# The COMMERCIAL and FINANCIAL CHRONICLE

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EDITORIAL

## As We See It

*Oh, what a tangled web we weave*
*When first we practice to deceive.*

So sang the poet long ago without thought, of course, of anything that might occur in our day and time. Yet it can as truthfully be said that an equally tangled web is woven when we begin to deceive ourselves with the foolish notion that we in our wisdom can supplant natural forces as a director and controller of man's economic affairs. Illustrations of this latter fact abound and have abounded for years, even decades, past. During World War I real or fancied need for greatly enlarged production of wheat led the government to subsidize its production. The late, unlamented dust bowl was one of the consequences. One after another device since 1918 designed to help the farmer have dismally failed; not only failed but each has brought new and more difficult problems which then called for further governmental action, or at least were thought to call for it.

We were dissatisfied with the way our banking system worked, and rightly so. One result was the creation of the Federal Reserve System, but hardly had that system begun to function than it was called upon to undertake many functions it never was designed to perform. Lord Keynes presently came upon the scene, and the new banking system or what it had been converted into seemed to many to be made to order for various types of activities designed to stimulate or control the economic activities of the nation. As might have been expected many of these deviations themselves, far from proving an unmixed blessing, soon created problems of their own—and clamor for a hair or many of the hairs of the dog that did the biting. *(Continued on page 19)*

## National Business Outlook for 1964 Under Varying Tax Assumptions

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

**High hopes expressed for the economy's performance in 1964 foresee new records in major sectors. Quantitatively tallied they spell either a $610 or $620 billion GNP depending upon whether proposed tax-cut is passed with effective date of next Jan. 1. Either way, Dr. Ensley says 1964 will be a good year; probes uncertainties facing the economy and payments-balance; disquietly views savings competition; and commends savings banks for their superior competitive strength.**

The national business outlook for 1964 is good. We will start 1964 with a $600 billion economy, and should see it grow steadily throughout the year. There are, as always, elements of uncertainty in the private sector and in public policy. But in spite of these imponderables, we can be reasonably sure that in the next 12 months the nation will achieve new records of employment, production, income, investment and consumption. These new records, moreover, will be attained in a climate of relatively stable prices and interest rates.

Dr. Grover W. Ensley

I would like to spell out my views on the likely course of business next year, and discuss some of the uncertainties that surround the outlook. In my judgment, resolution of major pending issues will affect the business scene only slightly in the short-run, but could have significant long-run results. These results may well dominate discussion of the outlook at your conference next year. Turning now to the short-run business outlook, it should be pointed out that this is a bit early in the season for forecasters. Results of a number of important surveys of intentions and plans for next year are not yet available. Therefore, I am compelled to speak in more general terms than I would like.

With these limitations in mind, how does 1964 look by major segments: Government, including Federal, state and local; private investment, encompassing capital expenditures, inventory changes and residential construction; and finally, consumer expenditures? Will the resulting aggregate Gross National Product fully utilize our labor force and industrial capacity? Will the balance of payments problem be eased or worsened? What will happen to prices and interest rates? What effect will a tax cut, or on the other hand, failure to reduce taxes, have on the main economic sectors and on the economy as a whole?

As I have intimated, action or inaction on the pending tax bill in the Congress probably will not materially affect the pace of business activity in the short run. Furthermore, recent improvement in the balance of payments situation, I believe, provides assurance that the Federal Reserve authorities will not be forced to take steps that might divert the domestic economy from its current upward path. As I proceed with an analysis of the various sectors of the economy, however, I will try to indicate some of the longer-run effects of pursuing alternative tax and monetary policies.

Government demand is the first major category to review. Currently, Federal, state and local government expenditures account for about 21% of Gross National Prod- *(Continued on page 22)*

**SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 28.**

# The Security I Like Best . . .

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

### This Week's Forum Participants and Their Selections



LLOYD M. MAYER

*Investment Research Department, Barret, Fitch, North & Co. Incorporated, Kansas City, Mo.*

**Gulf Life Insurance Company**

Gulf Life's 1962 sales offensive showed outstanding results. The 1962 year was the best in the company's history. Life insurance in force increased by $195,962,300 against $55,334,799 the year before. Near the end of 1962 the company adopted the program of "at Gulf Life everybody sells." This new program has certainly shown outstanding results for the nine months ending September, 1963. The gain in insurance in force was $108,500,000 as compared with $68,500,000. The total insurance in force at the end of the nine month period was $1,725,578,000. Sales of new insurance in this period totaled $243,500,000 against $182,600,000 in the comparable period in 1962. A further breakdown of this shows sales of ordinary life $104,200,000 vs. $90,000,000, group life $92,500,000 vs. $50,000,000, and weekly premium insurance $46,800,000 vs. $43,000,000. Admitted assets for the period ending September, 1963, were in excess of $252,000,000, up from $240,000,000 for the year ending 1962. The company has continued its five-year expansion program by opening a new district office in Winter Park, Fla. and agency offices in Decatur, Ga. and Charlotte, N. C., and has announced it will build a new home office building in Jacksonville, Fla. Planning for this $20,000,000 office building and business complex is now under way.

Based on the revitalization of the company and its operation in areas of rapidly growing population and increasing per capita income, the outlook for the future of Gulf Life is highly promising.

Gulf Life was incorporated and began business in 1911 as the Gulf Life and Accident Company. The present name was adopted in 1924 and in 1928 the Victory National Life Insurance Company of Tampa was absorbed. The company writes ordinary life insurance, both participating and non-participating, individual annuities, group life and accident and health, industrial life, and sickness and accident insurance. Operations are conducted in these 10 southern states: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Virginia. In 1962, 409,000 shares of Gulf Life were purchased by American Life Insurance Company of Birmingham, Ala. at a cost of approximately $42.50 a share from the Murchison brothers of Dallas. Following the acquisition of this stock, Troy Post was elected Chairman of the Board. American Life of Alabama is now controlled by the Greatamerica Corp. of which Mr. Post is President and Chairman of the Board. Through this close working arrangement with other companies—Franklin Life, American Life—which are controlled by Greatamerica, Gulf has adopted many of the highly successful marketing methods used by these aggressive companies.

Gulf Life's capitalization consists solely of 2,772,000 shares of common stock, traded in the Over-the-Counter Market and quoted at around 57-58.

**GROWTH**

| Year— | Total Insurance in Force | Admitted Assets | Premium Income | Capital Funds |
|---|---|---|---|---|
| 1962 | $1,617,048,097 | $240,215,823 | $46,029,401 | $30,525,830 |
| 1961 | 1,421,085,797 | 223,620,490 | 42,944,769 | 27,780,733 |
| 1960 | 1,365,751,004 | 206,607,436 | 41,768,773 | 24,532,623 |
| 1959 | 1,258,295,470 | 190,240,343 | 39,176,341 | 21,414,155 |
| 1958 | 1,160,108,367 | 174,700,462 | 36,540,864 | 24,780,353 |
| 1952 | 636,554,000 | 93,017,000 | Not Avail. | 18,388,000 |

**EARNINGS** (Per share basis)

| Year— | Net Earnings | Adjust. for Increase in Insurance in Force | Adjusted Total | Dividend |
|---|---|---|---|---|
| 1962 | $1.49 | $0.54 | $2.03 | $0.43 |
| 1961 | 1.52 | 0.25 | 1.77 | 0.52 |
| 1960 | 1.50 | 0.36 | 1,86 | 0.43 |
| 1959 | 1.07 | 0.45 | 1.52 | 0.40 |
| 1958 | 0.91 | 0.33 | 1.24 | 0.40 |

*(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.)*

GARRETT J. NAGLE, JR.

*Analyst, Burgess & Leith, Boston, Massachusetts*

**Alberto-Culver Company**

"Trust judgment. Respect speed. Invest in the future. Don't revel in the past. Build. Build. Build." This is the corporate creed of the Alberto-Culver Company as portrayed by its imaginative president, Leonard H. Lavin. Examination of Alberto's *modus operandi* apparently confirms the success of this modern day merchandising formula.

The company today is a result of the consolidation of three small ventures in 1955. From this modest ancestry has developed a company expecting to record approximately $80 million in sales for the 1963 fiscal year ending in November, and net income of approximately $3,500,000 after taxes (see table). Sales in this brief eight-year span are approaching one-third the volume of the well-known merchandising giant, Gillette.

| | Sales | Net income | Earnings Per share |
|---|---|---|---|
| 1963† | $80,000,000 | $3,500,000 | $1.75* |
| 1962 | 60,779,000** | 2,301,773 | 1.15 |
| 1961 | 25,345,000 | 881,000 | 0.44 |
| 1960 | 14,906,000 | 516,000 | 0.27 |

*Adjusted to reflect two million shares currently outstanding, after two-for-one split declared March 7, 1963. **Restated to include international operations. †Estimated.

Through over four hundred well-trained sales representatives, the company distributes its present product line of fourteen items to all appropriate outlets. Among these items are ALBERTO VO-5 hair dressing and conditioner, VO-5 hair spray, RINSE AWAY dandruff treatment shampoo, COMMAND hairdressing for men, COMMAND shaving cream, DERMA-FRESH, a medicated lotion; GET SET, a spray-on hair lotion, and the two newest introductions, SUBDUE, a medicated dandruff shampoo, and SAFE-GUARD, a spray-on bandage.

Product recognition is fostered by an advertising budget of approximately $30 million, dedicated almost entirely to the television media which, in the opinion of management, offers maximum exposure for mass marketed consumer products. This large budget, as a corollary function, induces trade acceptance due to the retailers' dedication to fast moving shelf items. It is noteworthy that the advertising budget, although continually expanding, is growing at a decreasing rate, due to the fact that sales of established products have grown at a greater rate than this promotion outlay. The interesting conclusion derived is that in Alberto's case, as more money has been invested in this budget, the less the advertising to sales ratio has become.

The success of the company is largely due to its founder, Leonard H. Lavin, who at 44 years of age has recorded over 20 years of diverse experience in his industry. With twelve other cohesively operating executives, Alberto has been able to expand from a small to a large corporation with a dramatic volume increase, but more noteworthy has been the concurrent increase in net income.

In an industry where innovation rather than invention has been the rule, this company, with its product and merchandising inventiveness, has undoubtedly made its mark through 1963. It will shortly be ranked in *Fortune's* 500 largest sales corporations and reflect one of the highest returns of this group on invested capital.

What, then, is ahead for 1964? It appears that continuing attempts will be made to penetrate suitable domestic markets, and international sales should start to become increasingly significant. Two recently introduced products should become large overall contributors.

Alberto's primary objectives stated by Mr. Lavin are "first substantial growth and profits, and then an equitable cash dividend." The stock is traded in the Over-the-Counter Market.

## R. J. Porter Opens

LAKEWOOD, N. Y.—Robert J. J. Porter is conducting a securities business from offices at 71 East Fairmount Avenue. Mr. Porter was formerly with Doolittle & Co.

## Public Secs. Co. Opens

FALL RIVER, Mass.—Harold G. Lash is engaging in a securities business from offices at 18 Bedford Street under the firm name of Public Securities Company.

## Form J. B. Williams Co.

CHARLESTON, S. C.—J. B. Williams & Co., Inc. is engaging in a securities business from offices at 125 Meeting Street. Officers are Julius B. Williams, President; Lloyd T. Adams and Paul V. Hawkins, Vice-Presidents; and Joyce K. Woods, Secretary.

# Proposal to Professionalize Registered Representatives

By Joseph F. Bradley, *Professor of Finance, College of Business Administration, Pennsylvania State University, University Park, Pennsylvania*

**The time has now come for securities salesmen to cross the threshold into full professionalism. That they have been but steps away is highlighted in Professor Bradley's recapitulation of the strides taken to improve the training and knowledge, etc., of registered salesmen toward the ultimate goal of complete fiduciary and qualified responsibility by such groups as the New York Stock Exchange, the Association of Customers' Brokers, and the National Association of Securities Dealers among others. Analogous reference is made to several other professions, and note is taken of the fact that though the Chartered Life Underwriters comprise but 10% of insurance salesmen, they do 80% of the country's life insurance sales. Professor Bradley outlines what standards must be met to bring about the desired elevation; suggests that the Association of Customers' Brokers supervise the granting of professional degrees and become the certifying organization; and predicts that such a strong professional society will advance the financial well-being of our country in protecting the best interests of investors, brokerage firms, the financial community and the general public. He suggests the title of Chartered Securities Advisor for those meriting the degree.**

The professionalizing of registered representatives has been under discussion for some time. This is part of a national trend to upgrade many commercial activities where a high degree of competence and ethics is required in handling the public's affairs. The securities industry has long been recognized as a leader in instigating measures to promote ethics and financial integrity. The New York Stock Exchange established "just and equitable principles of trade" in its early beginnings. The Stock Exchange and the industry have been raising steadily standards of knowledge, experience and performance. The concept of a profession provides an intellectual framework for even more rapid progress in these areas and to correct abuses, where they exist.

Joseph F. Bradley

The purpose of this study is to offer the suggestion that registered representatives should assume all the characteristics that accompany a profession. The basic issue is whether the securities business in general, and registered representatives in particular, will be willing to meet the standards of excellence required for professional status and whether registered representatives are able to shoulder the special responsibilities imposed on a professional group. The conclusion of this study is that registered representatives can and must move toward professional status. Furthermore, the discussion will point to the future —a period when the requirements for professional status will be even more stringent than they are at present. This discussion has been heightened this year by observations in the Securities and Exchange Commission's Special Study of Securities Markets. One of the conclusions of the section on Qualifications of Persons in the Securities Industry states "The right to carry on those functions of the industry which involve the public investor should be available only to those who shall have demonstrated their ability to meet at least minimal standards of integrity, competence and financial responsibility."

### Origin of the Term Registered Representative

Prior to 1920, the greater part of the securities selling business was handled by partners of the New York Stock Exchange firms. As the public began pouring money into the securities markets in the 1920s, employees were needed to take care of this increasing volume; they became known as customers' men. No particular training or experience was required in the rush of 1927-1929: many unqualified persons obtained employment in this capacity. When announcing its first formal examinations for customers' men in 1936, the New York Stock Exchange set up the designation of *registered representative* as applying to any member firm employee who solicits or places orders for securities and is compensated for this function. The term registered representative, which has been widely adopted in the securities business, therefore, emerged from that of customers' man. The term registered representative is a broad classification that includes representatives servicing commission or advisory accounts, security salesmen, analysts, order clerks, secretaries, and

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### Regular Features



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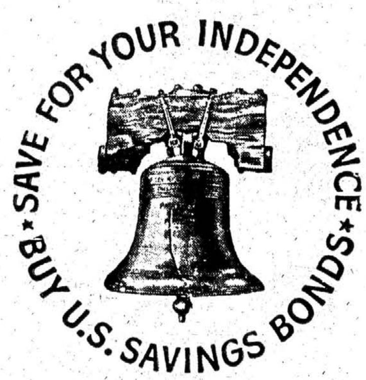

# Mortgage Guaranty Insurance Corporation

*By* Dr. Ira U. Cobleigh, *Economist*

**A short account of the origin, operation, growth and earning power of the largest private insurer of home mortgage loans.**

As everyone knows the Federal Housing Administration is a huge guarantor of home mortgages. But there has arisen in the real estate market a nationwide need for mortgage insurance available at lower rates than those charged by FHA and covering a broad section of conventional first mortgages, which offer home owners the economic advantages of high ratio loans and low down payments. To fill the need for this kind of mortgage protection, Mortgage Guaranty Insurance Corporation was founded in 1956. Incorporated in Wisconsin, MGIC now does business in 42 states and the District of Columbia.

### Serivce Area

MGIC is a private enterprise counterpart of FHA. It protects lenders by insuring loans on owner-occupied single family homes to a maximum of 90% of appraisals; and loans on small apartment buildings (up to four families) to a maximum of 80% of appraisal. It limits coverage to first mortgages on improved residential property; but does not insure on unsold, speculatively built, homes. In practice the maximum loan insured is $35,000 when the ratio of loan to value is 80% or less; and $26,500 when the ratio is over 80%.

At midyear 1963, MGIC coverage was available through more than 2,700 lending institutions. Over 90% of these were Savings and Loan associations, which, more than other lending institutions, have broadly accommodated the need for high ratio loans.

### Commitments and Rates

Mortgage Guaranty Insurance Corporation offers the advantages of "instant" insurance and low premiums. The borrower's application is a simple one page form supported by his loan application, credit report, lender's appraisal and a photograph of the property. If the loan qualifies, the insurance commitment is promptly given, usually within 24 hours. The premium (paid by borrower) is either 2% of the insured loan for the first 10 years of coverage; or an annual premium charge of one-half of 1% of the loan for the first year of coverage, with renewals at one-quarter of 1% of the declining balance. (FHA charges one-half of 1% of declining balance for the life of the loan). MGIC also charges a $20 appraisal review fee on loans exceeding 80% of appraised valuation. Insurance can be terminated at any time, with unearned premium returned to borrower.

MGIC-approved lenders are issued with no initial cost, Master Policies which outline conditions of coverage for all loans submitted and approved; but these policies involve no obligation on the part of the lender to insure a minimum volume of business.

### Appraisals

The key to sound mortgages is sound appraisal. MGIC selects and qualifies with great care the financial institutions it serves since it relies mainly on the experience, ability, judgment and record of the lender's appraisers for its acceptance of loans for insurance coverage. Further the lender's knowledge of regional markets and conditions is most valuable. Independent appraisers are retained, however, to spot-check and verify lender's appraisals.

### Special Coverage

MGIC insurance doesn't cover the whole mortgage—just the top 20%, regardless of balance so long as the insurance is in force. For example if a buyer puts down $2,000 on a $20,000 home, MGIC in effect insures $3,600 (20%) of the $18,000 loan, reducing the lender's total exposure to loss of $14,400 or only 72% of valuation. The lender is thus protected at the most vital area, and given the amount of insurance he needs at a price the home owner can easily afford. In a default, MGIC may or may not find it advisable to take possession of the property for resale (and full payment to lender); but, in any event the lender will be paid the top 20% of the loan in cash. This co-insurance feature is a powerful force for sound, realistic, and accurate property appraisal by the lender at all times.

### Growth

That MGIC fills a vital economic need is illustrated by its quite remarkable growth rate. At Dec. 31, 1957 had insured $13,732,734 of residential mortgages. At the 1959 year-end insurance in force had grown to over $123 million, in 1960, $265 million. At the end of July 1963, MGIC had $1.2 billion of insurance and over 100,000 policies in force. Application volume in the month of May 1963 alone was over $80 million.

To provide adequate protection for so large a total of insurance, MGIC has steadily increased its reserves. Under Wisconsin insurance regulations, 50% of earned premiums are placed in a contingency reserve to pay any unusual losses which might result from a prolonged depression. (Current contributions to contingency reserves are made available to the company after 15 years.)

Of course the company's capital and surplus provide a major bulwark of protection in maintaining an adequate ratio of reserves to insurance in force. Capital and surplus and reserves totalled $17 million at the end of 1962. Sale of 200,000 shares of common at $27 a share this spring added some $5 million to capital stock so that total reserves and equity today are above $25 million. Further protection for insurance in force is also provided by the very broad geographical diversification of mortgages covered.

### For Investors

There are very few privately owned, publicly held mortgage guaranty companies. Of these MGIC is by far the largest. It had (9-30-63) outstanding 1,738,369 shares traded over-the-counter, and currently selling at around 27. Because the company does no business in New York State, its shares may not be traded, or orders executed, within that state.

Net income for 9 months ended 9-30-63 was $1,046,441 against $700,291 for the same period in 1962. (This worked out to 64c and 46c a share respectively on average amount of shares outstanding.)

A feature of MGIC, attractive to long term investors, is the accumulation of reserves on a tax deferred basis for 15 years. Growth of these reserves may create sizable ultimate additions to stockholder equity.

Because of the powerful demand for high ratio first mortgage loans, and for insurance on them made available without cumbersome procedures or delays, and at low rates, the future of MGIC appears attractive. While there are no immediate dividend prospects, the rate of growth in business volume, reserves, and earnings per share highlight the merits of MGIC as an interesting long term equity, for the perceptive and the patient.



# Edw. Murphy With Reynolds & Co.

CHICAGO, Ill. — Edward P. Murphy has joined the Chicago office of Reynolds & Co., New York Stock Exchange member firm, as Manager of the investment department of their Chicago office, 111 West Jackson Blvd.

Mr. Murphy was associated with A. C. Allyn & Co. for more than 33 years where he was active in the underwriting of corporate and municipal securities.

## With Yarnall, Biddle

PHILADELPHIA, Pa. — Yarnall, Biddle & Co., 1528 Walnut Street, members of the New York Stock Exchange and other leading exchanges, announce that Henry Winsor and John T. Clarke are now associated with their Philadelphia office as registered representatives.

# FROM WASHINGTON ... Ahead of the News

*BY CARLISLE BARGERON*

One of the results of President Kennedy's tragic death was that we will not get the showdown in next year's elections between conservatives and liberals. It has probably killed the chances of Senator Barry Goldwater altogether, not because he would not be a formidable opponent of President Lyndon Johnson, but for the reason that the Republicans will not think he is worth the risk. His great strength lay in the South. Johnson is a Southerner and, although he came out strongly for a civil rights stand, he will not be as unpalatable as to cause the southern states to bolt. The story down there will be "Lyndon is a Southerner and he is only for civil rights because it is necessary to win. He doesn't mean it."

The Republicans now will go out and try to get the Negro vote from the Democrats. In fact, it will probably be the Republican's talking point that Johnson can't possibly be sincerely for civil rights because he was born and reared in the South and they will get countless Negro votes on this argument.

Johnson in reality is neither conservative nor liberal. He is in essence, a very practical man. Much will depend on whether there occurs another incident requiring use of Federal troops in the South in the next few months. If Johnson should have to do this, it might cause the Southerners to depart from a fellow Southerner.

The great battleground for the Republicans seemingly has changed to the populous states of the North, Midwest and the Pacific Coast. Two of those states, Pennsylvania and New York, in 1962 elected Republican governors, so the Republicans if they had a good candidate might easily beat Johnson in an orthodox election. Although the late President Kennedy ran 116,326 votes ahead of Richard Nixon in Pennsylvania in 1960, Governor Scranton won with a lead over his Democratic opponent of 463,000 votes. And Governor Rockefeller was re-elected in 1962 by more than half a million votes.

So Mr. Rockefeller easily comes to the front in to-day's speculation as the Republican nominee. Governor Scranton of Pennsylvania has announced that he is not a candidate now and does not expect to be. Until President Kennedy's assassination, he was preoccupied with holding the party together and to prevent a harsh clash between Goldwater and Rockefeller. He had won a pledge from Governor Rockefeller to stay out of the State and was expected to get one from Senator Goldwater.

Supporters of Governor Rockefeller for the Presidential nomination feel that his chances of victory have increased to a large degree since the death of President Kennedy due to the new doubt that Goldwater could carry the South as he might have done against President Kennedy. Furthermore, the New York Governor has been conducting a strong campaign, not only for his own nomination but against the Kennedy Administration and its policies, a campaign he is now expected to redouble. This may cause him trouble with the bloc votes which consider that Kennedy was mistreated.

At the National Convention, and later during the election campaign, Governor Rockefeller must overcome opposition growing out of his divorce and re-marriage. Without that opposition the nomination easily might have been his for the asking. Now that the Republicans are coming to believe they have a better chance for victory in the Presidential race, this issue against the Governor of New York is likely to be given more serious consideration.

Should Governor Rockefeller be counted out of the race for the Presidential nomination and Senator Goldwater also, the most available man is Governor Scranton. He is young—46 years old, virtually the same age as the late President Kennedy. While his experience in public office—member of Congress and Governor—has been relatively brief, he has shown himself a winner at the polls. He has also been a major success in business.

There may be others considered for the G. O. P. nomination, among them Governor George Romney who has had even less experience as a government official than Governor Scranton and he is no more widely known to the American public.

President Johnson will not have the solid support of organized labor that President Kennedy had nor will he have the following among the Catholic voters. There is also a deep prejudice against having a Southerner for President. The last one we had was, strangely enough, President Johnson who succeeded Lincoln after the assassination.

President Lyndon Johnson has for several years been trying to get away from the fact that he is a Southerner. He claims to be from the Southwest.

# Two Appointed by Nat'l Securities Research

Ira G. Jones and L. L. Moorman will assume new responsibilities as Consultants to the President of National Securities & Research

Ira G. Jones L. L. Moorman

Corporation, 120 Broadway, New York City, effective on February 1, 1964.

For the past 20 years, Mr. Jones has been Vice-President in charge of the Northeastern states for National and Mr. Moorman has been Vice-President in charge of the Southern states.

# OBSERVATIONS...

*BY A. WILFRED MAY*

## THE ACTUAL RETURN ON COMMON STOCKS

Over the long-terms, the rates of return on all stocks listed on the New York Stock Exchange have been surprisingly high. During the entire 35-year period 1926-60, compounded annually, they were 9.01% for tax-exempt institutions; 8.20% for individuals in the $10,000 income class; and 6.84% for persons in the $50,000 income class. (Incidentally, a dollar earning 9% per annum, compounded annually, would be worth over $20 in 35 years.)

The rates in the postwar periods have been exceptionally rewarding—materially higher than for the periods prior to the war except during the period of recovery following the depths of 1932. For the postwar period 1950-60 as a whole, the return has exceeded 10% for all tax brackets pertaining up to a $50,000 income, even after payment of capital gains taxes. This has also been true of all the intervening periods.

This is the basic finding of a major study just completed by the Center for Research in Security Prices of the Graduate School of Business in the University of Chicago. The survey represents a 3½-year research project, during which a tremendous amount of data were stored on tapes, involving the feeding of millions of statistics onto computers. It was conducted under the direction of Professors James R. Lorie and Lawrence Fisher, who, together with Louis Engel, Vice-President of Merrill Lynch, Pierce, Fenner & Smith Inc., members of the New York Stock Exchange, conducted an explanatory news conference last week. (Funds to support the gigantic amount of work entailed came primarily from Merrill Lynch, Pierce, Fenner & Smith Inc.; in addition, financial support was received from the Ford Foundation and the National Science Foundation.)

The Study presents the most comprehensive showing that has ever been made of the return from investments in common stocks; comprising all of the stocks ever listed on the New York Stock Exchange. It discloses how much gain or loss an investor might have realized from random selections—at 25 different dates and held them for varying lengths of time during the 35-year period from 1926 through 1960, a total of 22 different time periods.

**Rates of Return on Investment in Common Stocks Listed on the New York Stock Exchange With Reinvestment of Dividends***
(Per Cent Per Annum Compounded Annually)

| | TAX BRACKET | | | | | |
|---|---|---|---|---|---|---|
| | No Tax | | $10,000 in 1960 | | $50,000 in 1960 | |
| | Portfolio to— | | Portfolio to— | | Portfolio to— | |
| Period— | Portfolio | Cash† | Portfolio | Cash† | Portfolio | Cash† |
| 1926-60 | 9.03 | 9.01 | 8.46 | 8.20 | 7.42 | 6.84 |
| 1926-29 | 20.40 | 20.28 | 20.40 | 20.28 | 20.35 | 19.44 |
| 1926-32 | —16.49 | —16.76 | —16.49 | —16.76 | —16.51 | —13.37 |
| 1926-40 | 2.39 | 2.35 | 2.37 | 2.38 | 2.22 | 2.38 |
| 1926-50 | 6.80 | 6.77 | 6.32 | 6.15 | 5.53 | 5.14 |
| 1929-32 | —48.36 | —48.73 | —48.36 | —48.73 | —48.19 | —40.65 |
| 1929-40 | —2.98 | —3.04 | —3.00 | —2.85 | —3.00 | —2.28 |
| 1929-50 | 4.88 | 4.84 | 4.31 | 4.16 | 3.52 | 3.21 |
| 1929-60 | 7.74 | 7.71 | 7.05 | 6.81 | 5.97 | 5.39 |
| 1932-40 | 21.11 | 20.99 | 21.08 | 20.68 | 20.63 | 19.36 |
| 1932-50 | 18.61 | 18.56 | 17.83 | 17.43 | 16.48 | 15.47 |
| 1932-60 | 17.39 | 17.35 | 16.52 | 16.18 | 14.98 | 14.12 |
| 1950-52 | 12.50 | 11.97 | 11.09 | 10.00 | 8.99 | 7.12 |
| 1950-54 | 17.93 | 17.65 | 16.55 | 15.32 | 14.36 | 11.64 |
| 1950-56 | 16.98 | 16.79 | 15.78 | 14.80 | 13.72 | 11.43 |
| 1950-58 | 16.50 | 16.36 | 15.41 | 14.55 | 13.43 | 11.37 |
| 1950-60 | 14.84 | 14.72 | 13.85 | 13.09 | 12.01 | 10.30 |
| 1955-56 | 6.44 | 5.37 | 5.67 | 4.56 | 3.98 | 2.80 |
| 1955-57 | —3.66 | —4.19 | —4.38 | —3.98 | —5.99 | —4.22 |
| 1955-58 | 13.02 | 12.62 | 12.23 | 11.10 | 10.48 | 8.24 |
| 1955-59 | 14.00 | 13.70 | 13.26 | 12.16 | 11.58 | 9.23 |
| 1955-60 | 11.20 | 10.95 | 10.48 | 9.62 | 8.88 | 7.20 |

*Prices used are the mean prices of the respective years; excepting that for 1929, they are taken as of the end of September, when they were at the highest level ever registered, and for 1932, June 30 prices were used, the lows of the depression, and lower than any level since.

†"Portfolio to cash" means the net return which would have been realized after paying commissions and capital gains taxes, if the portfolio was sold at the end of any period.

Hitherto there have been quite a few studies of investment returns, but they have been deficient in any one of numerous respects. Most have lacked comprehensiveness, consisting of only a selection of individual issues, as those in one of the popular stock averages; and, at best, far short of the 1,700 total during the time covered. Again, past studies have dealt with only one or two relatively brief intervals; in contrast to the 22 time intervals within the 35-year span in the instant Report. And most previous studies have been deficient in blandly ignoring transaction costs and taxes. In this study actual New York Stock Exchange round-lot commission rates, as they existed on all the purchase and sales dates, have been included, and all Federal taxes, as they applied to income from dividends or capital gains in selected tax brackets, have been included.

Since dividends constitute income, the results of reinvesting dividends would obviously vary with the individual investor's tax bracket.

The table gives the results of investing an equal sum of money in each company having one or more issues of common stock listed on the New York Stock Exchange at the beginning of each period and of reinvesting dividends as received throughout.

The Study shows the advantage of long-term holding, the return being high over nearly all periods.

### Comparative Returns From Other Media

The rates of return gained from stocks, namely 10% compounded annually in most of the 22 periods, and the more than 8% compounded annually for two-thirds of the periods, compare very advantageously with competing investments. Such comparison is timely now in view of several institutions' stitching their portfolios out of common stocks into fixed-interest securities.

Savings in commercial banks, mutual savings banks, and savings and loan associations—on a before-tax basis—never earned as much as 6% for any of the 22 time periods; and for most of the period 1926-60 earned less than 4%. Realized yields on mortgage loans made by commercial banks and life insurance companies never have exceeded 6%, and have averaged 5%.

Realized yields on municipal and U. S. Government bonds, have ranged from —7% to +7.8% and averaged less than 4% during the 22 time periods contained in the table. On corporate bonds, the yield has varied between 5% and 8% with lower average yields prevalent in recent years. And the wholesale bond defaults and foreclosures during depression years must be borne in mind.

### Relative Mutual Fund Performance Valuable

Use of this comprehensive number of issues, rather than one of the averages, would make the mutual funds' comparative performance—over the long and the short-term — worth while. Changes in capital value should be segregated from dividend income to allow for the management expenses of the funds, which are a deduction from income.

Other studies contemplated by the Center include how much the investor might have gained or lost on each individual stock listed on the New York Stock Exchange from 1926 to 1960. Also to be covered by further reports will be a study of the same stocks at the same time periods, but without reinvestment of dividends; a comparison of the movement of stock prices and other economic indicators; analysis of the actual performance of the Dow Theory and other systems of market analysis; the effect of dividends on stock prices—the differing effects of a dollar paid out in dividends from a dollar of retained earnings; the relationship between earnings and prices; portfolio selection based on past performance; the relationship of market movements to external economic factors; and the importance of individual balance sheet items in future valuation.

* * *

### FROM OUR MAIL BOX

#### THE ASSASSINATION MARKET

*Dear Mr. May:*

I liked your article in the current issue (November 28) of the *Chronicle*. I wonder, however, if you should not have called attention to the fact that the technical position of the market had been affected on Wednesday and Thursday of last week as a result of the suspension of trading of two brokerage houses, and the widespread reports that one of these firms probably would not reopen, with the result that the later's customers might have their accounts frozen for a year or longer, and eventually lose 10% or more of the equity. I think there is little question that the very sharp recovery on Tuesday was due in some measure to short-covering by Wall Street professionals who had been disturbed over the repercussions of the bad news they expected to see as a result of the Ira Haupt failure.

I wish that in one of your future articles you could give some publicity to the possibility that some of the floor traders and specialists did not act in the public interest during the selling wave which hit the market on Friday afternoon. I was told that some of the more conscientious specialists suspended trading immediately when they saw that filling a few market orders would touch off a downward spiral because of stop-loss orders, while others deliberately allowed the spirals to develop so they could buy stock very cheaply for their own account. It is only a rumor, but I am told that one specialist "cleaned up" and made more than $500,000 for himself through such tactics and who sold stock on the big opening Tuesday. I do believe the SEC should make a thorough investigation of the action of the specialists on last Friday.

ANTHONY GAUBIS

*NEW YORK CITY*

## Pollock Elects M. L. Ingraham

BEVERLY HILLS, Calif.—Michael L. Ingraham, has been elected Assistant Vice-President of the investment banking firm of Wm. E. Pollock & Co., Inc., primary dealers in United States Government securities. He is on the staff of the firm's Beverly Hills branch, 275 S. Beverly Dr.

Michael L. Ingraham

Prior to joining the firm in 1960 he was associated with Union Bank of Los Angeles in charge of the bond department's customer portfolio service.

Wm. E. Pollock & Co., Inc., with headquarters in New York, are also prime dealers in Federal agency obligations as well as underwriters and dealers in state, municipal and corporate bonds. In addition to its Beverly Hills branch, the firm maintains offices in San Francisco and Miami, Fla.

## Two With Courts

ATLANTA, Ga.—Samuel E. Allen and John E. Davis have become connected with Courts & Co., 11 Marietta Street, N. W., members of the New York Stock Exchange.

# Tax-Exempt Bond Market

*BY DONALD D. MACKEY*

There has been enough scattered investor interest in tax-exempt bond offerings during the past week to reduce the down-side market pressure that has more or less persisted since the market's recovery in August following the rediscount rate rise. As new issue volume subsided during the November holiday period, and the calendar forcast a reduced volume for December, the normal flow of late year investor buying has effectively seemed to balance out the supply factor for the first time in many volume infested months. This favorable balance is quite obviously only a technical correction but it is a refreshing enough respite to note.

### Prices Slightly Higher

As arithmetical confirmation of this occurrence, we record that *The Commercial and Financial Chronicle's* yield index, based upon 20-year preselected high grade state and municipal general obligation bond offerings, averages out at 3.121% presently. Last week the averaged yields stood at 3.133% and thus the almost academic market improvement through this abbreviated week amounted to about an eighth of a point. To emphasize the technicalities involved we make mention that, during the same period, yields on Treasury Bills appreciably increased and the yields on long term Treasury bonds increased by several one hundreths. Corporates during this weekly period were but quiet and steady at best reports.

### Tax-Exempt Yields Attractive

We know that directly relating tax exempt bond prices to taxable bond prices can be a precariously misleading business as tax bases are widely disparate and thin markets are sometimes quixotic. Nonetheless, as we have frequently noted in these weekly reports in the recent past, tax exempt bond yields have become so relatively attractive as to momentarily invite a sporadic investor interest and particularly under the timely auspices that now prevail.

Through this difficult year, however, values have been considerably confused by a record breaking volume in new issues, proposed tax cut legislation, international payments imbalance, the politics of money rates, the antithetical underwriting interests as between dealers and dealer banks and the over-competitive market situation generated thereby.

These negative market factors, sublimated for the present by a more or less favorable and largely seasonal supply and demand situation within the state and municipal bond sphere, seem likely to be dominant again as we move under the spell of a much more voluminous calendar early next year.

For the immediate present, at least, the marketplace appears as a fit setting for more active dealer contention. For the rest of the year the new issue calendar presently totals less than $350,000,000. Moreover, there are no large negotiated type financings to be added to this total during this period so far as we know. Thus an opportunistic case can be made for a seemingly better market in the few weeks ahead.

### Buyers Hold Upper Hand

The daily total of state and municipal bond offerings as shown in the *Blue List* continues to be in the $500,000,000 area. The Dec. 3 total was only $496,643,500. This average total actually offers less variety to the inquiring investor than one might believe since much of the total represents the shop worn high priced stuff that has lingered in the list since the late lamented summer break. Large institutional and investor interest must still focus on the more voluminous new issues.

However, with heavy new issue volume assured for 1964, the buyers would appear to be comfortably ensconced in the driver's seat during the months ahead, even as in 1963. If the much overcapitalized state and municipal bond underwriting industry is to avoid another financially unsuccessful year, less avaricial new issue bidding policies must somehow be indulged in.

### Dollar Bonds Steady

The quotations for the long list of actively traded dollar quoted toll road, toll bridge, public utility and other revenue issues are about unchanged in the past week. Actually these quotations have changed but very little during the past three or four weeks. The *Chronicle's* revenue bond Index which averaged out at 3.59% a week ago averages out at 3.588% as of Dec. 3. This list of obligations has been less active recently than has been the case in previous years during this period. Since there has been very little tax loss trading in state and municipal bonds this year, shifting into the discount dollar quoted issues has been substantially reduced.

In past years December has also always seen a large last minute revenue bond flotation. Such seems not likely to be the case this year. At present there are no large flotations being shaped up to get under the 1963 deadline.

### Recent Awards

This past week has been the dullest period this year for the underwriting of new municipal bond issues, with only $65,970,000 of various bonds having been offered for public bidding. The Thanksgiving Holiday coupled with the Investment Bankers Association of America 52nd annual convention are chiefly responsible for the light scheduling of new financings.

However, rarely does a week go by when there are not a half dozen issues of more or less importance which come up for sale. This week is no exception in this respect and we will briefly mention these.

Last Friday, Shoshone and Kootenai Counties, Idaho Joint School District #391 (Kellogg) awarded $1,032,000 Refunding School (1965-1974) bonds to the syndicate headed jointly by *Blyth & Co.* and *First Security Bank of Idaho, Boise*, at a net interest cost of 3.49%.

Other members of this syndicate are Foster & Marshall Inc., Pacific Northwest Co., Edward L. Burton & Co. and Continental Bank & Trust Co., Salt Lake City.

Reoffered to yield from 2.65% to 3.50% for all 3½s, the present balance in syndicate is $160,000.

On Monday, $2,800,000 Florida Development Commission, Putnam County Road revenue (1965-1986) bonds were awarded to the group headed by *Goodbody & Co.* at a net interest cost of 3.5446%. The runner-up bid, a 3.65% net interest cost, was made by the account jointly managed by B. J. Van Ingen & Co. and John Nuveen & Co.

Other members of the winning group are L. F. Rothschild & Co., Hayden, Stone & Co., Walston & Co., Newburger, Loeb & Co. and Andresen & Co.

Reoffered to yield from 3.30% in 1976 to 3.65% in 1986, the unsold balance in group totals $1,410,000. The bonds due 1965 to 1975 were sold pre-sale.

Monday's other important sale involved $1,600,000 Rome, Georgia Water and Sewer revenue (1965-1992) bonds. The group consisting of *John Nuveen & Co., E. F. Hutton & Co.* and *Pierce, Wulbern, Murphy Corp.* was the successful bidder at a net interest cost of 3.4929%. This bid compared favorably with the second bid, a 3.493% net interest cost, which was made by White, Weld & Co. and associates.

Scaled to yield from 2.25% to 3.55% for various coupons, the present balance in group totals $610,000.

Market activity increased on Tuesday with three issues to report on. The Berkeley Unified School District, Calif. awarded $5,555,000 School (1965 - 1989) bonds to the syndicate managed by the *Bank of America NT & SA* at a net interest cost of 3.073%. The second bid, a 3.141% net interest cost, was submitted by Phelps, Fenn & Co. and associates.

Other major members of the winning syndicate are the Chase Manhattan Bank, Mellon National Bank and Trust Co., Wertheim & Co., A. G. Becker & Co., J. Barth & Co., Roosevelt & Cross Inc., Stroud & Co. and Stern, Frank, Meyer & Fox.

Reoffered to yield from 2.00% in 1965 to 3.25% in 1988 for various coupons, the unsold balance is about $2,370,000. The 1989 maturity carried a 1/20 of 1% coupon and was sold pre-sale.

Washoe County (Reno), Nevada

*Continued on page 35*

**MARKET ON REPRESENTATIVE SERIAL ISSUES**

| | Rate | Maturity | Bid | Asked |
|---|---|---|---|---|
| California, State | 3½% | 1982 | 3.30% | 3.20% |
| *Connecticut, State | 3¾% | 1981–1982 | 3.25% | 3.10% |
| New Jersey Hwy. Auth., Gtd. | 3% | 1981–1982 | 3.15% | 3.05% |
| New York, State | 3¼% | 1981–1982 | 3.10% | 3.00% |
| Pennsylvania, State | 3⅜% | 1974–1975 | 3.00% | 2.90% |
| Delaware, State | 2.90% | 1981–1982 | 3.25% | 3.15% |
| New Housing Auth. (N. Y., N. Y.) | 3½% | 1981–1982 | 3.20% | 3.10% |
| Los Angeles, California | 3¾% | 1981–1982 | 3.30% | 3.20% |
| *Baltimore, Maryland | 3¼% | 1981 | 3.25% | 3.15% |
| *Cincinnati, Ohio | 3½% | 1981 | 3.20% | 3.10% |
| Philadelphia, Pennsylvania | 3½% | 1981 | 3.40% | 3.25% |
| *Chicago, Illinois | 3¼% | 1981 | 3.35% | 3.25% |
| New York City | 3% | 1980 | 3.21% | 3.13% |

December 4, 1963 Index=3.121%

* No apparent availability.

# Larger Issues Scheduled For Sale

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

**December 5 (Thursday)**

| | | | |
|---|---|---|---|
| Brockton, Mass. | 1,500,000 | 1964-1983 | 11:30 a.m. |
| Oyster Bay, N. Y. | 12,264,000 | 1964-1993 | 11:00 a.m. |
| Pueblo, Colo. | 4,000,000 | 1965-1989 | 2:30 p.m. |

**December 9 (Monday)**

| | | | |
|---|---|---|---|
| Liberty County, Texas | 1,000,000 | 1973-1988 | -------- |
| Madison Local Sch. Dist., Ohio | 1,200,000 | 1965-1986 | 11:00 a.m. |
| Manchester, N. H. | 1,273,000 | 1964-1983 | 11:30 a.m. |
| River View Local Sch. Dist., Ohio | 2,228,000 | 1965-1986 | 1:00 p.m. |
| Wayne Township Sch Dist., N. J. | 2,345,000 | -------- | -------- |

**December 10 (Tuesday)**

| | | | |
|---|---|---|---|
| Adams Co. S. D. No. 14, Colo. | 5,500,000 | 1965-1973 | 8:00 p.m. |
| Bethlehem, Pa. | 2,000,000 | 1965-1984 | 7:30 p.m. |
| Clarksdale, Miss. | 1,100,000 | 1965-1989 | 3:00 p.m. |
| Crystal, Minn. | 2,130,000 | -------- | 7:30 p.m. |
| Durham, N. C. | 2,700,000 | -------- | 11:00 a.m. |
| Emery Unified Sch. Dist., Calif. | 1,500,000 | -------- | -------- |
| Forsyth Co., N. C. | 1,000,000 | 1966-1971 | 11:00 a.m. |
| Fresno, Calif. | 1,500,000 | 1965-1984 | 10:00 a.m. |
| Garland, Texas | 6,025,000 | 1964-1991 | 7:30 p.m. |
| Hannibal, Oswego etc., Cent. Sch. District, N. Y. | 1,040,000 | 1964-1974 | 2:00 p.m. |
| Inver Grove-Pine Bend Ind. Sch. District No. 199, Minn. | 1,100,000 | 1965-1984 | 2:00 p.m. |
| Joplin School District, Mo. | 1,000,000 | 1965-1984 | 5:00 p.m. |
| King Co. Lake Wash. School Dist. No. 414, Wash. | 1,000,000 | 1966-1974 | 11:00 a.m. |
| McHenry County Commodity High School District No. 155, Ill. | 2,375,000 | -------- | 8:00 p.m. |
| Medina City Sch. Dist., Ohio | 1,400,000 | 1965-1984 | -------- |
| Minnesota, State Refunding & School Loans | 53,400,000 | 1965-1982 | 10:00 a.m. |
| Northside Ind. S. D., Texas | 3,000,000 | | |
| Oak Lawn, Ill. | 1,750,000 | 1965-1998 | 8:00 p.m. |
| Oxnard, Calif. | 2,500,000 | 1966-1991 | 11:00 a.m. |
| San Francisco Transit Auth., Calif. | 50,000,000 | 1972-1999 | 10:00 a.m. |
| Tempe, Ariz. | 2,000,000 | 1966-1993 | 3:00 p.m. |
| Union Township, N. J. | 1,040,000 | 1964-1974 | 8:00 p.m. |
| Vernon, Conn. | 1,195,000 | 1965-1984 | 11:30 a.m. |
| Waukesha Co., Wisc. | 1,200,000 | -------- | -------- |

**December 11 (Wednesday)**

| | | | |
|---|---|---|---|
| Alabama General Hospital, Ala. | 1,000,000 | 1965-1974 | 10:00 a.m. |
| Mentor Exempted Village School District, Ohio | 1,800,000 | -------- | -------- |
| Ossining, New Castle, etc. Union Free School District No. 1, N. Y. | 3,605,000 | 1965-1989 | -------- |
| Warren Cons. Sch. Dist., Mich. | 3,500,000 | 1965-1989 | 7:00 p.m. |

**December 12 (Thursday)**

| | | | |
|---|---|---|---|
| Emery Unified Sch. Dist., Calif. | 1,500,000 | 1965-1979 | -------- |
| Henrico Co., Va. | 5,000,000 | -------- | -------- |
| Iowa State Board of Regents (State University of Iowa) | 16,500,000 | 1966-2003 | 11:00 a.m. |
| Madison Tp. Mun. Util. Auth., N.J. | 1,550,000 | -------- | 8:00 p.m. |
| Miss. St. College for Women, Miss. | 2,750,000 | 1964-2001 | 10:00 a.m. |
| South Carolina St. S. (Columbia) | 5,000,000 | 1965-1984 | Noon |
| University of Mississippi Housing System, Miss. | 7,452,000 | 1964-2002 | 10:00 a.m. |
| University of Southern Miss. | 1,695,000 | 1965-2002 | 10:00 a.m. |

**December 14 (Saturday)**

| | | | |
|---|---|---|---|
| Arizona University, Ariz. | 1,250,000 | 1965-1989 | 11:00 a.m. |

**December 16 (Monday)**

| | | | |
|---|---|---|---|
| Fla. State Bd. of Control, Fla. | 4,006,000 | 1966-2003 | 11:00 a.m. |
| Santa Ana, Calif. | 2,000,000 | 1994 | 7:30 p.m. |

**December 17 (Tuesday)**

| | | | |
|---|---|---|---|
| Farmington, N. Mex. | 16,500,000 | 1964-1993 | 2:00 p.m. |
| Hampton, Va. | 3,500,000 | 1965-1984 | 11:00 a.m. |
| La Puente Union H. S. D., Calif. | 1,320,000 | 1966-1988 | 9:00 a.m. |
| Phoenix, Ariz. | 8,000,000 | -------- | 10:00 a.m. |
| Santa Clara Co. Flood Control & Water District, Calif. | 19,500,000 | 1966-2003 | 10:00 a.m. |

**December 18 (Wednesday)**

| | | | |
|---|---|---|---|
| Covington, Ky. | 2,500,000 | 1966-1992 | 7:30 p.m. |
| Massillon City Sch. Dist., Ohio | 2,750,000 | -------- | -------- |
| Murray State College, Ky. | 2,360,000 | 1965-1994 | 11:00 a.m. |
| Richmond, Va. | 9,800,000 | 1965-1984 | Noon |

**December 19 (Thursday)**

| | | | |
|---|---|---|---|
| Bridgewater-Raritan S. D., N. J. | 1,600,000 | 1964-1983 | 8:00 p.m. |
| Richland-Beanblossom School Building Corporation, Ind. | 1,480,000 | 1966-1993 | -------- |
| Virginia Beach, Va. | 1,000,000 | 1964-1983 | 11:00 a.m. |

**December 20 (Friday)**

| | | | |
|---|---|---|---|
| Eastern Washington St. Col., Wash. | 3,062,000 | 1964-2001 | 7:30 p.m. |

**January 7 (Tuesday)**

| | | | |
|---|---|---|---|
| Crookston Ind. S. D. No. 593, Minn. | 1,210,000 | 1974-1989 | 4:00 p.m. |
| Veterans Farm & Home Loan & School Building Aid, Calif. | 80,000,000 | -------- | 10:00 a.m. |

**January 8 (Wednesday)**

| | | | |
|---|---|---|---|
| LaFourche Par., La. | 1,000,000 | 1965-1984 | 10:00 a.m. |
| Lee County, Fla. | 2,990,000 | 1967-1984 | -------- |
| New Ulm Ind. S. D. No. 83, Minn. | 1,950,000 | -------- | -------- |

## Walston Absorbing Williston, Beane

Walston & Co., Inc. and J. R. Williston & Beane Incorporated will consolidate their businesses, according to a joint announcement of V. C. Walston and Alpheus C. Beane, President and Chairman, respectively, of the two New York Stock Exchange firms. Most of the officers and personnel of J. R. Williston & Beane Incorporated will become part of the Walston organization with a majority of the stockholders of that firm becoming stockholders of Walston & Co., Inc.

"Final details of the consolidation are still being worked out" the announcement said, "but we have reached a formal agreement in principle, and . . . with approval of the New York Stock Exchange . . . we are pleased to announce that most of the Williston & Beane officers and its key personnel will become a part of Walston & Co.

"It is contemplated that Mr. Beane will become a voting stockholder and director of Walston & Co., Inc.

"For all practical purposes, the consolidation became effective Monday morning, December 2, and the sixteen offices of Williston & Beane will be open for business as usual. The only major, immediate difference is that their 'trades' (buy or sell orders) will be cleared by Walston and confirmations to clients will come from Walston."

Williston & Beane, formed in 1889, has five offices in New York (2 Broadway, 1370 Broadway, 360 Lexington Avenue, all in New York City, Rye and Huntington); three in New Jersey (Asbury Park, Plainfield and New Brunswick); one each in Philadelphia, Chicago and Westport, Connecticut; four in Georgia (Atlanta, Augusta, Macon and Savannah) and one in Sao Paulo, Brazil. The firm has approximately 350 employees including 140 registered representatives.

On Nov. 20, Williston & Beane and Ira Haupt & Co. were suspended from the New York Stock Exchange for failure to meet minimum capital requirements after one of their customers (Allied Crude Vegetable Oil & Refining Co. of Bayonne, New Jersey) applied for a bankruptcy petition when it was unable to meet margin calls from the two firms.

"Williston & Beane was reinstated two days later, when the additional capital which it had been able to raise was augmented by loans totaling $500,000 from Walston & Co., Inc. and Merrill Lynch, Pierce, Fenner & Smith Inc. "This tremendous gesture on the part of two of the leading New York Stock Exchange firms was completely spontaneous," Beane reiterated. "Beyond its evident implication . . . notably, our firm's almost immediate reinstatement . . . was a truly inspiring evidence of the Street's faith in our organization, and our continuing ability to protect our customers against any eventuality.

"My associates and I had hoped very much to continue Williston & Beane as an independent firm, Mr. Beane said. "But the practical benefits of consolidation with Walston . . . both for our customers and ourselves . . . outweigh all other considerations, personnel and corporate. We are confident that this move means a broadened, strengthened service base for our customers and a stronger national financial community over-all."

Said Mr. Walston: "We are honored that Williston & Beane has moved to consolidate its operations under the Walston banner, and my associates and I share Mr. Beane's conviction that both his firm's customers and our industry will benefit as a result. We are confident that the consolidation can be effected with a minimum of inconvenience to all parties concerned and we look forward with genuine anticipation to the future." Walston & Co., Inc., headquarters in New York, San Francisco and Chicago, has over 80 offices stretching from Western Europe to Hawaii. Its last published report (August 30, 1963) revealed assets of $151,000,000 and net worth in excess of $17,500,000.

### Joins McNeel Co.

ATLANTA, Ga.—Leonard M. Defoor has joined the staff of McNeel & Co., Inc., Candler Building, members of the Philadelphia-Baltimore-Washington Stock Exchange.

# DEALER-BROKER INVESTMENT LITERATRUE AND RECOMMENDATIONS

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

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

**Canadian Mining, Industrial and Petroleum Stocks** — Comments on 50 active traders—Canadian Forecaster, 238 Adelaide St., West, Toronto, Ont., Canada—$1.00 per copy.

**Economic Effects on Canada of Soviet Wheat Contract**—Study—Midland-Osler Securities Ltd., 44 King St., West, Toronto, Ont., Canada.

**Foreign Exchange Quotations** — Folder listing 178 foreign exchange rates with two tables of decimal equivalents of shillings and pence and common fractions — Manufacturers Hanover Trust Co., International Division, 44 Wall St., New York 15, N. Y.

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

**Hospital Supply Industry**—Analysis with particular reference to **IPCO Hospital Supply Corp.**, and **Becton Dickinson & Co.**—Reuben Rose & Co., Inc., 115 Broadway, New York, N. Y. 10006.

**Japanese Market** — Review — Daiwa Securities, Ltd., 149 Broadway, New York, N. Y. 10006. Also available are comments on **Fuji Iron & Steel, Furukawa Electric, Mitsubishi Electric Manufacturing, Mitsubishi Shipbuilding & Engineering, Nippon Express** and **Tokyo Electric Power.**

**Life Insurance Companies** — Monthly newsletter — Rohrbaugh & Co., Union Trust Bldg., Washington, D. C. 20005.

**Life Insurance Stock Analysis & Information** — $75 yearly service includes analyzed reports on over 200 actively traded life insurance stocks, bi-weekly news reports on dividends, mergers and earnings; bi-weekly quotation reports, and a bonus book "A Factual Record of 80 Life Insurance Companies—Insurance Stock Market Service, Colle Publishing Co., P. O. Drawer 29, Santa Barbara, Calif.

Special $35 yearly service includes bi-weekly news reports and quotation reports and six analyzed reports of subscribers choice; six months service for bi-weekly news reports and quotation reports, plus three analyzed reports, $21.

**Military-Space Electronics**—Study—Goodbody & Co., 2 Broadway, New York, N. Y. 10004. Also available are analyses of **Florida Telephone Corp., Howard Sams & Co., Halliburton Co., Atchison, Topeka & Santa Fe, California Savings & Loan Stocks, Litton Industries, Meat Packers, Middle East Oil, Municipal Market, National Bank of Detroit, Outboard Marine Corp., Taft Broadcasting** and **U. S. Rubber.**

**Money Market** — Review — C. F. Childs and Co., Inc., 141 West Jackson Blvd., Chicago, Ill. 60604.

**Oil Company Earnings** — Review of nine months—Carl H. Pforzheimer & Co., 25 Broad St., New York, N. Y. 10004.

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

**Possible Tax-Selling Targets Over the Counter** — Lists 43 securities partly depressed by tax-selling—Troster, Singer & Co., 74 Trinity Place, New York, N. Y. 10006.

**Public Utility Common Stocks**—Comparative figures—G. A. Saxton & Co., Inc., 52 Wall St., New York, N. Y. 10005.

**Rubber Fabricating Industry** — Analysis with comments on **Armstrong Rubber Co., B. F. Goodrich Co.** and **Goodyear Tire & Rubber Co.**—The Milwaukee Co., 207 East Michigan St., Milwaukee, Wis. 53202.

**Stocks For Income** — Review — Watling, Lerchen & Co., Ford Bldg., Detroit, Mich. 48226.

**Stretch Yarn Industry**—Analysis — With particular reference to **American Enka Corp.** and **Monsanto Chemical Co.**—Kahn, Peck & Co., 74 Trinity Place, New York, N. Y. 10006.

**Tax Saving**—Discussion—Moore & Schley, 120 Broadway, New York, N. Y. 10005.

**Tax Selling and Investment Policy**—Bulletin—Sartorius & Co., 39 Broadway, New York, N. Y. 10006.

**Tax Switch Suggestions**—New booklet recommending 42 tax switch suggestions which may assist in saving on 1963 capital gains taxes and upgrade the portfolio—Reynolds & Co., Dept. CF-1, Att.: Mr. Richard S. Graham, 120 Broadway, New York, N. Y. 10005.

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**Allied Chemical** — Comments — Bregman, Cummings & Co., 4 Albany St., New York, N. Y. 10006. Also available are comments on **CTS Corp.** and **United Air Lines.**

**Allied Stores Corp.** — Analysis — Hornblower & Weeks, 1 Chase Manhattan Plaza, New York, N. Y. 10005. Also available are comments on **Johns Manville, Olin Mathieson, Cincinnati Milling Machine, Chesapeake & Ohio, General Steel Industries, Hammond Organ** and **American Metal Climax.**

**American Export Lines, Inc.**—Analysis — Brand, Grumet & Seigel, Inc., 67 Broad St., New York, N. Y. 10004.

**Avco Corporation** — Analysis — Butcher & Sherrerd, 1500 Walnut St., Philadelphia, Pa. 19102. Also available are analyses of **Dan River Mills** and **Moore Products.**

**Barden Corporation** — Analysis — Chas. W. Scranton & Co., 209 Church St., New Haven, Conn. 06507. Also available are analyses of **Farrel Corp., Maryland Casualty Co., Plasticrete Corp.,** and **Zurn Industries, Inc.**

**Calgon Corp.** — Analysis—Dempsey-Tegeler & Co., Inc., 39 South La Salle St., Chicago, Ill. 60604. Also available is a report on the **Stanley Works.**

**Campbell Soup Company**—Survey—Abraham & Co., 120 Broadway, New York, N. Y. 10005. Also available is a survey of **Warner Lambert.**

**Canadian Petrofina Limited**—Bulletin—Gairdner & Co., Ltd., 320 Bay St., Toronto 1, Ont., Canada.

**Celanese**—Report—Colby & Co., Inc., 85 State St., Boston, Mass. 02109. Also available are reports on **Eversharp** and **Twentieth Century-Fox Film.** (Firm requests stamped addressed envelopes when writing for copies)

**Centinela Valley Bank**—Report—Wedbush & Company, 157 Santa Barbara Plaza, Los Angeles, Calif. 90008.

**Chain Belt Company**—Analysis—Walston & Co., Inc., 74 Wall St., New York, N. Y. 10005. Also available is an analysis of **Norris Thermador Corp.**

**Chain Food Stores** — Discussion in November issue of the American Investor—American Investor, American Stock Exchange Bldg., New York, N. Y. 10006—25 cents per copy; $2 per year.

Also in the same issue are discussions of **Retail Sales** and **Astrodata Inc., Eitel McCullough Inc., Fulton Industries, Inc., Potter Instrument Company** and **Unishops.**

**Chesebrough Pond's**—Comments in current issue of monthly investment letter—Hayden, Stone & Co., Inc., 25 Broad St., New York, N. Y. 10004. Also available are comments on **Goodyear Tire** and **Pan American Sulphur.**

**Cluett, Peabody & Co.**—Survey—Fahnestock & Co., 65 Broadway, New York, N. Y. 10006. Also available is a survey of **General Tire & Rubber Co.**

**Denver Real Estate Investment Association**—Analysis—Bosworth, Sullivan & Co., Inc., 660 Seventeenth St., Denver, Colo. 80202.

**Diamond Crystal Salt Company**—Analysis — Dempsey - Tegeler & Co., Inc., 39 South La Salle Street, Chicago, Ill. 60603.

**Empire Financial Corp.**—Analysis—Hill Richards & Co., Inc., 621 South Spring St., Los Angeles, Calif. 90014.

**FMC Corp.** — Analysis — Henry Gellermann, Dept. CFC, Bache & Co., 36 Wall St., New York, N. Y. 10005.

**Fairchild Camera & Instrument Corp.** — Analysis — Rittmaster, Voisin and Co., 40 Exchange Place, New York, N. Y. 10005.

**Koehring Company** — Bulletin — Charles A. Taggart & Co., Inc., 1516 Locust St., Philadelphia, Pa. 19102.

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

**National Can Corporation**—Comments — Orvis Bros. & Co., 30 Broad St., New York, N. Y. 10005. Also available are comments on **Copper Range and Texas Industries.**

**Olin Mathieson**—Report—Cohen, Simonson & Co., 25 Broad St., New York, N. Y. 10004. Also available is a report on **International Telephone & Telegraph.**

**Orange County, Calif.** — Comprehensive booklet of data about the county, its cities and communities — Security First National Bank, Sixth and Spring Streets, Los Angeles, Calif. 90054.

**Printing Corporation of America**—Analysis—A. J. Carno Co., Inc., 150 Broadway, New York, N. Y. 10038. Also available are comments on **Waldbaum, Inc.** and **National Western Life Insurance Co.**

**Sherwin Williams Company**—Analysis—Carreau, Smith, McDowell, Dimond, Inc., 115 Broadway, New York, N. Y. 10006.

**Simmonds Precision Products, Inc.** — Analysis — Shearson, Hammill & Co., 14 Wall St., New York, N. Y. 10005.

**Southdown Inc.**—30-page analysis—Howard, Weil, Labouisse, Friedrichs and Co., 211 Carondelet St., New Orleans, La. 70112.

**Stokely Van Camp Inc.**—Analysis—Richard S. Graham, Dept. CFC, Reynolds & Co., 120 Broadway, New York, N. Y. 10005. Also available is an analysis of **Youngstown Steel Door.**

**Swift & Co.** — and the meating packing industry — Analysis — W. E. Hutton & Co., 14 Wall St., New York, N. Y. 10005.

**Texaco Canada Limited**—Analysis—Royal Securities Corp. Ltd., 244 St. James St., West Montreal 1, Quebec, Canada. Also available is an analysis of **Traders Finance Corp. Ltd.**

**Walter Reade-Sterling Inc.**—Analysis—Van Alstyne, Noel & Co., 40 Wall Street, New York, N. Y. 10005.

**Westinghouse Air Brake Company**—Report—H. Hentz & Co., 72 Wall Street, New York, N. Y. 10005. Also available are reports on **Rock Island, Soo Line,** and **Erie Lackawanna.**

**Winkelman Brothers Apparel Inc.** — Analysis — Murray Frumin & Company, Penobscot Building, Detroit, Mich. 48226.

**Zausner Foods Corp.**—Analysis—Hugh Johnson & Company, Rand Building, Buffalo, N. Y. 14203.

## With First Columbus

COLUMBUS, Ohio — Robert L. Anderson is with First Columbus Corp., 52 East Gay St., members of the Midwest Stock Exchange.

# Marcus Nadler Warns Banks On Certificates of Deposit

**Leading bank economist counsels banks to look after their liquidity preparations in the event that business expansion brings with it sizable redemption rather than renewal of maturing certificates now at a record high volume. He also comments on several cross-currents in the money and capital markets including the problem of rising short-term interest rates unaccompanied by bank credit reduction, and the need for a tax-cut to permit a more independent international credit policy.**

If business activity expands in months to come, as is expected, banks carrying certificates of deposit will experience added cash pressures, Dr. Marcus Nadler, consulting economist to Manufacturers Hanover Trust Co., New York, predicted recently.

Marcus Nadler

In a report, "Money Market Trends," released by Manufacturers Hanover, Dr. Nadler warns that if corporate cash demands increase, banks must be prepared to meet C. D. maturities:

**Advises Banks to Be Prepared**

"Those banks that have not made the necessary liquidity preparations," he said, "may be compelled to sell securities at a loss. Those which have not offered C. D.'s in any volume should first consider how they will invest the time deposits profitably before increasing their activity in the field."

Dr. Nadler cites in his timely study the rapid growth of negotiable C. D.'s as one of the most significant developments in the recent money market. "The volume of certificates of deposit has increased sharply during the past two years, until today it exceeds that of open-market commercial paper."

The primary cause of the development of C. D.'s Dr. Nadler said has been the increase in permissible interest rates on time and savings deposits. The change in Federal Reserve Regulation Q which permitted commercial banks to pay higher interest on time and savings deposits beginning with 1962 was further augmented in July, 1963, when the Board of Governors raised the permissible rate on time and savings deposits with a maturity of 90 days to one year. As a result, Dr. Nadler points out, the amount of C. D.'s outstanding rose from about 1.0 billion at the end of 1961, to approximately $8.5 to $9.0 billion by mid-1963.

"The growth of this credit instrument," Dr. Nadler adds, "has enabled banks to retain the surplus funds of large corporations that otherwise would have sought outlets in short-term government obligations or other short-term credit instruments."

Other factors affecting the American short-term money market, Dr. Nadler says, are financial conditions abroad, the huge U. S. balance of payments deficit, and the large volume of short-term dollar claims owned by foreigners — notably central banks and governments.

"U. S. monetary authorities have been faced with the problem of increasing short-term interest rates without materially reducing the availability of bank credit at a time when the rate of economic growth was inadequate to create employment opportunities for a rising labor force. "This aim," he adds, "has been achieved through the coordination of the credit policies of the Reserve authorities with the debt management of the Treasury."

"The long-term capital market," Dr. Nadler stresses, "has been strongly influenced by the sharp increase in the volume of time and savings deposits. More recently it has been affected by the proposed interest equalization tax on foreign borrowing and the sale of foreign securities to Americans. Because of its retroactive provision, the effect of this proposal is now felt."

"These forces," Dr. Nadler says, "plus the relatively small amount of new long-term bonds offered by the Treasury and the greater reliance of corporations on internal resources, are responsible for relatively low long-term rates."

"If Congress passes the income tax bill," Dr. Nadler concludes, "and this legislation has the expected effects on the economy, the Reserve authorities will be able to follow a more independent international credit policy than at present."

**Author's Summary**

Dr. Nadler's salient conclusions follow:

"(1) **There are crosscurrents in the money and capital markets. These are reflected in the narrow spread between short- and long-term rates of interest.** The short-term sector of the market is dominated by the international financial situation, by the deficit in the U. S. balance of payments, and by the large volume of short-term dollar claims owned by foreigners — notably central banks and governments. The existence of a broad but uncontrolled Euro-dollar market further complicates the situation.

"(2) **The U. S. monetary authorities have been faced with the problem of increasing short-term interest rates without materially reducing the availability of bank credit at a time when the rate of economic growth was inadequate to create employment opportunities for a rising labor force.** This aim has been achieved through the coordination of the credit policies of the Reserve authorities with the debt management of the Treasury. The Treasury constantly has increased the supply of short-term obligations offered in its borrowing and refunding operations, while the Reserve authorities have permitted a slow and gradual decline in the volume of free excess reserves and then have raised the discount rate. If Congress passes the income tax bill and this legislation has the expected effects on the economy, the Reserve authorities will be able to follow a more independent international credit policy than at present.

"(3) **The long - term capital market has been strongly influenced by the sharp increase in the volume of time and savings deposits. More recently it has been affected by the proposed interest equalization tax on foreign borrowing and the sale of foreign securities to Americans.** Because of its retroactive provision, the effect of this proposal is now felt. The high rate of interest paid by the banks on time and savings deposits has forced them to seek higher yielding loans and investments. They have thus become aggressive buyers of both tax exempt securities and mortgages. In the mortgage field, they have encountered keen competition from other thrift institutions whose deposits or capital shares also have increased substantially. These forces, plus the relatively small amount of new long-term bonds offered by the Treasury and the greater reliance of corporations on internal resources, are responsible for relatively low long-term rates.

"(4) **One of the most significant developments in the recent money market has been the rapid growth of the volume of negotiable Certificates of Deposit.** These credit instruments have enabled commercial banks to retain the time deposits of their customers but also have created problems. A large portion of the surplus funds invested by corporations in Certificates of Deposit is temporary. If, as is expected, business activity expands in the months ahead, it will create an increased demand for cash. The matured C.D.'s may not thus be renewed in their entirety. The commercial banks which have considerable amounts of C.D.'s outstanding must be prepared to meet these maturities. While a substantial portion of the amounts redeemed will come back to the banking system, these funds may not find their way to the same institutions. Those banks that have not made the necessary liquidity preparations may be compelled to sell securities at a loss. Those which have not offered C.D.'s in any volume should consider first how they will invest the time deposits profitably before increasing their activity in this field."

## Southwest IBA Group Elects

OKLAHOMA CITY, Okla. — The Southwestern Group Investment Bankers Association of America at their recent annual meeting elected Felix N. Porter, First National Bank and Trust Company, Oklahoma City, Oklahoma, as Chairman for the forthcoming year. Mr. Porter was Vice-Chairman of the Association.

Felix N. Porter

Other officers elected were: *Vice-Chairman* — E. Stephen Brown, Barret, Fitch, North & Co., Inc., Kansas City, Mo.; *Secretary-Treasurer* — Harry Mayfield, Commerce Trust Company, Kansas City, Missouri.

### Joins Russell Staff

CLEVELAND, Ohio—William A. Williams has become affiliated with J. N. Russell & Co., Inc., Union Commerce Building, members of the New York and Midwest Stock Exchanges. He was formerly with Parsons & Co., Inc.

# Where "Bigger and Better" Gov't Expenditures Lead

By John P. Maggard, *Associate Professor of Marketing, Miami University, Oxford, Miss.*

**Professor Maggard is dismayed by the relentless growth in size and power of the Federal Government, and by the ominous consequences this has to the institutions we cherish. Neither the public nor its representatives and leaders are spared in the contrast made between what has been intended and what has been done. Dr. Maggard comments on the current fascination of not crossing the mythical barrier of $100 billion budget and of not breaking the Eisenhower prize-winning deficit of 1959; exposes the fallacy inherent in the "we owe it to ourselves" statement and in today's version of the Keynesian Multiplier-Accelerator Theory; and favors a tax-cut with accompanying moves restricting expenditures and absorption of non-Federal responsibilities and functions.**

Recently a leading columnist highlighted a few choice passages gleaned from campaign literature generated in the foment of a presidential campaign of thirty years ago. A pronouncement of 1932 read as follows: ". . . The Public Pays . . . Your Taxes and Republican Extravagance. When you groan under the burden of taxes, remember that the deficit at the end of the last two years of Hooverism is around four billion dollars . . . the greatest in peacetime history. Remember that this huge deficit was not born overnight, but the performance of the past two years have wiped away previous gains in the way of reducing our national debt, and have brought it to the outstanding total of twenty billion dollars . . . Democrats pledge at least twenty-five per cent reduction in expenses . . . turn the spendthrifts out . . . put responsible government in . . . elect Roosevelt and Garner."

John P. Maggard

These candidates were elected, and instead of the twenty-five per cent reduction in expenses, the result was more than twenty billion dollars of deficit spending by the end of the following eight years.

Roosevelt provided the platform upon which bigger and better deficits were to be erected, and each succeeding Administration has followed the route toward more "responsible government," via the Red Ink Trail. Moving forward through the Truman Era, with considerable more deficit spending, and on into the Eisenhower Era . . . the public has been bamboozled with periodic promises of balanced budgets and debt-retirement. Despite Eisenhower's "relentless war" against inflation, the deficits continued to occur all too frequently, resulting in an ever-increasing Federal debt. President Eisenhower once cautioned Congress as follows: "All of us know the results of reckless Federal spending . . . it saddles the future with greater debts, heavier interest payment, higher prices and spiraling inflation." Yet, Eisenhower managed to "take the cake" in the postwar period by hitting the peak, in fiscal 1959, with a deficit of over twelve billion dollars.

The promises and the deficits still continue. In fact, in the period of the last thirty years, 1932-1962, the Federal budget has been balanced only four times. Will fiscal 1963 be an exception? On the contrary, the "cake" will likely exceed Eisenhower's peak-deficit this year, or, if not then, in fiscal 1964.

The Federal debt currently exceeds three hundred billion dollars. The 1963 fiscal budget is approximately ninety-nine billion, with a deficit estimated at nine to eleven billion dollars this year. It would appear, therefore, that we are well on the way to "Spending Ourselves into Prosperity," if we can only trust the hallucinations of present day economic planners in Washington.

The debtor who is duly concerned with his indebtedness is usually a good risk for further extension of credit. The lender must, however, beware of the man who has no concern over the magnitude of his obligations. What is the attitude of our responsible government officials, with respect to the seriousness of the debt situation? One recently stated that the growth of the postwar Federal debt has not kept pace with the growth of debts of either state and local governments, private business, or individuals in this economy. What that official failed to point out, however, is the fact that if either an individual, a private business concern, or even a local government should have undertaken to operate at a deficit for twenty-six out of the past thirty years . . . that enterprise or individual would have gone bankrupt long ago. In fact, such an attitude seems somewhat analogous to a situation where a physician might attempt to soothe the patient who has a pint-size cancer, by telling him that cancer, on a national scale, is increasing much faster than his.

### Do We Owe It to Ourselves?

Some people, however, are concerned with the trend in the size of debt and interest payments. Perhaps even more concern would prevail if the average citizen would take a closer look at the magnitude of both, the debt and the interest payments involved. For those who would rely upon the old cliche "we owe it to ourselves," it might be pointed out that, as of today, the Federal debt is held primarily by banking and insurance interests, pension funds, and private institutions, and relatively few individuals with bonds. It is interesting to note, however, that savings bonds represent less than one quarter of this mammoth debt. Furthermore, an examination of Federal expenditures will reveal that annual interest payments account for the greatest single, non-defense expenditure in the entire Federal budget.

The actual magnitude of the Federal debt can best be illustrated in dimensions other than billions of dollars. One such dimension is to measure the total debt on a per-capita basis. Each man, women and child in the United States today is saddled with an obligation of approximately one thousand, six hundred and twenty-five dollars, as his share of our total Federal debt. When today's three hundred and four billion dollar obligation is compared with the paltry thirty-three thousand dollar debt of President Jackson's day . . . the rate of growth is somewhat astounding, but the total impact of the dollar amount is often lost in our common acceptance of billions as a measurement. If viewed in a different perspective, however, the magnitude becomes more apparent. If we could only convert our present Federal debt into silver dollars, and stack these dollars one upon the other, we would find ourselves only twenty-four billion short of having sufficient "cartwheels" to build a railroad from the earth to the moon. In fact, if we could save the interest on the Federal debt for two and one half years, we could complete that silver railroad to the moon, and thereby economize on all the peculiar "moon-shot" monkey-shines which we are financing at the present time.

### Federal Take Over of Local Functions

The taxpayer might profit by forcing himself to take the time and trouble to examine more closely the grandiose undertakings of the Federal Government as it gathers momentum in the absorption of functions which were once performed by state and local governments. Federal commissions are seldom decommissioned; instead, new ones are added to take over each new venture into "welfare wonderland." One has only to suggest areas such as urban renewal, parks, child delinquency and the like . . . if the Federal Government isn't currently performing the function, there is likely a commission or committee already exploring the possibilities of performing it "more efficiently and for less money."

Many functions, such as defense and postal service, are doubtless best performed at the Federal level. This does not indicate, however, that any and all functions are best performed at this level. Many examples, such as agricultural support efforts, for instance, indicate that Federal authority often produces programs which result in absolute economic absurdity. Nevertheless, Federal "remedies" for social and economic problems continue to thrive and multiply. The Federal Government has so thoroughly penetrated certain areas and has become so enmeshed with local operations that it is often impossible to identify the degree of Federal encroachment. The "welfare-mess" is a case in point, and this area of Federal spending is only in its infancy. According to statistics furnished by the Department of Health, Education and Welfare, total welfare expenditures in 1961 were some one hundred and seventy per cent higher than the total in 1950 . . . amounting to less than fourteen billion dolars in 1950, and zooming to the astounding total of over thirty-seven billion dollars in 1961.

### A. R. A. Assistance to Recreational Endeavors

The growth picture of one small agency serves to illustrate the skyrocketing of welfare services. The case in point is the new Area Redevelopment Administration . . . it was born in 1961 to aid in the rehabilitation of the depressed areas of the nation, and was able to lend and give away only seven million dollars during the first year of operations. Fiscal 1963 has seen this "new baby" quicken its pace in giving and lending, to an estimated speed of forty-five million for the second year's operations, and healthy ambitions for spending well over one hundred million dollars in fiscal 1964. This new political-handout agency, with an original ceiling of three hundred million dollars on lending capacity, has, within the scope of two years operations, already started feeling out the possibilities of more than doubling this ceiling to a total of six hundred and fifty million. As an example of the vital services offered by the A. R. A., it has been rumored recently that several rural areas in Pennsylvania have been receiving grants to explore the chances of switching from agricultural communities to recreational resort areas. It does seem heartless to toss a new give-away agency, such as the A. R. A., into tough competition with various agencies of the Department of Agriculture and the Interior, in the race to aid recreation. However, our new baby giant seems to be thriving rather well.

### Rate of Government Growth

As a nation we are quite concerned with the relatively new idea of "Growthmanship." In this respect, it seems likely that government will win out as the most healthy segment of the economy. When one views the growth in government spending, government employment, and government planning, it becomes quite apparent that herein we have evidence of real growth.

A recent issue of *U. S. News and World Report* (May 28, 1962) points up the rate of growth in government costs in several ways. For example, in the period between 1958 and 1962, while commodity prices (wholesale) rose by two tenths of one percent, and consumer goods prices by two and one tenths per cent, the spending per person by Federal, state and local governments increased by nineteen per cent. Another way of comparing the increase in the price of government is to take a few decades of comparison. According to the above source, in 1929 the annual price of all governments combined amounted to eighty-four dollars per American. In 1939 the price was one hundred and thirty-four dollars; three hundred and ninety-nine dollars in 1949; seven hundred and forty-three dollars in 1959; and finally, a total of eight hundred and sixty-eight dollars per American for the past year.

Many various verbal gestures have been made toward "management improvement and cost reduction" in government employment. One such popular gesture is to favor being ". . . especially desirous that the number of government employees be limited to the minimum consistent with getting the job done." Furthermore, Cabinet Officers have been accredited with various "pare-the-payroll" intentions. However, each time Senator Byrd makes a report as Chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, somehow the employment figure seems to show little evidence of having been pared at all.

The June payroll of last year, for example, was more than two and one-half million employees (an increase of seventy-seven thousand from the previous June). Furthermore, the budget for fiscal 1964 calls for an addition of thirty-six thousand Federal employees . . . scattered here and there. It seems that we need an extra five thousand employees for the Department of Agriculture, to bring this staff up to a tidy little army of approximately one hundred and twenty-five thousand employees. The same budget calls for an addition of three thousand and four hundred employees for the Department of Commerce, despite "paring" efforts.

**Payroll Data**

Administration spokesmen point with pride to the fact that present governmental employment strength is not at an all-time peak today, and this is correct. During World War II government civilian employment hit a peak of more than three and one-half million workers. However, these officials fail to mention the fact that the peak payroll cost at that time was only about eight billion dollars per year . . . compared with an estimated annual payroll cost of more than fourteen billion dollars, as of June of 1962.

Despite lip-service to the contrary, present efforts to curb the steady growth of our Federal labor force are producing puny results. It is difficult to dispute the wise words of Plato, when he said "Democracy does not contain any force which will check the constant tendency to more and more on the public payroll."

**"Efficient and Frugal Conduct of Business"**

Who is to "bell the cat?" Who will take the responsibility of examining the economic basis of our "borrowed joyride to wonderland?" Perhaps it should be the Executive Branch, or maybe the Legislative Branch . . . or both. What are the indications today that either of these governmental bodies will shift their eyes from the voting booth long enough to analyze conditions in balanced perspective?

We have been subjected to dire warnings on the one hand, and the most glowing pictures of vigorous growth on the other. The choice seems to be clear cut . . . either dangerous recession or full prosperity. Who should ponder over such a choice? The program being offered is a modern version of the Keynesian Multiplier-Accelerator Theory of "pumping ourselves into prosperity." Of course Franklin D. Roosevelt discovered years ago that pump-priming doesn't work any too well, even when applied during depression periods. Today's planners, however, are confident that conditions are now ripe for a "forced-feed stoking" of the economy. Recently, governmental economists have discovered that our fantastic tax-burden is detrimental to solid economic growth . . . it is some wonder that such an apparent fact has been so difficult to identify. What is the recommended solution to the problem? Does the government recommend a gradual reduction of services, spending, deficits, and taxes to facilitate a return to fiscal responsibility? Not at all. Instead, we are offered the largest spending program of any government in all history . . . either in time of war or peace. We must continue the old "New Deal" programs, such as the Agricultural Adjustment Administration, as usual. We must revive certain of the old depression programs, such as the Civilian Conservation Corps; and add new programs for many special segments of the economy. Such programs range all the way from the aforementioned give-aways for so-called depressed areas, to bigger and better programs for retraining workers, the provision of low-cost housing, and the financing of urban redevelopment projects and public transportation systems for metropolitan areas across the nation.

**Rising Non-Defense Expenditures**

Contrary to public utterances, the enormous defense budget (with much room for reducing expenditures, with little or no defense loss) is not growing as fast as the non-defense portion of government spending. The 1964 budget calls for such increases as an extra three hundred and fifty million dollars for housing and community development; four hundred and forty million extra for commerce and transportation, and the *extra* requests for health, labor and welfare amount to approximately one billion and six hundred million dollars . . . resulting in a grand total (trust-fund payments included) of five billion, six hundred million dollars for this category of services.

The average taxpayer should begin to take an interest in some of the particular ways in which his money is being spent in the areas of health and education. At least the taxpayer should look over his shopping list and see whether or not he is pleased with his purchases. Senator Byrd, last year, questioned the manner in which much of the hundreds of millions are being spent on health-research projects. He specifically referred to an allotment of one million and two thousand dollars which was granted for a six-year study of "The Affectional Relationship of the Infant Monkey to his Mother." Byrd also mentioned other projects, with fascinating titles, such as: "The Study of the Diving Reflex and Volume Receptors of the Seal," and another study of "The Biological Control of Snails by Shellcracker Sunfish."

Recently, Senator Stephen M. Young (of Ohio) dared to question the possible wasting of taxpayers' money on such projects as "The Social Role of the Wild Ungulate" . . . and "The Stereotactic Atlas of the Beagle Brain." Young also took issue with such governmental "health-research" expenditures as: seventy-eight thousand dollars to probe into the mysteries of "Silent Thinking," and another expenditure of more than twenty thousand dollars to examine "The Behavioral and Psychological Concomitants of Dreaming," and finally, an eleven thousand and five hundred dollar fling at the "Blood Group Genetics of Southampton Island Eskimos." All of these projects are, no doubt, quite interesting to the individual researcher, but why should we taxpayers slight the fascinating study of the Psychological Effects of Comic Books and Old Tarzan Movies on the Sex Life of Indigent Salamanders?

It would appear that the growth of our Health, Education and Welfare Gargantua is difficult to curb, even by the masters who guide his destiny. Secretary Ribicoff, supposedly, made some attempt to do some curbing in the fall of 1961, when he is reported to have voluntarily lopped off seventy-six million dollars from his own agency's Public Health Service Program for fiscal 1962. Instead of praise, Ribicoff drew scorn from the august members of the Appropriations Committee for his "arbitrary restraint." The good senators voted to add an extra one hundred and eighty-two million dollars to Ribicoff's original request for the Welfare Department . . . an increase which both Houses later endorsed.

**The Sheer Task of Spending**

Federal budgeting is, at best, filled with gimmicks and hard-to-understand bookkeeping practices. It is probably fortunate that the public doesn't really get too disturbed over large budgets, in general. Two elements seem to cause public alarm . . . the breaking of deficit-records, and the breaching of significant numerical barriers. The present Administration is walking a tight-rope with respect to each of these budgetary danger-zones. They do not desire to break the Eisenhower, prize-winning deficit of 1959, and they are somewhat skittish of crossing the mythical barrier of the one hundred billion annual budget. The government is, in fact, currently spending well in excess of one hundred billion dollars per year, when total expenditures are taken into account. Furthermore, it will require a miraculous burst of Keynesian-accelerated economic vigor to prevent achieving the "deficit-championship" in fiscal 1964.

What is involved in spending one hundred billion dollars within a span of twelve months? Gauged by the second . . . or by the minute, the task is monumental, to say the least. This spending feat is the equivalent of spending one dollar per second for the last three thousand years, or over ninety-six dollars per minute since the birth of Christ. The hundred billion dollar budget involves more spending in a single twelve-month period than we were able to spend, in total, during the one hundred and forty year period prior to Hoover's Administration. Is it any wonder, therefore, that thirty-six thousand additional "spending experts" will be added to the Federal payroll next year? How could we possibly avert a log-jam of unspent dollars with only seventeen thousand employees engaged in soil-conservation, and only seventeen thousand handling pest-controls?

**Congress to the Rescue**

Past history seems to indicate that we can expect little from Administratve officials in the way of a rational approach to the problem of increased government spending. Too many administrative officials seem to be primarily concerned with getting themselves reelected or reappointed. A concerned public could exert sufficient presure upon all elected officials, both administrative and legislative, by demanding judicious collection and expenditure of Federal revenues. An unconcerned public, on the other hand, encourages irresponsible representation, and deserves as much. Of course many legislative officials do their best to represent their home-territory and the entire country, but more evidence seems to indicate that the average legislative official is primarily concerned with two major objectives . . . pleasing the most influential voting-blocs in the home district, and enjoying the growing bundle of "fringe-benefits" which accrue to congressional members.

The standard argument that "I can do more for the people of Podunk," does not necessarily mean that the political aspirant has an inside pull on the White-house, it can just as well indicate that the candidate has an inside drag on the fifty-five billion dollar defense budget, and can insure home-employment on defense contracts . . . sometimes even on contracts for weapons which have become obsolete before the first unit is rolled from the assembly line. "Pork-barreling" and "log-rolling" are practices which are, of course, as old as our congressional history. However, when we play political football with defense contracts and use defense spending, in general, as a mechanism for growth and employment, the situation is one to be closely evaluated. In fact, the taxpayer might even have reason to wonder whether or not there is any political correlation between California's spectacular elevation to the number-one position, population-wise, and the spending of at least one fifth of our huge defense budget in that state.

Congress has traditionally served as the guardian of the public interest in matters of collecting revenues and controlling expenditures. Unfortunately, however, a disinterested public has allowed Congress to ignore the million and adopt the billion as a standard unit of measurement in financial matters. Congress has, thereby, lost sight of the value of the dollar. This attitude is shown in a multitude of ways . . . from the ease with which Congressmen vote to increase their own salary, to the free and easy manner in which so many of them practice the art of nepotism, and make their tax-financed junkets around the globe . . . investigating everything from cartels to continental can-cans.

**Plus Factors?**

Those who advocate "bigger and better" government expenditures (neither political party has a monopoly on these) often point to the value of Federal assets as a plus factor. In this manner, such proponents attempt to show that governmental expenditures are actually productive. It is true that governmental assets are growing. In fact, much too fast for those who believe in a free-enterprise system. A recent issue of

*Continued on page 12*

# Where "Bigger and Better" Gov't Expenditures Lead

Continued from page 11

*U. S. News and World Report* (April 9, 1962) indicated that the Federal Government now owns office space equivalent to one hundred and thirty-three Empire State Buildings, and rents an equivalent of an additional thirty-four. The government can do a lot of "managing" from this amount of space, but they are opening new buildings almost every day. The same source indicated that Federal employment in 1960-61 increased by seventy six thousand and nine hundred employees. By mid 1963, officials figure the Administration would have have added another two hundred thousand workers to the Federal payroll. The payroll increased by something like seven hundred million dollars during President Kennedy's first year in office . . . and supposedly increased by another billion and one hundred million by mid 1963. Yet, Congress has received requests for Federal pay increases that would add another billion dollars to present payroll costs during the next two years.

**Conclusions**

The writer has attempted to highlight certain aspects of the growing costs of Federal Government, and to stress the point that a great deal of these expenditures are of questionable value.

Readers might well inquire as to what suggestions are forthcoming. In the opinion of the writer, the current move toward a reduction of the tax-load is a move in the right direction. Federal taxes should be decreased, and even more of the revenue sources should be returned to states and local governmental units. This is not recommended, however, so long as a mammoth Federal army of civilian employees attempts to muscle in on all phases of the private economy . . . offering everything to everyone . . . with welfare assured to all "from the cradle to the grave."

We should take a lesson from the Roman Empire, relative to our philosophy of "bread and circuses." We should take note of our success in helping to create De Gaulle's current attitude, and re-evaluate our efforts toward the "purchase of friends" on a world-wide basis. In fact, the writer contends that it should be neither the function nor the obligation of the Federal Government to guarantee employment, support agriculture, finance eduction, or guarantee both foreign and domestic welfare in the style of today's undertakings . . . to say nothing of renovating urban centers and financing rapid - transit systems for urban places throughout the land.

We should ditch, once and for all, the idea that the size of the Federal debt is of no economic significance, and make an honest effort to reduce this debt at every feasible opportunity . . . and we should create those opportunities. The present budget could be reduced at least twenty per cent in the current year, with no real loss in either vital services or defense protection. The writer contends that no single element in the Federal budget could not withstand a ten to twenty per cent reduction (many could best be eliminated entirely) and emerge with an even improved performance of the function.

Finally, one last observation . . . one of the most revealing and beneficial lessons could be learned by the average taxpayer, if it were only possible to suspend withholding-at-the-source in income-tax collection for the period of one full year. If each of us had to "cough up" his full Federal tax payments on April 15, there is absolutely no doubt that all Federal expenditures and services would, at that time, receive a very real audit . . . by all of us.

## With First Midwestern

MINNEAPOLIS, Minn.—James B. Bernatz is now with First Midwestern Financial Planning Co., 4018 West 65th Street. He was formerly with George R. Wright Co. of Ogden, Utah.

# NYSE Moves in Haupt Liquidation

G. Keith Funston, President of the New York Stock Exchange, has announced that some securities customers of Ira Haupt & Co. had already received cash and securities under a liquidation plan announced by the Exchange on Monday, Nov. 25.

Cash credit balances of over $1,750,000 have been paid to securities customers to date, Mr. Funston said in the Exchange's first progress report on the liquidation plan. In addition, Mr. Funston said, a number of fully paid securities have been delivered to customers, and some margin accounts of securities customers have been transferred to other broker-dealers.

"The Exchange has been attempting to process the orderly liquidation of Ira Haupt & Co. with the utmost urgency," Mr. Funston said, "but the program has been slowed in part because of problems in connection with transferring securities out of Haupt's name. The Exchange is actively working on this and other problems involved in the liquidation."

Under the liquidation plan, the Exchange has agreed to make available initially up to $7.5 million in cash to help the securities customers of Ira Haupt & Co., and, if necessary, an overall maximum of $12 million. The initial amount has been set aside in an Exchange escrow account from which the sum of $1,750,000 has been paid to securities customers by the liquidator, James P. Mahony, chief examiner of the Exchange. The liquidation plan, worked out by the Exchange and a group of creditor banks, also provides that for each dollar in cash paid out of the fund by the Exchange, these bank creditors of Ira Haupt & Co. will defer collection of two dollars of their loans to the firm, up to $15 million initially, and an overall maximum of $24 million, if necessary.

In accordance with this agreement, Mr. Funston said, the banking group has so far deferred collection of $3.5 million in loans to Ira Haupt & Co.

Mr. Funston said that the Exchange hopes the liquidation process will continue as quickly as possible "so long as no court, administrative or other legal proceeding" is instituted against Ira Haupt & Co.

Ira Haupt & Co. was suspended from membership by the Board of Governors of the Exchange on Wednesday, Nov. 20, because of the firm's failure to meet the Exchange's capital requirements, when a customer proved unable to meet its commitments in commodities.

# NYSE Committees Formed to Study Policy Problems

Keith Funston, President of the New York Stock Exchange, has announced that the Chairman of the Exchange Board of Governors, Henry M. Watts, Jr., has appointed two special top-level committees to deal with long-range policy problems raised by the suspension and liquidation of Ira Haupt & Co.

One of the special committees will study the broad question of whether or not the Exchange could change any of its rules and regulations in order to give a greater measure of protection to the securities customers of those member firms which also carry commodity accounts. Ira Haupt & Co. was suspended by the Board of Governors Nov. 20 after a customer of the firm failed to meet its commitments on dealings in the commodities markets.

The other special committee, also named by the Board Chairman, has the task of suggesting to the Board a method whereby the Exchange could recover any expenses it incurs in the Haupt liquidation. The Committee will also consider the possibility of devising a plan to deal with this particular type of situation should it ever occur again. Under the plan to assist in the orderly liquidation of Ira Haupt & Co., which was worked out earlier this week with the cooperation of the creditor banks, the Exchange has agreed to furnish an overall maximum of $12,000,000 if necessary to help securities customers of the suspended firm. Seven million five hundred thousand dollars of this sum has already been placed in a special account which may be drawn on by the liquidator.

Charles B. Harding, partner of Smith, Barney & Co., has been named chairman of the group that will study the exposure of the securities side of a member firm's business to the risks inherent in the commodity side. Other partners of the member firms who will serve on Mr. Harding's committee are: Harry B. Anderson of Merrill Lynch, Pierce, Fenner & Smith Inc.; William K. Beckers of Spencer Trask & Co.; Richard M. Crooks of Thomson & McKinnon; Herman S. Kohlmeyer of Kohlmeyer & Co.; William Reid of Bache & Co.; Homer A. Vilas of Cyrus J. Lawrence & Sons; and David Weld of White, Weld & Co.

John L. Loeb, partner of Carl M. Loeb, Rhoades & Co., will head the committee to study how the Exchange should recover its expenses incurred in the Haupt matter. The additional member firm partners named to this group are: Clarence A. Bickel of Robert W. Baird & Co.; John A. Coleman of Adler, Coleman & Co.; Sylvan C. Coleman of E. F. Hutton & Co., Inc.; Eugene M. Geddes of Clark, Dodge & Co., Inc.; James C. Kellogg III of Spear, Leeds & Kellogg; Harold W. Scott of Dean Witter & Co., and James E. Thomson of Merrill Lynch, Pierce, Fenner & Smith, Inc. Also named to the group was J. Victor Herd, a Governor of the Exchange representing the public, who is Chairman of the Board of The Continental Insurance Companies.

Mr. Watts and Mr. Funston will serve ex-officio on both committees. Frank Coyle, vice president of the Exchange in charge of the Department of Member Firms, was named staff assistant to the Committee on Member Firms Commodity Business, headed by Mr. Harding. Charles Klem, Exchange vice president for Administration, was appointed staff assistant to the Expense Recovery Committee headed by Mr. Loeb.

The Committee on Member Firms Commodity Business was asked to report back to the Board of Governors by the first of February with their recommendations. The Expense Recovery Committee was asked to render at least a preliminary report to the Board of Governors for consideration at its February 20 Policy Meeting.

Appointment of the Expense Recovery Committee was foreshadowed Nov. 25 when Mr. Funston announced the plan for liquidation of Ira Haupt & Co. At that time, the Exchange said a special committee would be appointed to consider ways and means by which the Exchange might recover the expenses it incurs in connection with the Haupt matter.

Mr. Funston pointed out that the two newly created special committees cover differing aspects of the problem created by the Haupt case. The mission of the Committee on Member Firms Commodity Business is to devise preventive measures, the Exchange President said. "Obviously the best way to handle an unfortunate situation is to prevent it from happening," he noted. As for the task of the Expense Recovery Committee, Mr. Funston stated:

"While the Board took its unusual action in the Haupt matter on the basis of the exceptional facts surrounding that particular case, and said that it should not be considered a precedent, nonetheless, the Board felt that the Exchange should explore the possibility of plans for dealing with the sort of situation that arose in the Haupt case, should it ever occur again."

"One of the suggestions to be studied," Mr. Funston added, "is that out of future charges to members and member firms a reserve might be established, after the Exchange's expenses incurred in the Haupt situation have been recovered."

# Tegtmeyer Names Pearson Exec. V.P.

CHICAGO, Ill. — Don C. Pearson has been elected Executive Vice-President of Wm. H. Tegtmeyer & Co., 39 South La Salle Street.

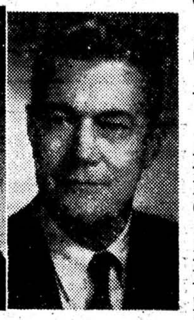
Mr. Pearson has been a vice-president of the firm for the last seven years. Previously, he was associated with W. C. Gibson & Co., securities firm.

The Tegtmeyer firm, successor to a partnership founded in 1934, is a dealer and broker in all over-the-counter securities, bank and insurance stocks, and mutual fund shares.

# One William Fund Names Officials

Peter Strauss has been named a director and Charles E. Collins a vice-president of The One William Street Fund, Inc., Fund President


Peter Strauss


Charles E. Collins

Allan B. Hunter has announced. Mr. Hunter also announced the election of Allan W. Betts, a director, to the five-member executive committee of the open-end investment company.

Mr. Strauss, a vice-president of The One William Street Fund since early last year, had for 16 years before that been associated with Lehman Brothers, investment advisor and national underwriter for the Fund. He is a former director of research for Lehman Brothers' Investment Advisory Service.

Mr. Collins, formerly assistant to the president of the Fund, has been with the Fund since 1959 and was previously associated with The First Boston Corporation and Vilas & Hickey.

Mr. Betts is vice-president, treasurer and trustee of The Vincent Astor Foundation. He is also a director of United States Lines Company and a trustee of the Franklin Savings Bank.

# Bank of Montreal Names Execs.

MONTREAL, Canada — A major reorganization at its head office and at five divisional headquarters across Canada has been announced


R. D. Mulholland


J. L. Walker

by G. Arnold Hart, President and Chief Executive Officer. In all, 14 of the bank's most senior officers are affected.

Mr. Hart said the broad realignment of the bank's executive structure was designed to broaden and strengthen services to the public and to keep pace with the growth of Bank of Montreal operations in Canada and abroad. All of the new appointments take effect Jan. 1, 1964.

Heading the list of appointments is R. D. Mulholland, General Manager since 1959 and a Vice-President since 1960. He assumes the title of chief general manager, a new title at the Bank of Montreal, and will continue as a vice-president.

J. Leonard Walker, now deputy general manager in charge of the bank's British Columbia division, Vancouver, moves to the head office in Montreal as general manager.

D. W. Casey, now Assistant General Manager in charge of the Manitoba and Saskatchewan division, Winnipeg, becomes deputy general manager of the bank. The other changes are at divisional offices.

# Gerber V.-P. of Wm. E. Pollock Co.

Harry W. Gerber, a former vice-president of Universal C.I.T. Credit Corp., has been elected a vice-president of the investment banking firm of Wm. E. Pollock & Co., Inc., 45 Wall St., New York City, primary dealers in United States Government securities and Federal agency obligations.

Mr. Gerber recently joined the investment banking firm and will direct its retail sales activities.

Wm. E. Pollock & Co., Inc. are also underwriters and dealers in state, municipal and corporate bonds. The firm maintains branch offices in San Francisco, Beverly Hills and Miami.

# World Demand for Silver Seen Greater Than Supply

At current rates of production and consumption, world supply and demand of silver is not in balance at the present price, and this would still be the case even if no silver were being used for coinage, according to the *Bank of Montreal's* Business Review for November.

"Other things being equal, only the discovery of a major new source of silver could in the long run satisfy the growing demands of industry for this metal which has in our day become precious in a sense that could not have been imagined by our ancestors," the bank says. Earlier this year the price of silver rose sharply to the point where for the first time in over 40 years coins in some countries were in danger of being melted down, the review points out. However, a further price rise was prevented when the U. S. Treasury released some of its stocks.

Although, "there has been little obvious connection between the price of silver and changes in its output in Canada," the combined effect of lower Canadian dollar and a higher world price, with a favorable long-term market outlook are "beginning to re-awaken interest in exploration and development."

"Since about a billion and a half ounces of silver are tied up in United States coinage at present, any move in the United States to reduce the silver content of its coins or to replace some of the subsidiary coins by alloys of other metals would, of course, have a profound and pervasive influence on the total market situation for silver," the Bank of Montreal review states.

# Golkin, Bomback Office

PITTSBURGH, Pa.—Golkin, Bomback & Co., Inc. has opened a branch office at Bigelow Square under the management of John J. Bruno. Mr. Bruno was formerly local manager for Arnold, Wilkens & Co. and prior thereto conducted his own investment business in Pittsburgh.

# Prescription for Doing Away With Murder and Vengeance

*By Roger W. Babson*

**Just what is wrong with our society that produces murder and vengeance? Mr. Babson takes as his point of departure into this subject the foul tragedy in Dallas, Texas, and plumbs the vicissitudes and forces in our climate that breed such violence. He singles out closed minds and misunderstanding as the principal causes and suggests how we can achieve more openmindedness through spiritual reawakening, as the answer to half-truths, intemperance, and vicious judgments.**

The appalling explosion of personal hatreds that recently shocked Dallas, the nation, and the world has set me—and millions of others as well—to thinking of how we can help change the atmosphere that could produce such a chain-reaction of murder and vengeance. It has been said by some usually sound thinkers that we are all to blame to some extent for the climate that breeds such violence. I agree with this.

But, how do we start to clear the air of this poison? What, exactly, do we do first? It seems to me that the very first step is self-appraisal, an objective and immediate analysis of our social, moral, ethical, and religious attitudes and standards. If we would have the atmosphere of America healthy, adaptable, and conducive to friendly relations, each one of us must make our personal contribution. Tolerance and understanding must start at home—inside each of us.

Since the fabric of our moral lives depends upon our religious faith and convictions, our first consideration must be our church and our relation to it. I have long urged people to make their church their second home, a place exactly as important in the development of themselves and their children as is their family home. Anybody who thinks of his church simply as a refuge during times of trial is not truly religious. For many years I have warned that only through a spiritual rebirth can the pitfalls of our world be avoided. Again I say . . . support your church!

One's church—regardless of the denomination—is always ready to serve as a guide and a support in times of confusion and strife. Spiritual advisers are trained to help rid us of misunderstanding, which is the cause of a great part of our trouble. Misunderstanding, I am convinced, is the worst offender in breeding disagreement and ill will between individuals and between nations. How do we go about reducing—and perhaps eventually eliminating — misunderstanding?

I have felt for a great many years that openmindedness is essential for the creation of a world of friendship and peace. Without this, there are bound to be bitter conflicts between family members, political groups, churches, nations. We must think always of how something looks from another's point of view. We must know the real facts—and all the facts—before we can form an oponion. Since it is usually impossible for us to know the exact facts that dictate another's attitude, we must remain always tolerant and adaptable. Our minds must be open at all times.

You will find that any man who keeps his mind closed against the viewpoints and opinions of all others turns into a kind of machine, with the little that he does know churning endlessly about inside him. He is caught in the trap of his own mind, and he will always believe exactly what he now believes whether it is right or wrong. With such a person, there can be no desire to learn, to uncover the errors that may be coloring his opinions.

When such intolerance and misunderstanding extend to great groups of people, even whole nations, we are heading toward Armageddon. In a terrible way, it may be fortunate for us that the Dallas catastrophe came in time for us to reappraise ourselves, our country, and the far nations of the earth. Even the least of us—if he has his mind open—must see that we are hearing a trumpet of warning, a call to do away with half-truths, intemperance, vicious judgments of others.

Now that we live in One World, made small by instantaneous communications and speed-of-sound transportation, it is time—more than ever before in history—for a spiritual awakening. It must begin in each one of us, and gain strength enough to move out into the world—even behind the Iron Curtain — and re-establish moral values. We have said too little about this lately; so let the tragedy of Dallas give us new spiritual confidence, new moral strength, new quality of action.

# The State of TRADE and INDUSTRY

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

With 1963's final quarter two-thirds passed, this year is destined to achieve new records for most of the broad measures of business activity, and to end on an uptrend, said The First National Bank of Boston in the current issue of its *New England Letter*. Continuing, the bank stated the year has confounded the darkest fears, if not achieved the highest hopes. It is likely that the nation's output of goods and services will rise by close to $30 billion or slightly more than 5% from 1962, with about two-thirds of this a gain in real volume. The strong momentum in consumer and business spending seems certain to carry into early 1964, when unpredictable seasonal forces, the comparative strength in autos and steel, and many other factors will determine the pattern.

Consumers are apparently optimistic about their future income prospects. According to the mid-October Census survey, plans to buy new cars, appliances, and houses on balance made a highly favorable comparison with mid-July and a year earlier, and are suggestive of another year of high volume ahead.

The monetary authorities increased stock margin requirements in early November, not as a tightening gesture, but as a warning on speculation. As added seasonal presures lie just ahead, it seems unlikely that there will soon be any move toward firmer conditions. On the other hand, if domestic business strength after the holidays should naturally bring about rising demand for funds and firmer rates, it is likely that the authorities would be willing followers of such a trend. Although inflation-checking moves toward higher rates abroad might force the hand of the central bank, this does not seem imminent.

### Conflicting Pressures

The conflicting pressures in the economy in the fourth quarter — as we operate in new high ground in employment, production, income, and trade — are so strong that further gains may be only grudgingly won unless some new influences appear. What we have been able to accomplish in 1963 has been without the realization of a promised tax reduction, now quite definitely postponed until some time in 1964. This program has been oversold in terms of its potential benefits — to spur both demand and investment, to reduce unemployment, to shrink the balance of payments deficit, perhaps to bring about lower prices, and eventually to help balance the budget. Because the expectation of a lower tax bill has been built into so many plans, both personal and business, however, failure to eventually pass some reduction might well have unpleasant repercussions. But, timewise, Congress and the nation are at least in a position to appraise the prospective deficit for fiscal 1964 and the spending proposals of the fiscal 1965 budget before final commitment to the massive revenue reduction involved in the pending tax measure.

One basic sector of the economy that augurs will for the future is the machine-tool industry. Its strengthened resurgence takes in all phases of the industry.

### Big Jump in Machine Tool Orders

October showed a 21% increase over September for new orders of metal cuting type machine tools, and a 42% increase in new orders for metal forming types. According to the National Machine Tool Builders' Assn., the increase was over a broad range of equipment, and was not confined to any particular types of equipment nor to any particular user industries.

In metal cutting types, the Machine Tool Builders' reported, October net new orders of $68,150,000 were 21% above the $56,550,000 total for September; and 41% above the $48,300,000 total for October, 1962. Domestic orders of $53,300,000 for October were 17% above the $45,400,000 for September, and 27% higher than the $41,900,000 total for October, 1962. Foreign orders of $14,850,000 were 33% better than the $11,150,000 of September, and 132% better than the October, 1962, total of $6,400,000.

For the ten month period, Jan. 1 through Oct. 31, 1963, net new orders totalled $578,700,000, 32% higher than the $438,700,000 for the same period of 1962. Domestic orders during the 1963 10-month period for metal cutting types were $456,100,000 or 28% higher than the $356,400,000 booked during the 1962 period. Foreign orders for the 1963 period likewise showed improvement. They totalled $122,600,000 or 49% higher than the $82,300,000 total for the 1962 10-month period.

Metal forming types of machine tools in October were higher in total than in September, despite a decline in foreign business. The October total of $31,800,000 was 42% higher than the $22,350,000 of September, and 95% above the $16,300,000 total for October, 1962.

Domestic orders of $29,500,000 were up 68% from the $17,600,000 of September and 106% from the $14,350,000 for October, 1962. Foreign orders during October declined to $2,300,000 a 52% decrease from the $4,750,000 total for September but an 18% increase over the $1,950,000 total for October, 1962.

For the 10-month period from Jan. 1 through Oct. 31, 1963, net new orders for metal forming types of machine tools totalled $179,800,000, which is 23% higher than the orders booked during the same period of 1962 when the total was $145,700,000. Domestic orders totalled $155,250,000, about 36% higher than the $113,850,000 for the 1962 10-month period; while foreign orders of $24,550,000 were 23% less than the $31,850,000 total for the 1962 10-month period.

The general high level of business activity plus the awareness of the need for modernization of production equipment has resulted in a demand for machine tools somewhat above the expectations of the industry. Industry experts as late as November, 1962, anticipated a 1963 order volume that would run roughly 10% to 15% ahead of 1962. Actually, based on the totals for 10 months, 1963 will be closer to 30% better than 1962, and will be better than any year since 1956.

In concluding its latest survey, the Tool Builders' Assn. noted that, while dollar volume of new orders has been on the uptrend during the past year, *there has not been a commensurate increase in the number of units ordered.* The greater complexity of equipment is a factor in this regard. For example, the dollar totals include the price of Numerical Controls on some of the items of equipment, and N/C can represent as much as 50% of the total price of the equipment.

### Adjusted Bank Clearings Drop 7.9% Over Year-Ago Week

Bank clearings, compiled and published by the *Chronicle*, in the latest statement week ending Nov. 30, declined 22% in dollar volume over the year-ago week. This large drop is due to the fact that Thanksgiving Day occurred last week while last year it came a week earlier and also to the Day of Mourning set aside in memory of President Kennedy on Monday the 25th which came during Thanksgiving week of this year.

The seasonal comparison for the week prior to the Thanksgiving week for the respective years shows bank clearings were down in this Nov. 30 ending week 7.9% ($25,722,304,124) for the above reasons as against the Nov. 24, 1962, tally of $27,943,177,602.

Our preliminary totals for the unadjusted week-to-week were $25,722,304,124 against $32,973,840,420 for the same week in 1962.

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

| Week End. Nov. 30— | (000s omitted) 1963 | 1962 | % |
|---|---|---|---|
| New York | $14,408,420 | $18,581,661 | —22.5 |
| Chicago | 1,065,645 | 1,429,961 | —25.5 |
| Philadelphia | 895,000 | 1,190,000 | —24.8 |
| Boston | 685,158 | 936,346 | —26.8 |
| Kansas City | 427,197 | 560,865 | —23.8 |

### Steel Output 0.3% Ahead of Last Week's for 14th Rise Out of Past 15 Weeks, Leaving Year's Cumulative Output 11.1% Above 1962 Period's

According to data compiled by the American Iron and Steel Institute, production for the week ended Nov. 30 was 2,000,000 tons (*107.4%) as against 1,975,000 tons (*107.1%) in the Nov. 23 ending week. It marked the sixth weekly increase in a row.

This fractional rise of 0.3% in output was the 14th non-spectacular weekly advance in the past 15 weeks, and was the highest weekly output since the 2,077,000 tons of ingots and castings produced in the July 31-ending week. This steady output, if it continues is still expected to garner a 110 million ton year — highest since the 112.7 million tons in 1957 as it now has pushed the year's total over the 100 million mark.

The important news about the steady, non-sensational performance is that steel output this year to date exceeds all of last year's. In the Jan. 1-Nov. 30, 1963 period production came to 100,934,000 net tons whereas in all of 1962 it came to 98,327,785 net tons.

The 1963 low of 7,142,000 tons occurred in the week ended Aug. 17 and the high of 2,626,000 tons in the week ended May 25, which was unequalled in the past two years and last equalled in mid-March, 1960. Except for July 13 week's 1.6% gain, there was an uninterrupted decline from May 25 through the week ending Aug. 17. Then followed 14 weekly advances in output out of the 15 past weeks marking 14.8% rise for those weeks or a hair's width less than 1% a week on average. The industry had hoped for a more vigorous upturn in the past several weeks but will not be unhappy if the succeeding weeks make up any disappointment felt so far while living up to last quarter bullish expectations.

Last week's output was 7.4 percentage points above the 1957-59 base period's average weekly output and was approximately 14.8% larger than that for the year's lowest output week (1,742,000 tons) ending Aug. 17. The latest statement week's output was 6.6% above the 1,876,000 tons produced in the year-ago week.

### Cumulative Total Levels Off

The cumulative total output of ingots and castings since Jan. 1 topped the year-ago period with a total of 100,934,000 net tons (*112.9%) which is 11.1% above the Jan. 1- Dec. 1, 1962 production of 90,865,000 net tons. The latest week's index for the cumulative 47 week total faltered at 112.9% (1957-59=100) compared to the index of 113.0 in the prior week. The 11.1% cumulative total since the Jan. 1 to date marked the first decline, though but one-tenth of 1%, after remaining level at 11.2% above last year's corresponding periods in the previous two weeks commencing with the week ending Nov. 9.

| District— | *Index of Ingot Production for Week Ending Nov. 30 | Nov. 23 |
|---|---|---|
| North East Coast | 103 | 105 |
| Buffalo | 109 | 108 |
| Pittsburgh | 97 | 97 |
| Youngstown | 89 | 96 |
| Cleveland | 101 | 100 |
| Detroit | 160 | 159 |
| Chicago | 115 | 113 |
| Cincinnati | 118 | 112 |
| St. Louis | 117 | 117 |
| Southern | 101 | 93 |
| Western | 107 | 109 |
| Total industry | 107.4 | 107.1 |

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

### Steel Output Passes 100 Million Ton Mark on Thanksgiving Day

Steel production so far in 1963 already surpasses that of any full year since 1957, *Steel* magazine said.

On Thanksgiving Day, ingot production reached the 100 million ton mark. At the rate mills are pouring steel, the year's output will approximate 108 million tons vs. last year's 98.3 million and 1957's 112.7 million tons.

This week's production is expected to be about the same as the 1,995,000 tons that *Steel* estimates the industry poured last week, unchanged from the previous week's output despite holiday interruptions.

*Steel's* price composite on the No. 1 heavy melting grade of scrap (used in steelmaking) was at $26.67 a gross ton last week for the fourth straight week.

Steel demand is accelerating across the board, *Steel* reported. Producers report conspicuous improvement in many markets and most products. They expect to book more tonnage this month than they sold in November, and they hope to maintain their current shipping pace the rest of the year.

Automakers are buying heavily for January delivery. So are many other customers—makers of appliances, farm equipment, earth moving machinery, machine tools, and railroad cars. Canmakers are also stepping up purchases.

Construction is the only important market that's declining, and it's stronger than usual for this time of year. The drying up of demand for building projects is expected to be somewhat offset over the coming weeks by active demand for fabricated structural steel from carbuilders and farm equipment makers.

Steelmakers may get bigger than expected orders from automakers in the early months of next year, *Steel* speculated.

Unofficial reports from Detroit indicate automakers are worried about the labor outlook in their industry and will take it strongly into account in scheduling their first half production.

Some observers believe the Big Three automakers will try to complete their model runs four to six weeks earlier than usual—by June 30 at the latest—so they can make a fast start on 1965 models and get sufficient stocks in dealers' hands by the end of August when contracts with the United Auto Workers expire.

Speculation along this line is supported by a report that a major car company has issued releases for some 1965 model parts and has asked suppliers to furnish production samples by mid-January — something not normally done until May.

Stability in steel mill product inventories—evident in the last few months—will continue in the

*Continued on page 26*

# How Dallas Tragedy Affected Exchanges

*By* Paul Einzig

**Dr. Einzig in the past has criticized many of the late President John F. Kennedy's policies — as he has many other governments'. Quite aware, however, of the late President's deep interest in economics and his great statesmanship qualities, he pays a long overdue tribute to one aspect of his achievements. In referring to the tragic, fatal assassination in Dallas and the repercussions that took place in our stock market which could have taken place in the foreign exchange market — but did not, he credits President Kennedy for forging a team that brought about successful cooperation between the world central banks; adequate enough to meet the test of such a crises as that caused by President Kennedy's unfortunate death.**

*LONDON, England*—The shock of President Kennedy's assassination and the utter uncertainty that prevailed for a short while about its political and economic consequences might easily have resulted in a financial crisis of first-rate magnitude. The reason why this did not happen was that, thanks to the defensive measures elaborated under the Kennedy Administration, the financial authorities were prepared, for the first time in history, for the emergency before the destructive forces got out of control.

### Contrast With Wall Street

The striking contrast between the behavior of Wall Street on the one hand and the behavior of the foreign exchange market and the gold market on the other indicates the extent to which the United States and the world in general is indebted to the late President for his wisdom and foresight. But for it, in the absence of carefully planned official intervention, the foreign exchange market and the gold market would have witnessed an orgy of panicky dealings similar to those witnessed in Wall Street. And while it was possible to arrest the panic in Wall Street by suspending dealings, the United States authorities would not have been in a position to close down foreign exchange markets and gold markets all over the world.

Had it not been for the immediate intervention of the Federal Reserve authorities on Black Friday and for the coordinated intervention of the British and continental monetary authorities on Saturday morning, the initial selling pressure on the dollar, which naturally developed as soon as the news of the disaster became known, would have assumed the character of a landslide. Likewise, speculative and hoarding demand for gold would have assumed gigantic proportions. Had the monetary authorities in the United States and abroad wasted time on lengthy negotiations to decide what to do and how to do it, their belated intervention might have been incapable of stemming the tide.

Thanks to the policies and arrangements adopted by the Kennedy Administration, there was no need to waste time on such negotiations. It was possible for the authorities at home and abroad to intervene immediately and effectively.

In 1961, the United States monetary authorities decided to abandon their self-imposed inhibition that prevented them until then, on occasions of former dollar scares, from actively intervening in the foreign exchange market. Because we have now grown used to official American operations in foreign exchanges, which occurred off and on during the last 2½ years, that policy is now taken for granted.

It does not occur to many people to think what would have happened on that fatal Friday afternoon if the American authorities had not adopted the policy of operating in exchanges and if they had not developed the right technique to do so.

### What Could Have Happened

In the absence of skillful official intervention a gigantic flight from the dollar would have developed in a matter of minutes. Intervention would not have taken place until the reopening of the European foreign exchange markets on Saturday morning, by which time the monetary authorities of the Western European countries might have had to cope with a pressure of a considerable magnitude. Some of them, at any rate, might have hesitated to assume responsibility for huge dollar purchases in the absence of some form of exchange guarantee. Or they might have insisted on withdrawing in gold the large amounts of dollars dumped on them. The resulting sharp decline of the American gold reserve would have gravely accentuated the panic.

Likewise in the London gold market on Saturday morning the demand for gold would have assumed gigantic proportions. The experience of the "gold rush" of 1960, when the London price of gold rose to $40, might have been eclipsed by the resulting spectacular rise in the price of gold, which again would have accentuated the flight from the dollar.

It was under the Kennedy Administration, and largely as a result of the initiative taken by that Administration, that a series or arrangements were concluded between the American monetary authorities and a number of Western European Treasuries and Central Banks. These arrangements provided channels through which mutual support could be arranged at a moment's notice. An article appearing in the August, 1963, issue of the *Federal Reserve Bank Monthly Review*, written by Mr. C. A. Coombs, who is in charge of Federal Reserve foreign exchange operations, jointly with his Swiss, Italian and German colleagues, states that these arrangements "are capable of being flexibly adapted to new and unforeseeable needs . . . on the basis of telephone consultations if necessary, against speculative pressures before they gain momentum." Thanks to these arrangements it was possible to ensure without lengthy preliminary negotiations that the defense of the dollar was continued effectively on Saturday morning during the hours while the New York market was closed. The channels for such intervention were there, the technique elaborated in advance and the resources required for intervention were in readiness.

### President Kennedy's Well Known Interest in Economics

It is, of course, impossible for me to possess information or even to express an opinion about the extent to which President Kennedy, himself, had been responsible for the adoption of the new foreign exchange policy and for the establishment of an unprecedented degree of cooperation with other monetary authorities. Credit is due to Mr. Robert Roosa, of the U. S. Treasury, and for the Executive authorities of the Federal Reserve system for elaborating the new policies and for putting it into practice so that it was in readiness when needed. But President Kennedy's interest in economic questions was a matter of general knowledge and it seems certain that policies of such importance were submitted for his preliminary approval. It stands to reason that his approval would not have been forthcoming if he had not grasped the importance of strengthening the defenses of the dollar by such means.

Since on a number of occasions he was criticized for mistakes made by his Administration even though the policies responsible for the mistakes had been elaborated at a lower level, it is only fair that he should be given his full share in the credit for the highly successful policy which averted a disastrous financial crisis in November, 1963. Fate willed it that the reactions to his tragic death should provide the first major test by which to prove the immense value of his policies.

## Johnston Joins Jones

PUEBLO, Colo.—Floy F. Johnston has become associated with Edward D. Jones & Co., Bon Durant Building. Mr. Johnston was formerly an officer of Peters, Writer & Christensen, Inc.

# Walker Opens Boston Branch

BOSTON, Mass. — The investment banking firm of G. H. Walker & Co. announces the opening of an office at 10 Post Office Square.

Gordon E. Cadwgan David W. McKnight

The new facility will be under the direction of David W. McKnight, as managing partner, and Gorden E. Cadwgan, general partner. This brings to a total of seven the offices operated by this New York Stock Exchange firm in New England.

Mr. McKnight has been the firm's director of research since 1946 in the New York office. Prior to joining G. H. Walker & Co., he was a partner of Argus Research Corp., New York, and earlier had been on the banking and finance faculty of New York University.

Mr. Cadwgan is from the firm's Providence, R. I. office. He has been a long-time associate of the firm and a general partner since 1957. He is a graduate, trustee and member of the executive committee of Brown University, president and director of the Children's Friend & Service of Rhode Island, Inc., vice president and director of Kent County Municipal Hospital; a trustee of the Citizens Savings Bank, a director of Lowe's Companies, American Tube & Controls, Inc., and Virginia Dare Corp.

G. H. Walker & Co. was established in 1900 at St. Louis, Mo., where it still maintains an office as well as in New York, Chicago, Philadelphia, Kansas City, Clayton, Mo., and White Plains, N. Y., in addition to the seven branches in the New England States.

# J. A. Folger Co. Assets Sold

On Nov. 30, 1963 it was reported that the assets of J. A. Folger & Co., San Francisco, had been sold to The Procter & Gamble Co., Cincinnati, in exchange for 1,650,000 P & G common shares. Blyth & Co., Inc., New York, furnished financial advice and assistance to Folger in connection with the transaction.

Folger's business was transferred to a new P & G subsidiary, Folger Coffee Co., an Ohio corporation. Folger markets a leading brand of vacuum-packed and instant coffee under the Folger name in the Midwestern, Western and Southern parts of the United States.

# Tripp & Co. Inc. Elects Three

Tripp & Co., Inc., 40 Wall Street, New York City, have elected Harry H. Gardiner, John W. Nagle and Robert B. Sedgwick vice-presidents of the firm. Robert Lee Spence has been appointed manager of the trading department.

# Scott To Be V.-P. Of Evans & Co.

Effective Dec. 12, Aage W. Scott will become a vice-president of Evans & Co. Incorporated, 300 Park Avenue, New York City, members of the New York Stock Exchange. Mr. Scott is manager of the firm's research department.

# Our Masquerading Currency

*By Walter E. Spahr, Professor Emeritus, New York University, Executive Vice-President, Economists' National Committee on Monetary Policy*

**One of the country's leading monetary economists subjects our present currency to a rigorous examination of quality. He finds that it does not meet the standards of a sound currency and that in masquerading as the real thing it undermines the strength of our economy. Noted, also, is the resort to irredeemable currency whenever man abuses redeemable gold currency and mismanages, or wishes to mismanage, credit.**

Our irredeemable currency is masquerading under the guise of a sound currency. It is masquerading as a currency superior in nature to one that is redeemable or convertible into gold at a fixed rate. A redeemable currency has the quality of integrity; an irredeemable currency does not.


Walter E. Spahr

Irredeemable currency is man's attempt to disguise his abuse and poor management of gold and a redeemable currency — the currencies to which the world attaches the greatest value. Irredeemable currency is the substitute used by those who have abused a redeemable currency and have mismanaged credit. It tends to expand with monetary abuse and to carry the abusing nations, ultimately, to their destruction. An irredeemable currency is by nature an unsound currency.

### A Surrender to Human Weaknesses

The adoption of an irredeemable currency is evidence of a variety of human weaknesses. It reveals the desire of money managers to manipulate. It is proof of a readiness to embrace a narcotic nationally. It manifests a disposition to ignore the lessons in the monetary sins and follies of the past. It is a surrender to recklessness and passion. It is a denial of respect for wisdom and the virtues of self-control.

The principle of moral discipline is repudiated. The attempt to obtain the best among possibilities in the monetary field is abandoned. The virtue of improvement in personal and national character is in effect denied. The importance of being able to live in an atmosphere of truth and honesty is ignored.

### No Effort to Preserve Honor in Monetary Management

The repudiation of promises to pay is an act of dishonor. Confiscation of the people's gold, with payment in irredeemable paper, is an act of irresponsible tyranny. The opening of the way to the weeds of vice and human weaknesses is not the act of wise and honorable men. Nor is the forced loosening of the fingers of helpless people from the protective device of a gold standard an honorable act. Nor is departure from a course of greater safety, in which the helm of the monetary ship is in the hands of wise and honorable men, an act of intelligence or honor.

Throwing an incendiary torch among people is not an act of honor. Nor is the day-by-day dropping of poison among a helpless and trusting people. Nor is the adoption of a position of omniscience, involving vanity, dishonesty, intrigue, immorality, and corruption, by government officials and various leading bankers. Nor is throwing the burdens of high prices on the innocent and those least able to bear them. Nor is leading a people into fog, night, tempest, hidden reefs. Nor is the thrusting of the counterfeit upon a people who trust the government to give them the best. Nor is the failure to choose good over evil. Nor is substitution of administrative conceit for wholesome self-reliance of people. Nor is participation in one of the well-known blunders of life. Nor is departure from the paths of honesty, loyalty, and truth. Irredeemable currency is a case of throwing truth and honor to the winds.

### A Lack of Loyalty to the Best That is In Us

An irredeemable currency is evidence of a sacrifice of opportunity to render a valuable service to humanity. It is a failure to give the quality of superiority to a nation. It reveals a degrading of concepts and classifications. It is a failure to reach the heights to which honest and responsible people aspire. It involves snap judgments and immaturity. It is a discarding of a potent force in producing success and the best in human activity. It is failure to apply clear, simple, common sense to efforts to give people a better life. It is denial of great and simple truths. The golden treasures of history are cast aside.

The use of irredeemable currency means that we are not wise today. It is a wasting of golden hours of opportunity. It is infidelity to the better things in life. It is a manifestation of the poison philosophy of dangerous people. It is pursuit of the inferior. It is an attempt at revenge on objective forces—an attack on gold because of man's mismanagement of credit. It is a case of sacrificing a noble product of slow growth through centuries for a recurrent and temporary fad which ultimately passes away because of its weaknesses. It is pursuit of the alleged success of what is in fact weak and wicked. It is a case of paying a high price for being in too much of a hurry. It is failure of men in their duties to others. It is failure to be a tower of strength to those in need of protection and help. It is a case of men not being prepared to serve well when the opportunity occurs. It is failure to make a nation self-reliant and strong — a case of weakening a nation before its enemies. It is failure to attempt to do better and better for ourselves. It is failure of men to do their best at all times.

It is not an example of noble efforts based upon high ideals. It is not evidence of a dedication of life to the service of others. It is not a case of being genuinely helpful and of lightening the burdens of others.

### Embracing the Counterfeit

Irredeemable currency is the counterfeit of objects of lasting value. It is the work of men who are morally near-sighted. It is an attempt to make the counterfeit respectable; and this involves ignoring facts and misstating them. It reveals a government which claims that it is its duty to manage and manipulate—one of the great dangers in modern society.

Irredeemable currency reveals that the money managers have a target of low order and utilize an instrument with a disgraceful history. Much of the record of such a currency is hidden from sight—especially from the innocent and helpless.

### An Invitation to a Storm of Adversity

Irredeemable currency multiplies the undermining elements in an economic, social, and political system and saps its strength. It opens the door to national distress, to the impairment or complete loss of the value of the people's money, to a storm of adversity, to grief, suffering, tears.

Irredeemable currency is an evil tool of misled men who fail to adhere to the simple and well-established principle that integrity is a requisite of honorable living.

# Pacific Northwest Bell Telephone Co. Debs. Offered

Morgan Stanley & Co., New York, as manager of an underwriting group, has announced the public offering of $50,000,000 Pacific Northwest Bell Telephone Co. 4½% debentures, due Dec. 1, 2000, at 101.26% to yield 4.43%. The group was awarded the issue at competitive sale Dec. 4 on a bid of 100.56% which named the 4½% coupon.

The debentures are redeemable on or after Dec. 1, 1968 at the option of the company at prices ranging from 104.76% for those redeemed prior to Dec. 1, 1969 to 100% for those redeemed on or after Dec. 1, 1995.

Of the proceeds, the company will use $48,702,702 to repay the remaining principal amount of its 4½% demand note held by the Pacific Telephone & Telegraph Co. and will apply the balance toward the repayment of advances from A. T. & T., which owns 27,145,557 shares, or 89.12% of its common stock.

Headquartered in Seattle, the company is engaged in the business of furnishing communication services, mainly local and toll telephone service, in Washington, Oregon and the northern portion of Idaho. On June 30, 1963, the company had 1,714,396 telephones in service, of which about 99% were dial operated.

# D. P. Haigney Jr. with Hornblower Weeks

BOSTON, Mass.—Dayton P. Haigney, Jr. has become associated with Hornblower & Weeks, 75 Federal Street, members of the New York Stock Exchange and other leading exchanges. He was formerly with Shearson, Hammill & Co.

# The Market . . . And You

*BY WALLACE STREETE*

The stock market was back down to what might be construed as "normal" this week after the hectic trading that had followed the abrupt change in the Presidency.

The good year end dividend news in several cases proved only that the action had been expected since there was little immediate reaction in stock prices in these cases.

What was accomplished was that the industrial average, after having sagged badly during November before the whirlwind finish, was hovering just under its historic high and given a good chance generally to surpass it on any new show of exuberance, possibly even before the traditional year end rally takes hold.

### Good Rally Indicated

There is little doubt around that the market will stage a good rally to finish off the year. The economic climate is good, profits this year warrant a continuing flow of good dividend news, and annual reports showing many cases of record earnings are still ahead. Those are not the ingredients that call for any serious market upset.

Even the long depressed steel business seems to be holding up well and auto production, which has been helping the steelmakers, is still running at a brisk clip for one of the more sustained spells of prosperity that the industry has ever enjoyed.

### Question Mark

Most of the good year-end news from the auto giants is already on the record, so there was some profit-taking at times to be absorbed in these stocks, particularly Chrysler. The price of Chrysler has dropped around a dozen and a half points from the year's high which isn't excessive when matched against the 60 points it jumped from last year's low to the recent high.

That the nation's third largest auto colossus is enjoying a good year is assured already; the open question is whether it has carved out a permanent niche of a new high order in profitability. The fortunes of the company in the last decade or so have been extremely variable.

### In the Spotlight

Something of a newcomer to the limelight was Youngstown Steel Door. The stock had held in a 16-point range all year until it came to life a week ago, tacking on five points for a week's work and pushing on to new highs for the year this week.

It was no secret well before this that there was a severe shortage in freight cars and that railroads, despite themselves, would have to step up their equipment expenditures. Youngstown Steel Door is by far the dominant factor in patented freight car doors, accounting for from 85 to 90% of the total market and gleaning about half of its total revenue from this field.

The company has not been a notable profit-maker, as far as recent years are concerned. In fact, it was in an earnings downtrend until 1961. Last year its profit jumped and, for the first nine months of this year, doubled over the comparable period of last year. The full year results are expected to run at least double last year.

Youngstown Steel Door traditionally has been a liberal dividend payer and, in fact, in October increased the rate from an indicated $1 to $1.20 on an annual basis. With earnings estimated at better than $3 this year, the company is widely regarded as a candidate for another increase in due course. With only about two-thirds of a million shares outstanding, its financial condition sound, the stock fits the category where volatile action could ensue.

### Neglected Electronic

At the other end of the spectrum is Cutler-Hammer which has been fairly mundane marketwise despite the play that centered elsewhere in the electronic section. The stock has been available at a trim of more than 40% from its 1960 high.

Part of the reason was a poor first-half showing this year as stiff competition in electrical motor controls, some stretchouts in government work and non-recurring expenses trimmed both sales and profits. There was, however, a pickup from the depressed levels of the first two quarters in the September report and the indicated $2 dividend was covered in the nine-month period, thus isn't in jeopardy. Selling at less than 17-times this year's projected earnings, the stock would seem to be conservatively valued, particularly if the early indications of a change in the company's fortunes for the better persists into the new year.

The company, largest maker of electrical controls, serves makers of machinery and household appliances, metal-working industries and, with the acquisition of Airborne Instruments five years ago, took on a solid position in the more glamorous of the electronic fields such as radar, space technology and data processing.

### Not In the Parade

Another issue, with a good blue chip aura, that hasn't been startling tape watchers is Allied Chemical. Its historic peak was posted in 1961 and, to that extent, it has sat out the bull market that took over a year ago.

There was also some industry price trouble that bothered Allied and at a time when the company faced some heavy start-up costs. That gave last year's results a downtick after the profit had held fairly steady for the last decade.

For the first nine months of this year the results were much happier, profit up 37% and promising that will be the best year profit-wise for the firm in the last decade. Projections are for per share earnings of around $2.75 which, if achieved, would make the $1.80 dividend a candidate for improvement.

The one strong spot in the makeup of Allied is its position as the world's largest producer of basic chemicals although, in the overall chemical picture, it is the nation's fifth largest. But where the newer fields of chemistry call for expensive research in order to remain competitive, in the basic product field of coke, sulphuric acid and ammonia good profits are possible without the heavy investments.

Nevertheless, Allied has been

branching out importantly in the newer fields with the impossible and little-understood names, such as urea-formaldehyde foam, polyurethane foam plastics, and others. It assures Allied's ability to keep up with the chemical field and share in the growth that comes from the newer products now that some of the industry's pricing troubles seem at least temporarily at an end.

*[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.]*

# Tennessee Gas Transmission Co. Securities Sold

Two investment banking groups have announced the public offering of two issues of Tennessee Gas Transmission Co., as follows:

$35,000,00 of first mortgage pipe line bonds, 4⅞% series due Dec. 1, 1983, by a group headed by Stone & Webster Securities Corp., White, Weld & Co., and Halsey, Stuart & Co. Inc.;

150,000 shares of 5.04% cumulative preferred stock (par $100) by a group headed by Stone & Webster Securities Corp., and White, Weld & Co.

The bonds are priced at 100.50% and accrued interest to yield about 4.835% to maturity. They are required to be retired through the operation of a sinking fund beginning in 1964 at prices ranging from 100.50% to the principal amount. The sinking fund is calculated to retire 93% of the issue prior to maturity. The bonds may be retired optionally at prices ranging from 105.38% to the principal amount, except that they may not be retired at the option of the company prior to Dec. 1, 1968 through the use of borrowed funds costing less than 4.835%.

The new cumulative preferred stock is being offered at $100 and accrued dividends. It will be redeemable at $105 per share if redeemed prior to Oct. 1, 1966 and thereafter at prices decreasing to $100 per share if redeemed on or after Oct. 1, 1978.

Proceeds from the sale of the 150,000 shares of cumulative preferred stock and from the sale of $35,000,000 first mortgage pipe line bonds, will be used in part to retire the short-term notes outstanding under the company's revolving credit agreement and the remainder will be added to the general funds of the company. The proceeds from such short-term notes were used by the company and subsidiaries for the expansion of the natural gas pipe line systems and for the domestic and foreign oil development, exploratory drilling, acquisition and marketing activities of the company and its subsidiaries.

The company and its two pipe line subsidiaries own and operate natural gas transmission facilities and sell to, or transport natural gas for, gas distribution companies under long-term contracts. These distribution companies are located principally in the Eastern and Midwestern sections of the United States.

Tenneco Corp., a subsidiary, is engaged through subsidiaries in domestic and foreign production, refining and marketing of petroleum, petroleum products and petro-chemicals, and in certain other non-utility activities.

# Machine Tool Industry Problems Subject of Study

Continued prosperity beckons the Michigan machine tool industry if it bolsters efforts in two key areas, a University of Michigan, Detroit, study shows.

The $120 million a year industry must strengthen its marketing techniques and draw more deeply on scientific research if it is to adequately meet expected tougher competition from both U. S. and foreign sources.

These were the main findings of the U-M study of 36 of the state's 59 machine tool companies and of other U. S. and foreign tool firms and research units. (The study covered 13 U. S. and 28 foreign firms, and 21 U. S. universities and 15 foreign research units).

Firms boost profits and stabilize sales and earnings when they do more research and development, the study found.

The two-year study was made by the U-M Institute of Science and Technology's Industrial Development Division, which seeks ways to enhance growth of Michigan industries through better use of science and technology.

## New Sutro Office

SAN JOSE, Calif. — On Nov. 26, 1963, Sutro & Co. moved its San Jose location to its new 3,000 square foot office in the Community Bank Building at Market and St. John Streets in San Jose. Harvey D. White, San Jose resident partner, said the new office will be completely outfitted with new communications equipment, furnishings and office partitioning.

The new Sutro office is almost a third larger than its offices previously at 55 North First Street where the company located in San Jose 10 years ago. It has been represented in the community for 38 years.

The latest type of electronic stock price quotation equipment, including a newly developed high speed ticker and the Ultronic Stockmaster quote machine, has been installed in the new office.

Sutro & Co. is the oldest brokerage firm in the West. It was founded in San Francisco in 1858 and now has eight offices of which seven are in California and the other is in New York City. The firm is a member of the New York, American, and Pacific Coast Stock Exchanges.

## With Capital Secs.

COLUMBUS, Ohio—Raymond O. Hart has joined the staff of Capital Securities Co., 44 East Broad Street.

# MUTUAL FUNDS

BY JOSEPH C. POTTER

## High-Powered Portfolios

Every longtime investor who has journeyed about this land must have come upon a fast-growing region in the West or South and become intrigued by the bright business opportunities. As an example, utility companies, which he knew only by name until he passed through the area served, must have seemed especially attractive as investment vehicles.

Returning home from what Madison Avenue calls "Marlboro Country," he probably plunged into a study of the companies that interested him only to find that others discovered the region a long time ago. The outriders of investment companies, of course, had come upon the scene early and by the time the touring investor arrived the price-earnings multiple was too rich for his taste.

This is a familiar story to folks in the mutual-fund field. But it was brought into sharp focus last month by a survey of the Investment Company Institute, which showed that public utilities continue to be "a ranking favorite" of the diverse portfolios of the funds. Utility securities held by its fund members are valued at nearly $3.6 billion. This compares with less than $3.2 billion in 1961 and $1.2 billion in 1954 (the year the Institute began its industry studies).

The latest study, covering the securities of 332 utilities held by 146 open-end companies, was based on holdings as stated in the latest financial reports of these funds. Right now, the figure probably is more like $4 billion than the $3.6 billion stated in the study, because American Telephone & Telegraph, far and away the most heavily held of all utilities, has been acting a skyrocket. The study calculated that fund holdings of Telephone bonds, preferred and common stocks toted up to $279 million. In addition, other utility holdings have been giving a good account of themselves.

Thus, about 16% of the $25 billion of fund assets is represented by stocks and bonds of utilities.

Telephone aside (according to the Dow-Jones Averages, it is an industrial), the largest holding of these funds is Southern Company with $152 million. It is followed by Florida Power & Light with $126 million and behind that is Texas Utilities with $114.6 million. The other six are Tennessee Gas Transmission, Central & Southwest Corp., American Electric Power, Texas Eastern Transmission, Arkansas-Louisiana Gas and Transcontinental Gas Pipe Line.

That roster indicates how far this country has come since the Great Depression, when the late President Franklin D. Roosevelt termed the South "America's Economic Problem No. 1." Nowadays Dixie vies with the Far West as the country's Economic Opportunity No. 1. Nor are the funds oblivious of this, for such names as Pacific Power & Light, Colorado Interstate Gas and Pacific Gas & Electric are prominent in their portfolios.

But to return to the original thesis: well-organized research of investment companies is a prime advantage in uncovering opportunities in this field, as it is in many another. Utilities, which generally serve a restricted area, provide a splendid example, of course. After all, it is easier for the individual investor to appreciate an International Business Machines, a General Motors or a United States Steel than a Southern electric company or a Western power combine.

The foregoing is but another illustration of the unique function of mutual funds as an investment medium for butchers, bakers and candlestick makers, who may have the wherewithal but hardly the time to study stocks for investment purposes. As every investor understands, discovery of opportunity is vital, but without proper timing any action can be extremely costly. After all, there are even people who have losses in International Business Machines and Polaroid.





## The Funds Report

**Bullock Fund Ltd.**, reports total net assets at Oct. 31 amounted to $87,285,174, against $80,662,961 on July 31. Net asset value per share was $14.04, compared with $13.27 on July 31 and $11.31 a year earlier.

During the latest three-month period the company made new investments in Aluminium Ltd., American Enka, Boeing, Lockheed, U. S. Vitamin & Pharmaceutical and United Utilities.

* * *

**Canadian Fund** lists assets of $32,988,488 on Oct. 31, compared with $32,975,155 on July 31. Value per share was $17.34, compared with $16.61 on July 31 and $15.78 a year earlier.

* * *

**Energy Fund** announces that at the close of the fiscal year on Sept. 30 net assets amounted to $31,206,912, or $21.65 a share, against $23,836,755 of assets and $17.64 a share at the end of the prior year.

* * *

**Guardian Mutual Fund** reports that at the end of the fiscal year on Oct. 31 net assets were $21,425,077, equal to $22.98 a share, against $14,845,036 of assets and $18.16 per share a year earlier.

* * *

**Keystone Discount Bond Fund Series B-4** reports that at the close of the fiscal year on Sept. 30 net assets were $77,819,037, or $10.15 a share, against $8.88 a share a year earlier.

* * *

**Keystone High-Grade Common Stock Fund** reports that at the end of the fiscal year on Sept. 30 net assets were $35,496,795, equal to $22.06 a share, compared with $18.11 a year earlier.

* * *

**Keystone International Fund** reports that at Sept. 30 net assets amounted to $10,204,298, equal to $14.91 a share. This compares with $13.88 a share six months earlier and $12.76 a year earlier.

## Phila. Secs. Group Luncheon Meeting

PHILADELPHIA, Pa.—Charles W. Anderson, President of Ametek, Inc., will be guest speaker at a luncheon meeting of The Philadelphia Securities Association on Thursday, Dec. 12 at the Barclay Hotel, Philadelphia.

Rubin Hardy of The First Boston Corporation, is in charge of arrangements.



# SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

## The Right Way To Build Sales Volume

Some years ago a friend of mine asked me if I could help his son become a security salesman. After a check up on the young man, I was impressed and I recommended him for a position with another well regarded firm. He was hired and he began to solicit business. His father and several wealthy relatives began to do business with him. He started to expand his clientele and he had a boiling bull market behind him. After a period of training that was only about six months duration, he began to do so much business that his father very proudly told me one day, "That boy of mine is sure making money, he's right up among the top producers of his firm already." I congratulated him and said I was glad to hear it. Then I asked, "How do you know this?" He replied, "They have sales contests and every month his firm publishes a list of the leading producers in his area, last month he was second in production." I again told him I was pleased and that was that.

### Another Chapter

Another six months passed and we ran into a sharp slump in the market, the new issues began to dry up, and some time later I met his father again. This time it was a different story. He didn't offer any unsolicited information about his boy's business affairs and I asked, "How's the boy?" You should have seen his face. He looked at me and then he let it out. "I lost a fortune with that bid. But that's not the worst of it. My brother-in-law and several of my best friends are in so deep with a load of second grade securities I wonder whether or not we will even realize half of our original investment."

Then he went on (as usual) to blame his son's employer . . . he never admitted that he probably was only too glad to follow his unseasoned offspring's enthusiastic recommendations, and he completely forgot how proud he was when he told me a few months prior to this meeting that his son had won the accolades of his sales manager for his large production of commissions even though he was a beginner in the business.

Of course, I was disappointed to know that this young man had been such an enthusiastic and ambitious producer of commissions that he sold himself out of the business and hurt a lot of people in the process. At least, I said to myself that I was lucky I didn't bring him into my firm . . . we might have had a tough job holding him in line.

### Sales Incentives Should Not Be Used in the Investment Business

There are several reasons why I do not believe it is proper for an investment firm to accelerate production by sending out monthly letters to salesmen, or weekly pep talks, or offering inducements through prestige trips, publicity in the firm, or compliments of any kind. My reasoning is as follows:

(1) **Proper timing is an essential to sound investment procedure.** No salesman should try to build a sales record when the time is not propitious for his customer to invest. No one, of course, knows when a time is definitely the right time to buy or sell; but any experienced salesman knows that there are times when RESERVES should be sterilized and buying curtailed. Constant stimulation for production negates proper investment advisory functions of a salesman.

(2) **Overenthusiastic salesmanship is out of place in the securities business.** Next to your health your investments are your most important material asset. Would you go to a doctor who belonged to a medical association that issued a bulletin every month that showed which of the doctors performed the most operations and enjoyed the largest total production of income? What's the difference between that and selling securities full steam ahead day in and day out?

(3) **The top producers among security salesmen never got there merely because they were just top flight salesmen.** Sellng knowledge helps, that's true, but it is secondary in importance to experience, know-how about investing, and helping your clients build a sound portfolio over the years. Recommendations from satisfied customers will build an investment business for you, even if you have a wart on your nose, and wear pink shirts and purple ties. It's skill in investing that people are looking for, plus a personal interest in their welfare. The man who looks upon his business in the same light as a dedicated family doctor will produce business year in and year out and he doesn't care one whit whether or not he leads the sales force EVER. In fact, the less he hears about this the better he likes it.

## Shippers Dispatch Common Offered

Francis I. duPont, A. C. Allyn, Inc., New York, as manager of an underwriting group, has announced the public offering of 150,000 common shares of Shippers Dispatch, Inc. at $7.50 per share. The shares are being sold by selling stockholders, and none of the proceeds will accrue to the company.

Shippers Dispatch, which has its headquarters in South Bend, Ind., is a common carrier by motor vehicle in the area between Chicago, Ill., Fort Wayne and South Bend, Ind., Detroit, Mich., Akron, Bryan, Cleveland and Toledo, Ohio. The company operates over 2,962 route miles, serving 3,284 customers in 470 communities. It operates terminals in 7 cities, owns 630 pieces of rolling equipment and has approximately 514 employees.

## Westamerica Branch

LAS CRUCES, N. Mex. — Westamerica Securities, Inc. has opened a branch office at 745 West Bowman under the management of Chester H. Adams.

# As We See It

*Continued from page 1*

Illustrations could be multiplied more or less indefinitely, but one of these self-created situations and unfortunate proposals for its cure have of late been called to the attention of the public by the Investment Bankers Association of America. We have here a matter that deserves the special attention of the public at this time, the more so since the remedy now demanded by Washington is one that may well not attract wide popular notice or be generally understood. We refer to the proposed Interest Equalization Tax of 1963. The Federal Reserve has given this description of the proposal: "A temporary tax on foreign securities (except those of economically less developed countries) purchased from foreigners before the end of 1965. For new foreign bond issues by industrialized countries, the tax would have the effect of increasing the interest cost by about one percentage point per annum. The proposed bill provides that the President may make a limited or general exemption for new security issues of any country if application of the tax would imperil international monetary stability."

The purpose of the legislation is, of course, to redress or help to redress our balance of payments. Difficulties in this area somehow appear now to have been charged against the sale of foreign bonds and stocks in our market, or at least some of the more recent adversities have been so charged in official circles. It would be difficult to find a more striking example of a situation growing out of our maladroit efforts to manage international affairs in disregard, if not in defiance, of the natural forces which normally play in this area and which for decades, even centuries, held the factors in this field in order and in the service of mankind.

Of course, two world wars played havoc with the international financial mechanism and its functioning. The inevitable changes thus wrought are far too numerous to be listed here. The point is that instead of trying to learn to respond to natural forces as had world financial leaders for a century or more we set out in a clumsy way to remake or replace the mechanism and then, under the influence of Keynes, to make it accomplish ends that could not in the nature of the case be reached by manipulation of money and credit.

### Embarrassed With Riches

After World War II we were, of course, embarrassed with riches. We had most of the monetary gold in our vaults and possessed the one currency wanted by all—and in very considerable degree had the goods and services wanted by all. Our generosity was unprecedented. Whether it was wise is another matter. The fact is though that as first one country and then another recovered and rebuilt, with monumental help from us, our relative position in the world inevitably changed — partly merely by the developments in other countries. But we had become obsessed with the idea that we could buy support for our ideas about liberty, democracy and all the rest. In a very substantial measure we still are. Our balance of payments difficulties stem in very substantial part from the large grants and gifts we still ship round the world. One trouble is that our competitors —and they are the ones which have been taking our "liquidity" away from us—are not inclined to be quite so Quixotic as we have been and are.

As is now so usual, we are determined to meet this state of affairs arising out of disregard of natural forces by further defiance of these same natural forces. We are determined not to permit all this open handedness abroad to affect our own lives and our own economy in any adverse way. Normally, of course, a drain on the liquid resources of a nation would be met with higher interest rates and a tighter governmental budget. But no, say the New Dealers and their successors, that would mean that our industries would not be stimulated to borrow more money and invest more extensively. It would mean that there would follow a rather general tightening of belts and all the rest that constitutes the natural defenses in such circumstances. The situation, so they reasoned, must be corrected by the application of a hair of the dog that did the biting. In the money market short-term rates must be kept high enough to attract foreign capital while the long-term rates must be kept low to stimulate business here at home. But these low long-term rates soon attracted the attention of foreign borrowers who then added their influence to that caused by extensive grants and the direct foreign investments of American corporations. One result all too often overlooked, is the accumulation of short-term liabilities over against long-term assets.

### Tangled Web of Futility

Into the breach the Administration stepped with the proposal of a tax on foreign borrowings, or at least upon such foreign borrowings as the President in his wisdom thinks should be taxed. In this way foreign borrowers, or at least those not wanted by the political powers that be, will, so it is believed, lose interest in our securities markets and thus bring an end to the drain they are now placing upon our balance of payments. Against any such scheme there are a number of very specific objections. An Investment Bankers Association committee has listed the more important of these which we have been pleased to print in our issue of Nov. 28. They need not be repeated here. What we need to do in general is cease from weaving this tangled web of futility.

# Security Title & Guaranty Co. Rights Offering To Stockholders

Security Title & Guaranty Co. is offering holders of its common stock the right to subscribe for 125,000 additional common shares at $6.25 per share on the basis of one new share for each share held of record Nov. 29.

The offering, underwritten by New York Hanseatic Corp. will expire Dec. 16, 1963.

Net proceeds from the sale will be added to the general corporate funds of the company.

Security Title was organized under New York law in 1928 and is engaged in the business of examining and insuring titles to real property, principally in the states of New York, New Jersey and Connecticut. An insurance policy issued by the company insures title to real property against all defects and encumbrances other than as stated in the policy. The company's main office is at 17 East 45th St., New York City, and it maintains branch offices in Brooklyn, Jamaica, Mineola, Riverhead, White Plains, Stamford and Newark.

# Hertz, Neumark To Admit

Hertz, Neumark & Warner, 2 Broadway, New York City, members of the New York Stock Exchange, will admit Julius D. Winer to general partnership on Dec. 12, and Matty Warsaw to limited partnership as of Dec. 5.

# Our Reporter on GOVERNMENTS

*BY JOHN T. CHIPPENDALE, JR.*

It appears to be the opinion of most money market specialists that, barring unforeseen developments, credit policies are not going to be changed very much for the balance of the year. It is believed that short-term interest rates have made their highs for 1963, and they will continue to move in a rather restricted range so that the balance between these rates here and those in the other important free world money centers will be maintained.

The demands of investors for long-term bonds continues to show signs of improving, with the most distant Government bonds attracting more of this attention. It is indicated that, in addition to the usual year-end adjustments, investors are still moving out of other forms of investment in order to make commitments in long-term Treasury issues.

### Treasuries in Greater Demand

The interest in Government securities continues to expand, with indications now that funds which had been going into other forms of investment are now being used to make larger commitments in Treasury obligations. Short-term Treasury issues are now getting greater attention from those investors that have had funds working in certificates of deposit. It seems as though there is a change over going on in some volume from certificates of deposit into Treasury bills when the non-Government certificates come due.

The demand at this time appears to be picking up for the six month and one year maturities of Treasury bills, with the funds being put to work here reportedly coming in some measure from what is being termed as industrial money which will be used for capital expansion purposes in the foreseeable future.

### Short-Term Rates to Remain at Present Levels

The level of short-term interest rates is expected to remain about where it has been in the recent past because there is not going to be any action on our part which will upset the current international money market equilibrium. It appears as though the top area of this short-term money market yield range is considered to have been reached when rates here are high enough to draw funds from other free world money market centers in this country. The low area of this range of fluctuation in near-term rates is supposed to be reached when money market rates here are low enough to cause the readily moveable funds to leave here for the higher yields which are available in other free world money centers. These conditions will most likely continue to prevail as long as we are confronted with our balance of payments problem.

### Ample Credit Assured

The Central Banks are supplying the member banks the money and capital markets, also the business community, with the needed resources so that the Christmas trade demands will be met without having an adverse effect on the economy as a whole. This operation so far has not had any noticeable effect on either the short-term or long-term sectors of the Government market.

However, as this demand for money and credit grows it would not be unexpected if the monetary authorities were to make important open market purchases of Government securities in order to prevent the money and capital markets from tightening. So that the short-term interest rates will not be influenced one way or the other, and the equilibrium of these rates between here and other free world money centers is not thrown out of balance, important open market operations may take place in intermediate and long-term Government obligations. In this way reserves could be supplied to the banks without disturbing the money market.

Purchases of other than near-term issues for open market operations should have a not unfavorable effect on the market action of the middle-term and long-term Government bonds. It seems as though the capital market is thinking along these lines now, since there has been a somewhat better tone in the market for long-term interest bearing obligations, aside from the new issues that are overpriced when they come into the market.

# Customers Brokers To Discuss Disability Plan

The Association of Customers' Brokers has been investigating the feasibility of instituting a Disability Income Plan and such a plan will be submitted to the membership for consideration at the business meeting to be held Dec. 11.

John C. Howatt, Harris, Upham & Co., is chairman of the insurance committee.

# Why Unemployment and Poverty Despite GNP Rise?

*By* William S. Baren, *Coral Gables, Florida*

**To an extent greater than most roseate economic outlook statements indicate, our economic pace has not been as favorable as depicted if adjusted for price level increases, population bulge, and the effect of postwar pent-up consumer buying. Convinced that our past 17 years of economic activity have been disappointing when adjusted in real terms, and that the panaceas advocated to cure unemployment are worse than the cure, Mr. Baren calls for an end to the economic policies we have pursued over the past 33 years.**

The Government issues a report called the "Gross National Product" which gives the total amount of goods and services produced in our country. This figure is now at an all-time high—but a closer look may reveal the real reason why there is so much unemployment and related economic woe among the citizens of our nation today.

William S. Baren

People unfortunately confuse real wealth with dollars. They think dollars are wealth but they are not wealth at all. They are only what we use to measure wealth and provide a convenient medium for our exchange of goods and services. The only real wealth is the total of all the goods and services we as a nation produce. You can prove this easily—if we double the number of dollars in circulation tomorrow but our production of goods and services remains the same as today, prices would double; the purchasing power of our dollars would be cut in half; BUT THE SUPPLY OF GOODS AND SERVICES WE NEED TO LIVE WOULD BE THE SAME. There would be no increase in REAL WEALTH.

Another mistake people unfortunately make is that they are prone to judge economic conditions in a whole country by their own experience, the way their friends are living, and the conditions that exist within the limits of their own capacity to see, hear, and understand . . . which never reveals the entire picture of conditions which affect all the people in a country as large as this. If you are observant you may know that there are five million people looking for jobs and can't find them today, even with an extra million men taken out of the work force by the armed services. You may wonder why it is that over 14 million Americans are living on a bare subsistence income of less than $2,000 *per family* a year. You may sometimes ask why it is that millions more of American fathers and mothers both hold jobs because they can't earn enough to get by any other way. You may ask yourself why is it that millions more owe over $42 billion in installment debts that they must meet every month, and why we as a nation have piled up a total state, local and Federal Government debt of over $700 billion, that future generations must pay for us, either in greater taxes or depreciated currency. You may have asked yourself . . . are we really so prosperous . . . is this a real prosperity . . . or is there something wrong somewhere? Could it be that this is not a real prosperity but a false, inflationary, pseudo prosperity?

### The Great Misrepresentation

You may be surprised that I offer the following brief common sense analysis of the ACTUAL WEALTH we are producing as a scientific attempt in economic fact finding. But it is not complicated by the semantics of confused economics. The facts are taken from official government sources. The conclusions, I think, are not oversimplified but are based upon a given set of facts, and the logic follows in natural sequence without distortion or amplification. Read carefully . . . think about my conclusion . . . and make up your own mind.

The figures reported by the press and other sources as to the "Gross National Product" are NOT ADJUSTED TO COMPENSATE FOR THE DECREASED PURCHASING POWER OF THE DOLLAR. This makes the 1962 figures (or any current figures) appear to reflect a larger total when compared with the reported G.N.P. in former years. The 1962 "Report Of The President," page 171, Table C-1, gives the following figures:

**Gross National Product**

| | |
|---|---|
| Year 1945 | $213.6 billion |
| Year 1962 | 553.6 billion |

But if you look at the same report and turn to page 172 (the one no one talks about) this tabulation gives you the G.N.P. figured in dollar totals that ARE ADJUSTED TO THE SHRINKAGE OF THE 1962 DOLLAR.

**Gross National Product**

| | |
|---|---|
| Year 1945 | $377.5 billion |
| Year 1962 | 553.6 billion |

The increase in total G.N.P. on this adjusted basis is only $171.1 billion whereas on the unadjusted basis it looks like the increase was $340 billion. But this is still not the true picture as I see it. There were only 148 million people in this country in 1945 and in 1962 the population had grown to 188 million, thus the labor force likewise increased between those two years. More people should be able to produce more real wealth in any free, normal productive society. Isn't that true? More people working means more people producing . . . if they are working productively. There isn't any argument there, is there? All right, now in order to find out the per capita share of the total G.N.P., divide the adjusted figures of true wealth produced above, by the population in these given years, and here is THE TRUE PICTURE —as I see it.

**Each American's Share of the Gross National Product**

| | |
|---|---|
| 1945 | $2,658 per capita |
| 1962 | 2,941 per capita |

On a per-capita basis there has been a total growth of 10% in 17 years. THIS IS AN AVERAGE GROWTH RATE OF LESS THAN 6/10th of ONE PERCENT PER YEAR. I have used 1945 as a base year to be over fair in this analysis, because that is the year we were just coming out of World War II, our shortages and pentup demand came into play and our economy was stimulated. The Korean War years are also included and these war years were also economic stimulant years. Despite this unusually favorable economic climate, this is the result of the past 17 years of economic activity. If this is a true picture, and I believe it is, then do you wonder why so many are out of work and there is still so much poverty and CHRONIC UNEMPLOYMENT IN OUR COUNTRY? Could it be that those who advocate that the government should establish more huge public works programs, create bigger deficits, more inflation, cheaper dollars and greater debts for our children and grandchildren to pay do not have the answer to what a healthy economic growth requires? This is what they have been giving us for 33 years, ever since our country adopted an irredeemable, fiat, paper dollar, and a bureaucratic, restrictive government policy of creating more rules and impediments to private citizens in the orderly pursuit of their livelihoods. If this is the best they can do . . . give us a 6/10th of 1% PER CAPITA GROWTH RATE OF G.N.P. PER YEAR FOR THE PAST 17 YEARS . . . AND THEY CALL IT PROSPERITY . . . DO YOU WANT MORE OF THE SAME KIND OF POISON?

*NOTE—All facts and statistical information used in this article have been secured from official U. S. Treasury Reports; Report of The President (1962); Dept. of Commerce; and a MIAMI HERALD syndicated article dated November 6, 1963. The government data was procured at my request by Congressman Dante Fascell.*

## Chemical New York Gift Money Orders

An unusual new way to give money for Christmas has been announced by Chemical Bank New York Trust Company.

The bank has designed beautiful Christmas Gift Money Orders for the Christmas season. These attractive red and white money orders are decorated with a charming 19th Century scene showing four small carolers standing beneath a window, singing. The carolers' design is repeated upon the Gift Envelope which contains the Christmas Gift Money Order.

Chemical New York says the Christmas Gift Money Orders can be cashed in any bank, anywhere. They are offered in any amount. A Christmas Gift Money Order and Gift Envelope cost 25 cents plus, of course, the amount of the money order.

Purchasers can pay for Christmas Gift Money Orders by check, if they have a checking account at Chemical New York. Or they can buy them with cash in any of Chemical New York's 117 offices in the New York Metropolitan area.

## With Collins, Eatherton

DENVER, Colo.—Robert F. Conklin is now with Collins, Eatherton & Associates, Inc., 509 Seventeenth Street. He was formerly with Peters, Writer & Christensen, Inc. and Bosworth, Sullivan & Co., Inc.

# NEWS ABOUT BANKS AND BANKERS

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

Elmer H. Bartow, Jr., Robert A. Garber, Gunther Gonder, Glenn R. Heinemeyer, George E. Wik and George E. Woodnorth have been promoted to Assistant Treasurers of the **Chase Manhattan Bank, New York.**

* * *

On Dec. 9, the Rockville Centre Office of **Chemical Bank New York Trust Company, New York,** will transfer across the street from its present address to 10 North Village Avenue.

The new three-story structure has been erected on the same site which the bank first occupied 72 years ago. It features the latest banking equipment, including excellent safe deposit facilities, two drive-in and a walk-up teller's window, and ample parking accommodations. It has a sizable meeting room which will be available for community gatherings. The architect for the bank, Thomas W. Schaardt, has combined functional design with an old-time atmosphere of restful beauty.

Mr. Oscar Gast is Chairman of the bank's Rockville Centre Advisory Board.

In addition to Mr. Gast, the Rockville Centre Office of Chemical New York is staffed with the following officers: Vice-Presidents William V. Kniffin and John E. Schaefer, Assistant Vice-President Robert D. Ledlie, Assistant Secretaries Robert S. West and May C. Roxburg, and Assistant Treasurer Anna M. Ferrera.

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The appointment of three new members to the West Side Advisory Board of **Manufacturers Hanover Trust Company, New York,** was announced. They are Joseph R. Huxley, Max Thal and Julian Lazarus.

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The **Lafayette National Bank, Brooklyn, N. Y.,** elected Charles W. Dearborn a Senior Vice-President.

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The **Genesee Valley Union Trust Company, Rochester, N. Y.,** Nov. 29 closed its offices and opened the same doors Dec. 2 under its new name: **Marine Midland Trust Company of Rochester.**

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**The Montclair National Bank and Trust Company, Montclair, N. J.,** elected Charles S. Lowry and Charles B. Sanders Directors.

* * *

The Comptroller of the Currency James J. Saxon, Nov. 27, announced preliminary approval of an application to organize a new National Bank in **New Jersey**—At Sparta, with the title, **Peoples National Bank of Sparta,** with an initial capitalization of $500,000.

* * *

**The Central-Penn National Bank, Philadelphia, Pa.,** appointed Clark M. Johnson, Raymond C. Kaelin and R. Laird Sommerville Vice-Presidents.

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The **Western Pennsylvania National Bank, Pittsburgh, Pa.,** named Chief Administrative Officer Vice-President Charles W. Metcalf, who was promoted to Administrative Vice-President. Elbert Frank will join the bank as Executive Vice-President. William H. Dougherty, Jr. was named Vice-President, Finance and Cashier.

Mr. Frank, was formerly Senior Vice-President and a Director of **Harter Bank and Trust Company in Canton, Ohio.**

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The Comptroller of the Currency James J. Saxon on Nov. 22 approved the application to merge **First National Bank and Trust Company of Red Lion, Red Lion, Pa.,** and the **Delta National Bank, Delta, Pa.**

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The Comptroller of the Currency James J. Saxon on Nov. 27 announced preliminary approval of an application to organize a new National Bank in **Virginia**—At Highland Springs, with the title, **Fairfield National Bank of Highland Springs,** with an initial capitalization of $300,000.

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Herbert M. Kenny, Assistant Vice-President, **Harris Trust and Savings Bank, Chicago, Ill.,** recently celebrated his 40th anniversary with the bank. Mr. Kenny joined the Harris bank in 1923. He currently heads the loan and discount department. He was elected Assistant Cashier in 1931 and Assistant Vice-President in 1951.

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The Comptroller of the Currency James J. Saxon Dec. 2 announced preliminary approval of an application to organize a new National Bank in **Michigan**—At Rochester, with the title, **National Bank of Rochester,** with an initial capitalization of $500,000.

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The Comptroller announced on Nov. 29 the approval of the conversion of **Plainview State Bank, Plainview, Neb.,** into a National Banking Association. The bank will be operated by its present management under the title **Plainview National Bank.**

The capital structure for the converted bank is $365,000.

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John H. Hendee, Jr., was elected a Vice-President of the **First Wisconsin National Bank, Milwaukee, Wisconsin.**

* * *

William H. Greenfield, Conservator for the Southern Hills National Bank, announced in Tulsa, Okla., Nov. 27 that, upon his recommendation, Comptroller of the Currency James J. Saxon had approved the reopening of the **Southern Hills National Bank** on Dec. 2, on a reorganized basis.

The Comptroller directed the Conservator to return the bank to its original directors for the purpose of the sale of its assets to and the assumption of its liabilities by the new bank. The old bank was placed in conservatorship by Mr. Saxon on Nov. 8.

The bank will be operated under the name **Southern Hills National Bank of Tulsa** at the same location, 51st and South Harvard Avenue, under an approval granted by the Comptroller of the Currency to an entirely new group of organizers and directors. The new bank will be capitalized at $1,000,000.

The directors and organizers of the new bank are: Lynn R. Helm, President of National Bank of Commerce; R. H. Siegfried, W. R. Grimshaw, Board Chairman; Edgar R. Sanditen, Charles Goodall, Dr. Thomas H. Fair, James E. Hughes and George A. Stevens.

The Conservator stated that he had determined that the bank could not properly be reopened without reasonable and proper provision for service charges related to checking account activities. Accordingly, the Comptroller of the Currency granted the approval to the new bank subject to this condition.

Mr. Greenfield stated that under an agreement with the National Bank of Commerce, the latter will augment the management of the new bank for the time being so that it may open on that date.

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The **First American National Bank, Nashville, Tenn.,** promoted Kelly Stephen Neely and John Lillard Templeton, Jr., to Vice-Presidents.

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The **South Carolina National Bank, Charleston, S. C.,** elected Neville Holcombe and Carroll G. DesChamps Directors.

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Comptroller of the Currency James J. Saxon on Nov. 29 announced preliminary approval of application to organize new National Banks in **Louisiana**—At Arabi, with the title, **First National Bank of St. Bernard Parish,** with an initial capitalization of $450,000 and at Laplace, with the title, **Riverlands National Bank in Laplace,** with an initial capitalization of $300,000.

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The **First City National Bank of Houston, Texas,** appointed C. E. Fulgham, formerly **Executive** Vice-President of **First National Bank of Lubbock, Texas,** Executive Vice-President.

* * *

The **Valley National Bank, Phoenix, Ariz.,** directors, at their regular monthly meeting, proposed a 10% stock dividend calling for the distribution to shareholders of 249,502 shares of stock.

The proposed stock dividend is subject to the approval of stockholders at the bank's annual meeting to be held Jan. 21, and of the Comptroller of the Currency.

Stockholders will be given one share of Valley Bank stock for each 10 shares held, payable on Feb. 26 to owners of record Feb. 5.

Directors also voted to transfer $3,752,490 from undivided profits to surplus, increasing the latter to $36,277,355.

Clayton H. Hakes, Leonard W. Huck and Charles E. James were appointed Vice-Presidents.

* * *

The Comptroller of the Currency James J. Saxon on Dec. 3 approved the conversion of **The Lake City State Bank, Lake City, Mich.,** into a National Banking Association. The bank will be operated by its present management under the title, **First National Bank of Lake City.**

The capital structure for the converted bank remains the same, $823,551.13.

* * *

George F. Getty, II, has been named a Director of **Bank of America, San Francisco, Calif.**

Mr. Getty will fill the seat formerly held by the late Eric Johnston.

* * *

J. Philip Nathan has been named Vice-President and Controller of **Crocker-Citizens National Bank, San Francisco, Calif.**

* * *

The promotion of Roy D. Hartmann to Vice-President of **Security First National Bank's Beverly Hills Office,** has been announced.

Robert E. Cody has also been appointed advertising Director of **Security First National Bank, Los Angeles, Calif.**

Stanley A. Beck, has also joined Security First National Bank's head office.

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Newton F. Wheeler, Vice-President in charge of Security First National Bank's planning and coordination division, head office trust department, is marking his 35th anniversary with the Bank this month.

His entire business career has been associated with banking, having joined the **Farmers & Merchants National Bank** in 1928. (The F&M Bank merged with Security in 1956).

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The promotion of Guy F. Beyersdorf, **San Diego Trust & Savings Bank, San Diego, Calif.** to Assistant Trust Officer and Assistant Secretary, has been announced.

* * *

Top management changes at **The Bank of California, N. A., San Francisco, Calif.,** became effective with the retirement on Dec. 1, of Elliott McAllister, Chairman of the Board and Chief Executive Officer, on reaching his 65th birthday. Advancing to the Chairmanship will be Vice-Chairman Edwin E. Adams, while Charles de Bretteville, President, will continue to serve in that capacity.

McAllister will continue to be closely associated with the bank as a Director and member of the Executive Committee. He first joined the bank in 1920, was appointed Assistant Cashier in 1927, Manager of the International Department in 1938, Vice-President in 1940, President in 1950 and Chairman of the Board since 1956. McAllister has served as a Director of the bank since 1948.

* * *

The **Security First National Bank, Los Angeles, Calif.,** announced the reorganization of the national division of the bank's national and metropolitan banking departments.

The division has been divided into five major geographical regions, and will be headed by Robert J. Sevitz, Vice-President, who is retiring in July, and Arnold B. Peek, Vice-President, who will have the principal administrative responsibility for the division.

Paul W. Waterman, Jr., Vice-President, has been named Assistant to the division administrator.

A. Randall Thomas, Jr., Vice-President, is coordinator of credits and loans.

John S. Sakellaris, Vice-President, is coordinator of operations with correspondent banks.

The line officers are:

**Western**—Jack F. Holland, Vice-President.

**Northeast**—James M. Rudolph, Vice-President.

**South Central**—Duane J. Pittsford, Vice-President.

**Southeast**—J. Arthur Myers, Assistant Vice-President.

**North Central**—James S. Barrett, Assistant Vice-President.

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The Comptroller of the Currency James J. Saxon on Nov. 29 approved the application to merge **The Bank of California, National Association, San Francisco, Calif.,** and **Security State Bank of Turlock, Turlock, Calif.**

* * *

The Comptroller of the Currency James J. Saxon on Dec. 3 announced preliminary approval of application to organize new National Banks as follows:

**California**—At Livermore, with the title, **Livermore National Bank,** with an initial capitalization of $1,250,000.

At Eureka, with the title, **Humboldt National Bank,** with an initial capitalization of $1,000,000.

* * *

The **Union Bank, Los Angeles, Calif.,** elected Eugene T. Bovee, Jr., Edgar H. Glanzer and George E. Morrow Vice-Presidents.

* * *

The **San Fernando Valley Bank, Van Nuys, Calif,** promoted Joseph P. Repecka to Executive Vice-President.

* * *

Comptroller of the Currency James J. Saxon Nov. 27, announced preliminary approval of applications to organize new National Banks as follows:

**California**—At San Mateo, with the title, **Northern California National Bank of San Mateo,** with an initial capitalization of $2,600,000. and at Berkeley, with the title, **National Bank of Berkeley,** with an inital capitalization of $1,500,000.

* * *

The **First National Bank of Oregon, Portland, Ore.,** elected Lyman E. Seeley Senior Vice-President, succeeding C. Elwood Hedberg, who will retire next year.

* * *

Election of three new directors to the Board of the **Bank of Montreal, Canada,** at its 146th annual meeting Dec. 2 announced the election of Leonard Hynes, Arthur R. Lundrigan and H. J. S. Pearson, as Directors.

Vacancies on the Bank of Montreal board were created by the death of David G. McConnell and by the retirements of R. E. Powell and Colonel the Hon. Sir Leonard Outerbidge, C.B.E., D.S.O., C.D., on reaching the statutory retirement age. Mr. Powell and Sir Leonard had served as Directors since 1952 and 1961 respectively.

## Carhart Heads Fund Drive Group

H. Whitfield Carhart, a partner in the firm of Carlisle & Jacquelin, has been named a group chairman of the Hospital Trustees Division of the 1963 United Hospital Fund campaign according to Frederick D. Forsch, Kuhn, Loeb & Co., chairman of the Division.

As group chairman, Mr. Carhart will lead trustees from eight hospitals in Manhattan and The Bronx in the drive for the group's quota of the $3,000,000 goal. Money raised in the 1963 campaign will be distributed to the Fund's 79 nonprofit, volntary hospitals for free and below-cost patient care. Last year 1,667,500 such cases were treated in wards, emergency rooms and clinics.

Mr. Carhart is a trustee and a Vice-President of The Roosevelt Hospital. He is also Vice-President for the New York Society for the Prevention of Cruelty to Children and a trustee of the Boys' Clubs of New York.

## Dempsey-Tegeler Adds

COLUMBUS, Ohio — John E. Hinton has been added to the staff of Dempsey-Tegeler & Co., Inc., 20 North High Street.

# BANK AND INSURANCE STOCKS

## This Week — Bank Stocks

*BANK STOCK PRICES AND YIELDS*—

In view of the recent rise in the stock market one would expect bank stocks to show similar appreciations. However, the contrary has been true, as is shown in the table, with current bank stock prices and bank stock prices of a few weeks ago. The most noticeable area of poor price behavior is that of New York City banks. Some writers have attributed this to the First National City's meeting whereby a stock dividend of 2% was declared. Evidently the public expected a stock split and/or a larger stock dividend than had formerly been paid.

The greatest stability of price has occurred among the smaller banks located away from the principal money centers. This may be attributed to the increasing investor awareness of these media and the expectation of better than average long-term growth for these banks.

Recent financial writers have commented extensively on the subject of reserves and the suggestion that they should be included with capital funds. The tabulation below has adjusted year-end 1962 book values to allow for reserves. Also, corresponding premiums over book values are shown. Whereas New York City banks frequently sell at somewhat less than twice book value and banks away from New York City, particularly growth banks often sell at twice book value, the adjusted figures obviously show less of a premium.

It seems obvious that with an increasing acceptance of reserves added to book value and also the decline in bank stock prices that these equities are now reaching more attractive price levels. In addition, the year-end 1962 book value figures would be lower than current or year-end 1963 figures. Therefore, premiums are less than indicated below. Analysts currently anticipate little change in fiscal or monetary policies by the new Administration, therefore interest rates should trend upward over the next several months. In addition, the recent private placement of capital notes or leaseback mortgage bonds by commercial banks has eliminated the one time fear of dilution of bank earnings where the bank was growing rapidly. It would seem that institutional investors, weighing these factors and comparing the attractive price earnings ratios relative to other investment media, may undertake substantial buying of bank stocks in the near future.

**BANK PRICES AND BOOK VALUES**

| Bank | Book Value 12/31/62 | Book Value Plus Reserves 12/31/62 | Price 11/19/63 | Price 12/2/63 | Premium Over Adjusted Book Value |
|---|---|---|---|---|---|
| Bankers Trust | $35.93 | $38.99 | 56 | 53 | 33% |
| Chase Manhattan | 53.62 | 65.82 | 91 | 90 | 37 |
| Chemical Bank & Trust | 52.73 | 58.73 | 81 | 79 | 35 |
| First National City | 63.59 | 77.89 | 111 | 109 | 40 |
| Manufacturers Hanover | 39.47 | 49.12 | 53 | 53 | 8 |
| Morgan Guaranty | 71.23 | 75.83 | 110 | 108 | 42 |
| First National—Boston | 50.61 | 53.78 | 86 | 85 | 58 |
| First Pennsylvania | 21.65 | 27.23 | 30 | 29 | 7 |
| Mellon National | 48.49 | 48.49 | 85 | 84 | 73 |
| National City—Cleveland | 30.47 | 36.52 | 57 | 56 | 54 |
| Citizens & Southern | 31.80 | 39.88 | 84 | 84 | 110 |
| Wachovia | 15.14 | 18.47 | 37 | 36 | 95 |
| Continental Illinois | 25.17 | 31.36 | 43 | 44 | 40 |
| First National—Chicago | 45.12 | 45.12 | 77 | 75 | 66 |
| National Bank—Detroit | 50.16 | 56.10 | 76 | 75 | 34 |
| Bank of Southwest | 18.80 | 18.80 | 51 | 51 | 170 |
| Republic National | 27.99 | 32.36 | 60 | 59 | 82 |
| Bank of America | 27.95 | 33.35 | 64 | 62 | 86 |
| Crocker-Anglo | 21.93 | 25.55 | 53 | 53 | 108 |
| Security First National | 37.49 | 43.04 | 82 | 82 | 91 |
| Valley National | 21.36 | 25.11 | 68 | 67 | 167 |
| First Security Corp. | 19.91 | 25.30 | 47 | 47 | 86 |
| Western Bancorp. | 17.06 | 20.60 | 40 | 40 | 94 |

## Acquires Bklyn. Office

BROOKLYN, N. Y. — The New York Stock Exchange firm of Eisele & King, Libaire, Stout & Co. has acquired the office of Ira Haupt & Co., at 1615 Pitkin Ave. The present managers of the office, George Cornelius and Sylvia Krohn, will continue.

Ira Haupt & Co. is now in the process of liquidation and with transfer of the office to the new owners will go certain accounts as they are tendered by the Haupt firm upon authorization of the customers.

Eisele & King, Libaire, Stout & Co., established in 1868, maintains its head office at 50 Broadway, and has two branch offices in Manhattan, one in Flushing, two in Connecticut and seven in New Jersey.

# PUBLIC UTILITY SECURITIES

BY OWEN ELY

## General Public Utilities Corp.

General Public Utilities, with annual revenues of $238 million, is one of the nine important electric utility holding companies. It is virtually all-electric, though about $1 million revenues are obtained from steam heating and water. The principal operating subsidiaries are Pennsylvania Electric and Metropolitan Edison in Pennsylvania; and New Jersey Power & Light and Jersey Central Power & Light in New Jersey. A foreign subsidiary, Manila Electric was sold early in 1962 for about $54 million, reflecting a profit of over $27 million. Payment is being made in installments of $5.5 million (plus interest at 3% on unpaid balances) covered by banking letters of credit.

About one million customers are served, in a population of 3.3 million. Revenues are 43% residential, 23% commercial, 28% industrial and 6% miscellaneous. Industrial revenues are well diversified, metal, paper, and stone, glass and clay products being among the principal industries.

The GPU System has shown excellent growth. Total assets passed the billion dollar level in 1962, over double the amount a decade earlier. The table below shows average annual compounded gains over the past decade of 9% in the balance earned for common stock, 6% in the earnings per share, and 5% in the dividend rate (increased each year since 1948 except in 1953). In 1962 kwh sales increased 8.6% and in the first nine months of 1963, 8.1%. Future growth prospects also appear good with substantial gains in electric space-heating anticipated plus new industrial loads in Pennsylvania and benefits from rapid suburbanization in New Jersey.

GPU has ambitious plans for reducing power costs through the construction of large mine-mouth steam generating plants and pumped storage peaking plants, extensive EHV transmission lines to increase its extensive power-pool interconnections, and later development of atomic power plants. GPU is a member of a group of 18 utilities in eight eastern states which have joined in the project to build the 1.8 million kw Keystone Station to be located near a mine-mouth in Pennsylvania and completed in 1967-68. A GPU subsidiary, Jersey Central P. & L., will have a one-third interest in this plant. GPU's subsidiaries in Pennsylvania will build some high-voltage lines to connect with the Keystone Station and also with a mine-mouth plant to be built by Allegheny Power System in W. Virginia. The Keystone Project and the extensive new high-voltage interconnections should reduce system power costs, permit a reduction in reserve generating capacity, and produce other benefits. GPU will spend about $100 million on its share of this project. It also plans to construct three pumped storage "peaking" stations of 700,000 kw combined capacity, the first 330,000 kw unit to be on the line in 1965. Later on, GPU is planning to build a 500,000 kw atomic power plant for completion in 1969 (a small experimental reactor is already in operation). The System currently has about 2.7 million kw capacity, a 245,000 kw plant having been put in service in October, 1962.

Expenditures for 1963-64 are expected to total about $164 million. 1963 outlays have been financed by internal funds, bank loans and sales of bonds and debentures by Jersey Central P & L. The parent company does not expect to sell common stock before late 1964 or early 1965.

Earnings include tax savings resulting from the use of rapid depreciation, equivalent to 28 cents a share in 1962. However, tax benefits from the 3% investment credit amounting to about six cents a share in 1962 were normalized. Based upon recently completed studies, the company has adopted the Guideline depreciation rates (and has also changed book depreciation rates), retroactive to Jan. 1, 1962. These changes had the effect of increasing 1962 earnings to $1.72 a share from the previously reported $1.64.

Like other electric utilities, GPU subsidiaries are now actively promoting electric space-heating through rate reductions, etc. In 1962 there were 5,000 all-electric homes in the System service area compared with 3,400 the previous year; and some 15,000 are forecast by the end of 1964. In September this year, 16 model garden-type apartment units were opened near Lakewood, New Jersey, in a community known as Leisure Village. Eventually, the community is expected to have 5,000 all-electric apartment units. This community with supporting facilities is the largest of its type in the eastern part of the country. Upon completion it is estimated that it will provide an estimated annual electric revenue of $1,500,000 from the total electrical load of approximately 50,000 kw.

System rates are being reduced, largely for promotional purposes. The fuel price adjustment clause has been eliminated from commercial, industrial and municipal electric rates in New Jersey, reducing revenues this year by an estimated $1.7 million. Metropolitan Edison in July this year announced a reduction in water-heating rates, and, in August, Pennsylvania Electric initiated a new all-electric rate. In October the two New Jersey subsidiaries made reductions in all-electric home service rates from 1.8 cents to 1.45 cents per kwh for energy over 130 kwh a month; the annual decrease in revenues was estimated at $400,000. In December, Pennsylvania Electric requested commission approval of a general reduction of about $2 million in residential rates.

GPU had been selling recently around 32½ (approximate range 35-32 this year). Based on the recently increased dividend rate of $1.28, the yield is nearly 4%. The price-earnings ratio based on estimated 1963 earnings is about 18.4.

The accompanying table shows balance for common stock (excluding Manila Electric) together with the earnings per share and dividend rate at year-end for the past decade, adjusted for the 2-for-1 split in 1959.

| Year | Bal. for Common (Millions) | Percent Increase | Earned Per Share | Percent Increase | Dividend Rate at Year-End | Percent Increase |
|---|---|---|---|---|---|---|
| 1963‡ | $41.7 | 7% | $1.75 | 2% | $1.28 | 7% |
| 1962 | 39.1 | 7 | 1.72* | 12 | 1.20† | 4 |
| 1961 | 36.5 | 4 | 1.53 | 3 | 1.15 | 3 |
| 1960 | 35.1 | 6 | 1.48 | 1 | 1.12 | 4 |
| 1959 | 33.1 | 11 | 1.46 | 7 | 1.08 | 6 |
| 1958 | 29.7 | 8 | 1.37 | 6 | 1.02 | 6 |
| 1957 | 27.4 | 13 | 1.29 | 8 | .96 | 5 |
| 1956 | 24.3 | 5 | 1.20 | 5 | .91 | 5 |
| 1955 | 23.1 | 17 | 1.14 | 13 | .87 | 6 |
| 1954 | 19.8 | 11 | 1.01 | 4 | .82 | 6 |
| 1953 | 17.9 | NC | .97 | NC | .77 | NC |
| 10-yr. aver. inc. | | 9% | | 6% | | 5% |

NC—Not computed.
*Restated to include adjustments for (1) adoption of guideline depreciation rates, and (2) change in book depreciation.
†Also 4% in stock reflecting profit from sale of Manila Electric.
‡Estimated.

# The National Business Outlook for 1964

*Continued from page 1*

uct. Although the Congress has not acted on all the appropriations for the current fiscal year and the President's budget for the next year is only now being prepared, it would appear that Federal expenditures for goods and services alone in calendar 1964 will exceed 1963 by upwards of $3 billion — somewhat less than the increase in 1963 over 1962. Efforts are being made by the Administration to hold outlays down. There is some flexibility in the picture, however, which would permit a speed-up in public works outlays. The Federal budget will certainly continue unbalanced, but probably not with as great a deficit as some predicted a few months ago.

State and local expenditures will increase—probably by close to $4 billion next year—as population growth makes demands on community facilities and related local services.

Private investment, which now accounts for 14% of national production, will also increase in the aggregate next year over the present relatively high level. These outlays are intended not so much to expand capacity, but to modernize plant and equipment in the face of keen competition. Machine tool orders through September were up 27% over the first nine months of last year. Plant and equipment outlays next year, according to the McGraw-Hill survey released last week, will be up 4% over this year, but other informed observers predict the rise will be double that. I lean toward the higher figure because of the recent rise in profits and profit margins, improved sales, the stimulus of tax incentives provided last year, increased operating rates relative to capacity, and efforts to meet competition by improving quality and devising new products.

If the pending tax bill passes, I would forsee no appreciable immediate boost in plant and equipment outlays over the levels I have just cited. Rather, consumer demand would first increase, unused industrial capacity — now estimated at 15% of total capacity —would be utilized more fully in important sectors and management would start planning to increase plant facilities. But it would take time to draw blueprints, obtain appropriation, and set sail. A year hence we would start seeing results in the private investment area of a tax cut undertaken now. It would be hoped that a combination of forces would not trigger an unsustainable capital spending boom.

A word about inventories. Will private investment in this area provide a stimulus to the economy in the next year? I think not unless taxes are cut. Actually the inventory picture overall is pretty good. There will be some accumulation next year—about $4.5 billion on the basis of no tax cut—the same as this year. In recent years, business has followed a conservative inventory policy because of efforts to minimize carrying costs, ample availability of supplies, absence of inflation and improved control procedures. If taxes are cut, however, the upward thrust of consumer demand would undoubtedly accelerate inventory accumulation, particularly as the year wears on. Hopefully, tax cuts will not trigger speculative excesses in this area.

A very important segment of private investment is construction. And because of its implications for demands for lumber, the construction outlook is particularly important to the Northwest. Total construction this year will be up 5% over 1962. The big increase in 1963 has been in residential building, particularly apartments. The likely prospect is that there will be little change in housing starts next year compared with the 1.5 million plus expected this year. The big question is whether the momentum in apartment construction will run another year in the face of growing vacancy rates in some areas. This is a volatile area of construction activity and we are likely to have a pause soon before another upsurge occurs later in the decade to meet demands arising from the increasing importance of age groups that favor rental housing. Of increasing importance in the residential market, is the mobile home business which has grown significantly in recent years and promises to continue strong next year.

Industrial construction should increase slightly next year. Commercial office building will continue at about this year's pace, but a temporary saturation in this area may be approaching. Non-commercial building — religious, hospital and other institutional building—is expected to be a bit better than this year.

**Total Construction**

All in all, total construction in 1964 should be about 3% greater than in 1963. One of the major underpinnings of another strong housing year in 1964 will be the continued availability of ample mortgage credit at rates and terms favorable to borrowers. With employment high, personal incomes rising, prices relatively stable, and competition among savings institutions unabated, "over-the-counter" savings should continue to grow at a fast pace next year. Thus, mortgages will continue to be in strong demand, both from traditional mortgage lenders and from such relatively new entrants into the market on a large-scale as commercial banks and pension funds. Mortgage yields are likely to show little change from their present relatively low levels. With a move toward significantly tighter money for balance of payments reasons unlikely next year, other long-term yields will probably show little change, also, although there may be some slight upward movement as the business expansion progresses throughout the year.

One of the major reasons for the abundance of long-term investment funds at relatively low interest rates in recent years has been the intense competition for savings among financial institutions. Following the change in Regulation Q in 1961, commercial banks sharply raised their rates on savings deposits. In response, other deposit-type institutions raised their rates in order to remain competitive. The result has been an unprecendented growth in savings held in these institutions and in the volume of funds they have channeled into mortgage markets.

**Reproves Intensified Competition For Savings**

This intensified competition among institutions seeking savings has benefited savers through higher returns and borrowers through lower costs, and has tended to stimulate economic expansion. However, coming at a time of some slackening in the growth of housing demands, this aggressive competition has contributed to a disturbing deterioration in lending standards and in the quality of credit that is potentially harmful to both borrowers and lenders. To be sure, a widespread financial collapse similar to the 1930s is hardly likely in view of tighter supervisory practices, the strengthening of our entire financial system during the three decades since 1933, and the powerful role of the Federal Government in preventing general economic decline. Furthermore, as long as the economy continues to grow, it will not take long for demands to catch up with the available housing supply in areas where overbuilding has occurred.

Nevertheless, continuation of the financial growthmanship recently indulged in by financial institutions could have serious consequences in individual situations. In their determination to grow fast at whatever cost, these institutions have been caught in a vicious circle. In order to attract more funds, they pay higher rates to savers. They then invest these funds in higher-yielding, riskier assets in order to earn sufficient returns to attract more savers in order to grow even faster. In the face of less than buoyant credit demands and generally stable long-term interest rates, these pressures have been reflected in the steady liberalization of credit terms, the promotion of new and more liberal types of loans and, in the mortgage area, in a rising trend of delinquencies and foreclosures. These developments have caused concern in Washington, among state regulatory authorities, and among many of the institutions involved.

**Advises S. & L. Assns.**

In passing, I might point out that mutual savings banks—and there are five excellent ones here in the Northwest—are in a far better position to withstand competitive pressure on their earnings and protective reserve positions than are other deposit-type institutions. In part, this reflects the broad, flexible investment powers of savings banks, as compared with savings and loan associations, whose investments are largely restricted to home mortgages. Operating under diversified powers, savings banks are able to shift funds readily among competing investment outlets in accordance with changes in credit demands. The continuing replacement of assets acquired in earlier low interest rate periods with higher-yield assets currently available, and the greater operating efficiency of savings banks compared with savings and loans and commercial banks are additional long-run sources of competitive strength.

**Consumer Consumption**

Let us now look at the largest and most significant demand category — consumption — accounting for 64% of national output currently. The University of Michigan's recent survey of consumer attitudes tends to reinforce statistical evidence that consumer confidence and willingness to spend is high and likely to remain so in the months ahead. The survey particularly noted that plans to buy new cars have remained at recent high levels. It should be noted that only 25% of those interviewed thought taxes would be cut. Thus, if taxes were cut effective early next year, it would be reasonable to expect consumer optimism and confidence to be strengthened and outlays to increase still further.

Even without the possible additional stimulus of tax reduction, however, the outlook for automobile and appliance sales next year is excellent. It is no secret that Detroit has put together two seven million car years, in terms of both sales and production, for the first time in history and that 1963 is shaping up to be the best auto year on record. Total sales, including imports, are sure to surpass the record of 7.4 million set in 1955, although sales of domestically-built cars are likely to trail slightly the peak 1955 level.

The 1964 models are off to a resounding reception. Sales of autos in October were at a record seasonally adjusted annual rate of 8.4 million, and new car sales breed more sales. Some observers say a tax cut would have its major and most immediate impact on the auto industry. An early cut, they believe, would increase sales in 1964 by 600,000.

The impact of teenage pressures on the automobile market is well-known by all those of my generation. The number of 17-year-olds will increase by about one million between mid-1963 and mid-1964. Kids put pressure on parents to buy a second or third car so that they can inherit the old one. If you have noticed the parking lots at any high school in the country, you will see what I mean. Another interesting phenomenon is the growing demand, by both youngsters and oldsters alike, for optional equipment on these new cars — bucket seats, electric windows, air conditioning, rear seat speakers, and the like. Although basic prices are fairly stable, customers are spending more on each unit.

The home appliance industry is also currently enjoying one of its best years in history. Consumers have been heavily in the market for such big ticket items as refrigerators, washing machines and television sets, and for smaller appliances as well. Strong demands here reflect the growing replacement market as well as first-time purchases by newly formed families and purchases of second and third units by our more affluent families. Although there is some concern over narrowing profit margins, appliance manufacturers have voiced confidence that sales should continue to advance and that 1964 will be a banner year.

To finance these rising expenditures, consumers will continue to increase their indebtedness. Although the September rise in consumer credit was the smallest for any month this year, the high level of auto and appliance sales, together with ample availability of funds to lenders, should make for a substantial increase in consumer borrowing later this year and in 1964.

At the same time, individuals will continue to save between 7 and 7.5% of their disposable income, and to regard deposit-type institutions as a favored place to put these savings. Prices in wholesale and retail markets will remain relatively stable, and if inflation fears are avoided, the stock market will not significantly divert the flow of savings from deposit-type institutions. The recent increase in margin requirements by the Federal Reserve Board will help prevent speculative activity that could result in rapidly rising stock market prices. Furthermore, as I indicated earlier, interest rates, both short- and long-term, are not likely to change materially from present levels. Rates of return on savings accounts at 4% or higher are likely to be maintained at many financial institutions. In this environment, the volume of funds channeled by individuals into savings accounts will continue large, although possibly somewhat smaller than the record savings flow occurring since early 1962.

To summarize prospects for these various categories of demand, I would say they add up to a $610 billion gross national product next year, assuming no tax cut. With passage of the pending tax bill effective Jan. 1, 1964 the GNP could amount to $620 billion next year, with the difference appearing largely in the late months of the year. Gross national product in 1963 is now estimated at about $585 billion.

Thus, 1964 shapes up as a good year for the economy, whether or not taxes are cut. It may be anticipated, however, that unemployment will be at an unsatisfactory 5% level and that there will be unutilized industrial capacity. At best, it would appear that it will take at least another two years to attain the objectives of optimum use of the nation's resources, generally meaning employment of 96% of the labor force and utilization of 92% of our physical capacity.

**Areas of Uncertainty and Problems**

The economic climate in 1964, and particularly the situation late in the year, cannot be appraised fully without further consideration of the key uncertainties and problem areas — the fate of the Administration's tax program and developments in our balance of payments. The tax reduction program represents a head-on attempt to solve the problem of inadequate domestic economic growth relative to growth of the labor force. The balance of payments situation, on the other hand, represents a continuing problem that, depending upon developments next year, may or may not require more drastic corrective measures than have heretofore been applied.

**Tax Reduction: Prospects and Impact**

With regard to the Administration's tax program, there appears to be widespread agreement that a bill along the general lines of the measure approved in September by the House of Representatives will be enacted sometime in 1964. As you know, that bill provides for a total net tax reduction of $11.1 billion in two steps during 1964 and 1965. Individuals' tax bills would be reduced by an estimated $8.8 billion over the two year period, with about two-thirds of the rate cut effective in 1964. Corporate taxes would be reduced by an estimated $2.3 billion by 1965. A good part of the tax saving of corporations in the next several years, however, would be offset by a speedup in quarterly tax payments designed to put them on a more current basis.

The major questions regarding the tax bill now are ones of timing: when in 1964 will the bill become law and when next year will the reductions become effective—Jan. 1, July 1, or some other date?

It is beyond human power to give you definite answers to these questions this morning, because in the political area anything can happen. I am willing to offer the guess, however, that the tax bill will probably be enacted before the next baseball season begins and that it will be effective as of Jan. 1, 1964. I admit to being influenced in this forecast by the fact that 1964 is a year divisible by four, and legislators may well be mindful of their nee dto face the electorate in November. Although President Kennedy's legislative generals still hope to get a bill through before the end of this year, the slow pace of the Senate hearings and the large number of witnesses scheduled to appear indicate that action early next year is the more likely bet. Should tax reduction be enacted in the opening months of 1964, as I believe it will, it is possible that the cuts would be made retroactive to the beginning of the year. The longer passage of the bill is deferred, however, the greater the possibility of a later date, perhaps July 1, being made the effective date.

Should taxes be reduced in the magnitude and with the timing set forth in the House bill, there is no question but that the effects will be expansionary in 1964—particularly later in the year. As I have already noted, there are strong reasons for optimism over continuance of the current moderate expansion throughout 1964 even in the absence of tax reduction, were it not for the possible adverse impact on expectations that failure to reduce taxes would bring about.

With regard to the whole longer-term question of taxes and economic growth, some interesting comparisons can be made between the current reliance upon tax reduction and the policies being advocated when I began my apprenticeship in economics here three decades ago. As you will remember, many people back in the 30s felt that the American economy had attained a state of maturity in which investment opportunities were insufficient to attract all of current private savings back into the spending stream. The resulting danger of continuing high levels of unemployment and "secular stagnation" prompted massive government spending to counteract the sharp decline in private investment. Tax cuts were not seriously sidered by the government at that time; indeed, taxes were increased to finance the additional Federal outlays. I believe that it has not been sufficiently appreciated that the present program of tax reduction to stimulate growth reflects a basic reaffirmation of the dynamic potential of the private sector of our American economy.

With developments on the tax scene likely to work in an expansionary direction, it remains to consider the likely effect of our balance of payments situation upon monetary policy and the pace of business expansion next year.

**Outlook for the Balance of Payments**

The "balance of payments problem" that has come into prominence in recent years reflects, and is the result of, the role played by the United States dollar as a key currency in the postwar international payments system. Not only does the dollar serve as domestic money, it is widely used as international money as well—both by foreign private holders and by foreign governments, who hold large amounts of liquid dollar claims as part of their monetary reserves.

Although the United States had run moderate deficits in its balance of payments since 1950 in every year except 1957, this had caused little concern because the major problem in the early 1950's was a shortage of dollars, which our deficits helped to supply. As the decade drew to a close, however, two basic events occurred which were to exert a profound effect upon subsequent economic developments and policy in the United States. First, with the recovery of war-shattered economies abroad, world markets of the major industrial nations have grown increasingly competitive. Second, external convertibility of the currencies of most of these nations has been re-established.

These two events meant that henceforth the United States would have to recognize the importance of international economic developments in the formulation of domestic economic policy. Of great importance of course, has been the leading role of the United States in providing economic and military assistance to foreign nations, involving heavy commitments abroad. The changed environment was reflected in our balance of payments deficits, which expanded sharply and averaged $3.7 billion in the three years 1958-1960. Although some progress has been made in reducing the size of our deficits in recent years, they have still remained uncomfortably large. The new environment was also reflected in an accelerated attrition of our official gold stock, which has declined by $7.2 billion since 1958.

Although the "art of dollar defense" is still an evolving process, it is a fair statement, I believe, that the measures taken in the past three years have virtually precluded the possibility of successful speculative attacks on the position of the dollar.

One of the measures adopted by the United States to stem the outflow of short-term capital and slow down the rate of gold loss has been the effort to keep short-term interest rates at levels high enough to be competitive with comparable short-term rates abroad. At the same time, the monetary authorities have tried to prevent such action from raising the level of long-term rates, at a time when there is concern over the rate of our economic growth here at home and the existence of unused human and physical resources.

**Successful Policies**

To date, this policy has been remarkably successful. Long-term rates have moved within a relatively narrow range since early 1961 while short-term rates have increased substantially, particularly in recent months. With three-month Treasury bills now close to 3½%, however, there is some question as to how much further short-term rates can be pushed up before long-term rates will be affected. Indeed, there has already been some evidence of a gradual firming of longer-term rates under the slightly less easy monetary policy of recent months.

The pace of business expansion next year, and particularly the all-important sector of private investment, could be adversely affected if developments in our balance of payments led the monetary authorities to adopt a significantly tighter policy in the months ahead. These fears were given added strength when results for the second quarter of this year were published, showing that the payments deficit had risen to a record $5.1 billion annual rate.

Recent and prospective developments, however, indicate that our balance of payments will show considerable improvement in the second half of this year and throughout 1964, thus obviating the need for a more restrictive monetary policy insofar as international considerations are concerned. On the basis of current estimates, our balance of payments deficit apparently declined to less than $2 billion at annual rates in the third quarter. The dramatic improvement from the second quarter can be largely attributed to the effects on our international capital accounts of the "action program" announced by President Kennedy last July 18.

The higher level of short-term rates achieved in the wake of last summer's increase in the discount rate and in the rates commercial banks may pay on short-term time deposits helped to reduce the short-term captal outflow from this country from an annual rate of $2.2 billion in the second quarter to $1 billion or less in the

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# The National Business Outlook for 1964

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third quarter. Moreover, the proposed interest equalization tax on foreign securities has virtually dried up the capital outflow resulting from sales of these securities, which had been at an annual rate of $2.1 billion in the second quarter. And the government has stated that it looks for the deficit in the fourth quarter to hold near the improved level of the third quarter. Thus, it is likely that the deficit for 1963 as a whole will be about $3 billion.

With regard to balance of payments developments next year, there are a number of reasons for expecting continuing improvement. Measures taken in the past few years to reduce the size of the deficit, including export expansion programs and increased export and credit insurance facilities, further tying of United States economic aid to spending in the United States, and the negotiation of military procurement agreements with our allies designed to offset the overseas costs of our defense commitments, will continue to make inroads into the deficit.

It is ironic that perhaps the most dramatic short-run source of improvement in our international accounts could be our much maligned agricultural surpluses. The proposed $250-$300 million sale of wheat and other agricultural products to the Soviet Union and other Eastern European nations could reduce the balance of payments deficit significantly in the current quarter and in the opening months of 1964. Indeed, agricultural exports in general will provide a strong plus next year in our efforts to reduce the balance of payments deficit. Since most of these increased sales will be to countries holding large amounts of dollars, or gold, an additional effect could be to reduce the potential attrition of our gold stocks in 1964.

### Conclusion

In conclusion, on the basis of my assumptions regarding tax reduction and the balance of payments, it appears likely that the pace of business expansion and conditions in the capital markets during most of next year will not be too much different from what they were this year.

Toward the end of 1964, however, it is quite possible that the economy may be entering a period of accelerated expansion as the effects of tax reduction on business and consumer spending decisions begin to be fully felt. With expansive factors already widely diffused throughout the economy and no serious imbalances present, the stage may be set for a rapid surge in economic activity. In the long-run, tax reduction could be the spark that ignites a capital spending boom reminiscent of the mid-1950s, bringing with it an accelerated rise in production, income and employment.

Thus, a year from now, we may be concerned with a basically different set of problems than those that concern us now. It might then appear that we have passed through a transition from a period of relatively modest growth to a period of considerably more rapid expansion. Should this prove to be the case, then in late 1964 we could conceivably see a re-emergence of many of the inflationary pressures and related economic problems that characterized the mid-1950s.

But this time there will be one all-important difference for business. Competition in world markets and international capital flows relatively unimportant then, will have an increasingly important influence on government policy and business performance. If we are to remain competitive in world markets, correct our payments deficits, and fulfill our leading role in the international payments by them, it will be imperative that reasonable wage and price policies be followed and that accelerated growth be achieved without inflationary excesses.

In this climate, the Federal Reserve will play a crucial role. Whether the economy will be able to maintain a stable and high-level growth rate in the face of the possible reappearance of inflationary forces in the late 1964 will depend in part upon the sensitivity and responsiveness of monetary policy to changes in business conditions. In retrospect, the experience of the mid-50s, when, according to some observers, the Federal Reserve authorities waited too long and then acted too strongly to curb an expansion that had already lost its steam, shows the importance and the difficulty of precise adjustments in monetary policy. Correct decisions regarding the timing and degree of changes in monetary policy could become even more important in 1964.

In addition to the threat of an unsustainable boom, other long-run problems will remain, even in a high growth economy. Much remains to be done, for example, in the area of specialized training and development programs designed to counteract the dislocations that technological and economic change will inevitably bring to individuals, industries, and regions. And much remains to be done in the area of mutual tariff reduction and trade negotiations to insure that the United States will be able to have access to the growing markets of Europe and Asia. Also, in the international area, a continuing effort will have to be made to strengthen the international payments system and provide for long-run international liquidity.

Thus, while there is reason for confidence in the short-run, there is no reason for complacency in the longer-run. The problems facing the United States in the years ahead will be serious but not insurmountable; they present a challenge that will put the good will and common sense of all Americans to the test, a challenge I am confident we will meet.

*An address by Dr. Ensley before the Business Outlook Conference, College of Business Administration, University of Washington, Seattle, Wash., Nov. 15, 1963.

# Proposal to Professionalize Registered Representatives

*Continued from page 3*

others who might solicit orders as part of their duties. Today, the terms customers' man and registered representative are synonymous. The *Association of Customers' Brokers*, founded in 1939, is a society of registered representatives operating in the New York area. The *National Association of Investors' Brokers*, formed by the New York group, with the idea of advancing societies of registered representatives, has active affiliates in Washington, D. C. and Chicago, and has held meetings in other major cities.

### The Meaning of Professionalizing

What does it mean to *professionalize?* This process, as we have known it, means to obtain gradual recognition by the public that an occupational group is rendering an essential service requiring the application of an advanced body of knowledge and that the occupational group rendering this service is doing so with deep dedication regardless of personal gain. Historically, the principal professions have been theology, medicine, teaching, and law. However, in the course of evolution, business generally has become more conscious of its social responsibilities. The approach to professional dedication and expertise has taken place on a broad scale in life insurance, real estate, accounting, trade association management, management consulting, and other occupations offering special advice to individuals and organizations.

A *profession* consists of a group of people who earn their livelihood in an activity in which the following conditions prevail: (1) the members who engage in the activity must believe that mankind has the ability to improve itself indefinitely; (2) the members who engage in the activity must believe that ethical standards are of prime importance; (3) the activity must consist of the application of an advanced body of knowledge; (4) entrants into the activity must have some form of evidence that they have attained a minimum of competence; and (5) the members who engage in the activity must be banded together into a strong professional society. Professions have met these five conditions in varying degrees. However, no longer are law, medicine, and theology considered to be the only true professions. There is no commonly accepted dividing line which sharply distinguishes professions from nonprofessions and professions from trade associations. A phenomenon of modern times is the explosive expansion of the concept of a profession to cover many areas of business activity formerly not thought appropriate for professionalization.

The concept of a profession, as used in this study, is known by logicians as a persuasive one, that is, a definition of what a profession ought to be. This type of definition is more than a play on words; the meaning given to the term profession influences the objectives of the group. The concept of a profession spells out a comprehensive philosophy of life and it is to be hoped that the securities industry will set its standards at a high level, rather than too low a one.

### The Profession's Place in Society

The foundation of a profession is the belief that man is able to improve himself, and that over the centuries he has been moving in the direction of a better life. Although philosophers debate over the meaning of a better life, custom in a free society has established many worthwhile goals, a few of which are these: dignity of the individual, freedom to worship, sacredness of human life, economic opulence, leisure time, freedom from pain, and political freedom.

Registered representatives make a direct contribution to the economic opulence of the community; they make an indirect contribution through their participation in community welfare programs, civic activities, and religious affairs. Registered representatives must be dedicated to these goals not only in their own immediate sphere, but for all men everywhere. An understanding of the aspirations of mankind is important because the very essence of a profession is service to society. When their vision on problems of society is broad, registered representatives are better able to serve their clients. Hence, there is actually a connection between the abstruse goals of society and the day-to-day activities in selling securities. Registered representatives should have no great problem in accepting the premise that their actions should be guided by the concept of service to the community.

### Ethical Standards

Registered representatives are seeking for a code of behavior which will be acceptable to the business community and which will benefit mankind. Just what is meant by professional ethics? The registered representative must be a person of such high integrity that his client has complete confidence in him. Just as a patient entrusts his life to a physician, so must a registered representative be so honest that others will entrust their economic well-being to him. Several rules of thumb that are useful in providing yardsticks of behavior are: a registered representative should use the same care in handling other's property as he would in prudently dealing with his own; a registered representative must be dedicated to the principle that truth should permeate all business transactions; and a registered representative should maintain a confidential relationship with his client. The Association of Customers' Brokers adopted a code of ethics in 1939 that sets forth these high standards of business conduct. The first sentence of the preamble of its code reads: "The public will have confidence in any business or profession that makes a serious and sincere effort to serve and protect the public interest." The first purpose of the association is "to preserve and inculcate the highest standards of business conduct among its members." The National Association of Investors' Brokers and its affiliates have adopted this same code. Hence, these societies have the earmarks of a mature profession, and their members as registered representatives have wholeheartedly subscribed to the principle that ethics should be an important element in business transactions.

### Knowledge Requirements

Another indispensable element of a profession is that its members must possess a highly specialized body of knowledge. The financial system has become so complex that competent representatives can be of inestimable value in applying technical aspects to the needs of the public.

The body of knowledge should consist of (1) knowledge that is useful for all professional persons; (2) knowledge that is useful for all professional businessmen; and (3) knowledge that is useful only to registered representatives.

Knowledge that is useful for all informed citizens consists of an understanding of the humanities, the social sciences and the natural sciences — both physical and biological. An understanding of the humanities gives a person an insight into the origin and development of human values. A grasp of the social sciences sheds light on the origin, functions, and problems of the social organizations of man. An intensive excursion into the natural sciences results in a better understanding of the scope of the universe and of the contributions and limitations of the scientific method. In all of these fields, the professional person is expected to have done serious study, i.e., have read some of the works of the great thinkers, to have integrated the contributions of a number of the great thinkers into a personal philosophy of life, and to have acquired an inquiring state of mind that will last a lifetime.

Knowledge that is useful to all businessmen with a professional attitude, but not necessarily useful to those in other professions, consists of a grasp of the terminology of business, an understanding of the techniques for measuring business activity, and a knowledge of the interrelationships of the different fields of business. Registered representatives, accountants, real estate men, credit men, and life underwriters, for example, all need to be familiar with these fundamental aspects of business. These broad areas are useful not only in themselves but also as a foundation for the more specialized knowledge which a registered representative needs to have.

The third area of knowledge is that which is useful to the registered representative in its application to his particular field. This area is the core of the claim of the registered representative to professional status. These fields of knowledge should consist of the securities markets, corporation finance, the money markets, the economics of money, credit and fiscal policies, personal and family finance, estate planning, and other subjects yet to be determined. A recommendation of this study is that the fields of knowledge needed for the status of registered representative be expanded and that a higher designation be established for those with broader knowledge and experience. This of course will take time. But the first step is to recognize and delineate the areas of competence required of registered representatives and then second, to design a program to reach the goals.

**Evidence of Minimum Competence**

Some of the professions require state licensure before serving the public. This is particularly true in medicine, law, and teaching, for which professions most states impose rigid examinations. In some instances, society has waived licensure and has accepted the decision of the group of which the professional is a member, as in theology. A license is necessary in most states before a person can sell life insurance or deal in securities. At the present time most of the licensing requirements are minimal and do not have much bearing on the competence and ethics of the salesmen. In the securities business, registered representatives, as a rule do not obtain licenses until they have met the strict requirements of the New York Stock Exchange, or the National Association of Securities Dealers and their employing firms. It is doubtful if stricter requirements and examinations by the state would accomplish the objectives of professional status for securities advisors. A recommendation of this study is that securities firms and registered representatives oppose any further extension of Federal or state control over licensing and that they rely instead on the further upgrading of standards by the Stock Exchanges, the National Association of Securities Dealers, and a strong national professional society.

**Objectives of a Professional Society**

The prime function of a professional society is to provide leadership so that members can serve the public more effectively. The community is served better when admission standards are established, when continuing education programs are sponsored, when research is promoted, when the members of a profession are better trained, and when ethical standards are raised. Professional societies supply the machinery to accomplish these goals by establishing professional degrees, by sponsoring national and regional meetings where members can exchange ideas, by publishing a journal in which research is reported, by making recommendations to professional business schools for improvements in curricula, and by having committees of their own members make suggestions on improving ethical standards. In other words, a professional society has as its guiding force the advancement of the interests of its membership. But at the same time, the public interest is affected favorably because better service on the part of registered representatives aids in the flow of capital into its most productive use, thus raising the gross national product and ultimately the standard of living of the country.

The Association of Customers' Brokers has a set of objectives and policies that are professional in intent; it has approached the securities business as a profession. The Association has instituted educational meetings and forums for its members; it has opposed the counseling of investors by part-time employees; it has a committee on business ethics; and it has urged higher examination and employment standards for registered representatives. The Association of Customers' Brokers has approximately 1,200 members; these constitute many registered representatives who are also dedicated to professional status for the industry. The National Association of Investors' Brokers, as pointed out earlier in this study, has similar objectives. A recommendation of this study is that these associations be expanded into a national professional society of registered representatives with chapters in all leading cities, and with committees on education, character and ethics.

**The Degree of Chartered Securities Advisor**

One of the functions of a professional business society is to grant professional degrees to those who have met standards of minimum competence. Another recommendation of this study is that the National Association of Investors' Brokers (or some national society of registered representatives) grant (through an institute which it would establish) a professional degree called *Chartered Securities Advisor*. This title, or one similar to it, would be indicative of the responsibilities that the public expects members of this profession to have. The requirements for this degree might be:

(1) That an applicant be a registered representative;

(2) That the applicant have three years of experience and be a person of integrity;

(3) That the applicant hold a high school or college degree;

(4) That preparation for the degree be extended beyond that required for the designation of registered representative. Such expanded knowledge might include history, the sciences, and humanities and their relation to investment decisions; economic and monetary problems and their solutions; recent developments in foreign and domestic economics; advanced study in securities and portfolio analysis; personal and family finance and estate planning; the general nature of tax matters; and psychology, ethics, and procedures in handling accounts.

A big step toward professionalization has been taken by the Financial Analysts Federation by establishing an Institute and courses of study for the degree of Chartered Financial Analyst. Minimum age, educational and experience requirements are such that it will take three years to obtain the degree. After a professional society has been established for some time, the admission standards are gradually raised so that only those who meet reasonably stringent requirements are admitted. These future requirements, while high, should not be used to create an artificial monopoly for those who are already in the society.

Registered representatives who do not elect to work for a chartered degree would continue their functions as at present; the stock exchanges and their member firms would continue to establish minimum standards for this designation, as at present. A professional society, however, would attempt to raise to a considerably higher level the proficiency in the industry. This would be similar to the situation in the life insurance industry, which is like the securities area in that both are concerned with the financial well-being of their clients and in that the producers in both industries are rewarded mainly on a commission basis. In the life insurance field a person may sell insurance provided he has a state license and provided he meets the standards imposed by his firm. But there is also a professional degree, *Chartered Life Underwriter*, to which a life insurance agent may aspire. The title Chartered Life Underwriter has come to be a respected designation throughout the country; it stands for dependability and assurance that recommendations will be made in the client's best interest and not solely for the sake of the commissions involved. This enviable image has been attained by many years of striving by a dedicated group of life insurance salesmen with the support of their companies. Noteworthy are the rewards resulting from this combination of knowledge and ethics. The C. L. U.'s who comprise about 10% of the salesmen have underwritten about 80% of the country's life insurance.

A degree, such as, *Chartered Securities Advisor*, would stand out in the eyes of the public as a symbol of a group of men dedicated to the public interest; as a symbol of a group of men willing to undergo considerable effort to achieve greater competence; and as a symbol of a group committed to observe the highest ethical standards.

**Activities of a Professional Society**

A professional society is able to sponsor programs of continuing education for the membership. The body of knowledge in many professions is so complex and advancing so rapidly that the members benefit from periodic refresher courses and from recurrent opportunities to learn of new developments. In the field of finance there are many exciting new developments that are affecting the nature of counsel given by registered representatives. Thus, the European Common Market, to take one example, may have a profound effect on American investors. Such developments are constantly occurring; there is need for organizing on a national scale the changing investment influences for the edification of the more sophisticated registered representatives.

The members of a profession must not only be interested in collecting and disseminating knowledge; they must also be active in adding to the body of knowledge through research. The professional society is a logical force to provide leadership in stimulating research. New and better methods of serving clients must be found. Just as the medical profession favors research in cancer and heart disease, so must a professional society seek more efficient methods in rendering its service. The constant search for truth and for improved methods is one of the key elements of a profession.

An indispensable activity of a professional society is that of publishing a scholarly journal. Such a journal is based on the general theme of service to the public. Hence it contains articles on reporting the results of research, on defining new problems, and on predicting new trends. Over a period of time, the journal provides a history of the profession—a valuable reference because each new generation may find it an aid to solutions of problems confronting members of the society.

**Recommendations**

This study has the following recommendations: that the Association of Customers' Brokers become the national professional society for those engaged in selling securities; that this society supervise the granting of professional degrees (probably through an affiliate known as an Institute); that the degree granted be that of *Chartered Securities Advisor* or a similar title; and that most important of all, those engaged in selling securities assume all of the characteristics of a mature profession. A strong national professional society will soon come to be recognized as standing for the best interests of investors, brokerage firms, the financial community, and the general public; a combination that will also help to advance the financial well-being of our country.

## Recent Chicago Symposium on "Financial Public Relations"

Panel of Experts at Recent Seminar of the Publicity Club of Chicago, Ambassador West Hotel, Chicago. Seated: Milton H. Cohen, Director of Special Study of the Securities Markets for the SEC, and partner of the law firm of Dallstream, Schiff, Mardin, Waite & Dorschel, Chicago. Standing (left to right): Weston Smith, Chairman of Investor Opinion Research Institute; William N. Clark, Financial Editor, Chicago Tribune; and Charles Schwartz, Vice-President, Dempsey-Tegeler & Co., Inc., Chicago.

## Life Insurance Co. of Florida Common Offered

Public offering of 165,000 common shares of Life Insurance Co. of Florida at $3.75 a share is being made by Pierce, Wulbern, Murphey, Inc., Jacksonville, Fla., and associates. None of the shares are being sold in New York state.

No portion of the net proceeds to be derived from this sale has been allocated for any particular purpose. It is expected that the proceeds will be initially invested in income-producing securities and eventually will enable the company to expand its ordinary life insurance business through the expansion of its sales force and territory.

Headquartered in Miami, the company is presently engaged predominantly in the business of writing industrial life and industrial accident and health insurance. It issues a wide variety of life policies, including full life, endowment contracts, limited pay, and income policies. No participating policies are issued. The company also is engaged in the business of writing ordinary life insurance in a limited way and after completion of this offering it intends to place greater emphasis on this phase of the business.

The company had total life insurance in force on Sept. 30, 1963, of $14,649,074, of which ordinary life insurance accounted for 30% and industrial life insurance for 70%.

Number of policies in force at end of September totaled 25,330 of which 857 were ordinary life and 24,473 were industrial life.

Of the $954,530 premium income during the nine months ended Sept. 30, 1963, 45.8% was from industrial accident and health policies, 45.8% from industrial life, and 8.4% from ordinary life.

## White, Weld V.-P.

Nicholas Molodovsky has been elected a Vice-President of White, Weld & Co. Incorporated, 20 Broad Street, New York City.

## Gentry V.-P. of Eppler, Guerin

DALLAS, Tex.—David T. Gentry has been elected a Vice-President of Eppler, Guerin & Turner, Inc., Fidelity Union Tower, members of the New York Stock Exchange.

## Roth V.-P. of Walston & Co.

Walston & Co., Inc., 74 Wall St., New York City, members of the New York Stock Exchange, have elected Stanley M. Roth a Vice-President of the firm.

# STATE of TRADE and INDUSTRY

*Continued from page 14*

period immediately ahead, *Steel's* latest inventory survey indicates.

Seventy-five per cent of respondents anticipated no change in stocks over the next three months vs. 19% who expected a decline, and 6% a rise.

Buyers are increasingly favoring the intermediate 30 to 60 day inventory term, largely at the expense of the 10 to 30 day position.

### Late Orders Lift Steel Production Estimates

A contra-seasonal rise in steel orders is upsetting the expected December pattern, *Iron Age* magazine reported.

In response, predictions for the month, the fourth quarter, and for the first quarter of next year are revised upward, the national metalworking weekly says.

Steel production for the year is sure to surpass 109 million tons. On the strength of the stronger-than-expected fourth quarter, estimates for the year are now four to six million tons higher than summer estimates.

On a year-to-year basis, December production this year will be more than one million tons (or 11 to 12%) higher than December of 1962.

*Iron Age* said that on the strength of the improved rate of new orders, steelmakers now look for a very strong first quarter of next year. With steel inventory liquidation now over, and consumption continuing at a near-record rate, a strong first quarter now seems assured.

Although the hard core of the strong demand continues to come from the auto industry, strong demand is spreading into other fields.

For example, some heavy equipment makers have moved up tonnages originally scheduled for January into December. In addition to automotive, strong demand is coming from makers of appliances, farm equipment, earthmoving equipment, and rail cars.

In Detroit, steel sales offices are boasting that their records this year will be second only to 1955 and well over 1962, which was not a bad year at all in this automotive center.

In isolated instances, some mills have reported order rates for short periods that would run up to 100% of capacity.

This is by no means representative of the overall strength of the market, but it does indicate that steel users are now in the market at nearly full strength of consumption. The real market test was expected in the closing days of November, and the late order rush came up to all hopes.

There are still some year-end dislocations coming that will prevent a continued upward march in shipments. But the advance orders now show December will be a better month than November, and January will be up from December.

The total tonnage of steel still held in inventories is not particularly low. But it is apparent that with the economy holding its strength, steel consumers are not likely to cut back their stocks further.

### Top November Auto Month Seen

Auto output in November will be second best for the month on record, *Ward's Automotive Reports* said.

Estimating that 743,500 units will be counted for the month, the statistical agency said this was 8.2% above 687,406 cars counted in November of last year. Only the 749,061 cars made in the same 1955 month will rank above November volume this year.

*Ward's* pointed out, however, that the industry did attain its highest daily production pace in history during this month, despite strikes at six different assembly plants, three of which remained affected last week.

Scheduled last week were 145,086 passenger cars, 22.9% below output in the prior week, when 188,060 units assembled approached the all-time weekly high of 189,048, which was set only four weeks ago.

The industry called a three-hour halt in operations a week-ago Monday, while the country mourned the passing of its late president. The Thanksgiving Day respite ended with assembly line startups last Friday. Last Saturday, 31 plants worked part or all day—including 15 General Motors, 11 Ford Motor., three Chrysler Corp. facilities, and the Kenosha (Wisc.) plant of American Motors.

Of car output last week, General Motors was expected to account for 57.4% Ford Motor Co., 21.6%; Chrysler Corp., 13.6%; American Motors, 6.9%, and Studebaker Corp., 0.5%.

### Rail Freight Loadings Up When Compared to Year-Ago Thanksgiving Week

Loading of revenue freight in the week ended Nov. 23, totaled 587,149 cars, the Association of American Railroads announced. This was a decrease of 673 cars or one-tenth of 1% below the preceding week, and was the sixth successive week in which total carloadings declined.

The loadings represented an increase of 101,132 cars or 20.8% above the corresponding week in 1962, and an increase of 91,483 cars or 18.5% above the corresponding week in 1961. These comparisons are, however, distorted as both the 1962 week and the 1961 week included the Thanksgiving Day Holiday.

Ton-miles generated by carloadings in the week ended Nov. 23, 1963, are estimated at approximately 12.9 billion, an increase of 25.8% over the corresponding week of 1962 and 30.8% over 1961.

The 62 Class I U. S. railroad systems originating piggyback traffic reported loading 15,960 cars with one or more revenue highway trailers or highway containers (piggyback) in the week ended November 16, 1963 (which were included in that week's over-all total.) This was an increase of 1,399 cars or 9.6% above the corresponding week of 1962 and 3,305 cars or 26.1% above the 1961 week.

Cumulative piggyback loadings for the first 46 weeks of 1963 totaled 710,651 cars for an increase of 81,692 cars or 13.0% above the corresponding period of 1962, and 186,994 cars or 35.7% above the corresponding period in 1961.

### Truck Volume Up When Paired With Thanksgiving Week of Last Year

Intercity truck tonnage in the week ended Nov. 23 was 20.4% ahead of the volume in the corresponding week of 1962, the American Trucking Associations announced. Truck tonnage was almost even with the volume for the previous week of this year—down 0.4%.

While the survey shows the largest year-to-year increase registered this year, the findings are colored by the fact that the Thanksgiving Day holiday was observed in the comparable week of 1962. The week-to-week findings, while off slightly, are still more favorable than those reflected in the seasonal pattern of previous years. This and recent trends in the survey, indicate volume is passing the 1962 level.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

### Lumber Output Rose 10.9% Over Year-Ago Week

Lumber production in the country totaled 229,456,000 board feet in the week ended Nov. 23 according to reports received from regional lumber associations. This rise can be attributed to the occurrence of Thanksgiving Day in the year-ago week which did not occur in this year's statement week. Output increased 1.2% in the current week-to-week change.

Compared with 1962 levels, production rose 10.9%, shipments rose 10% and new orders rose 14%.

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

| | Nov. 23 1963 | Nov. 16 1963 | Nov. 24 1962 |
|---|---|---|---|
| Production | 229,456 | 226,827 | 206,769 |
| Shipments | 220,487 | 225,122 | 200,429 |
| New orders | 214,579 | 227,755 | 188,123 |

### Electric Output Gains 1.7% Over 1962 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Nov. 30, was estimated at 16,976,000,000 kwh. according to the Edison Electric Institute. Output was 751,000,000 kwh. less than the previous week's total of 17,727,000,000 kwh. and 277,000,000 kwh. above the total output of 16,699,000,000 kwh. in the corresponding 1962 week or a year-to-year gain of 1.7%.

### Business Failures Drop in Thanksgiving Week

After hitting a six-month high in the preceding week, commercial and industrial failures plunged to 190, the lowest so far this year, in the week ended Nov. 28, reported Dun & Bradstreet, Inc. This was a week shortened by two official closings — for President Kennedy's funeral and for Thanksgiving. Therefore, casualties fell understandably short of the 322 which occurred a year ago and the 356 which occurred in 1961, since these were post-holiday weeks in the two prior years. Over a fourth fewer businesses succumbed than in 1939 when the pre-war toll came to 264 for the comparable period.

Failures with liabilities of $100,000 or more shrank to 20 from 45 a week earlier and 57 last year. There was also a steep drop among smaller casualties involving losses under $100,000. They declined to 170 from 264 in the previous week and 265 in the corresponding week of 1962.

Tolls dropped in all lines of industry and trade in the shortened work week. Retailing casualties fell to 83 from 133, manufacturing to 36 from 51, and construction to 39 from 59. In an even sharper downswing, failures were only half as numerous as in the prior week among wholesale and service businesses, down to 16 each. In all types of operation, tolls ran substantially lower than a year earlier.

### Wholesale Commodity Price Index Rises But Remains Below Year Ago

Bolstered by rising prices on grains and sugar, the wholesale commodity index rose to 265.93 this Monday, reported Dun & Bradstreet, Inc. Grain prices swelled as the Senate defeated a bill which would have forbidden grain sales to Russia. Furthermore, colder weather has caused more grains to be fed to livestock thus reducing amounts brought to market. On the other hand, prices of most meats, with the exception of lambs, dropped as receipts became more plentiful and demand for dressed meats waned.

The Daily Wholesale Commodity Price Index rose to 265.93 this Monday, Dec. 2, from the 10-week low of 265.19 a week ago but remained below the 268.28 of a month ago and the 268.66 of last year.

### Wholesale Food Price Index Even With Last Week's Low

After slumping to the lowest level since June 19 last week, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., remained unchanged this week at $5.89. Moreover, the index fell 2.2% below the comparable week of 1962, when it stood at a three-month high of $6.02.

Twelve foodstuffs increased in wholesale cost but were counterbalanced by 11 declines. Strengthening in price were sugar, cocoa, molasses, lambs, wheat, corn, oats, hams, bellies, cheese, eggs and potatoes. On the other hand, quotations for peanuts, steers, hogs, flour, beef, lard, butter, milk, coffee, cottonseed oil and prunes weakened.

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

### Retail Shopping Staggers over Tragic Weekend

Pre-Thanksgiving buying, after a zestful start, staggered to a standstill over the mournful weekend but made subdued steps toward recovery at the close of the statement week ended last Wednesday, Nov. 27. Total retail volume managed to pull close to the year-ago level which was pared, it must be remembered, by the holiday which fell a week earlier in 1962. The usual Thanksgiving upsurge in demand for foodstuffs, confectionery, housewares took place this week, albeit belatedly and less happily. Apparel and gift buying lacked heart and lagged below their normal pace. However, purchases of new cars, which slackened in early November, revived to return automotive volume to its upward route above last year.

The total dollar volume of retail trade in the statement week ranged from 5% to 1% below a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1962 levels by the following percentages: New England and South Atlantic —7 to —3; West North Central and West South Central —5 to —1; Middle Atlantic, East South Central and Mountain —2 to +2 East North Central 0 to +4; Pacific +4 to +8.

### Nationwide Department Store Sales Rise 1% Above Last Year's Level

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index advanced 1% for the statement week ending Nov. 23 compared with the like period in 1962 which, unlike this year, contained one less shopping day due to the fact that Thanksgiving fell last year on Nov. 22. The week's rise above the year-ago week marked the 26th year-to-year weekly gain out of the past 27 weeks. The weekly sales index without seasonal adjustment reveals sales were up 3.5% from last week.

In the four-week period ended Nov. 23, 1963, sales gained 3% over last year's comparable period for the country's 12 leading department store districts.

So far this year (Jan. 1 to Nov. 23), the 12 department store districts' retail dollar volume increased 4% (adjusted) over that rung up for corresponding period a year ago.

According to the Federal Reserve System, department store sales in New York Federal Reserve District for the week ended Nov. 23 increased 1.0% above the comparable year-ago week's figure and were up 2.0% compared to last year's four-week period. They were up 5% since the beginning of this year compared to the same cumulative period in 1962 and at that rate were unchanged for the last three weeks. *Within* the N. Y. Metropolitan area, however, New York City department store sales for the Nov. 23-ending week were up 5% from the corresponding period a year ago, sales in the latest four weeks were down 1%, and cumulative sales from Jan. 1 to Nov. 23 were up 5% from year-ago period—unchanged for the second week in a row.

### Mourning for the President, and Thanksgiving Day, Plunge Retail Sales Way Down

A *flash figure* for New York City's sales for the Nov. 30 ending sales week revealed a minus 39% due to Monday, Nov. 25, Day of Mourning for the President and to the occurrence of Thanksgiving Day in that week whereas the latter fell a week earlier than the year-ago week—Nov. 22, 1962. The four-week N. Y. C. flash figure revealed a minus 11.0% from last year's period for the same reasons.

No one can surmise, however, how much higher the New York City sales might have been in the absence of the sales tax rise from 3 to 4% last June 1.

A broader set of data encompassing *total* retail sales, compiled by the Bureau of the Census, U. S. Department of Commerce, put the Nov. 23-ending week's sales 4.0% above that for the comparable week last year for the second week in a row even though last year's week contained one shopping day less due to the fact that Thanksgiving Day was on Nov. 22, 1962. The year-to-year contrast for the latest four-week period showed a gain of 4.0%. Unlike the department store statistics, the Department of Commerce's over-all retail sales data are *not* adjusted for seasonal variations.

# Indications of Current Business Activity

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

| | | Latest Week | Previous Week | Month Ago | Year Ago |
|---|---|---|---|---|---|
| **AMERICAN IRON AND STEEL INSTITUTE:** | | | | | |
| Steel ingots and castings (net tons) | Nov. 30 | 2,000,000 | 1,995,000 | 1,944,000 | 1,876,000 |
| Index of production based on average weekly production for 1957-1959 | Nov. 30 | 107.4 | 107.1 | 104.4 | 100.7 |
| Unofficial indicated steel operations (per cent capacity). The American Iron & Steel Institute discontinued issuing this data late in 1960 | Nov. 30 | 0.65 | 0.65 | 0.635 | 64.0 |
| **AMERICAN PETROLEUM INSTITUTE:** | | | | | |
| Crude oil and condensate output—daily average (bbls. of 42 gallons each) | Nov. 22 | 7,592,760 | 7,580,410 | 7,608,260 | 7,348,160 |
| Crude runs to stills—daily average (bbls.) | Nov. 22 | 8,663,000 | *8,615,000 | 8,663,000 | 8,178,000 |
| Gasoline output (bbls.) | Nov. 22 | 30,870,000 | *31,170,000 | 30,889,000 | 30,087,000 |
| Kerosene output (bbls.) | Nov. 22 | 3,322,000 | 2,986,000 | 3,009,000 | 3,543,000 |
| Distillate fuel oil output (bbls.) | Nov. 22 | 14,187,000 | *14,234,000 | 14,416,000 | 13,187,000 |
| Residual fuel oil output (bbls.) | Nov. 22 | 4,767,000 | 4,759,000 | 4,579,000 | 5,517,000 |
| Stocks at refineries, bulk terminals, in transit, in pipe lines | | | | | |
| Finished gasoline (bbls.) at | Nov. 22 | 176,271,000 | 176,569,000 | 178,089,000 | 178,383,000 |
| Kerosene (bbls.) at | Nov. 22 | 37,945,000 | 38,198,000 | 37,102,000 | 36,142,000 |
| Distillate fuel oil (bbls.) at | Nov. 22 | 190,271,000 | 191,761,000 | 185,386,000 | 174,733,000 |
| Residual fuel oil (bbls.) at | Nov. 22 | 51,334,000 | 52,682,000 | 52,941,000 | 52,612,000 |
| Unfinished oils (bbls.) at | Nov. 22 | 86,210,000 | 85,613,000 | 83,801,000 | 85,323,000 |
| **ASSOCIATION OF AMERICAN RAILROADS:** | | | | | |
| Revenue freight loaded (number of cars) | Nov. 23 | 587,149 | 587,822 | 624,581 | 486,017 |
| Revenue freight received from connections (no. of cars) | Nov. 23 | 512,994 | 512,528 | 519,130 | 490,060 |
| **COAL OUTPUT (U. S. BUREAU OF MINES):** | | | | | |
| Bituminous coal and lignite (tons) | Nov. 23 | 9,975,000 | *9,550,000 | 9,615,000 | 7,396,000 |
| Pennsylvania anthracite (tons) | Nov. 23 | 336,000 | 377,000 | 427,000 | 329,000 |
| **CONSTRUCTION ADVANCE PLANNING — ENGINEERING NEWS-RECORD—NEW SERIES (000's omitted):** | | | | | |
| Total advance planning by ownership | Nov. 28 | $1,232,300 | $1,023,000 | $694,200 | $559,000 |
| Private | Nov. 28 | 383,600 | 567,500 | 397,600 | 256,900 |
| Public | Nov. 28 | 848,700 | 455,500 | 296,600 | 302,100 |
| State and Municipal | Nov. 28 | 769,900 | 352,500 | 262,400 | 274,100 |
| Federal | Nov. 28 | 78,800 | 103,000 | 34,200 | 28,000 |
| **DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1957-59 AVERAGE = 100** | Nov. 23 | 138 | 143 | 112 | 137 |
| **EDISON ELECTRIC INSTITUTE:** | | | | | |
| Electric output (in 000 kwh.) | Nov. 30 | 16,976,000 | 17,727,000 | 17,457,000 | 16,699,000 |
| **FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.** | Nov. 28 | 190 | 309 | 285 | 322 |
| **IRON AGE COMPOSITE PRICES:** | | | | | |
| Finished steel (per lb.) | Nov. 25 | 6.368c | 6.368c | 6.368c | 6.196c |
| Pig iron (per gross ton) | Nov. 25 | $63.11 | $63.11 | $63.11 | $66.33 |
| Scrap steel (per gross ton) | Nov. 25 | $26.50 | $26.50 | $26.50 | $23.83 |
| **METAL PRICES (E. & M. J. QUOTATIONS):** | | | | | |
| Electrolytic copper— | | | | | |
| Domestic refinery at | Nov. 29 | 30.600c | 30.600c | 30.600c | 30.600c |
| Export refinery at | Nov. 29 | Not Avail. | 28.375c | 28.350c | 28.450c |
| Lead (New York) at | Nov. 29 | 12.500c | 12.500c | 12.000c | 10.000c |
| Lead (St. Louis) at | Nov. 29 | 12.200c | 12.300c | 11.800c | 9.800c |
| ‡Zinc (delivered at) | Nov. 29 | 13.000c | 13.000c | 13.000c | 12.000c |
| Zinc (East St. Louis) at | Nov. 29 | 12.500c | 12.500c | 12.500c | 11.500c |
| Aluminum (primary pig, 99.5%) at | Nov. 29 | 23.000c | 23.000c | 23.000c | 24.000c |
| Straits tin (New York) at | Nov. 29 | 130.000c | 128.125c | 124.250c | 110.375c |
| **MOODY'S BOND PRICES DAILY AVERAGES:** | | | | | |
| U. S. Government Bonds | Dec. 3 | 88.68 | 88.80 | 88.47 | 89.90 |
| Average corporate | Dec. 3 | 88.27 | 88.27 | 88.40 | 88.27 |
| Aaa | Dec. 3 | 91.19 | 91.34 | 91.34 | 92.35 |
| Aa | Dec. 3 | 89.64 | 89.64 | 89.78 | 90.34 |
| A | Dec. 3 | 88.40 | 88.27 | 88.40 | 87.99 |
| Baa | Dec. 3 | 84.30 | 84.17 | 84.43 | 83.03 |
| Railroad Group | Dec. 3 | 86.51 | 86.51 | 86.51 | 84.81 |
| Public Utilities Group | Dec. 3 | 89.23 | 89.37 | 89.51 | 89.92 |
| Industrials Group | Dec. 3 | 89.09 | 89.09 | 89.23 | 90.34 |
| **MOODY'S BOND YIELD DAILY AVERAGES:** | | | | | |
| U. S. Government Bonds | Dec. 3 | 4.04 | 4.02 | 4.05 | 3.73 |
| Average corporate | Dec. 3 | 4.54 | 4.54 | 4.53 | 4.54 |
| Aaa | Dec. 3 | 4.33 | 4.32 | 4.32 | 4.25 |
| Aa | Dec. 3 | 4.44 | 4.44 | 4.43 | 4.39 |
| A | Dec. 3 | 4.53 | 4.54 | 4.53 | 4.56 |
| Baa | Dec. 3 | 4.84 | 4.85 | 4.83 | 4.94 |
| Railroad Group | Dec. 3 | 4.67 | 4.67 | 4.67 | 4.80 |
| Public Utilities Group | Dec. 3 | 4.47 | 4.46 | 4.45 | 4.42 |
| Industrials Group | Dec. 3 | 4.48 | 4.48 | 4.47 | 4.39 |
| **MOODY'S COMMODITY INDEX** | Dec. 3 | 370.9 | 369.8 | 374.3 | 368.8 |
| **NATIONAL PAPERBOARD ASSOCIATION:** | | | | | |
| Orders received (tons) | Nov. 23 | 335,894 | 355,061 | 380,562 | 306,950 |
| Production (tons) | Nov. 23 | 379,084 | 368,355 | 383,964 | 331,113 |
| Percentage of activity | Nov. 23 | 99 | 97 | 99 | 89 |
| Unfilled orders (tons) at end of period | Nov. 23 | 567,566 | 610,077 | 622,302 | 436,409 |
| **OIL, PAINT AND DRUG REPORTER PRICE INDEX—1959 AVERAGE=100** | Nov. 29 | 99.58 | *99.62 | 99.54 | 97.54 |
| **ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS** | | | | | |
| Transactions of specialists in stocks in which registered— | | | | | |
| Total purchases | Nov. 8 | 2,687,530 | 3,849,990 | 2,984,200 | 2,555,620 |
| Short sales | Nov. 8 | 409,620 | 718,930 | 506,220 | 622,830 |
| Other sales | Nov. 8 | 2,280,660 | 3,082,070 | 2,468,290 | 1,824,080 |
| Total sales | Nov. 8 | 2,690,280 | 3,801,000 | 2,974,510 | 2,446,910 |
| Other transactions initiated off the floor— | | | | | |
| Total purchases | Nov. 8 | 620,920 | 923,400 | 832,200 | 592,450 |
| Short sales | Nov. 8 | 66,500 | 134,100 | 111,900 | 79,900 |
| Other sales | Nov. 8 | 541,900 | 795,100 | 737,270 | 485,120 |
| Total sales | Nov. 8 | 608,400 | 929,200 | 849,170 | 565,020 |
| Other transactions initiated on the floor— | | | | | |
| Total purchases | Nov. 8 | 1,005,881 | 1,720,700 | 1,334,265 | 1,109,080 |
| Short sales | Nov. 8 | 162,870 | 199,800 | 205,230 | 173,910 |
| Other sales | Nov. 8 | 821,330 | 1,210,624 | 1,091,960 | 906,215 |
| Total sales | Nov. 8 | 984,200 | 1,410,424 | 1,297,190 | 1,080,125 |
| Total round-lot transactions for account of members— | | | | | |
| Total purchases | Nov. 8 | 4,314,331 | 6,494,090 | 5,150,665 | 4,257,150 |
| Short sales | Nov. 8 | 638,990 | 1,052,830 | 823,350 | 876,640 |
| Other sales | Nov. 8 | 3,643,890 | 5,087,794 | 4,297,520 | 3,215,415 |
| Total sales | Nov. 8 | 4,282,886 | 6,140,624 | 5,120,870 | 4,092,055 |
| **STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION** | | | | | |
| Odd-lot sales by dealers (customers' purchases)—† | | | | | |
| Number of shares | Nov. 8 | 1,492,197 | 2,036,988 | 1,555,136 | 1,223,556 |
| Dollar value | Nov. 8 | $93,174,469 | $129,461,452 | $86,189,204 | $55,631,395 |
| Odd-lot purchases by dealers (customers' sales)— | | | | | |
| Number of orders—customers' total sales | Nov. 8 | 1,645,546 | 2,310,762 | 1,817,530 | 1,474,457 |
| Customers' short sales | Nov. 8 | 23,230 | 27,178 | 29,290 | 41,674 |
| Customers' other sales | Nov. 8 | 1,622,316 | 2,283,584 | 1,788,240 | 1,432,783 |
| Dollar value | Nov. 8 | $86,135,731 | $125,378,092 | $91,681,548 | $65,138,558 |
| Round-lot sales by dealers— | | | | | |
| Number of shares—Total sales | Nov. 8 | 596,110 | 847,130 | 701,160 | 546,410 |
| Short sales | Nov. 8 | | | | |
| Other sales | Nov. 8 | 596,110 | 847,130 | 701,160 | 546,410 |
| Round-lot purchases by dealers—Number of shares | Nov. 8 | 404,780 | 548,500 | 395,140 | 303,870 |
| **TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):** | | | | | |
| Total round-lot sales— | | | | | |
| Short sales | Nov. 8 | 1,046,870 | 1,545,240 | 1,279,620 | 1,412,420 |
| Other sales | Nov. 8 | 19,190,550 | 27,507,230 | 22,463,400 | 16,665,090 |
| Total sales | Nov. 8 | 20,237,420 | 29,052,470 | 23,743,020 | 18,077,510 |
| **WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR—(1957-59=100):** | | | | | |
| Commodity Group— | | | | | |
| All commodities | Nov. 26 | 100.2 | 100.3 | 100.2 | 100.4 |
| Farm products | Nov. 26 | 94.2 | 94.6 | 94.6 | 97.5 |
| Processed foods | Nov. 26 | 101.1 | 101.7 | 101.7 | 100.8 |
| Meats | Nov. 26 | 88.8 | 88.6 | 90.1 | 98.9 |
| All commodities other than farm and foods | Nov. 26 | 100.8 | 100.8 | 100.7 | 100.7 |

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

| | Latest Month | Previous Month | Year Ago |
|---|---|---|---|
| **AMERICAN HOME LAUNDRY MANUFACTURERS ASSOCIATION**—Month of October: | | | |
| Total home laundry appliance factory unit sales (domestic) | 566,888 | 607,110 | 521,679 |
| Washers | 367,432 | 403,741 | 336,988 |
| Automatic and semi-automatic | 311,565 | 331,742 | 276,635 |
| Wringers and others | 55,867 | 71,999 | 60,353 |
| Combination washer-dryers | 2,387 | 3,082 | 3,016 |
| Dryers | 197,069 | 200,287 | 181,675 |
| Electric | 126,119 | 134,443 | 113,606 |
| Gas | 70,950 | 65,844 | 68,069 |
| **EDISON ELECTRIC INSTITUTE—** | | | |
| Kilowatt-hour sales to ultimate consumers—Month of September (000's omitted) | 71,857,071 | 72,793,450 | 66,715,117 |
| Revenue from ultimate customers—Month of September | $1,182,187 | $1,195,035 | $1,123,021 |
| Number of ultimate customers at Sept. 30 | 62,236,695 | 62,073,665 | 60,906,163 |
| **BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES**—Month of September (Millions of dollars): | | | |
| Manufacturing | $59,070 | *$59,040 | $57,190 |
| Wholesale | 14,590 | *14,510 | 13,950 |
| Retail | 27,980 | *27,880 | 27,240 |
| Total | $101,630 | *$101,430 | $98,380 |
| **CASH DIVIDENDS — PUBLICLY REPORTED BY U. S. CORPORATIONS — U. S. DEPT. OF COMMERCE**—Month of October (000's omitted) | $1,071,400 | $2,230,600 | $1,025,300 |
| **CIVIL ENGINEERING ADVANCE PLANNING NEW SERIES — ENGINEERING NEWS RECORD**—Month of Nov. (000's omitted): | | | |
| Total U. S. construction | $4,483,800 | $3,600,400 | $2,506,000 |
| Private construction | 1,772,200 | 2,078,000 | 743,400 |
| Public construction | 2,711,600 | 1,522,400 | 1,762,600 |
| State and municipal | 2,079,300 | 1,276,400 | 1,333,300 |
| Federal | 632,300 | 246,000 | 429,200 |
| Prior to November 14 | 11,517,265 | ------ | 10,716,592 |
| **LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE** — Month of Oct. (000's omitted): | | | |
| Ordinary | $5,932 | $5,029 | $5,029 |
| Industrial | 630 | 558 | 621 |
| Group | 1,560 | 1,468 | 1,445 |
| Total | $8,122 | $7,055 | $7,093 |
| **MANUFACTURERS' INVENTORIES & SALES—** Month of September (millions of dollars): | | | |
| Inventories— | | | |
| Durables | $33,840 | *$33,810 | $32,740 |
| Nondurables | 25,220 | 25,230 | 24,440 |
| Total | $59,070 | *$59,040 | $57,190 |
| Sales | 70,070 | *69,930 | *67,010 |
| **MONEY IN CIRCULATION—TREASURY DEPT.** As of September (000's omitted) | $35,900,000 | $35,800,000 | $33,900,000 |
| **NEW CAPITAL ISSUES IN GREAT BRITAIN MIDLAND BANK**—Month of October | £82,018,000 | £36,560,000 | £46,319,000 |
| **PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)**—Month of October (in billions): | | | |
| Total personal income | $470.3 | *$467.3 | $447.7 |
| Wages and salary receipts, total | 318.1 | *316.2 | 300.1 |
| Commodity producing industries | 125.9 | *125.5 | 119.4 |
| Manufacturing only | 100.0 | *99.6 | 94.6 |
| Distributing industries | 80.8 | *90.7 | 77.4 |
| Service industries | 50.4 | *50.2 | 47.1 |
| Government | 61.0 | 59.8 | 56.3 |
| Other labor income | 12.8 | 12.7 | 12.3 |
| Business and professional | 38.1 | 37.9 | 36.8 |
| Farm | 12.7 | 12.7 | 13.3 |
| Rental income of persons | 12.2 | 12.1 | 12.0 |
| Dividends | 18.0 | *17.8 | 16.8 |
| Personal interest income | 33.2 | 33.0 | 30.9 |
| Transfer payments | 37.2 | 36.8 | 35.8 |
| Less employees' contributions for social insurance | 12.0 | 11.9 | 10.4 |
| Total nonagricultural incomes | 453.3 | *450.3 | 430.1 |
| **PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE — 1910-1914=100** — As of Oct. 15: | | | |
| All farm products | 241 | 241 | 245 |
| Crops | 234 | 232 | 227 |
| Commercial vegetables, fresh | 201 | 189 | 203 |
| Cotton | 278 | 276 | 275 |
| Feed, grain and hay | 162 | 171 | 152 |
| Food grains | 223 | 213 | 226 |
| Fruit | 275 | 260 | 242 |
| Oilbearing crops | 264 | 253 | 238 |
| Potatoes | 140 | 163 | 141 |
| Tobacco | 496 | 498 | 517 |
| Livestock | 247 | 249 | 262 |
| Dairy products | 268 | 260 | 265 |
| Meat animals | 286 | 293 | 315 |
| Poultry and eggs | 146 | 146 | 152 |
| Wool | 258 | 258 | 249 |
| **UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS**—Month of September (000's omitted): | | | |
| Exports | $1,823,100 | $1,908,500 | $1,760,200 |
| Imports | 1,398,100 | 1,461,200 | 1,341,700 |
| **METAL PRICES (E. & M. J. QUOTATIONS)**— November: | | | |
| Copper— | | | |
| Domestic refinery (per pound) | 30.600c | 30.600c | 30.600c |
| Export refinery (per pound) | Not Avail. | 28.389c | 28.488c |
| ††London, prompt (per long ton) | £234.161 | £234.125 | £234.125 |
| ††Three months, London (per long ton) | £235.036 | £234.495 | £233.767 |
| Lead— | | | |
| Common, New York (per pound) | 12.147c | 11.935c | 9.951c |
| Common, East St. Louis (per pound) | 11.947c | 11.735c | 9.751c |
| ††London, prompt (per long ton) | £69.086 | £69.666 | £54.313 |
| ††Three months, London (per long ton) | £69.390 | £69.519 | £54.281 |
| Zinc— | | | |
| East St. Louis (per pound) | 12.500c | 12.500c | 11.500c |
| §§Prime Western, delivered (per pound) | 13.000c | 13.000c | 12.000c |
| ††London, prompt (per long ton) | £84.077 | £89.136 | £68.440 |
| ††London, three months (per long ton) | £83.539 | £80.226 | £69.048 |
| Silver and Sterling Exchange— | | | |
| Silver, New York (per ounce) | 129.300c | 129.300c | 119.171c |
| Silver, London (per ounce) | 111.750d | 111.674d | 102.239d |
| Sterling Exchange (check) | $2.79781 | $2.79778 | $2.80190 |
| Tin, New York Straits | 126.882c | 119.902c | 110.868c |
| Gold (per ounce U. S. price) | $35.000 | $35.000 | $35.000 |
| Quicksilver (per flask of 76 pounds) | $200.471 | $192.217 | $190.400 |
| Antimony— | | | |
| ¶New York, boxed (per pound) | 36.250c | 36.250c | 36.250c |
| Laredo, bulk (per pound) | 32.500c | 32.500c | 32.500c |
| Laredo, boxed (per pound) | 33.000c | 33.000c | 33.000c |
| Platinum, refined (per pound) | $82.647 | $80.000 | $82.000 |
| Cadmium (per pound) delivered ton lots | $2.60147 | $2.57500 | $1.75000 |
| (Per pound) small lots | $2.65147 | $2.62500 | $1.80000 |
| Cobalt 97% grade (per pound) | $1.50000 | $1.50000 | $1.50000 |
| Aluminum— | | | |
| 99% grade ingot weighted average (per lb.) | 23.000c | 22.978c | 24.000c |
| 99% primary pig export | 23.000c | 22.978c | 23.500c |
| **Nickel | 79.000c | 79.000c | 79.000c |
| Bismuth (per pound) | $2.25 | $2.25 | $2.25 |

*Revised figure. ¶Domestic five tons or more but less than carload lots boxed. §§Delivered where freight from East St. Louis exceeds 0.5c. **Port Colburn, U. S. duty included. ††Average of daily mean and bid and ask quotations per long ton at morning session of London Metal Exchange.

# Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

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

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

**Aerosystems Technology Corp.**
Oct. 4, 1963 filed 165,000 common. **Price**—$3. **Business**—Manufacture of a new line of motor speed controls to govern the speed of electric powered tools. **Proceeds**—For additional equipment, leased facilities, advertising and working capital. **Address** — 1275 Route 23, Wayne, N. J. **Underwriter**—Chase Securities Corp., New York.

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

**● Allen Electric & Equipment Co. (12/9-13)**
Sept. 27, 1963 filed $1,200,000 of 6% convertible subordinated debentures due Jan. 15, 1976. **Price** — By amendment. **Business** — Manufacture of equipment and tools used in servicing automobiles. **Proceeds**—For debt repayment. **Office**—2101 N. Pitcher St., Kalamazoo, Mich. **Underwriter**—Dempsey-Tegeler & Co., Inc., St. Louis.

**● Allright Auto Parks, Inc. (12/9-13)**
Sept. 24, 1963 filed $2,000,000 of 6% sinking fund subordinated debentures due 1978, 240,000 common shares and 5-year warrants to purchase an additional 80,000 common, to be offered in units consisting of one $100 debenture, 12 shares and warrants to purchase an additional 4 shares. **Price**—By amendment (max. $230 per unit). **Business** — Operation of 558 parking lots in 40 cities. **Proceeds**—For debt repayment and working capital. **Office**—825 Esperson Bldg., Houston. **Underwriter**—Equitable Securities Corp., Nashville.

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

**● American Realty Trust**
Oct. 29, 1963 filed 132,300 shares of beneficial interest being offered for subscription by stockholders on the basis of one new share for each four held of record Nov. 27, 1963. Rights will expire Dec. 18. **Price**—$9.25. **Business**—A real estate investment trust. **Proceeds**—For investment. **Office**—608 Thirteenth St., N. W., Washington, D. C. **Underwriter**—Stifel, Nicolaus & Co., Inc., St. Louis.

**Ampal-American Israel Corp.**
Oct. 14, 1963 filed $3,000,000 of 6% sinking fund debentures due 1973. **Price**—At par. **Business**—Investment in companies participating in the economic development of Israel. **Proceeds**—For investment. **Office**—17 E. 71st St., New York. **Underwriter**—Israel Securities Corp. (same address).



**● Applied Technology, Inc. (12/18)**
Oct. 28, 1963 filed 54,200 common. **Price**—By amendment (max. $9). **Business**—Manufacture of various types of electronic systems for national defense. **Proceeds**—For selling stockholders. **Office** — 930 Industrial Ave., Palo Alto, Calif. **Underwriter**—Mitchum, Jones & Templeton, Inc., San Francisco.

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

**Balanced Income Fund, Inc.**
Oct. 7, 1963 filed 2,000,000 common. **Price** — Net asset value (max. $8.72) plus 8¼%. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—120 S. LaSalle St., Chicago. **Underwriter**—Supervised Investors Services, Inc. (same address).

**Bankers Financial Corp.**
Nov. 12, 1963 filed 365,262 common to be offered for subscription by stockholders of Marine Capital Corp., on the basis of one Bankers share for each two Marine shares held. Rights will expire Jan. 20, 1964. **Price**—$2.70. **Business**—Company plans to acquire control of, or invest in, other firms engaged in the financial field. **Proceeds**—For investment. **Office**—125 East Wells St., Milwaukee. **Underwriter**—None.

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

**● Bergen Drug Co., Inc. (12/5)**
Oct. 25, 1963 filed $1,250,000 of 5½% convertible subordinated debentures due Oct. 31, 1978; also 125,000 outstanding class A shares to be sold by certain stockholders. **Price**—By amendment. **Business** — Wholesale distribution of ethical drugs, chemicals, cosmetics, etc. **Proceeds** — For debt repayment and working capital. **Office**—138-160 Johnson Ave., Hackensack, N. J. **Underwriter**—F. Eberstadt & Co., New York.

**Brantly Helicopter Corp.**
July 23, 1963 filed 588,780 common being offered for subscription by stockholders on the basis of three new shares for each share held of record Oct. 15. Rights will expire Dec. 6. **Price** — 50 cents. **Business**—Production of a light two-place helicopter. **Proceeds**—For debt repayment, product development, working capital and other corporate purposes. **Office**—1129 Club House Road, Gladwyne, Pa. **Underwriter**—None.

**Brewer (C.) & Co., Ltd. (12/6)**
Nov. 15, 1963 filed 8,500 common. **Price**—By amendment (max. $80). **Business**—Sugar production in Hawaii and Puerto Rico, and distribution of molasses in the continental United States. **Proceeds**—For selling stockholders. **Office**—827 Fort St., Honolulu. **Underwriters**—Blyth & Co., Inc., New York, and Butcher & Sherrerd, Philadelphia.

**Bryna International Corp.**
Nov. 21, 1963 ("Reg. A") 75,000 common. **Price** — $4. **Business**—Sales representatives for certain Italian manufacturers of women's shoes. **Proceeds**—To obtain letters of credit, open offices in Italy and Hong Kong, and increase working capital. **Office**—47 West 34th St., New York. **Underwriter**—S. C. Burns & Co., Inc., New York.

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

**Carlon Products Corp.**
Oct. 9, 1963 filed 304,293 common being offered for subscription by stockholders on the basis of three new shares for each five held of record Nov. 20. Rights will expire Dec. 13. **Price**—$3.50. **Business**—Manufacture of extruded plastic pipe, and molded and fabricated plastic pipe fittings. **Proceeds**—For debt repayment, working capital, and other corporate purposes. **Address**—P. O. Box 133, Aurora, Ohio. **Underwriter**—None.

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

**Central Mutual Telephone Co., Inc.**
Oct. 11, 1963 filed 38,564 common to be offered for subscription by stockholders on the basis of one new share for each three held. **Price**—$23.50. **Business**—Company furnishes telephone service in Prince William, Stafford and Fairfax Counties, Virginia. **Proceeds**—For construction and loan repayment. **Address**—Manassas, Va. **Underwriter**—Folger, Nolan, Fleming & Co., Inc., Washington, D. C. **Offering**—Indefinite.

**Charvos-Carsen Corp.**
Oct. 29, 1963 filed 100,000 common. **Price**—$5.50. **Business**—Distribution of engineering, surveying and drafting instruments and supplies. **Proceeds**—For debt repayment. **Office**—50 Colfax Ave., Clifton, N. J. **Underwriter**—Arnold, Wilkens & Co., Inc., New York. **Offering**—Expected in mid-January.

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

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

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

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

**Connecticut Western Mutual Fund, Inc.**
Oct. 22, 1963 filed 1,000 common. **Price**—By amendment (max. $1,004). **Business** — A new mutual fund which plans to specialize in insurance securities. **Proceeds**—For investment. **Office**—One Atlantic St., Stamford, Conn. **Underwriter**—Philo Smith & Co., Inc. (same address).

**Consolidated Edison Co. of New York, Inc. (12/11)**
Nov. 15, 1963 filed $75,000,000 of first and refunding mortgage bonds due Dec. 1, 1993. **Proceeds**—To repay bank loans, and finance construction. **Office** — 4 Irving Place, New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; First Boston Corp. **Bids**—Dec. 11 (11 a.m. EST), at above address.

**Consolidated Foods Corp.**
Nov. 12, 1963 filed 350,000 common. **Price**—By amendment (max. $48.875 per share). **Business** — Processing and distribution of various food items, and the operation of three retail food chains and one retail drug store. **Proceeds**—For acquisition of Booth Fisheries Corp. **Office** — 135 South La Salle St., Chicago. **Underwriters**—Kuhn, Loeb & Co., Inc., and Lehman Brothers, New York. **Offering**—Expected after Jan. 15, 1964.

**Consolidated Water Co. (1/6-10/64)**
Nov. 26, 1963 filed 36,000 common. **Price**—By amendment (max. $20). **Business**—A holding company for five water utilities operating in Ohio, Missouri, Michigan, Indiana, and California. **Proceeds**—For loan repayment. **Office** — 327 So. La Salle St., Chicago. **Underwriter**—Smith, Barney & Co., Inc., New York.

**Consumers Cooperative Association**
Nov. 4, 1963 filed $9,000,000 of 5½% subordinated certificates of indebtedness due 1988; 120,000 shares of 5½% preferred stock; 40,000 shares of 4% second preferred stock; and 400 common. **Price**—By amendment. **Business**—A cooperative wholesale purchasing and manufacturing association for local farmers' coop's in the midwest. **Proceeds**—For general corporate purposes. **Office**—3315 N. Oak Trafficway, Kansas City. **Underwriter**—None.

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

**Coronet Industries, Inc. (1/6-10/64)**
Nov. 19, 1963 filed 210,000 common. **Price**—By amendment (max. $15). **Business** — Manufacture and sale of tufted carpets and rugs. **Proceeds** — For selling stockholders. **Address**—P. O. Box 570, Dalton, Ga. **Underwriter**—Hemphill, Noyes & Co., New York.

**Defenders Insurance Co.**
Jan. 30, 1963 filed 100,000 common. **Price**—$12.50. **Business**—Company plans to write automobile insurance. **Proceeds**—For general corporate purposes. **Office**—146 Old County Rd., Mineola, N. Y. **Underwriter**—None.

**Deuterium Corp.**
Sept. 28, 1962 filed 120,000 common with attached warrants to purchase an additional 120,000 shares to be offered for subscription by holders of its stock and debentures in units (of one share and one warrant) on the

basis of 3 units for each 5% prior preferred share held, one unit for each 5% preferred A stock held and 40 units for each $1,200 face amount of non-interest bearing subordinated debentures held. At the same time, the company will offer the securities to the public. **Price**—To subscribers, $20; to public, $22.25. **Business**—Company plans to erect a small size production and experimental plant for the limited manufacture of deuterium and deuterium oxide, and to establish and equip a general research laboratory. **Proceeds**—For working capital, construction equipment and other corporate purposes. **Office**—360 Lexington Ave., N. Y. **Underwriter**—None.

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

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

**Eagle's Nest Mountain Estates, Inc.**
Sept. 26, 1963 filed 360,000 common, of which 300,000 are to be offered by company and 60,000 by stockholders. **Price** — $4. **Business**—Company plans to develop land for a year-round amusement resort. **Proceeds**—For construction, debt repayment, working capital and other corporate purposes. **Office**—2042 S. Atlantic Ave., Daytona Beach, Fla. **Underwriter**—Alpha Investment Securities, Inc., Atlanta.

**Eberstadt Income Fund, Inc.**
May 31, 1963 filed 2,000,000 capital shares. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund seeking current income. **Proceeds**—For investment. **Office**—65 Broadway, New York. **Distributor**—F. Eberstadt & Co., Managers & Distributors, Inc., New York. **Offering**—Indefinitely postponed.

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

**● Elite Theatrical Productions Ltd. (12/16-20)**
Sept. 26, 1963 filed 400,000 class A common. **Price** — $5. **Business**—Company plans to operate, produce and finance various types of ventures in the theatrical and entertainment fields. **Proceeds**—For working capital, and other corporate purposes. **Office** — 50 Broadway, New York. **Underwriter**—Linder, Bilotti & Co., Inc., (same address).

**Equity Funding Corp. of America**
March 29, 1962 filed 240,000 common. **Price**—By amendment (Max. $6.50). **Business**—A holding company for firms selling life insurance and mutual funds. **Proceeds**—For new sales offices, advances to subsidiaries and working capital. **Office**—5150 Wilshire Blvd., Los Angeles. **Underwriter**—To be named. **Note**—This registration will be withdrawn and then refiled.

**Farmbest Inc.**
Nov. 18, 1963 filed 9,653 common; also $240,000 of retained capital certificates. **Price**—For common, $1; for certificates, 25 cents. **Business**—A farmers cooperative for swine producers. **Proceeds** — For general corporate purposes. **Address**—Denison, Iowa. **Underwriter**—None.

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

**● First Mortgage Investors (12/17)**
Nov. 20, 1963 filed $10,000,000 of senior debentures and $5,000,000 of convertible debentures both due in 1978, to be offered in units of two $100 senior debentures and one $100 convertible debenture. **Price**—$300 per unit. **Business**—A real estate investment trust. **Proceeds**—To repay bank loans. **Office**—30 Federal St., Boston. **Underwriter**—Shearson, Hammill & Co., New York.

**First Western Real Estate Investment Trust**
Oct. 25, 1963 filed 200,000 shares of beneficial interest. **Price** — $5. **Business** — A real estate investment trust. **Proceeds**—For development of real estate. **Office**—2037 Thirteenth St., Boulder, Colo. **Underwriter**—Grondrezick Securities Corp., Boulder, Colo.

**● Florida Jai Alai, Inc. (12/5)**
June 28, 1962 filed 300,000 common. **Price** — $4. **Business** — Operation of Jai Alai games and pari-mutuel betting. **Proceeds**—For rent, purchase of leased quarters, building improvements, working capital. **Office** — Fern Park, Fla. **Underwriter**—Consolidated Securities Corp., Pompano Beach, Fla.

**Food Town Stores, Inc.**
Nov. 20, 1963 ("Reg. A") $250,000 of 6% convertible debentures due Nov. 1, 1973. **Price** — At par ($500). **Business**—Operation of a chain of supermarkets. **Proceeds**—For debt repayment, and working capital. **Address** — Julian Road, Salisbury, N. C. **Underwriter**—Carolina Securities Corp., Raleigh, N. C.

**● Garan, Inc. (12/9-13)**
Nov. 6, 1963 filed 140,000 common, of which 100,000 shares will be sold for the company and 40,000 for certain stockholders. **Price**—By amendment. **Business**—Manufacture of men's and boy's sport shirts. **Proceeds**—For plant expansion and working capital. **Office**—112 West 34th St., New York. **Underwriter**—Bache & Co., New York.

**Gas Hills Uranium Co.**
Oct. 28, 1963 filed 2,574,772 common. **Price**—At-the-market. **Business** — Company plans to mine for uranium. **Proceeds**—For selling stockholders. **Office**—202-½ So. Second St., Laramie, Wyo. **Underwriter**—None.

**Gordon (I.) Realty Corp.**
Sept. 27, 1963 filed $2,113,748 of 7% subordinated convertible debentures due 1974 to be offered for subscription by stockholders on the basis of $700 face amount for each 100 common shares held. **Price**—By amendment. **Business**—General real estate. **Proceeds**—For debt repayment, and other corporate purposes. **Office**—112 Powers Bldg., Rochester, N. Y. **Underwriter**—None.

**● Great Lakes Homes, Inc. (12/10)**
Sept. 27, 1963 filed 160,000 common, of which 100,000 will be sold for the company, and 60,000 for stockholders. **Price**—By amendment (max. $10). **Business**—Manufacture of custom-designed, factory built homes. **Proceeds**—For debt repayment and working capital. **Address**—Sheboygan Falls, Wis. **Underwriter**—The Milwaukee Co., Milwaukee, Wis.

**● Great Southwest Corp. (12/10)**
Nov. 7, 1963 filed 275,000 common. **Price** — By amendment (max. $25). **Business**—Development of industrial real estate in Texas. **Proceeds**—For selling stockholders. **Address**—P. O. Box 191, Arlington, Tex. **Underwriter**—Glore, Forgan & Co., New York.

**Greater Miami Industrial Park, Inc.**
Feb. 25, 1963, filed 136,094 common to be offered for subscription by stockholders on the basis of one share for each 4½ shares held. **Price**—$5.50. **Business**—Acquisition and development of real estate. **Proceeds**—For general corporate purposes. **Office**—811 du Pont Plaza Center, Miami, Fla. **Underwriter**—None.

**Greater Nebraska Corp.**
Feb. 20, 1963, filed 3,000,000 common. **Price**—$2. **Business**—Company plans to operate subsidiaries in the fields of banking, insurance, finance, etc. **Proceeds**—For general corporate purposes. **Office**—1107 Federal Securities Building, Lincoln, Neb. **Underwriter**—None.

**Hardeman (Paul) Inc. (12/9-13)**
Nov. 4, 1963 filed $7,000,000 of convertible subordinated debentures due 1978. **Price**—By amendment. **Business**—Construction of missile launching bases and related facilities for the Armed Forces, and complex facilities of various types for other government agencies, private industry, and foreign governments. **Proceeds**—For debt repayment. **Address** — Stanton, Calif. **Underwriter**—Hemphill, Noyes & Co., New York.

**● Hobam, Inc.**
Nov. 4, 1963 filed $850,000 of 6% convertible subordinated debentures due Dec. 1, 1973, and 25,500 class A shares to be offered in units consisting of $500 of debentures and 15 shares. **Price**—$510 per unit. **Business**—Manufacture of new equipment principally for the food

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# NEW ISSUE CALENDAR

**December 5 (Thursday)**
Bergen Drug Co., Inc. ........ Debentures
(F. Eberstadt & Co.) $1,250,000
Bergen Drug Co., Inc. ........ Class A
(F. Eberstadt & Co.) 125,000 shares
Florida Jai Alai, Inc. ........ Common
(Consolidated Securities Corp.) $1,200,000

**December 6 (Friday)**
Brewer (C.) & Co., Ltd. ........ Common
(Blyth & Co., Inc. and Butcher & Sherrerd) 8,500 shares
Okliana Corp. ........ Units
(Equity Underwriters, Inc.) $3,500,000

**December 9 (Monday)**
Allen Electric & Equipment Co. ........ Debentures
(Dempsey-Tegeler & Co., Inc.) $1,200,000
Allright Auto Parks, Inc. ........ Units
(Equitable Securities Corp) 20,000 units
Garan, Inc. ........ Common
(Bache & Co.) 100,000 shares
Hardeman (Paul) Inc. ........ Debentures
(Hemphill, Noyes & Co.) $7,000,000
Louisville & Nashville RR. ........ Equip. Trust Ctfs.
(Bids 12 noon EST) $6,705,000
Natural Gas & Oil Producing Co. ........ Common
(Peter Morgan & Co.) $900,000

**December 10 (Tuesday)**
Great Lakes Homes, Inc. ........ Common
(The Milwaukee Co.) 160,000 shares
Great Southwest Corp. ........ Common
(Glore, Forgan & Co.) 275,000 shares
Illinois Tool Works, Inc. ........ Common
(White, Weld & Co., Inc.) 157,306 shares
Northern Pacific Ry. ........ Equip. Trust Ctfs.
(Bids 12 noon EST) $6,840,000
Reliance Life Insurance Co. of Illinois ........ Common
(McCormick & Co.) 75,000 shaes
Virginia Electric & Power Co. ........ Bonds
(Bids 11 a.m. EST) $30,000,000

**December 11 (Wednesday)**
Consolidated Edison Co. of New York ........ Bonds
(Bids 11 a.m. EST) $75,000,000
Middlesex Water Co. ........ Common
(Kidder, Peabody & Co., Inc.) 35,000 shares
Nationwide Corp. ........ Common
(Kuhn, Loeb & Co., Inc., and J. C. Bradford & Co., Inc.) 1,750,000 shares

**December 12 (Thursday)**
Texas & Pacific Ry. ........ Equip. Trust Ctfs.
(Bids 12 noon CST) $2,700,000

**December 16 (Monday)**
Elite Theatrical Productions Ltd. ........ Common
(Linder, Bilotti & Co., Inc.) $2,000,000
Israel Baby Food Co., Ltd. ........ Debentures
(Brager & Co.) $190,000
Israel Baby Food Co., Ltd. ........ Ordinary Shares
(Brager & Co.) $140,000
Kingsboro Corp. ........ Common
(New York Securities Co.) 166,000 shares
Lanvin-Charles of the Ritz, Inc. ........ Common
(Goldman, Sachs & Co. and White, Weld & Co.) 800,000 shares
Life Affiliates Corp. ........ Common
(First Philadelphia Corp.) $275,000
Macco Realty Co. ........ Debentures
(Kidder, Peabody & Co., Inc., and Mitchum, Jones & Templeton Inc.) $4,000,000

**December 17 (Tuesday)**
First Mortgage Investors ........ Debentures
(Shearson, Hammill & Co.) $15,000,000
Midwestern Gas Transmission Co. ........ Common
(No underwriting) 50,000 shares
Sinclair Oil Corp. ........ Debentures
(Merrill Lynch, Pierce, Fenner & Smith Inc.) $150,000,000
Varner-Ward Leasing Co. ........ Common
(Birr, Wilson & Co., Inc.) 125,000 shares

**December 18 (Wednesday)**
Applied Technology, Inc. ........ Common
(Mitchum, Jones & Templeton, Inc.) 54,200 shares
Opticks, Inc. ........ Common
(Eppler, Guerin & Turner, Inc.) 111,000 shares

**December 23 (Monday)**
San Morcol Pipeline, Inc. ........ Units
(Milburn, Cochran & Co., Inc., and Midland Securities Co., Inc.) $300,000

**January 3, 1964 (Friday)**
San Jose Water Works ........ Common
(Offering to stockholders—underwritten by Dean Witter & Co.) 90,000 shares

**January 6, 1964 (Monday)**
Consolidated Water Co. ........ Common
(Smith, Barney & Co., Inc.) 36,000 shares
Coronet Industries, Inc. ........ Common
(Hemphill, Noyes & Co.) 210,000 shares
Northern Plastics Corp. ........ Common
(Shearson, Hammill & Co. and Loewi & Co., Inc.) 120,000 shares

**January 7, 1964 (Tuesday)**
Imperial '400' National Inc. ........ Debentures
(P. W. Brooks & Co., Inc.) $1,500,000
Missouri Pacific RR. ........ Equip. Trust Ctfs.
(Bids 12 noon CST) $6,600,000
New York Telephone Co. ........ Bonds
(Bids to be received) $130,000,000
Pan American World Airways, Inc. ........ Debentures
(Offering to stockholders—underwritten by Lehman Brothers) $60,000,000

**January 8, 1964 (Wednesday)**
Atlantic Coast Line RR. ........ Equip. Trust Ctfs.
(Bids 12 noon EST) $6,420,000
Northwest Natural Gas Co. ........ Bonds
(Lehman Brothers) $14,000,000
Northwest Natural Gas Co. ........ Preferred
(Lehman Brothers) 60,000 shares

**January 13, 1964 (Monday)**
International Milling Co., Inc. ........ Common
(Kidder, Peabody & Co.) 450,000 shares

**January 14, 1964 (Tuesday)**
Narragansett Electric Co. ........ Bonds
(Bids 11 a.m. EST) $5,000,000

**January 15, 1964 (Wednesday)**
Clinchfield RR. ........ Equip. Trust Ctfs.
(Bids 12 noon EST) $6,960,000
Jade Oil & Gas Co. ........ Debentures
(Hannaford & Talbot) $2,500,000
Powr-Pak Industries Inc. ........ Common
(S. D. Fuller & Co.) 125,000 shares
Powr-Pak Industries Inc. ........ Debentures
(S. D. Fuller & Co.) $1,000,000

**January 20, 1964 (Monday)**
Musicaro Brothers, Inc. ........ Common
(Fleetwood Securities Corp. of America) $300,000
Planning Research Corp. ........ Common
(Laird & Co. Corp.) 100,000 shares

**February 25, 1964 (Tuesday)**
Southern California Edison Co. ........ Bonds
(Bids 8:30 a.m. PST) $60,000,000

**March 10, 1964 (Tuesday)**
Potomac Edison Co. ........ Bonds
(Bids 10 a.m. EST) $12,000,000

**March 18, 1964 (Thursday)**
Atlantic Coast Line RR. ........ Equip. Trust Ctfs.
(Bids 12 noon EST) $3,825,000

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and drug industries. **Proceeds**—For working capital, and loan repayment. **Office**—1720 Military Rd., Tonawanda, N. Y. **Underwriter** — Doolittle & Co., Buffalo, N. Y. **Offering**—Temporarily postponed.

**Holiday Mobile Home Resorts, Inc.**
March 27, 1963 filed $1,250,000 of 6½% conv. subord. debentures due 1978, and 75,000 common to be offered in units consisting of $50 of debentures and 3 shares. **Price**—$68 per unit. **Business**—Development and operation of mobile home resorts throughout U. S. **Proceeds**—For debt repayment, construction, and other corporate purposes. **Office**—4344 East Indian School Rd., Phoenix. **Underwriters**—Boettcher & Co., Denver, and J. R. Williston & Beane, New York. **Note**—This statement will not be withdrawn as previously reported, but will be amended.

● **Horace Mann Life Insurance Co.**
Feb. 1, 1963 filed 200,000 common, of which 80,000 are to be offered by company and 120,000 by stockholders. **Price**—$12.50. **Business**—Writing of life, accident and health insurance. **Proceeds**—For general corporate purposes. **Office**—216 E. Monroe St., Springfield, Ill. **Underwriter** — Horace Mann Investors, Inc. (same address). **Note**—This statement was withdrawn.

**Illinois Tool Works, Inc. (12/10)**
Nov. 20, 1963 filed 157,306 common. **Price**—By amendment (max. $42). **Business**—Manufacture of metal and plastic fasteners, gear-cutting tools, measuring instruments, specialized gearing and electronic components. **Proceeds**—For selling stockholders. **Office**—2501 North Keeler Ave., Chicago. **Underwriter**—White, Weld & Co., Inc., New York.

● **Imperial '400' National Inc. (1/7/64)**
Oct. 29, 1963 filed $1,500,000 of 6½% convertible subordinated debentures due Nov. 1, 1978. **Price**—By amendment. **Business**—Development and operation of a chain of motels. **Proceeds**—For working capital. **Office** — 460 Sylvan Ave., Englewood Cliffs, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York.

**Industrial Electronetics Corp.**
Oct. 25, 1963 ("Reg. A") 25,000 common. **Price** — $12. **Business**—Design, manufacture and sale of specialized electronic instruments and devices. **Proceeds** — For loan repayment, equipment, sales promotion, new products, inventory and working capital. **Address**—Third & B St., Melbourne, Fla. **Underwriter**—Hampstead Investing Corp., New York.

**Insurance City Life Co.**
Oct. 29, 1963 filed 494,100 capital shares to be offered for subscription by stockholders of record Feb. 26, 1963 on a share-for-share basis. **Price**—$3.25. **Business**—General insurance. **Proceeds** — For expansion. **Office** — 919 N. Michigan Ave., Chicago. **Underwriter**—None.

**Insurance Securities, Inc.**
Oct. 24, 1963 filed 1,000,000 class A common. **Price**—$5. **Business** — Company plans to acquire or organize life, accident and health insurance subsidiaries. **Proceeds**—For debt repayment, advances to a subsidiary and investment. **Office**—19 Molton St., Montgomery, Ala. **Underwriter**—Investor Services, Inc. (same address).

**International Data Systems, Inc.**
Aug. 2, 1963 ("Reg. A") 11,000 common to be offered for subscription by stockholders on a pro-rata basis. **Price**—At-the-market. **Business**—Development, design and manufacture of electronic devices. **Proceeds**—For a selling stockholder. **Office**—2925 Merrell Rd., Dallas. **Underwriter**—A. G. Edwards & Sons, St. Louis. **Offering**—Indefinitely postponed.

**Investors Inter-Continental Fund, Inc.**
July 3, 1963 filed 3,000,000 capital shares. **Price**—Net asset value plus 7½%. **Business**—A new mutual fund which will succeed to business of Investors Group Canadian Fund Ltd., and invest in securities throughout the Free World. **Proceeds**—For investment. **Address**—1000 Roanoke Bldg., Minneapolis. **Distributor**—Investors Diversified Services, Inc. (same address).

**Investors Realty Trust**
May 31, 1962 filed 200,000 shares. **Price** — $10. **Business**—A real estate investment trust. **Proceeds** — For construction and investment. **Office** — 3315 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—None.

● **Israel American Diversified Fund, Inc.**
April 22, 1963 filed 550,000 common. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund specializing in Israeli and American securities. **Proceeds**—For investment. **Office**—54 Wall St., New York. **Distributor**—Israel Fund Distributors, Inc. (same address). **Offering**—Expected in early January.

● **Israel Baby Food Ltd. (12/16-20)**
Sept. 12, 1963 filed $190,000 of 8% subordinated debentures due 1975 and 14,000 8% preferred ordinary shares. **Price**—For debentures, $100; for stock $10. **Business**—Company plans to prepare and market baby food in Israel and abroad. **Proceeds**—For loan repayment, construction, equipment, and other corporate purposes. **Address**—Givat Brenner, Israel. **Underwriter**—Brager & Co., New York.

**Israel Fund, Inc.**
July 18, 1963 filed 500,000 common. **Price**—$12.50. **Business**—A closed-end investment company which plans to invest in Israeli firms. **Proceeds**—For investment. **Office**—4200 Hayward Ave., Baltimore. **Underwriter**—Investors Planning Corp. of America, New York.

**Israel Investors Corp.**
Sept. 26, 1963 filed 100,000 common. **Price**—$104. **Business**—A closed-end investment company engaged in investing in private industries located in Israel. **Proceeds**—For investment. **Office** — 850 Third Ave., New York. **Underwriter**—None.

**Israfund-Israel Fund, Inc.**
July 29, 1963 filed 300,000 common. **Price**—$10. **Business**—Fund plans to own stock of companies which will invest in securities of Israeli enterprises. **Proceeds**—For investment. **Office**—17 East 71st St., New York. **Underwriter**—Israel Securities Corp., (same address).

**"Isras" Israel-Raasco Investment Co., Ltd.**
June 28, 1963 filed 60,000 ordinary shares. **Price**—$55. **Business**—A real estate development company which also owns citrus plantations. **Proceeds**—For general corporate purposes. **Address**—Tel-Aviv, Israel. **Underwriter**—Rassco of Delaware Inc., New York. **Offering**—Expected in late December or early January.

● **Jade Oil & Gas Co. (1/15/64)**
Oct. 28, 1963 filed $2,500,000 of 6½% convertible subordinated debentures (with warrants). **Price**—At par. **Business**—Production of oil and gas primarily in California, Texas and Louisiana. **Proceeds**—For debt repayment, exploration and development, working capital and other corporate purposes. **Office**—9107 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Hannaford & Talbot, San Francisco.

**Janus Fund, Inc.**
April 10, 1963 filed 500,000 capital shares. **Price** — Net asset value plus 8½%. **Business**—A new mutual fund seeking capital appreciation. **Proceeds**—For investment. **Office**—467 Hamilton Ave., Palo Alto, Calif. **Underwriter**—Mutual Fund Distributors, Inc. (same address).

● **Juniper Spur Ranch, Inc.**
May 27, 1963 ("Reg. A") 300,000 common. **Price** — $1 **Business**—Construction of a gasoline and diesel oil filling station, a restaurant and allied facilities. **Proceeds**—For general corporate purposes. **Underwriter** — V. E Anderson & Co., Newhouse Bldg., Salt Lake City. **Offering**—Imminent.

**Kentucky Fried Chicken, Inc.**
Sept. 27, 1963 filed 25,000 class A voting, and 25,000 class B non-voting common. **Price**—$10. **Business**—Company franchises certain restaurants in the U. S. to prepare and sell Kentucky Fried Chicken. It also sells or leases equipment used in preparation of this item. **Proceeds** — For the selling stockholder, Harland Sanders, Chairman. **Address**—Box 67, Shelbyville, Shelby County, Ky. **Underwriter**—None.

**Kinemotive Corp.**
Oct. 29, 1963 filed 50,000 common. **Price**—$6.50. **Business**—Design, manufacture and sale of deposited metal bellows and basic assemblies therefor. **Proceeds**—For equipment, sales promotion, and working capital. **Office** — 2 Engineers Lane, Farmingdale, N. Y. **Underwriter**—Andresen & Co., New York. **Offering**—Expected in mid-January.

**Kingsboro Corp. (12/16-20)**
Nov. 22, 1963 filed 166,000 common, of which 70,238 will be sold by company and 95,762 by stockholders. **Price**—By amendment (max. $12). **Business**—The making of interim mortgage loans on real property. **Proceeds**—For debt refinancing. **Office**—51 East 42nd St., New York. **Underwriters**—New York Securities Co., New York City.

**Krasnow Industries, Inc.**
June 28, 1963 filed 125,000 common. **Price**—By amendment (max. $5). **Business**—Volume manufacture of inexpensively priced men's and children's belts. **Proceeds**—For debt repayment, sales promotion, and other corporate purposes. **Office**—33-00 Northern Blvd., Long Island City, N. Y. **Underwriter**—T. W. Lewis & Co., Inc., New York. **Offering**—Indefinite.

● **Lanvin-Charles of the Ritz, Inc. (12/16-20)**
Nov. 14, 1963 filed 800,000 common. **Price**—By amendment (max. $22). **Business**—Importation and distribution of Lanvin perfumes, and manufacture and distribution of cosmetics. **Proceeds**—For selling stockholders. **Office**—767 Fifth Ave., New York. **Underwriters**—Goldman, Sachs & Co., and White, Weld & Co., New York.

● **Life Affiliates Corp. (12/16-20)**
Oct. 14, 1963 ("Reg. A") 55,000 class A common. **Price**—$5. **Business**—Company is an operating, holding and management company specializing in the life insurance industry. **Proceeds**—For working capital. **Office**—40 Exchange Place, N. Y. **Underwriter** — First Philadelphia Corp., New York.

**Logos Options, Ltd.**
April 11, 1962 filed 250,000 capital shares. **Price** — By amendment (max. $10). **Business**—A diversified closed-end investment company. **Proceeds**—For investment. **Office**—26 Broadway, N. Y. **Underwriter**—Filor, Bullard & Smyth, N. Y. **Note**—This company formerly was named Logos Financial, Ltd. **Offering**—Indefinite.

● **Macco Realty Co. (12/16-20)**
Oct. 30, 1963 filed $4,000,000 of convertible subordinated debentures due 1978. **Price**—By amendment. **Business**—Residential real estate development. **Proceeds**—For debt repayment. **Office**—7844 E. Rosencrans Ave., Paramount, Calif. **Underwriters**—Kidder, Peabody & Co., Inc., New York and Mitchum, Jones & Templeton Inc., Los Angeles.

**Mahoning Corp.**
July 26, 1963 filed 200,000 common. **Price**—$3. **Business**—Company plans to engage in the exploration and development of Canadian mineral properties. **Proceeds**—For general corporate purposes. **Address**—402 Central Tower Bldg., Youngstown, Ohio. **Underwriter**—None.

**Marshall Press, Inc.**
May 29, 1962 filed 60,000 common. **Price**—$3.75. **Business**—Graphic design and printing. **Proceeds**—For publishing a sales catalogue, developing a national sales staff and working capital. **Office**—812 Greenwich St., N. Y. **Underwriter**—To be named. **Offering**—Indefinitely postponed.

**Medic Corp.**
Feb. 28, 1963, filed 1,000,000 class B common. **Price**—$1.25. **Business**—A holding company for three life insurance firms. **Proceeds**—For loan repayment, operating expenses, and investment in other insurance concerns. **Address**—714 Medical Arts Bldg., Oklahoma City. **Underwriter**—Lincoln Securities Corp. (same address).

**Medical Industries Fund, Inc.**
Oct. 23, 1961 filed 25,000 common. **Price**—$10. **Business**—A closed-end investment company which plans to become open-end. **Proceeds** — For investment in the medical industry and capital growth situations. **Office**—677 Lafayette St., Denver. **Underwriter** — Medical Associates, Inc. Denver.

● **Middlesex Water Co. (12/11)**
June 5, 1963 filed 35,000 common. **Price**—By amendment (max. $36). **Business**—Collecting and distributing water in certain areas of New Jersey. **Proceeds**—For debt repayment. **Office**—52 Main St., Woodbridge, N. J. **Underwriter**—Kidder, Peabody & Co., Inc., New York.

**Midwest Technical Development Corp.**
Feb. 26, 1962 filed 561,500 common to be offered for subscription by stockholders on the basis of one share for each two shares held. **Price**—By amendment (max. $7). **Business**—A closed-end management investment company. **Proceeds**—For general corporate purposes. **Office**—2615 First National Bank Bldg., Minneapolis. **Underwriter**—None.

**Midwestern Gas Transmission Co. (12/17)**
Nov. 8, 1963 filed 50,000 common. **Price** — By amendment. **Business**—Company owns and operates pipe line systems for transmission of natural gas from Tennessee to Illinois, and from Manitoba to Wisconsin. **Proceeds**—Tennessee Bank & Trust Co., as transfer agent, will sell these shares arising from a stock dividend to shareholders of Tennessee Gas Transmission Co., parent, and distribute the proceeds pro rata to latter's stockholders. **Address**—Tennessee Bldg., Houston. **Underwriter**—None.

**Mobile Home Parks Development Corp.**
Jan. 28, 1963 filed 1,250,000 common. **Price**—$2.50. **Business**—Company plans to develop mobile homes, parks and residential and commercial real estate. **Proceeds**—For general corporate purposes. **Office**—82 Baker St., Atlanta. **Underwriter**—Overseas Investment Service, Seville, Spain.

**Mott's Super Markets, Inc.**
Nov. 1, 1963 filed 100,000 common. **Price**—By amendment (max. $15). **Business**—Operation of super markets and liquor package stores in Conn. **Proceeds**—For working capital. **Office**—59 Leggett St., East Hartford, Conn. **Underwriter** — W. C. Langley & Co., New York. **Offering**—In mid-December.

**Municipal Investment Trust Fund, Series B**
April 28, 1963 filed $10,000,000 (10,000 units) of interests. **Price**—To be supplied by amendment. **Business**—The fund will invest in tax-exempt bonds of states, counties municipalities and territories of the U. S. **Proceeds**—For investment. **Sponsor** — Ira Haupt & Co., 111 Broadway, New York. **Note**—This registration will be withdrawn.

**Musicaro Brothers, Inc. (1/20-24/64)**
Oct. 29, 1963 filed 50,000 common. **Price**—$6. **Business**—Production of Italian style frozen foods. **Proceeds**—For general corporate purposes. **Office**—40 Brooklyn Ave., Massapequa, N. Y. **Underwriter** — Fleetwood Securities Corp. of America, New York.

**Narragansett Electric Co. (1/14/64)**
Nov. 26, 1963 filed $5,000,000 of first mortgage bonds due Jan. 1, 1994. **Proceeds**—For repayment of short-term loans. **Office**—15 Westminster St., Providence, R. I. **Underwriters** — (Competitive). Probable bidders: White, Weld & Co.; Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler-Lehman Brothers-Goldman, Sachs & Co. (jointly). **Bids**—Jan. 14, 1964 (11 a.m. EST) at company's office. **Information Meeting** — Jan. 8 (11 a.m. EST), same address.

**National Memorial Estates**
Oct. 11, 1962 filed 4,750,000 common. **Price** — $1. **Business** — Company plans to engage in cemetery development and to establish and operate a life and disability insurance concern. **Proceeds**—For general corporate purposes. **Office**—13 S. Broadway, Red Lodge, Mont. **Underwriter**—Security Brokerage Co., Billings, Mont.

**National Mortgage Corp., Inc.**
Dec. 28, 1962 refiled $8,000,000 face amount certificates (series 20) and 300,000 common shares. **Price**—For certificates, $762; for stock, $1.15. **Business**—A mortgage loan company. **Proceeds** — For general corporate purposes. **Office** — 113 S. Hydraulic, Wichita, Kan. **Underwriter**—National Mortgage Agency, Inc., (same address). **Note**—This offering will be made only in the State of Kansas.

**Nationwide Corp. (12/11)**
Nov. 1, 1963 filed 1,250,000 class A and 500,000 class B common. **Price**—By amendment (max. $17.50). **Business**—A holding company, primarily for life insurance concerns. **Proceeds** — For prepayment of bank loans, and expansion. **Office** — 246 North High St., Columbus, O. **Underwriters**—Kuhn, Loeb & Co., Inc., and J. C. Bradford & Co., Inc., Nashville.

**Natural Gas & Oil Producing Co. (12/9-13)**
Sept. 7, 1962 filed 180,000 class A common. **Price**—$5. **Business**—Production of natural gas and oil. **Proceeds**—For drilling expenses, working capital and other corporate purposes. **Office**—Tekoil Bldg., Oklahoma City **Underwriter**—Peter Morgan & Co., N. Y.

● **New World Fund, Inc.**
Feb. 21, 1963, filed 250,000 common. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—4680 Wilshire Blvd., Los Angeles. **Underwriter** — New World Distributing Co.

(same address). **Offering**—In early January. **Note**—This registration has become effective.

**Nordon Corp. Ltd.**
July 29, 1963 filed 60,085 capital shares. **Price** — By amendment (max. $3.25). **Business**—Acquisition of oil and gas properties, and the production of crude oil and natural gas. **Proceeds**—For selling stockholders. **Office** —5455 Wilshire Blvd., Los Angeles. **Underwriter**—Gregory-Massari, Inc., Los Angeles. **Offering**—Indefinite.

**Northern Plastics Corp. (1/6-10/64)**
Nov. 21, 1963 filed 120,000 common. **Price**—By amendment (max. $18). **Business** — Manufacture of industrial plastic laminates to customer specifications. **Proceeds**—For selling stockholders. **Office** — Second and Market Sts., LaCrosse, Wis. **Underwriters**—Shearson, Hammill & Co., New York and Loewi & Co., Inc., Milwaukee.

**Northwest Hydrofoil, Inc.**
Sept. 3, 1963 ("Reg. A") 60,000 common. **Price** — $5. **Business** — Design, construction, sale and operation of hydrofoil vessels. **Proceeds**—For working capital, office expansion and other corporate purposes. **Office** — 428 White-Henry-Stuart Bldg., Seattle, Wash. **Underwriter** —Henry D. Tallmadge Co., Seattle.

**Northwest Natural Gas Co. (1/8/64)**
Nov. 27, 1963 filed $14,000,000 of first mortgage bonds due 1989. **Price**—By amendment. **Business**—Production and sale of natural gas in Oregon and Washington. **Proceeds**—To prepay bank loans, and redeem outstanding 5⅛% bonds. **Office**—735 S. W. Morrison, Portland, Ore. **Underwriter**—Lehman Brothers, New York.

**Northwest Natural Gas Co. (1/8/64)**
Nov. 27, 1963 filed 60,000 preferred ($100 par). **Price**—By amendment. **Business**—Production and sale of natural gas in Oregon and Washington. **Proceeds**—To retire the outstanding 5.75% preferred. **Office**—735 S. W. Morrison, Portland, Ore. **Underwriter** — Lehman Brothers, New York.

**Nuclear Science & Engineering Corp.**
March 29, 1962 filed 100,000 common. **Price**—By amendment (max. $15). **Business**—Research and development on contracts using radioactive tracers; precision radioactivity measurement; production of radioactive isotopes and the furnishing of consulting and radiation measurement services. **Proceeds**—For equipment, debt repayment, expansion and working capital. **Address**—P. O Box 10901, Pittsburgh. **Underwriter**—Johnston, Lemon & Co., Washington, D. C. **Note**—This registration will be withdrawn.

**Nuveen Tax-Exempt Bond Fund, Series 6**
Nov. 1, 1963 filed 150,000 units of interest in the Fund. **Price**—By amendment. **Business**—The Fund plans to invest in government and municipal obligations believed to be exempted from Federal income taxes. **Proceeds**—For investment. **Office**—135 So. LaSalle St., Chicago. **Sponsor**—John Nuveen & Co. (same address). **Offering** —Expected in late December.

● **Okliana Corp. (12/6)**
Sept. 12, 1963 filed 500,000 common and 500,000 preferred ($6 par); to be offered in units of five preferred and five common shares. **Price**—$35 per unit. **Business**—Company plans to engage in the life insurance business through the formation of two subsidiaries, or through the purchase of stock in an existing insurance company. **Proceeds**—For acquisition of above stock, loan repayment and working capital. **Office**—2201 Northwest 41st St., Oklahoma City. **Underwriter**—Equity Underwriters, Inc. (same address). **Note**—Registration has become effective.

**Opticks, Inc. (12/18)**
Nov. 13, 1963 filed 111,000 common, of which 74,000 will be sold by company and 37,000 by stockholders. **Price**—By amendment (max. $11). **Business**—Operation of a wholesale optical laboratory, and 48 retail outlets. **Proceeds**—For expansion and loan repayment. **Office**—6067 Sherry Lane, Dallas, Tex. **Underwriter** — Eppler, Guerin & Turner, Inc., Dallas.

**Outlet Mining Co., Inc.**
Feb. 28, 1962 filed 900,000 common. **Price**—$1. **Business** —Mining. **Proceeds**—For equipment and working capital. **Address**—Creede, Colo. **Underwriter**—None.

**Pacific Mines, Inc.**
July 24, 1963 filed 100,000 common. **Price**—$1.50. **Business**—Company plans to explore iron deposits on its property. **Proceeds**—For mining operations, debt repayment and operating expenses. **Office**—1218 N. Central Ave., Phoenix. **Underwriter**—None.

**Pacific Northwest Bell Telephone Co.**
Oct. 28, 1963 filed 1,903,750 common being offered for subscription by stockholders on the basis of one new share for each 16 held of record Nov. 18. Rights will expire Dec. 16. **Price**—$17. **Business**—Furnishing of telephone service in Washington, Oregon and Idaho. **Proceeds**—To repay advances from parent, A. T. & T. **Office**—1200 Third Ave., Seattle. **Underwriter**—None.

● **Peerless Insurance Co.**
Oct. 18, 1963 filed 565,218 capital shares being offered for subscription by stockholders on the basis of one new share for each share held of record Dec. 3, Rights will expire Dec. 24. **Price**—$8. **Business** — Company writes various types of insurance including accident and health insurance, automobile insurance, workmen's compensation insurance and property damage insurance. **Proceeds** —For investment. **Office**—62 Maple Ave., Keene, N. H. **Underwriter**—None.

**People's Insurance Co.**
Oct. 3, 1963 filed 100,000 common. **Price**—$10. **Business** —Company plans to engage in the writing of general liability insurance, including automobile, property damage and personal injury. **Proceeds**—To increase capital and surplus. **Office**—307 Lenox Ave., New York. **Underwriter**—None.

● **Planning Research Corp. (1/20-24/64)**
Nov. 6, 1963 filed 100,000 common. **Price** — By amendment. **Business**—Company provides analytical, technical and economic services to commercial, industrial and governmental clients. **Proceeds** — For debt repayment, working capital, and possible acquisitions. **Office**—1333 Westwood Blvd., Los Angeles. **Underwriter**—Laird & Co. Corp., New York.

● **Pocono Downs, Inc.**
Sept. 10, 1963 filed $2,500,000 of 6½% subordinated sinking fund debentures due 1978, 375,000 common and 250,000 warrants to purchase additional common, to be offered in units consisting of one $100 debenture, 15 shares and warrants to purchase an additional 10 shares. **Price** —$175 per unit. **Business**—Company plans to operate a harness racing track in Luzerne County, Pa. **Proceeds**—For construction, and loan repayment. **Address** — 504 First National Bank Bldg., Wilkes-Barre, Pa. **Underwriter** — Suplee, Yeatman, Mosley Co., Inc., Philadelphia. **Offering**—Indefinite.

**Princeton Research Lands, Inc.**
March 28, 1963 filed 40,000 common. **Price**—$25. **Business**—Purchase and sale of real property, chiefly unimproved land. **Proceeds**—For debt repayment, and acquisition of additional properties. **Office**—195 Nassau St., Princeton, N. J. **Underwriter**—None.

**Provident Stock Fund, Inc.**
April 11, 1963 filed 1,000,000 common. **Price**—Net asset value plus 8½%. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—316 North Fifth St., Bismarck, N. D. **Underwriter** — Provident Management Co (same address).

**Quality National Corp.**
Sept. 16, 1963 filed 200,000 class A common. **Price** — $5. **Business**—Company plans to form a subsidiary life insurance company. **Proceeds**—For general corporate purposes. **Office**—2904 Georgian Court, Lincoln, Neb. **Underwriter**—None.

**Racon Inc.**
Oct. 3, 1963 filed 1,250,000 common. **Price**—$1. **Business** —Company plans to manufacture fluorocarbons for sale to refrigerant wholesalers, the aerosol industry and other users. **Proceeds** — For construction of a new plant and working capital. **Office**—11 North Jackson St., Houston. **Underwriter**—None.

**Rassco Plantations Ltd.**
Aug. 27, 1963 filed 400,000 ordinary shares. **Price**—By amendment (max. $3.166). **Business** — Company cultivates, processes and markets citrus fruits in Israel. **Proceeds**—For selling stockholder. **Address**—Tel-Aviv, Israel. **Underwriter**—Rassco of Delaware, Inc., New York. **Offering**—Expected in late December or early January.

**Recreation Industries, Inc.**
Nov. 23, 1962 ("Reg. A") 75,000 common. **Price** — $2. **Business**—Sale of travel and entertainment. **Proceeds**—For capital investment, and working capital. **Office**—411 West 7th St., Los Angeles. **Underwriter**—Costello Russotto & Co., Beverly Hills, Calif. **Offering**—Indefinite.

**Research Capital Corp.**
Sept. 3, 1963 filed 400,000 common. **Price**—$12.50. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—2909 Bay-to-Bay, Tampa. **Underwriter**—Hensberry & Co., St. Petersburg, Fla.

**Resort Corp. of Missouri**
Nov. 27, 1962 filed 125,000 class A common and three-year warrants to purchase 1,250 class A shares to be offered in units consisting of four shares and one warrant. **Price**—$32 per unit. **Business**—Company will erect and operate a luxury hotel and resort facilities, and sell 80 acres of land for home sites. **Proceeds**—For construction. **Office**—3615 Olive St., St. Louis. **Underwriter** — R. L. Warren Co., St. Louis. **Offering**—Indefinite.

**Retirement Foundation, Inc.**
April 8, 1963 filed 100,000 memberships in the Foundation. **Price**—$10 per membership. **Business**—Company will operate retirement centers for the use of rent-free private homes and apartments by members upon their retirement. **Proceeds**—For working capital, construction and other corporate purposes. **Office**—235 Lockerman St., Dover, Del. **Underwriter**—John D. Ferguson, Dover, Del. **Offering**—Indefinite.

**Riviere Realty Trust**
Oct. 22, 1963 filed 2,000 shares of beneficial interest. **Price**—$1,000. **Business**—Company plans to operate as a real estate investment trust. **Proceeds**—For investment. **Office**—1832 M St., N. W., Washington, D. C. **Underwriter**—Riviere, Marsh & Berens Securities Corp., Washington, D. C.

**Royal Business Funds Corp.**
Nov. 13, 1963 filed 130,000 common, of which 65,000 shares are to be offered for the company and 65,000 for certain stockholders. **Price** — By amendment (max. $6.60). **Business**—A small business investment company. **Proceeds**—For investment. **Office**—60 East 42nd Street, New York. **Underwriter** — H. M. Frumkes & Co., New York. **Offering**—Expected in early January.

● **San Jose Water Works (1/3/64)**
Nov. 18, 1963 filed 90,000 common to be offered for subscription by common stockholders of record Jan. 3, 1963. Rights will expire Jan. 27. **Price**—By amendment (max. $30). **Business**—A public utility supplying water to residents of Santa Clara County, Calif. **Proceeds**—To repay bank loans, and for construction. **Office**—374 West Santa Clara St., San Jose, Calif. **Underwriter** — Dean Witter & Co., San Francisco.

**San Morcol Pipeline, Inc. (12/23-27)**
Sept. 27, 1963 ("Reg. A") $300,000 of 6½% subordinated debentures due Nov. 1, 1983, and 45,000 common to be offered in units of $500 face amount of debentures and 75 shares. **Price** — $500. **Business**—Construction of an eight inch natural gas transmission pipeline for the cities of Las Vegas, Wagon Mount, Springer, and Maxwell, N. M. **Proceeds** — For construction. **Office** — 219 Shelby St., Santa Fe, N. M. **Underwriters** — Milburn, Cochran & Co., Inc., Wichita, Kan., and Midland Securities Co., Inc., Kansas City, Mo.

**Saul (B. F.) Real Estate Investment Trust**
Oct. 25, 1963 filed 30,000 shares of beneficial interest. **Price**—$100. **Business**—Company plans to operate as a real estate investment trust. **Proceeds**—For investment. **Office**—925 Fifteenth St., N. W., Washington, D. C. **Underwriter**—B. F. Saul Co. (same address).

● **Security Title & Guaranty Co.**
Oct. 7, 1963 filed 125,000 common being offered for subscription by stockholders on the basis of one new share for each share held of record Nov. 29. Rights will expire Dec. 16. **Price**—$6.25. **Business**—Company examines and insures titles to real property. **Proceeds**—For general corporate purposes. **Office**—17 E. 45th St., New York. **Underwriter** — New York Hanseatic Corp., New York.

**Selective Financial Corp.**
Feb. 28, 1962 filed 500,000 common, of which 405,000 are to be offered for subscription by holders of the A, B and C stock of Selective Life Insurance Co., an affiliate, on the basis of 4 company shares for each class A or B share and two-thirds share for each class C share of Selective Life held. Remaining 94,822 and any unsubscribed shares will be offered publicly. **Price**—To public $6; to stockholders, $5. **Business**—Company plans to engage in the consumer finance, mortgage, general finance and related businesses. **Proceeds**—For general corporate purposes. **Office**—830 N. Central Ave., Phoenix. **Underwriter**—None.

● **Sinclair Oil Corp. (12/17)**
Nov. 20, 1963 filed $150,000,000 of sinking fund debentures due Dec. 15, 1988. **Price**—By amendment. **Business** —Company and its subsidiaries constitute one of the large integrated enterprises in the petroleum industry. **Proceeds**—For loan repayment, and acquisition of Texas Gulf Producing Co. **Office**—600 Fifth Ave., New York. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

**Southwestern Electric Service Co.**
Oct. 24, 1963 filed 24,428 common to be offered for subscription by stockholders on the basis of one new share for each 17 held. **Price**—By amendment. **Proceeds**—For repayment of bank loans. **Office**—1012 Mercantile Bank Bldg., Dallas. **Underwriter**—None.

**Stein Roe & Farnham Foreign Fund, Inc.**
July 1, 1963 filed 1,000,000 capital shares. **Price**—Net asset value. **Business**—Company was recently formed and will succeed to New York Capital Fund, Ltd., a Canadian corporation. It will provide investors a means of investing in Canada, Western Europe and other foreign areas. **Proceeds**—For investment. **Office**—135 S. LaSalle St., Chicago. **Underwriter**—None.

**Supreme Life Insurance Co. of America**
Sept. 30, 1963 filed 42,089 common to be offered for subscription by stockholders on the basis of one share for each three shares held. **Price**—$30. **Business**—Sale of life, health and accident insurance in 12 states and the District of Columbia. **Proceeds** — For debt repayment, and working capital. **Office**—3501 S. Parkway, Chicago. **Underwriter**—None.

**Sutro Mortgage Investment Trust**
Feb. 1, 1963 filed 30,000 shares of beneficial interest. **Price**—$100. **Business** — A real estate investment trust. **Proceeds**—For investment. **Office**—4900 Wilshire Blvd., Los Angeles. **Underwriter**—None.

**Teaching Machines, Inc.**
April 1, 1963 filed 150,000 common. **Price**—$5 **Business**—Company develops and sells teaching machines exclusively for Grolier Inc. **Proceeds**—For loan repayment and other corporate purposes. **Office**—221 San Pedro, N. E. Albuquerque. **Underwriter**—S. D. Fuller & Co., New York. **Offering**—Expected in March, 1964.

**Tecumseh Investment Co., Inc.**
Jan. 21, 1963 filed 48,500 common. **Price**—$100. **Business** —A holding company which plans to organize a life insurance company. **Proceeds**—For investment in U. S. Government Bonds and in new subsidiary. **Office**—801 Lafayette Life Bldg., Lafayette, Ind. **Underwriter**—Amosand Inc. (same address).

**Texas Plastics, Inc.**
July 27, 1962 filed 313,108 common. **Price**—$3.50. **Business**—Operation of a plant producing plastic film and packaging products. **Proceeds**—For working capital. **Address**—Elsa, Texas. **Underwriter**—To be named. **Offering**—Indefinite.

● **Tidmarsh Ventures, Inc.**
Oct. 28, 1963 ("Reg. A") 42,850 common. **Price** — $7. **Business**—General construction, equipment leasing and installation of cryogenic and hydraulic systems. **Proceeds**—For new construction projects, debt repayment, and working capital. **Office**—15618 Broadway, Gardena, Calif. **Underwriter**—Quinn & Co., Albuquerque, N. M. **Offering**—Indefinite.

**Top Dollar Stores, Inc.**
May 1, 1962 filed 200,000 common, of which 100,000 are to be offered by company and 100,000 by stockholders. **Price**—$6. **Business**—Operation of a chain of self-service retail stores selling clothing, housewares, etc. **Proceeds**—For expansion, equipment and working capital. **Office**—2220 Florida Ave., Jasper, Ala. **Underwriter**—Van Alstyne, Noel & Co., New York. **Offering**—Temporarily postponed.

**Transarizona Resources, Inc.**
May 28, 1962 filed 500,000 capital shares. **Price**—$1.50. **Business**—Exploration, development and production of

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the Lake Shore copper deposit near Casa Grande, Ariz. **Proceeds**—For equipment, exploration and working capital. **Office**—201 E. 4th St., Casa Grande, Ariz. **Underwriter**—None.

**Transpacific Group, Inc.**
July 26, 1963 filed 155,000 common. **Price**—By amendment (max. $15). **Business**—An insurance holding company. **Proceeds**—For expansion. **Office**—520 S. W. 6th Ave., Portland, Ore. **Underwriter**—None.

● **Trans World Airlines, Inc.**
Nov. 22, 1963 filed $8,500,000 of 5¾% convertible subordinated debentures due Oct. 1, 1983, being offered for subscription by stockholders on the basis of $100 of debentures for each 18 common shares held of record Dec. 3. Rights will expire Dec. 27. Hughes Tool Co., majority stockholder, will not subscribe for these debentures. **Price**—$101.37. **Proceeds**—To help finance the purchase of 12 Boeing jet aircraft. **Office**—380 Madison Ave., New York. **Underwriter**—None.

● **Trans World Life Insurance Co.**
July 31, 1963 filed 465,000 common. **Price**—$5. **Business**—Company plans to sell general life and disability insurance policies. **Proceeds** — To increase capital and surplus. **Office**—609 Sutter St., San Francisco. **Underwriter**—Alex. Brown & Sons, Baltimore. **Offering**—Expected in mid-December.

**Unified Mutual Shares, Inc.**
Aug. 22, 1963 filed 750,000 capital shares. **Price** — Net asset value plus 8½%. **Business**—A new mutual fund. **Proceeds**—For investment. **Address**—207 Guaranty Bldg., Indianapolis. **Distributor** — Unified Underwriters, Inc., (same address).

**Unimed, Inc.**
Sept. 3, 1963 filed $300,000 of 5½% convertible subordinated notes due 1973. **Price**—At par. **Business**—Development and manufacture of ethical drugs and pharmaceuticals. **Proceeds**—For marketing of existing products, and research and development on new preparations. **Address**—Route 202, Morristown, N. J. **Underwriter**—None.

● **United Investors Corp. (Minn.)**
July 29, 1963 filed $500,000 of 6% convertible debentures due 1973 being offered for subscription by stockholders of record Nov. 26 on an unlimited basis. Rights will expire Dec. 23. **Price**—At par. **Business**—A holding company for United Investors Fund Corp. (a broker-dealer which sells mutual funds) and United Capital Life Insurance Co. of Minnesota. **Proceeds**—To increase capital and surplus of United Capital Life Insurance Co. of Minnesota. **Address**—1300 First National Bank Bldg., Minneapolis. **Underwriter**—None.

**U. S. Controls, Inc.**
Aug. 8, 1963 filed $210,000 of 6¾% debentures due 1973 and warrants to purchase 31,500 shares to be offered for public sale in units of one $100 debentures and 15 warrants. **Price**—$100 per unit. **Business**—Development and manufacture of heating equipment and automatic control systems. **Proceeds**—For inventory, sales promotion, note prepayment and working capital. **Office** — 410 Fourth Ave., Brooklyn, N. Y. **Underwriter**—To be named. **Offering**—Indefinite.

**United Variable Annuities Fund, Inc.**
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo.

**Urethane of Texas, Inc.**
Feb. 14, 1962 filed 250,000 class A and 250,000 common to be offered in units of one share of each class. **Price**—$5.05 per unit. **Business**—Manufacture of urethane foams. **Proceeds**—For equipment, working capital, leasehold expenses and other corporate purposes. **Office**—2300 Republic National Bank Bldg., Dallas. **Underwriter**—First Nebraska Securities Corp Lincoln Neb **Offering**—Indefinitely postponed.

**Valley Investors, Inc.**
Jan. 23, 1963, filed 328,858 common. **Price**—$1. **Business**—A new mutual fund. **Proceeds**—For investment. **Address**—Sidney, Mont. **Underwriter**—To be named.

● **Varner-Ward Leasing Co. (12/17)**
Nov. 15, 1963 filed 125,000 common, of which 60,000 are to be offered by company and 65,000 by stockholders. **Price**—By amendment (max. $11). **Business**—Leasing of automobiles. **Proceeds**—For working capital. **Office**—1525 Franklin St., San Francisco. **Underwriter** — Birr, Wilson & Co., Inc., San Francisco.

**Virginia Electric & Power Co. (12/10)**
Oct. 25, 1963 filed $30,000,000 of first and refunding mortgage bonds due Dec. 1, 1993. **Proceeds**—For debt repayment and construction. **Office**—700 East Franklin St., Richmond, Va. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Brothers & Hutzler-Goldman, Sachs & Co. (jointly); Eastman Dillon, Union Securities & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc.-Lehman Brothers (jointly); White, Weld & Co.; Stone & Webster Securities Corp. **Bids**—Dec. 10 (11 a.m. EST) at One Chase Manhattan Plaza, (Room 2414), New York. **Information Meeting**—Dec. 5 (11 a.m. EST) at One Chase Manhattan Plaza, (30th floor) New York.

**Waterman Steamship Corp.**
Aug. 29, 1961 filed 1,743,000 common. **Price**—By amendment. **Business**—The carrying of liner-type cargoes **Proceeds**—For the purchase of vessels, and working capital. **Office**—71 Saint Joseph St., Mobile, Ala. **Underwriter**—Shields & Co., Inc., N. Y. **Note**—This registration will be withdrawn.

**Western Transmission Corp.**
Sept. 16, 1963 filed 1,162,537 capital shares to be offered for subscription by holders of the capital stock and 6% convertible subordinated debentures due 1977 of U. S. Natural Gas Corp., on the basis of one share of Western Transmission for each U. S. Natural share held. **Price**—$1. **Business**—Company plans to operate a natural gas gathering system in the south central part of Wyoming. The gas to be sold initially, will be purchased from U. S. Natural, which has agreed to guarantee the payment of all expenses approved by U. S. Natural for the company's organization, financing and other start-up costs. **Proceeds**—For construction, working capital, and other corporate purposes. **Office** — 1907 Chamber of Commerce Bldg., Houston. **Underwriter**—None.

**William Penn Racing Association**
March 8, 1963 filed $1,000,000 of 6½% sinking fund debentures due 1978 and 100,000 class A non-voting common shares to be offered in units of one $100 debenture and 10 shares. **Price**—$220 per unit. **Business**—Company has been licensed to conduct harness racing with pari-mutuel betting. **Proceeds**—For debt repayment and working capital. **Office**—3 Penn Center Plaza, Philadelphia. **Underwriter**—Stroud & Co., Inc., Philadelphia **Offering**—Indefinite.

**Young Industries, Inc.**
Sept. 30, 1963 filed 100,000 class A common and warrants to purchase an additional 50,000 class A shares, to be offered in units of 50 shares and warrants to purchase 25 shares. **Price**—$501.25 per unit. **Business**—Commercial development of real estate, primarily shopping centers, in Kentucky, Indiana, Ohio and Tennessee. **Proceeds**—For debt repayment and property acquisitions **Office**—508 West Jefferson St., Louisville, Ky. **Underwriter**—None.

# Issues Filed With SEC This Week

★ **Bartlett Recreation Development Corp.**
Nov. 21, 1963 ("Reg. A") 75,000 common. **Price** — $4. **Business** — Development and operation of year-round recreation facilities near Bartlett, N. H. **Proceeds**—For construction, equipment and working capital. **Address**—Bartlett, N. H. **Underwriter**—None.

★ **Health Insurance of Vermont, Inc.**
Nov. 26, 1963 filed 40,000 common to be offered for subscription by common stockholders on the basis of one new share for each three held. **Price** — By amendment (max. $9). **Business**—Writing of health insurance. **Proceeds** — To increase capital funds, and meet operating expenses. **Office**—109 S. Winooski Ave., Burlington, Vt. **Underwriter**—None.

★ **Intercoast Companies, Inc.**
Nov. 29, 1963 filed 225,000 common. **Price**—By amendment (max. $16). **Business**—An insurance holding company. **Proceeds** — For expansion, and other corporate purposes. **Office**—3140 J St., Sacramento. **Underwriter**—Schwabacher & Co., San Francisco.

★ **International Milling Co., Inc. (1/13-17/64)**
Nov. 29, 1963 filed 450,000 common. **Price**—By amendment (max. $35) **Business**—Operation of flour mills in U. S., and Canada and several foreign countries. **Proceeds**—For capital improvements, and loan repayment. **Office**—1200 Investors Bldg., Minneapolis. **Underwriter**—Kidder, Peabody & Co., New York.

★ **Life Holding Corp.**
Nov. 29, 1963 filed 75,758 common. **Price**—By amendment (max. $33). **Business**—A holding company, presently with one subsidiary, Capital Life Insurance Co. of America. **Proceeds**—For working capital, and other corporate purposes. **Office**—50 Lackawanna Plaza, Montclair, N. J. **Underwriter**—Ralph B. Leonard & Sons, Inc., New York.

★ **Miller (Henry), Inc.**
Nov. 21, 1963 ("Reg. A") 1,900 common to be offered to stockholders on a pro rata basis. **Price**—$12.97. **Business**—Manufacture of furniture and related products, and the distribution of fabrics and textiles. **Proceeds**—For working capital. **Office**—140 W. McKinley St., Zeeland, Mich. **Underwriter**—None.

★ **Northern States Life Insurance Corp.**
Dec. 3, 1963 filed 95,931 common and warrants to purchase an additional 191,862 common to be offered in units, of one share and two warrants. **Price**—$150. **Business**—Writing of life insurance in Wisconsin. **Proceeds**—For working capital, expansion and other corporate purposes. **Office** — 1840 N. Farwell Ave., Milwaukee. **Underwriter**—McMaster, Hutchinson & Co., Milwaukee.

★ **OCC, Inc.**
Nov. 21, 1963 ("Reg. A") 3,000 common. **Price**—$100. **Business**—Ownership, planning and development of real estate. **Proceeds**—For investment, and working capital. **Office**—805-6th St., N. W., Washington, D. C. **Underwriter**—None.

★ **Paramount International Coin Corp.**
Nov. 27, 1963 filed 1,000 non-voting class A common. **Price**—$1,000. **Business**—Acquisition, holding, and disposition of coins, medals and other numismatic items. **Proceeds**—For working capital. **Office**—1 North Main St., Englewood, Colo. **Underwriter**—None.

★ **Pension Life Insurance Co. of America**
Nov. 26, 1963 filed 176,000 common. **Price**—By amendment (max. $10). **Business**—Company plans to write various forms of life insurance and annuities in New Jersey. **Proceeds**—For general corporate purposes. **Office**—23 Fulton St., Newark, N. J. **Underwriter**—None.

★ **Peoples Protective Life Insurance Co.**
Nov. 26, 1963 filed 38,074 class A (voting) and 152,298 class B (non-voting) common to be offered in units of one class A and 4 class B shares. **Price**—$100 per unit. **Business**—Sale of industrial, ordinary and health insurance in seven southern states. **Proceeds**—For expansion, and possible acquisitions. **Office**—207 North Market St., Jackson, Tenn. **Underwriter** — Palm Beach Investment Co., Inc., Palm Beach, Fla.

★ **Powr-Pak Industries Inc. (1/15-64)**
Dec. 2, 1963 filed $1,000,000 of 6% convertible subordinated debentures due 1974; also 125,000 common to be offered for stockholders. **Price**—By amendment (max. $8 for the common). **Business**—Manufacture, packaging and distribution of various aerosol products. **Proceeds**—For loan repayment, and working capital. **Office**—145 Howard Ave., Bridgeport, Conn. **Underwriter** — S. D. Fuller & Co., New York.

★ **Producers Finance Co. of Arizona**
Nov. 22, 1963 ("Reg. A") $300,000 of 6% subordinated debentures due Nov. 1, 1973 (with warrants). **Price**—$1,000. **Business** — Operation of a general finance and small loan business in Arizona. **Proceeds**—For debt repayment and working capital. **Office**—4450 N. Central Ave., Phoenix. **Underwriter**—Resnes, Ely, Beck & Co., Phoenix.

★ **Wisconsin Real Estate Investment Fund**
Nov. 29, 1963 filed 100,000 shares of beneficial interest, of which 34,000 shares to be offered to stockholders on the basis of one share for each two shares held and the remaining 65,000 shares to the public. **Price**—To stockholders, $10.25; to public $11. **Business**—A diversified real estate investment fund. **Proceeds**—For investment. **Address**—Marine Plaza, Milwaukee, Wis. **Underwriter**—Braun, Monroe & Co., Milwaukee.

# Effective Registrations

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

**American Realty Trust**
132,300 shares of beneficial interest being offered for subscription by shareholders at $9.25 per share, on the basis of one new share for each four held of record Nov. 27. Rights will expire Dec. 18. Stifel, Nicolaus & Co., Inc., St. Louis, is the principal underwriter.

**Bridges Investment Fund, Inc.**
200,000 capital shares offered initially at $10.08, without underwriting.

**Heck's, Inc.**
180,000 class A common offered at $2.50 per share by Charles Plohn & Co., New York.

**Massachusetts Electric Co.**
$10,000,000 of 4⅝% first mortgage bonds due Dec. 1, 1993, offered at 102.547% and accrued interest, to yield 4.47% by Merrill Lynch, Pierce, Fenner & Smith Inc., and Eastman Dillon, Union Securities & Co., New York.

**Pacific Northwest Bell Telephone Co.**
$50,000,000 of 4½% debentures due Dec. 1, 2000 offered at 101.26% and accrued interest, to yield 4.43% by Morgan Stanley & Co., New York.

**Security Title & Guaranty Co.**
125,000 common being offered for subscription by stockholders at $6.25 per share, on the basis of one new share for each share held of record Nov. 29. Rights will expire Dec. 16. New York Hanseatic Corp., New York, is the principal underwriter.

**Shippers Dispatch, Inc.**
150,000 common offered at $7.50 per share by Francis I. duPont, A. C. Allyn, Inc., New York. (Issue was exempted from SEC registration.)

**Tennessee Gas Transmission Co.**
150,000 shares of 5.04% preferred ($100 par) offered at $100 per share plus accrued dividends by Stone & Webster Securities Corp., and White, Weld & Co., New York.

**Tennessee Gas Transmission Co.**
$35,000,000 of 4⅞% first mortgage pipe line bonds due Dec. 1, 1983 offered at 100.50% and accrued interest, to yield 4.835% by Stone & Webster Securities Corp., White, Weld & Co., and Halsey, Stuart & Co. Inc., New York.

**Trans World Airlines, Inc.**
$8,500,000 of 5¾% convertible subordinated debentures due Oct. 1, 1983 offered for subscription by stockholders at $101.37 per debenture, on the basis of $100 of debentures for each 18 common shares held of record Dec. 3. Rights will expire Dec. 27. No underwriting is involved.

**Peerless Insurance Co.**
565,218 capital shares being offered for subscription by stockholders at $8 per share, on the basis of one new share for each share held of record Dec. 3. Rights will expire Dec. 24. No underwriting is involved.

# Prospective Offerings

**American Telephone & Telegraph Co.**
Nov. 20, 1963 the company announced that it will offer stockholders the right to subscribe for 12,250,000 additional common shares on the basis of one new share for each 20 held of record Feb. 18. Rights will expire in early April. **Proceeds** — For expansion. **Office** — 195 Broadway, New York. **Underwriter**—None. **Offering**—Expected in early March.

**Associated Truck Lines, Inc.**
Sept. 18, 1963 it was reported that 110,000 common shares of Associated will be sold publicly, of which 40,000 will be sold for the company and 70,000 for certain stockholders. **Business** — Company is a short haul motor common carrier operating in Michigan, Ohio, Indiana and Illinois. **Proceeds**—To retire outstanding 6% cumulative preferred stock. **Office** — 15 Andre St., S. E.. Grand Rapids, Mich. **Underwriter** — Hornblower & Weeks, New York. **Offering**—Indefinitely postponed.

**Atlantic Coast Line RR (1/8/64)**
Nov. 26, 1963 it was reported that this road plans to sell about $6,420,000 of 1-15 year equipment trust certificates in January. **Office**—220 E. 42nd St., New York. **Underwriters** — (Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Expected Jan. 8, 1964 (12 noon EST) at above address.

**Atlantic Coast Line RR (3/18/64)**
Nov. 26, 1963 it was reported that this road plans to sell $3,825,000 of 1-15 year equipment trust certificates in March. **Office**—220 E. 42nd St., New York. **Underwriters** — (Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Expected March 18, 1964 (12 noon EST) at above address.

**Bank of the Southwest N. A. (Houston)**
Oct. 16, 1963 it was reported that stockholders had approved a 2-for-1 split and the offering of 100,000 $10 par shares to stockholders on the basis of one new share for each 20 held of record Oct. 15. Rights will expire Jan. 6, 1964. **Price**—$45. **Proceeds**—To increase capital funds. **Office**—900 Travis St., Houston, Tex. **Underwriter**—None.

**Bethlehem Steel Co.**
Feb. 26, 1963, Arthur B. Homer, Chairman, announced that the company will embark on a $750,000,000 capital improvement program to be completed by 1965. He said that approximately two-thirds of the financing for the program will be generated internally and the balance secured externally. Mr. Homer added that this would not be required until at least 1964. **Office**—25 Broadway, New York. **Underwriters**—To be named. The last public sale of securities in May 1955, was handled by Kuhn, Loeb & Co., and Smith, Barney & Co., New York.

**Boston Edison Co.**
Nov. 20, 1963, the company announced that it plans to sell $25,000,000 of bonds sometime in 1965. **Proceeds**—For construction of a new plant. **Office**—182 Tremont St., Boston. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Lehman Brothers; Harriman Ripley & Co.; and White, Weld & Co.

**Central Illinois Public Service Co.**
On Oct. 2, 1963, it was reported that the company plans to sell $20,000,000 of bonds in the third quarter of 1964. **Office**—607 East Adams St., Springfield, Ill. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler: Blyth & Co.-Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly); Lehman Brothers-Bear, Stearns & Co. (jointly); White, Weld & Co.

**Clinchfield RR (1/15/64)**
Nov. 26, 1963 it was reported that this company plans to sell $6,960,000 of 1-15 year equipment trust certificates. **Office**—20 E. 42nd St., New York. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler: Halsey, Stuart & Co. Inc. **Bids**—Jan. 15, 1964 (12 noon EST) at above address.

**Communications Satellite Corp.**
Oct. 7, 1963 it was reported that a registration statement will be filed in December covering about $200,000,000 of this firm's common stock to be issued in two series. Series I will be sold to the public, firms that produce space exploration equipment and other non-communications concerns. Series II will be issued to FCC-approved communications common carriers. **Price**—Maximum of $100 per share. **Business**—Congress has authorized the company to provide satellites and ground facilities for the international transmission of telephone, telegraph, television and other communications. **Office**—3029 Klingle Rd., N. W., Washington, D. C. **Underwriters**—To be named. **Offering**—Expected in early 1964.

**Connecticut Yankee Atomic Power Co.**
Nov. 18, 1963 the SEC denied the application of the 12 utilities which jointly own this new firm for permission to negotiate with underwriters for the sale of up to $55,000,000 of the firm's bonds. The Commission stated: "the evidence tended to indicate that Connecticut Yankee's senior securities could be sold successfully at competitive bididng." A spokesman for the firm stated that it has not yet decided whether to appeal the ruling, or to proceed with a competitive sale. **Business**—Company was formed in December 1962, to own and operate a 500,00 kw. atomic power plant at Haddam Neck, Conn. **Proceeds**—For construction of the $70-$80,000,000 plant. **Office**—441 Stuart St., Boston. **Underwriters** — To be named.

**Consumers Power Co.**
Oct. 7, 1963 the company stated that it had postponed until Mid-1964 its plans to raise additional capital. Earlier, the company said that it planned to sell $20,000,000 of debentures. No decision has been reached on the type or amount of securities to be sold in 1964. **Office** — 212 West Michigan Ave., Jackson, Mich. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.-Shields & Co. (jointly); Harriman Ripley & Co. Inc.-First Boston Corp (jointly); Morgan Stanley & Co., Salomon Brothers & Hutzler-Blyth & Co.-Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

**Control Data Corp.**
Sept. 16, 1963 it was reported that the company plans the sale of $25,000,000 or more of securities sometime in 1964. A company spokesman stated that the timing and type of issue, will depend on market conditions at the time. **Office** — 8100 34th Ave., South, Minneapolis. **Underwriter**—To be named. The last sale of debentures on Aug. 28, 1962 was handled by Dean Witter & Co., Chicago.

**Duke Power Co.**
Sept. 17, 1963 it was reported that the company has tentative plans to issue $50,000,000 of first mortgage bonds in the second quarter of 1964. **Office** — 30 Rockefeller Plaza, New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co.; Stone & Webster Securities Corp.

**★ Florida Telephone Co.**
Dec. 3, 1963 it was reported that the company plans to file a registration statement in early March, 1964, covering 206,338 common shares, to be offered to stockholders on the basis of one new share for each five held. **Address**—Ocala, Fla. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., Inc., New York. **Offering**—Expected in early April.

**General Aniline & Film Corp.**
April 3, 1963 Attorney General Robert F. Kennedy announced that the Justice Department had reached an out-of-court agreement with Interhandel, a Swiss holding company, designed to settle the 20-year old dispute over control of the 540,894 class A and 2,050,000 class B shares of General Aniline seized by the U. S. Government in 1942 as a German asset. The stock represents 98% of the voting control of the company. Mr. Kennedy said that if General Aniline should be sold for $200 million, the Government would receive about $140 million and Interhandel about $60 million. The settlement terms, recently approved by Interhandel stockholders, also must be approved by the U. S. District Court at Washington, D. C. **Business**—Company is a leading domestic producer of dyestuffs, chemicals and photographic materials. **Office**—111 W. 50th St., New York. **Underwriters**—(Competitive). Probable bidders: Blyth & Co.-First Boston Corp. (jointly); Lehman Brothers-Kuhn, Loeb & Co.-Glore, Forgan & Co (jointly); Bache & Co.

**Hartford Electric Light Co.**
April 30, 1963 the company announced plans to sell $15,-$20,000,000 of securities in 1964 to help finance its $26,000,000 construction program. **Office**—176 Cumberland Ave., Wethersfield, Conn. **Underwriters** — First Boston Corp., New York; Putnam & Co., Hartford; Chas. W Scranton & Co., New Haven.

**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 media. **Office**—750 Third Ave., New York. **Underwriter**—To be named.

**Iowa Power & Light Co.**
Jan. 16, 1963 it was reported that the company plans to sel $10,000,000 of bonds in the last half of 1964. **Office**—823 Walnut St., Des Moines. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; White Weld & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; Kidder, Peabody & Co.; Eastman Dillon Union Securities & Co.; Lehman Brothers; Blyth & Co

**Irving Air Chute Co., Inc.**
Sept. 11, 1963 it was reported that the company plans to file a registration statement shortly covering $1,810,000 of 6% convertible debentures due 1975 to be offered for subscription by stockholders. **Business**—Manufacture of seat belts, business machine parts and parachutes. **Proceeds**—For expansion, loan repayment and working capital. **Office** — 1315 Versailles Rd., Lexington, Ky. **Underwriter**—S. D. Fuller Co., New York.

**Japan (Government of)**
May 1, 1963 it was reported that the Government plans to sell an additional $35,000,000 of external loan bonds in the U. S. during the fiscal year ending March 31, 1964 It is expected that the majority would be sold by Dec 31, 1963. **Underwriter**—First Boston Corp., New York.

**Kansas City Power & Light Co.**
Oct. 16, 1963 it was reported that the company plans to sell $18-$20,000,000 of first mortgage bonds in January 1965. **Address** — 1330 Baltimore Ave., Kansas City, Mo. **Underwriters**—(Competitive). Probable bidders: Halsey. Stuart & Co. Inc.; Blyth & Co., Inc.-First Boston Corp. (jointly); Lehman Brothers-Bear, Stearns & Co. (jointly); Equitable Securities Corp.-Eastman Dillon, Union Securities & Co. (jointly); White, Weld & Co.-Shields & Co. (jointly).

**Livingston Oil Co.**
Nov. 6, 1963 it was reported that the company plans to file a registration statement shortly covering an undisclosed number of common shares. **Business**—Exploration and development of oil and gas properties. **Proceeds**—For expansion. **Office**—210 Mid-Continent Bldg., Tulsa, Okla. **Underwriters** — Hayden, Stone & Co., Inc., and Shearson, Hammill & Co., New York.

**Long Island Lighting Co.**
Aug. 29, 1963 the company announced plans to issue $25-to-$30,000,000 of first mortgage bonds in each of the years 1964 to 1968 inclusive, to help finance its $285,000,000 5-year construction program. **Office** — 250 Old Country Rd., Mineola, N. Y. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.-First Boston Corp. (jointly); W. C. Langley & Co.

**Louisiana Power & Light Co.**
Oct. 16, 1963 it was reported that this subsidiary of Middle South Utilities, Inc., plans to issue $25,000,000 of bonds in second quarter of 1964. **Proceeds**—For construction. **Office**—142 Delaronde St., New Orleans. **Underwriters**—(Competitive). Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.-Kidder, Peabody & Co.-Harriman Ripley & Co., Inc. (jointly); White, Weld & Co.-Blyth & Co., Inc.-Shields & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.-Glore, Forgan & Co. (jointly); Salomon Brothers & Hutzler-Eastman Dillon, Union Securities & Co.-Equitable Securities Corp. (jointly).

**Louisville & Nashville RR (12/9)**
Nov. 26, 1963 it was reported that this road plans to sell $6,705,000 of 1-15 year equipment trust certificates. **Office**—220 E. 42nd St., New York. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids** — Dec. 9, (12 noon EST) at above address.

**Mexico (Government of)**
July 16, 1963 following the public offering of $40,000,000 of external bonds, it was reported that the Government is authorized to sell an additional $65,000,000 of bonds in the U. S. and abroad. **Underwriters**—**Kuhn**, Loeb & Co., Inc., and First Boston Corp., N. Y.

**Missouri Pacific RR (1/7/64)**
Oct. 22, 1963 it was reported that this road plans to sell $6,600,000 of 1-15 year equipment trust certificates. **Address**—Missouri Pacific Bldg., St. Louis. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc. **Bids**—Expected Jan. 7, 1964 (12 noon CST), at above address.

**New York State Electric & Gas Corp.**
April 3, 1963 it was reported that the company plans to sell $20,000,000 of debt securities to finance its construction program for 1964 and 1965. **Office**—108 East Green St., Ithaca, New York. **Underwriters** — (Competitive). Probable bidders: Kidder, Peabody & Co.-Salomon Brothers & Hutzler (jointly); First Boston Corp.-Glore, Forgan & Co. (jointly); Halsey, Stuart & Co.; Harriman Ripley & Co.; Blyth & Co.

**New York Telephone Co. (1/7/64)**
Oct. 28, 1963 it was reported that this A. T. & T. subsidiary plans to sell $130,000,000 of first mortgage bonds in January. **Proceeds**—To repay bank loans, refund $75,000,000 of outstanding 3% bonds maturing Oct. 15, 1964, and finance construction. **Office** — 140 West St., New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected Jan. 7, 1964.

**Northern Pacific Ry. (12/10)**
Nov. 7, 1963 it was reported that this road plans to sell $6,840,000 of equipment trust certificates in December. **Office**—120 Broadway, New York. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co., Inc.; Salomon Brothers & Hutzler. **Bids**—Dec. 10 (12 noon EST).

**Northern States Power Co. (Minn.)**
May 14, 1963 it was reported that the company plans to offer about 771,110 additional shares to stockholders on a 1-for-20 basis in 1964, to raise an estimated $25,000,000. **Office**—15 South Fifth St., Minneapolis. **Underwriter**—To be named. The last rights offering in July 1959 was underwritten by Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

**Otter Tail Power Co.**
Oct. 16, 1963 it was reported that the company plans to sell 30,000 shares of $100 par preferred stock in the first quarter of 1964. **Office**—215 So. Cascade St., Fergus Falls, Minn. **Underwriter**—To be named. The last sale of preferred on March 8, 1950 was handled by Glore, Forgan & Co., New York and Kalman & Co., Inc., St. Paul.

**Pacific Telephone & Telegraph Co.**
June 19, 1963 the company stated that it will need $650 million of new money in the years 1964 through 1966 to help finance its $1.3 billion construction program. This means that the company must sell about $217 million of securities a year, it was stated. **Office**—140 New Montgomery St., San Francisco. **Underwriters**—To be named. The last issue of debentures on Feb. 16, 1960 was underwritten by Halsey, Stuart & Co. Inc. One other bid on the issue was tendered by Morgan Stanley & Co.

**★ Pan American World Airways, Inc. (1/7/64)**
Dec. 4, 1963 it was reported that the company plans to offer its common stockholders the right to subscribe for $60,000,000 of conv. subord. debentures due 1984 on the basis of $100 principal amount of debentures for each 11 to 13 shares held of record Jan. 7, 1964. Rights will expire Jan. 22. **Price**—By amendment. **Proceeds**—For debt repayment, and purchase of additional aircraft.

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**Address**—Pan Am. Bldg., New York. **Underwriter**—Lehman Brothers, New York. **Registration**—Expected Dec. 6.

**Pennsylvania Power & Light Co.**
March 18, 1963 the company stated that it expects to sell $75,000,000 of bonds in the period 1963 through 1967. **Proceeds** — For construction and the retirement of $8,000,000 of maturing bonds. **Office**—9th and Hamilton St., Allentown, Pa. **Underwriters**—To be named. The last sale of bonds on Nov. 29, 1961 was won at competitive bidding by White, Weld & Co., and Kidder Peabody & Co. Other bidders were Halsey, Stuart & Co. Inc.; First Boston Corp.-Drexel & Co. (jointly).

**Philadelphia Electric Co.**
Sept. 18, 1963 it was reported that the company is considering the sale of $50,000,000 of first mortgage bonds in mid-1964. **Office** — 1000 Chestnut St., Philadelphia. **Underwriters**—(Competitive). Probable bidders: Morgan Stanley & Co.-Drexel & Co. (jointly); Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co.

**Potomac Edison Co. (3/10/64)**
Oct. 16, 1963 it was reported that this subsidiary of Allegheny Power System, Inc., plans to sell $12-$15,000,000 of first mortgage bonds due 1994. **Office**—200 East Patrick St., Frederick, Md. **Underwriters**—(Competitive). Probable bidders: W. C. Langley & Co.-First Boston Corp. (jointly); Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; White, Weld & Co.-Shields & Co. (jointly); Lehman Brothers-Eastman Dillon, Union Securities & Co.-Harriman Ripley & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly). **Bids**—March 10, 1964 (10 a.m. EST) at 320 Park Ave., New York.

**Potomac Electric Power Co.**
July 30, 1963 the company stated that it will need $50,000,000 of new money in 1964 for its construction program and expects to do permanent financing in the early part of the year. However, it has not determined the amount or type of security to be offered. **Office**—929 E St., N. W., Washington, D. C. **Underwriters**—To be named. On Feb. 19, 1963 the company sold $50,000,000 of bonds to Dillon, Read & Co., Inc.; Lehman Bros., Eastman Dillon, Union Securities & Co., Stone & Webster Securities Corp., and Johnston, Lemon & Co. Other bidders on the issue were Kidder, Peabody & Co.—Merrill Lynch, Pierce, Fenner & Smith, Inc.—White, Weld & Co.—Salomon Bros. & Hutzler (jointly); First Boston Corp.; Halsey, Stuart & Co.

**Public Service Co. of Colorado**
June 4, 1963 it was reported that the company plans to sell $35,000,000 of 30-year first mortgage bonds in April, 1964. **Proceeds**—For construction. **Office**—900 15th St., Denver, Colo. **Underwriters** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Harriman, Ripley & Co., Inc.-Eastman Dillon, Union Securities & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc.-Dean Witter & Co. (jointly); First Boston Corp.; Lehman Brothers-Kidder, Peabody & Co.-White, Weld & Co. (jointly); Blyth & Co., Inc.-Smith, Barney & Co. (jointly).

**Rochester Telephone Co.**
May 7, 1963 the company announced plans to sell $16,000,000 of debentures in the first quarter of 1964, but may do so earlier if market conditions are favorable. **Proceeds** — For construction. **Office** — 10 Franklin St., Rochester, N. Y. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Eastman Dillon, Union Securities & Co.-Kidder, Peabody & Co. (jointly); Kuhn Loeb & Co.; Halsey, Stuart & Co. Inc.

**Ryder Systems, Inc.**
Nov. 25, 1963 it was reported that the ICC had authorized the company to issue $5,380,900 of 5¼% convertible subordinated debentures due 1983 being offered to stockholders on the basis of $100 of debentures for each 40 common shares held of record Nov. 22. Rights will expire Dec. 6. **Price**—At par. **Business**—A holding company engaged in the fields of motor freight carrying, equipment leasing and manufacturing. **Office** — 2701 So. Bayshore Drive, Miami, Fla. **Underwriter**—Blyth & Co., Inc., New York.

**San Diego Gas & Electric Co.**
Sept. 10, 1963 it was reported that the company is considering the sale of about $20,000,000 of debt securities in mid-1964. **Office**—861 Sixth Ave., San Diego, Calif. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp.-Eastman Dillon, Union Securities & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Lehman Brothers-Salomon Brothers & Hutzler (jointly).

**Sears, Roebuck & Co.**
Nov. 19, 1963 a spokesman for Allstate Enterprises, Inc., subsidiary, announced that the latter is proceeding with plans to form a new mutual fund, following notice from the SEC staff that they will recommend that the Commission adopt a new rule exempting Sears and other large, publicly held firms from a provision of the Investment Company Act. This provision has been interpreted by some to mean that registered investment companies could not hold Sears stock if Sears itself owned a mutual fund. **Office**—925 So. Holman Ave., Chicago. **Distributor**—Allstate Enterprises, Inc., Chicago.

**Southern California Edison Co. (2/25/64)**
Nov. 13, 1963 the company announced plans to sell $60,000,000 of first and refunding mortgage bonds, series R, due 1989. **Proceeds**—To repay bank loans and finance construction. **Office** — 601 West Fifth St., Los Angeles. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.-Dean Witter & Co. (jointly); Blyth & Co.-Lehman Brothers-Merrill Lynch, Pierce, Fenner & Smith Inc.-Salomon Brothers & Hutzler (jointly). **Bids**—Expected Feb. 25, 1964 (8:30 a.m. PST), at above address.

**Southern Co.**
Aug. 12, 1963 the company stated that it is considering the sale of $35 to $40,000,000 of common stock early in 1964 to help finance its $570,000,000 construction program. **Office**—1330 West Peachtree St., N. W., Atlanta, Ga. **Underwriters**—To be named. The last sale of common on Feb. 15, 1961 was made to a group headed by Eastman Dillon, Union Securities & Co., Blyth & Co., and Equitable Securities Corp. Other bidders were: First Boston Corp.-Lehman Brothers (jointly); Morgan Stanley & Co.-Kidder, Peabody & Co.-Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly).

**Southwestern Public Service Co.**
Oct. 6, 1963 it was reported that the company plans to issue approximately $15,000,000 of first mortgage bonds in the first quarter of 1964. **Office**—720 Mercantile Dallas Bldg., Dallas, Tex. **Underwriter**—Dillon, Read & Co., Inc., New York.

**Southern Counties Gas Co. of Calif.**
Jan. 2, 1963 it was reported that this subsidiary of Pacific Lighting Corp., plans to sell $27,000,000 of first mortgage bonds in the fourth quarter. **Address**—P. O. Box 2736, Terminal Annex, Los Angeles 54, Calif. **Underwriters**—(Competitive). Probable bidders: White, Weld & Co.; Blyth & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Halsey, Stuart & Co. Inc.; First Boston Corp.

**Texas & Pacific Ry. (12/12)**
Oct. 28, 1963 it was reported that this road plans to sell $2,700,000 of 1-15 year equipment trust certificates. **Address**—916 Fidelity Union Tower, Dallas. **Underwriters**—(Competitive). Probable bidders: Salomon Brothers & Hutzler; Halsey, Stuart & Co. Inc.; First National Bank in Dallas; Mercantile National Bank, Dallas. **Bids**—Expected Dec. 12 (12 noon CST) at above address.

**Tokyo (City of)**
May 1, 1963 it was reported that the Diet had authorized the sale of $20,000,000 City of Tokyo bonds in the U. S. during the fiscal year ending March 31, 1964. **Underwriter**—To be named. The last issue of Tokyo bonds in March, 1927, was handled by Kuhn, Loeb & Co. **Offering**—Indefinite.

**Transcontinental Gas Pipe Line Corp.**
Sept. 25, 1963 the company announced that it plans to sell $50-$55,000,000 of first mortgage bonds and possibly some preferred in the first half of 1964. **Business**—Transmission of natural gas. **Proceeds**—For loan repayment. **Office**—3100 Travis St., Houston, Texas. **Underwriters**—White, Weld & Co., and Stone & Webster Securities Corp., New York.

**Utah Power & Light Co.**
July 2, 1963 it was reported that this utility plans to sell about $20,000,000 of bonds and $10,000,000 of preferred stock in the second quarter of 1964. **Office**—1407 West North Temple St., Salt Lake City. **Underwriters**—(Competitive). Probable bidders (bonds): Salomon Bros. & Hutzler; Halsey, Stuart & Co., Inc.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); White, Weld & Co.-Stone & Webster Securities Corp. (jointly); First Boston Corp.-Blyth & Co. (jointly); Eastman Dillon, Union Securities & Co.-Smith, Barney & Co. (jointly); Lehman Brothers-Bear, Stearns & Co. (jointly). (Preferred Stock) White, Weld & Co.-Stone & Webster Securities Corp. (jointly); First Boston Corp.-Blyth & Co. (jointly); Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.-Smith, Barney & Co.-Salomon Brothers & Hutzler (jointly); Lehman Brothers.

**Valley Gas Co.**
Nov. 13, 1963 it was reported that the SEC is studying a plan under which Blackstone Valley Gas & Electric Co., would sell its entire 400,000 shares holdings of Valley Gas to stockholders of Blackstone and Eastern Utilities Associates, the latter's parent **Price**—At book value ($11.15 per share on April 30, 1963). **Business**—Company was formed by Blackstone to take over its gas properties. **Proceeds** — To the selling stockholder, Blackstone Valley Gas. **Address** — Pawtucket, R. I. **Underwriters**—(Competitive). Probable bidders: Kidder Peabody & Co.; Stone & Webster Securities Corp.

**Vornado, Inc.**
Nov. 20, 1963 it was reported that a registration statement is being prepared covering the secondary offering of up to 186,000 common shares held by Sidney Hubschman who recently resigned as President and Director. **Business**—Manufacture of home appliances, and the operation of discount stores. **Office** — 174 Passaic St., Garfield, N. J. **Underwriter**—To be named. The initial public offering of Two Guys from Harrison, a predecessor company, in August 1957 was underwritten by Bache & Co., New York.

**Wisconsin Public Service Corp.**
Nov. 26, 1963 the compny stated that it is considering the sale of $15,000,000 of 30-year first mortgage bonds in the period June to November, 1964. **Proceeds** — For construction. **Office**—1029 No. Marshall St., Milwaukee. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.-Eastman Dillon, Union Securities & Co.-Salomon Brothers & Hutzler (jointly); White, Weld & Co.; First Boston Corp.; Blyth & Co.-Lehman Brothers (jointly).

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# NYU Schedules Fin. Seminars

A Banking and Finance Assembly, professional seminars, and the presentation of awards to two of New York University's alumni will highlight the 13th annual Dean's Day Homecoming of NYU's School of Commerce, Accounts, and Finance. The program is scheduled for Saturday (Dec. 7) at the Loeb Student Center, Washington Square South, Manhattan.

Speaking on the topic "Outlook for the Securities Market" at the general Banking and Finance Assembly, to be held at 10:15 a.m. will be Walter Maynard, Partner, Shearson, Hammill and Company, and Glenelg P. Caterer, Executive Vice-President, Lionel P. Edie and Company, Inc.

Following the assembly, at 11:30 a.m., seminars covering wide areas of professional and general interest will be held concurrently. Seminars, speakers, and topics are:

Transportation—Robert D. Brooks, general solicitor, New York Central System, "The Suburban Commuter Problem in Metropolitan New York."

Accounting—Maurice E. Peloubet, partner, Price Waterhouse & Co., "Guideline Depreciation, the Reserve Ratio, and the Revenue Act of 1963" and Walter H. Soderdahl, partner, Touche, Ross, Bailey & Smart, "A Business Approach to Auditing—A New Look."

Real Estate—Steven Schulman, senior attorney, New York State Attorney General's Office, "The Real Estate Investment Trust: Its Use and Potential."

Management—Robert W. Feagles, Vice - President in charge of overseas personnel, First National City Bank, and W. I. Patrick, deputy coordinator for Europe, The Standard Oil Co., New Jersey, "Problems of Managing Overseas Enterprises."

Marketing—Howard G. Sawyer, Executive Vice - President, Marsteller, Inc., "There Are No Experts in Export" and Robert G. Furlong, General Manager, Philco Distributors, Inc., New Jersey, "Competitive Forces in Marketing."

Economics — John V. Deaver, foreign economist, The Chase Manhattan Bank, "The U. S. Balance of Payments and the Gold Reserve" and James Meigs, Economist, the New York Stock Exchange, "World Capital Markets."

General Course—O. O. Hunsaker, school and college consultant, United Air Lines, "A Preview of the World's Fair."

At a general assembly at 2:15 p.m., the Gallatin Award of Honor will be presented to Michael Schimmel, class of 1916, and the Madden Memorial Award will be presented to Abraham Schneider, class of 1926. Also at the assembly, Hanson Baldwin, military editor of The New York Times will speak on the national situation economically, as well as militarily. His topic is "Where Do We Go from Here?"

Mr. Schimmel, who resides at 145 Central Park West, Manhattan, is a senior partner in Michael Schimmel & Co., accounting firm, and Mr. Schneider, who lives at 58 Croft Terrace, New Rochelle, N. Y., is president and chief executive officer of Columbia Pictures Corporation and president of Screen Gems, Columbia's television subsidiary.

The Gallatin Award of Honor is presented by the Albert Gallatin Associates, an organization of friends of the University, in recognition of outstanding service to the University and symbolizes life membership in the Gallatin Associates. Albert Gallatin, who was Secretary of the United States Treasury under Presidents Jefferson and Madison, was first chairman of NYU's governing council.

The Madden Memorial Award, named for the late Dean John T. Madden, is presented by NYU's School of Commerce Alumni Association to alumni whose careers have exemplified "outstanding achievement in business, industry, or professional life."

# TAX-EXEMPT BOND MARKET

*Continued from page 6*

sold $4,335,000 Convention Hall and Recreation refunding, Limited Tax (1965-1990) bonds to *White, Weld & Co.* and associates at a net interest cost of 3.579%. The second bid, a 3.64% net interest cost, was submitted by the group headed jointly by Francis I. du Pont & Co. and John Nuveen & Company.

Other members of the winning account are Mercantile National Bank at Dallas, J. C. Bradford & Co., J. B. Hanauer & Co., Foster & Marshall Inc., Ranson & Co., Luce, Thompson & Co., A. E. Masten & Co. and Rauscher, Pierce & Co.

The bonds were scaled to yield from 2.30% to 3.70% and the present balance in account is $2,000,000.

Tuesday's final important award involved $2,465,000 Albany, Ga. various purpose (1964 - 1993) bonds. The group led by *The Trust Company of Georgia* was the high bidder for this loan at a net interest cost of 3.425%. The next bid, a 3.46% net interest cost, was submitted by White, Weld & Co. and associates and other bids ranged in interest cost from 3.464% to 3.491%.

Other members of the winning group are Robinson-Humphrey Co., Citizens and Southern National Bank, Atlanta, Wyatt, Neal & Waggoner, Francis I. du Pont & Co., J. H. Hilsman & Co., Johnson, Lane, Space Corp. and Byron Brooke & Co.

Reoffered to yield from 2.00% to 3.50%, the group reports an unsold balance of $950,000.

### Week's Major Sale

On Wednesday, the largest issue of this past week was awarded. The City of Bowling Green, Kentucky sold $10,000,000 Water and Sewer revenue (1965-2003) bonds to *B. J. Van Ingen & Co.* and associates at a net interest cost of 4.25%. The runner-up bid, a 4.280% net interest cost, was made by the John Nuveen & Co. account.

Other major members of the winning syndicate include Allen & Co., Blair & Co., Granbery, Marache, Barcus, Kindred & Co., Cooley & Co., Stern, Lauer & Co. and Ball, Burge & Kraus.

The bonds were priced to yield from 2.75% to 4.25% and the offering was reportedly well received. However, no balance is presently available as the order period is still in force.

The group led by *Glore, Forgan & Co.* and *Drexel & Co.* submitted the best bid, 101.02 for a 3¼% coupon. for $4,875,000 Indianapolis, Indiana Sanitary Dist. (1966-1990) bonds. The second bid, 100.94 also for a 3¼% coupon, came from the Chase Manhattan Bank and associates.

Other members of the successful group include Raffensperger, Hughes & Co., Inc., Reynolds & Co., Brown Brothers, Harriman & Co., National Bank of Commerce, Seattle and Fahnestock & Company.

The bonds were reoffered at prices to yield from 2.20% to 3.30% and the balance in account as we go to press is $2,218,000.

### Looking Ahead

As we gather together the odds and ends of this monologue, and seek an overall generalization describing the state and municipal bond market for the present and near future, we see a steady market supported by a moderate amount of spotty general investor interest. As soon as the early year volume catches up and passes this investment interest, we visualize a return to the professional buyers' market and its consequent easier tendency.

# Newton Named to Church Committee

ST. LOUIS, Mo.—George A. Newton, a managing partner of G. H. Walker & Co., investment bankers, with a home office in St. Louis, has been named treasurer of the committee on arrangements for the 61st General Convention of the Protestant Episcopal Church.

George A. Newton

The Convention will be held in St. Louis on Oct. 11-23, 1964.

Mr. Newton was graduated from the University of Colorado and Harvard Law School. He is a member of the Missouri and Illinois Bar, and has been a governor and vice-chairman of the National Association of Securities Dealers, as well as a national president of the Investment Bankers' Association of America.

He was an all conference halfback at Colorado as well as a member of Phi Beta Kappa, national honorary academic fraternity. In 1957 he received an All American Sports Illustrated award, bestowed on college athletes who have achieved unusual distinction in their careers.

Mr. Newton is treasurer of the Episcopal Diocese of Missouri and chairman of the Department of Finance. He also serves as a trustee of the Diocesan Investment Trust and was an initial recipient of the Bishop's Award in 1960.

# Dean Witter & Co. Adds Two Account Executives

Dean Witter & Co., members of the New York Stock Exchange, has added two new account executives to the staffs of its New York offices, it has been announced.

Leon J. Sutton, previously associated with another New York Stock Exchange member firm, has joined the Dean Witter & Co. office at 14 Wall St.

Bertrand E. Foley has joined the company's office at 11 East 55th St., Manhattan.

He had been one of the firm's security analysts for five years prior to his new assignment.

# Hoffman, Weinberg, Shanley Firm Opens in Chicago

CHICAGO, Ill.—Hoffman, Weinberg, Shanley, Wrisley & Schroth, Inc. is conducting a general securities business in commodities and stocks, from offices at 141 West Jackson Boulevard.

Officers are David B. Wrisley, President; Robert W. Hoffman, Vice-President and Sales Manager; J. Donald Schroth, Vice-President and Manager of the stock department; Richard W. Shanley, Vice-President and Secretary; and Sidney Weinberg, Vice-President and Treasurer.

Mr. Hoffman was formerly manager of the commodity department of the Chicago office of Reynolds & Co., with which Mr. Schroth was also associated. Other officers have been associated for the past three years with a Board of Trade clearing firm.

# Socony Mobil Oil Merger Effective

On Nov. 30, 1963, Socony Mobil Oil Co., Inc., merged Virginia-Carolina Chemical Corp., by exchange of about 1,183,800 capital shares. Terms called for the exchange of 1.2 Socony shares for each Virginia-Carolina common share, and 1.32 Socony shares for each Virginia-Carolina 5% convertible preferred share. F. Eberstadt & Co., acted as financial advisor to Socony and Lazard Freres & Co., and Central National Corp., acted for Virginia-Carolina Chemical Corp.

The latter firm will be operated as a separate division of Socony Mobil and its assets will not be commingled before July 1, 1964, without 30 days notice to the U. S. Department of Justice.

## Combine Offices

BELLEVILE, Ill.—Newhard, Cook & Co. has combined its offices in East St. Louis and Belleville into one new office at 20 East Main St., Belleville. Warren E. Leopold and Harold E. Wolfe are co-managers.

## DIVIDEND NOTICES

# WASHINGTON AND YOU

*BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL*

WASHINGTON, D. C. — President Lyndon B. Johnson, the 55-year-old rancher and political pro from Texas, was ploughing a middle-of-the-road furrow in the early days of his administration. This appeared to be the course he will take for sometime.

Like the late President Kennedy, the new chief executive is anxious that Congress approve a big federal tax cut. Therefore, he has pledged thrift and frugality in government.

**When the President delivered his first message at a joint session of Congress, he was interrupted 33 times with applause, but a few longtime former colleagues and friends, like Senator Harry F. Byrd of Virginia, chairman of the Senate Finance Committee, did not applaud his tax cut appeal.**

As things now appear, the United States Congress will vote a tax cut early in the New Year. However, Senator Byrd and some of the other conservatives in Congress want to take a look at the forthcoming budget proposed for the fiscal year 1965 starting July 1.

Senator Byrd's strategy has been to hold up the tax bill until the Executive Branch of the Government made public the proposed budget for the coming year which is expected to be in the neighborhood of $100 billion. Like other opponents of the $11 billion tax reduction bill, Senator Byrd first wants to see Federal spending reduced.

### Johnson's Economy Plea

President Johnson asked all departments, agencies and bureaus to cut their monetary needs to a minimum. This was favorably received, and more than one member of the Senate is hopeful that he will follow-up this appeal with further action.

President Johnson told the joint session that his Administration would practice utmost thrift and frugality. His promises will crop up before him many times if they are not carried out.

**As one competent observer said of Mr. Johnson's joint session address, which was extremely important for the benefit of the American people to show where he stood on numerous questions: He rose to the occasion; he is equal to the responsibilities thrust on his shoulders, and in his 32 years on Capitol Hill he has gone through nearly every kind of crisis that is imaginable.**

The "liberal-conservative" from the Lone Star State is a strong advocate of the free enterprise system, and his speech-making on numerous occasions has cited the Constitution as a source in support of things he stands for.

There is every indication that the space program under the National Aeronautics and Space Administration will continue, as will our foreign assistance program to a marked degree. Yet, it is known that President Johnson favors reducing the assistance program wherever possible. This could mean that the future aid programs may be somewhat less should he continue in power for another four years.

### Political Implications

While our new President in the first days has left a strong impression that he will be a strong leader of both the United States and the Democratic party, there are numerous speculations concerning the future of the party of Jefferson and Jackson and Franklin Roosevelt and Truman and John F. Kennedy.

The old "pros" in Washington seemingly agree that odds are President Johnson will head the Democratic Presidential ticket in 1964, just as it appeared a month ago that John Fitzgerald Kennedy would head the party with Lyndon Baines Johnson his running mate for a second time.

**The assassination of President Kennedy badly hurt the unannounced candidacy of Sen. Barry Goldwater for the Republican Presidential nomination, and it has practically assured Texas' 25 electoral votes going for the Democratic ticket next year.**

**Fortunate for the Democrats, and unfortunate for the Republicans in Texas, the Dallas tragedy may result in Senator John Tower, the first GOP Senator from the South in 100 years and a good one, losing out in the immediate years ahead.**

Meantime, President Johnson, a master politician, has set off a wave of speculation. It is generally accepted he will have a Northerner as a running mate. At the present there are numerous names being tossed about.

President Johnson's problem will be to keep as much of the North as possible which the late President appeared certain to have in a quest for a second term. The late President appeared to hold in his political hand the industrial Northern states. Mr. Johnson must try and hold these favorable areas.

### Humphrey Could be Johnson's Running Mate

Because Washington is a communications center, and politicians strive to get before television audiences, a United States Senator has a marked advantage over the average Governor. A Senator becomes known nationally after serving a term or two.

**For this reason the United States Senate appears to be a political breeding ground for Presidential nominations by both parties in recent years. Thus, the name of Senator Hubert Humphrey, the assistant Democratic leader in the Senate from Minnesota, is being thrust forward as a potential running mate for President Johnson.**

Senator Humphrey, onetime Mayor of Minneapolis, is a strong advocate of intergration, and is a member of the liberal Americans for Democratic Action. Senator Humphrey is articulate and is popular with labor and other groups.

### Other Prospects

Some of the top political chieftains from several of the larger cities are already beating the drums for Attorney General Robert F. Kennedy for the No. 2 place on the presidential ticket. A lot depends, no doubt, on whether or not Mr. Kennedy wants to seek the No. 2 party post. Also Sargent Shriver, the director of the Peace Corps and brother-in-law of the Attorney General and the late President, is being mentioned.

**There are several others who have been brought into the speculative stage including Secretary of Defense Robert S. McNamara; Supreme Court Justice Arthur Goldberg, Senator Abraham A. Ribicoff of Connecticut, and Senator Joseph S. Clark of Pennsylvania.**

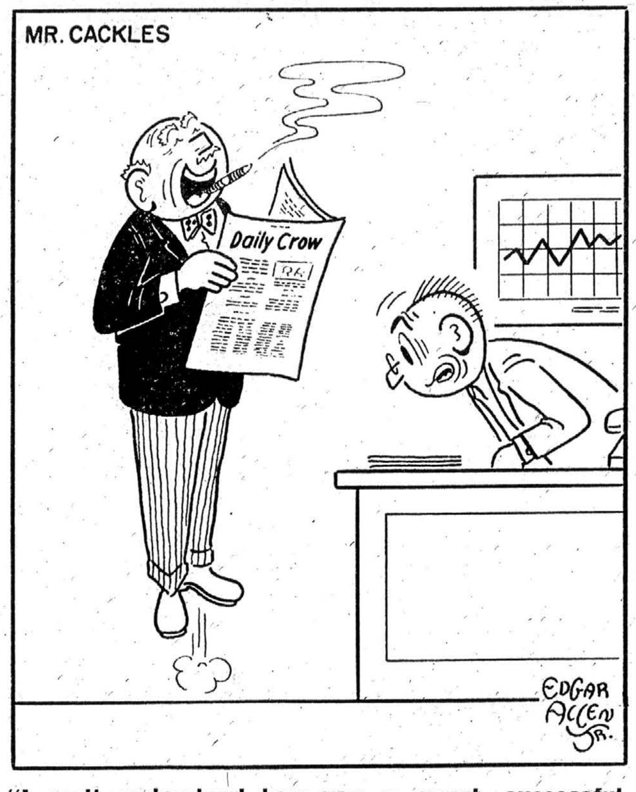
The new Johnson Administration will be in power until at least Jan., 1965. Whether or not all the incumbent Cabinet members and sub-Cabinet members appointed by the late President remain with the Johnson Administration for the next year will likely be determined by the members themselves.

### CORRECTION

Due to an unfortunate mechanical error in the Nov. 28 column, the printed version of one paragraph was completely at variance with the author's text. For this reason, we are reproducing herewith the particular segment as it should have read—*Editor.*

**Only time and history will determine whether President Johnson will be a good leader. However, no man has ever been in the White House who has had better training for the job. Although he is not regarded as an intellectual, nevertheless he is an intelligent man. While he is not an orator, he is a fair speaker.**

[*This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.*]




**"I can't understand how you, a smart, successful registered representative, can actually believe this article about the earth's gravity diminishing— what nonsense!"**

# COMING EVENTS

*IN INVESTMENT FIELD*

**Dec. 1-6, 1963 (Hollywood Beach Fla.)**
Investment Bankers Association of America Annual Convention at the Hollywood Beach Hotel
**CHRONICLE's Special Pictorial Supplement Dec. 19.**

**Dec. 6, 1963 (New York City)**
Security Traders Association of New York Annual Meeting at the Harbor View Club.

**Jan. 20, 1964 (Chicago, Ill.)**
Security Traders Association of Chicago, Inc. Annual Dinner at the Drake Hotel.

**April 8-9-10, 1964 (Houston, Tex.)**
Texas Group Investment Bankers Association Annual Convention at the Shamrock Hilton Hotel.
**CHRONICLE's Special Pictorial Section April 30.**

**Apr. 22-23-24, 1964 (St. Louis, Mo.)**
St. Louis Municipal Dealers spring party at the Chase Park Plaza Hotel and Glen Echo Country Club.

**May 16-24, 1964 (New York City)**
National Association of Mutual Savings Banks 44th Annual Meeting at the Commodore Hotel.

**Oct. 12-16, 1964 (Coronado Beach, Calif.)**
National Security Traders Association Annual Convention at the Del Coronado Hotel.

**Dec. 7-8, 1964 (New York City)**
National Association of Mutual Savings Banks 18th Annual Mid-Year meeting at the Commodore Hotel.

**May 17-18-19, 1965 (Washington, D. C.)**
National Association of Mutual Savings Banks 45th Annual meeting at the Washington Hilton Hotel.

**May 16-17-18, 1966 (Philadelphia, Pa.)**
National Association of Mutual Savings Banks 46th Annual meeting at the BellevueStratford Hotel.

**May 22-23-24, 1967 (Boston, Mass.)**
National Association of Mutual Savings Banks 47th Annual meeting at the Hotel America.

## Form Edison Brocking

SANTA MONICA, Calif.—Edison Brocking & Company, Inc. has been formed with offices at 1532 Third Street to engage in a securities business. Officers are Edward Edison, President; Ronald H. Brocking, Secretary and Treasurer; and Michael J. Fitzpatric, Vice-President. Mr. Edison and Mr. Brocking have been in the investment business for many years.

## Peterson Forms Co.

TACOMA, Wash. — Eddie M. Peterson has formed Peterson & Associates, with offices at 5000 115th Street Court, S. W., to engage in a securities business.