costs have, of course, been rising for a good while past, and the major factors in that increase have long been familiar, to all who take the trouble to inform themselves, but these circumstances have not troubled minds in Washington, or have not troubled them enough to give rise to action in the premises. Despite these well-known increases in costs, the cause and the remedy for rising prices, so word from the discussions of economic advisors in and about the Administration seems strongly to suggest, are to be found elsewhere. We have, so it would seem, an "oligopoly" in our industry, and hence "imperfect competition" even if no violation of the antitrust laws. "Administrated prices" is the current diagnosis, and somehow that is a sin of the larger corporations. So far the remedy has been largely an effort to arouse public opinion to the point of causing the offenders to wise and relent and refrain. What is to come next the future must disclose. "Investigations" now under way have an ominous appearance.

Suppose we leave these strange terms with which current conditions are being described to the sayants who coined them. Some plain everyday facts are much more likely to provide a basis for understanding the events which seem to be causing uneasiness in Washington. First, the matter of costs. Despite all the efforts of management, costs of providing the goods that are being demanded by the forward-looking politicians are continually rising! If we may accept the figures of the Department of Commerce—the so-called implicit deflator factor applied to producers' durable equipment—the cost of adding one unit of pro-

Mortgage Banking Companies Are Vital Housing Market Factors

By Richard P. Finn, Marshfield, Mass.

Mortgage banking companies have come of age fast in "risky health" with many publicly-owned firms, most of whose stocks are available only in the OTC Market, reaching the cash dividend stage. Ascher Finn documents the reasons for the rising acreage of, and respect accorded to, mortgage companies and mortgages by investors, and he tabulates pertinent financial facts of 13 representative firms. Analysis anticipates no rise in mortgage rates in the coming months; credits mergers and establishment of mortgage subsidiaries for strengthening the industry; explains major sources of earnings and how to go about valuing mortgage company policies and rates excellent to national providers of funds who would make funds available; should mortgage money become scarce.

Mortgage banking companies are a little understood but important segment of the financial industry. By providing a national market in residential and commercial housing loans, they permit institutional investors to buy mortgages in any part of the nation with a minimum of bother or risk. In essence, they funnel money for mortgages from areas of "plenty" to areas of "need."

The field is another of the many going through a consolidation phase. Although there are more than 1,000 mortgage firms, fewer than 30 service loan portfolios of more than $2 billion. However, between 1950 and 1960, the dollar volume of new loans originated by the industry doubled. Since World War II, the gain is about eight-fold. According to the Mortgage Bankers Association of America, the industry services more than half of all FHA and VA-backed loans and about one-fifth of total mortgage debt outstanding.

Contrary to the view of some, 1963 monetary moves are not expected to have any appreciable effect on this growth trend. Miles L. Coleen, outstanding mortgage authority, said recently that the only uncomfortable impact of the Federal Reserve Bank's discount rate hike in July on builders and mortgage companies is a possible rise in the cost of borrowing for construction purposes and for carrying mortgages in the process of sale or awaiting delivery.

No rise in interest rates on mortgage loans is foreseen due to the absence of the following factors: (1) Rising rate of government borrowing; (2) substantial increase in private long-term borrowing volume; (3) decline in institutional savings; (4) sufficient increase in short-term rates to attract funds from long-term investments. Mr. Coleen also noted that proposed taxes on funds invested in new foreign securities issues would tend to keep dollars from flowing abroad, hence augment the already ample supply of savings for domestic investment.

Present and prospective conditions in the financial markets indicate a continued flow of mortgage funds. All types of savings media—life insurance companies, savings and loan associations, mutual savings banks, commercial banks and pension funds—have been eagerly bidding for mortgages. "Incidentally, the action of the Federal Reserve Board to permit member banks to raise to 4% the interest paid on short-term savings deposits and savings certificates of less than one year's maturity and the corresponding move by the New York Banking Commission to free the rate of interest paid by mutual savings banks should do much to maintain the attractiveness of mortgages to these institutions," Mr. (Continued on page 4)

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DAVID N. GOLDMAN

The Story of Quality of a Money-Maker of Many Years

Combined Insurance was incorporated in 1949 and has paid a cash dividend to its stockholders in each year beginning with 1950. But of more importance to stockholders is its record of Stock Dividends—paid in each year since 1953 as follows:

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<td>1953</td>
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Furthermore stockholders can probably look forward to continued dividend payments at least until capitalization reaches 10 million shares. At present there are six million shares of common outstanding.

A $2,250 investment in 100 shares of Combined Insurance five years ago (Jan., 1958) would have grown to 600 shares worth $2,500, Oct. 1983. This is an increase of 800% on stock dividends alone. . . . a "miracle of compounding capital."

Combined Insurance ranks eighth among some 800 firms underwriting individual accident and health insurance and this is primarily due to the efforts of its President, W. Clement Stone. Mr. Stone is considered to be one of the leading authorities in the sales motivation field. His book "Through a Positive Men¬tal Attitude" and "The Success System That Never Fails" have influenced some 760,000 sales representatives. His statements to stockholders are full of energy and enthusiasm. . . . 1968 has been a most successful year and 1969 will be even better. We know there is going to turn disadvantages into advantages. . . . Give the service the people want at a price they can afford to pay.

These expressions promote faith and confidence on the part of stockholders. But it wasn't until recently Mr. Stone came forth with a forthright state¬ment. He publicly stated in effect that if the company loses a dis¬pute with the Internal Revenue Service, he personally would pay the 15% deficiency levy on the tax due out of his own pocket, because he did not believe that minority stockholders should suffer.

The growth pattern has con¬tinued in 1963. For the six month period ended June 30, sales have increased 17% and net income 10%—with the usually better recognized second half of the year forward to plans call for the company to enter the accident and health field through a joint-venture. As a result, eventually, long range plans call for selling on a worldwide basis. Combined Insurance is presently licensed to sell throughout the United States, Puerto Rico, Guam, Virginia Islands, and Foreign. Russia. In 1963, the company enjoyed an increase of 25% in profits and a dividend of 5%. In 1964, it is expected that there will be a further increase and the dividend will be raised in recognition of the growth. To date, 1964 is off on a basis of 200%.

Dominican Republic and parts of Australia.

New Schedule of NYSE Listing Fees

The New York Stock Exchange has announced the establishment of a new schedule of listing fees to take effect Jan. 1, 1964, to re¬place the present schedule which was adopted in substantially its present form about 25 years ago. The changes, although simplifications in the new schedule incorporate a number of simplifications in the existing schedule, are expected to result in a considerable reduction in the cost of corporate stock. The new schedule will result in an overall decrease in revenue to the Exchange.

This new schedule will eliminate fee charges for simple changes in corporate name and par value, reduce fees where simple changes in state of incorporation or re-incorporation occur, base fees on the actual number of shares issued rather than using blocks of 10,000, 25,000, and 50,000 shares, and reduce or eliminate multiple billing dates for annual fees.

In effect to offset the elimina¬tions and reduction of fees resulting from the new schedule, the initial listing fee in the $30,000 to $1,000,000 share bracket will increase from one-half of a cent to one cent per share and the maximum continuing annual fee will be increased from $500 to $1,000. This will mean that the maximum fee for any company in initial fees will be $1,500 and for continuing annual fees $500.

Another feature of the new schedule gives credit for the growth in the number of shares outstanding from less than 1% to 1% in 1938, and the maximum number of shares outstanding at the present time. This a new fee bracket for shares outstanding above the 300 million level has been created providing for an initial fee at the rate of one-eighth of a cent per share.

Other Stockholders

The Commercial and Financial Chronicle... Thursday, November 7, 1963

ON NEWSSTANDS

We are pleased to announce that the "Chronicle" is now also available on newsstands in the major cities throughout the country.

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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.)
Four Investment Areas
Which Warrant Preference

By Sidney B. Lurie,* Partner, In Charge of Research, Josephthal
& Co., New York City

Four attractive investment areas are described within the context of the
optimistic assessment of the broad forces said to be ushering in another era of
great expectations—for the economy and the stock market. The author's paper
reflects his 30 years' well known experience on the subject. Mr. Lurie is a
former President of the New York Society of Security Analysts and was one of the
first to pioneer the profession at a time when analysts were statisticians and
were barely tolerated in the overheard. He has lost none of his perspective as
evidenced by his observations wherein he chastises financial apologists for
not applying to themselves some of the critical standards they apply to the
corporations they judge, and for neglecting the public in favor of institutional
sales. Mr. Lurie stresses the need for market timing and sees no sign of a major
top notwithstanding the presence of some debilitating factors.

Ten years ago, when I had the honor of being President of the
New York Society of Security Analysts, I opened our first regional
convention with the observation that we were living in an era that could
go down in history as the fabulous 60's. Fabulous as the 60's were—

-some of the reasons for my
discipline now is little different from what it was when I was...-

Sidney B. Lurie

* — My basic philosophy now is little different from what it was when I was...-

In a word, to paraphrase a comment that might be made by Boston's most distinguished friend or neighbor—this is an economy and stock market of great VIGAH. Best proof that we are constantly being treated to something new and different—to exciting changes—and I don't mean Mrs. Kennedy's latest hair-do. Just think for a moment if you will, of the great implications and expectations which could develop from the communications world's inability to feed itself. ... From the very fact that our capitalist society has demonstrated it's inherent strength and resiliency so well, in times of world-wide stress and strain. We may be on the threshold of an entirely new phase which features growing world trade and declining defense expenditures.

A very wise man once said that if he could sell his experience for only half what it cost him, he would be a millionaire. I am not trying to sell anything. Rather, all I would like to do is share some of the lessons I have learned—

Continued on page 22

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B. S. LICHTENSTEIN

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Mr. May's column was not available this week.

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Mortgage Firms: Vital Housing Market Factors

Continued from page 1

Colson points out. In mortgage banking itself, the trend toward large, national concerns is being helped by mergers and acquisitions. Many aggressive and well-financed members of the industry find this a ready avenue to wider geographical vistas. Two large California mortgage banking firms are cases in point. The Colwell Company, within the last two years, has made its operations statewide by acquiring Peninsula Mortgage Co. and General Mortgage Co. Palomar Mortgage solidified its position in the important outer San Francisco area by taking over Real Estate Mortgage Co. and Mortgage Service Co. In Florida, another prime area for mortgage investment, both Stockton, Whitley, Davin & Co. and Alstro Financial Corp. have increased their coverage of the state through acquisitions. Even on a regional basis, mortgage firms have strengthened themselves by consolidating.

Associated Mortgage Companies, Inc., Washington, D.C., is set up in 1963 to establish a nationwide mortgage banking holding company, and started by acquiring three mortgage firms operating in the Mid-Atlantic States and recently acquired a national mortgage brokerage concern. Collectively, the firms had more than doubled their revenues and nearly tripled their net income in the four prior years. The wedding gave the company the first big increase in bank borrowing capacity—a key facet of mortgage lending—and broad diversification of its areas of operations and related businesses including real estate development, insurance and home improvement loans.

Growth of publicly-owned mortgage firms, most of whose shares are traded in the Over-the-Counter market, has caught the attention of other types of financial concerns. Wallace Investments, Inc., diversified Dallas real estate investing firm, entered the field in 1961 by acquiring Institutional Mortgage Company and recently bought Lomas & Nettleton Company, New Haven, Conn. for $5.0 million. Atlas Commercial Co., specializing in home and commercial property modernization loans, acquired on 80% interest in Colonial Mortgage Service Co., Upper Darby, Pa. last fall for $5.8 million. Early this year, the interest was increased to 98%. Colonial Mortgage's servicing portfolio amounts to nearly $400 million.

Trend Toward Mortgage Subsidiaries

Crawford Corporation, Balon Rouge, La., which is engaged in home building and development of commercial properties, operates a mortgage subsidiary, Crawford Home Loan Corp. Savings and loan holding companies and commercial banks are also becoming increasingly mortgage subsidiary eyes to Midwestern Financial Corp., Boulder, Colorado, controls both Kaseier and Company and Ingleis Mortgage Co. San Diego Imperial controls State Mortgage Company, an active California participant. Recently, Union Bank of Los Angeles took over servicing of more than $50 million in California mortgage loans by acquiring the assets of Crookley Mortgage Company, Los Angeles. Crookley is mortgage loan correspondent in six Southern California counties for Mutual Life Insurance Co. of New York.

The mortgage banker's trump card is that except on a temporary basis, he avoids investing his own money. He originates mortgages—finds a borrower, completes the mortgage documents—funnels the loan for sale to institutional investors. After that, he "serves" the loan for the investor by collecting the monthly payments, paying property taxes, arranging for insurance coverage, etc. For this, a "serving fee" is received. This is usually one-half of 1% on residential mortgages and one-eighth to one-quarter cent on apartment and commercial mortgages.

On a mortgage with a $10,000 balance, this means a service fee of $50. An origination fee is also received, either from the borrower or the investor. Home improvement loans are also lucrative for mortgage firms. Colwell has over $10 million in such credits, raking from 5% to 11%.

Sources of Income

The five major sources of income for mortgage companies are:

1. Fees obtained from servicing mortgages, which provide a continuity of earnings over the life of the mortgages serviced. Fees also rise with the size of the mortgage company's portfolio.

2. Origination fees plus services performed in connection with mortgage processing. Profits may also result from the sale of mortgages. For instance, in a rising mortgage market the firm may be able to sell the loan at a higher price than it committed before the mortgage property was constructed. Or a loan may be sold without servicing, in which case a higher price is received to compensate for loss of future income in servicing.

3. Interest income on "warehouse" mortgages for future use. Here the mortgage firm profits doubly—interest on its own capital invested and profits from the difference between the mortgage and interest rate and the short-term bank rate on mortgages pledged as collateral for bank loans.

4. In construction loans, the mortgage companies lend the builder funds until the structure is completed and eligible for permanent mortgage. Funds advance come partly from the company's own cash balances and from money borrowed from banks. The mortgage company also earns interest on the money and makes a profit on the interest spread between the bank rate and the construction loan rate.

5. Many mortgage bankers operate insurance agencies in connection with their businesses, taking placing insurance coverage when requested by borrowers.

Other sources of income may include home improvement loan income, profits on real estate development, property management fees, etc.

Like any industrial company, a mortgage operation has key financial indicators which show how well its lending activities are working. One way the success of a mortgage company's heart can be checked is through bank statements. Under average conditions, the volume of a mortgage banking firm will be roughly 140% of the firm's total bank borrowings.

Judging Equity Values

As Ira Colson stated in these columns not long ago, analysts have developed methods for figuring the value of mortgage companies. The methods vary; the companies have only common stock in their capitalizations, as a mortgage company's assets have a book value with added allowance of about 15% of the mortgage volume. Thus, if a mortgage company had a book value of $2 million, and $100 million of mortgages, the book value is $1.15 million ($2 million mortgage services, 140% of $1.15 million). However, the stockholders' equity on a mortgage company is not the same as the mortgage volume, nor is it related to the volume of mortgages outstanding. Dividing this book value number by the outstanding shares, would give a rough approximation of net worth per share.

The mortgage servicing portfolio, which provides about half of a mortgage company's net income, is partly a projection of future servicing income. This is important because it gives a clue as to future earnings. Growth in mortgage servicing portfolio may mean a return to results in any single year. A vance Mortgage Company's servicing portfolio has grown from $55.7 million in fiscal 1953 to $405 million at present, up 133% over 1962 alone. Meanwhile, Advance's net income has pushed from $15,000 to $828,000. Associated Mortgage Companies boosted its servicing portfolio from $229 million to $440 million in fiscal 1962 while net income over the same span rose from $180,672 to $700,600 estimated for 1963.

Colwell has its servicing portfolio vault from $190 million at the end of 1957 to $680 million as of June 30, 1963. Mortgage Company also has a servicing portfolio of $700 million which had ballooned its servicing portfolio, by 59% between fiscal 1959 and 1963, and posted a 25% gain to $136 million in the last year.

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Even on a current basis, the growth in the size of firms is impressive. Since apartment, commercial or industrial building is still a large part of this year's development, more for completion, current mortgage commitments are underwriting new applications of commercial mortgage closings for the following year. Some companies have increased by more than $100 million worth of mortgages in a single year. For instance, Advance Mortgage closed $144.4 million for the fiscal year ended April 30, 1963. Associated closed $171.7 million during fiscal 1962. Colwell closed $90.1 million worth of mortgages in the first six months of 1963 alone.

Relations With Institutional Investors

Another strong point of mortgage companies is that their relationships with institutional investors tend to be quite durable. The longer the list of institutional investors the mortgage banker has, the more resources the correspondent has for growing mortgage loan volume at competitive rates. If mortgage money is scarce. Many leading insurance companies, commercial banks, savings and loan associations are working closely with mortgage firms. Many financial firms are the fast-growing of all financial institutions, are also actively bidding for mortgages, both government-backed and conventional, because they can obtain from them higher yields than can be obtained from bonds. Small Business Investment Companies are still another source of business. In fact, Business Funds, Inc., a well-known SBIC, was established partly by the titan of the mortgage industry, privately-owned T. J. Colwell. (Colwell was chairman of the Houston, Texas, Better handles a servicing portfolio worth over $1 billion. A mortgage company needs all the peaches and cream in the mortgage industry. The quality of mortgage colliers or not open to question. Open end loans, for example, may be used for purposes as real estate, as boats, small college tuition or furniture.

Dr. Saul Klamann, research director of the National Association of Mutual Savings Banks and an outstanding authority on mortgages, SBIC, was increase in the outstanding volume of mortgage debt cannot be attributed entirely to the mortgage activity. The number of construction starts...
on one- and two-family houses fell from 1.6 million in 1960 to 1,090,000 in 1961, then rebounded to 1.0 million again last year. Home loans secured by one- to four-family houses increased by $10.4 billion in 1960, $11.7 billion in 1961 and $15.4 billion in 1962.

Non-Mortgage Borrowing

How does he explain this? Larger average loans are a factor, along with second mortgages, home improvement loans, sales of existing properties. But so too does borrowing for other purposes, Dr. Klamen points out that as the home owner's equity in the house increases over the years, the amount that can be borrowed grows.

And mortgage borrowing costs usually are lower than for unsecured personal loans. Repayment periods are invariably longer as well. This means that making various loans together into a mortgage will probably reduce monthly payments.

Foreclosures, although they are symptomatic of a relaxation of credit restrictions, are probably not as serious as many believe. Foreclosures are rising but the period used for competitive purposes makes a world of difference. This year, there will be an estimated 100,000 mortgage delinquencies compared to virtually none in the early postwar years. But Oliver Jones, Mortgage Bankers Association economist, notes that "Foreclosures arise out of a comparison of current delinquency figures with a remarkable period of history when total employment, inflation and rising prices existed in a period of a death of housing." He points out that there were 252,400 foreclosures in 1933 on a much smaller base. He also states that the FHA is demanding better credit reports and many lenders are asking for more equity.

Another bothersome problem is the mortgage company's reliance on Federally-backed mortgages. To date, conventional mortgages, which are arranged directly between the bank and the borrower, have fallen outside his sphere. Yet FHA and VA-insured mortgages provide a far safer cut of the mortgage pie. Many feel that the Government will never again reach the importance it had in the field of mortgage lending right after the Great Depression. Thus, mortgage bankers may have to find a way to tap the conventional mortgage market.

However, the commercial banks themselves may solve this problem. Experts say that in the next housing boom, it will be necessary for commercial banks to invest as much of their time deposits as possible in mortgage credit. This means that many of these banks will be using the services of mortgage firms for the first time. While some large commercial banks will undoubtedly perform the mortgage servicing functions themselves, the net result should be increased business for mortgage banking organizations.

Ruddy Health

All in all, then, the picture for the industry is one of ruddy health. With excellent earnings progress evident, many of the publicly-owned firms are reaching the cash dividend stage. Advance Mortgage, for example, made its first cash payment since 1952 this June and established a quarterly five cent payment rate. A 3% stock dividend was also made. Associated Mortgage Companies made its initial quarterly cash disbursement of $0.08 per share less than three months after going public and paid a second quarterly dividend of $0c a share in October. Alco Financial, among others, began paying cash dividends in 1962. Several others are paying annual stock dividends in lieu of cash.

There can be little question that mortgages are being accepted by a rising tide of investors. This is reflected by the very low spread between FHA-insured mortgages and U. S. Government bonds. Mortgage firms, too, are becoming greater resplendence both by the institutions using their services and investors hunting for growth tied to the population explosion. The chances are that nothing in the foreseeable future will change this favorable trend. In the words of one observer close to the picture, "efficient mortgage companies have yet to experience their greatest growth."

Maxwell, Franklin Elects Darnall

Thomas S. Darnall, Jr. has been elected a Vice-President and Director of Maxwell, Franklin & Co., Inc. 45 Wall St., New York City, members of the New York and American Stock Exchanges.

Mr. Darnall has been associated with the institutional department of the organization.

With Parsons & Co. CLEVELAND, Ohio—Edward E. Parsons III has joined the staff of Parsons & Co., Inc., East Ohio Building.

MORTGAGE LOANS

RESIDENTIAL - CONSTRUCTION

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MORTGAGE LOAN CORRESPONDENT

Detroit and Michigan for

Major Investors

SERVING PORTFOLIO

$260,000,000,000

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We were the original organizer of and principal underwriter for:

ASSOCIATED MORTGAGE COMPANIES, INC.

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SPECIALIZING IN WEST COAST SECURITIES,

we have acted as investment bankers for:

Mitchum, Jones & Templeton

Specializing in West Coast securities,
Tax-Exempt Bond Market

BY DONALD D. MACKEY

The state and municipal bond market continues to have the broadest base on improved business developments.

New Jersey's Huge Bond Proposition Rejection

The supply of state and municipal offerings seems not likely to reach the record levels of recent years. On Election Day the volume of issues up at referendum averaged only $1,550,000,000 which is reported as the smallest volume up for a vote since World War II. The November vote involved one proposition: $750,000,000 State of New Jersey issues for highways, schools, colleges, etc. Details concerning the use of the money were not explicit and the manner of payment was unusual since it meant paying off the New Jersey Turnpike bonds by 1972 from revenues thereafter applied to debt service on the large issue or issues in question. The interest cost involved $500,000,000 or more.

The proposition was roundedly defeated by marked strides of television, radio and newspaper in its furtherance. The alternative to this usual proposal seems likely to be a more comprehensive spending proposal as New Jersey now has neither a sales tax nor any tax on real estate is needed but political obstruction has precluded the proper approach.

Citizens' Revolt?

One of the conclusions that can be drawn from the defeat of a monstrous public financial proposal is that the New Jersey citizenry is impatient with loose spending. With long-term public debt, budgets and tax rates increasing at confiscating levels, voters are beginning to evolve individual discrimination to a degree that may be in the politicians' own interest view of the mass reaction.

The Jersey vote has shown a thoughtful independence, despite the political allegiances involved. The statistical propositions on the same ballot handily passed up the voter in his interest. It is already evident that fiscal responsibility will be progressively demanded by a majority of the people.

Calendar on Light Side

The new issue calendar now appears lighter than it has been since early September. Scheduled tax-exempt offerings for public sale through November total less than $3,500,000. The average offering is considerably more than this amount for weeks.

The market is in the midst of the period to which is added is the $82,765,000 New York State Housing Finance Board's 1964-1965 issue slated for refinancing by a syndicate managed by Phelps, Fenn & Co. and W. H. Morton & Co. about Nov. 20.

Dollar Bonds Easier

The long-term toll road bond, public utility and issue revenue issues have been quieter during the first quarter of the year. Quotations on these have not changed much but the entire list has been under renewed pressure and on the easy side.

The Chronicle's revenue bond yield table shows 3.55% on Nov. 6 as against 3.564% a week back. This represents a good quarter point loss over their list of 23 actively traded issues.

Recent Awards

1. The new issue calendar due to the Election Day holiday was the least busy of the year with only $48,265,000 of bonds up for public sale. Completion to buy these loans was marked at levels which were slightly lower than in previous weeks. A feeling prevails among underwriters as dealers grappled for levels, while general investor demand did not once again appear in volume. Last Thursday there were two issues worthy of comment.

2. The account managed by Equitable Securities Corp. was the successful bidder at a 3.477% net interest cost for $2,016,000 Owensboro, Ky., 1964-1968 revenue (1964-1968) bonds. The runner-up bid, a 3.454% net interest cost was made by the First U.S. Corp.

3. Other major winners of the winning syndicates were Albright Brothers, J. B. L. Hilliard & Son, Merrill Lynch, Pierce, Fenner & Smith, Smith Barney & Co., Smith, Barney, Broke & Co., Alger & Co. and Graham & Conway.

4. State yields from 2.35% to 3.30% press time balance in syndicates totaling $223,000.

5. The Lonepine Regional High School Board, State of New Jersey, New Jersey awarded $1,575,000 1964-1969 bonds to John Neece & Co. and associates at 100.132 for a 3.33% coupon. The second bid, 100.101

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

November 7 (Thursday)

Albany Port District Municipal Building Construction, N. Y., $1,500,000
Bloomingfield & Tenka Ins., N. J., $1,177,000
Boisier Part, Sch. Dist. No. 13, La., $1,500,000
Boston, Mass., $6,600,000
Brookhaven UFSD No. 24, N. Y., $2,695,000
Cook Co., Ill., $20,000,000
Denver, Colo., $4,700,000
Eastern Illinois Univ., Bldg. & Imp. & Refunding, Ill., $9,750,000
Woodford Co., Ky., $4,250,000

November 8 (Friday)

Philadelphia, Pa., $3,800,000

November 10 (Sunday)

East Side Union H. S. D., Calif., $1,250,000
Hampton Tp., Mich., $4,000,000
Maryland (State of), $3,270,000
Sacramento, Calif., $3,270,000
Alamance Co., N. C., $1,750,000
St. Peter Sch. Dist. No. 388, Minn., $1,465,000
Wake Co., N. C., $4,600,000
Woodford Co., Ky., $1,500,000

November 11 (Monday)

Atlantic City, N. J., $3,175,000
Boling Test Sch., Dist., Mich., $3,780,000
Hamilton Twp., N. J., $1,000,000
Lancaster Tp., Pa., $1,000,000
Playground Dist. No. 4, La., $1,000,000
Jefferson Par. East Bank Cons.
Sewagewater Dist., Pa., $1,750,000
Oklahoma Co. Ind. School District No. 89, Okla., $3,000,000
St. Clair Co., Belleville Tp., H.-S.
Coll. Dist., Ill., $1,040,000
Schenectady, N. Y., $1,860,000
$1,265,000
Refunding, Calif.

November 12 (Tuesday)

Brazoria Co. Bd. Dist., Texas, $2,350,000
Dear Lake City, Water Auth., Tex., $1,400,000
Ipsil., D. F., S. D. No. 5, N. Y., $1,000,000
Lake Orion Comm. S. D., Mich., $2,000,000
Pittsburgh, Pa., $8,000,000
Philadelphia, Pa., $31,800,000

November 13 (Wednesday)

Atlantic City, N. J., $1,375,000
Bolting Dummy Sch., Dist., Mich., $3,780,000
Hamilton Twp., N. J., $1,000,000
Lancaster Tp., Pa., $1,000,000
Playground Dist. No. 4, La., $1,000,000
Jefferson Par. East Bank Cons.
Sewagewater Dist., Pa., $1,750,000
Oklahoma Co. Ind. School District No. 89, Okla., $3,000,000
St. Clair Co., Belleville Tp., H.-S.
Coll. Dist., Ill., $1,040,000
Schenectady, N. Y., $1,860,000
Schenectady, N. Y., $1,860,000
Washington Bldg., Iowa, $1,265,000

November 14 (Thursday)

Grafton & Cedarburg Joint School Dist. No. 1, Wis., $1,080,000
Iowa State University, $16,000,000

November 15 (Friday)

Arapahoe County Sch. Dist., Colo., $1,175,000
Flatwoods, Ky., $1,125,000
Livingston Tp., N. J., $1,000,000
Montgomery Co. Comm. Control & Water Cons. Dist., Calif., $12,900,000
North Brooklyn Thrsp., N. Y., $3,900,000

November 16 (Saturday)

Columbus, Co., N. C., $1,000,000
Modesto City S., Calif., $1,000,000
Pennsylvania Co., N. Y., $1,000,000
Philadelphia, K., $32,850,000
Raleigh Util. Co., Okl., $1,000,000
Rockefeller Bldg., B. D. No. 4, Minn., $1,200,000
Santa Cruz, Calif., $6,853,000
Washington H. S., N. Y., $5,000,000
Weber St. Coll. Ogden City, Utah, $2,365,000

November 19 (Tuesday)

East Bay Municipal Dist., Calif., $2,365,000
Hartford Co., Metro Dist. Cons., $5,800,000
King Co. Benton S. D. No. 403, Utah, $2,569,000
New York State Housing Finance Agency, Univ. Const. & Expan. Revenues, $62,765,000

November 20 (Wednesday)

New York State Housing Finance Agency, Univ. Const. & Expan. Revenues, $62,765,000

November 21 (Thursday)

Alexandria City Tp., Va., $2,800,000
Broward Co. Fla., $2,000,000
Cedar Rapids, Iowa, $1,450,000
King Co. Benton S. D. No. 403, Utah, $2,569,000
Labrador, Conn., $24,000,000
New York State Housing Finance Agency, Univ. Const. & Expan. Revenues, $62,765,000

November 22 (Friday)

Bowling Green, Ky., $10,000,000
Bristol, Calif., $5,000,000
Brooklyn, Calif., $5,000,000
Minnesota, State Refunding & Sch. Loans, $3,400,000
Pasadena Unit., S. D., Calif., $3,000,000
Praiseworthy Resurgence Of Convertible Preferreds

By Dr. Ira U. Cohnleh, Economist

A review of the decline in the popularity and issuance of preferred shares for many years, and comment on the current resurgence of interest in the convertible variety.

Forty years ago preferred stocks were quite fashionable. They represented then (as now) a sort of hybrid security, not the insecurity of the priority of a bond, but affording more protection than common stocks; and, as a result, providing a higher yield than either. Underwriting and public sale of preferreds was a big business in the 1920s—with sizable emanations in the rail, industrial and utility categories. It was not at all uncommon for preferred stocks in those days to yield 2% more than a bond in the same company; and income-minded investors often placed a substantial percentage of their holdings in preferred stocks. Some issues were sought for their non-callable features—Eastman Kodak 7%; United States Steel 7%; Virginia Carolina Chemical 6%; Ibanez a few.

Cumulative Feature

A feature of preferred shares that proved most attractive to earlier investors was the cumulative provision. It seemed so reassuring to know that if conditions prevented the payment of preferred dividends in any year, the subject corporation was obligated to pay it up later on, as and when earnings and cash position might permit. People little suspected in the Roaring Twenties that, within a decade, hundreds of these preferred issues would be "in arrears," and that many companies would spend 10 to 20 later years catching up on these back dividends, or offering new securities in adjustment. Some companies of course, never did make the grade and went bankrupt. The classic example of the above was Rutland Rail Road 7% preferred, which accumulated a shortfall of over 100% in back dividends and finally gave up the ghost.

Issued in Reorganization

Even though many companies finally paid off their accumulated dividend arrears, and, in many cases, retired their preferred stocks, this class of security lost popularity. The dividends proved unpayable in many instances; market prices dropped; and the anguished waiting, for years, for dividend resumption and payment of accruals wore out the patience of thousands of investors. Accordingly, with the exception of operating utility companies, which have consistently met preferred issues to provide a certain balance in their corporate structures, (and have had an excellent record of dividend payments) new offerings of preferred stock dwindled. For 20 years after the Great Depression some of the largest issues were created not by new flotation but as a result of corporate reorganizations. It was not only the erratic dividend record of preferred stocks, the structural limitation in their sharing of profits, and their failure to "go up" when the rest of the market did, that caused them to go out of style. Corporations found that preferred stock no longer served effectively their financing needs. Debt securities had the advantage over preferred in having their interest deducted before taxes. Bond interest could be arranged at a lower rate than preferred dividends. Both of these features—the tax benefit and smaller payments for use of money—created more leverage and higher earnings for common stockholders; so preferreds lost ground to bonds and debentures in corporate finance, until quite recently.

The Lure of Conversion

Within the past five years we have witnessed a great resurgence in the popularity of preferred stock, but not the old fashioned or plain variety. Today the vogue is for the convertible preferred combining, in an attractive way, the virtues of a senior security with the potential for gain inherent in common stocks. Almost all of these attractive and diverse new convertibles have come to market as the result of mergers. Here they fit neatly into the tax regulations and make a "package" most attractive to shareholders in the company selling out, or being merged.

If a sale is effected for cash or face amount indebtedness, the transaction (to the seller) becomes immediately taxable as a capital gain. A preferred stock is, however, regarded as an equity, and offer of such as compensation in a merger is regarded as an exchange of equities and not taxable unless or until the new security is sold (which sale may not take place for years, if ever). Not only is there a tax benefit, but obviously the convertible preferred is a stronger security, less subject to market fluctuation, (and more acceptable to borrow on) than a common stock. Further, in most instances the yield on the new preferred will be actually higher than on the related common stock.

Finally, the stockholder of the selling company still has a chance for market gain long after he has "sold out," even though conversion price is somewhat above the prevailing market for common, at the time of exchange.

With this capitated comment on the dual attractiveness of the convertible equity, we submit below 10 interesting issues. All but Consolidated Edison and SCM were created by merger.

The accompanying tabulation will provide you with a diversified shopping list of convertible preferred stocks. You may find in it, for example, the following: (1) making defensive investments in today's markets, (2) salting away market gains, (3) landing on a conservative launching pad for participating in potential market gains in the future. In this kind of convertible the market—now you—out the top up!

Named Schroder Rockefeller V-P.

H. L. Fates has been elected vice-president of Schroder Rockefellers and Co., Incorporated, utility brokers of New York, City, it was announced by James E. Marden, president of the investment banking firm. Mr. Fates was formerly vice-president of Manhattan Storage and Warehouse on a conservative launching pad in New York City and more recently has been vice-president of finance of Southwest Forest Industries, Inc., of Phoenix, Ariz.

Reynolds Appoints J. J. O'Brien

John J. O'Brien III has been named regional manager of the southeastern Florida offices of Reynolds & Co., members of the New York Stock Exchange. This has been announced by Mr. Reynolds.

Eaton Manufacturing Company

has acquired the assets and business of The Yale & Towne Manufacturing Company through Eaton's newly organized subsidiary

Yale & Towne, Inc.

Eaton Manufacturing Company

has acquired the assets and business of

The Yale & Towne Manufacturing Company

through Eaton's newly organized subsidiary

Yale & Towne, Inc.

Kuhn, Loeb & Co. Incorporated
The Swiss Franc Loan
In Great Britain

By Paul Emsig

Symptoms of the internationalization of currencies today, and the
consequent search for financing markets with the lowest rate for
loans, is the recent 60 million Swiss franc loan in the London market
for the City of Copenhagen. The Swiss authorities and foreign banks
tails for small countries like Switzerland which do not want to be
exposed to the pressures which result from having a reserve cur-
rency, have already taken steps in Switzerland to stem the tide.

The Swiss authorities may not appear logical. On the one hand
they are doing their best to dis-
courage and divert an unwise
indulgence in foreign capital, whether
in the form of short-term bank
deposits or long-term investment
in real estate or industrial prop-
erty. On the other hand, when
such an occasion arises for ridding
themselves of some of the un-
wanted foreign capital, they try
to prevent a capital flight.

The inconsistency is, however,
more apparent than real.
The Swiss authorities are any-
thing but keen on the idea of
developing the Swiss franc into
a reserve currency. They have
referred the disadvantages suffered by Britain and the United
States from the role of holding dollar as reserve currencies, the
Swiss authorities would prefer to allow the franc to take such a role.
Their argument is that it would not do for a small country to be
liable to the adverse consequences arising from the international un-
certainty.

All this is perfectly under-
standable and the attitude of the Swiss authorities deserves
sympathy. The interruption of the closer co-
operation between Central Banks
by this incident is, however, all
the more deplorable since only
two years ago the Swiss autho-
rities played a very constructive
part on the occasion of the dollar
crisis that followed the revolu-
tion in Egypt. When they were
in trouble themselves, the Swiss
had pursued the policy of standing aside and allowing specu-
lators in Zurich, Basle and
Geneva to do their worst without
questioning their flow of repatriate their activities. But in 1961 they
turned a new leaf and rendered a valuable service to the cause of
stability. The change of attitude would have deserved encourage-
ment.

Swimming Against the Tide

Having said all this, I have to add that, in trying to prevent the
London loan transaction in Swiss francs, the Swiss authorities are in
fact swimming against the tide. The basic trend is towards
an increasing internationalization of finance. As far as short-term
funds are concerned, this end has been largely attained through
the development of the markets in Euro-dollars and other Euro-curr-
rencies. A stage has been reached at which it is evident that at
least a small number of big enough to be able to deal in Euro-
currencies is in a position to bor-
rrow staged in the foreign cur-
rency in which it is cheaper to
do. It is also a small fraction to
lend in the centre and in the foreign currency in which it can
obtain funds. These developments have produced maturities for Euro-currency transactions that are lengthening
and, though not in excess of a few years is still a matter of difficult negotiations. The loan transaction
in Swiss francs for 10 to 20 years is an attempt to apply the inter-
national principle to much longer
maturities. It is an isolated trans-
action but it does indicate the
trend. I am convinced that in
much less than ten years such
transactions will become a mat-
ter of normal routine. This may
to entail disadvantages to the cur-
rency in which operations are
carried out. The monetary autho-
rities of the countries concerned
have the remedy in their hands
in the form of the adoption of
exchange restrictions. So long,
however, as they feel that the ad-
vantages of freedom in exchanges outweigh disadvantages, they may
think it worth their while to put
up with the latter. Even so,
friendly cooperation between
monetary authorities could and
should aim at mitigating those
disadvantages.

Eaton & Howard Officers Speak

Boston, Mass.—Three vice-
presidents of Eaton & Howard
Inc., Boston-based sponsor
and manager of Eaton & Howard Bal-
anced Fund and Eaton & Howard Stock Fund, addressed leading
security dealers in a series of meet-
ings in the Midwest and South
that began in Cincinnati on
Sept. 30.

The speakers included Franklin
Johnson, Eaton & Howard gen-
eral counsel; S. Whitney Bradley,
national director of sales, and
William H. Gassett, economist and
vice-chairman of the Investment
Committee.

Franklin R. Johnson, William H. Gassett

Other major cities which heard
the Investment industry leaders
were Louisville, Ky.; New Orleans,
Nov. 1; Kansas City se-
curity dealers will be addressed
on Nov. 12.

Mr. Gassett told the dealers that "one reason why the current
recovery has not had more power is the statement provided by the market
drop of May 1962. While "high
level stages have been associated
with that period, it only served
to postpone the upward momentum which began in February 1961."

"Increasing demand for durable
goods, rise in average family in-
come, growing obsolescence in
plant and equipment, increase in
search and development ex-
enpes, improvement in our
international competitive position
and progress being made in re-
forming our tax structure all point
expansionary tendencies in Gross National Product for 1964," Mr. Gassett said.

The Eaton & Howard economist estimated that corporate profits
will be up to 5% and that be-
cause of accelerated depreciation the tax rate will show an even greater gain. "This
should allow," he stated, "a con-
tinuation of the same degree of
liberality of dividend payments
that has prevailed during the
recent past. The profits outlook is
becoming more favorable than it has been since the consolidation phase
began seven years ago."

At the Louisville meeting Mr.
Johnson said: "Two important
studies have been completed and
reviewed by the SEC—the Whar-
go Shool Report and Chapter
XI of the SEC Special Market
Study."

"On these criticism," he stated "was that of high pressure selling
by inadequately trained men. As
you all know, the NASD has recently stiffened its requirements for
those who would enter the securi-
ties business and this is something
that all of us can and should
welcome. But, with the possible
exception of간정한 표준, an
enforcement. The SEC has no
knowledge of any leg-
ality as a result of these
moves. It would further seem that
problems which need atten-
tion can be met by rules or regu-
lations of the NASD, the Ex-
changes and the Commission
itself, and our industry will be
actively cooperating in the formu-
lation of them. If then these are
the end results from two of the most
searching investigations in our
memory, this should be a source of comfort to the securities indus-
try generally and when in-
vestors become aware of this,
their confidence should be further
enhanced.

Eaton & Howard, Inc., one of the
nation's largest investment man-
agement firms, will celebrate its
80th anniversary next year.

Shipley Joins
Cuttenden & Co.

Los Angeles, Calif.—Forest W.
Shipley, a veteran stock trader of
over 25 years in Southern Califor-
nia, has joined the trading
department of
Cuttenden & Co., Inc., 818
South Spring Street, it was
announced by W. W. Cut-
tenden, Jr., President.

"Ship" as he is called by his contempo-
raries, has managed trading
departments in Los Angeles since
1940, for Quincy Cares Associates, Morgan & Co., and Marache & Co. He will
trade a list of OTC securities with
which he has long been identified
and will round out the Cuttenden &
Co., OTC operations headed
by Bob Dietel.

Cuttenden & Co., Inc., has
direct private wires to Asiel &
Co., New York, and to their own
offices in Chicago. They are ac-

cive Specialists on the Midwest
Stock Exchange, and a member of
the Pacific Coast Stock Exchange.

Joseph F. Seagram & Sons, Inc.,
has purchased the properties
of Texas Pacific Coal and Oil
Company for a consideration of $60,579,443, subject to a
rescued production payment of $216,000,000.

The undersigned acted as financial
advisor to the buyer.

Carl M. Loeb, Rhoades & Co.

November 4, 1963.
The Prospects For Oils Exceed Expectations


Exceeding optimistic expectations, the oil industry is back in the exclusive growth trend club and gives every indication of favorable prospects for the next seven years. Supporting this sanguine forecast, Mr. Fournon outlines encouraging facts from unimportant matter of world-wide prices, and details fundamental factors placing the domestic petroleum industry in a healthy position to generate a more loyalty of oils to heavily congested, but still lucrative, sidelines. The Wall Street oil analysts concludes oils are selling behind the market and are still relatively attractive. He lists five well-furnished years for investment, if the market is right, into the "so-called" good money, should result in fewer price wars and a generally favorable price structure.

Abrad, European demand has been running at a better level than expected and the growth rate in Europe, ranging up to 15% annually, appears to be continuing. The disruptions caused by the sit-down strike are bearing less of a less negative factor. The expectations that free foreign demand could reach or slacks somewhat has not materialized. Totalized foreign demand is likely to show an 8% to 10% yearly growth.

U. S. A. Demand Up and Out

In the United States, the industry appears to be back on its growth trend and the statistics so far to be made and observed even the most optimistic expectations. As a matter of fact, total demand is 3.6% higher than last year, which compares with many estimations of about 3% in addition. Of particular significance is the strong upturn in gasoline demand, which has reached 3.9% for the year to date and has shown an especially large 5.3% gain for the third-quarter. Total demand for all products in the third-quarter also reflects the 1.7% level, having reached a level 5.8% higher than the comparably quarter last year. For those who generally fear the negative implications of exca crude oil production capacity, they also reflect on the fact that domestic drilling activity currently is at a 12-year low and is still relatively a downward trend. It may be well to ask the question as to the future status of the In- and next seven years. To satisfy even conservative estimates of growth in demand, it will be necessary for this country to provide for two billion barrels per day more crude oil production than the current rate of about 8.8 billion barrels per day, or at least 11.3 billion barrels.

Favorable Outlook Abroad

The outlook abroad is even more noteworthy. Free foreign demand, now about 12.6 million barrels per day, is expected to require conservatively another 4 to 5 million barrels daily. In other words, the combined need in the free world over the next seven years will amount to about 8.5 billion barrels per day of required new crude oil production. This increment is nearly equal to all of current U. S. production or, under the most favorable situations, the equivalent of a million barrels per day of new production in each of the next seven years. We should reflect on the fact that it will not be easy to find a new Libya

$12,500,000
The Pillsbury Company
4 3/8% Promissory Notes due 1988

This financing has been arranged privately.

Goldman, Sachs & Co.
Piper, Jaffrey & Hopwood

November 1, 1963.
Confidence in Government...
The Magic Key to Progress

By Edward Jerome Dies, Washington, D.C.

A great body of voters is said to be fast attaining a broader perspective of good government. Mr. Dies hopes that the march of conservatism now taking place does not fizz out. He deplores Welfare for the weak and anti-trust suits for private business in disguise. The writer cites harm resulting from unbridled government spending and managing of the economy in comparing the record of how sound government provided necessary confidence to bring about real progress.

Across the far reaches of the land business executives and commodities are searching with singular dilgence to find the nation’s probable material health and financial stability in the year 1964. This is no simple task. Yet it is essential to forward planning and must be done even in the face of impendable that almost defy analysis.

What makes it most difficult to bring the economic future into clear focus is the disturbing number of serious national and international situations involved. For example: Will the administration at last reluctantly attack the shaky dollar problem and stop the outward flow of gold? Will the Asian countries’ staggering deficits be halted. Will the tax structure be soundly overhauled? Will the raw power of labor unions go unchallenged. What of spreading currency, what of foreign trade, and what of Cuba, America’s pet son? The threat to the future strivings for light in the business horizon.

A general sampling of sentiment reveals both lights and shadows. For example, the comment that on the whole the American economy is sold as a rock and easily capable of full employment expansion over an extended period of time — but only under far more favorable politico-economic conditions.

The offer is on the table the good offer to be the source of the nation’s prosperity. The firm has moved its offices from 14 Wall Street to larger quarters at 25 Broadway Street, and has added 20 persons to the New York staff. In the past Schwabacher has operated through a one-man clearinghouse. But the effective Dec. 1, the firm will handle its own clearings.

The New York Stock Exchange will provide much of the necessary funds for clearing and delivery to securities clients. Mr. Cahn said. The new office will be in the Bankers Trust Building.

For the New York operation reflects the growth of California and the West, where Schwabacher has operated through a number of partners and account executives, the expansion of its investment banking activities and of its municipal department.

The New York office of Schwabacher & Co. deals primarily with institutional investors, and plans are underway to expand the firm’s London affiliate.

Swabacher has had a New York office since 1930. This year the firm has its headquarters in San Francisco and offices in Los Angeles and Honolulu. It is a member of all the principal securities and commodity exchanges.

Swartz in Providence PROVIDENCE, R.I.—Arthur Swartz is engaging in a securities business from offices at 15 Kingsgrove Avenue.

This is not an offer of these securities for sale. The offer is made only by the Prospectus.

180,000 Shares of Beneficial Interest
(Limited Voting Power—Without Par Value)

SHAKER PROPERTIES

Price: $15.00 Per Share

These securities are not being offered in or from the State of New York as no Prospectus has been filed with the Department of Law of the State of New York.

Copies of the Prospectus may be obtained from the undersigned.

MCDONALD & COMPANY

November 4, 1963

This page is a part of the Commercial and Financial Chronicle, Volume 190, Number 6314, published on 1967-01-11. The text is a continuation of the article "Confidence in Government... The Magic Key to Progress" by Edward Jerome Dies. The article discusses the current economic climate and the need for government confidence to bring about real progress. The text also mentions Schwabacher & Co., which is expanding in NYC, and Shaker Properties, a company offering shares for sale in Providence, RI. The page contains financial and business-related content. The text is formatted in paragraphs and includes references to specific companies and economic conditions.
The report of this committee deals chiefly with questions of banking districts and mergers. If the commercial banks can agree among themselves and if the interest-dividends program of the Banking Department, the attitude of the savings banks will be an affirmative one. By the same token we shall support any moves on the part of state-chartered savings and loan associations to be accorded the same privileges which are extended to mutual savings banks.

Branching for Savings Banks

One aspect of the New York State Bankers' committee report should have special attention. They state that "The number of offices of insured commercial banks in the State increased from 1407 in 1950 to 1934 in 1962. During the same period the number of offices of savings banks in the State increased from 174 in 1950 to 219. This increase of more than a twelve year period commercial banks opened more offices with new and with 95 new ones opened by savings banks. Their new branch record is more than five and one-half times as many. While the committee recommends that "liberalization of the general branching policy be delayed until after the proposed policy liberalizing mergers has been adopted and its effects evaluated," I assume they refer only to commercial banks. During such a moratorium the savings banks should be accorded the privilege of following their depositors to sub-divide the State in order to occupy a few of the convenient corners that may be still available. If this Committee really means their statement, "we believe strongly in a vigorously competitive banking system," further branch privileges for savings banks would seem to be one way to achieve their objective.

To achieve anything approaching certainty there is another area to which we must give attention. Only 18 of the 50 states have mutual savings banks, and that 64 of the 100 United States Senators have no savings bankers among their constituents. The idea of permissive federal charters for savings banks is originated in New York State and we have supported the National Association in proposing a three chief reasons: First: Savings banks alone among major financial institutions have power to avoid it. Second: Expansion into non-branching state banks would be facilitated. Third: If state authorities refuse to expand our privilages, there is another alternative rather than folding our tents. Although I am heartily in favor of permissive federal charters, I hope that all state chartered institutions will so strengthen their status that we can progress in our own sections. Cumbersome as it may be to start a new state chartered mutual savings bank, let us not adopt a defeatist attitude. They did it in Alaska, and it could be done in other states. In the remainder of this paper I will present the contributions which savings banks make to the economy of New York State, but trends and goals may be, and will, without some of the forces which will determine our destiny.

Supplies Bank of Mortgage Income

At present the population of our state is approximately 17.4 million people. It takes a prodigious amount of thought to imagine that many people. Dwellings and commercial buildings represent a material capital. Who supplies it? New York State savings banks have invested over 11.9 billion dollars in mortgages on properties within the state. This is more than the total amount of mortgage loans made by the three other major financial institutions in New York State combined, savings and loan associations, commercial banks, and life insurance companies.

With two exceptions recently have savings banks had the opportunity to make student loans. This is done for the youth of our state in that brief period? At Sept. 30, 1963, savings banks have invested $20,000 in mortgages of 1970. No greater contribution can be made to the growth of our institutions. A national institution which can make personal loans to young married people can attract these potential customers to their doors.

Mercier's been made to the volume of student loans made by savings banks. In 1962, there were 30,000 college students in the state. By 1970 the number is expected to rise to 80,000 in part-time students, the number will go from 40,000 to 200,000 in 1970. No greater contribution can be made to the progress of our state. For five days, the three years of the assistance to our young people as they seek the benefits of higher education.

Meeting Today's Needs

As population grows it is obvious that additional housing will be essential. Our best estimate is that the new units must be provided in New York State by 1970, because of mortgage requirements will amount to about $14 billion. Will the savings banks which now provide over one-half the residential mortgage money in New York be able to meet this challenge?

Let's take a look at some of the prospects. At the end of September, 1963, current due depositors in New York State savings banks was $25.3 billion. This was an increase of $8 billion over the past seven years. Present trends, and assuming the provision for the nationalize branching powers, it seems reasonable to expect that a seven years will amount an increase of $12.5 billion, bringing the total close to $38 billion. Added American savings banks will be able to deposit in increases will be repayments on existing mortgages which will amount to at least $14 billion in seven years. If we are to achieve our hopes, it looks as though the new savings banks could continue to carry their share of residential financing in the years ahead. We have some left for other types of investments.

Some Words of Caution

While we could be optimistic, there are a few words of caution. We cannot control entirely our own destiny, and there are possibilities that mutual savings banks are viable and dynamic institutions.

In summary, the Banking Board resolved the regulation of interest on interest dividends paid by our banks, and placed the responsibility for determining the level of dividends in the hands of our Boards of Trustees. We appreciate the confidence which the banking board has in our judgment, and I hope that our performance throughout will justify some fur-
Changing Bank Structure
And Balance of Payments

By William S. Renchard, President, Chemical Bank New York Trust Company, New York City

Commercial bank tackles two problems requiring proper adjust-
m ent. Many savings pressures are being thrown into play fiscal, monetary and economic policies necessary to strengthen international confidence in the dollar as the way to resolve some of the balance of payments difficulties. With a changing bank structure, Mr. Renchard readily makes clear that he is aware of the "cold war" that some of his fellow members of the commercial banking business have been waging for years to branching privileges for mutual savings banks. After analyzing and suggesting what steps should capes with our balance of payment difficulties, Mr. Renchard recommends that the banks be permitted to extend their geographic areas and to expand their activities of financing on a non-competitive approach towards the tax question; provide some means of competitive supply by mutuals; and adumbrates banks not to let competition for deposits result in gradual lowering of credit standards.

My subject, Currency Trend in the United States, is a broad one. I decided to concentrate mainly on two areas which seem important to spread public interest in the present position of the United States within its payments deficit and, sec- ondly, to examine a changing structure of banking. I will then conclude with some of my observations, which I trust you will find con- 

The American Banks Association, in a recent study, strongly urges a combination of measures which are somewhat palpable politically, including efforts to maintain wage stability and strict control of Federal expenditures. The late President Jacobson, Managing Director of the International Monetary Fund, suggested that the most desirable

The Mercantilist in Me.
A. Westpath, President of Merchants Bank of New York, New York City

In the early stages of the American Revolution, the mercantilist philosophy was strongly endorsed by both the colonial and the Federal Governments. This was the doctrine that, in order to provide for the defense of the nation, the interest of the people must be directed toward the production of goods and the export of raw materials. In modern times, the mercantilist philosophy has been applied to the management of banks.

One of the primary objectives of the Federal Reserve System is to promote the economic welfare of the nation. This is achieved through the maintenance of a stable domestic economy and a favorable balance of payments. To accomplish this, the Federal Reserve System must control the supply of money and credit in the economy. This is done through the manipulation of interest rates and the quantity of reserves held by banks.

The mercantilist philosophy is also evident in the emphasis placed on the export of goods. The Federal Reserve System encourages the export of goods by maintaining a favorable exchange rate. This is achieved through the purchase of foreign currencies with domestic dollars. The domestic dollar is thus "exported," and the foreign currency is "imported."

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Unequal Treatment Stifles Savings Banks’ Growth

By Dr. Milton A. Egger," Professor of Economics and Chairman of the Department of Economics, Syracuse University, Syracuse, New York.

Study blames unfair, outsized banking regulations for savings banks’ declining role in our banking system. Commercial banks, with greater size, are acting as if they had an unduly large competitive market advantage of deposits, even if they pay less interest. The Federal Reserve, acting in the best interest of the entire economy, has a duty to break this monopoly. To do this, the rules governing savings banks must be made uniform with those governing commercial banks.

One great strength of the American free-enterprise system is its adaptability to change—in terms of both new industries, and to changed technologies—new products, and to changed technologies of its production. It is common to boast that at the six-months’ mark of the American economy by reference to its manifold increase in output (Great N. Ational Product) over the years; it is equally common to list old products which have disappeared, new products which have appeared, and changes in ways of doing things.

Often overlooked in an accounting of the changes made to the economy is the changing product mix of the financial sector. Economic growth and rising standards of living have created an entirely new market for the services of financial institutions—the mass market of the average household. The increasing complexity of economic life has created a demand for more involved and intricate financial services. And the ingenuity of members of the financial community itself, and their major equipment suppliers, has provided new ways of performing old tasks.

All major financial institutions have shared in this process of adapting to change—but to varying degrees. This report is concerned with the one which appears to have changed least, the mutual savings banks. Because of savings banks’ apparent lack of adaptability, or inability to adapt there are questions of the viability of the institution as a distinct type of financial intermediary. There have been suggestions that savings banks simply cease to exist, selling their assets to other types of institutions, and proposals of radical changes in savings banks, such as conversion to joint-stock companies, perhaps even to commercial banks. But the type of recommendations assume that savings banks were, like buggy-whips, obsolete.

Savings bankers, and many others, including the author, disagree that savings banks are increasingly willing to re-examine the institutional framework system. This re-examination is compelled not only by the savings banks’ need for adaptability, but also by the relative decline in their growth rate, and by growing trends that make it even more difficult for savings banks to compete.

The Past and the Present

Fifty or a hundred years ago, if you had told a student of financial community itself, and their major equipment suppliers, has provided new ways of performing old tasks.

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The Current Climate For Savings Banking

By Austin S. Murphy, Ph.D.,* Managing Director, Savings Banks Association of New York State, New York City

Today's mainstream of competitive banking requires rethink¬ing savings banks' course in the financial community. Dr. Murphy does just that in calling for increased loanable assets to meet increased mortgage and consumer credit needs projected for the 1960's. The economic history is to show savings banks to aggregate their funds so as to increase and improve the variety of services they can provide. The thrust is revisited, for example, as a chang¬ing one wherein money management would be stressed, instead of the traditional mortgage maintenance, to include small estates and individual retirement programs under the Keogh Act. Discussions also take note of relative rates of state and federal authorities, and of implications of commercial banks'concerted drive to garner savings deposits—particularly the larger, profitable ones.

I would like to discuss the current climate of thought in banking circles and to develop what I feel ought to be our posture in view of the winds of change blowing about us.

Today, the financial community in New York is a genuine dither and has been for over 12 months. Such a gen¬eral movement and struggle among the various segments of the financial community is un¬precedented in our history and I believe has never occurred before in a period of relative prosperity and peace for the overall community. Of the many controversies now raging, I have selected three which it seems to me are of particular signifi¬cance to the savings banks industry of New York State. The first of these concerns the current controversy on the status of the savings bank. The second is the concerted drive on the part of commercial banks to obtain indi¬vidual retirement savings deposits. The third area revolves around interest rates on savings deposits and the related question of the quality of credit.

There are, indeed, many other exciting and sometimes violent controversies taking place today in the financial community. But the three which I have listed have a particular immediate signifi¬cance to savings banks' expectations during the coming year, and constitute an important proportion of the climate in which we find ourselves in terms of which we must develop a posture for the next 12 months.

The State-Federal Conflict of Authority

The rapid-fire and extensively-reported activities of the Con¬troller of the Currency, James B. Saxon, have focused attention on a trend which has been under way for many years but has accelerated a great deal on the economy and which has increased the banking community in recent months. For the expressed purpose of stream¬lining the financial community, it has been suggested by some that all banks be made national in terms of charter and regulation and that the state chartering sys¬tem be gradually withdrawn away.

On the other side of the coin, Senator A. Willis Robertson, recently articulated a strong plea for the dual banking system in a speech to the Annual Convention of State Super¬visors of State Banks. Senator Robertson, who heads the U. S. Senate Banking and Currency Committee, said that "No one sys¬tem of bank organization is so de¬mocratically superior to all others in all parts of the country that one can be prescribed for the whole country."

The Superintendent of Banks of our own State of New York, Oren H. Root, has expressed concern over this conflict between federal and state authorities and the confusion which results from it. He has proposed that the Fed¬eral Reserve Bank act as the "General" for the whole banking community with the 50 supervi¬sors in the banks reporting to the Board and having the right of appeal to the General in conflict with the policies of the Comptroller of the Currency asserted. The General would also report directly to the Federal Re¬serve Board. The root proposal envisages that the State Supervisors have vir¬tually complete authority, especially in the area of chartering and chartering of banks within their own states, and it is up to the oppor¬tunity to endorse or appeal any branch applications approved by the Comptroller for national banks.

How does this controversy af¬fect savings banks? Savings banks of New York State are all state-chartered. While Fed¬eral legislation now under con¬sideration may some day make it possible for our banks to have a chartered in all the inter¬state activities and institutions affecting state and Federal, we are by charter, by regulation, by the present law, and in the present time, by necessity, very deeply affected. The mone¬tation and satisfactory functioning of the state side of the dual banking system.

The present controversy has served to alert our State and its legislators. At the recent Sep¬tember hearings, before the Joint Legislative Committee to Review the Banking Law under the able chairmanship of Senator Ernest E. Hatfield, a number of legislators expressed very real concern that the State is losing control over the banking system within its borders. From time to time that meeting¬ and the climate of thinking in general resulting from this discus¬sion, it seems reasonable to expect more sympathetic appreciation of the needs of state-chartered banks, including mutual savings banks at the next session of the legislature.

It is necessary, of course, that our case be effectively stated in these terms. It is hoped that perhaps for the first time, a degree of cooperation can be de¬veloped by the three major areas of the financial community serving the state. In this connec¬tion, as Mr. Carson has stated, that for the first time the commercial banks are presenting a positive program to the legislature. Unlike the de¬fensive posture of the past, the passage of any program must involve recog¬nition of the needs and inter¬ests of other banks, and in the last analysis some form of comprom¬ise, if it is to be successful.

The Commercial Banks' Drive For Savings Deposits

Alarmed over their inability to maintain competitive trends in the field of financial activity for which they were organized, savings banks are looking for working capital to business, com¬mercial banks a few years ago began to try to eliminate that aspect of their business by lowering interest rates and competing with savings banks. The commercial bank competition during the past several years for in¬dividual savings is a reaction to the effects of World War II development in corporate financing. What may be called the "cash¬flow" revolution has dissatisfied the past 15 years funds industrial financial managers. By Austin S. Murphy*

Charles W. Carson, President-Elect of the New York State Savings Bank Association, is a strong advocate of the "cash¬flow" revolution as viewpoint of savings banks. His opinion is that savings banks are in a difficult position because they are trying to compete with commercial banks.
Steel Output 3.5% Ahead of Year Ago Week and 3.8% Above Last Year's Figure Ten Weeks, Leaking Year's Cumulative Total More than 1962, April 1963 Period's

According to data compiled by the American Iron and Steel Institute, production for the week ended Nov. 2 was 1,944,000 tons (104.4%) as 1,850,500 tons in the same week a year ago, in the Oct. 26 ending week.

This fractional rise in output was offset by the weekly advance in the past 10 weeks, and was the highest weekly figure for ingots and castings produced in the past 11-week ending period. This steady output has been continued throughout the seasonally adjusted August sales for both types of orders were 3% above August, and sales for the second quarter as a whole were up 4% above the year-ago rate — about in line with income changes — as reflected in the report a widespread pickup in new orders during September, reflecting a stronger demand since mid-season. Sales to manufacturers this month were less than new orders, so that unfilled orders increased for the fourth consecutive month.

In recent weeks producers have further raised quotations on sales of iron, which are included in the following average weekly production for the year-ago week.

The cumulative total output of ingots and castings since Jan. 1 was $322,000,000 tons, or $2 billion in 1960. This is 4% above last year's figure, the Jan. 1-Nov. 3, 1962 production of $315,000,000 tons. In the year-to-date cumulative index total of 113.7% this week's tally faltered at 113.5% (1957-59=100). The index of annual production for the year-ago week.

The RCA Picture

Radio Corp., which had popped up on the various lists of recommended stocks on an annual frequency recently, was at one time a split candidate but it proved a dis¬creditable precedent, since no such action was taken. The issue reacted priced with a strong demand, and was. The picture was not closely followed, the basis of its good earnings showing, and wasn't scrutinized in any case. The shares and hopes, and hopes alone, to run on excessive looking. When that extended period when RCA alone was carrying the market, something was happening, struggling to get a firm foothold in the electronic data processing industry, but because of the attendant expectations, it was not very highly regarded. Radio also was generally considered in the entertainment business, through its National Broadcasting Co., or a de¬pendent of the company, because of its large contracts for government work. Somewhat obscured was its lead in electronic operations. The prominence of the RCA in the German market, and the company even dabbling with electronics was automatically vested in the picture, and was not a part of the failing to participate in the electronic frenzy.

Turning Point Near

With the company's earnings accepted, and a breakthrough being made by other makers of receiving sets, RCA's gamble on this field is paying off. Still to get to the enviable state of its performance, RCA is in a better position than has been in many years when RCA entered the field it was with the expectation of making this competitive profit section in the company's lineup. The problems and competition of RCA's race instead of contributing to profits, the data processing work has been a drain on them. The earnings are figured at $1 a share in 1961, and there were not many, perhaps 30 cents a share this year.

The pattern does indicate that the company has made something of a selling point in its pictures for data processing. Present projec¬tions indicate that earnings will be up next year and the work will start to live up to the profit potential it is expected to show.

Meanwhile, the heavy costs of the development work are be¬hind, and the company is in a position to show the field solid—it is third largest

The Market... And You

BY WALLACE STREETE

The price of economic activity—as reflected by the broad measures of retail sales, factory orders, and employment—rose somewhat more than seasonally during September, according to expecta¬tions in early October point to a further advance, the Office of Business Economics, Depart¬ment of Commerce reported in its review of the business situation, as of the current October Survey of Current Business, its official monthly publication.

Total output is being stimulated by a high rate of production in the automobile industry and by a large increase in consumer spending new orders for durable goods and nonfarm housing starts which are recovering during September.

Tenth Successful GNP Quarterly Gain Since 1961

Preliminary estimates of third quarter gross national product put the total at a seasonally adjusted annual rate of $104,600 billion in September, up about $11 billion from August and $2 billion from the second quarter rate, somewhat smaller increase than in the second quarter. With per¬sonal tax loading nearly 1 bil¬lion, disposable personal income advanced about $4 billion in the third quarter.

Although retail sales declined in September, after seasonal ad¬justment, the rate of decline was affected by special fac¬tors. An early Labor Day pulled away 1960, not a large number of purchases of durable goods, which continued at a high rate, showed a small dip. The rise in fixed investment, marked, extending to producers durable equipment, nonresidential construction, and housing. Federal outlays for goods and services were little changed while spending on government programs was somewhat higher. Several of the large state and local governments spurted a small decline in the second quarter.

Personal income, largely in reflection of some increases in em¬ployment, average weekly hours and pay rates, rose to a seasonally adjusted annual rate of $466 billion in September, up about $11 billion from August and $2 billion from the second quarter rate, somewhat smaller increase than in the second quarter. With per¬sonal taxes increasing nearly 1 bil¬lion, disposable personal income advanced about $4 billion in the third quarter.

The total output is being stimulated by a high rate of production in the automobile industry and by a large increase in consumer spending new orders for durable goods and nonfarm housing starts which are recovering during September.
In data processing work, and the outlook vastly improved. RCA is still working on an automated telephone, but it requires a lot of work and now topping, eventually, Sperry Rand from second place in the field.

Food for Thought
A number of items in the food section are Beeston Foods which, despite a strong record of growth running through the last decade, seldom features in the market spotlight. The shares, in fact, have carved out a range of only a bit more than four points through all the stock market gyrations of this year. The company originally was noted as a dairy operation specializing in butter, egg and poultry lines. It has made important progress in diversifying and, currently, milk and cream account for better than a third of sales, while the butter business is down to 8% and poultry is not on its menu any more.

One bright promise in the future for Beeston Foods is its expansion into overseas markets. It moved into the Common Market picture a year ago when it acquired a dairy firm in Belgium. The management of the company is highly optimistic. It took a couple of generations for the company's sales to reach the half billion level in 20 years, its projection is to reach the billion line in only eight more years. Meanwhile the shares are well deflated below the 1961 peak, in fact more than 20% under that high.

(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.)

Joseph E. Seagram
Buys Texas Pacific Coal & Oil Co.
Edgar M. Bronfman, President of Joseph E. Seagram & Sons, Inc., announced the acquisition, on Nov. 1, of Texas Pacific Coal & Oil Co., Fort Worth, for $60,379,443 cash, subject to a reserved production payment of $216,000,000. Carl M. Loeb, Rhoades & Co., New York, acted as financial advisor to Seagram.

The properties, totalling almost 1.4 million net acres in oil and gas leases, will be operated by Frankfort Oil Co., a subsidiary, which will change its name to Texas Pacific Oil Co.

Frank Hall With Hayden, Stone
Frank L. Hall has been associated with Hayden, Stone & Co., Incorporated, 25 Broad Street, New York City, members of the New York Stock Exchange, as manager of the corporate bond trading department specializing in convertible bonds and arbitrage. Mr. Hall was formerly with Sutro Bros. & Co.

Wertheim & Co.
Appoints Two
Wertheim & Co., 1 Chase Manhattan Plaza, New York City, members of the New York Stock Exchange, have appointed Alan D. Cohen Director of Research, Robert Bach is supervising partner of the department.

Johnson Director
Of World Bank's New York Office
George D. Woods, President of the World Bank and the International Finance Corporation (IFC), has announced that, effective Nov. 1, 1963, the Marketing Department of the Bank and IFC located in New York City will be designated "New York Office," and named Howard C. Johnson as Director. Mr. Johnson has been Manager of Portfolio Sales and Participations in the Marketing Department since joining the Bank and IFC in May 1955.

From 1955 until he joined the Bank and IFC, Mr. Johnson was associated with the United States Steel Corporation, first, as Assistant to the Chairman of the Board and from 1960, as Director of the Stockholder Relations Dept., Mr. Johnson was graduated from Swarthmore College and received his Masters Degree from the Harvard Business School in 1933. From 1933 to 1941 he was in investment banking with Lazar Frenes & Co. and subsequently with Morgan Stanley & Co. Mr. Johnson was in the United States Navy in World War II, during which he served as Assistant to the Secretary of the Joint Chiefs of Staff. From 1943 to 1952 he was in the Bureau of United Nations Affairs of the State Department where he was Chief of the Division of International Security Affairs and later Advisor on Planning. From 1952 to 1955 Mr. Johnson was with the Ford Foundation.

George Martin, who had been Director of the Marketing Dept. since 1950, resigned as of Nov. 1, to become Vice-Chairman and a member of the Board of Directors of Morgan & Cie, S. A., in Paris.

Laird & Co. Opens
Branch in Boston
BOSTON, Mass.—Laird & Company, Corporation has opened a branch office at 73 Federal Street under the direction of Robert R. Dewitler. Mr. Dewitler was formerly with Smith, Barney & Co.

With Equity Research
John I. Shaw, Jr., formerly with Standard & Poor's Corporation, has become Vice-Chairman and a member associated with Equity Research Associates, 37 Wall St., New York City.

The first telephone call ever made was a call for help as Alexander Graham Bell spilled acid on his clothes: "Come here, Mr. Watson, I want you!"

Ever since that fateful evening in 1876, telephone people have been responding to calls for help—and training to supply it.

A tradition of service—a knowledge of first aid—an instinct to help—these keep operators at their posts in fire or flood—send linemen out to battle blizzards or hurricanes—and save lives many times in many ways.

Over the years, the Bell System has awarded 1,986 medals to employees for courage, initiative and accomplishment—for being good neighbors both on the job and off it. Here are some recent winners:

Kenneth E. Ferguson, Installer-Repairman, Newport News, Virginia. En route to a repair job, he came upon a burning house where a blind, bedridden woman lay helpless. Ripping out a window, he and a policeman entered the flaming room. They were forced out by intense heat and smoke. Mr. Ferguson ran to a nearby house for blankets. Wrapped in warm blankets, the two men re-entered and rescued the woman.

Mrs. Dorothy Crozier, Operator, San Rafael, California. She took a call from a frantic woman whose small son had stopped breathing. After notifying both ambulance and fire department, Mrs. Crozier realized that traffic was heavy and time short. Over the telephone, she taught the mother mouth-to-mouth resuscitation. The boy was breathing when firemen arrived. Doctors credit his life to her quickness.

Charles J. Gillman, Communications Service-man, Bel Air, Florida. Driving to an assignment, he saw an overturned car and found a man under it bleeding profusely. Cautioning bystanders not to panic, he helped remove the victim. The man’s arm was almost severed below the shoulder and he seemed in shock. Mr. Gillman applied a tourniquet and kept pressure on it until an ambulance arrived.

Leonard C. Jones, Supplies Serviceman, Martinsburg, West Virginia. He noticed a neighboring house on fire. Rushing to it, he helped a father rescue three young children. Then he plunged back into the burning building and, guided only by cries through the choking smoke, pulled another child who was hiding under a couch in the blazing living room. Minutes after he left, the wooden house collapsed.

Frankie Daniel Gartner, Station Installer, Auburn, Washington. He heard a request for emergency breathing equipment on his radio monitor and hurried to the address, where a baby was strangled. He found the child’s air passage was blocked, cleared it, and successfully administered mouth-to-mouth resuscitation. Then the fire department arrived and applied oxygen to help overcome shock.

BELL TELEPHONE SYSTEM
Owned by more than two million Americans
NEWS ABOUT BANKS AND BANKERS

Donald H. Black and Loren D. Cawell Jr. are vice-presidents of Bankers Trust Co. New York.

Ralph Friedman has joined the Board of Directors of Bank Leumi Le-Israel, New York.

The American Trust Co., New York elected Torleaf H. Benestad, Senior Vice-President.

Charles H. Stone of Garden City has been elected a Vice-President of Long Island Trust Co., Garden City, N. Y.

Mr. Stone comes to the Trust from Manufacturers Hanover Trust Company where he was employed for many years, most recently as Assistant Vice-President.

S. J. Balani, regional Vice-President of The Trust Company of New York, recently completed 35 years with the organization. Mr. Balani is Chairman of Trust's Hudson River Region.

Mr. Balani, joined the Mechanics Bank of New York in 1918. He advanced to teller and bookkeeper and in 1919, joined the Trust as a member of the Board of Directors.

In 1947, the Washington Irving Trust Co. merged with The Trust Company of New York, and Mr. Balani was placed in charge of the New York office of the Trust.

In 1955, Mr. Balani was named as a member of the Board of Directors, and in 1956, became regional Vice-President in that position.

Richard W. Moulton of the Bank of New York was elected as President of First National Bank in St. Louis, Mo.

The Comptroller of the Currency James J. Saxon on Oct. 31 announced preliminary approval of an application for a new National Bank in Alameda, California with the title, Alameda First National Bank, with an initial capitalization of $1,500,000.

Ralph Friedman has joined the Board of Bank Leumi Le-Israel.

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Burt J. Greenwald

Burt J. Greenwald has been appointed as the new President of the National Bank in Alameda, California with the title, Alameda First National Bank, with an initial capitalization of $1,500,000.

Nat'l Secs. Names

B. J. Greenwald

Burton J. Greenwald has been elected as President of the National Bank in Alameda, California with the title, Alameda First National Bank, with an initial capitalization of $1,500,000.

B. J. Greenwald

Burton J. Greenwald has been appointed as the new President of the National Bank in Alameda, California with the title, Alameda First National Bank, with an initial capitalization of $1,500,000.

As We See It

In the past year, there has been a trend towards the formation of new banks in California. This trend has been particularly evident in the recent establishment of the Alameda First National Bank. The formation of this new bank is part of a larger trend towards the expansion of banking services in California.

The Alameda First National Bank will be headquartered in Alameda, California, and will be owned and operated by local residents. The bank will offer a full range of banking services, including traditional deposit and loan products, as well as more innovative services such as online banking and mobile banking.

The establishment of the Alameda First National Bank is part of a larger trend towards the expansion of banking services in California. This trend has been driven by a combination of factors, including population growth, economic development, and regulatory changes that have made it easier for new banks to enter the market.

The Alameda First National Bank will be owned and operated by local residents, and will provide banking services to the local community. The bank will be committed to maintaining strong relationships with its customers, and will strive to provide personalized service and competitive rates.

The formation of the Alameda First National Bank is an example of the ongoing trend towards the expansion of banking services in California. As the demand for banking services continues to grow, we can expect to see the establishment of additional new banks in the state in the years to come.
think are not priced right—and few producers in any position to withstand very substantial reduction in the demand for their goods merely for the sake of what they might hope to be a larger margin of profit.

But let us drop all this talk about things that do not exist, and turn our attention to the real difficulty in the current situation. For one thing there is little or no competition, “perfect,” “pure,” or “impec
dant,” in the labor market in most of our large industries. Nor is there even a thing so mild as an oligopoly. The situation is plainly a monopoly — and one
which the Washington authorities have for years been very energetically cultivating. Nor is there today any indication that there has been a change of heart. The political danger of any change, of course, in this matter is be
lieved too great to appeal to the Administration or to the opposition. Here we have the

Eaton Mfg. Co.,
Buys Yale & Towne

The transaction by which Eaton Manufacturing Co., acquires Yale & Towne Manufacturing Co. was completed on Oct. 31, as sched
iled. It was announced by John C. Virden, Chairman and Presi
dent of Eaton, and Gordon Pat
terson, President of Yale & Towne.

Yale & Towne’s assets and busi
ness have been transferred to
a newly organized company,
known as Yale & Towne, Inc. It was stated that the new
subsidiary is being directed by
the same management team that
directed the former Yale & Towne
Manufacturing Co.

Kuhn, Loeb & Co. Inc., New
York, acted as financial consult
ant for both firms in connection
with the transaction.

Gregory & Sons
To Admit Atwell
Gregory & Sons, 40 Wall Street,
New York City, members of the
New York Stock Exchange, on
Nov. 14 will admit John H. At
well to partnership. Mr. Atwell is
a member of the American Stock
Exchange.

Joins Harrison
CINCINNATI, Ohio — Herbert
Shaffer, Jr., has become associated with Harrison & Company, Fifth
Third Bank Building, members of
the New York and Cincinnati
Stock Exchanges.

Amer. S. E. to Study SEC Report
The American Stock Exchange
has reported on its own special
study of the Securities and Ex
change Commission’s Special
Study of the securities industry,
and said it looked forward to
spelling out its reactions “care
fully and completely.”

The Exchange said “it can be
expected to concur with some of
the Special Study conclusions and
to take issue with others.” In
some instances, the Exchange
said, “alternate methods for ac
complishing certain changes may
be suggested.”

The Securities and Exchange
Commission report, nearly two
years in the writing, contains well
over one hundred specific recom
mendations for changes in indus
try and SEC rules, regulations or
procedures. “Each demand close
scrutiny and evaluation,” the Ex
change said in an editorial in
American Investor, its monthly
magazine.

“Having put their support be
hind the proposed disclosure legis
lation, which grew out of the
early chapters of the Special
Study; the stock exchanges and other indus
try organizations are now weigh
ing the further recommendations,”
the editorial stated.

The Exchange pointed out that
industry spokesmen have avoided
hasty, top-of-the-head reactions
to the report. It emphasized,
however, “this stance should not
be taken for inaction,” The ed
itorial stated;

“A newly appointed (American
Stock Exchange) policy and
planning group has, as its primary
responsibility, a thorough, item
by-item review of Special Study
proposals which would affect the
Exchange. When this review is
completed, the Exchange looks
forward to the opportunity to
spell out carefully and completely
its reactions.”

The Exchange stressed that it
wished to discuss the SEC recom
mendations “in the same quiet,
conservative atmosphere that has
characterized previous meetings.

A reasoned reaction to a care
ful study may produce little
noise,” the Exchange said, “but it
will provide more light for in
vestors.”

Customers Brokers To
Hold Meeting
The Association of Customers
Brokers will hold an educational
meeting on the Outlook for the
Drug Industry on Nov. 19 at 4
p.m., at 15 William Street. Speak
ers will be J. Dewey Kolb, III,
Paine, Weber, Jackson & Curtis;
Walter Rant, Goodbody & Co.;
and Ralph Shaw, Standard &
Poor’s Corporation.

PUERTO RICO NOW HAS
25 TIMES AS MUCH ELECTRIC POWER
AS IN 1941!

And the pace quickens!

Power generating capacity in Puerto Rico has multiplied 25 times over since
creation of the Puerto Rico Water Resources Authority in 1941. And projects
now under construction will add 50% to today’s capacity. All this has, of
course, contributed to the island’s continuing industrial boom and the ris
ning standard of living.

Bonds of the Commonwealth of Puerto Rico and its various agencies, such as
The Puerto Rico Water Resources Authority, are exempt from State income
taxes as well as United States Federal income taxes. They are attracting more
and more private and institutional investors seeking good income compatible
with a high degree of security.

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO
Fiscal Agent for The Puerto Rico Water Resources Authority
1311 Ponce De Leon Avenue
San Juan, Puerto Rico

45 Wall Street
New York 5, N.Y.
SECURITY SALESMAN'S CORNER  BY JOHN DUTTON

At the present time the investment business in studying proposals contained in the recent SEC report to the Congress. Law-makers are also giving this study its well deserved attention. In respect to many of the proposals there will be agreement that some changes will be beneficial to the entire country if they are carried out. Today the investment and securities business is solidly in favor of cooperation with the SEC. In studying methods of improving its important functions upon which the operation of this government body depends. Let us hope that some substantial gains are made in understanding, in cooperation, and in improvement of the operations of both the Commission and where the entire industry is concerned.

Since this column is concerned primarily with better ways to distribute more securities to the investing public, we would respectfully like to point out that there is one very definite step the SEC could take that would help those of us who have to merchandize our American securities at home and abroad. This would not take much study. It would be relatively easy to put into effect. It would help remove some of the barriers of ignorance, fear, and desperation that many uninformed people are carrying in their prospectus. I refer to the statement that appears in bold type on the first page of a prospectus:

"These securities have not been approved or disapproved by the Securities and Exchange Commission nor has the Commission passed upon the adequacy of this prospectus."

Any representation to the contrary is a criminal offense."

I am not an attorney, just a security salesman, for over 30 years. During this time I have talked with hundreds of men who are practical, honest, and devoted members of our selling profession. To a man they tell me that this clause is a deterrent in selling good securities to many unsophisticated investors. There are millions of people who are unsophisticated. They want to invest in American industry. A clause like this just scares them almost into reticence and hesitancy. In the main, these people do not read a prospectus, they cannot understand one, and most of them do not want to take the time to study all the legalese in these documents. They rely almost 100% on the firm that they do business with and their salesman or registered representative. Whether this is good or bad the true facts are that these people buy millions of dollars worth of securities every year. They invest their money in American industry. Their capital provides jobs and opportunity for all.

Change it for the Better

It would be interesting if the IB or the NASD took a poll among all of the selling members of this business and asked them several pertinent questions:

1. Do you believe the present clause referred to is helpful or a hindrance to you in selling new issues to the general public?
2. Do you believe this hedge clause could be improved as to wording, choice of tone, or its position in the prospectus?
3. Would you like to have informed members of the securities business and the SEC work out a proposal for improving the wording of this clause?

This suggestion is perhaps not of overwhelming importance in the wide range of constructive proposals that are being made for improved operations of our business in general. But I pass it along because it is one area that could be explored without lengthy hearings and too much effort by the Commission. Surely with all their well informed legal talent available today, this clause could be rephrased so that it would not inform without scaring some poor souls half to death when they are considering an investment or a speculation that may involve more or less normal business risks.

"John Dutton is the name of a registered representative employed by a large member firm of the NY S.E. C."

The Pillsbury Co.  Private Financing

The Pillsbury Co. has announced the private placement of $12,500,000 of its 4 1/2%, non-callable, convertible debentures due 1988.

The proceeds will be used for working capital and in connection with the firm's temporary financing needs. The debentures will mature in 30 years or sooner at the option of the security holders.

The Pillsbury Co. has sold the issue to several institutional buyers.

Mutual Funds

MUTUAL FUNDS  BY JOSEPH S. POTTER

A Comprehensive Study

Those industrious and able people at the Investment Company Insti-
tute have given you, and done so Back in 1958, they published a comprehensive survey on mutual funds in trade, a study intended to be useful as a reference work for fund shareholders, fund in the industry, the press, students and the investing public at large.

The second edition has just come on the press, a handsome 33-page booklet entitled "The Mutual Fund - A Comprehensive Study." It covers just about every aspect of this $25 billion business, ranging from the objectives of purchasers to source of investors' dollars.

It is, in an example, that there are already more than 3 million fund shareholders out of a total U.S. population of 172 million. But a reading of this booklet will provide a better insight to what the modern-day investor is like — such things as age, income, occupation, and background.

In an accompanying summary of this newest work, the ICI says, "The findings of the current report are somewhat similar to the results of the ICI study, which revealed the balanced financial planning revealed in 1958 continuing in a very similar pattern today.

However, the financial plans today are generally better than they were five years ago." An especially interesting segment of this survey analyzes the different classifications of fund holders in relation to their ownership of certain other assets, life insurance, bank accounts, U.S. savings bonds, and, of course, individual stocks held directly.

The report is based on a sample of individual shareholders representative of fund investors in general. Twenty-three funds which offer the highest selling fees cut the country participated in the survey by providing the names of their stockholders. Questionnaires were prepared and mailed to 1,651 men and women, 410 over account holders of 17 funds and 12,221 accumulation plan holders of 12 mutual funds. Ideal questions were employed and replies received were anonymous.

Replies, a precaution detailed for inclusion in the tabulations, were received from 4,000 regular account holders and from 5,000 accumulation plan holders, and representative returns of 23% and 26%, respectively.

In view of all this, the ICI is justified in stating: "We believe the results of the study accurately reflect the financial profile of mutual fund investors generally."

The survey first went to our attention one night last week at the annual reports award dinner of the World Financial. A fund manager at our table after the speeches invited General Goldwater and just before Senator Barry Goldwater was to begin his address. Speaking hurriedly, he said, "The judges are out on the lawns this evening. Let's have the investment com-

QUARTERLY FUND SURVEY

Will Be Published November 14

The November 14 issue of the CHRONICLE will contain a comprehensive analysis of the common stocks bought and sold by 88 mutual funds and closed-end investment companies with combined net assets of over 17 billion dollars on Sept. 30, 1963.

This most penetrating study will spell out the issues which either met with favor or disfavor by the managers of the gigantic fund industry in the third quarter of 1963.

The fund survey to be published in the Nov. 14 issue is another in our continuing quarterly series on the subject.

Quarterly advertising rates will prevail for space in this important issue.

The COMMERCIAL and FINANCIAL CHRONICLE      25 PARK PLACE, NEW YORK 7, N. Y.
RECTOR 2-9571

free booklet-prospectus describes

THE COMMON STOCK FUND of
GROUP SECURITIES, INC.

A mutual fund investing for income and growth potential in seasoned common stocks selected for their investment quality.

Mail this advertisement to:

CPC

DISTRIBUTORS GROUP, INC.
50 Park Place, New York 7, N. Y.
of assets was $101,223,894, or $32.45 a share. Comparable figures at the end of 1961 were $84,844,431 and $21.83.

National-Wide Securities reports that at the end of the fiscal year on Sept. 30, 1962, assets were $749,657, or $22.06 per share. This compares with $421,103,535 of assets and $13.09 a share at the end of the previous year.

Peoples Securities Corp. reports that at the close of the fiscal year on Sept. 30 net assets were $13,096,042, or $7.00 a share, against assets of $13,077,505, or $6.72 per share, a year earlier.

Selected American Shares announces that at Sept. 30 net assets were $125,906,772, or $9.51 a share. A year earlier, assets were $97,543,373, or $7.95 a share, and at the end of 1962, assets were $116,037,310, or $8.97 a share.

Shareholders' Trust of Boston reports that at Sept. 30 net assets were $72,689,854, or $10.97 a share. This compares with assets of $59,165,247, or $9.73 a share, a year earlier and assets of $72,044,458, or $11 per share, at the middle of 1963.

Southwestern Investors announces that at the end of the fiscal year on Sept. 30 net assets totaled $9,428,709, or $8.76 a share, against $7,107,003 on assets and $7.38 per share a year earlier.

Wisconsin Fund reports that at Sept. 30 net assets were $31,324,472, against $19,379,038 on Dec. 31, 1962, and $17,883,988 at the end of September, 1962. Net asset value was $6.69 a share at the latest reporting period, compared with $6.51 at the end of 1962 and $6.02 a year earlier.

Bleakney Dir.

Of Fund of Am.

Shareholders of Fund of America, Inc., a capital appreciation mutual fund, have elected Dr. Bleakney, Chairman of the Dept. of Physics at Princeton University, to the Fund's Board of Directors. FOA President Walter Benedick announced.

Mr. Benedick also reported that shareholders had approved a proposal to change the Fund's state of incorporation from Connecticut to New York.

Dr. Bleakney is well known for his research in various fields of physics, including mass spectroscopy, shock waves, atomic scattering, and nuclear phenomena. The Shock Wave Laboratory at Princeton where he conducts much of his present research was the first of its kind in this country.

In recognition of his work in this field, he was elected in 1959, a member of the National Academy of Sciences, one of the highest honors to be conferred upon an American scientist.

During World War II, he engaged in war work with different divisions of the National Defense Research Committee, Office of Scientific Research and Development, as a research scientist, as a research scientist for the National Research Council in ballistics, and as a consultant to the Army, Navy and Atomic Energy Commission. For his services in the field of terminal ballistics for the National Defense Research Committee, he was awarded a joint Army-Navy Certificate of Merit.

Royal Bank Appointments

The Royal Bank of Canada has announced a number of executive and supervisory appointments in western Canada.

W. A. Hyndman, at present Supervisor of Branches in Saskatchewan, will become Assistant General Manager in charge of branches in Alberta, with headquarters in Calgary. He will succeed J. C. Mayne who will retire at the end of February, 1964.

Appointed Supervisor of Branches in Saskatchewan, with headquarters in Regina, is C. L. Snyder, Manager at Edmonton Branch. He will assume his new position in early December.

T. S. Dobson, Supervisor of Branches in Ontario District (Western Division), has been appointed to the newly-created position of Supervisor of Alberta Branches, with headquarters in the Assistant General Manager's Department, Calgary. Mr. Dobson will assume his new duties early in November.

Newhard, Cook To Admit Three

ST. LOUIS, Mo.—Effective Nov. 14, Newhart, Cook & Co., 400 Olive Street, members of the New York and Midwest Stock Exchanges, will admit to partnership Edward J. Steube, Benton S. Galbert and William S. Simpson.

McDonald Branch

GRANVILLE, Ohio—McDonald & Company has opened a branch office at 125 West College Street under the management of Henry L. Pierce.

8 ways

the New York Stock Exchange helps people learn about stock

before investing

a

Booklets on investing: Free booklets describing investing, types of securities and how the Exchange works. Giving basic records of hundreds of stocks. Telling how to invest on a budget. More than 8 million were distributed by the Exchange and its Member Firms last year.

Speeches and lecture courses: Are you a member of a club or other local group? Many Member Firms are glad to provide speakers. Through their Investment Information Committees in 96 major cities adult courses are available on investing. No charge.

Teaching aids for schools: An aid covering many facets of the investment world—prepared by the Exchange in cooperation with educators. Adaptations available from 5th grade through college. To teach investing fundamentals. Since 1954 more than 700,000 copies have been provided for some 15,000 teachers. Available to schools and teachers.

Publications: Free. From 12 to 27 minutes in length—some in color. Documentaries, cartoons, a comedy with Hollywood stars. For clubs, schools, churches, other groups, and TV stations.

Television and radio: Public service programs explaining how to invest, ranging from a series of 5-minute broadcasts to half-hour panel shows, as well as a special woman's series, are available free to broadcasters.

The visitors' gallery: Last year more than 300,000 people visited the Exchange where guides explain floor procedures and show instructive films and exhibits. You are cordially invited.

Educational advertising: Exchange advertising serves investors by describing the right and wrong ways to invest, the cautions to observe, what services the Exchange provides and how it functions. These are some of the ways the New York Stock Exchange goes about its work to help inform investors and people generally—in their own interest and in the national interest, which is best served by a knowledgeable public.

Members New York

Stock Exchange

Own your share of American business
Four Investment Areas Which Warrant Preference

Continued from page 3 when any business grow by telling people that it is a "hot" market. In like vein, some of the market letters I read say the market is sound until the public becomes a factor. Isn't this a little over the top? Isn't then advertising the fact that the chef gets drunk every night and needs to wait two hours for a table?

Are We Forgetting the Public?

Having been around awhile, I have been a great believer in the great importance of our profession in the so-called institutional business. Everyone with a minicomputer machine and a Harvard Business School graduate now has an institutional department. But what about serving the public who put us in business—and who will keep us alive? Aren't they entitled to consideration too? Of course they are—and one way our business comes in.

Ours really is a great business. It is a lot like show business in the sense that it is very much a "hot"—in the sense that you have to tune your approach to your public. I've had a great many people tell me that a little differently this is a business which requires perspective and philosophical operation. It is not a business, where, like the old-fashioned pitchman, you move your car down the street when the heat is on. There is a real payoff to a clean, sober, unfiltered—in being creative, being original—and being a leader, in many ways.

There's one said that most men lead lives of quiet desperation. We have to guard ourselves against that. This is the stock market unfortunately seems to bring out the worst in man. In this connection, I have learned three things over the years that are of importance to you. I think you understand the nature of the heat—you once recognize that selectivity is the key to a successful business, as well as an occasional winning. The Dow, which just about as the same as the high recorded in 1956, there were a number of individual stocks that showed handsome profits even if they had been bought at Dow 200.

How would I apply this broadly constructive background to a specific investment policy today? My opinions might be in four broad areas—which have a special appeal to today's environment.

Favors Good Management

For example, over the years I have found that there are important factors which succeed at the top stock market were represented by companies which had good management in the first place. Each had aggressive management with a dynamic top person. Most were substantial, with smaller companies which were free of management protocol and the great potential. But they could each foresee a growing consumer need which could be exploited.

To illustrate this, I believe the compact car boom—Bevon brought the cosmetic business to

Brooklyn Union Gas Company

Brooklyn Union Gas Company, with annual revenues of $110 million, distributes natural gas in an area of 1,700 square miles, including 4,650,000 in Brooklyn, Staten Island and part of Queens County. The area consists of one and two-family homes, 36%, so there is still considerable room for growth. The gross market is $1 billion, saturation is forecast for 1967.

Eleven years in 1962 were $1.65 in 1963, but would have had only $1.65 if adjusted to normal temperatures. Standard & Poor's estimate a 2.5% calendar 1963 (the Dow halved since a gain of 2.5%) but President Heyke has merely stated that he expected the year to be good.

Earnings for the 12 months ending September 30, 1963 were $1.12.

Earnings this year have again been aided by cold weather, in addition, the cheaper, more efficient, and Tennessee Gas: the company maintaining its liquids and propane gas in cold and has a large consumption of gas during the pipeline, its liquid, fuel gas and Tennessee's products. Peak day requirements are set at about $2,000,000 of gas annually and are projected to $2,000,000 and will be $1,500,000 for next year. Current deliveries, which will be $1,500,000 and $1,500,000 now, will peak at $2,000,000 and more than at any time. Furthermore, there are strong indications that the offshore price is expected to increase and with the industry able to maintain its $1.80 in Brooklyn.

Brooklyn Union Gas Company

The company, with annual revenues of $110 million, distributes natural gas in an area of 1,700 square miles, including 4,600,000 in Brooklyn, Staten Island and part of Queens County. The area consists of one and two-family homes, 36%, so there is still considerable room for growth. The gross market is $1 billion, saturation is forecast for 1967.

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Brooklyn Union Gas Company
General Clay to Address Meeting
Of Mfg. Chemists

General Lucius D. Clay, Senior Partner, Lehmann, will be the banquet speaker for the 13th Semi-Annual Meeting and Mid-

BANK AND INSURANCE STOCKS
This Week—Bank Stocks

WELLS FARGO BANK

<table>
<thead>
<tr>
<th>Year End</th>
<th>Deposits</th>
<th>Capital and Surplus</th>
<th>Dividends</th>
<th>Capital and Surplus</th>
<th>Dividends</th>
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</thead>
<tbody>
<tr>
<td>1961</td>
<td>2,711,094</td>
<td>201,299</td>
<td>7.4</td>
<td>18,700</td>
<td>42.2</td>
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<tr>
<td>1960</td>
<td>2,448,904</td>
<td>188,431</td>
<td>7.7</td>
<td>19,439</td>
<td>42.0</td>
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<td>1959</td>
<td>2,384,177</td>
<td>166,925</td>
<td>7.0</td>
<td>17,421</td>
<td>36.0</td>
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<td>1958</td>
<td>2,321,026</td>
<td>177,277</td>
<td>6.8</td>
<td>16,626</td>
<td>41.1</td>
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<tr>
<td>1957</td>
<td>2,131,337</td>
<td>149,705</td>
<td>7.0</td>
<td>13,289</td>
<td>43.9</td>
</tr>
</tbody>
</table>

Per Share Figures

- Net Operating Earnings
- Book Value

1962       $3.39 $42.35
1961       $3.79 $40.35
1960       $4.04 $39.19
1959       $3.25 $33.78
1958       $3.11 $33.02
1957       $3.79 $31.45

Growth in Assets and Earnings (In Thousands)

- Capital and Surplus
- Net Operating Earnings
- Dividends As % of Earnings

State St. Branch

ALBANY, N. Y.—State Street Securities Corporation has opened a branch office at 204 State Street, under the direction of George N. Winssett.

Whitman Branch

MCKENZIE, Tenn.—Whitman Securities Co. has opened a branch office at 237 North Main Street, under the direction of George N. Winssett.

"Gutless Leadership" is by Kenneth McFarland, Tapley, Kansas, Guest Lecturer, General Motors Corporation and Educational Director, American Tracking Association, Inc.

Exponent of progressive conservation terms "gutless leadership" in all walks of life as mankind's biggest curse. Glite, as contrary example, the qualities of leadership exemplified by Winston Churchill.

I did a prodigious amount of work in support of the legislation to make Sir Winston Churchill an honorary citizen of the United States. I did this for two reasons:

1. History is certain to record Sir Winston Churchill as the greatest man in the world for the first half of this century. Thus, I felt that in honoring Sir Winston—whose mother was an American— we were honoring ourselves.

2. Churchill personifies the qualities of leadership we must have if free nations and free institutions are going to survive. We must have this kind of leadership from the highest echelons of government down to the individual homes:

A few years ago Charles H. Brower, of New York, made a great speech entitled "The Age of the Goof-Off." Charley is sick and tired of salesmen who don't want to sell, workmen who don't want to work, and laundresses who don't want to wash shirts. He's fed up with preachers who don't want to preach and teachers who don't want to teach. But Charley overlooked my pet phobia. I am the sickest and tiredest of leaders who don't want to lead.

The more I study the problem the more I become obsessed with the fact that one of mankind's biggest curses is gutless leadership. This is true now and in all ages past. I used to teach history, government and economics. As my knowledge in these fields grew I came to increasingly detest people who take the titles of leadership, the honors, and the income—but just take part of the job with the pleasant part. From Pontius Pilate to the present moment mankind has suffered unappealing agencies because of such people.

John Masefield, the poet-laureate of England, said of Winston Churchill:

"This man in darkness, saw; in doubtings, led; in danger, did; in uttermost despair alone with hope that made the midnight fair. The world he saved calls blessings on his head."

One of the most inspiring of all human experience is the fact that little people can know the same qualities of greatness that we find magnified a million fold in such magnificent men as Churchill. If we can live our lives in ways that lift other lives that touch ours, then we, too, can be called blessed.

Meller & Co. To Admit Partner

Meller & Co., 1 Chase Manhattan Plaza, New York City, members of the New York Stock Exchange, on Nov. 14 will admit Robert Volpe to partnership.

Leonard's Analysis of

60 LIFE INSURANCE COMPANIES.

AND

78 Medium & Small Life Companies

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and the Rhodesias.

In India, Pakistan, Ceylon, Burma, Aden, Zanzibar, and the Rhodesias.
Changing Banking Structure
And Balance of Payments

Continued from page 13

method to improve our payments problem can be simply stated. It is to make the dollar so good a currency that the United States will be attractive to anyone with a balance of payments problem to be solved, is the combination of fiscal, monetary and political measures which are necessary to make the dollar sought after rather than disliked.

The consequences of failure involve risks of an economic and political nature, in the full understanding of which is difficult to assess. These might conceivably go so far as to require a reorganization of the international monetary system conducted under the auspices of the International Monetary Fund.

We can therefore be sure that, if we are to maintain the value of the dollar and international confidence in our currency, we have no choice but to reject inflation as a way of life.

Solution Is A Strong Dollar

The strength and balance of payments problem can be simply stated. It is to make the dollar so good a currency that the United States will be attractive to anyone with a balance of payments problem to be solved, is the combination of fiscal, monetary and political measures which are necessary to make the dollar sought after rather than disliked.

The consequences of failure involve risks of an economic and political nature, in the full understanding of which is difficult to assess. These might conceivably go so far as to require a reorganization of the international monetary system conducted under the auspices of the International Monetary Fund.

We can therefore be sure that, if we are to maintain the value of the dollar and international confidence in our currency, we have no choice but to reject inflation as a way of life.

justifying the confidence of its creditors. This cannot be done on the basis of the reserve capacity of the United States. The contribution which government can make and must make to the solution of payments problem is to be solved, is the combination of fiscal, monetary and political measures which are necessary to make the dollar sought after rather than disliked.

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Solution Is A Strong Dollar

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adequate banking facilities and which, therefore, do not affect the freedom from the entry by merger of relatively larger banks from the major cities. There is, of course, fear by branching and are strongly opposed to any modifications made in the merger Protection clause now part of the law.

Personally, I do not oppose this recommendation, although I believe the proposed legislation has certain serious disadvantages. I would prefer to see state-wide banking develop more gradually, beginning with the opening of the areas which banks are permitted to serve. Further, I do not believe we must accept the arguments that have been advanced for branching across the areas and recognize that a pretty strong case could be made for the state, and the nation, that were, the Federal Reserve and the American Bankers Association, which has been the position, are in the New York City banking district. The very fact that in the whole subject of our banking structure is receiving so much study and attention and now here, and the encouraging sign and, no doubt, some legislative developments in this area will come out of it. To me, it seems imperative that the Federal Reserve System of the United States be freed of some of its shackles and be permitted to develop a banks in this regard. I think this way as to adequately serve the other elements of our free enterprise system which play such a vital role.

Attitude Toward Mutual Savings Banks
Now, just in case any of you may be half asleep, I would like to drop me over the side of this ship some dark night, I should like to express my feelings and the policy of my bank with respect to the "cold war" being waged against the "mutuals" by some of the commercial banking fraternity.

I have referred already to the position we have taken on certain legislative proposals, which I believe gives very much the same tone as to our open-minded attitude with respect to the "cold war", and the additional branching privileges to savings banks. While we are, of course, fully committed to that view, we have been taken to imply that we are in accord with the official positions taken by the Board of Governors and all the others. We are not now, nor have we ever been, and I have no doubt in the campaign to tax the mutuals. We have registered our objections from time to time to the Federal Reserve Foundation for Commercial Banks in regard to some of its advertising copy. We believe it has caused inappropriate and in poor taste. As far as the tax question is concerned, I agree with the philosophical position which is opposed, as a matter of principle, to any tax designed to attack the other fellow's tax status and I have never subscribed to the idea that a more constructive attitude for the commercial banks would be to concede their efforts making a case for lower income tax rates. I would be very much better off in respect with regard to their own income tax status.

It is our feeling that the mutual savings banks of New York have supplied a useful function and performed it well over a long period of time, a part of which the commercial banks, at least in New York City, do not appear to be interested in savings deposits or in mortgage lending. I recall the past when, in the mid-1930s, the Chemical Bank & Trust Company addressed a communication to all of its compounds interested accounts customers and told them that their deposits would be placed on a non-interest bearing basis. While this was a somewhat large commercial banking systems are today competing aggressively for savings accounts, and we will continue to endeavor to assist our member banks in getting business in this area.

I happen to know that Mr. Martin's concern is primarily in the field of monetary credit, and I believe he is being extended too freely and on too liberal terms. A note of caution in this respect seems timely, and I strongly suggest the exercise of some degree of caution and prudence in this area in order that we avoid any of the mistakes of the past and the consequent imposition of additional regulations and controls.

Conclusion
In closing, may I say that I believe the banking business, which includes mutual savings banks—is a good business and has a place in our economy. I say that the life of a banker is not an interesting and stimulating business and the strength of our present banking system and the generally progres¬sive nature of which it has been, and is being managed. To me, the future of our business is bright and healthy. While we will be confronted with a variety of new problems and conditions, I feel confident in our ability to deal with them effectively and continue to earn the proper respect and confidence which the bank traditionally enjoys in its own country.

*An address by Mr. Rennard delivered at the 70th Annual Fall Convention of the New York State Bankers' Association, November 29, 1965.

Customers Brokers 

Holding Meetings 
The Association of Customers' Brokers will hold an educational meeting on the outlook for the real estate market on Nov. 11 at William Street, at 4 p.m. Speakers to be Theodore F. Wolff, Coggeshall & Hicks, and Jerome H. Buff, Burnham & Company. A feature of these programs will be the opportunity for panel discussion and informal advertising for the various investment banking houses.

Chicagos Analysts to Hear CHICAGO, Ill.—E. Clashea Robins, a head broker at the luncheon meeting of the Investment Analysts' Association held today (Nov. 7) at the Maximilian Room, the Bismark Hotel, 16 E. Chicago, which will be the subject of the Nov. 14 meeting and American Potash & Chemical deal of the meeting to be held Nov. 21.

Short-term interest rates here are currently at the rate of 1.5% in the upper end of the range, and are not expected to decline further.

Top Tax Impact of Regulation
With the business in general being called a plate of uncertain conditions as to what the monetary authorities will do about reducing the expected cut in income taxes on business this year, it is generally believed that the tax reduction will be even more advantageous for the economy, accompanied by greater needs for less working capital and a better profit-making ability. Consequently, a further modest upward trend in short-term interest rates may be expected under conditions such as these.

Long Rates to Remain Stable
Long-term interest rates have advanced only very modestly in spite of the fairly noticeable rise in money market rates, because there has not been the same pressure put on the capital market to move these rates up as there has been on near-term interest rates. There is very little question but that the Federal Reserve does not want capital market rates to advance since the financing of new mortgage requirements as well as refunding operations has been confined mostly to other sectors of the market. When the amount of new corporate bonds being offered to the public, seems to indicate that long-term interest rates will stay pretty much in the area where they have been. In addition, the very large amount of money seeking an outlet in long-security and variable rate mortgage, is an indication of a more moderately restrictive credit policy.

Specialists in U.S. Government and Federal Agency Securities
Certificates of Deposit

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CHICAGO, ILLINOIS

12 BROAD STREET
NEW YORK, N.Y.

CHICAGO BOSTON
The Current Climate For Savings Banking

Continued from page 15

banks in New York State. In my opinion, the effect of this development which we have just described good for the public interest.

The increasingly expressed concern of commercial banks over the present weakness in the value of their assets leads one to believe that it is not to the public interest for commercial banks to speculate in securities. The position of savings institutions in the handling of individual savings accounts is not the same as that of the First National Bank of Chicago when, in 1929, it was speaking to theABA Convention in Washington three weeks ago.

Making the strong case for commercial banks to stay in the market for savings deposits rather than for commercial banks to stay in the market for savings deposits because of the high cost in involved. Mr. Freeman makes the point that new savings funds are believed to have been "invested in" in excess of 8% of the total amount of deposits. He further argues that, contrary to its view, "Commercial banks should not only participate in the current financial boom, but also through appropriate actions, act as a large part of their fixed asset structure," he asked the question, "Is there a possibility that the current high cost of deposits now being borne by commercial banks in the nature of capitation rates?"

Mr. Freeman continues, "The interest rate increase of 1962 sym¬bolized the beginning of a new era of financial dependence. The effort on the part of the banking system to expand its share of the savings market, away from the savings and loans and into the savings banks is a broad goal of the economy as a whole. In view of past history, the efforts of these large commercial banks, might one fairly speculate from the very inten¬ tion of Mr. Freeman's remarks that a reduction in interest rates is a likely future prospect over the saver is within the commercial bank fold? Perhaps even the large commercial banks will not get away with deposit accounts whose activity does not just the small balance accounts, that may be anticipated.

The deposit money is a very real source of funds for deposit money is a very real source of funds for commercial banks at some near future stage in their acquiring of savings deposits is substantially the actions of some of the banks them¬ selves. One New York commercial bank in its annual report, for in¬ stance, told its stockholders of a decision not to pay interest on savings accounts with balances of less than $500 and that it had notified the depositors of "very small bal¬ ances that they might better trans¬ fer to other accounts with savings institutions that are not so interested in their interest on them. Another New York commercial bank notes in its annual report that it is feeling no more and more the profit-squeeze resulting mainly from the higher cost of funds. A recent editorial in The Ameri¬ can Banker tocognize this consideration of this situation. It points out that the commercial banks accept "very small accounts on the condition that there be some small maintenance charge or some small amount of interest on them that until the accounts become large enough to cover the bank's cost of servicing them, the bank will not lose money. The commer¬ cial banks were to succeed in taking over savings deposits, the av¬ erage individual depositor could look forward to a rather bleak

The banking system as a whole is in the current financial boom, so that some real maintenance charge or some small amount of interest on them that until the accounts become large enough to cover the bank's cost of servicing them, the bank will not lose money. The commer¬

Unusual Treatment Stifles Savings Banks' Growth

The reason given for this con¬ tention is protection of the integrity of deposit accounts. The deposit accounts are thought today to have a socially recognized right to the principal and a right to protection against failure. Because there have been bank failures, both during "panics" and in the years between, confidence in over deposit integrity is real enough.

But deposit integrity is only one standard upon which the system of financial intermediaries must be judged. The performance of the system of financial intermediaries would require that the principles of which these standards are capable, and at the lowest possible cost to the public. In this context, "product" means not only deposit accounts, but loan services and indeed all services of finan¬ cial institutions; and "best" means not only deposit integrity but such things as convenience of access for customers, and a diversified and up-to-date product mix, pro¬ duced by banks in competition. For the sake of depositors services customers want whenever and wherever they want them. If the depositors are aware of deposit integrity could be retained and deposit money would be raised, the financial system would be improved. But it is widely held that deposit banking standards can not be raised without endangering deposit integrity.

What Competition Means

According to traditional free¬ market economic theory, the way to achieve the best product is through the forces of competition. By compe¬ tition, the economists would defi¬ ne it as a process in which discussing banking often do mean) maintain¬ ing the highest number pos¬ sible of independent banks or firms. That definition, unfortu¬ nately, leads to a conclusion that protection of a relatively inflexi¬ ble or poorly managed banking system would result in a large number of separate institutions could be described as a "monopoly competition." Of the contrary, in traditional eco¬ nomic theory, competition would not had to face the threat of failure. If the firm did not produce the lowest possible cost, it would fail. The survivors would be those which meet would be the necessary performance stand¬ ards.

The conflict between achieving

The Current Climate For Savings Banking

Continued from page 14

Unusual Treatment Stifles Savings Banks' Growth

unequal treatment stifles savings banks' growth

unequal treatment stifles savings banks' growth
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high performance standards through competition and maintaining deposits. This could be clear. Failure of inefficient banks would obviously penalize inefficient depositors, which is why the conflict has led to widespread regulation of two types.

First, inefficient banks are protected from the forces of competition. This is done by several means: limits on business lines of different types of organizations, limits on branching, and ceilings on payments permissible, etc. The second type of regulation is implied by the first, and to rely on competition to maintain high performance standards, then a number of financial standards must be set by law or other regulation.

These regulations, in general, make for a lower standard of performance on the part of the financial system as a whole. They limit the scope of action for aggressive and enterprising bankers, and make it more difficult for banking institutions to recruit competition—indeed it is ending.

It is well worth asking whether some of the regulations in existence cannot be made less stringent and whether others cannot be removed altogether with the objective of improving the performance of the financial system.

A Flexible Financial System

The essential social function of financial intermediaries is that they allow those with surplus funds to borrow money and those with a financial deficit to make payments. Financial instruments by borrowing and lending (e.g., in the form of government and corporate bonds, mortgage notes, etc...while as a whole they hold to financial stability, they are far from adequate with the objective of improving the performance of the financial system.

Reynolds Sponsoring Life

Life Ins. Stocks Forum

Newark, N. J.—Reynolds & Co., members of the New York Stock Exchange, will sponsor a forum on life insurance stocks at 8:30 a.m. in the Military Park Hotel, on Monday, November 17, in the Seaton Ballroom.

Principal speaker will be John G. Haslam, vice-president and treasurer of Capital Shares, Inc. Mr. Haslam is also president of Haslam Associates, Inc., an investment counseling firm, and president of Mutual Investment Company of America.

"Outlook for Life Insurance Stocks" will be Mr. Haslam's topic for the evening. A question and answer session will follow his address.

Form Annuity Plans

Minneapolis, Minn.—Annity Plans Inc. has been formed with offices at 1406 West Lake St. to engage in a securities business. Officers are Henry L. Rabin, president; Herschel L. White, Jr., vice-president; and Richard Williams Secretary and Treasurer. Mr. Williams was formerly with Williams & Associates.
Steel Production Mounts Abroad

In a special report from Europe, Iran's main steel plant is expected to be back to turn out more than 80 percent of its rated capacity. The production of the main steel plant is expected to be a return to the production levels seen in the 1960s, when the plant was producing a total of 10 million tons per year.

Steel production in Iran has been steadily increasing since the 1950s, and with the recent surge in demand, the plant is expected to reach its full capacity within the next two years. The increase in production is expected to have a significant impact on the global steel market, as Iran is one of the world's largest producers of steel.

The increase in production is due to a combination of factors, including an increase in demand for steel, a decrease in production costs, and a increase in the efficiency of the plant. The plant is also expected to continue to expand its production capacity in the coming years, with plans to reach 15 million tons per year by 2025.

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Confidence in Government... The Magic Key to Progress

Continued from page 11

The highly restrictive amendments. Cumberbatch requirements, new clinical investigation regulations, variations in the use of antibiotics, all combined to bring an unforeseen result: One broad, but big and small, were forced by sheer good business sense to sharply reduce research programs, dropping numerous projects of immense promise to public health. Drugs, which now will concentrate on the development and more energetic merchandising of existing drugs, which are having a longer market life, since the amount of samples and advertising of old product is much less than on a new one, profit margins are aided, and earnings increased.

Only the public will suffer, poorly equipped to understand the wisdom of whose lives conceivably could be lengthened by drugs still undiscovered. Even before the Food and Drug Administration, imposing report on the subject by Dr. Austin Smith, President of the Pharmacists' Association, before the Federal Bar Association in Washington. Businessmen are not yet too concerned over the political and economic philosophies of administration advisors and others close to the White House.

“A Matter of Sociology

“Look at this way,” said a corporate head. “Let's say you are president of a giant industrial company with an army of stockholders. Then you find that economic policies involving the corporate future you suddenly add to your team Professor Arthur Schlesinger, Dr. Walter Heller, Professor John Galbraith, and others who were ill-disposed toward your corporate scale. Now isn't our government as important to the taxpayers as any single business entity?" He went on to say that before leaving his post as ambassador to India, Professor Galbraith told an Indian audience their social security system utilized only 14% of the economy. In America, Galbraith was reported as boasting, one-fifth of the industrial capacity is planned, fully controlled and disposed of by government. If workers, "Now, asked the industrialist, "do you wonder why that industry is free to public confidence is slipping... slipping... slipping! And why projecting the future has become a guess as to political tides?"

Government Deceit

As one means of bolstering business optimism overnight, the chief of a trade group recommended a quick end to government, big. He ticked off some main areas of deceit:

- Dollar depreciation that diminishes publicly held government bond values, life insurance policies, some education and pension fund savings accounts, and the like...
- Gross misinformation as to the actual requirements of mission financing, overestimating unions in preserving featherbedding, deceptively alike to misleading the public with incomplete unemployment figures...
- Stubbornly squeezing huge sums for unwarranted and uncalled-for a new program... Conservatism is on the Rise

A flicker of hope is found by the business fraternity in the fact that conservatism is on the march. Sign of the times is indisputable. A surprising number of young men and women are joining the caviar talk of socialism and sympathy over the pressures of big government, fixed wages, stubborn deficits and big unions. They are disillusioned by results world affairs after so many years of effort and sacrifice.

With a tinge of panic Liberals were observed to be in the air that the flamboyant gospel of 30 years has an irritating grate in the world of today, that extreme doctrines have registered abject failure when tried in other lands. A left-winger whose latest brain child met a cold shoulder from his constituents sighed:

"Do we really have to have only a middle class left?"

The typical Liberal is affable, smiling, and not too profound. He distinctly dislikes those political opponents who campaign on an issue, then, having won, do not demand facts... facts... facts. He must depend for votes on emotional appeal, on the weaknesses and desires of minority groups, and the prejudices against the old order.

His basic theme, stripped to the bare bones, is that big central government and spending, will provide a safe and happy life for all the poor, including himself. He doesn't admit that first the money must be taken from the people themselves.

He is capable of quick anger. His very special delight falls upon the heads of professional, orthodox economists, here and abroad, who denounce his doctrine of perpetual planned deficits. He bristles with anger when they disapprove the "slick-wit undergraduates" who fashion and advise on the New Sophisti-cal Economics.

The Liberal, said an economist of international repute, has a one-track mind bound solely on spend- ing. "If the parson's daughter is as salable on the New York side street the Liberal may demand an appropriation to rehabilitate the New York slums, at the cost of their old slums, and, charging that a cold and hos-tile society has made them feel rejected."

Voters' Perspective

Monteith realistic business leaders anticipate no abrupt rev- eal of welfare state policies, nothing that actually would restore full public confidence, a factor which they regard as the magic key to progress.

They are convinced, however, that a great body of voters are fast attaining a broader perspec-tive of good government, that they are weary of the shrifts for more social workers, more public housing and more youth clubs, while the nation is in fact getting more crime, more illegitimate children, more delinquents, and a rising tide of chisellers... These restive voters are learning... learning the full and deep influence in government, for confidence breeds courage, and courage breeds progress. They are learning the power of the executive that this is a fact: public officials who care little for the welfare state... a new generation of course who built our villages and towns and cities, who crossed the sprawling plains chartered, balloononed over with white canvas, who spanned the continent with steel rails, and who reaped the harvest and gave the agricultural empire in the history of the world.

This mighty achievement was not the handiwork of big central government. There were no "planes..." building down the necks of men fired with the spirit of freedom, and who needs that same long tax fingers reaching into every pocket; no up-side-down economics.

America was a dream, and they made it come true.

SECURITY TRADERS ASSOCIATION OF NEW YORK

The Security Traders Association of New York, Inc. is quoted herewith:

“It shall be the duty of the Nominating Committee to nominate five Officers, four Directors, eight to 15 candidates for the Nominating Committee for the following year, three National Committees and five Alternates."

In accordance with these provisions, the following candidates have been nominated to hold office for the year 1964:

First Vice-President—Salvatore J. Rappa, Morgott, Rappa & Co., Inc.

Second Vice-President—James T. Gahan, E. F. Hutton & Co., Inc.

Secretary—James V. Torpie, Torpie & Saltzman, Inc.

Treasurer—Bernard Weisman, Gold, Weisman & Frankel, Inc.


Parker House Branch

With Emling Management

SHERIDAN, Wyo. — The Parker House of Billings, Montana, has opened a branch office in the Fred Emling Management Asso- ciates, Inc. He was formerly for many years with Merrill Lynch, Evangeline, Pierce, Fenner & Smith Inc.
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:

<table>
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<tr>
<th>Industry</th>
<th>Latest Week</th>
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**American Petroleum Institute**

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<tr>
<td>Crude oil, daily average (bbls.)</td>
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**Construction Advance Planning Engineering**

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<td>Total advance planning by ownership</td>
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**Department Store Sales Index**

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**Edison Electric Institute**

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**Iron Age Composite Prices**

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**Metal Prices (S & M. J. Quotations)**

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**Moody's Bond Yields Daily Averages**

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**National Paperboard Association**

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<td>Orders received</td>
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**Oil and Gas Weekly Reporter Price Index**

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**Stock Transactions for Odd-Lot Account of Odd-Lot Dealers and Specialists**

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**United States Exporters and Imports**

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<th>Annual Rate</th>
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<td>Exports</td>
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**Treasury Market Transactions in Direct and Institutional Securities of U.S. & of Month of September**

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<th>Industry</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month Year</th>
<th>Annual Rate</th>
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<td>Total</td>
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Securities Now in Registration

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, state, and SEC file number reflect the effective date of the underwriter but are not, in general, firm offering dates. Also shown under the caption "Effective Registrations" are those issues which became effective this week and were published publicly.

Aerosol Techniques, Inc. (11-12) Sept. 20, 1963 waited pursuant to which, of 80,000, 45,000 are to be offered by company and 7,000 by certain stockholders. Rights will expire Nov. 7, 1963. Price—$1.90. Business—Manufacture of aerosol products.

Proceeds — For acquisition of equipment, leasehold improvements, and working capital.


Alliant Auto Parks, Inc. (11-31) Oct. 16, 1963 filed 1,758,000 common shares and 5,147-5/4 "A" ordinary shares being offered for subscription by stockholders on the basis of one new share for each two like shares held of record Nov. 8, 1963. Rights will expire Nov. 23. Price—$1.22. Business—A general commercial bank.

Proceeds — To increase capital funds.

Office—Tel-Aviv Development Co. & Kuhn, Loeb & Co., New York.


Proceeds—For debt repayment and working capital.


Bradford Speed Packaging & Development Corp. July 22, 1963 filed 699,350 common being offered to stockholders on the basis of one share for each $25 of deposited securities. Exchange is believed by counsel to be tax-free to investors. Proceeds—For deposit of securities and development.


Office—110 63rd St., New York, N. Y. Underwriter—allotment.


Carona Corporation. Oct. 9, 1963 filed 60,000 common to be offered for subscription by stockholders on the basis of one share for each three shares held of record. Rights will expire Nov. 3. Price—$3.50. Business—Manufacture of extruded plastic pipe, and renovation and fabricating metal (branch plant)

Proceeds—For debt repayment, working capital, and other corporate purposes.

Office—P. O. Box 123, Aurora, Ohio. Underwriter—allotment.

Castle Hospitality Services, Inc. Dec. 14, 1962 filed 500,000 common at $4 each. Proceeds—For real estate investments, real estate development, and development of other corporate purposes.

Office—1080 S. Ocean Blvd., Palm Beach, Fla. Underwriter—allotment.


Central Mutual Telephone Co., Inc. (11-15) Oct. 15, 1963 filed 70,000,000 common to be offered by subscription by stockholders on the basis of one new share for each two like shares held of record Nov. 1, 1963. Rights will expire Nov. 29. Price—$2.50. Business—Company furnishes telephone service in Prince William, Stafford and Fairfax Counties, Virginia.

INDICATES ADDITIONS SINCE PREVIOUS ISSUE

ITEMS REVISED

FIRM TRADING MARKETS in over-the-counter securities

specializing in all NEW ISSUES

Bought—Sold—Quoted on Banks, Brokers, Exchanges

continued on page 32

SIEGEL & CO., INC.

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WOODOCK, Moyer, Fricke & French, Inc., Philadelphia
Florida Jai Alai, Inc. (11/25-29)

Gas Hills Uranium Co.

Georgia Power Co. (11/7)

Gold (I.) Realty Corp.
Sept. 27, 1963 filed 22,115,746 shares of $1 par value common stock. Proceeds—For debt retirement and other corporate purposes. Georgia, Atlanta. Underwriters—None. Note: The SEC has issued a stop order.

Great Lakes Homes, Inc. (11/18-22)

Greater Nebraska Corp.

Heck's Inc. (11/11-15)

Holiday Mobile Home Resorts, Inc.
March 27, 1963 filed 1,000,000 shares of $1 par value common stock. Proceeds—For development of mobile home resorts. U.S. Proceeds—For debt retirement, construction, and other corporate purposes. Business—Mobile home resort development. Wisconsin, Wis. Underwriters—Boetcher & Co., Denver, and J. R. William, Chicago. Note: This registration will not be withdrawn as previously reported, but will be amended.

Horace Mann Life Insurance Co.

Imperial '400' National Inc. (11/25-29)
Jan. 29, 1963 filed 200,000 shares 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 recorders especially suited to the distribution of plastic, metal and glass products for home use. Proceeds—For a reduction of stockholders and reduction of accounts payable. Ohio—600 W. Pratt Ave, Chicago. Underwriter—None.

International Life Insurance Co. of Buffalo

Japhet Continental Fund, Inc.

Israel American Diversified Fund, Inc.

Israel Baby Food Co. Ltd. (11/18-22)

Israel Fund, Inc.

"Izraia" Israel-Raasco Investment Co., Ltd.

Jap Pemra Associates, Inc.

Jade Oil & Gas Co.

Metro City Life Co.

Insurance Securities, Inc.

Old Forester Inc.
April 10, 1963 filed 530,000 shares of $1 par value common stock to be offered on the basis of one share for each share held. Price—By amendment (max. $10). Business—To establish, maintain and administer a life insurance fund and annuities. Proceeds—For construction of experimental helicopters. New York, N. Y. Underwriter—None.

Iowa State Telephone Co.
Sept. 26, 1963 filed 8,843 shares being offered for subscription on the basis of two shares for each share held. Price—By amendment (max. $7). Business—To establish, maintain and administer a life insurance fund and annuities. Proceeds—For investment. Office—100 North Cherry St., Galesburg, Illinois. Underwriter—None. Note: The SEC has issued a stop order.

Ivie Trust Contingent Fund, Inc.

Jebb Franklin, Inc.

January 15 (Friday)

Central Mutual Telephone Co., Inc. -Common ($1,500,000, $39 1/2)

Great Lakes Homes, Inc. -Common ($1,000,000, $13 1/2)
New Campbell Island Mines Ltd.

October 7, 1962 filed 100,000 preferred shares, par value $1.00, which 400,000 ore to be offered by the company and 75,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—J. E. Cairns & Co., Toronto.

New England Power Co. (11/19)

October 7, 1962 filed 300,000 preferred shares, par value $1.00, which 1,000,000 ore to be offered by the company and 250,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

New York Gas & Electric Co. (11/19)

October 7, 1962 filed 1,000,000 preferred shares, par value $1.00, which 1,250,000 ore to be offered by the company and 250,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—J. E. Cairns & Co., Toronto.

Nordson Corp. Ltd.

September 7, 1962 filed 10,000 capital shares, par value $1.00, which 1,000,000 ore to be offered by the company and 500,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

Nuclear Science & Engineering Corp.

March 29, 1962 filed 100,000 preferred shares, par value $1.00, which 1,000,000 ore to be offered by the company and 500,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

Old Florida Rum Co.

July 29, 1962 filed 225,838 common, which 1,000,000 ore to be offered by the company and 500,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

Outlet Mining Co., Inc.

Phifer, 1962 filed 300,000 preferred shares, par value $1.00, which 1,000,000 ore to be offered by the company and 500,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

Pacific Northwest Bell Telephone Co. (11/25)

October 26, 1962 filed 1,000,000 common, which 1,250,000 ore to be offered by the company and 250,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—J. E. Cairns & Co., Toronto.

Natural Gas & Oil Producing Co. (11/25-29)

September 7, 1962 filed 180,000 common, which 400,000 ore to be offered by the company and 250,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Phifer, 1962 filed 300,000 preferred shares, par value $1.00, which 1,000,000 ore to be offered by the company and 500,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

Natural Union Insurance Co. of Washington

August 6, 1962 filed 4,000,000 common, which 8,000,000 ore to be offered by the company and 4,000,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

National Mortgage Corp., Inc.

December 26, 1962 filed 8,000,000 face amount certificates of participation in the certificates of deposit of banks and trust companies, each certificate $762, for stock, $1.50. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

National Union Insurance Co. of Washington

August 6, 1962 filed 4,000,000 common, which 8,000,000 ore to be offered by the company and 4,000,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

Natural Gas & Oil Producing Co.

September 7, 1962 filed 180,000 common, which 400,000 ore to be offered by the company and 250,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Phifer, 1962 filed 300,000 preferred shares, par value $1.00, which 1,000,000 ore to be offered by the company and 500,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.


Peerless Insurance Co.

October 5, 1962 filed 1,500,000 common, which 5,000,000 ore to be offered by the company and 1,500,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

Peaco, Inc.

January 31, 1963 filed 100,000 common, which 1,000,000 ore to be offered by the company and 500,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

Pentax, Inc.

January 31, 1963 filed 100,000 common, which 1,000,000 ore to be offered by the company and 500,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

Peachtree, Inc.

February 26, 1962 filed 500,000 common, which 2,500,000 ore to be offered by the company and 1,000,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

Pentax, Inc.

January 31, 1963 filed 100,000 common, which 1,000,000 ore to be offered by the company and 500,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

Pentax, Inc.

January 31, 1963 filed 100,000 common, which 1,000,000 ore to be offered by the company and 500,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

Pentax, Inc.

January 31, 1963 filed 100,000 common, which 1,000,000 ore to be offered by the company and 500,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

Pentax, Inc.

January 31, 1963 filed 100,000 common, which 1,000,000 ore to be offered by the company and 500,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.

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Pentax, Inc.

January 31, 1963 filed 100,000 common, which 1,000,000 ore to be offered by the company and 500,000 by a stockbroker. Proceeds—For general corporate purposes. Offered—Dean Witter & Co., New York.
Uxere of Texas, Inc.

vice retail drug stores for sale of prescription and
non-prescription drugs, and non-drug store prod¬
ucts. Loans. For equipment, working capital,
inventory, and expansion of present operations.

Virginia Electric & Power Co., (12/10)

utility. Address—Monroe, Va. Underwriter—To be named.

Waterman Steamship Corp., (11/14)

Business—Carrying on a business of shipping and
logistics—Exploration, design, construction, and

Western Steel, Inc., (11/12)

Jan. 19, 1963, filed 2,000,000 common. Price—$1.
Business—Carrying on a business of mining and
the manufacture of certain types of iron by the new "Taylor Process." Proceeds—For development of production facilities and expansion of the capital stock. Address—Suite 5, 411 South Wabash Ave., Chicago. Underwriter—None.

Weyerausser Co., (11/14)

Oct. 24, 1963 filed 400,000 capital shares. Price—By
amendment (max. $5). Business—Growing and har¬

William Penn Racing Association

May 29, 1963, filed $2,000,000 of 6% sinking fund de¬
debentures due 1987 and 1973. Proceeds—For the
development of a new racetrack and for general pur¬
porses. Proceeds—For the purchase of land and work¬
ing capital. Underwriter—Shields & Co., Inc., N. Y. Note—This registrant has filed for incorporation.

Winlow Electronics, Inc.


Weyerhauser Co., (11/14)

Sept. 18, 1963, filed 3,600,000 common capital shares to be offered for subscription by shareholders of the capital stock and 6% convertible debentures due 1963. Proceeds—For the purchase of additional equipment for the companies under the control of the registrant. Proceeds—For the purchase of public utility plants. Underwriter—None.

X Consumers Cooperative Association

Feb. 29, 1963, filed 89,000,000 of 5 1/2% subordinated certificates of indebtedness due 1988; 120,000 shares of non-voting preferred stock; and 400 common. Price—By amendment. Business—Purchase of the assets of the Consumers Cooperative Association for the benefit of association for local farmers coop's in the midwest. Underwriter—None.
Effective Registrations

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

Bank of America—Le BAL. M. Fenner & Smith will file a registration statement of 5,175,000 ordinary shares and 5,147,500 "A" ordinary shares being offered for subscription by stockholders at $12.25 per share, for the benefit of the corporation.


Business—Design, bantures

Electronic Industries—12/12/63

Hemphill, Noyes

Stock

Electronics

B

Facilities for missile development.

25,500 shares

25,000 shares

1978.

Proceeds—For working capital, and loan repayments. Offerings—Indefinitely postponed.

1965.

1964.

1963 received

New York.

underwriters—To be named.

Offerings—Expected Dec. 11 (11 A.M. EST.)

ATTENTION UNDERWRITERS!

Do you have an issue you're planning to register?

Our Corporation News Department would like to cooperate with you in getting the facts out to the market in a similar to those you'll find herewith.

Would you telephone us at R.E. 5787 or write us at 25 Park Place, New York, 7, N.Y.

Prospective Offerings

Associated Truck Lines, Inc., Sept. 16, 1963 it was reported that 110,000 common shares of Associated Truck Lines, Inc., of which 40,000 will be sold for the company, 700 for certain stockholders. Bus..—Business—General transportation, and finance. Offerings—Building

Atlantic Coast Line R.R. (11/20)

Nov. 4, 1963 it was reported that this road plans to sell 10,000,000 shares of its common stock, 50,000 shares to be sold for the benefit of the corporation. Proforma bid: Halsey, Stuart & Co. Bids—Nov. 20 (noon EST.), at above address.

Bank of the Southwest N.A. (Houston)

Oct. 16, 1963 it was reported that stockholders had approved 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 Nov. 15, 1964. Offerings—For general corporate purposes. Underwriters—Kuhn, Loeb & Co., and J.C. Bradford & Co., Inc., Nashville.

Bethlehem Steel Co.

Veb. 26, 1963, Arthur B. Honer, 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. Honer added that the company will not be required until as late as 1964. Offerings—25 Broadway, New York, Underwriters—To be named. The last public offerings were made by Kuhn, Loeb & Co., and Smith, Barney, Co., New York, and Mitchell, Jones & Tempelton Inc., Los Angeles.

30,000 shares of sinking fund debentures due 1978. Price—By amendment. Business—A new company formed for the purpose of consolidating various companies doing business in the described area. Offerings—Building

Macco Realty Co. (11/25-29)

Oct. 31, 1963 it was reported that 100,000 shares of convertible subordinated debentures due 1978, Price—By amendment. Business—A new company formed for the purpose of consolidating various companies doing business in the described area. Offerings—Building

Mott's Super Markets, Inc.

Nov. 2, 1963 it was reported that a group of stockholders has purchased 2,000,000 shares of the company's common stock at $42.50 per share. Offerings—Building

Rally Foods

Nov. 1, 1963 it was reported that 35,000,000 of sinking fund debentures due 1958. Price—By amendment. Business—Production of commercial animal and poultry feeds, the sale of soybean oil, and grain merchandising. Offerings—For equipment, inventory and working capital. Offerings—Building

Central Illinois Public Service Co.

On Oct. 2, 1963, it was reported that the company plans to sell $25,000,000 of debentures due 1984 and 1981. Offerings—Building

Chicago Burlington & Quincy RR (11/12)

Oct. 7, 1963 the company announced plans to sell $25,000,000 of debentures due 1983. Offerings—Building

Communications Satellite Corp.

Oct. 7, 1963 it was reported that a registration statement will be filed in December containing about $250,000,000 of this firm's common stock to be issued in two series. Series I will be sold to the public firms that produce other non-communications concerns. Series II will be issued to the SEC for the firm's bond investment to be used for the acquisition of facilities for the international transmission of telephone, telegraph, television and other communications. Offerings—Building

Consumer Power Co.

Oct. 7, 1963 the company stated that it plans to sell $75,000,000 of first and refunding mortgage bonds due Dec. 1, 1964. The proceeds will be used for the acquisition of a wide line of food products and the operation of three retail food chains and one retail drug store under the name of Two Ferry Fisheries. Offerings—133 So. LaSalle St. Chicago, Underwriters—Kearney, Smith & Lehman Brothers, N.Y.

Consumers Power Co.

Oct. 7, 1963 the company stated that it had postponed indefinitely its plans to sell $20,000,000 of 5% mortgage bonds. Earlier, the company said that it planned to sell $20,000,000 of bonds to be used for the acquisition of the company's bonds. Offerings—Building

Control Data Corp.

Oct. 7, 1963 it was reported that the company plans to sell the sale of $25,000,000 or more of securities sometime in 1964. A company spokesman said that the timing of the offering will depend on market conditions at the time. Offerings—810 38th Ave. South, Minneapolis, Underwriters—To be named.

Decker Power Co.

Sept. 17, 1963 it was reported that the company has ten...

General Aniline & Film Corp.

April 3, 1963 Attorney General Robert F. Kennedy announced that the government had reached an out-of-court agreement with Interhandel, a Swiss holding company, in an old dispute over control of the 540,000 class A and 2,050,000 class B shares of the company's stock in 1942 as a German asset. The stock represents 9% of the voting control of the company. The Kennedy administration would be sold for $230 million, the Government would receive about $146 million

100,000 shares of common stock to provide for sale of 4,517 additional shares to stockholders of the company. Offerings—Building

30, 1963 rights will expire Nov. 25, Price—About $30.

General Electric Co.

Aug. 27, 1963 the company stated that it plans to sell $250,000,000 of debentures due 1963. Offerings—Building

General Electric Co.

1963 filed 100,000 shares of preferred stock. Business—General electric holding company. Offerings—Building

First National Bank of Chicago.

1963 filed 100,000 shares of preferred stock, Business—General electric holding company. Offerings—Building

1963 filed in SEC.

Federal Reserve Bank of St. Louis

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http://fraser.stlouisfed.org/
and Interhandel materials.


Interpublic Inc.

Oct. 30, 1963 it was reported that this company is planning its first public stock offering. Business—A holding company for advertising agencies, public relations firms and other communications companies.

Iowa Power & Light Co.

Jan. 10, 1964, it was reported that the company plans to sell $15,000,000 of bonds in the last half of 1964. Office—422 Washington St., Boston, Mass. (Competitive). Probable bidders: First Boston Corp.; White & Co., of New York; Underwriters Co.—First Boston Corp.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities Co.; & Leonhard Brothers; Blyth & Co. & First Boston Corp.; (jointly); Salomon Brothers & Hutzler —Eastman Dillon, Union Securities Co.—First Boston Corp.; (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.—First Boston Corp.; (jointly); and Underwriters—(Competitive). Probable bidders: First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.—First Boston Corp.; (jointly); and Interhandel materials.

July 16, 1963 following the public offering of $40,000,000 of external bonds, it was reported that the Government of the United States sold $50,000,000 of bonds in the U. S. and abroad. Underwriters—Kuhn, Loeb & Co.—First Boston Corp., N. Y., & Co.—First Boston Corp.; (jointly);

Missouri Pacific RR (1/7/64)


Narragansett Electric Co. (1/14/64)


New York Electric RR (12/4)

Oct. 7, 1963 the company announced to offer $3,000,000 of 1-year equipment trust certificates. Address—New York, Underwriters—(Competitive). Probable bidders: Salomon Brothers & Hutzler—Eastman Dillon, Union Securities Co.—First Boston Corp.; (jointly); Bids—Offered Dec. 4 (12 noon EST), at above address.

New York State Electric & Gas Corp.

Office—400 Madison Ave., New York, Underwriters—To sell $20,000,000 of debt securities to finance its construction program. Address—Robert G. Morris, Esq., 325 Broadway, New York, Underwriters—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.—First Boston Corp.; (jointly); Equitable Securities Corp.—Eastman Dillon, Union Securities Co.; & White, Weld & Co.—Shields & Cohn, Inc.—First Boston Corp.—Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly);

Kentucky Utilities Co.

On Oct. 16, 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. (Competitive). Underwriters—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.—White, Weld & Co., Inc.—First Northern Securities Co.—(jointly); Equitable Securities Corp.—Eastman Dillon, Union Securities Co.; & White, Weld & Co.—Shields & Cohn, Inc.—First Boston Corp.—Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly);

Lavin-Charles of the Ritz Inc.

Sept. 30, 1963 it was reported that following the proposed merger of Lavin Industries—Kidder, Peabody & Co.—Har- rison, Ripher & Co.—(jointly) to be sold on stockholders Nov. 14, E. L. Courb- land, President, and J. E. Sams, a lawyer, story, 50 stock plan to offer publicly 7,000,000 common shares. Business—Company is the U. S. distributor of Lavin purses and women's luggage, and other accessories, as well as cosmetics and toiletry products. Office—717 Fifth Ave., New York. Underwriters—Isaacs & Sachs Co. & Allen White, Weld & Co., Inc., New York. Offering—Expected in late December.

Livingston Oil Co.

Nov. 6, 1963 it was reported that the company plans to file a registration statement covering an undisclosed number of shares of its common stock for the sale of development and oil properties. Proceeds—For general business purposes.

Louisiana Power & Light Co.

Oct. 16, 1963 it was reported that this subsidiary of Middle South Utilities Inc., plans to issue $22,500,000 of bonds in second quarter of 1964. Office—142 Belair St., New Orleans, Underwriters—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.—First Boston Corp.; (jointly); White, Weld & Co.—Blyth & Co., Inc.—and certain other smaller banks.

Louisiana Power & Light Co.

Aug. 25, 1963 the company announced plans to issue $25-to-$30,000,000 of first mortgage bonds in 1964 in order to help finance its $280,000,000 5-year construction program. Office—250 Old Canal Rte., New Orleans, Underwriters—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.—First Boston Corp. (jointly), W. C. Langley & Co., Inc.—First Boston Corp. (jointly);

Pacific Northwest Bell Telephone Co. (12/3)

A subsidiary of the Pacific Northwest Bell Telephone Co. plans to sell $50,000,000 of debentures due Dec. 1, 2000. Proceeds—To refinance $48,000,000 of debentures. Address—Pacific Northwest Bell Telephone Co., Office—1200 Third Ave., Seattle, Underwriters—(Competitive). Probable bidders: Morgan Stanley & Co.—(jointly); & Co.—First Boston Corp.—Morgan Stanley & Co.—(jointly);

Pacific Telephone & Telegraph Co.

June 19, 1963 the company stated that it will need $450,000,000 in 1963 to help finance its $1.3 billion construction program. This means that the company must sell about $211 million of debt securities due 1964. Office—900 California Ave., San Francisco, Underwriters—To be named. Proceeds—For construction and the retirement of $33,000,000 of 6½% notes due 1964. Underwriters—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp.; (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); and Interhandel materials.

Philadelphia Electric Co.

Sept. 18, 1963 it was reported that the company is considering plans to sell $50,000,000 of bonds in mid-1964. Office—1006 Chestnut St., Philadelphia, Underwriters—(Competitive). Probable bidders: Morgan Stanley & Co.—Drexel & Co.—(jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.; White & Co.; & Co.—(jointly).

Power-Pak, Inc.

Nov. 4, 1963 it was reported that the company plans to sell 150,000,000 of shares in its stock offering statement covering 1,000,000 of convertible debentures. At the same time, certain stockholders are expected to sell up to 100,000,000 shares, or 25% of the company's total stock outstanding. Office—Manufacture of various types of aerosol products, with stock loan registered. Address—Bridgeport, Conn. Underwriters—S. D. Fuller & Co., Inc. & Co. of Colorado

June 4, 1963 it was reported that the company plans to sell $25,000,000 of 30-year mortgage bonds by April 1964. Proceeds—For construction. Office—500 19th St., Denver, Underwriters—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Harriman, E. & Co.—First Boston Corp.—Eastman Dillon, Union Securities Co.—Morgan Stanley & Co.—Drexel & Co.—(jointly); First Boston Corp.—Lehman Brothers-Kidsel & Co.—Harriman, E. & Co.—(jointly); Blyth & Co.—Smith, Barney & Co. (jointly);

Rayette, Inc.

Oct. 16, 1963 it was reported that this firm plans to sell about $10,000,000 of securities in January. The type or term of the securities will be announced later. Business—Manufacture of machinery, supplies and equipment for beauty salons. Office—30 FIgth St., St. Paul, Minn. Underwriters—Allen & Co., New York.

Rochester Telephone Co.


Seaboard Air Line RR. (11/13)

Sept. 24, 1963 the company announced that it plans to sell $30,000,000 of first mortgage bonds due 1963 at competitive bidding in November. Proceeds—For loan re-

Continued on page 38
payment and working capital. Office—300 W. Broad St.,

Southern Counties Gas Co. of Calif. Jan. 2, 1963 it is reported that this subsidiary of Pacific Lighting Corp. plans to sell $7,000,000 of first mortgage
bonds in the fourth quarter. Address—P. O. Box 27,

Southwestern Public Service Co. Oct. 6, 1963 it is reported that the company plans to issue approximately $13,000,000 of first mortgage bonds in the first quarter of 1964. Office—720 Mercantile Build-
ings, Dallas, Tex. Underwriter—Dillon, Read & Co., Inc., New York. Proceeds—For loan repa-

Valley Gas Co. Aug. 28, 1963 it was reported that the SEC had scheduled a hearing for Oct. 10 on a plan under which Blackstone Valley Gas Co., will use $10,000,000 of preferred stock and $15,000,000 of common stock to acquire the shares holdings of Valley Gas to stockholders of Blackstone Valley Utilities Associates, the latter parent. Office—Franklin, Tenn. Proceeds—To increase capital funds. Office—418 Madison Ave., New York. Underwriter—M. A. Saunders & Co., New York.

**Dealers Broker Recommendations**

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<th>Dealer-Broker Recommendations</th>
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<tr>
<td><strong>The COMMERICAL and FINANCIAL CHRONICLE</strong></td>
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<td>25 Park Place, New York, N.Y. 10007</td>
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**FILL OUT THE COUPON BELOW AND WE WILL SEND YOU COMPLETE INFORMATION REGARDING OUR SPECIAL TRIAL SUBSCRIPTION OFFER TO THE COMMERCIAL AND FINANCIAL CHRONICLE WITHOUT OBLIGATION.**

**NYSE Comments Trust Division On Margin Rise Ejects Officers**

A spokesman for the New York Stock Exchange, however, reports that this is generally in line with the growth in the number and value of shares listed. Securities traded in 1963 were valued at about $26 billion, up from $1.5 billion in 1962 and from $2 billion in 1961. The number of transactions in stocks and bonds increased from about 300,000 in 1962 to about 400,000 in 1963. The number of orders received by the exchange, however, declined from about 500,000 in 1962 to about 450,000 in 1963.

Edward J. Veitch, Vice-President of the New York Stock Exchange, has been elected Chairman of the Trust Division of the New York State Bankers Association. The Trust Division is carried out by the Trust Committee, which is served by the New York Stock Exchange.

**NYSE Comments Trust Division On Margin Rise Ejects Officers**

**FILL OUT THE COUPON BELOW AND WE WILL SEND YOU COMPLETE INFORMATION REGARDING OUR SPECIAL TRIAL SUBSCRIPTION OFFER TO THE COMMERCIAL AND FINANCIAL CHRONICLE WITHOUT OBLIGATION.**
TAX-EXEMPT BOND MARKET

Continued from page 6

For a second week in a row, the market for tax-exempt bonds was subdued as capital markets continued to be cautious. The Treasury requirements more or less locked into place, with corporate and municipal bond calendar of moderate proportions. It is expected that there would appear to be no serious technical pressures on the near-term bond market.

NasD Announces New Exams For Principals of Member Firms

The National Association of Securities Dealers has announced that a completely new qualification examination, designed exclusively for principals and officers of member firms will be put into effect on December 15, 1962. The Association's 69 test centers.

The new Qualification Examination for Principals will be taken, in general, by all applicants new to the securities industry, or who wish to be principals, partners or officers of NASD members. The examination will be given by the respective principals in charge of the NASD Registered Representative Examination.

The new, four-hour test consists of objectives and short-answer, essay type questions dealing with those fields of knowledge that must be understood by individuals involved in authority, policy making, or supervision in the securities industry. The examination will be conducted on a well-defined list of questions to be given the examination for Principals. In the event an applicant fails the test, his application is suspended and he is required to pass the examination for Principals. In the event an applicant fails the examination for Principals, he will be required to pass the examination for Principals and becomes a full partner.

The NASD is a national self-regulatory association with 40,000 member firms who deal in the over-the-counter securities. The Association gives examinations and registers brokers and salesmen of its members. At the present time, there are more than 90,000 representatives registered by the NASD.

Two With Disbro CLEVELAND, Ohio — John C. Bartell and George R. Tenpoci, two Ohio members of the Cuyahoga Bar, have become associated with Disbro & Co., Superior Building, who both were formerly with Morrow & Co.

DIVIDEND NOTICES

DIVIDEND NOTICES

EASTERN GAS AND FUEL ASSOCIATES

The following dividends have been declared on the Common and Preferred Shares of the company, payable December 15, 1963.

Common Dividend No. 174
13c per share
Preferred Dividend No. 1
29.5875c per share

EATON MANUFACTURING COMPANY

Our stock is listed on the New York Stock Exchange. Symbol is EAT.

DIVIDENDS

DIVIDENDS

The over 700,000 owners of Standard Oil Company (New Jersey) will share in the earnings of the Company by a dividend, declared by the Board of Directors on October 31, 1963, which is payable February 1, 1963, to stockholders of record November 12, 1963 at the rate of $3.00 per share of common stock.

1961 is the 81st consecutive year that dividends have been paid.

Shapker Properties Stock Offered

McDonald & Co., Cleveland, is offering public subscription shares of beneficial interest in Shapker Properties at $15 per share. Net proceeds will be used for investment, principally in the Shapker Square properties in Cleveland.

The company headquarters at 185 Union Commerce Building, Cleveland, was organized in Ohio on June 26, 1962 and plans to qualify as a real estate investment trust. Net proceeds will be used for investment under Sections 856 and 860 of the Internal Revenue Code.

Dardson-Walker Refrigerators Company


MURPHY CORPORATION, COMMON STOCK QUARTERLY DIVIDEND 12c per share
- Payable December 12, 1963
- Record November 21, 1963
- Declared October 30, 1963

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The over 700,000 owners of Standard Oil Company (New Jersey) will share in the earnings of the Company by a dividend, declared by the Board of Directors on October 31, 1963, and payable February 1, 1963 to stockholders of record November 12, 1963 at the rate of $3.00 per share of common stock.

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DIVIDEND NOTICES

Harkins-Walker Refrigerators Company

Board of Directors has declared for quarterly ending December 31, 1963 (15c per share), payable (15c per share), payable

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WASHINGTON, D.C. — A new bill aimed at curbing unfair competition by the Federal Government with private enterprise was tossed in the hopper a few days ago by the assistant Republican leader in the Senate.

The measure by Senator Thomas H. Kuchel of California provides more for the establishment of a pond-

No Action This Year

The proposal by Senator Ben-

The bill, which has a solid background, as well as some opposition.

The opposition comes from the Bureau of the Budget and the Department of Defense, two powerful branches of the Executive Government.

The Barge Line Sale

It was during the Eisenhower Administration that the then Secretary of Commerce made some headlines, particularly on the financial pages and in business sections, with the sale of the Federal Barge Lines to private enterprise. At the time there was hope that similar sales would be made by the Government, because the barge line was worthy of note.

Some Congressional sources state that the Government has made new investments in business by at least a couple of billion dollars. However, the proposal would have a substantial offset in this figure by the sales of plants by the Department of Defense. There are no immediate figures available on these sales, but there is a lot of them.

Some Congressional sources say the United States Government has as much as $15 billion invested in businesses and services that compete with private enter-

Under Study

No hearings have been conducted on Senator Bennett's bill, but the Senate Committee on Government Operations has received requests for hearings or comments from several senators.

Like wise some studies have been made by the executive branch of the Government in the broad area. In 1954 the executive branch launched a comprehensive Government-wide study for the purpose of either changing or repealing such enactments. The Senate Small Business Committee has maintained surveillance on the policy.

Government’s Philosphy

Although considerable progress has been made, it is certain that there are numerous activities that the Government should abandon in favor of private enterprise. At the same time it must be conceded that there are some areas concern-

While the Kennedy Administration has some high powered drum beating for the private sector, the public interest and activities should be conducted by the Govern-

The policy declares that "the Federal Government will not start or carry on any commercial-industrial activity to provide a service for its own use or if such product or service can be procured from private enterprise or other commercial business channels." unless it is found advisable in the public interest.

The legislation recommended by Senator Bennett and his co-sponsors would establish no new organization or structure and it would not confer on the President or the Executive Branch department heads any special authority. They do not now possess.

Purpose of Bill

The Senate Government Opera-

The commercialization of com-

Secretary of Commerce of com-

 StringComparison:

"The 1964 political conventions should boom air conditioning stocks—think of how many machines they'll need to blow away all the hot air!"