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Editorial AS WE SEE IT

From time immemorial some men have dreamed of a society in which each would draw from abundant production all that is necessary to meet his needs, while each without any particular incentive would produce all that his ability permitted—and thus make possible the economic Utopia. A touch of realism, or perhaps we should say pseudo-realism, was added when Marx and Engels evolved the system in which incentive-less Communism would be reached through state socialism (not to be confused with state capitalism, according to present day communist practitioners) which would gradually permit or induce government to wither away. But according to the Communist fathers in the Soviet Union, Utopian communism would not be long deferred. Indeed, at least one influential Communist big-wig once got into serious trouble by apparently deferring the date of the arrival of full fledged communism.

It remained for the pragmatist Khrushchev to alter the Russian line to the extent of admitting that dreamed-of communism is still a long way off, and warning that ways and means of greatly enlarging production had to be found to make ready for it. And one of the essential means of accomplishing that end was, according to this rather unorthodox leader, the full use of incentives—much greater and more effective use of them than had been the practice in Stalinist Russia. So much enthused about this presumed discovery was the Russian leader by the time he arrived in this country recently that he informed the President that his regime had developed a much more effective employment of incentives than he had found in this country where tax systems, among other things, did a great deal to undermine the vigor of the urge among men to produce more and more abundantly.

Incentives Work

The recent upsurge in Russian economic production and scientific achievement is, we have no doubt, largely to be attributed to the greater and (Continued on page 30)

Funds Curtail Stock Buying; Switch to Fixed-Income Issues

By A. Wilfred May

Analysis of investment companies' operations during September quarter's gyrating stock market reveals sharply curtailed buying of common stocks, particularly by the balanced funds. Substantial increase in cash and government bond holdings noted. Most popular issues were General Motors, Ford, and International Nickel. Most widely liquidated issue again was ATT, followed by United Aircraft and Merck. Favored were automotives, chemicals, and glass issues. Selling predominated in agricultural equipments, aircrafts, airlines, drugs, and oils. Interest continued in foreign issues.

[Tables appearing on page 23 and 28 show Funds' comparative investment positions; total common stock and other securities transactions; and individual common stock transactions by industry groups.]

During the third quarter to Sept. 30 the stock market (as measured by Standard & Poor's Average of 500 Stocks comprising industrials, utilities and rails) first rose by 4% to an all-time high on Aug. 3, only to finish with a net decline of 2.7%. Bonds and preferreds continued their sagging. Against this background of strong cross-currents, fund managements sharply lowered their acquisition of equities.

A. Wilfred May

The investment companies under our review reduced their net purchases of portfolio common stocks to $79.3 million, from $124.6 million in the second quarter, and from $165.5 million in the first quarter. This "bearishness" was, naturally, concentrated in the policies of the balanced funds.

Despite the increase in their investible monies derived from sales of their own shares, the open-end balanced funds liquidated 38% more of their portfolio common stocks than they acquired. Of these balanced funds, only eight were net buyers of common stocks, eighteen were net sellers, with five stand-offs. This compares with the preceding quarter's fourteen net buyers, thirteen net sellers, and three stand-offs among the balanced funds. Of the stock funds, the number of net buyers fell from thirty-four to twenty-seven. Among the closed-end companies, net sellers increased from three to five, while net buyers declined from seven to six. Of all the investment companies under review, the number of net buyers of common stocks declined from 55 to 41, while the net sellers increased from 22 to 29. The cautious stand-off contingent increased from seven to 15.

Interesting indeed is the caution displayed by managements in the light of a sharp decline in redemptions by their shareholders, namely to $186.3 million from $229.3 in the preceding quarter. In other words, individuals preserved their long-term investment attitude relatively more strongly than did their expert managers. Furthermore, this quarter-to-quarter decline in redemptions was accompanied by a 5.5% increase in the rate of the public's purchases of fund shares. Both these trends (which were accentuated in September as compared with August) are interesting in manifesting the fund-holders' undisturbed longer-term confidence during the market's August-September decline.

Chief net sellers of portfolio common stocks included Axe-Houghton A and Axe Science & Electronics, Boston Fund, Commonwealth Investment, Eaton & Howard Balanced Fund, National Securities Income Series, George Putnam, Value Line Income Fund, Wellington Fund, Guardian, Dominick Fund (despite its substantial rights offering a year ago), and Madison. In the case of the latter, a continuation of a relatively short-term investing attitude is indicated by its President's comment: "During the summer we inaugurated a policy of accepting capital gains on securities which seemed overpriced and reinvest- (Continued on page 22)

QUARTERLY INVESTMENT COMPANY SURVEY—In this issue we present our analysis of the portfolio operations of the major investment companies in the quarter ended Sept. 30, 1959, and compare their cash and investment positions on June 30 and Sept. 30

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.

MAURICE S. BENJAMIN

Partner: Benjamin, Hill & Co.
New York City
Members New York Stock Exchange and American Stock Exchange (Assoc.)

General Electric

Our studies show that the industries that should outperform the general economy in the foreseeable future are Air Transportation, Atomic Energy, Computers, Electrical Energy Equipment, Electronics, Missiles and Space, Plastics, Recreation and Residential Building. The leading company that can supply all these fields is General Electric. It is easy to see why General Electric is our favorite stock.

M. S. Benjamin

This 82 year old company is the largest electrical equipment manufacturer in the world. Sales are above $5 billion; there are over 400,000 individuals and institutions that own the 87,717,000 shares; earnings this year will be a record of close to $3 (cash flow $4.50) and dividend payments $2. At 76 the yield is about 2⅝% and the times-earnings ratio is about 25—compared to all other highest quality growth stocks this is extraordinarily favorable. The consecutive dividend payments have been over a period of 60 years. Capital expenditures in the past 10 years have been nearly $1½ billion. Research and Development expenditures are about equal to earnings, nearly $3 per share. The stock is selling around the low of this year, 75-80 down from 84¾.

Air Transportation: The Aircraft Gas Turbine Division designs and builds jet engines and precision instruments for airlines. Expanding commercial applications also include the company's small gas turbine engines for commercial helicopters.

Atomic Energy: Three European power reactor orders were won in 1958 by General Electric's Atomic Power Equipment Department. General Electric won this contract in the world's first international reactor competition under World Bank sponsorship, which attracted bids from 14 leading nuclear reactor builders in this country and abroad.

These orders raised to 18 the number of reactors to be undertaken by the Department—12 for research and test purposes and six for production of atomic electric power.

In 1958 the company proposed "Operation Sunrise," which calls for an accelerated atomic technical development program to achieve competitive nuclear power in domestic high-cost fuel areas by 1965 through intensive development of boiling water reactor systems.

The first of five developmental plants of the Operation Sunrise phase is now under construction—of 50,000 kw unit for Pacific Gas & Electric Company.

The number of General Electric employees working on atomic projects in 1958 totaled 14,600 and included employees engaged in: commercial atomic power development, as discussed above; development of reactors for ship and submarine propulsion (including reactors for the world's largest submarine, the Triton) at Knolls Atomic Power Laboratory in Schenectady, N. Y.; production of plutonium for the Atomic Energy Commission at Hanford, Wash.; and the building of aircraft nuclear propulsion systems at Evendale, Ohio and Idaho Falls, Idaho.

Computers: New facilities for development and production of computers formed a major plant expansion project for General Electric in 1958. Primary emphasis is on computers as electronic brains for controlling systems and for solving specialized problems for industry and business, rather than general purpose computers. A computer system will provide a complete automatic system for banks, reading and sorting 750 checks a minute, determining adequacy of customers' funds, holding up checks that are not covered, computing new balances and issuing monthly statements. Similar complexes of computer systems are being developed by the company for customers in many other industries.

Electric Energy Equipment: Giant steam turbine-generators for production of electric power represent an area of intensive research and development by General Electric. The world's largest steam turbine-generator now in operation—a 335,000 kw unit—was designed and built by G. E. The company is also building a 500,000 kw cross-compound unit, has completed design studies for a 600,000 kw unit, and foresees units of a million kilowatt capacity as entirely feasible.

Electronics: General Electric has played a leadership role in four great surges of growth in the electronics business — including the pre-World War II growth in radio, the wartime growth of radar, the postwar boom in commercial television, and the current strong growth patterns in military and industrial electronics.

General Electric's defense electronics business continues to grow.

General Electric is a leading supplier of electronic components. Semiconductors, including transistors, are a particularly active area of growth.

Missiles and Space: The wide variety of electronic devices and components whose operation must be coordinated perfectly in guiding a missile's flight through space comprises a complex electronic "system." In 1958 General Electric continued to place heavy emphasis on systems development.

Systems developed by G. E. include the giant antenna-reflector used at Arctic Air Force base to bounce signals off the troposphere. The company is also at work on Thor and Atlas nose cones which re-enter earth's atmosphere after a rocket's flight, and on the radio command guidance system for the Atlas, which placed this missile in orbit.

Plastics: Lexan Plastics is a development by the company's Research Laboratory of a new plastic material of exceptional toughness and strength, heat resisting, dimensional stability, and desirable electrical properties. Parts molded of Lexan are now being used in aircraft, business machines, ranges, TV, instruments, electronic equipment and cameras.

Recreation: Consumer goods, including major appliances, radio and television receivers, small electric housewares, air conditioning equipment, and lamps, represented approximately 26% of the company's total sales in 1958.

Residential Building: Home Products—A new product, called Thermaline, will provide all-electric heating and cooling by zones or rooms within the house. Similar "technological rebirth" is evident in electric irons, radios, refrigerators, lamps, toasters, fans and other consumer products. The company's new spray-steam iron is already outselling the conventional steam iron; the Toast-R-Oven is overtaking prior toasters. Thus General Electric looks to research and development and new features that will bring continuing progress to the business of helping families live better . . . electrically.

Future Planning

General Electric spends three times the average of all industry for Research and Development in more than 100 laboratory locations. There are close to 10,000 scientists and 14,000 supporting personnel engaged in the efforts to develop new knowledge, new products, new processes and new improvements: Chemistry, including polymer studies, organic synthesis, fluid mechanics, combustion chemistry, dielectric studies; General physics, including work on semiconductors, light production, surface phenomena, biological studies; Electron physics, including information theory, arc and plasma studies, nucleonics, electronic circuitry; Metallurgy and ceramics, including studies of mechanical behavior of metals and ceramics, electrical and magnetic behavior of materials, cohesion and stability, kinetics of metal and ceramic reactions.

General Electric stock is a thing of value and a buy forever.

EDMOND L. BROWN

President, Carothers & Company, Inc.
Dallas 1, Texas

Pipelife Corporation

PLC and its predecessor companies have spent twelve years designing and patenting the only known practical method of coating a gas, oil or products transmission line with a coat of epoxy resin on the inside of the pipeline while it is buried in the ground.

Edmond L. Brown

The results are:

(1) An increase of 5 to 13% in gas and products capacity by reducing friction on the inside of the pipe. This is of substantial value to high pressure gas transmission lines, as a 3% increase in deliveries will more than pay for this protection, from corrosion.

(2) The internal coating stops leaks and reduces maintenance in many cases from 60c per annum per foot to 3c.

(3) Extends the life of the transmission line approximately 15 to 20 years.

Potential Business

It is estimated there are 150,000 miles of gas transmission and

Continued on page 43

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

This Week's Forum Participants and Their Selections

General Electric Co.—Maurice S. Benjamin, Partner, Benjamin, Hill & Co., New York City. (Page 2)

Pipelife Corp.—Edmond L. Brown, President, Carothers & Co., Inc., Dallas, Texas. (Page 2)

Odds on Bonds Still Favor Higher Yields

By Robert Van Cleave,* *Vice-President, Research, C. F. Childs and Company, New York City*

Well known government bonds' analyst opines the odds still favor higher bond yields in the near future. Though housing may be discouraged by tight money, government financing problems and business requirements are expected to block any real rally in bond prices. Mr. Van Cleave expects the Treasury to first tackle its $2\frac{1}{2}$s when Congress lifts the interest rate ceiling, and he assumes no recession is imminent nor a precipitous about face into easy money.

I have somewhat less confidence in my bearish view of the bond market than I did at this time a year ago. Still, it seems to me on balance that the odds favor a continuance of a trend toward higher yields running, probably well into next year.

Robert Van Cleave

Despite the damaging effects of a record-breaking interruption to steel production, I think the forces of economic expansion are strong enough to bar that unfortunate episode from tipping us into a new recession.

In these circumstances the demand for capital funds, both short-term and long-term, will continue to grow. Housing starts may be hurt by "tight-money," implying a lesser demand for mortgage money, but governmental and business requirements are likely to continue to press hard against supply of current savings.

Treasury Financing Problems

The U. S. Treasury's problems of financing and re-financing are immense, and will present a major stumbling block in the way of any real rally in bond prices. Those who rely on the projected budget balance for the current fiscal year to keep the Treasury out of the market in the first half of next year are likely to be disappointed, and disappointments of this sort have a tendency to produce sharp reactions.

There has been no January-June period since 1952 (with one exception) in which the Treasury, in addition to heavy refunding offerings, has been able to avoid selling new issues for cash. These new offerings have totaled amounts ranging between \$3.5 billion, in 1953, and \$14.0 billion in the first half of 1959.

The exception was 1956, when no new issues were offered for cash, and when refunding was extremely light, totaling only \$9.5 billion. There was a cash operating surplus of \$11.5 billion in that period, which is far bigger than anything suggested for 1960.

In addition, there is the prospect of a large supply of new Treasury bonds of really long-term as soon as the Congress gets around to raising the statutory $4\frac{1}{4}$% rate limit. It is well known that the Treasury strongly desires to extend the maturity of some of the large issues of $2\frac{1}{2}$% bonds which, because of the passage of time, are growing dangerously short.

When this scheme was first discussed officially, early last summer, it was understood to be aimed mainly at the callable $2\frac{1}{2}$% bonds—the so-called "tap" issues. Now it is suggested that an even more pressing problem may be dealt with first. This is the big issue (\$11.2 billion) of $2\frac{1}{2}$s due in November 1961.

The conversion of any substantial portion of these $2\frac{1}{2}$s, and perhaps of the large issue of "tap" $2\frac{1}{2}$s as well, into 30- or 40-year bonds will represent an immense addition to the long-term market supply. It should constitute a pretty effective barrier against any runaway market on the upside—barring, of course, a clear beginning of economic recession and an easy money policy by the Federal Reserve System.

Personally, I do not expect a new recession at any early date; moreover, I believe the Federal Reserve System will wait longer for convincing indications of recession before switching to easy money than in any previous postwar recession.

Our economy is no longer insulated by a large favorable trade balance from the rest of the world. We can no longer adopt or maintain easy money policies—we cannot resort to inflation as a means to "full employment"—without regard to the opinions of foreigners. Foreign citizens and governments now have such large holdings of U. S. dollars and short-term securities that we cannot risk giving them a fright which might lead to a wholesale conversion into other currencies into dollars.

*From a talk by Mr. Van Cleave before the Workshop Session in Government Bond Portfolio Management sponsored by the First National Bank of St. Louis, St. Louis, Mo., Nov. 3, 1959.

Gene Spivey Joins Hamilton Secs.

DALLAS, Texas — Gene Spivey has become associated with Hamilton Securities Company, Kirby Building, as manager of the trading and syndicate department. Mr. Spivey was formerly with the First National Bank of Fort Worth and Municipal Securities Company of Dallas.

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Regular Features

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J. C. Penney Co. Takes the Cash and Lets Credit Grow

By Dr. Ira U. Cobleigh, Enterprise Economist

Current comment on this distinguished chain store merchant, as it broadens its sales base through increasing extension of credit.

From 1902 until into 1957, J. C. Penney Company, now the second largest retailer of general merchandise in America (after Sears, Roebuck), did business only for cash. It was a fine business, too, earning a profit in every year except 1920, and paying excellent and uninterrupted dividends to stockholders for the past 38 years. After all these decades, dedicated to a policy of strictly cash sales, it was indeed, a dramatic move for J. C. Penney to inaugurate in 1957, a pilot credit operation in a small group of selected stores.

Ira U. Cobleigh

The operation was an immediate success and has opened up exciting new vistas of sales and profits for this renowned merchant. At the present time about 170, of Penney's 1,690 stores, are selling on credit; by the end of 1960 over 600 will be doing so.

The decision of J. C. Penney to provide its customers with both revolving and instalment purchase credit was not made merely out of deference to fashions in finance. Life on the cuff can indeed be beautiful, and today you can buy anything from a sandwich to a skyscraper on "easy" monthly payments. But Penney extended credit strictly to expand its business, and increase its profits. The argument was that existing customers would buy more, new customers would be attracted, and higher priced (and long profit) merchandise could be added to the sales line. The argument was sound and credit accommodations is paying off in a big way. In those stores selling on credit, sales have increased by as much as 25%; and overall sales increased 9% in the six months ended July 31, 1959.

Penney makes a charge for credit accommodation, but expects to earn its profits from merchandise sold rather than from these financing charges. General program is to charge interest only on accounts running over 30 days. It will probably take five years before credit will be available in all stores; meanwhile a considerable educational program will be required to enlighten managers and sales personnel on the details and techniques of doing a credit business.

In contrast with other major merchandising chains, such as Sears, Roebuck or Montgomery Ward, J. C. Penney has been primarily a soft goods merchant (clothing, dry goods, variety items) with sales in this category traditionally accounting for around 95% of total volume. Substantial expansion of sales of durable goods such as furniture and appliances now seems expectable, as these wares are, customarily, sold principally on credit.

J. C. Penney has a research force devoted to testing merchandise for such qualities as fast colors, durability, rapid drying, etc. You would expect a company so large so huge as J. C. Penney not only to do product research but manufacturing of its own; but it doesn't It sets specifications and standards for its jobbers and suppliers, and sells most of its wares under the Penney name. It does its buying from about 6,600 suppliers. Purchasing is done all over the world, with European and Japanese merchandise on the increase.

Important, if not indispensable, to the success of J. C. Penney is an eager and effective management echelon, whose loyalty is assured by profit sharing and incentive plans that extend from the President down to sales personnel in each store. Nobody draws a salary above $10,000 a year, but bonuses to executives and store managers can be quite juicy. Among smaller stores the manager may be paid, in a given year, as much as one-third of the net profits of the store; in bigger retail outlets, up to one-sixth of net. So everyone is on his toes. Stores showing meager profits are weeded out each year in favor of better located and perhaps newer stores. Probably more so than in the case of any other big chain operation, the manager of each Penney unit is virtually his own boss; and *esprit de corps* throughout the organization, is excellent because so much is left to individual initiative.

Average sales per store have been in a steady uptrend rising from $550,000 in 1949, to about $800,000 this year. There has been no substantial increase in the total number of stores in recent years, the emphasis being on expansion and modernization of favorably placed units, and replacing poor earners with more dynamic new stores in growing population areas. There are stores today in 48 states and we would certainly expect J. C. Penney stores to materialize shortly in Alaska and Hawaii.

Total sales of J. C. Penney have been in steady upswing for the past decade, rising from $880 million in 1949 to probably over $1,450,000,000 this year. Net profits have also risen steadily from $33½ million in 1951 to $49⅔ million in 1957. In the depressed year, 1958, net profit slipped back to below $47 million; but this year net should be at an all-time high, possibly crossing $50 million for the first time; and producing a per-share figure of $6.10 or better.

The consistent profitability of J. C. Penney Company over so many years is due not only to fine management, good salesmanship and shrewd buying but to effective costs control. Profit sharing makes managers cost conscious; if profits decline, economies are effected. Store rentals are for the most part geared to sales. (Penney's basic policy is the leasing rather than ownership of stores.) Under this arrangement landlords bear a major share of capital improvement costs. They spent totally $28 million in that category for 1958, while the company itself spent only a little over $15 million.

There are two standard financial criteria by which merchandising companies are customarily judged; net profit as a percentage of net sales, and net proft as a percentage of net worth. On both of these counts, J. C. Penney comes off well. Since 1952 it has earned above 4% on net sales in each year (best years 1954 and 1955 with 4.8%; and it has averaged 16% on net worth for the past decade.

Capitalization of J. C. Penney couldn't be simpler, consisting solely of 8,231,952 common shares. No bonds, preferred stocks, or bank loans. Financial position has been consistently strong. Current assets on Jan. 31, 1959 stood at $334 million against current liabilities of $128 million. Financial accommodations to take care of a potential $225 million in consumer credit extensions could probably be arranged through bank loans or possibly, at a later date, by a debenture issue.

J. C. Penney common has been a source of considerable contentment to its stockholders. (Most of the men in management are substantial shareholders.) Dividends have been unfailingly paid since 1922. The present indicated rate of $4.25 has been paid since 1955. At 112 the dividend affords a current yield of 3.8%. Penney common has displayed considerable depression-resistant qualities, and has not sold below 63 since 1950.

For the future, Penney should be able to assure its shareholders the stability of earning power it has consistently manifested, plus some exciting new dimensions of profitability stemming from customer credit and a much larger sales volume of "big ticket" durable goods. Four years from now Penney common could be earning $8.50 a share, in which event it should ascend substantially in market price, and raise its dividend.

Named Director

Paul Hallingby Jr., a general partner in the New York investment banking firm of White, Weld and Co., has been named a director of San Diego Imperial Corp.

The State of TRADE and INDUSTRY

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

To date, the negotiations in the 114-day Steel strike have not resulted in a settlement, and it is rumored that a fourth small steel company is ready to sign a union agreement similar to the agreements signed by Kaiser Steel, Detroit Steel and the Granite Steel companies.

The arguments of the steel workers and the government to determine the constitutionality of the Taft-Hartley law, invoked by President Eisenhower Oct. 19 ordering the strikers back to work, were completed in the Supreme Court on Nov. 3. Solicitor General J. Lee Rankin summed up the case for the government and Arthur J. Goldberg, Counsel for the Steelworkers Union presented the union side.

While the validity of the injunction is being considered by the Justices of the Supreme Court, the steel workers' leaders and the steel industry's representatives are being urged by government officials to continue their efforts for a peaceful settlement of their differences although little headway is expected while both sides are waiting for the Supreme Court's ruling that may be rendered any day in this historic case.

All told the steel strike has closed down 310 steel plants, 118 iron ore mines and 11 transport facilities in 32 states.

Nationwide Bank Clearings 15.1% Above 1958 Week

Bank Clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the "Chronicle" based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Oct. 31, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 15.1% above those of the corresponding week last year. Our preliminary totals stand at $25,927,607,119 against $22,526,892,002 for the same week in 1958. Our comparative summary for some of the principal money centers follows:

Week Ending Oct. 31—	1959	1958	%
New York	$13,412,004,353	$11,087,697,834	+21.0
Chicago	1,206,414,161	1,173,922,083	+ 2.8
Philadelphia	1,054,000,000	1,040,000,000	+ 1.3
Boston	858,999,998	782,692,646	+ 9.7

For a detailed summary of bank clearings in U. S., refer to the Statistical Edition of the "Chronicle," issued Mondays. For this week's summary for the leading banking centers, refer to page 47 of the Nov. 2 issue.

National Summary of Business Conditions

The following summary of general business and financial conditions appears in the October issue of the Federal Reserve Bulletin:

Industrial production declined slightly further in September, as the work stoppage in the steel industry entered its third month. Inventories of steel were being rapidly depleted and output curtailments among steel consuming industries were spreading after midmonth. The number of new housing units started changed little in September. While nonfarm employment was maintained, consumer incomes and retail sales were reduced. The money supply declined somewhat, and markets for fixed yield securities strengthened after mid-September. Prices of basic materials continued upward.

Production: Total output at factories and mines in September was 148% of the 1947-49 average, as compared with 149 in August and the pre-strike peak of 155 in June. Steel output remained at 12% of capacity, and depletion of steel inventories reduced activity in some industries, such as railroad equipment and shipbuilding. Output in the nonferrous mining and manufacturing industries declined further reflecting continuation of the work stoppages which began in August. Pre-strike accumulation of stocks, however, permitted most machinery and consumer durable goods industries to maintain production. The number of autos assembled, while up less than seasonally from August, recovered rapidly from the model-changeover low reached in early September. In early October the rise in auto production was limited by steel shortages.

Over-all output of nondurable manufactures, which by mid-year was one-tenth above the advanced level in 1957, has since changed little. In September, further slight decreases occurred in the textile, apparel, rubber, and petroleum products industries, while ouput of most other nondurable goods was maintained at record levels.

Employment: Seasonally adjusted employment in nonfarm establishments in mid-September, at 52 million, was little changed from August and 605,000 below the pre-strike level. The average factory workweek also changed little in September. With hourly earnings up somewhat, average weekly earnings increased and were 5% above a year earlier. Unemployment declined about seasonally to 3.2 million in September; after seasonal adjustment, unemployment was 5.6% of the civilian labor force compared with the post-recession low of 4.9% in the spring.

Distribution: Strikes and unseasonably warm weather in September contributed to a decline of 2% in retail sales. While 3% below the July peak, sales were 7% above a year earlier. September decreases in sales were greatest for autos and other durable goods. Dealer stocks of autos continued to decline from their record summer high.

Commodity Prices: While average prices of industrial commodities remained stable from early September to early October, prices of a number of basic materials rose further in domestic and foreign markets. List prices for newly introduced passenger autos were substantially unchanged from 1959 models. Livestock prices declined sharply in response to a large increase in marketings. In August, the consumer price index decreased one-tenth of 1%; retail prices of foods declined while prices of other goods and services increased further.

Bank Credit and Reserves: Commercial bank loans showed further substantial expansion in September. Holdings of U. S. Government securities continued to decline, however, and total bank credit changed little. The seasonally adjusted active money supply declined further, and at the end of September was about 2½% larger than a year ago.

Member bank borrowings from the Federal Reserve averaged $910 million and excess reserves $450 million over the four weeks ending October 7. Reserves were supplied by an inflow of currency from circulation and an increase in Reserve Bank float. Reserves were absorbed by a buildup of Treasury deposits at the Reserve Banks and a reduction in Federal Reserve holdings of U. S. Government securities.

Security Markets: Yields on most maturities of U. S. Government securities and on state and local government bonds have declined from the mid-September highs while yields on corporate bonds have increased further. Common stock prices recovered somewhat in late September and have since changed little at a level about 5% below the August high.

Market yields on 3-month Treasury bills declined to 3.90% in early October and then rose to above 4.25%, a new high, while yields on most other outstanding bills remained below earlier highs. Yields on long-term Treasury bonds averaged under 4.15% in mid-October compared with 4.30% a month earlier. The Treasury's $2 billion cash offering of 5% notes of August 1964 was heavily oversubscribed and the new notes were quoted at a premium in early trading.

Steel Shortage to Hit 4 Out of 5 Metalworking Plants Within 30 Days

Four out of five metalworking plants will close or curtail operations within the next 30 days for lack of steel, reveals a survey by "Steel," the metalworking weekly.

The publication said that an estimated 350,000 metalworkers have already been laid off because of steel shortages. The number will increase 40,000 to 50,000 a week for the next several weeks.

Forty-two percent of the metalworking companies covered in "Steel's" survey on inventories indicate they have less than a 10 day supply of steel. About 37% have 10 to 30 day supplies. Only 21% have stocks beyond the 30 day level.

If steel does not start flowing from the mills by the end of this month, the country's huge metalworking industry will grind to a virtual halt. Steelmakers will take at least four weeks to get up to 90% of capacity and six weeks to reach that rate of shipment.

Service centers in the major steel consuming centers are selling out to the bare walls, "Steel" said. Once brimming, warehouses have been swept clean of the most wanted items—sheets, plates, and structurals. Shortages of plates and structurals will force additional cutbacks in heavy construction.

At Chicago, service centers are replacing galvanized stocks with aluminum. Because carbon bar inventories are riddled, buyers are turning to alloys.

Producers of semifinished steel will have little or nothing to offer nonregular customers after the strike. They're consigning almost all their ingots, billets, and slabs to their own mills or to buyers with long-term contracts.

The metalworking weekly said steelworkers have lost $1,113,000,000 in wages through to today in the longest steel strike in the nation's history. It has cost steel companies $3,300,000,000 in sales and $632,000,000 in overhead, depreciation, and salaries of nonpro-

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Currency Convertibility And International Trade

By O. A. Jackson, Vice-President, International Banking Division, Continental Illinois National Bank and Trust Co. of Chicago*

Characterizing gold as a critical barometer of healthy trade, Chicago banker urges confidence be placed in the steps our government is taking to develop trade and to bring about an appropriate investment climate throughout the world. He discounts reports that we will devalue gold, and cites instances where countries without gold were able to recover and replenish their reserves.

In this progressively interdependent world of ours, it has become increasingly obvious that the interchange of quality products and services amongst the nations of the world on a 2-way street basis affords the greatest assurance of understanding and stability. Understanding presupposes confidence and where confidence exists one invariably finds a high degree of credit worthiness. It is regrettably true that two world wars have seriously disrupted the equilibrium of international confidence, but it is equally apparent that the road back holds promise only if full confidence is restored.

Osmond A. Jackson

It is interesting to observe that over 50% of the world's population uses as its medium of exchange the pound sterling. Following the first world war, the gold and dollar reserve of Great Britain were found to be seriously depleted; yet, because this nation decided to pursue a policy of austerity, many nations transferred their funds to London because of the confidence which this policy generated. In due time it became possible to acquire gold and build up reserves on a more representative basis until today we find that the British Nation has improved its reserve position to a point where the pound sterling is regarded as one of the hard currencies in international exchange.

For quite some time, informed sources have been conscious of the fact that France has possessed a substantial reserve in gold and hard exchange and yet the instability of the French Government had generated such a feeling of uncertainty that confidence in the French franc became impaired. The fact that strong reserves were known to exist was not in itself sufficient, and it was not until General de Gaulle took over, that confidence was reborn and we now find France and the French franc in a strong trading position.

Nations with so-called soft currencies have had and continue to have a most difficult problem to solve with progress being exceedingly slow because of a lack of productivity of essential items. "Triangular" and barter deals have stimulated a false sense of trading potential usually resulting in further deterioration due to the heavy premiums that often have been involved.

What About Gold?

We hear reference made from time to time to the substantial quantity of gold which our nation has lost during the past few years. Some have felt that this is an indication of a lack of confidence in the United States dollar and of the basic international financial policies which our nation avows. It is not so long ago that experts were saying that our nation holds a disproportionately high quantity of the world's gold in reserve. During the past few years, we have lost a considerable quantity of our gold and to a point where it is said that gold should be revalued and that our dollar should be devalued. This could suggest a lack of confidence in our dollar and yet when we pause to consider the amount of our lend-lease claims which still remain unpaid, not to speak of the servicing of international debts which we have deferred from time to time in the interest of the general weal, we surely cannot help feel that the position of the U. S. dollar should and must remain inviolate. Moreover our gross national product has increased by over $50 billion since the last depression. It is significant to observe that the gold which we lost during the past two years has found its way into the reserves of such countries as Great Britain, Italy, The Netherlands, Switzerland, Germany, France, and Belgium, who have always been gold reserve countries.

Perhaps it is not impractical to suggest that gold in the final analysis is but a token of confidence. With it a healthy basis for trade and understanding may exist but not necessarily so.

Our nation today suffers from the weight of high taxation, from a high cost of production, and from an atmosphere of indecision to an extent which has seriously undermined not only our own confidence in ourselves, but also the confidence of the outside world in us. It is not surprising to find that some authorities advocate revaluing gold and devaluing our dollar. This would mean that all imported items would be prohibitive in price and we would be obliged to step up production to a point that would equalize our anticipated income from export sources.

Recently I had the privilege of talking with several members of the Monetary Fund in Washington, D. C. and on asking them about gold and the dollar, the answer was invariably that there is no intention to revalue gold or to devalue the dollar, that there is no need for such action and that it is highly improbable that it will take place. What we need to do more than anything else is to have confidence in the steps which our Government is taking to develop trade and bring about an appropriate investment climate throughout the world. This is necessarily a slow process but nonetheless desirable and should do much to promote a higher degree of convertibility. We should support the efforts of the Monetary Fund and World Bank in these respects.

Perhaps we should rededicate ourselves to the principles of our constitution. Perhaps we should consider more the Rock at Plymouth which represents the very discovery of confidence itself. The Rock which in a sense is the cornerstone of our nation, an emblem which could well mean more to us in the re-establishing of our confidence in ourselves than would be probable as a direct reflection of imposing gold holdings at Fort Knox.

*From a talk by Mr. Jackson before the World Trade Conference at St. Louis University, Oct. 13, 1959.

G. F. King with Kidder, Peabody

CHICAGO, ILL.—George F. King has become associated with Kidder, Peabody & Co., 33 South Clark St. Mr. King, who has been in the investment business for many years, was formerly in the municipal department of Ira Haupt & Co.'s Chicago office. Prior thereto he was manager of the trading department of the Chicago office of White, Weld & Co.

George F. King

Bader Trading Mgr. For Zilka, Smither

PORTLAND, OREG.—Jack Bader has been promoted to head of the trading department of Zilka, Smither & Co., Inc., 813 Southwest Alder St., members of the Pacific Coast Stock Exchange, according to an announcement by James H. Zilka, President.

Mr. Bader, a native of Portland, has long experience in the financial field. He has been in the trading department at Zilka, Smither & Co. for the past six years.

Mrs. Carla Dillery has been advanced to Second Trader.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The tax-exempt bond market lost momentum during the past week and prices leveled after the minor market shake-out brought about by the reaction in Government issues a week ago Monday. The tone of the municipal market is firm, however, and the leveling out would seem normal and perhaps good for the business generally. The earlier rise had been almost abrupt and its continuance would have cost the market the broad interest that has recently been attracted largely through relatively favorable yields.

Index Up Three Points Since Sept. 30

The Commercial and Financial Chronicle's High Grade State and Municipal Bond Index has reached 3.43%. On Sept. 30, the Index was as low as 3.58%. The approximate rise in dollars is close to three points. However, in some disregard of this recent rise, and with continuing awareness of the tight money situation and the creeping rise in consumer prices portending, as it must, a furthering of the inflation tendency, State and municipal bonds are likely to continue attracting broad investor interest as their general price level can improve as against the general bond market level.

Municipals Attracting Stock Market Money

As some stock profits are progressively being taken, there persists a tendency for investors to invest partly in medium and long-term tax-exempt bonds. Thus some of the growth type investing is turning, temporarily at least, to the extraordinary favorable yields available in State and municipal obligations to high bracket investors. This is apparently a trend of more than short duration for the simple reason that taxpayers netting from $50,000 to $60,000 a year, of which there are now many, can buy sound tax-exempt bonds to yield 4% or more which is the equivalent of 16% plus on taxable securities.

Tritely put, it takes a lot of inflation to overcome the tax-exempt advantage in the medium or higher brackets. Moreover, substantial tax relief seems not a matter for foreseeable calculation. Briefly, an investor can prudently exercise the historic attitude toward balanced investment, assured by the lowest prices of municipals in about 25 years and aware that the present high tax levels will prevail indefinitely.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.75%	3.60%
Connecticut (State)	3¾%	1980-1982	3.45%	3.30%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.50%	3.35%
New York (State)	3%	1978-1979	3.45%	3.30%
Pennsylvania (State)	3⅜%	1974-1975	3.30%	3.15%
Vermont (State)	3⅛%	1978-1979	3.25%	3.12%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.40%	3.25%
Los Angeles, Calif.	3¾%	1978-1980	3.85%	3.65%
Baltimore, Md.	3¼%	1980	3.65%	3.50%
Cincinnati, Ohio	3½%	1980	3.50%	3.30%
New Orleans, La.	3¼%	1979	3.90%	3.75%
Chicago, Ill.	3¼%	1977	3.85%	3.70%
Boston, Mass.	3¾%	1977	3.85%	3.70%

November 4, 1959 — Index — 3.43%

DOLLAR BOND QUOTES AND RELATED INFORMATION

(Prices and yields are approximate)

Issue—	First Callable Date (as a whole)	Call Price	Offering Price	Net Changes from Prev. Week	Yield to Maturity
Chelan Co., Wash. PUD No. 1 5% 7-1-2013	1-1-1978	100	108½	—½	4.57%
Chicago-O'Hare Airport 4¾% 1-1-1999	1-1-1974	104¾	105	—¾	4.47%
Chicago Reg. Port 4% 7-1-1995	7-1-1962	103½	95½	(*)	4.24%
Florida Turnpike Authority 3¼% 4-1-1995	4-1-1962	103½	87¼	(*)	3.91%
Grant Co., Wash. PUD No. 2 3⅞% 11-1-2005	5-1-1966	103	95½	(*)	4.08%
Illinois Toll Highway 3¾% 1-1-1995	1-1-1965	103¾	73½	(*)	5.44%
Illinois Toll Highway 4¾% 1-1-1998	1-1-1978	104¾	90½	+¾	5.34%
Indiana Toll Highway 3½% 1-1-1994	1-1-1962	103	83¾	(*)	4.42%
Jacksonville, Fla. Exp. 4¼% 7-1-1992	7-1-1967	103	103½	+1	4.06%
Kansas Turnpike Authority 3⅜% 10-1-1994	10-1-1962	103	76	(*)	4.79%
Kentucky Turnpike Authority 3.40% 7-1-1994	7-1-1960	104	90	(*)	3.93%
Mackinac Bridge Authority 4% 1-1-1994	1-1-1964	108	90½	—1	4.55%
Maine Turnpike Authority 4% 1-1-1989	1-1-1958	104	83	—½	5.12%
Massachusetts Turnpike Authority 3.30% 5-1-1994	5-1-1962	103½	81½	—½	4.33%
Massachusetts Port Authority 4¾% 10-1-1998	10-1-1969	104	103	—1	4.57%
New Jersey Turnpike Authority 3⅜% 7-1-1988	7-1-1958	103½	95	+¾	3.65%
New York Power Authority 3.20% 1-1-1995	1-1-1963	103	86¾	+½	3.91%
New York Power Authority 4.20% 1-1-2006	1-1-1970	103	101¼	—¼	4.14%
New York Thruway Authority 3.10% 7-1-1994	7-1-1960	103½	86½	—½	3.80%
Ohio Turnpike Authority 3¼% 6-1-1992	6-1-1959	103	86	—1	4.01%
Pennsylvania Turnpike Authority 3.10% 6-1-1993	6-1-1959	103	82½	—½	4.05%
Richmond-Petersburg Turnpike 3.45% 7-1-1995	7-1-1963	103½	83	(*)	4.40%
Tri-Dam Project, Calif. 3.05% 7-1-2004	7-1-1959	104	83	(*)	3.85%
Virginia Toll Revenue 3% 9-1-1994	9-1-1959	105	85	(*)	3.77%

(*) Unchanged.

"Bargain for Large Investors"

Because of these considerations, the tax-exempt market continues to be a bargain for most large investors and will be until a considerably higher price level is reached. However, market factors and their timing will, as always, and unexpectedly, intervene. The steel strike goes on, other important strikes forebode, Government financing problems persist, and the volume of bond financing is not too accurately foreseeable.

The current volume of State and municipal financing is moderate, although heavier than a year ago, but the aggregate of issues up for consideration on Election day was relatively smaller than in recent years. However, the latter fact is not necessarily a reliable indication of the probable financing trend. Most State and municipal borrowing is not subject to referendum and this is particularly true insofar as large negotiated offerings are concerned. During the next 10 years it seems reasonable to expect that school, road, sewer and other urgent public financing needs will require the utmost in market and investor receptivity, regardless of the political persuasion of the party in power or their philosophy as regards the money market.

Recent Offerings Well Taken By Investors

The observance of Election day served to materially restrict the volume of new business in the present week. As a result, and in view of the favorable state of the market, underwriters were able to concentrate, and successfully, their selling activities on earlier emissions.

Hence of the $21,150,000 3¾% Los Angeles County, California, Flood Control District issue (1960-1983) awarded on Oct. 27, and scaled to par, less than $4,000,000 remain in syndicate account. As for the Baltimore County, Maryland, offering of $20,000,000 serial bonds (1961-1999) which reached the market on Oct. 28, scaled to yield 4.05%, investor response was gratifying and about $5,000,000 remain unsold.

In the case of Pennsylvania's General State Authority $25,000,000 serial bonds (1962-1986) also sold on the 28th, only $6,000,000 bonds remain in the account. The long bonds were scaled to 3.80%.

On Oct. 29 the Florida Development Commission sold $9,500,000 Polk County (Bartow) road bonds (gas tax) to the B. J. Van Ingen & Company Group, including John Nuveen & Company-A. C. Allyn & Company-J. C. Bradford & Company-Ira Haupt & Company and Hornblower & Weeks as well as others. The longest bonds, bearing a 4.40% coupon, were re-offered at par. The issue went well with fewer than $500,000 left in the account.

Yesterday (Nov. 4) Atlanta, Georgia offered $8,335,000 (1960-1986) general obligation bonds. A group headed by Bankers Trust Company-Morgan Guaranty Trust Company-Glore, Forgan & Company and Kidder, Peabody & Company won the issue. The long bonds were scaled to yield 3.50%. A good investor reception is reported.

Calendar Continues Light

The Calendar of impending sales is uninterestingly light in both volume and in respective issues. Thus far only six issues of $10,000,000 or more are scheduled to reach the market in November. The largest, as previously noted in this space, is $55,125,000 New York State serial bonds, bids on which will be opened Nov. 18. There appears little likelihood that important negotiated type financing will come to market in the near future. Also, there seems to be less tax exchange business in tax-exempts than at this time last year.

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.

Information, where available, includes name of borrower, amount of issue, maturity scale, and hour at which bids will be opened.

November 5 (Thursday)			
Hammond (Sanitary District), Ind.	4,100,000	1962-1986	2:00 p.m.
Jackson, Tenn.	1,950,000	1967-1979	10:00 a.m.
Lamar Consol. Indep. S. D., Texas	1,175,000	--------	7:30 p.m.
Oklahoma Co. Indep. S. D. No. 89, Oklahoma	4,000,000	1961-1970	10:00 a.m.
Roanoke, Va.	3,000,000	1960-1989	Noon
November 9 (Monday)			
Edina, Minn.	1,000,000	1960-1969	7:30 p.m.
Enfield, Conn.	2,000,000	1961-1980	2:00 p.m.
Kane, Cook & Du Page Counties School District No. 46, Ill.	1,487,000	1960-1970	7:30 p.m.
St. Joseph School District, Mo.	2,800,000	1965-1980	4:00 p.m.
Santa Barbara High S. D., Calif.	1,000,000	1960-1984	10:00 a.m.
November 10 (Tuesday)			
Caddo Parish, Parish-Wide S. D., Louisiana	5,000,000	1960-1979	1:30 p.m.
Dover-Eyota Indep. S. D. No. 533, Minnesota	1,000,000	1961-1989	4:00 p.m.
Hempstead Union Free Sch. Dist. No. 11, N. Y.	2,000,000	1960-1988	10:00 a.m.
Maine, Union, Nanticoke, Newark Valley and Owego Central Sch. District No. 1, N. Y.	3,720,000	1960-1988	10:30 a.m.
Mississippi (State of) (Greater Port of Pascagoula)	1,000,000	1964-1984	10:00 a.m.
Mississippi (State of)	14,000,000	1960-1975	10:00 a.m.
Orange County Sanitation Districts California	7,300,000	1961-1989	11:00 a.m.
Shelby County, Ky.	1,350,000	1960-1989	11:00 a.m.
November 12 (Thursday)			
Cobb County, Ga.	1,000,000	1963-1989	11:00 a.m.
Indianapolis Sanitary District, Ind.	2,760,000	1962-1991	10:00 a.m.
Orange County, Fla.	1,000,000	1964-1972	11:00 a.m.
November 16 (Monday)			
Sacramento County, Calif.	2,475,000	--------	--------
Tacoma, Wash.	3,000,000	--------	2:00 p.m.
November 17 (Tuesday)			
Boston, Mass.	5,800,000	1960-1979	Noon
Delaware (State of)	16,350,000	1960-1979	11:00 a.m.
Fullerton Union High S. D., Calif.	1,000,000	1960-1980	11:00 a.m.
Pima County School District, Ariz.	1,329,000	1962-1979	11:00 a.m.
South Carolina (State of)	10,000,000	1960-1979	Noon
Wake County, N. C.	4,250,000	1961-1980	11:00 a.m.
November 18 (Wednesday)			
Greater Baton Rouge Consolidated Sewer District, La.	7,000,000	1960-1989	6:00 p.m.
New York (State of)	56,000,000	--------	--------
Poughkeepsie, N. Y.	2,296,000	1960-1969	2:00 p.m.
Rochester Spec'l S. D. No. 4, Minn.	2,500,000	1961-1983	2:00 p.m.
November 19 (Thursday)			
Indianapolis Redevelopment Dist., Indiana	2,730,000	1962-1982	Noon
Philadelphia, Pa.	24,780,000	1961-1990	Noon
November 24 (Tuesday)			
Escambia Co. Special Tax Sch. D. No. 1, Fla.	4,000,000	1960-1978	10:00 a.m.
Fort Wayne, Ind.	2,600,000	1960-1990	2:00 p.m.
Pittsburgh School District, Pa.	3,000,000	1960-1984	2:00 p.m.
Santa Monica Unified S. D., Calif.	2,500,000	1960-1979	9:00 a.m.
Los Angeles School District, Calif.	21,500,000	1961-1985	9:00 a.m.
December 1 (Tuesday)			
Columbus, Ohio	10,010,000	1962-1986	Noon
Los Angeles County, Calif.	2,444,000	1961-1980	--------
December 2 (Wednesday)			
Peoria Public Building Comm., Ill.	4,800,000	1961-1979	--------
December 9 (Wednesday)			
La Fourche Parish, La.	1,000,000	1961-1980	10:00 a.m.

The Troubling Elements Affecting Optimistic Outlook

By Professor Herrell DeGraff,* *Cornell University, Ithaca, N. Y.*

Seventeen out of eighteen indicators, Professor DeGraff finds, point strongly toward an overall higher national economy and new high records in many categories. The author has his fingers crossed about the stock market's direction. Yet, despite his optimism about the economic barometer, the Professor's appraisal of other economic questions leaves him quite concerned about the economic outlook, and convinced that the anti-inflationary stand must continue. Some of the troubling circumstances evaluated are: foreign competition, strain on the money market, dollar's international integrity, continuing wage-push, inflation and the Treasury's debt financing problems.

It was possible last April to paint a bright economic prospect for the year ahead. In fact, there have been few times when all economic indicators (direction signals) were so universally favorable as they were last Spring.


Herrell De Graff

In recent years the National Bureau of Economic Research has concentrated on the development of a series of economic indicators that would be more effective and precise than we have had in the past. The result of their efforts has been the selection of three groups of such indicators:

The "leading" or sensitive group, which move early in any time of economic change to point the direction the national economy will take.

The second group of "co-incidental" indicators, which typically move after the first group. That is, they move with rather than ahead of the economic trends.

And third, a "lagging" group of indexes which generally move behind the others, but tend to confirm the indications read from the indexes which move first.

When the leading indicators turn up, as they began to do in the Spring of 1958, one may project with some justification that the national economy is moving from recession to recovery. That was the basis on which, in the spring of 1958 a number of economic analysts went counter to the general prevailing opinion and stated that the recession had hit bottom and conditions would improve.

Through the last three quarters of 1958 the co-incidental indicators fell in line, to confirm the movement out of the recession. And by early spring of this year, the lagging indicators were pointing up as well. Thus, there was little else anyone could say in the spring of 1959 — six months ago—but that this would be an over-all good year for the U. S. economy.

Indicators Point Up

Below are these three lists of indicators, together with where they were pointing last spring and where they are pointing now.

	April	August-September
A. Sensitive Indicators:		
1. New orders for durable goods	Up	Up
2. Residential construction	Up (near boom)	Still very strong
3. Average work week (hours)	Up	Up
4. Business failures	Down	Low (no trend)
5. New businesses established	Up	Up
6. Sensitive raw commodity prices	Up	Up (except farm products)
7. Stock prices	Up	Probably still up (?)
8. Commercial and industrial construction	Somewhat laggard	Up
B. Co-incidental Indicators:		
1. Industrial production	Up strongly	Still up, after adjusting for the steel strike
2. Non-farm employment	Up	Up
3. Unemployment	A major concern but declining	Still going down
4. Bank clearings	Up	Up
5. Freight car loadings	Up	Up, except for the steel complex
6. Gross national product	Up	Up (may reach $500 billion by year end)
C. The Lagging Indicators:		
1. Personal incomes	Up	Up (setting new records)
2. Retail sales	Up	Up
3. Consumer instalment debt	Up	Up
4. Manufacturer's inventories	Sharply up	Up

Thus now, as last spring, one still must say the indicators are pointing strongly toward an over-all higher national economy, with new high records in many categories. Moreover, this is true for the leading indicators which are the ones that would turn down first just as they turn up first. In other words, it is possible now to read the economic barometer and cheer, because clear weather is indicated.

However, last April, in spite of all the optimism the economic barometer seemed to justify, there was a complex of questions about which I was concerned. These centered around the two inseparable and vital issues of employment and inflation. In essence they were (1) would it be necessary to inflate in order to re-establish a fuller level of employment in this country (the Employment Act of 1946)? Or, the converse of this question (2) if we moved strongly to check inflation and to preserve the integrity of the dollar, would we then face more unemployment? My concern grew out of the circumstances that were becoming all too apparent:

(1) Foreign automobiles were reaching a figure of 8 to 10% of all auto sales in this country. These foreign autos are produced at labor costs as low as 35 to 40% of the wage rate in our auto industry.

(2) Many lines of light manufacture—office machines, optical goods, electrical equipment, and the like — are being produced abroad and laid down in U. S. markets considerably cheaper than established industries are able to produce them here.

(3) Many American firms have been moving to establish foreign subsidiaries as the only way they could hold a competitive position in world markets.

(4) We have seen a rising trend of manufactured imports versus manufactured exports, because we have permitted our production costs—wage costs relative to labor productivity—to get so far out of line that (a) countries formerly importing U. S. products have been finding other and cheaper sources of supply, and (b) foreign competitors have been gaining increasing access into American markets, with a consequent displacement of our manufacturers' goods.

Every unit of such goods produced abroad and sold in the American market has been a benefit to American consumers in whatever degree it provided them with an equal service at lower price. On the other hand, every such unit which might have been produced here if we had not permitted our production cost to get out of line, has reduced employment opportunity in this country —employment we might have had if we had chosen to remain more competitive. To the degree we have not remained competitive, we have permitted other countries to take over the position we previously held in world markets, including the market in the U. S. And in consequence the Germans, the Japanese, the Swiss, the Italians and others have been taking the business. Though some people will not accept the fact, it is a law of economic life that he who will not remain competitive faces no alternative except to disappear from the economic scene—and that is precisely the trend that has become apparent with respect to some lines of American economic production.

Strain on the Money Market

Yet though I laid out some of these trends last April, I certainly would not have expected that these circumstances would have become the very essence of the economic outlook with which we would be concerned here in mid-September.

The form in which most of us are now most intimately concerned with these problems is in interest rates and a tight money supply. The Federal Reserve rediscount rate which in mid-1958 was 1.75% is now 4.0%.

Three-month Treasury bills, which were sold at auction by the Treasury in mid 1958 to yield .88%, were sold before mid-September to yield 4%. The prime rate, which was 1½% in mid 1958 went to 5% on Sept. 1. Government bonds have fallen to yield almost 5.0%.

Commercial banks in a year moved from $500 million of free reserves to $500 million of borrowed reserves—and become so fully loaned that most of them can obtain funds for further business loans only by selling Governments at substantial losses.

But this high interest and tight money position is not an isolated circumstance. It would not have happened except for the efforts being made to check inflation. And with no intent whatever to be snide or cynical, we probably would not have moved on the inflation problem as strong as we have except that it became absolutely essential to do so to protect the integrity of the dollar.

There has indeed been a turnabout in the commercial demand for money in the past 12 to 18 months. I do not want to simplify the discussion so much that this essential fact is ignored.

(1) In the first half of 1958 business was liquidating inventories at an annual rate of $7.5 billion, thus freeing up funds. In the first half of this year, by contrast, business has been accumulating inventory at about the same rate ($7.5 billion), and thus needing funds.

(2) Business capital investment has stepped up between $2 and $3 billion, annual rate—not all of which could come from depreciation allowances and retained earnings.

(3) The higher rate of business operations has required more money for financing receivables, and the like.

(4) Net consumer credit has increased about $2.5 billion in the first half of this year versus a balance between extensions and repayments in the first half of 1958.

The sum of these changes growing out of the recovery from the 1957-1958 recession have indeed put a strain on the money market. But it seems fair to say that the money market was equal to the task if these demands were the whole load.

However, they were not. Another disturbing circumstance exists.

Treasury's Debt Problems

The Federal Government in fiscal—1959 had to finance a $12 billion deficit—to a total debt of $290 billion now versus $278 billion a year ago. In January and in March, the Treasury went into the long-term money market with a 4% coupon in quantities that clearly saturated the market at the 4% yield. By the late spring months new high grade corporate bonds had to go as high as 5% to find buyers—and it then became quite clear that the Government could not find buyers within the 4¼% legal interest rate on long-term Governments. The market for intermediate-term Governments (3 to 5 years) became unsettled both as a result of Government financing and as banks and business concerns began selling such holdings to raise funds for business expansion. These circumstances forced the Treasury almost entirely into the short-term money market and to the use of Treasury bills maturing in less than a year.

The Treasury's need for money and the fact that it can be only obtained in the short-term market has both unsettled and squeezed the money market. Moreover it is not only what has happened but what is likely to happen that has caused the squeeze.

About $78 billion of Government debt will mature and will have to be refinanced in the next 12 months. A little over $20 billion has to be refinanced in the next 5 months, plus an additional $6-$7 billion of seasonal deficits to be covered. Thus $26-$27 billion which, as matters now stand, can be obtained only in the short-term money market, will have to be raised between now and February. Who knows what interest rate such demands will require? As things now stand the answer would seem to be something more than the money rates currently prevailing.

But why can't money be loosened up to meet all these needs, both commercial and Government? Why do we have intentional, had-boiled, tight money policy under these conditions?

This is where the inflation fight comes into the picture.

Many are familiar with the Administration's stand on the inflation problem. However, a point that often is overlooked is that the Administration really has only one weapon to use in its efforts to maintain a stable dollar—the one weapon of fiscal and monetary policy. It can strive for a balanced budget, and it can strive for a money supply that does not outrun the production of goods and services in our economy— and this is all it can do.

Wage-Push Continues

On the other hand, the cost-push type of inflation pressures still goes on.

Reports show that 96% of 526 major labor contracts signed in the first six months of 1959 granted wage increases to 1.8 million workers, with the average increase being about 4%. A year ago about 1.5 million workers received wage increases under union contracts negotiated during the first six months. The percentage increase in wages was roughly

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DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Air Transportation Stocks—Analysis—Peter P. McDermott & Co., 42 Broadway, New York 4, N. Y.

Bank Stocks—Quarterly comparison of leading banks and trust companies of the United States—New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Burnham View — Monthly Investment Letter — Burnham and Company, 15 Broad Street, New York 5, N. Y. Also available in current **Foreign Letter.**

Canadian Bond Market — Review — Cochran, Murray & Co., Limited, Dominion Bank Building, Toronto, Canada.

Canadian Copper Stocks—Review of 25 stocks in the November "Blue Book"—Draper Dobie & Co., Ltd., 25 Adelaide Street, West, Toronto, Canada.

Canadian Economy — Review — Saunders, Cameron Limited, 55 Yonge Street, Toronto 1, Ont., Canada.

Chemical & Pharmaceutical Briefs—Bulletin—Smith, Barney & Co., 20 Broad Street, New York 5, N. Y.

Diversification: Industry's Two-Way Street—Discussion in current issue of "The Exchange"—The Exchange Magazine, 11 Wall Street, New York 5, N. Y.—20¢ a copy; $1.50 a year. Also in the same issue are discussions of **Savings & Loan Industry, Large Scale Investment Decisions, Volatile Stocks of 1959,** and **Industrial Averages.**

Growth in Consumer Industries—Review—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available is a report on **National Cash Register, American Motors Corp.** and **Chemical Process Co.** and a bulletin on **Life Insurance Stocks.**

Income Tax Pointers on Securities for 1959—Booklet—E. F. Hutton & Company, 61 Broadway, New York 6, N. Y. Also available is a survey of **Tax Sale Exchanges and Worry Stocks.**

Japanese Stock Market—Study of changes in postwar years—In current issue of "Nomura's Investors Beacon"—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is a review of the outlook for Plant and Equipment Expenditures in Japan for 1959 and brief analyses of **Mitsubishi Heavy Industries, Nippon Flour Mills Co., Iwaki Cement Co. and a survey of the Steel Industry.**

Japanese Stocks—Current Information — Yamaichi Securities Company of New York, Inc., 111 Broadway, New York 7, New York.

Over-the-Counter Index—Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 20-year period—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Philadelphia Bank Stocks — Quarterly comparison — Stroud & Company, Incorporated, 123 South Broad Street, Philadelphia 9, Pa.

Profitable Trading With Puts and Calls—Richard Whiting—Convertible Investments, 5 Farragut Road, Old Bethpage, N. Y.—$3.00 per copy.

Public Utility Securities—Review with particular reference to **Duke Power Co., Houston Natural Gas, Middle South Utilities, Orange & Rockland Utilities Co., Consolidated Natural Gas Co., Peoples Gas Light and Coke Co., Northern Indiana Public Service Co., Rochester Gas & Electric Co.**—Alfred L. Vanden Broeck & Co., 55 Liberty Street, New York 5, N. Y. Also in the same circular are brief reviews on **Brush Beryllium Co., International Rectifier Corp., Pall Corp.** and **Perkin-Elmer Corp.**

Trade Trends in Retailing—In the November issue of "American Investor"—The American Investor, 86 Trinity Place,

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Is Devaluation Needed?

By Leonard Keesing, *Author of "Money and Inflation—Standardized or Index Money"?; "Crisis or Dissolution?"; and "Money Muddle"*

Observer challenges predictions of increase in American gold prices to cure the "ailing American dollar." Citing changed functions of gold, maintains that such step cannot be considered without recognizing the crucial international repercussions. Alleges gold price change here would entail necessity for other countries to do likewise. Points to experience in free gold markets of Switzerland and Canada, as justifying present U. S. price.

Notwithstanding repeated strong statements by the Secretary of the Treasury that a reduction of the gold parity of the American Dollar is out of the question, the rumors that a devaluation is inescapable will not be downed. Recently a "clairvoyant" on a popular evening TV show predicted a devaluation in the spring of 1961, obviously hinting that only President Eisenhower stands in the way of the blessed event. And according to a European Press Bureau release a recognized New York currency expert, while praising the restoration of the convertibility of the West-European currencies, predicts an inevitable substantial increase of the American gold price to cure the "ailing American Dollar." What he seems to overlook is that the European currencies restored merely their convertibility into other currencies — not their conversion into gold, and that the dollar, never having lost its convertibility into other currencies could not very well be expected to be "restored" to such convertibility.

Leonard Keesing

Changed Function of Gold

Since the time when the free withdrawal of gold from the central banks for internal circulation was suspended, the function of the gold held by the circulation banks has been confined to its use in settlement of international payments through gold transfers between the central banks. In this way the gold parities of the world's currencies have never ceased to be a basic element in the price structure of commodities moving in the international trade channels. It follows that a nation cannot change the gold parity of its currency without consequences in the flow of its trade with other lands. It is therefore not possible to consider an increase in the American gold price as an isolated matter. It must also be appraised in its character as an international event of the first magnitude.

The Tail Wagging the Dog

At home the advocates of a new dollar devaluation argue that since the composite purchasing power of the dollar has fallen by about 50%, the price of gold must be doubled. But it is rather the total amount of currency, bank balances and credit which have risen to fantastic heights, and if you start tampering with the price of gold alone to "correct" the matter, what you do is trying to make the tail wag the dog, especially if you want to continue expanding credit and government and local debt.

Internationally a dollar devaluation would play havoc with an equilibrium which has been painfully restored after the economic and financial ruin left in the wake of two devastating world wars. America is not a small and obscure little corner playing no important part in international trade and finance. We are a keystone in matters of commerce and currency. Whatever we do with our currency must profoundly affect others. We could not, without dislocating everything, raise the gold price alone. We could do it only if all the other nations which maintain their currencies at fixed parities, raise their gold price simultaneously and to the same extent. In that way only could catastrophic effects on the world trade situation be avoided.

What Compelling Reasons?

This naturally raises the question of whether there are indeed compelling reasons for a substantial increase of the gold price. One would think that a look at the free gold market should give a fairly dependable answer to that question. That is easily done. There has never ceased to be a free gold market in Switzerland. Here we find that, after reaching its highest point of $46.50 per fine ounce at the end of September, 1949, the price of gold bars on the international free market in Zurich in Swiss Francs per Kilogram receded at the end of 1953 to the equivalent of $35 per fine ounce, which is the official gold price in the United States. In the ensuing period, which is now almost six years, the price has fluctuated only by very small fractions.

An example nearer to home can be found in Canada. Not long ago, the Bank of Nova Scotia, Toronto, inaugurated the issuance of certificates of deposit for fine gold bars to facilitate the purchase of gold by the public. The possession of gold being prohibited for Americans only within the United States, any American can legally own these certificates. If any one expected a rush of American buyers, he was mistaken and, most important, the price today stands at $35.20 (only a few cents more for small amounts). This shows that we could, if we wanted, repeal the provision of the law which prevents Americans from holding gold within the United States and nothing much will happen. And it is a fair question whether it would not be wise to do this in order to take for good the wind out of the sails of those who agitate for higher gold prices, which, as the last six years have shown, can not be obtained in the free market. The Federal Reserve would, of course, continue its policy of selling gold to other central banks only.

Robert Estes to Join Hamilton

LUBBOCK, Tex.—Robert E. Estes has become associated with Hamilton Securities Company of Dallas as representative in the South Plains area of Texas, with headquarters at 3517 Forty-eighth Street.

With Bear, Stearns

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Sigmund H. Lindner is now with Bear, Stearns & Co., 135 South La Salle Street.

With Hay Inv. Co.

(Special to THE FINANCIAL CHRONICLE)

ZANESVILLE, Ohio — David C. Jack is now connected with Hay Investment Co., First National Bank Building.

E. M. Adams Adds

(Special to THE FINANCIAL CHRONICLE)

EUGENE, Ore.—James W. Kays has been added to the staff of E. M. Adams & Co., Laraway Building.

With Harris, Upham

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Robert K. Rand has become associated with Harris, Upham & Co., 135 South La Salle Street.

Joins Marshall Assoc.

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Mitchell A. Crane has joined the staff of Marshall and Associates, 75 East Wacker Drive.

Walston Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

LOUISVILLE, Ky. — Robert M. Koehler has been added to the staff of Walston & Co., Inc., 321 South Fifth Street.

Two With Nelson Burbank

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—George W. Ainscow and David J. McGill have become connected with Nelson S. Burbank Company, 80 Federal St.

Two With Draper, Sears

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — J. Brewster Cooke and William A. Harriman are now affiliated with Draper, Sears & Co., 50 Congress Street, members of the New York and Boston Stock Exchanges.

Business and the Money Market in 1960

By R. N. Nolen,* *Professor of Money and Banking, University of Illinois*

Economist delineates the demand for and supply of loanable funds for this year and next after analyzing the business outlook. Foreseeing an all time high for the economy in 1960 followed by a leveling off or downward turn in the latter half of the year, Prof. Nolen: describes pressures on commercial banks to increase the money supply by more than 4%; doubts this will be price inflationary; and predicts Federal Reserve's gradual easing of the money market in the near-future. Further, the writer is concerned about the inflationary consequences of Treasury financing; notes a growing realization that inflation is not a cause of prosperity; and hopes we will stop raising prices and compete

The United States economy has had three business recessions since the end of World War II, and has risen to new high immediately after the upturn.

R. M. Nolen

The recession of 1948-49 was caused primarily by the relief from the war shortages in several segments of the economy (chiefly agricultural products and the soft goods) and the decline in government spending. The recession was halted in approximately five quarters and the Korean War engendered an inflation and business boom in 1951-52. The recession starting in 1952 ran its course in a little over one year. The extractive industries and the heavy good industries had most of serious unemployment. Business moved upward in the last quarter of 1953, rose rapidly in 1954 and 1955, leveled off in 1956, and turned downward in the summer of 1957.

The 1957-58 recession was characterized by the sharpest decline and the most rapid recovery in our history. The decline was halted in a little less than three quarters. The recession was confined to a relatively small part of our economy; the durable goods industries declined in production and employment, but construction and the soft goods increased. The recession was primarily an inventory readjustment. The G. N. P. (the value of all goods and services produced) declined 4% and personal income declined only 1%. Unemployment reached 5.1 million (7.5% of the labor force) in April, but employment moved upward in the summer of 1958 and reached an all-time high in 1959.

Construction, both private and public, was a strong underlying factor in minimizing the recession; moving upward during the entire period.

Business in 1959

The G. N. P. (goods and services produced) increased from 441 billion in 1958 to near 484 billion in 1959 (+10%). Personal income of individuals increased 7%.

Industrial output climbed 20% from the low of April, 1958 to August, 1959 to an index of 155 (1947-49=100). A portion of this increase was induced by stock piling in anticipation of the steel strike. Since July, 1959, the decline in steel, copper, lead, zinc, coal production and the allied industries has pushed industrial production downward close to 3%. A settlement of the steel strike, along with the new fall automobile momentum should push industrial production to an all-time high in 1960.

Money Supply. The Federal Reserve has maintained a tight money policy since the fall of 1958. Total demand deposits and currency increased about 3% per year from 1953 to 1956, increased slightly in 1957, then with the easy money policy in 1958 increased 4% to $139 billion. In the first half of 1959 the money supply moved up 4% over the June, 1958, figure to $142.6 billion.

Prices. The consumer price index rose less than 1% from mid-1958 to August, 1959, and then declined 1/10 of 1% in September. Wholesale prices declined slightly in 1959. The declines have been primarily in farm products and foods.

Employment. The number employed increased steadily in 1959 and reached an all-time high of 67.2 million in August. Unemployment in August was 3.4 million, or 4.8% of the labor force, compared to 6.7% in 1958. At the first of September, 1959, 500,000 workers were on strike in the steel and related industries. Another 200,000 persons were estimated to be unemployed as a result of the strike.

Wages and salaries moved steadily upward with the increase in industrial production in 1959 reaching $262 billion (an increase of some 8%). With the steel strike there has been a slight decline in wages and salaries.

Department store sales in 1959 have been running 7% above 1958, and in the third week of September were 16% above the same week in 1958.

Construction. Housing in the first half of 1959 reached an annual rate of 1.4 million units—very close to an all-time high (13% above the 1958 level). Outlays for new construction moved slightly downward in July and August. The decline was primarily in residential construction.

Foreign competition has become a greater factor in U. S. policies and prices. We are meeting more severe competition not only for foreign markets, but also in our own domestic market. In the last half of 1958 imports increased 8% over 1957 and in the first half of 1959 imports were 15% greater than in the same period of 1958. Most of these imports were in manufactured and semi-manufactured goods.

United States exports have been declining; sales abroad dropped 20% ($3 billion) in 1958. Two-thirds of this drop was in the finished and semi-manufactured goods. The Midwest has been vitally affected by the foreign competition.

Steel imports increased from 1.3 million tons to 1.8 million tons in 1957 (a 40% increase). This is only 3% of U. S. consumption, but it becomes significant when we find that U. S. steel exports dropped almost 50% in 1958. We are still exporting more steel than we import, but we must face the indicated trends.

General Outlook, 1960

(1) The economy should reach an all-time high in 1960, but the rate of growth probably will be slower, and the business boom may level off or turn downward in the latter half of 1960.

(2) Inflation has been controlled in 1959, and prices should not move upward much in 1960, if the Treasury is able to balance the budget and refinance the U. S. debt from savings, and not from creating too much new money.

(3) International competition has become a major factor both in our foreign sales and in our home markets. We are now learning that inflation can price us out of both markets. The foreign competition will exert a strong force against price uses, and may force some price cutting in those commodities meeting strong foreign competition.

(4) The fears of inflation caused many people to purchase stocks in the last year. As a result, prices of stocks have pushed much above the usually accepted relationship to earnings and dividends. The yields on many stocks are below that of high-grade bonds, and this is not likely to continue.

(5) Interest rates will be forced upward until savings can come more nearly into line with the demand for funds. Present factors indicate that the demand for funds will remain high during 1960. The Federal Reserve authorities will likely continue to check the expansion of credit as long as inflation threatens.

(6) The U. S. Congress displayed a regrettable lack of understanding of the present money market and the problems of fiscal policy and debt management of the Treasury. The new ceiling on U. S. Government bonds has not given the Treasury sufficient flexibility to manage the $290 billion debt.

The Money Market in 1960

My forecast of the demand for funds for 1959 was too moderate last year, and interest rates moved higher than expected.

Mortgages on residential property have been increasing at a rate of over $8 billion annually for the last nine years. In 1959 mortgage credit increased over $6 billion in the first half. The entire year may show over $10 billion increase in mortgage debt. The demand in 1960 will probably be under the 1959, as a result of high interest rates and lack of availability of mortgage funds, but some $8 billion will be needed to meet the demand.

State and local governments have been borrowing some $7 or $8 billion annually for the last three years. We can estimate the state and local government demand to be close to $8 billion in 1960.

Installment credit has risen from $15 billion in 1951 to $36.5 billion in 1959 (an all-time high); an average increase of nearly $3 billion annually. Installment borrowing declined in the first quarter of 1958 but moved up $2 billion in the first half of 1959. In 1960 we can expect an increase of $3.5 billion or more if funds are available.

Capital expenditures of corporations have been running at an average rate close to $37 billion ($47.9 billion in 1956, $39.5 billion in 1957, $30.2 billion in 1958). A large proportion of financing came from internal sources (retained earnings, depreciation, and amortization allowances), but corporations usually borrow some funds externally.

In 1958 the corporation expended $30.2 billion for new plant and equipment: they issued $3.5 billion in new stocks, $6 billion in bonds, and $1.3 billion other debt. The corporations decreased their short-term debts by $6.2 billion in 1958. The 1959 figures will show close to $35 billion corporation expenditures with much larger external borrowing than in 1958.

The corporate demand for external financing may reach $10 billion in 1960 if business operates at a high level and the money market can afford that sum.

Personal savings of the people available for investment have been averaging close to $23 billion annually for the last four years. The annual rate of savings has been close to $23.5 billion in 1959.

Assuming personal savings of near $24 billion for 1960, it will not be sufficient to meet the demand for funds in 1960.

Estimated Demand and Supply of Loanable Funds in 1960

$7	billion or more for state and local governments
10	billion for mortgage financing
3.5	billion or more for installment loans
10	billion or more for corporate borrowing
3	billion or more for inventory accumulation
$33.5	billion (or more) total

If the demand for funds reaches $33 billion, the commercial banks will be under pressure to increase the money supply by more than 4%. A 4% increase in the total should not give us serious inflation. There are no shortages in productive facilities, raw material, or inventory. The economy can expand in 1960 on a sound basis if we can keep prices stable and maintain the buying power of the people. We have a high level of employment and people are spending their incomes.

The Money Market—Interest Rates Moving Upward

The trend of interest rates has been moving upward for the last nine years. From 1930 to 1951 interest rates were low by historical standards. Since 1951 interest rates have risen and fallen with the money policies of the Federal Reserve authorities. During the tight money policy in 1952-53, the yield on government bonds moved up to 3%, then fell to 2½% with the easy money policy during 1954. With the tight money policy prevailing from 1956-57, government securities moved to 3¾%. When the Federal Reserve eased the money market in 1957 and 1958, U. S. government bonds yield was 3%. The yields in general have been higher than the 1930 to 1950 period and the trend has been towards greater rewards to savers.

In September of this fall commercial banks increased their prime rate from 4½% to 5%. The rate on banker's acceptance has been raised 10 times since April (4 times in September). The rate in the last week of September on 30-to-90-day bills was 4⅜ bid, 4¼ offered. It seems evident that these bankers expect interest rates to continue upward.

In September, 1959, the Federal Reserve Banks moved the rediscount rates from 3½% to 4%.

FHA raised the allowable interest rates on insured mortgages from 5¼% to 5¾% and increased the limit on total loans from $29 billion to $37 billion in September, 1959. The FHA now has $5 billion in letters of intent to insure (FHA insured mortgages had been discounted over 4 points below par).

Treasury Short-Term—$4 Billion

June, 1959—Treasury bills were 3.2%; the 258 day tax anticipation warrants drew 4.075% interest and one-year notes 4.728% interest. Since June the 13 weeks bills have moved over 4%. From mid-August to mid-September yields

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Brighter Outlook Ahead In the Textile Industry

By Seabury Stanton,* *President, Berkshire Hathaway Inc., New Bedford, Mass., and Chairman, Northern Textile Association*

An optimistic view of the textile industry's prospects is drawn from an assessment of the encouraging and discouraging factors confronting the industry. A steadily increasing demand for textiles in the next five to ten years is envisaged which is expected to enable the industry to operate profitably. To avoid output peaks and valleys, however, the industry is advised to continue the recent balance achieved between supply and demand.

One year ago, the majority of our mills were operating largely on a hand-to-mouth basis, with very few orders ahead, and profits were either non-existent or very unsatisfactory.

Seabury Stanton

Today, the industry is operating full time, mill inventories are comparatively low, unfilled orders are substantial, and prices have increased to a point which will mean profits for most of the industry's efficient, well-managed mills.

Many in our industry believe that we have at last reached a balance between supply and demand, and that, from now on, the tremendous peaks and valleys which have affected our operations and profits will not occur to the same extent as in the past.

In support of this belief, it is proper to give full weight to the substantial reduction in the number of spindles and looms in place, and to count heavily on the anticipated increase in population, in the teen-age brackets and above, which will take place during the 1960s and which will provide a far greater potential market for our products than any that has previously existed.

There are a number of other factors, however, which have handicapped the industry in the past, and will continue to create serious difficulties for some time to come.

For instance, no solution has yet been found for the continually increasing imports of textiles made in foreign countries at low wages. In the case of cotton goods, we are further handicapped by imports made with cotton costing 25% less than the price fixed by our government for American mills.

Competition from other fibers and materials, here in the United States, is making substantial inroads, aided by this same artificially high price placed on our raw material by the government, which prevents our cost from attaining a true economic balance with these of our competitors.

In addition, the consumption of cotton in the United States has dropped from 32.4 pounds per capita in 1947 to 22.2 pounds per capita in 1958, approximately 31.5%, and the consumption of all fibers from 44½ pounds per capita in 1947 to 33.9 pounds per capita in 1958, a reduction of 23.8%.

During this same 1947 to 1958 period, the population in the United States has increased approximately 21.7%. The reduction in consumption per person, therefore, has more than offset the very substantial increase in population.

There are certain indications that the trend toward the wearing of the very minimum amount of clothing possible may, perhaps, be on the verge of reversal, and that a tendency to "dress up" is gradually making itself evident and may well help our over-all situation by increasing per capita consumption over the next few years.

Examples of this trend are shown in the increased use of petticoats to give a bouffant effect to certain types of dresses, and the increasing use of vests with the newer styled men's suits.

On balance, it would appear that the demand for textiles during the next five to ten years will be a steadily increasing one, and that the industry should be able to operate profitably. To avoid the peaks and valleys of the past, however, production must be kept in better balance with demand than has ever occurred before.

Accurate figures on inventories, production, sales, and unfilled orders, by categories of fabrics, are not available at the present time nor have they ever been. Individual segments of the industry are, therefore, obliged to operate without full information with regard to the statistical position of the types of fabrics they are making.

Because of this lack of information, the tendency is for mills to run six days a week during periods of demand, with the result that inventories are piled up all the way from the retail outlets back to the grey mills, and buying ceases until gradually the consumer has absorbed the huge surpluses that have been accumulated and another shortage develops.

The Textile Advisory Committee appointed to represent the textile industry in Washington, as recommended by the Pastore Committee, is working closely with the Department of Commerce, whose Textile and Clothing Division Director, Mr. Henry Thurston, is now with us to establish a method of accurately reporting these vital statistics through the Bureau of the Census. If this can be accomplished, all in the industry may have the fundamental knowledge necessary to balance production and demand, and to avoid the overproduction which has always resulted in the tremendously costly peaks and valleys which have occurred in the past.

The next few years will see many technological improvements in the productive machinery of the cotton textile industry, and the increases in production which will result from increased speeds and efficiencies will keep pace for some time to come with the increased demand resulting from the added population.

The amount of money required to build, equip and provide sufficient working capital to establish a new cotton textile mill today is so great that the return under present or immediately foreseeable conditions would not warrant the investment. It is unlikely, therefore, that new plants will be built to force additional production on an already overcrowded market.

The companies still remaining in the industry, whose management has the courage and foresight to take full advantage of all modern developments in machinery and operating methods, will have the opportunity to make substantial profits and to lead the industry into the new era of prosperity that lies ahead.

*An address by Mr. Stanton before the Northern Textile Association, Portsmouth, New Hampshire.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Some Lessons in This One

With the usual apologies for using my own experiences as an example, etc., I would like to trace the history of the opening of a new and sizable account. We can accept the moves that were properly made and also check carefully one mistake that almost upset the applecart.

Select Proper Prospects and Cultivate Them

This part of the story of the sale is OK. Several years ago I remembered that a very wealthy man had sold a large tract of land in a city 1,000 miles from where I live. I used to live in this other place. His name was unusual, and the proceeds from the sale was sensationally large. When I saw his name in the society column of our daily paper, I knew that he had moved to our town. I put him on our mailing list and for about six months sent him different material, mostly about tax-exempt bonds.

One day I telephoned him and we had a telephone conversation about his former home, some friends we knew there, and he politely told me that he gave all his business to a firm in the city from whence he had moved. He said that he had bought several millions of tax-exempts from them. I mentioned that there was a tax advantage in buying bonds of cities and counties of the State where he now lives, due to an exemption of 20 basic points in his favor because interest on local bonds was exempt from the State's intangible property tax. He said he might consider some local bonds someday and we left it there.

Keep After Good Prospects

I continued to send him offerings and I telephoned him several times when attractive issues showed. He became a little more friendly but he did not give me any of his business. Despite this, I kept him on the mailing list.

Watch This One

Last week when I was in New York I contacted my office over our wire and they told me that he had called and asked for me but another salesman took the message. He wanted to buy 100,000 tax-exempts of not over a three-year maturity. He said he had been offered 100 bonds by another dealer that were good bonds, but I did not see any of them in the market nor did we have any of them. The only thing I did not know before I called him on long distance from New York was the price my competition had offered him.

I dug up four attractive offerings, figured yields and had my dollar price. (When you offer bonds, have your dollar price ready. Don't go groping around for your basis book if some buyer says, "How much will they cost me?"). He said to me, "You didn't have to call me long distance." I replied, "If you were kind enough to think of me after my trying all this time to do business with you the least I could do was to call you on the phone from New York." I told him that my office had mentioned that he had an offering from a competitive broker and that I also had selected four bonds to suggest to him. He replied, "Go ahead, what are they?"

Then I made a classic mistake and I asked him on what basis the other bonds were offered to him. "Oh, no, you don't," said he, "I don't do business that way." Right there I thought I had lost him, but I replied, "I appreciate that you don't want to try to cut someone else's price. I, of course, know that you don't do business that way. I did not have that in mind at all. I only wanted to tell you that we don't have any of those Podunk 3s of 1962. I honestly don't know where any of them are, and I believe that on the basis of their rating and quality they are excellent bonds. What I want you to know is this: I've picked four issues that I believe are attractive in this market but if they are NOT AS GOOD A "BUY" AS THE BONDS YOU WERE OFFERED I WANT YOU TO BUY THE PODUNKS. I MEAN THIS. The only way I could determine whether you should buy my bonds was to know the yield to maturity of the other bonds. And I am going to also tell you that if I think the other bonds are a better buy after I present you with the offerings I have here before me, I want you to buy them and not mine."

I could just feel the difference over the wire. Of course, this is what I meant to convey all the time, but I should have said the last first and the first last. I don't believe that you should sell any security to anyone that is not as good or better than he can buy elsewhere. This is the attitude that creates business and if you back up your practical idealism with value and performance you have customers over the years.

Close of Sale

I asked him to write down the issues as I gave them to him over the phone and this alert man said, "Shoot, I already have the pencil and paper." I told him amounts, description, maturity, ratings, interest dates, yield and dollar price. We talked for a few more minutes. I answered a couple of questions. He said, "I'll take 100,000 of the one issue and my wife has another 50,000, give her 50 of another which he mentioned." We arranged for delivery at his bank and that was that.

Summary

(1) Pick good prospects.
(2) Send interesting mailings.
(3) Find a common interest.
(4) Have patience.
(5) When a possible order opportunity comes don't waste time; go after it even though you have to use long distance.
(6) Be prepared when you make your offering.
(7) Never ask a client what a competitor's price may be on another offering unless you preface your question with an explanation that you don't want his business if you are not competitive. It was an insult to this man that I asked this question without explaining my honest reason for so doing. He is no chisler, although there are many who are.
(8) Have a cooperative office and do the same for other salesmen, as my good friend at the home office did for me when he conducted the first interview with this prospect for me. And thank him when you find that he has helped you—I did.

This week's lesson—We can always learn MORE about our job.

Now With Reynolds

RALEIGH, N. C.—Bryan G. Williams, Jr. is now with Reynolds & Co., Hood Bank Building. He was formerly with Merrill Lynch, Pierce, Fenner & Smith Inc.

Selection of Common Stocks In Today's Market

By Wayne R. Bennett,* Vice-President, Continental Illinois National Bank and Trust Company, Chicago, Illinois

Mr. Bennett says emphasis by investment trust committees in selecting common stocks in today's market should be on growth companies where earnings improvement will justify present or higher prices. For yields, he advises bonds. The banker lists two general factors in making selections in common stocks and then proceeds to specify how to select particular companies within an industry.

Wayne R. Bennett

In May, 1946, when my subject was "The Prudent Man Looks at Investments," we had a real problem trying to obtain an adequate return, as the yields on bonds and stocks were both inadequate. A brief comparison as shown in the accompanying tabulation, may be of interest. U. S. Government Series G 2½% Bonds were a favorite investment of many trustees in 1946. A 12-year maturity of U. S. Governments at 2½% seemed preferable to a long-term corporate at 2.50% to 2.75%.

From this comparison it is apparent there is not much difference in common stock yields today, but there is a much greater return available to us on bonds than was true in May, 1946. Possibly the low yield available on common stocks today should be a warning to us, as we know what happened to common stock prices after May, 1946. The Standard & Poor's 425 Industrial Stock Index on May 23, 1946, was 18.09; and the market declined to 13.64 on Nov. 22, 1946, the low for the year, a decline of 24.5% in about six months' time.

But my subject is not whether we should invest in bonds or common stocks. It is "The Selection of Common Stocks in Today's Market." I am delighted with my assignment, as I sense there is now a greater division of opinion as to whether common stocks are attractive at this time with bond yields, even on U. S. Governments, more attractive than yields obtainable from those common stocks considered suitable for trust investment.

Let us assume the decision has been reached by a trust investment committee to invest in common stocks in today's market, regardless of whether a personal trust, pension fund, or some other type of account is involved. The account may have some common stocks, or it may be a new account consisting only of cash. I believe the approach is much the same, although if it is an account which already holds commons, the present holdings, of course, will influence us in our selections. Here are some of the factors to be considered in making our selections:

(1) **Diversification.** Although we all know that many individuals have made a fortune in concentrating their investments in one or at most several stocks, I assume that all trustees who take their responsibility seriously believe in diversification. That policy has been followed for years by most institutional investors. The question of diversification is largely one of degree. Diversification is a means of spreading the risk, and this means doing so not only among a number of companies but among a number of industries.

(2) **What Industries?** Obviously, if we are going to diversify among industries, we want to invest in those industries which appear to have a promising future. When I say promising future, I mean long term, not short term; and I mean an industry which is fundamental in the sense that the products or services are essential and growing in importance. As examples, all of us agree that the railroads perform an important service, but is the industry growing? Probably you and I are not enthusiastic about the near-term outlook for the building and oil industries, but many of us will argue that both of them perform an essential service and have growth ahead of them, if not in the next few months, certainly in the years ahead.

Hardly any one will argue about the future growth of the public utilities supplying light and power. True some managements in this field are more stockholder-conscious than others; but the industry is going to grow —probably output will double in the next 10 years. If this is going to happen, then the electrical-equipment-manufacturing companies, if well managed, should also grow.

What about the field of electronics? In recent years, we have seen governments grow large, and medium and large sized companies grow still larger, and government and business become more complex. Also in recent years, we have seen organized labor become stronger and enough so to secure frequent wage increases substantially in excess of the increase in productivity. Doesn't this compel alert managements to purchase and install the most efficient equipment to give them quickly the information they need so badly, and labor-saving machinery in order to control costs and remain competitive? Social trends for many years have been in the direction of the shorter work week and more leisure time, which, of course, benefit companies in certain fields. What about the chemical industry and the drug industry, aluminum, paper, glass, and rubber — and some of us would include steel? These comments are not intended to be all-inclusive. You will think of others.

Now that we have selected the industries, our next question is:

Stock Selection Factors

What Stocks? Now we come to the real problem, "The Selection of Common Stocks for Investment in Today's Market." What factors do we consider?

(1) **The capitalization and financial position of the several companies in each industry which we believe have a favorable future.** Debt should be moderate in relation to total capitalization. In case of a severe decline in earnings, coverage of or the ability to meet fixed charges could become of real concern to the stockholder. If debt is too large a part of capitalization, this, of course, is more important if the business is highly cyclical and earnings fluctuate widely. Also, if credit is maintained at a high level, the company will be in a more flexible position to do future financing. One of the benefits of a strong capitalization may be less dilution of the equity.

It isn't necessary to consider only the leader in each industry, but presumably we want a company that is a substantial factor in its field, one that is strong enough to keep its plant and equipment modernized so that it can remain competitive.

(2) **Management.** This is one of the most difficult questions to evaluate. Certainly we can examine the record of the company, which gives us some idea as to whether the management has been maintaining, losing, or improving the company's position in its field. Through contacts directly or indirectly, we often can obtain informed opinion as to the adequacy of management in a given company.

(3) **Research and Engineering.** What has been the record of the company, and what is it doing in research and engineering—that is, product development? Improvement of products and product development is extremely important to the success of a company. New products come out of research, and some investors believe that adequate funds spent properly in well planned research determine the future of a company. We know of a number of companies where new products brought to market in the last five years or 10 years now make up a very substantial part of sales and profits. Again, a long period may elapse between the initial experiment and the introduction of the product in the market place. Not only is much expense involved in this development, but the company may incur further heavy losses before an adequate market is developed.

(4) **What are the labor costs?** We do not rule out a company just because it has a high labor factor, but we recognize that a company which has to pay out to labor in wages and salaries and other benefits 40 to 50 cents of each dollar of revenue may find it more difficult to live with the trend of rising labor costs than a company with a low labor factor.

(5) **The record of the company.** Certainly we examine the record of the company. Have its earnings been improving, static, or declining? Has it maintained or improved its profit margin, or has this been declining? What about its dividend record and policy? Has it been a stable one or erratic, and has the management paid out most of its earnings or retained a reasonable amount for reinvestment in its business?

(6) **What does it earn on its capitalization or net worth?** If a company earns pretax 15%, 20%, or more and reinvests retained earnings at that rate, the stockholder probably is better off regardless of his tax situation than if all the earnings were paid to him in dividends. At present yields, the stockholder may be better off if the corporation reinvests at even a lower rate pretax. Remember that in the investment of money, few influences are as powerful as the regular compounding of interest or income return. Money will approximately double itself compounded annually at 6% in 12 years, and in 14 years at 5%, and 18 years at 4%.

(7) **What is the price of the stock, price range, and price-earnings ratio in past years and presently, and also on estimated future earnings, dividend, and dividend yield?** Is the price high on a historical basis, is the price-earnings ratio high, and are these factors justified by the record of the company? Is the dividend secure, the yield reasonable, and what are the prospects for a dividend increase?

(8) **Other factors.** Of course, there are still other factors, such as labor relations, foreign competition, participation in foreign markets, how will the growth in population affect this company, and many others too numerous to mention here. But having studied these seven factors and others applicable to a given situation, we should be ready to make our selection.

Conclusion

In order to shorten the time necessary in "The Selection of Common Stocks for Investment in Today's Market," it may be advantageous to have an individual in an organization devote his entire time to this problem. One may also have a representative list of stocks for reference purposes which satisfy you as to most of these factors so that the analysis today is largely that of price, price-earnings ratios, dividend, and yield.

Now in my previous remarks, I emphasized the selection of industries, and in doing so suggested a number where growth appears probable. Now in buying stocks of companies with growth, I am not confining my remarks to a few companies where the yields are about 1%. The handful which comes readily to mind in this group would provide a subject, "What Price Growth?" At 40 or more times 1959 earnings, these stocks may be discounting the future to such an extent they carry more than average risk. If their earnings do not continue to grow at the rate the market assumes, then present prices are terrifically inflated. If they do continue to grow at the assumed rate, then this growth will justify present prices and higher prices at other periods in the future when investor confidence is high.

If we include this handful of stocks with others which may be classified in the growth category, a list of 30 stocks gives an average yield of about 2.50% at current prices not allowing for unusual extra dividends at the year-end. If we eliminate six which yield less than 1.25%, then the remaining 24 produce an average yield of about 2.75%.

My point is that common stocks were attractive for income in many years after the war when dividend yields were substantially in excess of bond yields. Today the situation is reversed. If we want yield, we should invest in bonds. In "The Selection of Common Stocks in Today's Market," the emphasis should be on growth in companies where earnings improvement will justify present or even high prices in a reasonable period of time.

	May, '46 %	Now %
U. S. Governments		
Short Term	1.46	4.35
Long Term	2.08	4.08
Corporate Bonds†		
AAA	2.51	4.57
AA	2.58	4.77
A	2.73	4.91
Common Stocks‡		
425 Industrials	3.57	3.13
29 Electric Utilities	3.89	4.01
25 Rails	5.28	4.87
Price-Earnings Ratios‡		
Industrials	23.26	17.4
Rails	12.60	9.2
Public Utilities	14.54	17.6

†Moody's. ‡Standard & Poor's Second Quarter 1946.

*An address by Mr. Bennett before the 33rd Western Regional Trust Conference, Trust Division of the American Bankers Association, San Francisco, Calif., Oct. 16, 1959.

Keefe in New York Office of Tucker, Anthony Co.

Tucker, Anthony & R. L. Day, members of the New York and Boston Stock Exchanges, announces that effective Nov. 1, Harry V. Keefe, Jr. will be located in the New York office, 120 Broadway, and will be the partner in charge of the firm's overall municipal bond operations.

Harry H. Gardiner, formerly of the Hartford office will also be transferred to New York on the same date and will manage the firm's municipal bond department in that office.

What's Wrong Today With Collective Bargaining?

By Hon. J. P. Mitchell, Secretary of Labor, Washington, D. C.*

Labor Secretary proposes an "outside-the-bargaining-table" fact-finding approach be added as another legal step to the mediation process, based on law and not on the inherent powers of the President. Mr. Mitchell says such flexible machinery could: clarify issues in public hearings and use subpoenaed witnesses; make clearly stated issues a part of the public record; and, as a result, help move the parties toward a settlement. The Secretary condemns compulsory arbitration, points out the Taft-Hartley 80-day injunction is useless; and would not allow his proposed board make recommendations unless both sides agreed to such a procedure. Mr. Mitchell would like labor-management to adopt a principle of sharing productivity increases fairly.

An industry most basic to the United States economy has been gathering dust for a longer period than ever before, and at a time when we are challenged as a people, both at home and abroad, with the need for continuous economic growth.


James P. Mitchell

There is no question about it: this is a harmful strike. It hurts the steel worker. It hurts the steel industry. It hurts the nation.

And it poses for us, members of a free society, a serious dilemma. For it seems that the process of collective bargaining, a process that we have taken pride in as a free people, a process that is synonymous with the free right of labor and management to determine their own course, has brought the nation to the brink of crisis.

One of our most trusted free institutions has resulted not in progress but in a grave national problem.

We must ask ourselves: What is wrong with collective bargaining? What can labor and management and the government do to make it right?

Many people ordinarily patient with the often slow course of free process have become impatient and alarmed when they see that the course is toward crisis. These people are asking—at what point and in what manner must freedom be taken away from labor and management before it endangers all of the people?

The easy solution is to deprive them of decision, whether sooner or later in the course of negotiations — in a word, compulsory arbitration.

Opposes Compulsory Arbitration

The proponents of compulsory arbitration have a course of logic leading to this conclusion. It is this:

When parties to a dispute refuse to confront the issues, we have industrial warfare. Since it is warfare it is not a private but a public affair and therefore a matter for public intervention. Further, the government should intervene not only to put an end to the war but also to dictate the terms of the settlement so they are in accordance with the national interest and good for the economy as a whole. Government can do this only if granted the powers of compulsory arbitration, and yet, if government is granted those powers, the threat alone will be sufficient in most cases to induce a settlement and the powers themselves need be used but rarely.

This is the solution of the policeman's billy, keeping the peace more by its presence than its use.

I do not believe that government ought to have such a club, no matter how cautious it may be in hitting people with it.

I believe that tests of will and of strength are and always have been a part of the bargaining process.

I think also that the mere possession by government of the powers of compulsory arbitration will lead to a demand for their use, and not as infrequently as might be imagined.

But my strongest dissent must be to compulsion itself.

Compulsory arbitration is not a good thing for the United States.

Voluntary arbitration is another matter. It is frequently used by both sides in a dispute when they see that they cannot agree. It has a firm and a logical place in our system of voluntary decision.

Compulsion runs counter to that system and for this reason it has been rejected by most democratic societies.

As soon as government fixes wages it is logical that it must go on to determine conditions of work, fix hours, hear grievances and possibly eventually dictate details of production.

And does anyone think for a moment that the government can determine what wages are fair and what are not fair without eventually determining what prices are fair and what are not fair?

A government cannot assume the power to fix wages without eventually assuming the power to fix prices, and once the government is in the business of setting wages and prices in major industries, it is not so large a step to government domination of an entire economy.

In communist governments, to whom freedom is dangerous, it is a first order of business to force compulsion in their economic systems.

There are other effects of compulsory arbitration.

One important item of experience: Compulsory arbitration, intended to stop strikes, does not stop strikes. It often causes them.

In countries that have tried the system, government dictation of settlements leaves behind it a rash of hit-and-run strikes, work stoppages, slowdowns and the like.

There is one reason for this that is of paramount importance to any society in which governments are elected, and in which government officials trusted with the arbitration decision stay in power at the sufferance of the people and the interest groups that are a part of the people.

When a government official hands down a decision on wages or prices under the compulsory system, it could be, it is almost apt to be, a political decision rather than an economic decision.

For example, the 1952 steel strike was settled only after a price increase had been authorized by the OPA.

Compulsory arbitration is not the answer to the dilemma of collective bargaining.

All right then, what is?

I think that government can do some things; I think that labor and management can do some things, and I will take them in order.

Seeks the Middle Way

What we must seek out and find is some middle way between the danger of government dictation on one hand and on the other the danger of unbridled freedom that leads to crisis.

What we must find is some way between license and compulsion that preserves our free institutions and yet averts threats to the public welfare.

The logical agent to perform this service is the government.

What must be done is to provide the government with the proper tools, tools it does not now possess.

I think that the steel dispute has shown that.

Government does not now have any statutory authority to act in an industrial dispute short of the injunctive process, and since this rests upon clear dangers to the national health and safety, it means that government cannot bring its powers to bear until a dispute has run a long course and involved many millions of people and caused great losses.

I believe that there must be some legal means available to the government to aid the settlement of disputes short of a Taft-Hartley injunctive process.

Now it is true that the President has in the past convened fact-finding boards in industrial disputes and directed those boards to make recommendations to the parties, who were, of course, free to accept or reject them.

Failure of Previous Fact-Finding Boards

Yet the whole course of industrial disputes in the steel industry, and the history of fact-finding boards convened to settle disputes in the steel industry, leads me to believe that such boards cannot be relied upon to bring settlement to disputes like the present one.

In 1946 President Truman convened a fact-finding board in the steel dispute of that year but it played no real part in the settlement. Settlement came only when the government's wage and price program was revised to permit an increase in the price of steel.

In 1949 there was another steel board, and its recommendations were rejected by the companies. The final settlement reflected those recommendations but only after the strike had been called and continued for another month.

In 1952 there was no Presidential fact-finding board but the dispute was referred to the then-existing Wage Stabilization Board, and its recommendations were rejected by the companies. Settlement came only after government stabilization authorities approved both a wage and a price increase.

I think what is needed, based on experience, is to add another legal step to the mediation process.

Wants Fact-Finding Mediation

That step would be to give the government authority, based on law, to convene a Board as a regular part of the mediation process. The function of this Board would be to clarify issues in a public hearing, to make those clearly stated issues a part of a public record, at any time in the course of a dispute such clarification would help move the parties toward settlement.

Such a Board would have the power to call hearings, to subpoena, to evoke testimony, to create a record of issues that the public can readily understand.

It would *not* have the power to make recommendations unless both parties specifically requested that it assume such power.

I think the values of such an added step to mediation are quickly apparent.

First, it would give to government an instrument for clarifying issues well in advance of dangers to the national health or safety.

Secondly, presuming that no settlement resulted from a clear statement of issues to the public, the bargaining could go on—but it would go on with the American people fully aware of both positions.

Thirdly, there would be a public record of the issues that were subject to negotiation. For example, if one of the parties were asked in the mediation room whether or not a particular position were subject to negotiation or change, he would reply "yes" on Monday and "maybe" on Tuesday. When his answer is a part of a public record, however, it becomes a different matter.

Finally, a Board such as I propose would render a service to the American people by helping to dispel the clouds of confusion that gather when both sides in a dispute have their big propaganda guns booming. They may know in the mediation room what the issues are, but the American public knows only what it reads in the advertisements. One of the real problems in the present steel dispute, to my mind, has been the inability of the Federal Mediation and Conciliation Service—a statutory inability — to force both parties to a clear-cut, public statement of the issues. The kind of Board I have in mind would be a part of the mediation process and would be able to do this by law.

Now the Board meeting presently in Washington has been attempting exactly what I have in mind, but it is undertaking this task as a part of the legal machinery of the Taft-Hartley Act and under the gun of an injunction. In other words, the issues in this strike are not being clarified until the national health and safety are threatened.

There is one other value I would list. If both parties in a dispute know that they can legally be forced to state their issues in public and as part of a public record, they might be more inclined to state them clearly during the course of negotiations—and when that is done you have substance and material on which to base mediation.

I believe that this suggestion, adding this statutory step to the mediation process, would help chart out the needed middle course we seek.

There is little doubt in my mind that pressures to settle would come from an informed and fully armed public. I have also thought that once the issues in any dispute are known publicly, then the possibilities for settlement are greatly increased.

Uselessness of 80-Day Injunction

Another thing we should do is give some serious study to the 80-day injunction provision of the Taft-Hartley Act.

The record of success of this particular provision is a fairly shoddy one.

Instead of intensifying bargaining, the parties are inclined to relax.

The record is this: in the 15 cases, prior to this month, in which Taft-Hartley was invoked, four were settled without injunctions being issued; five were settled during the 80-day period; two were settled after the injunction was dissolved; four were followed by new strikes at the end of 80 days.

The employers' last offer has been rejected in every instance in which a secret ballot election has been held.

I think this record shows that the 80-day injunction process has not proved to be a very reliable instrument in settling strikes.

But there must also be, if collective bargaining is to succeed in America, a greater effort by labor and management to make it work.

Collective bargaining, contract signing, is, after all, only a small slice in the wide circle of labor-management relations. It is what goes on in the full circle—in relations between foremen and workers, between company managers and shop stewards, between company presidents and union presidents, between thousands of different people at thousands of differents points all up and down the line—that determines whether or not the activities in the slice of that circle are to succeed.

You can't have successful collective bargaining without a climate of understanding.

You can't have successful collective bargaining when the parties involved are unable to talk the same language.

I would suggest that the place to start is for labor and management to stop calling each other names.

To paraphrase a once popular song: The class war is over but the rhetoric lingers on. And outside of providing employment for writers and public relations men I can't see where it contributes anything but confusion to an area where confusion may be deadly.

I believe that if collective bargaining is to work, then labor and management must discuss, frequently and frankly and outside the bargaining table, the problems and policies and principles that govern their industry and its position in the economy, as well as their own situations within that industry.

Productivity Fair Share Principle

Why couldn't labor and management, for example, agree—outside the bargaining table—on the principle that owners, workers and consumers are all entitled to a fair share of increasing productivity?

Such an agreement, it seems to me, would go a long way toward setting the right tone for fruitful bargaining.

For if labor and management would agree to this, would agree that stockholders and employees and the public all have a right to a fair share, then the climate would be right for their sitting down to work out a formula to put this principle into practice in their own particular business or industry.

I can envision such a continuing conversation over many, many things: The impact of research and development on employment, for instance. . . . Practices that may be detrimental to labor or to management or to an entire industry. . . . Certainly these things take time and patience to discuss.

Just in the steel industry alone I think that a profitable long-term, long-range conversation between labor and management could be going on all the time over the impact of foreign competition and the replacement of steel by other products.

The value of conversation is that it addresses itself to mutually shared problems, and brings to the solution of those problems a desire to understand them and solve them—on the part of all the people affected.

I would think, too, that the limits of an industry might also be the limit of value for this type of exchange.

Now these conversations have not been going on in most industries. Collective bargaining suffers as a result.

We have been trying to encourage labor and management to begin this process of talking out problems away from the bargaining table, and we have had some success.

Sometime ago, I spoke to the construction industry in New York City and I suggested to them that this kind of outside-the-bargaining-table approach was needed in the construction industry. I am happy to see that labor and management groups have formed the Construction Industry Joint Conference to provide a continuing forum, both nationally and locally, for a joint discussion of mutual problems.

In this same industry, men from both sides were invited to discuss together what changes they felt should be made in the Taft-Hartley Act as it relates to their industry. Their recommendations were the first Taft-Hartley proposals agreed to by both sides before Congress ever saw them.

In the course of these discussions, it was greatly encouraging to me to see these men addressing themselves to problems confronting the industry as a whole, outside the legislative area.

In the same way, meetings have been encouraged by both sides in the railroad and the airline industries, with some results.

Labor and management in the United States have to start talking together, on their own, removed from the pressures and the deadlines of bargaining. You can't set a deadline on growth. You can't set a deadline on economic change — but you can and you must talk about them.

In San Francisco, before the AFL-CIO Convention, I summed up my attitude toward labor-management relations in this country, toward the bargaining process and the role of government, and it is this:

One of the penalties of freedom is that at times it is difficult to be worthy of it.

*An address by Mr. Mitchell before the Pennsylvania Newspaper Publishers Association, Pittsburgh, Pa., Oct. 17, 1959.

Dempsey-Tegeler Branch Opened in San Francisco

SAN FRANCISCO, Calif.—Dempsey-Tegeler & Company has opened an office in the John Hancock Building, 255 California Street, John C. Hecht, Jr., and Jack Lackey, Jr., will be co-managers. Founded in St. Louis in 1933, the company is a member of the New York Stock Exchange, Pacific Coast Stock Exchange, Midwest Stock Exchange, Salt Lake City Exchange and an Associate member of the American Stock Exchange.

Mr. Lackey was formerly with First California Company.

Mr. Hecht comes to San Francisco from the Los Angeles office of Dempsey-Tegeler & Company.

Auchincloss, Parker Branch

BRYN MAWR, Pa.—Auchincloss, Parker & Redpath, members of the New York Stock Exchange and other leading exchanges, announce the opening of a new branch office in Bryn Mawr, Pa., at 763 West Lancaster Avenue.

The firm also announced the association with them of Donald C. Le Vine and Thomas C. Le Vine as registered representatives and their appointment as Co-Managers of the new Bryn Mawr office.

Donald C. Le Vine was formerly associated with Woodcock, Hess, Moyer & Co., Inc.

Moore, Rogers Opens

OCALA, Fla.—Moore, Rogers & Co. has been formed with offices at 13 North Main St. to engage in a securities business. Officers are Budd G. Moore, President, Charles H. Rogers, Jr., Secretary-Treasurer, and William M. Moore, Vice-President, Mr. Moore was formerly with Paul A. Davis & Co.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

The business of running for the Presidential nomination is hazardous and even more so, once one has got the nomination.

Carlisle Bargeron

Despite any formal announcement of Presidential candidacies, there is obviously a flock of them running. On the Republican side are only two, both unannounced, but both obviously running, Vice-President Nixon and Governor Nelson Rockefeller of New York. Any doubt that the New York Governor is a candidate was removed when he took a first rate publicity man from Senator Keating's staff. The man he took knows nothing about New York State politics, or little or nothing, but he does know national politics.

The Governor seems to be trying to develop an issue against Vice-President Nixon. He needs an issue to overcome the Vice-President's head start. There has to be some reason why he should replace Nixon as the nominee. It is sort of like 1952 when Bob Taft was off to a head start for the Republican nomination. He seemed to have the nomination sewed up. So his opponents got up the issue that he couldn't win. The leaders among these opponents have admitted since that they were afraid he would win and the country would go isolationist. So they stopped Taft and put over Eisenhower.

They have got to get up another issue against Nixon. Poll after poll has shown him running ahead of Kennedy and all of the other Democratic mentionables.

Rockefeller, it is believed, was trying to get an issue when he announced a few days ago that he did not favor the cessation of nuclear tests. He is preparing to equip New York State with bomb shelters and tried to sell his idea to a recent Governors meeting and also to a gathering of politicians at Chicago. In this he is the fair-haired boy of the Office of Civilian Defense and of Defense Mobilization. For short, the latter organization is called the OCDM. Originally it was Civil Defense alone, and tried to get people all over the country to equip themselves with bomb shelters. It had no luck at all. Bomb shelters cost money. And in the second place they seemed to offer no defense against nuclear bombs. Congress had curtailed its funds until they were hardly getting any appropriation. Then it was decided to give it more standing by adding the duties of defense mobilization to it. Defense mobilization means that in the event of war the defense mobilization organization will arrange to set up new quarters for our high officials and to bring in the dollar-a-year men. They have their assignments now, and the plan is that once war is declared these men will move into positions to which they have been assigned.

This sounds good but as Senator Capehart, of Indiana, has frequently pointed out, Congress will still have to create the jobs which they are supposed to fill. He has been trying to get Congress to pass legislation now saying just what business will be taken over and by whom and where. But Congress is afraid to move in this direction. After all if you pass a law now saying just what business will be taken over, and what prices will be frozen, there might not be any war.

To set up a blueprint of what war means will discourage the bloodthirsty.

The indications are that Rockefeller incurred Eisenhower's displeasure with his announcement that he disapproved of stopping nuclear tests. That happens to be one of Eisenhower's greatest ambitions. It seems to be the first of the many agreements he hopes to achieve with Khrushchev.

Ike's displeasure is reported to be so great that there are some indications that now he is not entirely neutral as between Nixon and Rockefeller to succeed him.

Otherwise, there is the impression that Rockefeller made a very unwise statement. Almost daily we are getting reports from this or that commission or health commissioner saying that the wheat of Nebraska, for example, has been found to contain as much as 90% plutonium and then other reports, designed to be reassuring, saying that human beings can stand a little bit more. It is apparent that there is too much 90% plutonium going around to be appetizing.

Forrest Laidley With Eldredge Co.

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, ILL.—Forrest Laidley has become associated with Charles H. Eldredge & Co., 231 South La Salle St. Mr. Laidley who has been in the investment business for many years was formerly with McDougal and Condon and Rodman & Renshaw. In the past he was a partner in Hicks & Price.

Simon to be V.-P. Of Hugh Johnson

BUFFALO, N. Y.—As of Nov. 5 Charles H. Simon will become Vice-President of Hugh Johnson & Company, Inc., Rand Building, members of the New York Stock Exchange.

Joins Bacon, Whipple

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Oregon — Stuart M. Pagett is now connected with Anderson, Randolph & Co., Inc., 1026 Northeast Multnomah.

Joins Bacon Whipple

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Jay N. Whipple, Jr. has joined the staff of Bacon, Whipple & Co., 135 South La Salle Street, members of the New York and Midwest Stock Exchanges.

Joins W. E. Hutton

(Special to THE FINANCIAL CHRONICLE)

DAYTON, Ohio—Hubert A. Estabrook, Jr. has become affiliated with W. E. Hutton & Co., 42 North Main Street. He was formerly with Merrill Lynch, Pierce, Fenner & Smith Inc.

BANK AND INSURANCE STOCKS

BY ARTHUR B. WALLACE

This Week — Insurance Stocks

PHOENIX INSURANCE CO.—

The Phoenix Insurance Company's 1958 annual report was its 104th, carrying the company back to May, 1954, for its date of incorporation. It started with a capital of $200,000, which, by 1881, had increased to $2,000,000, and by 1954 to $10,000,000 through sales of stock and stock dividends. It remains at that figure today, the par value being $10 per share. Subsidiary units in the fleet, with the carrying value at the end of 1958 are:

Connecticut Fire Insurance Co.	$47,612,260
Equitable Fire & Marine Insurance Co.	14,964,040
Reliance Insurance Company, Canada	735,908
Minneapolis Fire & Marine Insurance Co.	5,007,023

Some 13,000 agents represented Phoenix and its affiliates throughout the United States and Canada; and some business is done abroad. The company writes fire, marine and casualty lines of business. Volume of casualty writings is not large, as the casualty lines were not taken up until about 1950.

There has been good growth of premium volume, that for five years through 1958 having increased by 30.1%, while for the ten years through 1958 it doubled.

Break-Down of Net Premiums Written (1958)

Fire	$34,616,000	Auto Bodily Injury	$9,151,000
Extended Coverage	10,154,000	Auto Physical	8,008,000
Ocean Marine	3,648,000	All Other	22,476,000
Inland Marine	11,621,000		
		Total	$99,674,000

The company's underwriting showing in the 1959 first quarter appears to have been a decided improvement largely because of the fact that numerous regulatory authorities "got religion" and corrected rate structures, particularly in the casualty lines. Also, unprofitable agencies, accounting for possibly a tenth of the old total, were dropped. Also, several years ago, when Phoenix carried an undue volume of hurricane insurance, it was rather hard hit, whereas these storms have lately passed by the northeast states. Phoenix, being Connecticut domiciled, naturally had somewhat of a concentration of writings in that area, and for the recent hurricane years the losses were heavy from this line.

Consolidated Financial Statement, June 30, 1959

ASSETS		LIABILITIES		
Cash	$2,617,594	Reserve for Unearn. Prem.		$76,468,386
Bonds	96,694,668	Reserve for losses		32,784,195
Stocks	125,926,421	Res. for Loss Adj. Exps.		3,727,041
Real Estate	4,201,005	Dividends Payable		750,000
Premiums in Course of Collection	16,532,429	Reserve for Taxes & Other Liabilities		3,843,401
Other Assets	3,849,394	Minor. Int. in Cap. Surplus		81,970
		Mkt. Fluct. & Conting. Res.		63,000,000
		Capital	$10,000,000	
		Surplus	59,166,518	69,166,518
	$249,821,511			$249,821,511

Getting to investment operations, here follows a break-down of the company's investments:

	% of Assets		% of Assets
Cash	3.2	Common Stocks	48.5
U. S. Govt. Bonds	17.2	Other Investments	1.8
Other Bonds	23.6	All Other Assets	7.5
Preferred Stocks	0.9	Market Adjustment	—2.7

Among the larger stockholdings are the following, on a consolidated basis: 43,824 shares American Electric Power; 31,000 Gulf States Utilities; 31,750 Texas Utilities; 31,800 First National City Bank of New York; 34,000 Dow Chemical; 46,400 General Electric; 24,000 Goodrich; 23,608 Gulf Oil; 17,300 International Business Machines; 20,000 Minnesota Mining & Mfg.; 73,242 Standard Oil of New Jersey; 26,940 Texas Co.; 21,500 United States Gypsum.

Ten-Year Statistical Record — Per Share*

	Liquid. Value	Adjusted Underwtg.	Invest. Income	Net Earnings	Invest. Assets	Dividend	Price Range High	Price Range Low
1949	$84.20	$7.37	$3.47	$8.36	$183	$2.10	62¾	48
1950	92.81	3.28	4.04	6.34	160	2.29	63⅝	47⅜
1951	100.70	1.59	4.42	6.01	175	2.25	63¼	52½
1952	108.57	4.54	4.42	7.70	196	2.25	78	60¾
1953	110.21	0.72	4.82	5.33	201	2.55	81⅜	66
1954	131.74	—3.26	5.09	1.55	178	2.55	99	68¼
1955	142.13	—1.82	5.54	3.64	188	3.00	98	77
1956	138.40	—5.88	5.81	0.06	186	3.00	92½	63¾
1957	127.91	—8.72	6.01	—2.68	186	3.00	79¼	50
1958	152.32	—8.31	6.32	—2.00	217	3.00	86½	55¼

*Adjusted for stock dividends: 25% in 1950; 33⅓% in 1954.

Of course, the difference between Adjusted Underwriting plus Investment Income on the one hand, and Net Earnings on the other constitutes Federal taxes.

Dividends have been paid by Phoenix in each year since organization, except in 1872 and 1873. They have totaled nearly $81 million in cash, and $4,100,000 in stock. The present rate is $3.00 annually. Selling at about 72½, the stock yields about 4.14%. Liquidating value somewhat more than doubled in the decade through 1958, so that the stock does qualify as a growth issue. Investment income, the source of an insurance stockholder's cash dividends, also slightly more than doubled in the same period; dividend was up 67%. The stockholder's equity in this company is about 1.96 times the present selling price.

Management is highly regarded.

NSTA NOTES

THE SECURITY TRADERS ASSOCIATION OF NEW YORK, INC.

Security Traders Association of New York announces the following candidates have been nominated to hold office for the year 1960.

President—Barney Nieman, Carl Marks & Co., Inc.

First Vice-President—John S. Barker, Lee Higginson Corp.

Second Vice-President—Elbridge H. Smith, Stryker & Brown.

Secretary—Salvatore J. Rappa, Mergott Rappa & Co., Inc.

Treasurer—Wilbur Krisam, John C. Legg & Company.

Directors (Two-Year Term)—Joseph D. Krasowich, Gregory

Barney Nieman

John S. Barker

Elbridge H. Smith

Salvatore J. Rappa

Wilbur Krisam

& Sons; Alfred F. Tisch, Fitzgerald & Company; Edwin J. Markham, Wertheim & Co., and Joseph C. Eagan, F. C. Masterson & Co.

Trustees of Gratuity Fund (Two-Year Term)—Raymond C. Forbes, Shearson Hammill & Co.; Murray L. Barysh, Ernst & Co.

National Committeemen Alternates— Thomas, Greenberg, C. burg & Co.; Michael J. Heaney, M. J. Heaney & Co.; Samuel F. Colwell, W. E. Hutton & Co.

National Committeemen Alternates—Thomas Greenberg, C. E. Unterberg, Towbin Co.; James V. Torpie, Torpie & Saltzman; Joseph R. Dorsey, Bache & Co.; Robert M. Topol, Greene & Co.; Walter F. Saunders, The Dominion Securities Corporation.

Nominating Committee (Four members to be elected)—Joseph H. Billings, Cowen & Co.; T. Frank Mackessy, Abbott, Proctor & Paine; Joseph Mathes, Ira Haupt & Co.; William D. O'Connor, Shelby Cullom Davis & Co.; William M. Doherty, Fahnestock & Co.; Joseph E. North, Dreyfus & Co.; Nathan A. Krumholz, Ogden, Wechsler & Krumholz; John M. Mayer, Merrill Lynch, Pierce, Fenner & Smith Inc.; D. Raymond Kenney, D. Raymond Kenney & Co.; Edward A. Zinna, Smith, Barney & Co.; G. Harold Noke, Francis I. du Pont & Co.; Sidney Jacobs, Sidney Jacobs Co.; Thomas A. Larkin, Goodbody & Co.; Edmund A. Whiting, Carl M. Loeb, Rhoades & Co.; Joseph F. Conlon, Jr., J. H. Crang & Co.

Members of the Nominating Committee—Leslie Barbier, G. A. Saxton & Co., Inc.; John Butler, First Boston Corporation; Lewis H. Serlen, Josephthal & Co.; Edward A. Horn, Kuhn, Loeb & Co.; John J. Meyers, Gordon Graves & Co., Alternate; John F. McLaughlin, McLaughlin, Kaufman & Co., Chairman.

Businessman's BOOKSHELF

Bank Occupancy Expense—American Bankers Association, 12 East 36th Street, New York 16, N. Y., 50¢.

Bituminous Coal Industry — Analysis before the Subcommittee on Automation and Energy Resources of the Joint Economic Committee—George S. Lamb—Business Surveys, Consolidation Coal Company, Pittsburgh, Pa.

Foreign Trade Bulletin—Survey—American National Bank & Trust Company of Chicago, La Salle at Washington, Chicago 90, Ill. (paper).

Growth of Soviet Economic Power and Its Consequences for Canada and the United States—Canadian-American Committee, National Planning Association, 1606 New Hampshire Avenue, N. W., Washington 9, D. C. (paper), $1.00.

Improving National Transportation Policy—John H. Frederick—American Enterprise Association, Inc., 1012 Fourteenth St., N. W., Washington 5, D. C. (paper), $1.00 (quantity prices on request).

Labor Law—Five Pamphlets on rights assured union members; how union elections are to be conducted under the law; how union funds are to be safeguarded; what reports are required on trusteed union organizations; what reports are required to be made by labor relations consultants—U. S. Department of Labor, 341 Ninth Avenue, New York, N. Y.

Nuclear Ship Propulsion—Holmes F. Crouch — Cornell Maritime Press, Cambridge, Md., $10.

Ontario—Industrial Study—Canadian Pacific Railway Company, Montreal, Que., Canada.

Profit Situations in Smaller Companies—Semi-Monthly Publication of Comment and Analysis of Smaller Companies — $2.50 for current issue; $15 for three months; $50 a year—Investment Associates, P. O. Box 14, Hillsdale, N. J.

Profitable Trading With Puts and Calls—Richard Whiting — Convertible Investments, 5 Farragut Road, Old Bethpage, N. Y., $3.00.

Story of Investment Companies: Mutual Funds, American Business, and the Investor—Hugh Bullock — Columbia University Press, Morningside Heights, New York 27, N. Y. (cloth), $5.95.

The 16 Toughest Sales Problems . . . and Some Suggested Solutions—Porter Henry & Co., Inc., 342 Madison Avenue, New York 17, N. Y. (on request).

Task Force Evaluation Report — Small-sized Nuclear Power Plant Program — United States Atomic Energy Commission, Offices of Technical Services, Department of Commerce, Washington 25, D. C. (paper), $1.75.

Tobe Lectures in Retail Distribution at the Harvard Business School — Graduate School of Business Administration, Boston, Mass. (cloth), $3.

Union Constitutions — Leo Bromwich — Fund for the Republic —60 East 42nd Street, New York 17, N. Y. (paper), single copies on request.

United States and the European Common Market — John A. Birch—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 45¢.

Business and Money Mart In 1960; Nolen

Continued from page 9

on all government securities rose to new postwar highs.

Treasury Problems

Within the next year the Treasury most borrow $78 billion to meet its maturing obligations. Actually this figure may be higher because the short-term securities will be turned over several times.

In addition to the debt management problem, the Treasury spending this fall must be met by borrowing additional funds. This will probably run $6 or $7 billion.

The next 12 months will challenge Treasury ingenuity in debt management and fiscal operations. Treasury borrowings will be heavy in the next few months, but the new tax money should ease the situation temporarily after January, 1960. But most informed people believe we may run a deficit in 1960.

We must face up to the fact that inflation is undermining the confidence of the American people in government securities and all promises to pay. If the Treasury cannot finance without creating money to the point of inflation, we are in a vicious circle. The Treasury financing has been causing inflation, and the inflation has been causing the public to doubt the wisdom of holding their savings in Government securities, and in the savings institutions. If the public, because of the fear of inflation, will not purchase government securities then the Treasury must resort to creating money and the vicious circle begins again.

We all realize that the last 15 years have been an abnormal economic period. At the end of the war Europe and most nations of the world were desperately short of goods and capital. The U. S. had a huge backlog of orders for goods both at home and abroad.

We have had an increase in the price level of over 100% in the war and postwar years, yet we were able to sell our output because our people had large savings and were short of goods. We sold heavily on the international market with grants, aids, and credits.

The U. S. was prosperous in spite of the inflation because we could still sell our output with rising prices. In truth, many people and some economists thought the inflation was the cause of the prosperity and hence recommended an unbalanced budget in the inflationary period.

There is much evidence that Europe and most other nations are no longer short of goods and capital. Conversely they are now competing with the U. S. not only abroad but in our own markets. Most of them have stabilized their prices, while ours have continued to rise.

Internally we have a different picture also:

(1) Most of our people no longer have large savings. They are deeply in debt for housing and consumer goods.

(2) We do not have a large backlog of demand and a shortage of inventories. We have large inventories and no shortages in any field.

(3) It seems evident that we are entering a period of strong competition that will be world wide. The U. S. must face the facts of life; stop raising prices and compete. We think our system is the most efficient and productive in the world. The years ahead will be a good test of our ingenuity!

The Federal Reserve authorities have been holding a tight reign on the money and credit supply since the fall of 1958. This has definitely slowed the inflationary pressure, and business has been able to expand during this period. The tight money policy has tended to level off the boom and we may be able to maintain a high level of employment and production over a longer period by slowing the expansion.

Since the inflationary pressure has been decreasing the last year, and rising competition is likely to place a damper on both labor and management cost push, I believe the Federal Reserve authorities can gradually ease the money market in the near future.

*An address by Mr. Nolen before the Illinois Bankers Association Annual Bank Management Conference held in cooperation with the University of Illinois, Oct. 19, 1959.

Hayden, Stone Co. To Acquire Daniel F. Rice Co.

Hayden, Stone & Co., 25 Broad St., New York City, members of the New York Stock Exchange and other leading Exchanges, will acquire the offices of the firm of Daniel F. Rice and Co. in Chicago and branch offices in Illinois, Florida, Iowa and Indiana, effective Jan. 1, 1960, it was announced Nov. 4 by Joseph E. Swan, senior partner of Hayden, Stone.

William F. Rowley and John M. Wenner, partners of Daniel F. Rice & Co. will become general partners of Hayden, Stone & Co. and employees of Daniel F. Rice and Co. will become part of the new organization. No change in personnel is anticipated, Mr. Swan said.

Daniel F. Rice will become a limited partner of Hayden, Stone & Co., in which capacity he will be able to devote more of his time to his personal affairs.

Chicago Analysts to Hear

CHICAGO, ILL.—J. L. Mauthe, Chairman of the Board of Youngstown Sheet and Tube Co. will be guest speaker at the luncheon meeting of the Investment Analysts Society of Chicago to be held Nov. 5 in the Midland Hotel.

Speros Drelles to be Chaplin Partner

PITTSBURGH, Pa. — Speros G. Drelles has been admitted to partnership in Chaplin, McGuinness and Company, Peoples Bank Building, members of the New York and Pittsburgh Stock Exchanges.

Neil Campbell Forms Co.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Neil F. Campbell is engaging in a securities business from offices at 1031 Westwood Boulevard, under the firm name of Neil F. Campbell Co. He was formerly with Paine, Webber, Jackson & Curtis.

Avoiding Gold-Suspension

By Paul Einzig

Dr. Einzig sees, one, recent lessening of British trade restrictions and advancing loan repayment moves helping the U.S.A. especially if it induces other countries to follow suit. Two, hopes it will lead to removal of remaining exchange controls. And, three, warns France not to repeat the same mistake against the U.S. dollar as it did to sterling in 1926-1928—which led to British gold suspension in 1931. The latter monitory observation is based on the expectation that the Algerian solution will lead to repatriation of French funds from the U.S.A. and, unless the French Government acts wisely, to an embarrassing drain on U.S. gold. The writer underscores the need for a monetary exchange of views, and for support of U.S. gold reserves.

LONDON, Eng.—The repayment of $250 million to the Export-Import Bank by the British Government before maturity came as a welcome surprise in London. It is welcome because it indicates the Government's confidence in the strength of sterling, and also because it is a gesture of goodwill and cooperation. British political circles are somewhat puzzled about the timing of the operation. It would have been clearly to the advantage of the Conservatives if the repayment had been made in time to influence the result of the general election. There can be no doubt that the announcement of the decision shortly before polling day would have induced many waverers to vote Conservative. However, since the Government has increased its majority anyhow, this aspect of the matter is of no practical importance.

Paul Einzig

Possibly it would not have been considered fair to weaken the defenses of sterling on the eve of the election, because in case of a Labor victory the new Government would have needed the $250 million and a great deal more to face the resulting pressure on sterling. As things are, all experts agree that the reduction of the gold and dollar reserve by $250 million makes no difference from the point of view of the prospects of the pound. Although the autumn season is fairly advanced, sterling is still at a premium, and the authorities continue to be able to increase their gold reserve. Even though the extent of the influx of capital from abroad for investment following on the election result is believed to have been less than expected, in the course of the next year or so it is likely to attain considerable figures. The prospects of the balance of payments, too, are viewed with optimism. For these reasons it is hoped that the gold reserve will be replenished in due course.

A Way of Saying Thanks

The repayment of the $250 million before maturity is only the first step in Britain's effort to repay in kind the invaluable assistance received from the United States during and since the war. It may be considered certain that the Government will do away with the remaining discrimination against dollar imports before very long. [Ed. Note—Shortly after this was written, Derick Heathcoat Amory, Chancellor of the Exchequer, announced Britain would remove import restrictions on many of U. S. and other countries' goods.] A removal of the quota on American car imports may not be of immediate practical significance, seeing that at present American cars are not sufficiently competitive on the British market to reach even the existing quota. But the possibility for expansion is there.

Another way in which Britain will help the United States will be by increased assistance to underdeveloped countries. It would enable the United States to reduce their share in the assistance without thereby risking an economic setback in the underdeveloped countries or their political reorientation.

Yet another direction in which Britain is likely to be helpful is by the removal of the remaining exchange controls on sterling, as far as non-residents are concerned, and by a relaxation of that control as far as United Kingdom residents are concerned. So long as the dollar remains the only major currency that is convertible it is bound to bear the main burden of international movements of funds. If there are several convertible currencies that burden is more evenly spread. No immediate benefit to the dollar is likely to arise from the progress toward sterling convertibility, but it will be a change in the right direction.

The situation may best be compared with that of the gold standard in the old days. When only one gold currency was genuinely on the gold standard it was bound to be exposed to shocks, while when there were several of them the system was bound to operate more smoothly.

Above all, the British gesture is liable to help the United States balance of payments by its example. A number of other countries are in a position to help, and now that Britain has given a lead they are more likely to help. They are all under a debt of gratitude towards the United States. If Britain shows the way to discharge this debt other countries will feel impelled to follow the lead. Western Germany is well in a position to do so, and so is France. France in particular is likely to be in a position to prove its gratitude for American aid. As a result of a solution of the Algerian problem there is bound to be a wholesale repatriation of French funds from the United States. It will be for the French authorities to ensure that this movement does not result in a pressure on the dollar and a large-scale outflow of gold from the United States. Even though the gold is there and the United States could well afford to pay out all foreign holders of dollars, a large-scale withdrawal would be embarrassing. It is for the French authorities to acquire and hold the dollars sold by French private holders, without converting them into gold.

Recalls Gold-Suspension

The experience of 1926-28, when the repatriation of French funds from London resulted in a strong pressure on sterling and was largely responsible for the eventual suspension of the gold standard in 1931, must not be allowed to repeat itself. At that time the French authorities made use of their increased financial Governor power over sterling to bring political pressure to bear on Britain, thereby undermining confidence in sterling. In the diaries of Moreau, Governor of the Bank of France during the period, this was candidly admitted. It seems to be safe to assume that this history at any rate will not repeat itself. The French Government must be fully aware that the economic strength of the United States and the technical strength of the dollar are a matter of vital interest to the free world.

Even though we are still a long way from a settlement of the Algerian problem, there are already repatriations of French capital as a result of the increased stability of the French Government and the revival of prosperity in France. It is necessary to envisage a substantial increase of this movement. It would be natural if France wanted to increase her gold reserve to a level that would impress the world with the changed position of the franc, and much of the additional gold would have to come from the United States. But it is to the interest of the free world that neither France nor any of the Western countries should draw excessively on the American gold reserve for the sake of building up their own reserves. They should draw their gold from other sources as far as possible.

This matter deserves careful thought, before a disturbing movement should assume excessive dimensions. If there are no exchanges of views between the monetary authorities of the countries concerned there ought to be such exchanges initiated in good time. The United States gold reserve should be regarded by the Western World as the ultimate reserve for all free countries, out of which help can be expected in difficult times, but which should not be depleted during periods of strength and prosperity.

It is also to be hoped that recent official pronouncement in favor of removing trade discrimination will be followed by action on the part of all free Governments. Even though technically the United States Government would have been in a position to insist on non-discrimination under the Bretton Woods rules, throughout the postwar period, until recently there has been no such insistence. But now most countries could well afford to abandon discrimination. Early action to that end would be not only a means for relieving pressure on the balance of payments of the United States but also as an impressive gesture of solidarity by the free world. The reciprocal character of assistance should be made evident. Hitherto the aid was much too one-sided. But now, even though the United States remains by far the strongest economic unit in the West, other units have become strong enough to be able to reciprocate the assistance received.

Elder & Co. to Admit McEneaney

F. McEneaney will acquire a membership in the New York Stock Exchange, and on Nov. 12 will be admitted to partnership in Elder & Company, James Building, members of the New York Stock Exchange.

Cleveland Analysts Society to Hear

CLEVELAND, Ohio — Dr. Riccardo Gori-Montanelli of the Italian Embassy's Foreign Investment Office will be guest speaker at the meeting of the Cleveland Society of Security Analysts to be held Nov. 12.

Now With Ladet Co.

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Edward G. Garber is now with Ladet & Company, Inc., Central Bank Building. Mr. Garber was formerly with Amos C. Sudler & Co. and L. A. Huey & Co.

THE MARKET . . . AND YOU

BY WALLACE STREETE

The stock market went in for divergent moves and erratic seesawing this week. But the two independents in the auto section showed no signs of running out of popularity and they were among the brighter spots in the list.

* * *

Of the two, American Motors had the easier going by far and in the process shares that had a low last year of $8, crossed $88. Since the merger of Nash and Hudson in 1954 these shares have sold as low as $5.25, and the speculation now wasn't over whether they will hit par but how far above that line they will get before they run out of steam.

* * *

There was a bit of caution over the Studebaker shares, particularly since unruly trading in them had forced the New York Stock Exchange to ban stop orders. It didn't affect the heavy turnover but the stock wasn't quite as willing to sail into new high territory as AMO.

Dawdling Market

Much of the list was still dawdling, waiting out the steel strike that is taking an increasing toll from the general economy and which has reached the point where it will take weeks, even months, to fill up the pipelines. The full extent of the boom won't be known until that happens.

* * *

The bright technical situation was the industrial average. It has been posting new recovery peaks since the August-September setback. The action indicated that a sudden settlement in the steel strike could touch off some jubilation, at least momentarily. The more basic discussion was how much the strike will trim from estimates of 1959 earnings made earlier this year before anyone anticipated a record-breaking duration for the labor impasse.

Rails, Utilities Lifeless

Rails showed no sign of life since the effects of the strike were felt immediately by this group and the extent of their rebound is definitely moot. Utilities, weighed down by the tight money market, were similarly drab. Both, however, were able to hold comfortably above their year's lows and didn't show any immediate intention of testing the support levels.

* * *

The glamorous space age issues continued to run into occasional trouble, profit-taking cropping up rather quickly on any new runups. Some loosely grouped in the "space age" category, like Motorola, had reached levels where it was open to debate whether they were in demand for their split possibilities or for their electronic prowess.

* * *

Aluminums were the softer metal section, production cutbacks by Kaiser and Reynolds Metals chilling the section that had overproduction and price troubles through 1957-1958. It cast a cloud over predictions that their troubles were over and their market widened enough to take up the production expanded so busily since World War II.

Values Hunted

With so many of the glamour issues selling at exaggerated times-earnings ratios, the hunt was for issues that still conform to what are normally regarded as conservative ratios. This category included many neglected items, notably the oils which showed momentary strength after some good earnings reports were published but which died out rather rapidly to leave the group as the more depressed of the major sections.

* * *

Harris-Intertype in the printing group was one that showed a modest 12-times earnings ratio although since its merger with Intertype, it is one of the most diversified in the field, leading in virtually all phases of graphic arts. Moreover, it is in the electronics business through the acquisition late in 1957 of Gates Radio.

* * *

The Harris-Intertype management is partial to stock payments and this year larded its cash payment with a 5% stock dividend. The better than 3% yield of the cash payment alone is about average and in some quarters is held due for improvement since earnings for the latest fiscal year ran well past twice the cash dividend requirement.

Oils Intriguing

Oils had their strident champions, particularly when it was disclosed that the antipathy of mutual funds toward the oils in the last several years seemed to be veering. Massachusetts Investors Trust, for one, increased its holdings of Standard Oil of Jersey and also added Honolulu Oil which it has been doing rather persistently.

* * *

With the oils so well depressed, the expectation was that the next couple of months will see considerable tax selling in them. It served to keep potential buyers restrained despite the favorable earnings statements.

* * *

An issue that seems to have turned a corner is Crowell-Collier Publishing. The stock has worked back from its low of a couple years ago and the company, after shedding its loss-producing magazine activities, has progressed to where a 4% stock dividend was declared. This is the first return to shareholders in more than half a dozen years.

* * *

Crowell-Collier has been expanding its radio interests, its book division apparently is thriving and earnings are still tax-free because of previous losses although this shelter runs out next year. Its recent price has been around 10-times earnings which makes it a conservative ratio item, too.

"Leisure Leader" Favored

Brunswick-Balke, the leader in the "leisure" stock section, has had a long run plus the inevitable stock split, but still is held in favorable regard widely. There seems to be no saturation point yet for its bowling alley pinsetters and some estimates of earnings, if realized, would make it still conservatively valued although the high price tag necessarily makes it somewhat speculative.

The item that is neglected but expanding in electronics is Clevite Corp., the old Cleveland Graphite Bronze company, still widely regarded as a cyclical auto parts enterprise. Last year its auto business was down to 40% of sales, while it expanded its electronic participation to classified devices for the military and a wide range of other electronic devices. This activity had its first prosperous year last year with expanding profits in sight now. The issue is available at around 13-times estimates of this year's results, with a well-sheltered dividend that offers a yield of well past 3½%.

[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.]

With United Securities

(Special to THE FINANCIAL CHRONICLE)

GREENSBORO, N. C.—Romey C. Williams, Jr. is now with United Securities Company, Southeastern Building.

With Joe K. Matheson

(Special to THE FINANCIAL CHRONICLE)

HICKORY, N. C.—Lee R. Beaman has been added to the staff of Joe K. Matheson, 250 Third Ave., Northwest.

With E. M. Adams Co.

(Special to THE FINANCIAL CHRONICLE)

EUGENE, Ore.—Claude W. Endicott has become connected with E. M. Adams & Co., Laraway Building.

Cent'l & South West Common Stock Publicly Offered

An underwriting group managed jointly by Blyth & Co., Inc. and Harriman Ripley & Co., Inc. on Oct. 28 publicly offered a new issue of 350,000 shares of $5 par value common stock of Central & South West Corp. at a price of $60 per share. The underwriters bought the stock at competitive sale by offering the utility holding company $58.51 per share for the issue.

Net proceeds from this offering will be used by Central and South West to repay $3,200,000 of bank borrowings, to make additional investments of about $6,000,000 in common stocks of subsidiaries during 1959-60, with the balance to be made available to subsidiaries in like manner during 1961-62.

Quarterly dividends on the common stock are currently on the basis of 45 cents per share. The new shares will not receive a dividend of this amount to be paid on Nov. 30.

The company's operating subsidiaries—Central Power & Light Co., Public Service Co. of Oklahoma, Southwestern Electric Power Co., and West Texas Utilities Co.—form an integrated electric utility system operating in portions of Texas, Oklahoma, Arkansas and Louisiana. At June 30, 1959 the system provided retail electric service to more than 807,000 customers in 770 communities.

In the 12 months ended June 30, 1959 consolidated operating revenues of the system were $153,233,000 and net income was $27,816,000, equal to $2.70 per share on the 10,287,317 shares outstanding on June 30, 1959. Comparable figures for the 1958 calendar year were: $146,806,000 and $26,184,000, or $2.54 per share on the same basis.

As of June 30 consolidated capitalization, adjusted to reflect this offering, consisted of $319,965,000 of long-term debt; $64,350,000 par value of preferred stock; and 10,637,317 shares of common stock.

Los Angeles Bond Club Annual Sports Luncheon

LOS ANGELES, Calif. — The eighth annual sports luncheon of the Bond Club of Los Angeles is being held at the Biltmore ballroom today (Nov. 5). The event will honor the world champion Dodgers and many of the ball club's celebrities will be present. The special guests will be leading figures from college and professional football ranks, eminent editors and writers and other who are prominent in the field of sports.

An additional feature of this year's program will be a presentation of a color sound film of Squaw Valley developments by Jack Geyer, public relations director of the eighth Olympic winter games.

Braven Dyer, sports columnist of the Los Angeles "Times" will be master of ceremonies.

A. F. Haslam Opens

(Special to THE FINANCIAL CHRONICLE)

COLORADO SPRINGS, Colo.—Albert F. Haslam is conducting a securities business from offices at 1909 Altair Drive.

Costs and Benefits of Our Farm Programs an Enigma

By Jesse W. Tapp and John A. Hopkin,* *Chairman of the Board of Directors, and Economist, Respectively, Bank of America National Trust and Savings Association, Los Angeles, Calif.*

Known as an agricultural economist and better known as Chairman of Bank of America, Mr. Tapp together with the Bank's economist analyze limitations of our farm program and its supporting or collateral activities. The authors' analysis shows "we are . . . in the dark concerning costs," income benefits, consumer shifts, distortion of economic structure, effect upon agricultural enterprise, industries and market, and on suppliers, their competitors and processors which, in turn, affect major sectors of national and world economies. Besides this lack of statistical information to judge the farm programs, they also point out that the monopolistic programs are plagued with "crippling deficiencies" that make them self-defeating.

Our assignment is to discuss the **nature**, the **objectives** and the **effects** — in terms of deviations from a competitive market structure—of our major price support and supply control programs. The nature and objectives of the programs as means of modifying normal competitive forces are well known. There is less agreement about their effects although the inventories of farm products, which the government has accumulated as a result of its continuous price fixing efforts, are an ever present reminder that the farm problems of the government are now in a very real sense quite as troublesome as are the farm problems of the farmers.

For decades the adjustment problems of agriculture have been very real and very troublesome. There is no implication here that governmental intervention or assistance has been unwarranted in terms of generally accepted norms. Nor is there any moral connotation in this presentation. The word "monopoly" is used in its naked technical sense with no normative content whatever. The real issue here is the impact of price fixing and production or supply control programs which have been attempted as a means of diluting market competition in the food and agricultural industries.

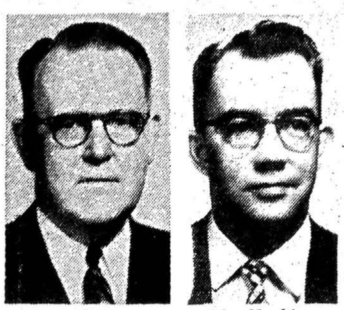
The Ambivalence of Government

In recent years, there has been a marked expansion in the efforts of the Federal Government to "maintain competition" in the food and agricultural industries. The basis for the present Federal Trade Commission inquiry into the distributive trades of the food industries is one example. Reference to any trade journal will clearly indicate the immediate and pressing importance of these government activities. In contrast with this kind of action, the Federal Government — and to a lesser measure the states — have for several decades carried on massive and highly expensive programs designed clearly to limit or destroy competition at the farm level and perhaps in consequence adversely to affect the maintenance of competition at the processing and distributing levels. There is obvious inconsistency among these activities in goals, methods, and effects.

The interest here is not to explore or analyze this ambivalence in governmental policies. Rather the purposes are to consider the nature of these massive, comprehensive and continuous government programs, to appraise their impact on the competitive structure of business in the American agricultural economy primarily at the farm level, and to a lesser degree the supply, processing, distributing, and consuming segments.

The Hypotheses

Despite the ambivalence of government policy, the price support and related production and supply control programs are attempting monopolistic devices at the farm level, which would involve anti-trust prosecution if undertaken without the sanction of government. Hence, the programs can be analyzed within a monopoly framework with respect to intent, methods, limitations and their likely effects. Unfortunately, there is yet no real knowledge of the facts of income transfer or redistribution incident to these programs.



Jesse W. Tapp — John Hopkin

Economic analysis of the governmental farm price support and production control programs in relation to the usual concept of "market competition" suggests a number of hypotheses, some proved by experience, and some derived from the logic of economic theory.

(1) All of these programs—both state and Federal—are simple and classical monopolies in intent, in methods of operation, and in the limitations which impinge upon them.

(2) There are no real conceptual or structural differences between these governmental monopolies and those which have been alleged to exist in the private economy.

(3) The operating differences between government and private monopolies are in the main attributable to size, and especially to the greater power and Treasury of the Federal Government.

(4) In consequence, there are some differences in the effects of government monopoly at the farm level, and at other functional levels.

(5) Monopolies enforced and supported by government appear to have no greater capacity for long run survival than those that have been stated to exist in private business.

The Frame of Analysis

Most governmental programs for the support of farm prices and the control of farm operations can be described and analyzed as simple Marshallian monopolies. In so far as these programs achieve their objectives, they limit the amount available for sale in primary channels to a lesser quantity than that which would be available under free competition. Similarly, in so far as they are effective, they raise the prevailing price in primary commercial channels to a level higher than that which would have prevailed with an atomistic structure free of the intervention of government. State and Federal support and control programs specifically provide anti-trust exemption. On this issue the record is quite clear, and so are the reasons.

None of the programs aims toward a precise monopolistic maximization of income. The general goal and the governor of most of these programs is some percentage of some parity price. Yet the explicit intent is a transfer of income to farmers, and the methods of income transfer are monopolistic.

The Devices

The programs can be classified operationally into two groups. Those exemplified by marketing agreements and orders in general authorize or require the sale of a smaller quantity than that which would move under atomistic competition and yield a consequent rise in the prevailing price. The second device involves specification by government of a minimum price level in primary channels and the transfer of unsalable supported products from commercial channels to government stocks. These programs involve the same type of transfer of income from consumers, but they are also buttressed by direct or indirect payments from the Treasury. In short, both classes of supply manipulation are supported by the authority and the purse of government.

The Collateral Programs

All supply or price control schemes are afflicted with inherent limitations requiring supporting or collateral activities in order to maintain a reasonably stable control position over time. All monopolies, whether government or private, run the risk of a decrease in demand for the regulated products if their prices are raised relative to those of commodities which are substitutes either in demand or production. Secondly, if output elasticity for the controlled products or their substitutes exceed zero, as is always nearly the case, then an increased output or volume of sales over time is inevitable. This second difficulty engenders the typical monopoly problem of precluding entry over time.

Thus in response to the first limitation, government has developed such collateral and supporting devices as Section 32 and the massive dumping programs required to counter the inevitable decline in demand resulting from monopolistic price fixing. Parallel to this is an equally impressive battery of government programs designed fundamentally to limit entry. The section 22 programs are examples; however, the major entry - limiting mechanism is to limit the amount of certain inputs —usually land — which may be devoted by individual farm enterprises to the production of the controlled commodities. These programs have failed to attain their major objectives for one obvious reason. Not all of the input factors are limited, and as land is limited the amounts and proportions of other inputs are still subject to the entrepreneurial discretion of the individual farm. The farm business remains independent and competitive in outlook except with respect to the controlled input factors or to the sale of particular commodities specified directly by statutes.

Private vs. Public Monopolies

As indicated, all monopolies have the same motivation, they use the same basic methods and they are subject to the same basic limitations. Government, however, is in a substantially superior position with respect to developing and maintaining monopolies from among numerous, otherwise independent, producers. It can enforce by law the inclusion of the total supply of the commodity in the monopolistic arrangement. Government can tax its people to compensate for the inevitable shifts in demands. It has the authority and funds to try to limit the inevitable supply response associated with successful monopoly. Thus government can and has overcome some, but by no means all, of the difficulties afflicting the old-line private monopolies. Government can require universal participation in an effort to defeat the inevitable tendency of the individual enterprise to evade the monopolistic arrangement, to let his colleagues carry the umbrella or, once in, to get out. Government can require mandatory participation and invoke penalties for violation.

Monopolies which do not completely destroy the profit-identity of participating firms are inevitably unstable. In order to maintain a price-support objective, individuals must be limited with respect to their output or sales. The very specification of the price support or the development of the collusive limitation over sales or over a single input engenders a strong impulse on the part of each individual firm not to **decrease** his own production or sales as is required to make the monopoly effective, but rather to **expand** them. In this sense—along with the use of Federal Treasury to support the effects of demand shifts — government monopolies seem to work more effectively than the allegedly private ones. Nonetheless, they are inherently unstable. They have not really been able to defeat the atomistic counter adjustment of individual participating farms; they have not successfully countered shifts of demand; and most important they have not achieved the one real necessity of effective monopoly—limitation on expansion of total output.

I
The Scope of the Monopolies

No long analysis is needed with respect to the importance of these monopolies in the American economy. The food and agricultural industries are a major part of the total economy. These programs have been in almost continuous use for nearly three decades, and their influence has spread to almost every producing area of the American agricultural economy. While no real analytical information is available, there must have been important indirect effects of these producer-monopolies upon the other functional segments of the agricultural economy. Furthermore, the direct costs involved in dumping or in limiting entry through collateral programs have been astronomically high. Here again, there is no precise accounting or authoritative analysis. But perhaps more important, the indirect costs of the distortion of economic allocation and sales limitation have not even been considered, let alone analyzed. The effects of these programs upon agricultural enterprises, industries and markets, with respect to the controlled enterprises, and to the suppliers, their competitors, processors, and consumers are automatically effects upon major sectors of the national and world economies.

II
The Structural Effects of Monopoly

If monopolies are at all successful they must have a direct structural effect on the enterprise directly controlled, and, consequently, on their suppliers, their customers, their competitors not subject to control and upon a series of related industries.

The Participating Enterprise

With respect to the controlled inputs or the controlled volume of outputs or sales, in effect a large number of small and competitive enterprises become one single monopoloid firm. Authority to make certain decisions with respect to these controlled variables is removed from the private competitive firm and transferred to government. Atomistic competition **remains** with respect to all other determinants of the individual farm profit account.

Thus, the implicit and fatally deficient assumption with respect to the input-control programs is the belief that output can be reduced from the competitive level to an amount that will sell at the specified support price solely by limiting one major input factor on all farms. It is assumed that this limitation applied to all individual enterprises would result in a total volume of output compatible with long run maintenance of the monopolistic price support. Effective monopoly operation is limited by the fundamental instability of any partial monopoly and also by the difficulties of administration, allocation, financing and enforcing of such large-scale controls. More important is the inability even of the Federal Government to eliminate atomistic adjustments and private profit viewpoints of the individual farm with respect to their other input factors aside from land. There is a natural tendency by individual farmers to adjust the nature and amount of their other inputs so as to maximize their outputs under the constraint of the fixed land input at a known price support. This is a crippling deficiency from the operational standpoint of a good monopolist.

Where sales rather than inputs are controlled, the difficulty afflicting individual entrepreneurs is the inevitable tendency to **increase** their individual output or sales in response to an enhanced price whereas the success of the program requires a **decrease** in individual output or sales. This is why government must use its police power to punish violations as well as its treasury to induce compliance. In these types of monopolies, the individual farm really loses the right to make only one decision — the amount of sale it is permitted to make. Against this, it is always induced by the program itself to increase its sale or output. The entrepreneurial viewpoint and counter adjustments of uncontrolled profit determinants are unrepentantly atomistic. These are the primary reasons for the failure of such monopolies in the absence of continued and forceful intervention by government.

The Lessons

Government monopolies in agriculture, like any other similar arrangement result in only partially monopolized individual enterprises. Where only one or a few input factors such as land are regulated, the individual enterprise is **automatically** induced to expand its output by adjusting other input factors. This tendency is fortified by the known artificial support price. The lesson is simple. For government effectively to operate an efficient monopoly, it would be required completely to destroy the entrepreneurial identity of the participating firms and to control every one of its profit determinants. Up to this point, at least, it has either been unable or unwilling to take this step which might have rendered these monopolies efficient as monopolies even if inefficient by any other criteria. Nor are there any indications that farmers would tolerate such a complete surrender of their management function to such total governmentalization—even if somewhat higher returns could be foreseen.

Effects on Farms

There has been discussion over the past decade of the efficiency implications at the farm level of these programs. Relative prices of the supported commodities may, in fact, have been higher than they otherwise would have been.

Proponents of the programs argue that they have raised farm income. We really don't know whether or not this is true, although it likely is — assuming about the same kind and quantity of goods would have been produced in both instances; however, this assumption seems unreasonable. Without such programs resource and output shifts might have been sufficient to have resulted in an even higher farm income than actually was realized under the programs. Unfortunately, direct and indirect income transfers remain unmeasured and there is no compelling analysis of what might have occurred without these monopolies.

As a consequence of having restrictions imposed on single inputs, the relative profit alternatives from different input combinations have undoubtedly been distorted. Furthermore, the relative volume, timing and product allocations may well have differed from the magnitudes which would have yielded, at least in terms of consumer interest, a more desirable economic structure.

The capitalization of monopolistic values of relatively fixed allocations may have meant that only the original participants in these monopolies have really enjoyed enhanced income through these devices.

Effects on Suppliers

There is no measurement of the net effects of the programs upon the operations of enterprises that supply inputs to farmers. Both the input control and the supported price are determinants of the productivities of all of the inputs going into a farmer's business and, therefore, of the demand for inputs. Accordingly, demands for inputs by farmers must have been affected in some way yet unmeasured.

Clearly, the general failure of these government programs really to control output indicates that the quantity and quality of other inputs can be varied by these partially monopolized individual farms when price is specified and when land is limited, but no controls are placed over other profit determinants. Acreage allotments and price supports combined have almost certainly stimulated the demand for fertilizers, insecticides and a host of output—increasing techniques, perhaps at the expense of factor-saving innovations. With either market or sales control, similar distortions of the demands facing suppliers and the market channels through which they must move should also be expected, although no real or definitive analysis of these possible effects seems yet to have been made.

Effects on Handlers

The likely effects of farm oriented, government control programs on handlers or processors of farm products seem to have received little attention. Shifting production from one region to another through the programs has both efficiency and income effects upon processors and handlers as well as to producers.

In some cases, the raw products are sold out of first hands under a monopolistic arrangement. In other instances, no such arrangement exists. We simply do not know what modifications are made in the decisions of processors relating to volume, product development, labeling, promotion, and pricing of the several commodities handled when in the purchase of some raw products they face a monopolistic arrangement while other raw products are purchased from relatively competitive markets. We do know that these effects must be particularly important to consumers; however, nothing is really known with respect to the effects on market structure among processors.

Effects on Related Industries

Again, both logic and experience indicate that these programs have materially influenced the risk-bearing, profit-division and decision-making of such collateral industries as transportation, commodity exchanges, and other marketing agencies, insurance financing and, in fact, a whole battery of industries related to food and agriculture.

The cotton program is an interesting case in point. Some of the firms and industries connected with the processing and marketing of cotton are confused and demoralized. Others are critically ill. Previously, the uncertainties of the industry were those arising from a variable demand (which is partly amenable to economic analysis and forecasting) and a variable supply (which is associated, in part, with variable weather the effects of which, at least, are impartial). Now the primary uncertainties for many segments of the cotton industry are those associated with changes in legislation or government administrative decision, which often can not be foreseen, are not amenable to economic analysis, and which may tend to have discriminatory effects. From the standpoint of the total cotton industry, the hypothesis that the price-support programs have reduced uncertainty and brought stability to the industry, seems questionable. This conclusion is strengthened and generalized by the opinions of competent leaders in the marketing of feed grains, wheat and rice.

The Market Effects

The effect of these programs on the market structure as measured by price, substitution, or entry elasticities facing firms, has never been analyzed. Although no one has, as yet, really measured the direction or magnitude of the shifts in demand or supply functions induced by the programs, the following generalities appear reasonable. Supply curves for several of the controlled products and their competitive products seem clearly to have shifted to the right. Demand curves have shifted to the left for some of the products and to the right for competitive commodities. The emergence of these shifts would be expected from theory and has in fact occurred. The loss of the butter market is not the only case in point; the cotton vs. synthetic story is clear also, as is the domestic vs. foreign cotton in the world market. The rice industry is now much exercised because their foreign customers have learned the virtue of soft wheat as a substitute for high-priced rice.

The Effects on Consumers

The immediate and obvious effect upon customers of partially monopolized farmers is the development of what amounts to a fixed price. Consumption in primary channels is constricted, and price is raised. The direct cost of subsidies is also easily apparent. In addition, the terms, the methods and the channels of marketing must almost automatically have been altered in order to support the administrative, financing and enforcement activities of government with its control programs. Here, again, to our knowledge, no analysis of a definitive nature is yet available. Few quantitatively valid analyses have been made of the possible effects of these partial government monopolies upon consumers; however, if these monopolistic type of programs bite, their effects must be like those of any other monopoly. The total effects on consumption include both a substitution effect and an income effect. No one has really measured the amount, or mechanism, of total income transfer to farmers by means of these programs. Nonetheless, insofar as they have been effective their impact must have been that which is intended in any monopoly.

Effects on Income Redistribution

The unifying objective of these many programs is to transfer income to agriculture. Therefore one might reasonably expect that their income effects would have received special analysis and that statistical series would have been developed to measure the incidence of income benefits and costs. This is not true. Moreover, such information as CSS payment or other records have not been tabulated and analyzed in terms of the economic and social criteria implicit in the underlying objective.

The problem of who, precisely, in agriculture should be the ultimate recipient of the net benefits of these payments, has never been resolved. Inherent in the politics of the programs is the objective of bringing the income of everyone in agriculture up to some socially acceptable minimum standard. While there has been no analysis of the incidence of income benefits, the sharp contrast between objectives and the results is demonstrated in the President's agricultural program message to the 86th Congress, and by recent articles in "Time," "Fortune" and "U. S. News" magazines. The proposed introduction of the $50,000 maximum might prevent further proliferation of such popular magazine articles, but would not modify materially the figures in the President's message. Nor would it affect the poverty problem in agriculture.

As yet, we are much in the dark concerning the incidence of costs of these programs, although it is becoming increasingly evident that consumers feel that the heavy burden of incidence finally settles upon them. To the extent that this view is right, the income effects are likely to be regressive. Estimates of the incidence of benefits and cost of our price-support programs should be very useful in appraising the policies of the past and in adjusting policies of the future so as better to obtain the desired income effects.

III
The Implications

At the outset of these ambitious government control programs, only basic industries were involved. Basic industries at first were major commodities closely related as major inputs to other processing or distributive trades and involving an export or other bottleneck which would permit effective monopolistic administration. Within a matter of months, basic commodities to which these control devices might be applied became in fact any commodity able to exert sufficient legislative pressure to have itself so designated and therefore qualified to avail itself of these techniques.

Government, once it undertakes market control, must, like any other monopolist, control the whole supply in the market; it must, therefore, limit entry; and it must stand ready to counter shifts in demand. Furthermore, it must find means to counter the built-in instabilities of all sustained monopolies which do not completely destroy the entrepreneurial identity of participating firms. Government has been afflicted with the typical difficulties of all monopolies with respect to enforcement, administration, allocations of production or selling rights, relative demand shifts, and the necessities of controlling output. The programs have been massive in scope, but they have not in fact really been successful even if measured simply by the criteria of effective monopoly alone. There is little hope that they could be made successful.

At the farm level, these are only partial monopolies. This is why the counter adjustments by farms have been induced and have been made possible. This is also why there is a continuing tendency to violate. All evidence, both theoretical and empirical over the past three decades, indicates that even government monopolies are ineffective without the virtual destruction of the entrepreneurial identity of the individual farms of the nation. Consequently, they are inherently unstable in a democracy.

Almost surely, these programs have altered market structure in all of the various segments of the food and agricultural industries. They have beyond doubt created a monopoloid structure at the farm level. How much have they cost, who has benefited and by how much, how have they affected other parts of these industries? Who really knows?

*An address given by Mr. Tapp and Mr. Hopkin before the American Farm Economics Association.

With Andersen, Randolph

(Special to The Financial Chronicle)

PORTLAND, Ore. — Harold B. Christopher, David R. Dobson and James E. Forbes have been added to the staff of Andersen, Randolph & Co., Inc., 1026 Northeast Multnomah.

Joins Zilka, Smither

(Special to The Financial Chronicle)

PORTLAND, Ore. — Philbert T. Lindley is now with Zilka, Smither & Co., Inc., 813 Southwest Alder, members of the Pacific Coast Stock Exchange.

NEWS ABOUT BANKS AND BANKERS

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

The 2nd Avenue-42nd Street Branch of **The First National City Bank of New York** opened for business on Nov. 2 in the recently completed addition to the Daily News building. The branch was located for 30 years in the newspaper's original building and was known as the Bank's East Midtown Branch.

Ward Neil, Assistant Vice-President, is the Manager, and has been with the Bank 35 years.

First National City has 81 branches in the five boroughs of New York City.

* * *

Chairman Harold H. Helm announced the following new officers at **Chemical Bank New York Trust Company, New York:** John H. Miller, Assistant Trust Officer; Clarence C. Hunt, Howard J. Sinclair and Cornelius J. Westervelt, Assistant Secretaries, and Eric N. Compton and Joseph C. Kettle, Assistant Treasurers.

* * *

Morgan Guaranty Trust Company of New York is seeking approval of the banking authorities for plans to open an additional banking office in London, it was announced on Oct. 29. If approved, the office is expected to begin operation in June, 1960, at 30 Berkeley Square in London's "West End."

The new office will supplement the facilities of Morgan Guaranty's principal London office, at 33 Lombard Street.

Applications for the required approvals of the new office are being made to the Superintendent of Banks of the State of New York and the Board of Governors of the Federal Reserve System.

Morgan Guaranty has longstanding connections with the English banking scene. Guaranty Trust Company of New York, which merged last April with J. P. Morgan & Co. Incorporated to form Morgan Guaranty, established an office in London in 1897—one of the first branches to be opened in England by any American bank. The merged bank also continues the close working relationship with J. P. Morgan & Co. maintained with Morgan Grenfell & Co. Limited, merchant bankers in London.

* * *

The Merchants Bank of New York has received approval from the New York State Banking Department to increase its capital stock from $688,500 consisting of 55,080 shares of the par value of $12.50 each, to $790,050 consisting of 63,204 shares of the same par value.

* * *

Isaac Carpenter, Jr., Vice-President in charge of **The County Trust Company, White Plains, N. Y.**, Oct. 30 completed 40 years of service with the bank.

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The appointment of Edward T. Harren as an Assistant Cashier of **National Bank of Westchester, White Plains, N. Y.** is announced by Ralph T. Tyner, Jr., Chairman, and Harold J. Marshall, President.

Mr. Harren began his banking career in 1945 with **Irving Trust Company, New York.**

* * *

Russell Rivers was elected Vice-President and Comptroller of **First Camden National Bank and Trust Company, Camden, N. J.**

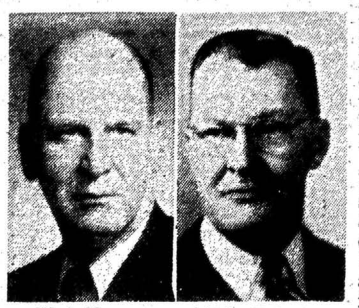
* * *

The merger of **The Altoona Trust Company, Altoona, Pa.** and **Central Trust Company, Altoona, Pa.** became effective as of Oct. 30, under its title of **Altoona Central Bank and Trust Co., Altoona Pa.**

J. H. Dillen is Chairman, Edward B. Felty, President; Frank Marsh, Executive Vice-President and Robert A. Clifford, Senior Vice-President.

* * *

William A. Morgan, Vice-President of **Bankers Trust Company, New York** has also been named Senior Trust Officer and assumes duties as administrative head of the Trust Department, it was announced Oct. 27, by William H. Moore, Chairman of the Board.



W. A. Morgan Brian P. Leeb

Brian P. Leeb, Senior Vice-President and member of Bankers Trust Company's senior management, "will retain primary responsibility for the bank's fiduciary and corporate agency activities" said Mr. Moore in making the announcement.

Mr. Morgan joined Bankers Trust Company in 1928. He has spent the majority of his career with the bank in trust work. He was named an Assistant Trust Officer in 1932, a Trust Officer in 1935 and a Vice-President in 1943. Mr. Morgan was named to head the Personal Trust Division of the bank in 1951.

* * *

The Blue Ball National Bank, Blue Ball, Pa., has increased its common capital stock from $100,000 to $200,000 by a stock dividend and from $200,000 to $250,000 by the sale of new stock, effective Oct. 23. (Number of shares outstanding—10,000 shares, par value $25.)

* * *

D. Stuart Beckner, Assistant Cashier of **The Bank of Virginia, Norfolk, Va.,** has been promoted to Assistant Vice-President effective Nov. 1, Heyward T. Denyes, Regional Vice-President, Tidewater, announced Oct. 30.

Mr. Beckner has been with The Bank of Virginia since October, 1945.

* * *

The common capital stock of **The Southern Ohio National Bank of Cincinnati, Ohio,** was increased from $500,000 to $600,000 by the sale of new stock, effective Oct. 23. (Number of shares outstanding—30,000 shares, par value $20.)

* * *

Charter was issued on Oct. 16 by Office of Comptroller of the Currency to the **Leawood National Bank of Kansas City, Kansas City, Jackson County, Mo.** The President is Gene Kroh and the Cashier is William N. Brownfield. The bank has a capital of $250,000 and surplus of $150,000.

* * *

The American Commercial Bank, Charlotte, N. C. and **The First National Bank of Raleigh, N. C.** merged under the name **American Commercial Bank** effective as of Oct. 30.

* * *

By the sale of new stock the **Piedmont National Bank of Spartanburg, S. C.,** has increased its common capital stock from $375,000 to $500,000, effective Oct. 22. (Number of shares outstanding — 50,000 shares, par value $10.)

* * *

Delray Beach National Bank, Delray Beach, Fla., has increased its common capital stock from $300,000 to $400,000 by the sale of new stock, effective Oct. 19. (Number of shares outstanding — 40,000 shares, par value $10.)

* * *

By a stock dividend The American **National Bank of Cheyenne, Wyo.,** has increased its common capital stock from $250,000 to $750,000, effective Oct. 20. (Number of shares outstanding—7,500 shares, par value $100.)

* * *

Establishment of a new international banking institution was announced in New York and London on Oct. 29 by **Bank Leumi le-Israel** (in translation: **National Bank of Israel**) majority holder of the new institution. Registered in London as **The Anglo-Israel Bank Ltd.,** it will commence operations on Dec. 1, 1959 when it will take over the business now being conducted by Bank Leumi's London Office.

British participation in the new bank will be secured under the sponsorship of N. M. Rothschild & Sons and Robert Benson, Lonsdale & Co. Ltd.

Bank Leumi with consolidated assets of more than $320,000,000 is Israel's largest commercial bank and maintains 100 branches.

Named as directors of The Anglo-Israel Bank Ltd. were: Air Commodore C. E. Benson, Chairman; Sir Henry J. d'Avigdor Goldsmid, Bart., Deputy Chairman; Y. Foerder; J. M. Geri; H. Gruenbaum; G. Y. Hinwood; L. Istorik; Professor R. F. Kahn, and J. D. Layton.

B.B.M. Photocopy Stock Offered

A public offering of 100,000 shares of common stock of B.B.M. Photocopy Manufacturing Corp. was made on Nov. 4 by Myron A. Lomasney & Co. The stock was priced at $3 per share.

Net proceeds from the sale, approximately $243,000, will be used for expanding the company's equipment business, financing the research and development of an electronic photocopier and to discharge certain debts.

B.B.M. Photocopy, organized in 1951, is engaged in the manufacture and sale of accessories for photocopy machines, portable photocopier exposure units, and the development of an electronic photocopier.

Sales for the nine month period ending July 31, 1959, were $214,080 and gross profit was $75,872. For the fiscal year ending Oct. 31, 1958, sales were $224,548 and gross profit was $70,267.

Giving effect to the sale of the 100,000 shares of common stock, capitalization of the company as of Aug. 17, 1959, was: 233,200 shares of common stock with a par value of five cents.

Open Office

HIALEAH, Fla.—Decidedly Different Interests, Inc. is engaging in a securities business from offices at 970 West 53rd Terrace. Officers are Russell E. Bennett, President, James D. Jordan, Secretary-Treasurer; and Anne Jordan, Vice-President.

Planholders Inst. Formed

Planholders Institute Inc. has been formed with offices at 26 Broadway, New York City to engage in a securities business. Officers are Frank E. Sweetser, President; Alvin Friedman, Executive Vice-President and Treasurer; and Hoch Reid, Secretary.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The results of the Treasury operation to meet the Nov. 15 maturities will most likely be made known in a day or so, and indications are that it was a very successful undertaking. This would seem to mean that the cash pay-out by the government will be at a minimum figure. The rates used by the Treasury in the refunding venture were just under the level that was employed to raise new funds a short time ago. However, the 4¾% and 4⅞% rates were still high enough to attract investors that needed near-term and medium-term obligations.

The short-term market still has a considerable demand, since funds which would ordinarily be used for normal business purposes are being invested in liquid Treasury issues, mainly bills. Until the steel strike is settled, however, buying of short governments is likely to be sizable.

Refunding Issues Well Received

The Treasury offer that refunded the Nov. 15 maturities of the 3⅜s and 3½s with a one year 4¾% certificate and a four-year 4⅞% note was very well received by the financial community. The refunding terms were pretty well expected by most money market specialists even though there was more than a passing amount of opinion that the 4¾s of 1964 would be reopened. However, there have not been too many occasions in which the Treasury has reopened outstanding issues when maturities are being refunded.

The four-year 4⅞% note at 100, it seems, was considered to have been a wee bit on the generous side, but under existing tight money conditions it was much better to have an issue that was to be well taken rather than have investors more interested in cash. Accordingly, it is believed that the November refunding will result in only a very small attrition.

Holders of 2½ x 5s Included

The offer to the holders of the 4s of 1962 (the 2½ by 5s) was the unexpected part of the recent operation of the Treasury, since the owners of this issue, optional for redemption Feb. 15, 1960, could have exchanged this issue for the 4⅞% note due Nov. 15, 1963. Those who did not exchange the optional 4s of 1962 for the new 4⅞% note may still have their securities redeemed on Feb. 15, 1960, by giving notice to the Treasury by Nov. 16 that they do not intend to hold them until 1962.

The Treasury by making the exchange offer to the holders of the optional 4s of 1962 (and to the extent that the owners of the 4s of 1962 turn in their securities for the new 4⅞% note) will lighten the refunding load of next February when some $11 billion of maturities will have to be taken care of.

Refunding Sidelights

The one-year obligation, the 4¾% due Nov. 15, 1960, was tailored to meet the needs of the Federal Reserve Banks, the largest owners of the Nov. 15 maturities. At the same time, those other holders of the 3⅜s and 3½s that must also have short-term liquid government securities could take the 1960 certificate or sell out their maturing issues and reinvest the proceeds in outstanding Treasury bills. In some instances, however, owners had to take cash.

The 4⅞% note had appeal for the smaller commercial banks since most of these institutions have sizable amounts of savings deposits, and the rate is high enough to allow them to make payments on these time deposits and still make out satisfactorily. The four-year maturity also was to their liking.

New Money Borrowing Soon

With the November refunding out of the way, the next venture of the Treasury into the money market will be to raise some $2 billion to $3 billion of new funds which will most likely come later this month or early December. The amount which will have to be obtained for new money purposes will depend to some extent on how the holders of the maturing 3⅜s and 3½s react to the refunding operations, especially as to what they will need in the way of cash.

What the small investor will do with the 4⅞% note is still a matter of considerable conjecture in spite of reports that there has been buying of the "right" from sources which have indicated they were for the small saving group. It appears as though the savings banks and savings and loan associations will feel some effects from the refunding, but most likely to a much lesser extent, however, than was the case with the new money offering of the magic 5s.

Dinner to Honor Wall Street Men

A dinner in honor of Jerome Lewine of H. Hentz & Co.; Michael W. McCarthy, President, Merrill Lynch, Pierce, Fenner & Smith Inc.; and Clarence G. Michalis, Trustee, Seaman's Bank for Savings, will be held on Tuesday, Nov. 24 at the Waldorf-Astoria sponsored by the National Conference of Christians and Jews.

Harold H. Helm, Chairman of the Board, Chemical Bank New York Trust Co., is serving as chairman of the event.

Subscriptions for the dinner are $50 per plate, with tables of 10 at $500. All proceeds derived from the sale of tickets will be turned over to support the work of the National Conference of Christians and Jews in promoting good will and understanding among the religious and racial groups of the nation, according to Mr. Helm.

The dinner will be one of the major events scheduled to be held this year in New York City in celebration of the 31st anniversary of the brotherhood organization which was founded in 1928.

Form Standard Secs.

NASHVILLE, Tenn. — Standard Securities Corporation has been formed with offices in the Third National Bank Building to engage in a securities business. Officers are Harold W. Hammontree, President; Doyle S. Gaw and Charles R. Gaw, Vice-Presidents; Wendell V. Clapp, Secretary-Treasurer; and Winston M. Moore, Assistant Treasurer.

J. B. Hopper Opens

MIDLAND, Texas — Jackson B. Hopper is conducting a securities business from offices at 208 Glenwood. He was formerly associated with H. Hentz & Co.

The Russian Enigma

By Roger W. Babson

While making an on the spot visit to Moscow, U.S.S.R., Mr. Babson states that the Russians prevent inflation and use fear as an economic weapon. The former is attributed to the government's ability to retire large amounts of its government printing-press money by making a profit on all goods and services sold; the latter is indicated to be an explosive, unreliable economic factor. Mr. Babson states each family has a good home in a modern apartment building, plenty to eat, free hospitals, and he testifies that his guided tour took him only where he wanted to go and see.

After traveling two days from Warsaw, Poland, through Russia, we have remained about one week in Moscow. It certainly is a wonderful city, with 5,000,000 people plus 2,000,000 in the suburbs; but, of course, to comment on Communism after such a short visit would be foolish.

Roger W. Babson

Many Americans report that they are compelled to tour with "Communist guides" who show them only what the Russian rulers wish them to see. This I do not believe. First because of the language difference, guides who can talk English are absolutely necessary. English-speaking persons are very, very scarce here. Second, I can testify that our guide—a woman—took us everywhere we asked to go. She had no prescribed route; also, every question we asked she answered frankly. Furthermore, tourists from the United States are well treated, especially since Mr. K's visit to the U. S. A.

Unfortunately, the weather has been against us. It seemed very cold to us; two days it snowed hard, which made it impossible to see much from our taxi; but the guide took us into every building we asked to see. Let me add that our U. S. Embassy here was most helpful.

Russia Now Is Materialistic

Russia was in wretched condition when the Revolution came in 1917. Moscow had narrow, poorly paved streets and mostly wooden houses. The new government's first act was to widen greatly the streets of every large city and build five-story cement apartment buildings. As these were built the old houses were pulled down, and this is still going on today. This rebuilding naturally caused the people to worship Stalin, accepting blindly the new Communist form of government. In the course of 20 years this has succeeded in giving every family a good home in a modern apartment building and—through the collective farms —plenty to eat—with free hospitals and other comforts. There are now no slums in Russia such as are in our large cities!

At the same time, all church worship was discouraged. The old Russian churches under the Tzars had done nothing for the people; so Stalin decided to wipe them out. Almost all the people you meet state proudly that they are "atheists." We, however, insisted on visiting one of the beautiful remaining open Orthodox churches. Our guide stated that she had never been in a church before, although we found that this one was attended each Sunday by over 4,000 praying people, all of whom must stand since there are no seats. True worship is coming back in Russia gradually; but first everyone who is willing to work is being given shelter and food.

Education Now the Goal

During the years Stalin, and now Khrushchev, have directed great efforts toward free education. Most beautiful school and college buildings have been built. Everyone must attend school from the age of 7 to age 14. At 14, they are given competitive exams and those who pass are admitted free to high school for three years. At the age of 17—directly after high school—everyone must go to work in a factory, or on a farm, or in construction work, or in the army. During those two years they are carefully watched to see whether they deserve a college training in science, mathematics or "inventions."

Of the million children attending school in Moscow, about 50,000 are now in colleges or universities. They are constantly checked and about 5,000 are given the very advanced work which results in development of space missiles and other remarkable inventions. Certainly there is much that we in the United States can learn about educating our young people. Moreover, if any of the Russian students feel they were overlooked in the "sifting" described above, they have the opportunity of studying under the world's most complete correspondence courses.

Russian Government Finance

I was given excellent opportunity to learn how Russia raised the money to build these thousands of apartment houses and beautiful highways and to give such excellent free education. This is the answer: Instead of selling bonds to the banks as we do in the U. S., the Russian Government, which owns all the property, prints money to pay the workmen, teachers, professors, etc. — and also to provide old-age pensions, etc., *direct.* Every worker in Russia receives newly printed rubles for his or her work. This both reduces the cost of financing and immediately circulates the money among the consumers.

"But how does this prevent inflation?" you ask. Here is the answer: The government collects rent from all its apartments; it makes a profit on all goods—including foods—sold in its government-owned stores. In addition it makes a profit on its vast electrical power distribution, its railways, busses, telephone-telegraph, and factories; also from the collective farms and fisheries. These profits are used for depreciation charges on all property. Hence a percentage of the rubles which were issued to construct are annually destroyed. Large amounts of currency are therefore constantly being retired. If these profits are not sufficient, small taxes are collected, although the goal is to have no taxes.

Incentive or Fear?

We who are fortunate enough to live under a free-enterprise system wonder how Russia can achieve efficiency and progress without giving rewards in the form of increased salaries or gold-braid uniforms. Such rewards are being given in Russia to a certain extent; but as there are no labor unions or strikes, there are no wage increases except to those who produce more. In fact, the motto is: "Those who do not produce cannot eat unless disabled." Furthermore, since the government owns everything and no one gets private profits, the factory and farm workers are told "the factory or farm in which you work really belongs to you."

Although I speak without authority or actual knowledge, I feel that *fear* is an economic factor. Certainly the *fear* of very severe punishment prevents graft from developing in some part of this great economic machine. This fear may percolate through every family and worker. How long this universal *fear* can continue without a blow-up, only the future can tell. This is well discussed by Eleanor Roosevelt in her recent book "On My Own" published by Dell Publishing Co., Inc., 750 Third Avenue, New York 17, N. Y., price 50 cents. Every reader of this column should own a copy.

Carreau Appoints Segal, Dept. Head

Carreau & Company, 115 Broadway, New York City, members of the New York Stock Exchange, announce that Herbert I. Segal has joined the organization as manager of the Corporate Development Department. This newly created department will arrange and negotiate acquisitions, mergers, sales and private placements.

Mr. Segal has had wide experience as industrial and financial consultant and was formerly President and Chief Executive Officer of Van Norman Industries, Inc.

The firm also announces that Richard Heiligman, formerly of J. R. Williston & Beane, has also joined their organization.

Joins Blankenship, Gould

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore. — Robert C. Buermann is now affiliated with Blankenship, Gould & Blakely, Inc., Equitable Building.

Daugherty, Butchart Adds

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore. — Robert C. Hughes has been added to the staff of Daugherty, Butchart & Cole, Inc., 729 Southwest Alder Street.

Now With Goodbody Co.

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Terence M. Carey has become connected with Goodbody & Co., 1 North La Salle Street. He was formerly with Blyth & Co., Inc.

J. A. Hogle Adds

(Special to THE FINANCIAL CHRONICLE)

LONG BEACH, Calif.—Walter S. Field has become affiliated with J. A. Hogle & Co., 147 East First Street.

RAILROAD SECURITIES

Western Maryland Railway

Earnings of Western Maryland Railway have been badly hurt by the steel strike since the road depends on heavy industry for much of its traffic. The strike also has curtailed shipments of bituminous coal and iron ore, both of which are highly profitable traffic items.

Once the steel mills resume operations, however, revenues should move up sharply. There are large stockpiles of iron ore at dockside in Baltimore and, with winter approaching, the Great Lakes will be closing down because of ice and this foreign ore likely will be used to replenish depleted supplies. In addition to an inbound movement of ore, coal and fluxing stone, the road will benefit from the outbound movement of finished products, once the steel mills resume operations. This could make for good earnings in the final weeks of the year.

Much of the anticipated gain in revenues is expected to be converted into net income as the road did not curtail maintenance expenses drastically during the strike and it is believed there is little deferred maintenance work to be done. The freight car bad order ratio was 4.4% on Sept. 1, under the average for the industry, although slightly higher than usual for Western Maryland. There were some layoffs of the car repair force at the outset of the strike, but the company recently has recalled most of the workers which would indicate that the bad order ratio will be lowered. This would provide the carrier with more cars to move the expected heavy traffic.

With the fleet of freight cars in good condition and heavier offline movements ahead, a sharp gain in equipment rental credits is expected. Income from rentals of its large ownership of cars has grown steadily in recent years. Rental revenue rose from $1,700,000 in 1948 to a peak of $4,500,000 in 1957. It dropped to $3,100,000 in 1958 due to the decline in freight traffic as a result of the depression but in the past 12 months have recovered to $3,900,000 and should gain further when the steel companies again start up operations. If traffic should hold up next year, a further improvement in this source of revenue would occur and, if the per diem charge is increased, W. M. stands to benefit further.

The recent opening of the St. Lawrence Seaway has resulted in some loss of grain traffic for export movement. However, it is probable that some rate adjustments will be made to meet this new competition.

Traffic should be aided in coming months by the growing industrialization of the area served. Manufactures and miscellaneous revenues have gained in the postwar period, reflecting the development of the Port of Baltimore which has become an important warehousing and distribution center.

Cash and cash equivalents amounted to $7,836,000 on Aug. 31 which compares with $6,153,000 at the end of 1958. Net working capital on that date was $6,585,000 about unchanged from the like period of 1958.

On Oct. 5, stockholders approved a 2½ for one split of the common and preferred shares and this was approved by the Interstate Commerce Commission on Oct. 13. The new stock is to be paid Nov. 23 to holders of record Oct. 29. In this case 1½ new shares will be delivered, with the holder retaining his old share to effect the 2½ for 1 split.

Even with the traffic lost as a result of the steel strike, net income for the full year is expected to be around $8.75 a common share as compared with $8.27 a share reported in 1958. The road has been on a $3.60 a share annual dividend basis.

With Hannaford Talbot

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Thomas McDonald is now affiliated with Hannaford & Talbot, 519 California Street, members of the Pacific Coast Stock Exchange.

W. C. Langley Opens Philadelphia Branch

PHILADELPHIA, Pa. — W. C. Langley & Co., members of the New York Stock Exchange, announced the opening of an office at 220 South 16th Street, Philadelphia, Pa., under the management of James Sands.

Funds Curtail Stock Buying; Move to Fixed-Income Issues

Continued from page 1

ing the proceeds in marketable securities carrying a high rate of interest. This has led to two results. During the first nine months of the year we have realized a net long-term gain on the sale of securities of approximately $1.11 a share. As a secondary result of accepting these capital gains, we have built up a backlog of cash and short-term security issues amounting to $10 million, which we hope to be able to use profitably in making advantageous purchases during periods of market weakness."

Scudder, Stevens & Clark Fund and New England Fund both abstained completely from adding to their common stock portfolio, with the former engaged in considerable selling.

Following Lazard's newly stated policy of concentrating in a reduced number of issues held, management completely eliminated, among other issues, Dow, Consolidation Coal, General Electric, American Metal Climax, Standard Oil (New Jersey), and Sinclair Oil. Newly purchased were Merck, Miami Copper, and Granite City Steel.

From Stocks to Bonds

Typical of managements' weaning away from stocks to bonds and an awareness of yield, are the trustees of General Investors Trust: "With short-term government bonds affording record rates up to 5%, and government agency bonds even higher, we prefer for the time being to maintain our present percentage (18%) in highly liquid short governments. We are therefore in a position to take advantage, through timely purchase of long-term bonds at attractive yields, and such common stocks as may reflect in their prices a reasonable earning potential coupled with more obviously inherent values. For a Fund placing considerable emphasis on income, this policy appears to us to be a sound position to take at this time."

Also exhibiting an awareness of the yield factor is New England Fund, which purchased no equities whatever during the quarter. Said its Chairman of Trustees, Mr. Henry E. Kingman: "The trustees have continued their program of increasing the Fund's holdings in short-term government agencies and high grade bonds to seek to improve the degree of security in the Fund and at the same time contribute toward a higher yield."

Even Speculative Bonds Avoided

Eschewing even convertible bonds, in the exodus from equities, is the Boston Fund. "For the first time in 22 months, we have gone into non-convertible, fixed income bonds in a bigger way. In today's market 5% bonds look attractive."

"When we get 4¾% on governments, we take a good looksee," was the way this revival of interest in bonds was put by A. Moyer Kulp, Vice-President of Wellington Fund. And Walter Morgan, the Fund's President, reported: "Your Fund took advantage of the unusual rise in interest rates to increase its backlog of good grade corporate bonds and shorter term government bonds, by buying new issues that were offered at about the highest yields in 30 years."

This Fund sold nearly $46½ million of common stocks during the September quarter, while buying only $13 million. This represented the largest excess of selling over buying in the investment companies field during the quarter.

Among the devotees of market-timing is, apparently, Pioneer Fund. Said its President, Philip L. Caret:—"In deference to the somewhat tired appearance of the market, your management has pursued a fairly cautious policy in recent months. . . . An optimistic policy should not lead one to believe the comforting but fallacious philosophy propounded by Dr. Coue 30 years ago. Perhaps an individual may be better in every way every day, but no sensible observer expects either the business climate or the stock market to show any such pattern."

"On the other side of the medal," common stock buyers on balance included Broad Street Investing, National Investors, Whitehall and Tri-Continental—all members of the group named for the latter; Investors Mutual; Knickerbocker Fund; Mutual Investment Fund; Bullock and its "sisters" Dividend Shares and Nation-Wide Securities; Chemical Fund; Delaware Fund; Dreyfus Fund; Eaton & Howard Stock Fund; Fundamental; Investment Trust of Boston; M.I.T.; three funds in the United Funds group; Lehman and its "relative" One William Street. In the case of Massachusetts Investors Growth, purchases of common stocks were more than 10 times sales. Enlarging on its buying which had been newly-resumed in the preceding quarter, U. S. & Foreign Securities invested $5 million in equities, with no offsetting sales. Its new acquisitions included, among others, U. S. Steel, Schering, Westinghouse, and four utilities—Central & South West, Florida Power & Light, Gulf States Utilities, and Virginia Electric & Power.

A Short-Seller

The extreme of nearer-term bearishness was a partial short position entered into by the recently organized Oppenheimer Fund (which activity is unique excepting for one other fund). "It is our belief that carefully selected short sales will prove stabilizing and compensating in declining markets under current and prospective conditions." In the same vein: "In some periods of market decline, a long position in bonds or utility shares has provided a protective cushion for investment funds. Today, when interest rates are increasing, this policy lacks appeal." The short positions taken were concentrated, among others, in the chain grocery field, and in the aircraft and the office machinery industries. The largest short position was in Studebaker-Packard, to some extent offset by a long position in the same company's convertible preferred.

CONSTRUCTIVE MANAGEMENTS

On the other hand, sunshine —at least over the long-term—was discerned by the Tri-Continental group. "While the steel strike has changed the confidence that was evident in the early part of 1959 into uncertainty, the economic fundamentals have not changed. What has occurred represents an interruption in the upward movement of business, not a turning point . . . the decade of the sixties will be one of expansion and business progress."

Energy Fund, managed by Ralph E. Samuel & Co., remained with the constructive contingent, thus: "The severe forced liquidation that took place in so many issues seems to have been largely dissipated. . . . we find that although the country has experienced some jolts and shocks and surprises, the basic long-term confidence in the American economy and in the equities, which offer participation in this economy, has not changed."

Cheerily said the Investment Trust of Boston, which management acted as they spoke: "We have faith in common stocks, and with the country on the verge of a period of great expansion, common stock funds should do very well."

POPULAR ISSUES

Best bought stock was General Motors, acquired by 17 managements, and sold by only one (despite the then overhanging Du Pont divestment threat, as well as the steel strike). Runners-up were Ford and International Nickel. The former was bought by 13 managements, sold by only 2; the latter was purchased by 11 and sold by none. Du Pont was bought by 12, and sold by 2; Aluminium Ltd., bought by 11 and sold by only 2.

UNPOPULAR ISSUES

As in the preceding quarter, American Telephone was the issue most heavily sold, 9 managements liquidating, without a single offsetting buyer. Also "bringing up the rear" were: United Aircraft (sold by 11, bought by 3); and Merck (sold by 10, bought by 2).

POLICY TOWARD INDUSTRY GROUPS

The following analysis of portfolio changes, drawn from our tabulation on page 23 of transactions in nearly 470 stock issues, is based on the number of managements buying or selling, rather than on the number of shares involved.

During the September quarter fund managements particularly favored automotive, chemical, and glass stocks. Also well-bought, although more moderately, were banks, electricals and electronics, foods, machinery, aluminum, copper, paper, rubber and tires, steels, and tobaccos; and, to a still lesser extent, rail equipments and textiles.

Clearly in disfavor were agricultural equipment, aircraft, airline, oil, and telephone stocks; as well as some of the drugs.

Management policies toward the oils manifest a phenomenon of considerable interest. The past record shows that as a whole the fund experts liberally bought the petroleums during their rising markets of the second and fourth quarters of 1958, and again during their sharp market recovery in the earliest period of 1959. On the other hand, during the subsequent decisive market declines of the oils, this industry was again consigned to the funds' "dog-house." In other words, fund managements' policy toward this cyclical industry has been one of chasing, rather than taking advantage of, the market trends.

THE FAVORED GROUPS

Automotives Leading the Race

As pointed out above, the two best-bought issues were both in the automotive area — namely General Motors and Ford; GM leading, 17 managements to 13 for Ford. The buyers of GM included the Tri-Group which bought 14,300 shares, and Investors Mutual with 14,000. Other sizable buyers included Dreyfus, One William, United Funds, Delaware and Madison. The solo seller was de Vegh, which liquidated its 2,000-share holding. Ford had its largest buyer in Incorporated Investors (35,000), Fundamental (30,000), and Delaware (14,000 newly). The

Continued on page 25

Changes in Common Stock Holdings of 67 Investment Management Groups

(July-September, 1959)

Issues in which transactions by more than one management group occurred. Issues which more managements sold than bought are in italics. Numerals in parentheses indicate number of managements making entirely new purchases or completely eliminating the stock from their portfolios. *(Purchases shown exclude shares received through stock splits, stock dividends, spin-offs or mergers. Number of shares bought or sold prior to a stock split is expressed giving effect to the split.)*

—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
		Agricultural Equipment		
4(2)	*18,200*	*Deere*	*39,800*	*7(1)*
2	*15,500*	*International Harvester*	*42,900*	*4(1)*
		Aircraft and Aircraft Equipment		
2	5,000	Douglas	2,500	2
4(1)	34,000	Martin	35,900	3(1)
5	36,100	North American Aviation	37,000	5(3)
None	*None*	*Aerojet-General*	*11,700*	*3(1)*
None	*None*	*Bell*	*700*	*2(1)*
None	*None*	*Bendix Aviation*	*3,900*	*3(1)*
1	*1,500*	*Boeing*	*70,000*	*6(5)*
1(1)	*1,000*	*Chance Vought*	*11,000*	*2(2)*
2(1)	*12,000*	*Curtiss-Wright*	*28,100*	*3(2)*
1	*1,100*	*General Dynamics*	*48,210*	*5(3)*
3(1)	*22,000*	*Lockheed*	*177,800*	*5(2)*
3	*8,500*	*United Aircraft*	*132,700*	*11(5)*
		Airlines		
3	49,000	Northwest Airlines	5,000	1
2	*8,000*	*American Airlines*	*79,400*	*8(4)*
None	*None*	*Braniff Airways*	*23,400*	*2(1)*
1	*1,500*	*Eastern Air Lines*	*4,200*	*2*
1(1)	*1,000*	*Pan American World Airways*	*125,300*	*5(2)*
2(1)	*2,270*	*United Air Lines*	*42,646*	*4*
		Automotive		
3(3)	9,500	American Motors	None	None
13(3)	115,300	Ford	16,500	2
1	30,000	Ford Motor Ltd. (U. K.)	12,000	1
2	93,500	Fruehauf Trailer	None	None
17	91,000	General Motors	2,000	1(1)
5(3)	49,000	Mack Trucks	None	None
None	*None*	*White Motor*	*5,700*	*2*
		Automotive Equipment		
1	5,000	Champion Spark Plug	100	1
2(1)	6,600	Clark Equipment	None	None
2(1)	15,000	Dana	None	None
3(2)	12,300	Electric Storage Battery	5,000	1(1)
3(1)	5,800	Thompson Ramo Wooldridge	3,900	2(1)
1	*4,700*	*Briggs & Stratton*	*3,000*	*2*
		Banks		
2(1)	66,000	Bank of America	None	None
2	5,400	Bankers Trust	2,000	1(1)
4(3)	41,700	Chase Manhattan	5,000	1
4(3)	22,000	Chemical Bank New York Trust	13,750	1
2	4,000	Cont'l Ill. Nat'l Bank & Trust	None	None
5(3)	24,500	First Nat'l City Bank of N. Y.	None	None
2(1)	4,000	Morgan Guaranty Trust	1,000	1(1)
4(2)	25,200	National Bank of Detroit	None	None
2	32,870	Security-First Nat'l Bk. of L. A.	None	None
None	*None*	*Chemical Corn Exchange**	*5,500*	*1(1)*

*Later merged and now Chemical Bank N. Y. Trust, which see further above.

—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
		Beverages		
4	36,700	Pepsi-Cola	None	None
2(2)	20,000	Schenley Industries	None	None
1	*6,100*	*Coca-Cola*	*10,700*	*2(1)*
		Building, Construction and Equipment		
2(1)	106,000	American Standard	10,000	1(1)
2	4,100	Armstrong Cork	4,300	1(1)
2	26,150	Bestwall Gypsum	None	None
3(3)	8,400	Crane	1,000	1(1)
2	1,200	Flintkote	2,500	1
4(1)	10,700	General Portland Cement	None	None
1	25,000	Georgia Pacific	2,550	1(1)
2	25,100	Ideal Cement	None	None
6(1)	25,700	Johns-Manville	5,000	1
1	9,900	Marquette Cement	16,000	1
3	1,200	Minneapolis-Honeywell	2,000	1(1)
5(1)	14,900	National Lead	5,000	1
1	3,800	North American Cement "A"	26,250	1(1)
2	16,000	Otis Elevator	None	None
3(2)	10,920	Penn Dixie Cement	None	None
1	33,000	Robertshaw-Fulton	12,200	1(1)
1	10,000	Ruberoid	20,000	1(1)
2	9,800	Trane	1,800	1
2	3,000	Yale & Towne	2,200	2
2	*31,200*	*Carrier*	*9,500*	*3(3)*
None	*None*	*Lone Star Cement*	*33,000*	*2(2)*
None	*None*	*MacMillan & Bloedel*	*4,875*	*3(1)*
2(1)	*13,000*	*National Gypsum*	*35,100*	*3(2)*
1	*200*	*U. S. Gypsum*	*17,300*	*4(1)*
1	*2,000*	*U. S. Plywood*	*14,800*	*3*
1(1)	*30,000*	*Weyerhaeuser Timber*	*43,700*	*2(2)*
		Chemicals and Fertilizer		
3(1)	15,800	Air Reduction	500	1
6(1)	58,600	Allied Chemical	None	None
4(1)	41,100	American Potash & Chemical	None	None
1	24,500	Borax (Holdings) Ltd.	3,000	1(1)
6	8,960	Dow Chemical	27,500	3(3)
12(2)	26,200	Du Pont	9,000	2(1)
3(1)	18,300	Eastman Kodak	13,000	2(2)
3	3,600	Food Machinery & Chemical	35,900	3(1)
1	2,000	Hercules Powder	700	1
4(1)	29,600	Hooker Chemical	6,600	3
3	18,700	Internat'l Minerals & Chemicals	None	None
5(1)	18,100	Monsanto Chemical	24,600	3
4(1)	42,300	Olin Mathieson	None	None
2	7,000	Pennsalt Chemicals	700	1
5(2)	22,700	Rayonier	800	1
2	841	Rohm & Haas	235	2
2	2,700	Spencer Chemical	None	None
3	3,300	Stauffer Chemical	23,660	2(1)
2	3,200	Tennessee Corp.	7,400	1
8	27,600	Union Carbide	4,000	2(1)
5	5,722	United Carbon	1,000	1
1	*1,000*	*American Cyanamid*	*4,500*	*2(2)*
None	*None*	*Diamond Alkali*	*28,600*	*2*
None	*None*	*Freeport Sulphur*	*3,000*	*2*
None	*None*	*U. S. Borax & Chemical*	*4,000*	*2(1)*
		Coal and Coke		
1	43,800	Peabody Coal	6,500	1(1)
1	800	United Electric Coal	10,300	1(1)
None	*None*	*Consolidation Coal*	*42,500*	*2(1)*
1	*8,000*	*Island Creek Coal*	*30,200*	*2(2)*
2	*8,100*	*Pittston*	*14,293*	*3(1)*
		Containers and Glass		
2	300	American Can	35,000	2(2)
2(1)	10,500	American St. Gobain	500	1
2(1)	2,700	Anchor Hocking Glass	None	None
4	14,400	Continental Can	41,000	3(3)
4	2,500	Corning Glass Works	1,000	2(1)
6(1)	49,700	Libbey-Owens-Ford Glass	12,000	5(1)
6(3)	28,400	Owens-Corning Fiberglas	None	None
6(1)	17,300	Owens-Illinois Glass	9,700	2
6(1)	36,600	Pittsburgh Plate Glass	5,000	1(1)

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—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
		Drug Products		
2	4,400	Bristol-Myers	6,000	1(1)
2(2)	19,300	Carter Products	800	1
2(1)	13,900	Norwich Pharmacal	300	1
3(1)	72,000	Parke, Davis	51,100	3(1)
1(1)	5,500	Rexall Drug & Chemical	5,000	1
5(2)	38,600	Schering	11,500	3(1)
1(1)	3,000	Searle (G. D.)	2,000	1(1)
1(1)	6,500	Sterling Drug	500	1(1)
2	48,200	Upjohn	None	None
1(1)	4,400	Vick Chemical	3,000	1(1)
2(1)	30,600	Warner-Lambert	500	1
2	*7,000*	*Abbott Laboratories*	*25,000*	*3(2)*
1	*26,000*	*Lilly (Eli) "B"*	*9,000*	*4(1)*
1	*12,000*	*Mead Johnson*	*12,500*	*3*
2(1)	*27,900*	*Merck*	*35,700*	*10(3)*
3	*17,000*	*Pfizer (Chas.)*	*84,400*	*4*
1	*200*	*Smith, Kline & French*	*25,200*	*3(1)*
		Electrical Equipment and Electronics		
3(2)	3,000	Ampex	750	2
1	2,200	Collins Radio	800	1
1	2,000	Consolidated Electrodynamics	10,200	1
3(1)	20,000	Consol. Electronics Industries	None	None
8	31,500	General Electric	37,000	2(2)
2(1)	4,400	Hazeltine	None	None
2	8,800	I-T-E Circuit Breaker	None	None
5	38,300	Philips' Lamp Works (50-guilder shs. or equivalent)	1,885	2(1)
6(3)	61,500	Radio Corp.	47,500	5(1)
2	4,500	Siemens & Halske (DM 50 shs. or equivalent)	1,440	1
3	3,800	Sperry Rand	2,000	1(1)
2(1)	3,500	Sprague Electric	None	None
4(1)	20,400	Texas Instruments	3,600	4(3)
9(6)	57,000	Westinghouse Electric	49,100	6(1)
None	*None*	*Hoffman Electronics*	*4,300*	*2*
1(1)	*7,400*	*Internat'l Tel. & Tel.*	*80,000*	*4(3)*
1(1)	*15,000*	*Litton Industries*	*4,400*	*3(2)*
1(1)	*500*	*Philco*	*3,300*	*2*
None	*None*	*Raytheon Mfg.*	*45,990*	*4(2)*
1	*1,000*	*Sunbeam*	*10,500*	*2(1)*
None	*None*	*Varian Associates*	*8,700*	*2*
		Finance Companies, etc.		
1	3,000	C.I.T. Financial	500	1(1)
1	1,000	Commercial Credit	1,400	1
2(2)	53,000	First Charter Financial	None	None
2	14,900	Great Western Financial	16,275	1(1)
3(1)	44,925	Household Finance	2,891	2(1)
None	*None*	*Associates Investment*	*14,800*	*4*
None	*None*	*Pacific Finance*	*15,500*	*2(1)*
		Food Products		
2(1)	15,700	Armour	5,000	1
1	1,000	Beech Nut-Life Savers	29,700	1
2	13,000	Continental Baking	None	None
2(1)	25,500	Corn Products	7,400	1
2(1)	71,300	General Foods	2,000	1
2(2)	11,700	Kellogg	None	None
1(1)	2,000	Minute Maid	600	1
1	2,800	Penick & Ford	1,000	1
2	3,000	Swift	None	None
4(3)	59,300	Wilson	None	None
1	*300*	*Gerber Products*	*3,300*	*3*
None	*None*	*United Fruit*	*53,900*	*5(4)*

—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
		Insurance — Fire & Casualty		
1	750	Aetna Casualty	2,700	1(1)
2(1)	12,000	American Insurance (Newark)	None	None
2	2,050	Continental Assurance	None	None
1	1,300	Continental Casualty	5,000	1
2	950	Continental Insurance	17,100	1
1	5,000	Fireman's Fund	9,900	1(1)
1	500	Hartford Fire	5,000	1(1)
2	32,600	Maryland Casualty	20,000	1(1)
2(1)	16,910	U. S. Fidelity & Guaranty	3,040	1(1)
		Insurance — Life, etc.		
5(1)	15,800	Transamerica	None	None
		Machinery, Machine Tools and Industrial Equipment		
3(1)	12,000	Allis-Chalmers	None	None
4(2)	17,830	Babcock & Wilcox	41,000	2(1)
2(1)	7,600	Blaw-Knox	None	None
4(1)	13,000	Caterpillar Tractor	85,100	4(1)
6(4)	35,900	Chicago Pneumatic Tool	56,800	2
3(1)	10,000	Dresser Industries	130,500	3(3)
1	500	Ex-Cell-O	7,500	1(1)
1	5,900	Ingersoll-Rand	1,000	1
2(1)	3,000	Singer Mfg.	29,100	1(1)
1	5,000	Sundstrand Machine Tool	200	1
2	488	Worthington	700	1
None	*None*	*Bucyrus-Erie*	*14,000*	*2(1)*
2	*3,500*	*Joy Mfg.*	*6,500*	*3(3)*
		Metals and Mining—Aluminum		
11(2)	112,100	Aluminium Ltd.	15,000	2
3	15,500	Aluminum Co. of America	5,500	2
2	30,000	Kaiser Aluminum	600	1
3	2,126	Reynolds Metals	4.000	1(1)
3(1)	9,300	U. S. Foil "B"	800	1(1)
		Metals and Mining — Copper		
7(3)	34,500	Anaconda	11,200	2(1)
2(1)	1,100	Cerro de Pasco	36,100	2(1)
1(1)	6,100	Copper Range	20,000	1(1)
2	8,200	Inspiration Consolidated Copper	None	None
6(1)	39,500	Kennecott Copper	26,800	5(1)
2	5,100	Magma Copper	8,900	2(1)
3(1)	45,900	Phelps Dodge	5,000	2(2)
1(1)	4,000	Scovill Mfg.	500	1(1)
1	*800*	*Howe Sound*	*16,000*	*2(1)*
1(1)	*29,000*	*Miami Copper*	*13,100*	*2(1)*
2(1)	*13,800*	*Revere Copper & Brass*	*21,000*	*3(1)*
		Metals and Mining — Gold		
1	2,000	Campbell Red Lake	3,700	1
		Metals and Mining — Other		
3(1)	38,300	American Smelting & Refining	1,000	1
2(1)	4,200	Brush Beryllium	None	None
3(1)	11,000	Hanna Mining	None	None
11(1)	58,100	International Nickel	None	None
3(2)	33,500	St. Joseph Lead	8,800	2(2)
1(1)	*30,000*	*American Metal Climax*	*103,500*	*4(3)*
None	*None*	*Vanadium*	*3,600*	*2(1)*
None	*None*	*Ventures Ltd.*	*9,100*	*3(2)*
		Natural Gas		
5(2)	47,600	Arkansas Louisiana Gas	11,000	3
2	3,000	Colorado Interstate Gas	None	None
1	2,000	Consolidated Natural Gas	1,500	1(1)
1(1)	800	Hugoton Production	5,000	1(1)
2	9,500	Republic Natural Gas	None	None
1	1,000	Southern Natural Gas	800	1
6	76,725	Tennessee Gas Transmission	22,105	3(1)
2	6,000	Texas Gas Transmission	None	None
1	4,000	Transcontinental Gas Pipe Line	6,300	1
1	*10,500*	*American Natural Gas*	*54,600*	*3*
2(1)	*2,900*	*El Paso Natural Gas*	*18,150*	*3(1)*
1	*10,000*	*Lone Star Gas*	*10,600*	*2(1)*
1	*7,700*	*Mississippi River Fuel*	*44,100*	*2(1)*

—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
2	*12,500*	*Northern Natural Gas*	*30,600*	*4(2)*
2	*11,700*	*Panhandle Eastern Pipe Line*	*10,400*	*3(1)*
2	37,800	*United Gas*	*76,600*	*4(1)*
		Office Equipment		
2	2,200	Addressograph-Multigraph	None	None
8(1)	9,151	IBM	5,869	5
2(2)	31,875	Moore Corp. Ltd.	None	None
1	*6,000*	*Burroughs*	*161,200*	*7(4)*
2	*11,000*	*National Cash Register*	*17,000*	*3(1)*
None	*None*	*Pitney-Bowes*	*11,600*	*2(1)*
None	*None*	*Underwood*	*5,600*	*2(1)*
		Oil		
5	18,600	Continental Oil	1,600	1
6	27,300	Louisiana Land & Exploration	17,000	2(1)
2(1)	11,480	Murphy Corp.	None	None
4	14,900	Ohio Oil	5,000	2(2)
1	11,100	Pure Oil	500	1
7(2)	45,800	Royal Dutch Petroleum	65,000	5(2)
3	4,500	Signal Oil & Gas "A"	None	None
3	12,000	Sinclair Oil	26,700	3(2)
2	1,400	Skelly Oil	1,400	2
4(1)	31,800	Standard Oil (Indiana)	172,000	3(1)
9(2)	51,283	Standard Oil (N. J.)	113,486	8(2)
3	42,300	Sunray Mid-Continent Oil	52,000	1
2(1)	4,000	Texas Gulf Producing	None	None
2	5,800	Texas Natural Gasoline	None	None
1(1)	50,000	Universal Oil Products	38,800	1(1)
5	*8,000*	*Amerada Petroleum*	*40,400*	*7(4)*
None	*None*	*British Petroleum*	*56,100*	*2*
1	*6,200*	*Cities Service*	*18,580*	*3(1)*
4(1)	*8,400*	*Gulf Oil*	*40,500*	*10(3)*
1	*10,000*	*Kerr-McGee Oil*	*13,500*	*3(1)*
2	*4,200*	*Phillips Petroleum*	*25,800*	*5(3)*
1(1)	*400*	*Richfield Oil*	*16,400*	*2(2)*
5	*10,400*	*Shell Oil*	*26,650*	*6(3)*
None	*None*	*Shell Transport & Trading Ltd.*	*23,000*	*2(2)*
3	*8,500*	*Socony Mobil Oil*	*56,100*	*4(2)*
1	*200*	*Standard Oil of California*	*12,000*	*2(1)*
None	*None*	*Superior Oil (California)*	*1,610*	*2*
5	*15,500*	*Texaco*	*54,160*	*8(1)*
1	*3,500*	*Union Oil of California*	*2,800*	*2(2)*
None	*None*	*Union Oil & Gas of La.*	*21,305*	*5(1)*
		Paper and Paper Products		
1	2,500	Champion Paper & Fibre	300	1(1)
2	21,900	Container Corp. of America	15,000	1
2(1)	8,200	Federal Paper Board	None	None
4	9,600	Fibreboard Paper Products	None	None
3	17,500	International Paper	2,235	3
3	18,800	Kimberly-Clark	14,600	2
2	11,000	Mead	None	None
5	49,800	St. Regis Paper	34,000	2(1)
2	20,100	Scott Paper	17,600	1
5(1)	47,900	Union Bag-Camp Paper	10,000	1(1)
2	9,500	Warren (S. D.)	3,000	1(1)
1	800	West Virginia Pulp & Paper	10,000	1
3	*22,700*	*Crown Zellerbach*	*42,000*	*4(2)*
None	*None*	*Riegel Paper*	*6,300*	*2(1)*
		Public Utilities — Electric and Gas		
2	3,100	Baltimore Gas & Electric	None	None
2	9,000	Carolina Power & Light	25,700	1
1(1)	2,840	Central Louisiana Electric	None	None
3(1)	6,700	Central & South West	20,600	3
2	8,000	Cleveland Electric Illuminating	500	1
1	37	Commonwealth Edison	6,500	1(1)
1	700	Delaware Power & Light	8,300	1(1)
2(1)	3,600	El Paso Electric	4,500	1(1)
4	17,800	General Public Utilities	52,400	2
2(1)	29,100	Gulf States Utilities	4,500	2(1)
2	5,000	Idaho Power	3,000	1(1)
1	900	Iowa-Illinois Gas & Electric	9,700	1
1(1)	7,000	Kansas City Power & Light	8,900	1
2(1)	7,000	Kansas Gas & Electric	2,500	2(1)
2(1)	21,000	Kansas Power & Light	2,000	1(1)
2(1)	27,400	Middle South Utilities	31,900	2(1)
2	38,900	Montana Power	1,000	1(1)

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Funds Curtail Stock Buying; Move to Fixed-Income Issues

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two sellers were Madison (15,500) and Axe B (1,000). Soaring American Motors was bought by three funds, each of them initially—namely, Knickerbocker, Oppenheimer, and General Investors Trust. No transaction appeared in Chrysler. Fruehauf Trailer was bought aggressively by Fidelity (48,500) and Investment Co. of America (45,000).

Banks Moderately Bought

Interest in bank stocks dwindled a bit, but was still appreciable. Most popular was First National City of New York, which found its largest buyer in One William (12,000 as a new investment). Also fairly well bought were National Bank of Detroit, Chase Manhattan and newly-merged Chemical Bank New York Trust. In the cases of Chase and Chemical, One William led the buyers.

Chemicals in Fairly Good Demand

Favorite in this group was Du Pont, with 12 buying managements, and only two selling. Largest buying of this high priced blue chip came from Fidelity (7,000), while an even number of shares was disposed of by Wellington Fund. Second in popularity were Allied Chemical, soon-to-be-split, and Union Carbide. The largest single buyer of Allied was the Tri-Group with 25,400 shares, followed by Affiliated Fund with 14,500 shares; with no sellers. In Union Carbide it was again the Tri-Group which led other buyers with 21,000 shares.

Dow, Monsanto, and United Carbon were also in good demand. One William was the largest Dow buyer (4,000), followed by United Science (2,760); offset by sales totaling 25,000 shares in a close-out by Lazard, and additional close-outs by Pine Street and Axe A. Of Monsanto, Affiliated Fund bought 7,100 shares, American European 5,000 and de Vegh 4,000 (newly). Heavily selling this issue was Wellington (16,800). Diversified Rayonier was bought by United Accumulative, Adams-American International, among others. Olin Mathieson, which company is in a major revamping operation, was added to its holdings by Lazard with a 20,000-share purchase, by Fidelity (11,100), and Chemical Fund (9,000 newly).

Electronics Moderately Bought

Still bought on balance, as in the previous quarter, were the electronics and electrical equipments. Best net buying occurred in General Electric; with the purchasers led by Wellington (18,000), partly offset by sizable eliminations by Lazard (25,000) and Investment Co. of America (12,000). In Westinghouse, among the buyers were Fidelity (14,200 newly), Dreyfus (15,000 newly), and M.I.T. (10,000).

Exemplifying an interesting aspect of portfolio "brain-trusting" is the "split personalities" evinced toward Westinghouse. This dynamic issue was bought by Lehman in the amount of 4,500 shares; but, on the other hand, sold 19,500 by jointly-sponsored One William Street.

Still popular Philips' Lamp Works was bought by Rowe Price Growth, Lazard, and Massachusetts Investors Growth, among others. RCA was purchased by Lazard (30,000), the United Funds group, Selected American, and Dominick. Selling came in from Affiliated Fund, American Business Shares, Wellington, and a few others. Selling still prevailed in I.T.T. by the Axe group (51,500), Delaware (15,000), and Investment Co. of America (10,400).

Foods in Mild Demand

Best bought issue was Wilson, by the United Funds Group, Putnam, Dreyfus and Dividend Shares—with no seller. United Fruit, apparently reflecting earnings, dividend, and Cuban troubles, was only sold—by Group Securities, National Securities Stock Series, Shareholders' Trust, *et al.*

Glass Issues Liked

Best net-buying in this group was centered in Owens-Corning Fiberglas, of which Lehman made a new acquisition of 20,000 shares. Demand was also strong for Pittsburgh Plate, with Tri the largest buyer (22,000 newly); and also for Owens-Illinois, and Libbey-Owens-Ford. The Tri-Group bought 30,000 shares of the latter.

Machinery in Higher Gear

This group picked up somewhat since the preceding quarter. In this group the best bought issue was Chicago Pneumatic Tool, of which Investment Co. of America bought 25,000 shares newly. A heavy seller (50,800) of this issue was Incorporated Investors.

Increased Interest in Metals

Aluminium, Ltd., cited above for its popularity during the quarter, was by far the most heavily bought issue in the metal category. Its biggest buyers were Delaware Fund, Affiliated, Fidelity, and Chemical Fund. (Perhaps contributing to the continued quarter-to-quarter demand for this issue was the company's reinstatement of some de-activated facilities.) Buying was limited to moderate proportions in four other aluminum issues, namely, Kaiser, Alcoa, Reynolds, and U. S. Foil.

Most popular copper issue was Anaconda, bought by the Bullock group (29,000 shares newly), Knickerbocker and de Vegh, among others. This issue was sold by Dreyfus and Pine Street. Kennecott was bought by One William, Dividend Shares and Blue Ridge; but sold by Investors Mutual, Wellington and the Tri-Group.

In the formerly popular gold stocks, activity diminished during the last quarter. Kerr-Addison was bought by Affiliated; Blyvoors by Pioneer, and Free State Geduld by Eaton & Howard Stock Fund. Selling came into Hartebeestfontein, of which Atomic Development closed out its 48,500-share holding. This fund also liquidated its 220,300-share holdings in Luipaards Vlei, and its 33,000 shares in West Rand Consolidated.

The previous large demand for International Nickel spilled over into the third quarter; the heaviest buyers being Affiliated, Investors Mutual, M.I.T., and Lazard; with nary a seller. Heavily sold was American Metal Climax, including a 50,000-share closeout by Lazard.

Papers Picked Up

Union Bag-Camp replaced International as the star performer in this group, with 20,000 shares bought by One William, and 10,000 shares (newly) by Selected American, among others. Also well-bought was St. Regis.

Rubbers and Tires Moderately Bought

Best bought in this group was Goodyear, which emerged from the preceding quarter's disfavor. Lazard was its largest single buyer, although this was offset in

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—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
2	12,500	New England Electric System	31,200	2
1	2,000	Northern Indiana Public Service	1,300	1(1)
2	21,000	Northern States Power	None	None
2	8,000	Ohio Edison	None	None
3	13,300	Oklahoma Gas & Electric	None	None
2	1,900	Peoples Gas Light & Coke	5,700	1
2(1)	15,400	Potomac Electric	None	None
2(1)	19,900	Public Service of Colorado	4,664	1(1)
1	1,000	Public Service of Indiana	12,000	1
3(1)	50,000	Public Service of New Hampshire	31,100	1
2	5,800	Rochester Gas & Electric	2,000	1
5(1)	23,500	Southern California Edison	10,500	2(1)
5(1)	38,800	Southern Co.	20,000	2
6(2)	8,600	Tampa Electric	None	None
3(1)	6,700	Texas Utilities	19,000	2(1)
5(1)	25,500	Virginia Electric & Power	36,540	3
2	6,000	West Penn Electric	31,800	2(1)
2	*10,000*	*American Electric Power*	*25,500*	*3(2)*
None	*None*	*American & Foreign Power*	*108,600*	*3(1)*
None	*None*	*Cincinnati Gas & Electric*	*32,200*	*2*
1	*4,000*	*Columbus & So. Ohio Electric*	*12,200*	*2(1)*
None	*None*	*Consumers Power*	*1,300*	*2*
1	*20,200*	*Florida Power*	*3,000*	*2*
4(2)	*18,600*	*Florida Power & Light*	*16,400*	*5(2)*
2(1)	*1,600*	*Houston Lighting & Power*	*13,547*	*3(1)*
1	*700*	*Louisville Gas & Electric*	*6,600*	*2(2)*
1	*7,900*	*New York State Electric & Gas*	*6,100*	*2*
1	*5,600*	*Niagara Mohawk Power*	*49,600*	*2*
1	*2,000*	*Pacific Gas & Electric*	*21,750*	*2(1)*
None	*None*	*Pacific Lighting*	*12,200*	*2(1)*
1	*1,625*	*Public Service Electric & Gas*	*27,000*	*3(2)*
None	*None*	*San Diego Gas & Electric*	*37,800*	*2(2)*
2	*16,000*	*Union Electric (Mo.)*	*30,000*	*3(2)*
None	*None*	*Washington Water Power*	*7,300*	*2(1)*
None	*None*	*Wisconsin Electric Power*	*7,000*	*2(1)*
		Public Utilities — Telephone		
None	*None*	*American Tel. & Tel.*	*107,500*	*9(1)*
1	*10,000*	*Gen'l Telephone & Electronics*	*43,600*	*7(2)*
		Radio, Television and Movies		
3	32,000	American Broadcast.-Paramount	None	None
4(2)	27,000	Columbia Broadcasting	12,200	3
1(1)	5,000	Magnavox	950	1(1)
2(1)	5,600	Stanley Warner	17,000	1(1)
4	30,400	United Artists	3,809	1(1)
2	*7,000*	*Motorola*	*10,100*	*3(1)*
None	*None*	*Paramount Pictures*	*20,500*	*3(1)*
1	*3,000*	*Twentieth Century-Fox*	*9,700*	*4(2)*
		Railroads		
6(1)	46,900	Atchison, Topeka & Santa Fe	70,800	4(3)
4	7,500	Chicago, Rock Island & Pacific	500	1
1	1,500	Great Northern	2,200	1
3	5,900	Illinois Central	19,300	2(1)
3	21,100	N. Y., Chicago & St. Louis	42,700	2(1)
1	7,300	Norfolk & Western	1,000	1(1)
1	3,800	Northern Pacific	6,000	1(1)
2	2,000	Seaboard Air Line	7,500	2
6	36,700	Southern Pacific	5,000	1(1)
4	33,700	Southern Railway	1,900	2(1)
2	14,900	Union Pacific	None	None
None	*None*	*Baltimore & Ohio*	*21,000*	*2(2)*
1	*200*	*Chesapeake & Ohio*	*10,500*	*3(1)*
None	*None*	*Chicago & North Western*	*63,300*	*2(1)*
1	*14,800*	*Denver & Rio Grande Western*	*31,500*	*2(1)*
1	*1,500*	*Kansas City Southern*	*8,100*	*2*
1(1)	*7,500*	*Louisville & Nashville*	*6,700*	*2(1)*
1(1)	*3,000*	*Virginian Railway*	*4,400*	*2*
		Railroad Equipment		
2(1)	34,200	ACF Industries	200	1
2	23,200	American Brake Shoe	None	None
2	11,000	Nat'l Malleable & Steel Castings	None	None
2(1)	21,300	New York Air Brake	None	None
3(1)	15,800	Pullman	4,000	1
		Retail Trade		
2(1)	12,900	Alden's	None	None
2	9,300	Allied Stores	1,000	1
2(1)	32,600	Gimbel Bros.	None	None
1	3,005	Grand Union	250	1
3(1)	13,500	Grant (W. T.)	None	None
1	15,000	Great A. & P.	20,000	1(1)
2(1)	3,000	Macy (R. H.)	None	None
1(1)	4,000	Mangel Stores	5,000	1
1	100	May Department Stores	6,000	1
1	4,000	Mercantile Stores	7,000	1
5(2)	67,100	Montgomery Ward	None	None
3	10,500	Penney (J. C.)	None	None
1	1,100	Safeway Stores	20,000	1(1)
5	13,800	Sears, Roebuck	None	None
None	*None*	*ACF-Wrigley Stores*	*45,800*	*2*
None	*None*	*American Stores*	*49,700*	*2(1)*
2(1)	*6,000*	*Associated Dry Goods*	*15,500*	*3*
1	*2,000*	*Federated Department Stores*	*5,500*	*2*
1	*1,000*	*First National Stores*	*1,800*	*2(1)*
None	*None*	*Green (H. L.)*	*5,606*	*2*
1(1)	*9,000*	*Simpsons Ltd.*	*10,100*	*2*
None	*None*	*Spiegel*	*18,100*	*3*
		Rubber and Tires		
2(1)	7,000	Armstrong Rubber	None	None
2	7,000	Firestone Tire & Rubber	9,300	2
4(1)	55,600	General Tire & Rubber	6,300	2(1)
4(3)	13,200	Goodrich (B. F.)	5,600	3
6(1)	9,300	Goodyear Tire & Rubber	10,580	2
2	8,000	U. S. Rubber	2,000	1

—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
		Steel and Iron		
2(1)	3,500	Alan Wood Steel	None	None
2	6,100	Allegheny Ludlum Steel	7,100	2(1)
3	36,800	Armco Steel	1,000	1
6(1)	113,900	Bethlehem Steel	98,100	6(2)
1(1)	6,000	Carpenter Steel	500	1
2	17,500	Inland Steel	6,500	2
2	5,500	Interlake Iron	None	None
4	11,600	Jones & Laughlin Steel	40,000	2
3	22,700	National Steel	None	None
7	38,000	Republic Steel	66,000	2
1	28,500	Sharon Steel	1,000	1(1)
9(2)	38,100	U. S. Steel	54,300	5
1(1)	10,000	Wheeling Steel	500	1(1)
3	7,300	Youngstown Sheet & Tube	4,300	2
None	*None*	*Cleveland-Cliffs Iron*	*29,200*	*2(1)*
		Textile and Rayon		
5(1)	41,100	American Viscose	15,000	2(1)
2	26,000	Burlington Industries	44,300	1
3(1)	45,000	Celanese	4,075	2(1)
1	1,500	Collins & Aikman	300	1
1	3,400	Industrial Rayon	6,500	1
2(1)	3,000	Stevens (J. P.)	69,000	2(1)
2	6,000	United Merchants & Mfrs.	10,000	1(1)
None	*None*	*Cluett, Peabody*	*8,000*	*2(1)*
		Tobacco		
4(1)	5,000	American Tobacco	None	None
1	2,900	Liggett & Myers Tobacco	8,000	1(1)
4(1)	31,000	Philip Morris	None	None
6(2)	40,000	Reynolds Tobacco	None	None
		Miscellaneous		
3(1)	9,900	Air Products	5,500	1
2	5,900	Alberta Gas Trunk Line	None	None
1	6,000	American Commerc'l Barge Line	6,300	1
2	3,300	American Export Lines	None	None
2(1)	13,700	American Express	1,000	1
3	1,980	American Machine & Foundry	3,000	2(1)
2	5,250	American-Marietta	24,700	2
1(1)	5,000	American Optical	15,500	1
2	15,000	American Photocopy Equipment	1,500	1
1(1)	4,000	Avco	2,000	1(1)
1(1)	11,000	Cenco Instrument	19,000	1(1)
2(1)	19,900	Chemetron	None	None
2	9,200	Donnelley (R. R.)	None	None
1(1)	5,000	Foote Mineral	15,800	1(1)
2(2)	10,500	General Time	200	1(1)
3	30,100	Gillette	18,000	1
1(1)	2,300	Glidden	12,300	1
2(1)	22,700	Grace (W. R.)	700	2(1)
3	30,400	Grolier Society	21,500	1
3	16,400	Halliburton Oil Well Cementing	6,100	2(2)
2	7,200	Hammond Organ	None	None
1(1)	600	Interprovincial Pipe Line	5,375	1
1	575	Lees (James)	1,000	1
1	10,100	McGraw-Hill Publishing	100	1
1	1,000	McKesson & Robbins	8,600	1(1)
1	3,000	Minnesota Mining & Mfg.	3,300	1
2(2)	1,600	Mohasco Industries	None	None
3	30,400	Newmont Mining	20,000	1(1)
3	11,500	Newport News Shipbuilding	2,500	1
4(1)	31,200	Outboard Marine	None	None
7(2)	14,123	Polaroid	7,000	2
2	22,100	Procter & Gamble	None	None
2	14,600	Remington Arms	None	None
2(1)	4,100	Simmons	None	None
1	4,000	Time	17,200	1
4	40,000	Unilever N. V. (50-guilder shs. or equivalent)	None	None
1	[illegible]500	Wrigley (Wm.) Jr.	1,000	1(1)
None	*None*	*American Bosch Arma*	*7,200*	*2(2)*
1	*9,000*	*Colgate-Palmolive*	*35,600*	*2*
None	*None*	*Crowell-Collier Publishing*	*55,000*	*2(2)*
None	*None*	*Hertz*	*6,000*	*2(1)*
None	*None*	*Minerals & Chemicals of America*	*12,724*	*2(1)*
None	*None*	*Perkin-Elmer*	*42,300*	*2(1)*
None	*None*	*Thiokol Chemical*	*9,500*	*3(1)*

NOTE: Purchases and sales (including short sales) by Oppenheimer Fund are for the period from its inception on April 30 through September 30.

Funds Curtail Stock Buying; Move to Fixed-Income Issues

Continued from page 25

part by selling coming from Wellington and the Scudder Group.

Strong Buying of the Steels

Although the protracted strike was sabotaging earning power, the steel industry attracted considerable although reduced fund buying. Best interest was evinced in U. S. Steel and Republic. Dreyfus was the largest single buyer of Big Steel, followed by Investors Mutual, the United Funds Group and U. S. & Foreign. On the other hand, 41,000 shares were sold by Wellington, which also sold 65,000 shares of Republic.

Continued Interest in the Cyclical Textiles

American Viscose, again a favorite, was bought by Delaware and Investment Co. of America, among others. Celanese was bought by the United Funds Group (39,000 shares newly) and Dreyfus. J. P. Stevens was bought by Eaton & Howard Stock Fund and Axe A; but encountered a 64,000-share closeout by Wellington Fund.

Tobaccos Well Bought

This controversial industry attracted accelerated fund buying. There was complete absence of sellers in American, Philip Morris, and Reynolds. Of the star attraction, Reynolds, Dreyfus bought 16,000 shares, and the Bullock Group 13,000 shares newly.

* * *

GROUPS IN DISFAVOR

Agricultural Equipments Sold

Sellers of International Harvester, apparently still considered a cyclical stock, were Wellington and M.I.T., among others. Taking some of its accrued profits in Deere was Lazard to the extent of one-sixth of its 60,000 shares. Other sellers were M.I.T. and Selected American. Lehman, on the other hand, made a new 15,000-share acquisition.

Aircrafts in Eclipse

Most heavily sold aircraft issue was United, whose industry position seems to be facing revolutionary changes. Heaviest seller was the Tri-Group, with 70,800 shares, followed by Fidelity (27,000). Also in strong disfavor were Boeing and General Dynamics, the latter despite its diversification moves. Boeing was liquidated by Tri, Investment Co. of America, Putnam, and Dreyfus; General Dynamics chiefly by Incorporated Investors.

Airlines' Descending Popularity

Most heavily sold issue in this group was American Airlines, of which One William sold all of its 100,000 shares, and Lehman its entire 26,000-share block. Also in disfavor was Pan American, of which Dreyfus sold all of its 60,000 shares, while Investors Mutual reduced its holdings by 34,200 and Fidelity by 25,500 shares.

Drugs Moderately Lightened

Merck was the leading butt of profit-taking managements, including Investment Co. of America, Putnam, Scudder, Delaware, and Dreyfus. A new investment of 25,000 shares was made by Lazard. Sellers also included United Funds Group with 49,000 shares of Pfizer, and Investment Co. of America with 15,000 Abbott Laboratories.

Drug stock buyers included One William as the purchaser of 15,000 shares of Schering, 50,000 shares (newly) of Parke, Davis, and 12,000 shares of Mead Johnson.

Continued Pessimism Over Oils

Heavy selling of the oils continued; such fund operations functioning either as cause or effect of their worse-than-average stock market behavior. Most frequently sold single issues were Gulf, Texaco, Shell, Amerada, and Phillips. Sellers of Gulf included Madison, Wellington, Dividend Shares, Loomis-Sayles, and Adams-AIC. Largest seller of Texaco was the Fundamental-Diversified Group; of Shell, likewise Fundamental and also the Scudder Group and Blue Ridge; of particularly weak Amerada, the Tri-Group, Fidelity, and Fundamental; of Phillips, Investment Co. of America, Eaton & Howard Balanced, Selected American, and Carriers & General. In the Standard Oils of N. J. and Indiana, the number of buying managements barely exceeded that of the sellers. Jersey was bought by Group Securities (15,000) and by M.I.T. (25,000). Sellers of this issue included Fundamental (45,000), Madison (15,686), Lazard (20,000) and State Street (15,000). In the case of Standard of Indiana the most conspicuous seller was Wellington Fund which disposed of all of its enormous 162,000-share block. Clearly in favor was Continental, bought by Investors Mutual, Chemical Fund, Aberdeen and Price.

Telephone Issues Sold

American Telephone, as in the previous quarter, found no buyers. Sellers included Lehman, Madison, Wellington, Investment Co. of America, among others. General Telephone Electronics, newly diversifying, was sold on balance. Among the profit-takers were Atomic Development, Scudder Common, and Affiliated. Lehman was this issue's sole buyer.

* * *

GROUPS MEETING MIXED REACTION

The building group enjoyed good buying in Johns-Manville and National Lead, offset by selling of National Gypsum, U. S. Gypsum, and U. S. Plywood. Largest buyer of Johns-Manville was Fidelity; and of National Lead, Affiliated. On the other hand, Fidelity doubled as a seller of National Gypsum, and National Investors was biggest seller of U. S. Plywood.

In the **finance companies** group, interest was shown in Household Finance, in which Scudder Common made a new commitment of 20,000 shares. On the other hand, only sellers appeared in Associates Investment and Pacific Finance. Of the latter, Lazard sold all its 15,000 shares. Progressive Great Western Financial, regarded as a real growth situation and in which a rights-offering of convertible bonds is in prospect, was bought by State Street and Massachusetts Investors Growth; and closed-out by Investment Co. of America.

In the **insurance** group, in which we classify Transamerica, that issue found 5 buyers, with no sellers. They included Scudder Common, American European, and the United Funds Group. Maryland Casualty was bought heavily by the Eaton & Howard group and also by Broad Street; sold by Putnam (in a 20,000-share elimination). The usually funds-active Travelers was entirely neglected.

Natural Gas issues most popular were Tennessee Gas Transmission and Arkansas-Louisiana Gas. Issues disliked on balance included American Natural Gas, Northern Natural Gas, and United Gas.

In **office equipments**, in which we still classify International Business Machines, that issue's largest buyers were Investors Mutual and Wellington; sellers including the Axe Group and Putnam. The target of very heavy selling was Burroughs, by Investors Mutual (73,800), Wellington (52,800), Scudder (18,800), all being complete eliminations.

The **utilities**, particularly interesting now because of the money-rate stringency, were highly mixed, with selling slightly accelerated from the June quarter. Among the more widely bought issues were Tampa Electric, Virginia Electric & Power, Southern once more, and Southern California Edison. Of ever-rising Southern, Investors Mutual and Massachusetts Investors Growth each added 15,000 shares to their holdings.

In the diverse **radio-TV-movie** sector CBS was bought by M.I.T., the United Funds Group, Oppenheimer, and Broad Street.

Best bought issue in the **railroad group** was Southern Pacific, which attracted M.I.T., Investment Co. of America, and Lazard, while being sold only by Dreyfus. A heavily sold rail was Chicago & Northwestern, the sellers including Incorporated Investors in a closeout of 59,100 shares.

In the also-mixed **retail** group, heaviest buying was concentrated in Sears and Montgomery Ward. The former was bought by Wellington, Institutional Investors Mutual, Texas, Eaton & Howard, and General Capital. In the case of Ward, M.I.T. made an initial investment of 45,000 shares, while Incorporated Investors bought 17,600. No seller appeared in either of these issues. On the other hand, there were only sellers and no buyers of ACF-

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Haight Mutual Fund Mgr. for Stone Webster

Stone & Webster Securities Corporation as appointed William J. Haight as mutual funds manager. He will be located in the firm's New York office at 90 Broad St.

Balance Between Cash and Investments of 86 Investment Companies End of Quarterly Periods June and September, 1959

Security Transactions by the 86 Investment Companies During July-September, 1959

	Net Cash & Governments† Thousands of Dollars —End of— June	Sept.	Net Cash & Governments† Percent of Net Assets —End of— June	Sept.	Investment Bonds and Preferred Stocks* Percent of Net Assets —End of— June	Sept.	Com. Stocks and Lower Grade Bonds & Pfds. Percent of Net Assets —End of— June	Sept.	(In Thousands of Dollars) Portfolio Securities Other than Governments Total Purchases††	Total Sales**	Of this: Portfolio Common Stocks Total Purchases††	Total Sales**
Open-End Balanced Funds:												
American Business Shares	3,202	3,178	12.0	12.2	31.2	31.9	56.8	55.9	1,115	1,538	1,115	1,538
Axe-Houghton Fund A	4,853	6,445	9.7	13.6	32.0	34.0	58.3	52.4	3,183	4,958	2,307	4,641
Axe-Houghton Fund B	4,168	779	3.2	0.7	22.1	25.4	74.7	73.9	9,506	7,330	6,830	7,050
Axe-Houghton Stock Fund	----	534	----	6.8	§25.0	28.2	§74.0	65.0	169	531	42	531
Axe Science & Electronics	2,719	4,073	22.6	34.2	19.7	22.5	57.8	43.3	671	1,357	504	1,357
Boston Fund	5,616	7,005	2.7	3.4	¶30.6	¶33.2	‡66.7	‡63.4	11,973	4,985	1,635	4,175
Broad Street Investing	2,381	6,176	1.5	4.0	10.8	9.5	87.7	86.5	13,335	10,211	11,845	6,973
Commonwealth Investment	9,157	10,013	6.0	6.8	23.3	24.9	70.7	68.3	6,158	5,356	3,066	4,469
Diversified Investment Fund	1,221	2,791	1.2	2.9	26.1	25.7	72.7	71.4	3,307	3,987	2,182	2,087
Dodge & Cox Fund	287	273	4.1	4.0	23.4	24.6	72.5	71.4	473	381	182	178
Eaton & Howard Balanced Fund	24,282	28,702	12.1	14.6	21.6	20.4	66.3	65.0	5,302	8,012	2,763	5,194
General Investors Trust	1,439	1,917	16.8	21.0	22.1	21.5	61.1	57.5	484	58	360	58
Group Securities—Fully Admin. Fund	446	732	4.1	6.8	17.0	16.9	78.9	76.3	435	548	435	548
Institutional Foundation Fund	1,513	1,503	6.5	6.2	9.6	10.6	83.9	83.2	3,710	1,855	1,893	1,425
Investors Mutual	26,421	33,092	1.8	2.3	¶32.8	¶33.7	‡65.4	‡64.0	99,246	77,573	28,947	22,576
Johnston Mutual Fund	468	725	4.6	7.0	15.0	15.2	80.4	77.8	731	493	340	126
Knickerbocker Fund	1,006	316	6.8	2.3	7.3	5.4	85.9	92.3	1,094	‡‡700	1,094	313
Loomis-Sayles Mutual Fund	17,424	18,741	23.3	25.3	17.6	17.5	59.1	57.2	4,920	5,137	4,124	4,185
Massachusetts Life Fund	2,620	3,360	4.7	6.2	26.2	27.6	69.1	66.2	2,452	1,489	1,009	1,489
Mutual Investment Fund	619	1,211	2.3	4.5	13.6	12.6	84.1	82.8	1,425	994	1,425	994
National Securities—Income	1,390	1,108	1.8	1.5	8.4	13.2	89.8	85.3	4,624	2,775	1,390	2,765
Nation-Wide Securities	2,212	1,830	6.6	5.6	35.7	36.5	57.7	57.9	2,892	2,380	1,609	831
New England Fund	2,395	2,600	15.6	17.3	22.5	22.5	61.8	60.2	474	352	None	‡‡50
Putnam (George) Fund	8,217	11,445	4.2	5.9	23.7	25.1	72.1	69.0	8,749	7,029	3,762	5,424
Scudder, Stevens & Clark Fund	5,739	9,058	7.0	11.5	26.8	25.6	66.2	62.9	6,085	5,304	None	2,142
Shareholders' Trust of Boston	4,345	6,682	12.9	19.0	24.6	22.8	62.5	58.2	2,820	d 941	719	639
Stein Roe & Farnham Balanced Fund	7,238	8,313	18.4	20.8	20.0	21.0	61.6	58.2	1,164	844	342	674
Value Line Fund	672	904	6.8	10.3	2.9	3.2	90.3	86.5	885	1,264	772	1,194
Value Line Income Fund	3,267	2,953	3.6	3.4	6.7	7.5	89.7	89.1	4,595	4,527	3,526	4,527
Wellington Fund	110,654	161,685	11.6	16.9	24.4	25.0	64.0	58.1	28,802	51,313	13,004	46,455
Whitehall Fund	384	490	3.4	4.2	43.6	42.9	53.0	52.9	1,333	1,060	406	303
Sub-Total Open-End Bal. Funds	256,355	338,634	7.7	9.7	21.5	22.4	70.8	67.8	232,112	215,282	97,628	134,911
Open-End Stock Funds:												
Aberdeen Fund	235	325	1.6	2.2	None	None	98.4	97.8	569	435	569	435
Affiliated Fund	55,913	65,047	9.8	11.6	0.4	0.4	89.8	88.0	11,990	11,594	11,990	11,594
Blue Ridge Mutual Fund	2,871	3,657	8.6	11.25	0.6	0.6	90.8	88.15	3,832	2,660	1,953	2,359
Bullock Fund	10,736	10,290	20.4	19.6	0.2	0.2	79.4	80.2	3,191	845	3,191	845
Chemical Fund	5,109	3,777	2.0	1.6	0.8	1.6	97.2	96.8	8,810	1,742	8,606	1,742
Delaware Fund	4,946	3,276	6.0	4.0	4.1	4.5	89.9	91.5	14,629	9,965	14,128	8,948
de Vegh Mutual Fund	392	109	1.9	0.5	2.4	3.2	95.7	96.3	3,815	3,554	3,589	3,554
Dividend Shares	39,986	39,520	14.6	14.8	None	None	85.4	85.2	7,990	6,459	7,990	6,459
Dreyfus Fund	9,032	13,113	13.9	17.5	None	None	86.1	82.5	17,585	8,550	17,585	8,550
Eaton & Howard Stock Fund	24,627	23,861	16.0	15.7	None	None	84.0	84.3	6,215	3,153	5,226	1,153
Energy Fund	70	79	0.9	1.0	None	None	99.1	99.0	1,100	1,120	1,100	1,120
Fidelity Fund	4,770	9,897	1.2	2.6	2.2	2.0	96.6	95.4	12,879	12,667	12,719	12,169
Fundamental Investors	6,052	9,290	1.0	1.6	0.1	0.1	98.9	98.3	13,000	5,764	13,000	5,764
General Capital Corp.	201	70	1.0	0.4	None	None	99.0	99.6	395	371	395	371
Group Securities — Com. Stock Fund	1,050	1,285	1.6	2.0	None	None	98.4	98.0	4,171	2,260	4,171	2,260
Guardian Mutual Fund	679	1,769	8.7	22.3	5.1	2.1	86.2	75.6	600	1,397	600	1,286
Incorporated Investors	9,355	10,792	2.9	3.4	0.9	1.0	96.2	95.6	8,452	9,759	8,452	9,759
Institutional Investors Mutual Fund§§	2,855	2,918	6.3	6.5	None	None	93.7	93.5	694	283	694	283
Investment Co. of America	18,544	18,021	12.1	12.1	1.3	1.3	86.6	86.6	18,668	14,561	17,891	14,561
Investment Trust of Boston	----	----	----	----	§6.3	§6.8	§92.5	§92.9	3,553	1,277	3,050	1,277
Lazard Fund	14,270	13,482	9.7	9.6	None	None	90.3	90.4	N.A.	N.A.	N.A.	N.A.
Massachusetts Investors Trust	29,103	23,290	1.9	1.5	None	None	98.1	98.5	a25,748	a4,349	25,748	4,349
Massachusetts Investors Growth Stock	17,553	20,693	6.2	7.1	None	None	93.8	92.9	a19,660	a1,894	19,660	1,894
Missiles — Jets & Automation	926	960	19.0	22.3	c17.9	c18.9	63.1	58.8	371	331	302	247
National Investors	3,082	4,132	2.7	3.6	0.6	0.5	96.7	95.9	9,357	3,643	9,357	3,643
National Securities — Stock	5,421	2,661	2.8	1.4	None	None	97.2	98.6	7,495	2,269	7,495	2,269
One William Street	21,016	16,723	7.2	6.0	0.7	0.9	92.1	93.1	27,307	22,405	24,609	22,405
Pine Street Fund	961	1,438	5.3	8.2	7.8	5.3	86.9	86.4	1,460	1,640	1,121	822
Price (T. Rowe) Growth Stock	4,760	4,395	21.2	18.4	2.4	2.2	76.4	79.4	2,703	217	2,703	217
Scudder, Stevens & Clark—Com. Stk.	668	1,161	2.2	3.8	None	None	97.8	96.2	a3,284	2,404	3,284	2,404
Selected American Shares	3,716	4,913	3.7	5.1	0.4	1.5	95.9	93.4	7,315	6,382	6,200	6,381
Sovereign Investors	72	191	2.1	5.6	3.3	3.0	94.6	91.4	199	192	199	192
State Street Investment	12,496	11,613	6.0	5.8	1.3	1.2	92.7	93.0	9,071	8,029	‡‡8,830	‡‡7,710
Stein Roe & Farnham Stock Fund	433	531	4.6	5.2	None	1.2	95.4	93.6	1,179	97	1,037	97
Texas Fund	545	913	1.4	2.5	0.4	0.4	98.2	97.1	227	703	227	662
United Accumulative Fund	9,446	15,143	3.2	5.0	7.6	7.9	89.2	87.1	20,421	7,359	18,229	6,084
United Continental Fund	1,932	1,681	4.5	4.0	0.5	1.1	95.0	94.9	2,475	1,259	2,175	1,044
United Income Fund	7,243	13,845	3.1	6.0	3.4	3.4	93.5	90.6	4,478	5,419	4,478	4,806
United Science Fund	3,705	9,068	3.6	8.8	1.6	1.2	94.8	90.0	8,336	4,582	8,211	4,238
Value Line Special Situations	895	279	8.9	3.2	2.2	None	88.9	96.8	2,595	2,408	2,277	1,905
Wall Street Investing	1,097	892	11.8	9.8	None	2.2	88.2	88.0	279	None	81	None
Wisconsin Fund	143	393	0.9	2.6	3.2	3.1	95.9	94.3	470	588	470	588
Sub-Total Open-End Stock Funds	336,906	365,493	6.3	6.6	1.9	2.1	91.8	91.4	296,568	174,586	283,592	166,436
Total Open-End Funds	593,261	704,127	6.7	8.0	10.2	10.6	83.0	81.4	528,680	389,868	381,220	301,347
Closed-End Companies:												
Adams Express	4,679	5,051	4.6	5.2	0.6	0.7	94.8	94.1	973	1,273	857	1,273
American European Securities	4,153	3,614	21.6	19.3	0.5	None	77.9	80.7	1,965	1,982	1,965	1,884
American International	1,715	2,082	4.0	5.1	0.9	1.1	95.1	93.8	538	810	464	810
Carriers & General	1,332	1,144	6.8	5.9	6.2	5.4	87.0	88.6	1,055	786	1,055	591
Dominick Fund¶¶	1,972	2,798	5.2	7.7	2.8	2.9	92.0	89.4	1,574	1,915	1,075	1,915
General American Investors	6,149	6,810	8.8	10.6	1.5	1.6	89.7	87.8	114	1,101	114	1,101
General Public Service	5,246	5,425	11.4	11.9	0.7	0.5	87.9	87.6	1,968	1,861	1,968	‡‡1,800
Lehman Corp.	18,938	17,689	6.1	6.0	0.4	0.4	93.5	93.6	9,128	7,829	‡‡9,028	7,829
Madison Fund	5,591	10,681	3.9	8.0	1.7	1.9	94.4	90.1	16,476	15,614	9,045	13,821
Niagara Share	3,060	2,491	4.7	4.1	2.2	2.3	93.1	93.6	771	761	771	702
Overseas Securities	----	----	----	----	§7.9	§8.8	§72.4	§68.6	974	1,130	‡‡960	‡‡878
Tri-Continental	10,394	9,777	2.5	2.4	9.2	9.5	88.3	88.1	18,120	15,306	15,899	14,814
U. S. & Foreign Securities	17,286	11,633	13.9	10.0	None	None	86.1	90.0	5,000	None	5,000	None
Total Closed-End Companies	80,515	79,195	7.3	7.4	2.7	2.7	88.6	88.1	58,656	50,368	48,201	47,418
Grand Total	673,776	783,322	7.0	8.0	9.2	9.5	83.8	82.5	587,336	440,236	429,421	348,765

†Including corporate short-term notes where so included by reporting investment company; also other assets. *Investment bonds and preferred stocks: Moody's Aaa through Ba for bonds; Fitch's AAA through BB for preferreds (or approximate equivalents). ¶Bonds and preferreds irrespective of quality classification. ‡Common stocks only. §In per cent of gross assets. ††Cost of purchases. **Proceeds from sales. ‡‡Estimated. §§Owned by 84 savings banks, etc. in New York State. ¶¶Formerly National Shares. a Exclusive of corporate short-term notes. c All convertible (or with warrants). d Including matured or called bonds.

SUMMARY

CHANGES IN CASH POSITION OF 86 INVESTMENT COMPANIES SEPTEMBER 30, 1959 vs. JUNE 30, 1959

	Plus	Minus	Approx. Unchanged	Total
OPEN-END COMPANIES: Balanced Funds	23	5	3	31
Stock Funds	22	12	8	42
CLOSED-END COMPANIES	6	4	3	13
Totals	51	21	14	86

AVERAGE ALLOCATION BY 86 COMPANIES OF ASSETS TO CASH AND EQUIVALENT, DEFENSIVE SECURITIES, AND RISK SECURITIES

	June 30, 1959	Sept. 30, 1959
Net cash, etc. and Governments	7.0%	8.0%
Defensive securites (investment bonds and preferreds)	9.2	9.5
Risk securities (common stocks plus lower grade bonds and preferreds)	83.8	82.5
Totals	100.0%	100.0%

Continued from page 27
Wrigley, American Stores, troubled H. L. Green, and Spiegel.

ATTITUDE TOWARD MISCELLANEOUS ISSUES

Interest in **Polaroid** was strongly revived in the last quarter, with Chemical Fund, the largest buyer, joined by Dreyfus (again), and de Vegh.

Outboard Marine had only buyers, namely One William, de Vegh (newly), United Science, and Aberdeen.

Well-acting **Unilever N. V.** was liberally bought by Putnam, Investment Co. of America, the United Funds Group, and Eaton & Howard Stock.

Gyrating **Thiokol Chemical**, on the other hand, was only sold, namely by the Axe Group, National Aviation, and Missiles-Jet & Automation.

FOREIGN ISSUES

Interest was maintained in foreign issues, in light of the reported prosperity of Europe's industrialized economies. German General Electric (A.E.G.) was bought by Investment Trust of Boston; Badische Anilin and Schneider Creuzot, by Oppenheimer; Beecham Group, by Value Line Special Situations; Bowater Paper, by Dreyfus; Deutsche Bank, Dresdner Bank and Simca, by Oppenheimer; Farben Bayer, by Investment Trust of Boston; St. Gobain, by Putnam; John Summers, Steel Co. of Wales, and United Steel Cos. Ltd., by Incorporated Investors; K.L.M., by Madison; and Montecatini, by United Science. On the other hand, de Beers was sold by Value Line Income Fund.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Western Union Telegraph Company

Western Union Telegraph dates back to 1851 when the company was incorporated as the "New York & Mississippi Valley Printing Telegraph." During its long career the company has acquired some 540 other telegraph and cable properties, the most important being the Postal Telegraph System in 1943. The company now has a virtual monopoly of the written message business except for competition with the Bell System's teletype, etc. Basically, however, written messages also have to compete with Bell's long distance telephone network.

The company has gone through a number of phases in its long history. The records of its earliest years are not readily available, but during the period 1888-1907 it appears to have been on an "even keel," paying dividends of $5 annually (with extras in two years). During 1908-13 dividends were lower ($1-3) but during World War I the company prospered and payout increased each year, reaching $7.75 in 1918. $7 was paid in the next seven years and $8 in the next six. From there on, however, under the impact of the depression, earnings diminished sharply and dividends were either omitted or paid in small amounts during 1932-1952. Moderate improvement followed, the shares having been split four-for-one; the present $1.20 rate, paid in 1958-9, is equal to $4.80 on the old shares.

Steadily rising wages have been the company's major problem since the 1920s together with the cyclical character of the business and competition with telephone talks. Also, the merger with Postal Telegraph resulted in a considerable duplication of facilities which could only be eliminated gradually because of labor agreements. In 1948 payments to employees absorbed 69% of gross income; by 1958, with increased mechanization and gradual reduction in offices, the number of employees had dropped from 51,000 to about 35,000.

In the meantime, however the average hourly wage (excluding messengers) had jumped from $1.38 to $2.24, so that the proportion of labor costs had dropped only to 63% of gross. Union contracts came up for renewal every other year, and this has involved sudden increases in wages which the company has had to recoup by asking regulatory commissions for rate increases. Usually the increases were forthcoming without too much delay, but nevertheless regulatory lag (and in one year a strike) have been a recurring handicap.

While statistics on the number of messages are not available, it may be surmised that competition from A. T. & T. has proved severe; since 1948 Bell's long distance toll revenues have increased 147% while Western Union's revenue from message services was up only 16%—from $160 million to $185 million (gains in both cases would reflect higher rates as well as increases in business).

However, Western Union has done considerably better with its other services. While miscellaneous services were down from $12 million to $10 million, money order business increased from $13 million to $18 million and private wire and facsimile services from $6 to $42 million, with very large additional gains indicated for 1959-60 (a rate increase late in 1958 added perhaps $8 million).

The "closed circuit" private wire and facsimile systems leased to business and government have thus been a real "growth" segment of the company's business. The company put into service in 1958 a large wire system for the U. S. Air Force, adding approximately $3,500,000 annually to revenues. Recently the Air Force placed orders with Western Union to provide two new nationwide data processing systems of special design which are expected to add very large amounts to the company's leased wire revenues. The systems are scheduled for full operation in 1961. The first will be the world's largest and most advanced digital data system for control of Air Force personnel and materiel; it will have a daily capacity of 7 million punched cards and will link 240 air bases in this country.

The second system is for high-capacity transcontinental facilities to serve broadband data transmission requirements of the Air Force. Since the system will be of such magnitude that 12,000 new circuits could be operated simultaneously while still meeting the broadbank requirements, it will vastly increase Western Union's capacity for future expansion of leased wire, data transmission, and facsimile business.

The microwave project will use a series of towers, 200 feet high and 25 miles apart; the radio beam flashed along the route will be unaffected by electrical disturbances and the weather.

Western Union also recently announced a new public facsimile service by which messages, documents or drawings could be sent over a circuit consisting of Washington, New York, Chicago, San Francisco and Los Angeles, beginning Dec. 1. According to the rates filed with the FCC, this service would be cheaper (and probably more reliable) than telegrams. Extension to other cities or circuits will depend on public use of the new service, it was indicated.

A message or picture (other than photos) covering a space of 7½ x 4 inches could be sent from Washington to San Francisco for $4, plus 65c for each additional inch. A full-page advertisement could be broken into sections and sent individually, to be put together at the other end like a jigsaw puzzle. A message of 600 words typewritten on a sheet of paper would cost less than $8 compared with message rates ranging between $11 and $37. The service is an extension of facsimile services already in use, such as Desk-Fax, a push-button machine by which telegrams are sent between the customer's office and a nearby Western Union office. There is also Intrafax, a closed circuit facsimile leased network; Air Force weather maps are also transmitted over a 12,000-mile U. S. network.

Western Union has been getting into the electronics and allied fields, having invested some $3 million or more in a number of small electronics firms (Microwave Associates, Technical Operations, Dynametrics, Teleprompter, Teleprinter, Gray Manufacturnig, and Hycon Eastern). It is also anxious to compete with Bell in automatic data transmission for use with computers, etc., and has evidently made considerable experimental progress in this field.

Western Union's operating earnings averaged around $2.12 in 1956-7 but dropped to $1.89 last year due to the recession and wage increases. With the help of substantial rate increases this year's operating earnings might normally have reached $2.75, but may run about 20c lower because of the steel strike, it is estimated. At the recent price around 44 the stock (up from a low of 15 last year) sells at about 17.3 times estimated 1959 earnings.

Coast Utility Offers Stock On Rights Basis

San Diego Gas & Electric Co. is offering to the holders of its common stock of record on Nov. 4 rights to subscribe for 500,000 additional shares of $10 par value common stock at a price of $23.40 per share. The offer, which expires at 3:30 p. m. EST, Nov. 24, permits the purchase of one new share for each eight held.

Unsubscribed shares will be offered to employees, officers and certain former employees; shares not thus taken up will be purchased by an underwriting group headed by Blyth & Co., Inc.

The company is an operating public utility supplying electric power and natural gas service in San Diego County and a portion of Orange County, Calif. At Aug. 31, 1959 the company has 308,000 customers for electricity and 248,000 gas customers.

The net proceeds to the company from this sale will be used for construction costs or applied to the reduction of bank borrowings incurred for that purpose. Construction expenditures in 1959 are estimated at $33,042,000, with a tentative estimate of $37,400,000 for 1960.

On Sept. 8 directors increased the regular quarterly dividend on common stock to 28 cents a share from 26 cents a share.

Total operating revenues of San Diego Gas & Electric in the 12 months ended Aug. 31, 1959 were $67,459,000 and net income applicable to common stock was $6,940,000, or $1.74 per share on 4,000,000 shares outstanding. In the calendar year 1958 comparable figures were $59,456,000 and $5,261,000, or $1.32 per share on the same basis.

Aug. 31 capitalization, adjusted to reflect completion of this offering, consisted of: $100,000,000 of long-term debt; 1,375,000 shares of $20 par value cumulative preferred stock, in four series; and 4,500,000 shares of common stock.

Alkow Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Joseph Cianci has been added to the staff of Alkow & Co., Inc., 9235 Wilshire Boulevard.

With Dempsey-Tegeler

(Special to THE FINANCIAL CHRONICLE)

ARCADIA, Calif. — Stanley H. Hinlein is now connected with Dempsey-Tegeler & Co., 750 Sunset Boulevard. He was formerly with C. Lloyd Kamrath.

With Cantor, Fitzgerald

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — Andrew A. Brichant has become associated with Cantor, Fitzgerald & Co., Inc., 232 North Canon Drive. He was formerly with J. Barth & Co.

Joins Sutro Staff

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — Laurence P. Jones has joined the staff of Sutro & Co., 9804 Wilshire Boulevard.

AS WE SEE IT

(Continued from page 1)

more effective use of individual incentives. Mr. Khrushchev was right in making his economic system thus even more identical with state capitalism — right, that is, if effective performance was and is his chief objective. The validity of his claim that he now makes better and more effective use of incentives than do we, is a matter for those more intimately acquainted with what is going on in the USSR. In any event, he is nearer to the truth probably than he himself realizes and, we are confident, nearer than most of the rank and file in this country realize, when he says that we now fail to live up to our traditions in the system of incentives which we have left in effect and force.

Of course, it is commonplace to say that our system of highly progressive income taxation is ruinous to the incentives of the very individuals who otherwise would contribute most abundantly to the successful functioning of our economy, the men and women of exceptional ability and energy. And the stricture is as true as it is commonplace. Any system of income taxation which takes 91% of all of a man's income in excess of $200,000 leaves the Fords, the Rockefellers, the Carnegies and the others of this day and time without anything to nourish their drive after a certain relatively low limit is reached. The situation is made the worse by reason of the fact that a very large part of individual income is taken by Uncle Sam long before any such level of taxable income is reached. Half of taxable income goes into taxes as soon as the $16,000 level is reached. The fact that these limits are doubled for joint returns does nothing to alter the basic infirmities of the system. Neither does the fact that certain modes of partial escape from some of the rigors of the schedules are available to a few. The circumstance that this system also takes more than half of corporate income is another factor of vast moment in this connection. It is essential, even urgent, that something be done about all this.

Not Only Taxes

But it is not only in the matter of taxation that we have formed the habit of destroying incentives. Nor is the practice confined to government, although government must bear a very substantial part of the responsibility for the state of affairs that has arisen in several of the departments of our economic system. The extent to which labor unionism has robbed men of incentive to make full use of their abilities to produce is probably not widely realized. The thought of having one member compete with another in the output of his day's labor is anathema to unionism in this country. Various and effective practical steps have been taken to see that the abler and more effective workers gauge their daily output by the capacity of the less capable. In many trades it is worth a worker's job to exceed the standard set by the rank and file, certainly to any great extent and consistently over time. The abler thus not only have no incentive to produce, according to their ability, but are fully aware that to do so is more or less certain to bring penalties which they are not ready to pay. The device of paying abler men wages over the union scale only in small part overcomes this defect in the general program of the unions.

The drive of able and ambitious men is further reduced by the innumerable rules and restrictions cast about workmen wherever unions exist. To be a good union member, one must be careful not to stray far from mediocrity and must have no inclination to advance one's position by going for a moment beyond the boundaries of his routine duties. Few in industry these days can afford not to be members of the unions, where in some cases featherbedding is far more remunerative than any sort of endeavor beyond the strict call of duty. A situation of this sort hardly encourages full effort. And we must remember that the power of the unions, or many of them, is definitely an outgrowth of public policy which has for years past been to encourage the growth and the amalgamation of labor organizations.

Another field of outrageous destruction of incentive is found in the case of agriculture, where definite and at times crushing penalties are imposed for anything in the nature of full production. This system of limiting production would, in other circumstances, hasten the flow of manpower from agriculture where production tends to outstrip demand as a regular thing into other pursuits. However, various forms of subsidy tend strongly to crush any incentive which might otherwise exist to leave the farm and join the industrial army. Thus we have here a destruction or crippling of incentive for full production in two different areas, agriculture and industry.

There can be no doubt that for a number of decades we have in all such matters been moving away from the faith of the founding fathers. The Communists in their way seem to have been moving toward it. We can not afford to let these matters drift.

The Troubling Elements Affecting Optimistic Outlook

Continued from page 7

the same both last year and this —and in each case was well in excess of any long-term increment in productivity even if all productivity gains are credited to labor—which, of course, is not the case. This year's wage increases, in consequence, will mean still further upward pressure on prices.

This wage-push (or cost-push) inflation is the kind we have been subject to steadily in recent years. The sequence is (1) wage settlements in excess of what is justified by productivity increases followed by (2) higher prices for goods and services to offset increased cost, or as an alternative (3) some resultant unemployment resulting from the inability of business to live with its new costs. As a preventative of unemployment, dictated by the provisions of the Employment Act of 1946, we have had a year to year increase in the money supply, greater than the year to year increase in the supply of goods resulting from the excessively increased money supply has been essential to maintain full employment at the high prevailing wage and services. The price inflation rates. From 1948 through 1952 we experienced an average price inflation of 2.1% a year. Some of this, of course, was due to war conditions associated with the Korean conflict. But from 1953 through 1958, price inflation has averaged 1.5% a year.

The Eisenhower Administration has taken an inflexible stand that this inflation must cease. The Federal Reserve Board has been in full agreement. But what, in actual fact, can be done? As we said before, the Administration has only one arrow in its quiver. And that is to tighten the money supply.

In practice this has meant (a) no open market purchases by the Federal Reserve to put additional money into the banking system; (b) tight reserve requirements—meaning no loosening of reserve requirements as the money supply tightened; (c) increases in the Federal Reserve re-discount rate.

The sum of these has meant tight money under present conditions. Of course, the *reverse* could loosen the money stringency and get us by what *may* develop into a money crisis in the period immediately ahead.

If the Administration — the Treasury and the Federal Reserve —stand firm, some inflation that otherwise would most certainly develop may be prevented.

But the business expansion — the boom that otherwise seems to be ahead—may be checked, with some resultant unemployment.

The Administration, of course, hopes things will not get this bad. In fact the responsible officials obviously are working on the principle that if the boom should be slowed down, it may also be extended. That is, there may be less excesses of expansion now, but a more prolonged high level of economic activity.

This principle is indeed sensible, if the damper of money stringency does not get so bad that it results in excessive checking and resultant unemployment. (The Administration is attempting to do, through money management, what it asked for and has not obtained in amendment of the Employment Act of 1946.)

Dollar's International Integrity

But why is a little inflation so serious? Why should such a dangerous, and unpopular, effort as this tight money policy be adopted to prevent 2 or 3% inflation a year? Some highly regarded economists, with Sumner Slichter of Harvard a noted example, have openly advocated a modest inflation as a device to foster maximum employment.

We do not have the space here to explore the ramifications of the pros and cons relative to inflation.

One aspect of the inflation question, however, is little understood. And it is the one that brings me full circle from where this discussion began. That is, the relationship between inflation in this country and the position of the dollar among the currencies of the world.

The term "sound as a dollar" can be measured only by the yardstick of the value of the dollar in terms of other currencies. And by this all important yardstick the once impregnable dollar has been losing some ground. We have to be in a position always to balance our international accounts or we are in trouble. In the last year or so more question has been raised on this score than has been true for many years. The question is not so much where we are, as where we are heading.

The world earns dollars by: selling us goods and services; attracting our tourists; investments in this country; our military spending abroad, our foreign aid programs and the like.

We offset this by: selling our goods to other countries; tourists who come here (half as many as go abroad from here); income from investments abroad; and the like.

The biggest item by far in each category is what we export (sell to others) and what we import (buy from others). When we are able to sell more — when other countries find our goods to be the best buys—so that we export more than we import, we gain net balances abroad. When goods from other countries become so attractive — European automobiles a case in point — that we import more than we export, other countries gain balances here. These international balances are settleable in gold.

Other countries have been gaining balances against us. Last year, 1958, we had a deficit in our international accounts of $3.4 billion. Gold in the amount of $2.3 billion was withdrawn in partial settlement—and a modest flow of gold has continued this year.

None of this is critical, **as long as confidence in the dollar is miantained.** But, this confidence can be, and might be, shaken.

Right now the U. S. holds $20.5 billion in gold. However, the world holds dollar credits, which under certain conditions could be withdrawn in gold, of $14.9 billion. If all of these credits were withdrawn we would then have only about half of our legally required gold stock behind our currency and would be forced to devalue the dollar.

If we keep the dollar sound, this unhappy impasse will not happen. But to keep the dollar sound we have to remain a strong economic competitor in the world and be able to sell our goods.

Praises Tight Money Move

The Administration's move to tighten our money supply is fully cognizant of this fact. Indeed, it cannot be divorced from this fact.

Rising interest rates encourage foreign holders to retain their dollar balances to earn attractive returns on them rather than to take out gold.

A balanced budget also is an indication to the world that we intend to live within our means and keep the dollar sound. If the dollar is sound then the world will want dollars. If it is not to be sound we can, of course, expect dollar balances to be withdrawn in gold.

Competition from foreign industry is forcing our business to be more efficient—to pay more attention to costs — so that we can continue to compete in world markets. And, if business finds that our money supply will not be expanded to offset excessive costs, they will be forced still more strongly to be efficient in holding costs down. That, in essence, is exactly why the steel companies are being so adamant in this strike. The days of soft wage settlements—wages beyond what productivity justifies—have to end if we are to protect the integrity of the dollar. The price rises that make it harder for us to sell, and that open our markets to foreign goods, cannot go on—unless we are willing to face the inevitable consequence of a shrunken commercial position in the world.

So here we have come full circle, to fill in the background of the most pervasive factor in the economic outlook as we project our affairs ahead from this date.

President's Two Requests

The President made two fundamentally important requests of the Congress, which he has not been granted. The first of these is amendment of the Employment Act of 1946 to make the stability and integrity of the dollar an equal objective of national policy with the full employment and full production goals now stated in the Act. Without this requested provision the Act is "all sail and no anchor." It states national policy to be full employment and full production meaning perpetual boom—even though a progressive inflation would be the price the nation must pay for these goals.

A far healthier position would be the maximum of employment and production consistent with a stable dollar. On a policy stated in this manner, we could build for the future with some permanence, and maintain our position in the world economy.

Secondly he has asked elimination of the 40-year old law which fixes the interest rate the Government can pay on long-term bonds (those over 5 years) at the present unrealistic limit of 4¼%.

The Congress has refused to act on this request just as on the amendment of the Employment Act—and for precisely the same purely political reasons. There are times when nothing short of tragedy results from economic reality becoming bogged down in political considerations. And this is such a time, and the interest rate on long-term governments is such an issue. The refusal of the Congress stands as a road-block to the most constructive step that could now be taken to relieve the money-market problems we face. Nothing else that can now be done would go so far to provide healthy relief from the money-market stringency as would the elimination of the 4¼% ceiling.

(1) It would permit the Treasury to get back into the long-term money market for some of its needs, which are now forestalled.

(2) It would remove risk of "monetizing" the national debt —

which is a continuing risk while so much of it remains in short-term issues.

(3) It would notify the country and the world that we are willing to let market conditions set the interest rate rather than artificially to hold it down, with all the resultant distortions.

(4) It would consequently notify the world that we are willing, and *do* intend, to keep the dollar sound.

(5) It would thus go far to build confidence in the future soundness of the dollar, and thus increase the willingness of our own people to invest in long-term debt instruments. This would relieve the money market of some present stringency — and would remove risk of the worst of all kinds of inflation— a flight from the dollar.

In fact, I am convinced that if this unrealistic ceiling limit were removed we would shortly see the whole structure of interest rates decline from present levels. Without this artificial ceiling limit of 4¼% I would be perfectly willing to bet something more than a 5 cent cirgar that the Treasury would be able to borrow at 4¼%.

If, on the other hand, the ceiling is not removed I can only say for now that I am concerned about what the effect will be on the national economy. That is why I think this question and the answer to it now looms as the largest single imponderable in the economic outlook.

*An address by Prof. DeGraff before the 8th Annual Convention of the Savings Association League of New York State, Lake Placid.

Common Stock of Philippine Oil Co. Placed on Market

John G. Cravin & Co., of N. Y. City, on Oct. 22 publicly offered 250,000,000 shares of capital stock (par one centavo-Philippine) of Republic Resources & Development Corp. One hundred Philippine centavos equal one Philippine Peso. The current official rate of exchange is two Philippine pesos to one United States dollar. On Sept. 29, 1959, the Philippine peso was quoted as selling on the free market in New York at the rate of 3½ pesos to one United States dollar. These shares are being offered in units of 200 shares each, at a price of $2 per unit. These are speculative securities.

The net proceeds will be added to the company's general corporate funds, to be used as its Board of Directors may determine in its oil exploration program.

REDECO is a Philippine corporation, organized on Oct. 19, 1956, under the Philippine Corporation Law. The primary purpose of its organization was to search for oil and other basic minerals and metals in the Philippines. REDECO is a new company in the oil exploration field, with only such managerial experience in such field as its has gathered since its formation in 1956, but with technical personnel employed by its promoters. REDECO presently holds 16 petroleum exploration concessions granted by the Philippine government, has an interest in five such concessions held by others, and has applied for one more such concession (there is no assurance this concession will be granted).

The company has struck oil in commercial quantity again in its second well in Central Philippines, according to President Carlos P. Garcia.

Mr. Garcia said the second well may, according to geologic indications, yield three times as much as the 72 barrels per day discovered by Redeco in its first well in Toledo, Cebu, Province.

STATE OF TRADE AND INDUSTRY

Continued from page 5

duction workers. Tax losses to the U. S. amount to $710,000,000. In terms of lost production, the cost amounts to 30,900,000 tons.

Last week's steelmaking operations were up fractionally because of the resumption of Kaiser Steel Corp. operations. The ingot rate climbed 0.4 point to 13.5% of capacity. Output was about 382,000 ingot tons.

The rate will move up slightly this week as Kaiser's production rises. Besides Kaiser facilities, 71 plants of 61 companies are still operating: 36 plants are making steel on United Steelworker extensions of one kind or another; three have signed new contracts (Detroit Steel Corp., Continental Steel Corp., and Wickwire Bros. Inc.); five have unexpired contracts; 27 do not have USW contracts.

"Steel's" price composite on No. 1 heavy melting grade of scrap held last week at $44.33 a gross ton for the third straight week. Prices are marking time at most market centers, pending the expected pickup in mill requirements.

Steel Output Based on 13.0% of Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *22.9% of steel capacity for the week beginning Nov. 2, equivalent to 363,000 tons of ingot and steel castings (based on average weekly production of 1947-49) as compared with an actual rate of 23.1% of capacity and 37,000 tons a week ago. [ED. NOTE: A strike in the steel industry began Wednesday, July 5 and is still pending.]

Actual output for the week beginning Oct. 26 was equal to 13.1% of the utilization of the Jan. 1, 1959 annual capacity of 147,-633,670 net tons. Estimated percentage for this week's forecast is 13.0%.

A month ago the operating rate (based on 1947-49 weekly production) was *22.5% and production 362,000 tons. A year ago the actual weekly production was placed at 2,011,000 tons, or 125.2%.

*Index production is based on average weekly production for 1947-49.

Electric Output 5.3% Above 1958 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Oct. 31, was estimated at 12,978,000,000 kwh., according to the Edison Electric Institute. Output increased by 216,000,000 kwh. above that of the previous week's total of 12,762,000,000 kwh. and showed a gain of 648,000,000 kwh., or 5.3% above that of the comparable 1958 week.

Car Loadings Down 10% from 1958 Week

Loading of revenue freight for the week ended Oct. 24, 1959 totaled 607,347 cars, the Association of American Railroads announced. This was a decrease of 67,498 cars or 10% below the corresponding week in 1958, and a decrease of 96,341 cars or 13.7% below the corresponding week in 1957.

Loadings in the week of Oct. 24 were 26,579 cars or 4.6% above the preceding week. It is estimated that about 165,000 additional cars would have been loaded in the current week if there had been no steel strike. Based on these week-to-week estimates the cumulative loss is now approximately 2,335,000 cars.

Car Output Losses Mount Due to Steel Shortage

Car output losses due to the steel strike, already at 143,000 as of Oct. 30 will swell by another 340,000 in coming weeks as the auto industry plunges into its worst November assembly in 12 years, "Ward's Automotive Reports" said.

"Ward's" forecast production of 101,083 cars in week ended Oct. 31. While down only 10% from previous week's 112,488-unit total, nevertheless GM Corp. operations are grinding to a virtual standstill, with Chrysler and Ford Motor either already crippled or making painful last minute revisions in November output planning.

The auto industry, building 503,000 cars, operated at 77.8% of its planned 646,200-unit level in October but is scheduling only 290,000 completions for November—a weak 46% of the 636,700 originally programmed for the month.

The November schedule is 42% under October and ranks below any November since 1946 when 261,007 cars left U. S. assembly lines, heralding the industry postwar production boom.

"Ward's" cautioned that even an early resumption of steel making will not preclude heavy car output losses in November because of the time needed to fabricate the steel into auto parts and to fill the supplier pipelines. "Ward's" said the steel strike, now 114 days old nearly equals the 134-day duration of the 1949 and 1952 and 1956 steel strikes combined.

The reporting service added that the auto industry will enter November having built 779,000 of its '60 cars and with demand for the models crisp and the best since 1955 for this time of year. It added, however, that Oct. 31 dealer stocks will fail to increase from the 612,000-unit month-ago level and will settle into a sharp decline in November, pinching auto dealer operations sharply.

However, compact car assembly, totaling 172,000 to date, is expected to continue in sizable volume for some makes.

"Ward's" said the latest week's production slump was accounted for in most part by complete shutdowns at nine Chevrolet plants and reduced output at other GM auto plants. The six B-O-P plants (Buick-Olds-Pontiac) operated on a three and four-day basis this week and were scheduled to close down entirely Oct. 30.

The Michigan plants of Oldsmobile, Pontiac and Cadillac also suspended operations Oct. 30 but the Buick facility at Flint, Mich., may be able to produce until early in week beginning Nov. 2.

"Ward's" said Ford Motor Co., which supplies about 50% of its steel requirements, scheduled five-day programs at all of its Ford car plants. However, "Falcon" assembly at Lorain, Ohio, and Kansas City, Mo., was limited to four days because of shortages which the company said were not entirely related to the steel crisis.

"Ward's" said the American Motors plants at Kenosha, Wis., continued a six-day car-building schedule which has been in effect for the past month. Most Chrysler Corp. plants will operate only four days in the current week.

"Ward's" indicated that the truck industry is also showing signs of depleted steel inventories. The reporting agency estimated last week's production at 16,329 units—a 32% decline from the highest total of the '60 model run (23,954 units.)

Only three Chevrolet truck plants worked this week—Bloomfield, Los Angeles and Oakland. Another major producer, Dodge's Warren, Mich., plant, is scheduled to close down completely Oct. 30.

"Ward's" noted that this week's estimated car-truck volume (117,417) was nearly parallel to the figure for the same week in recession-year 1958 (116,982).

This year's cumulative car-truck production total to date (5,-837,361) is ahead of 1958 (3,820,873) by 53%.

Lumber Shipments 6% Below 1958 Week

Lumber shipments of 476 mills reporting to the National Lumber Trade Barometer were 10.4% below production for the week ended Oct. 24, 1959. In the same week new orders of these mills were 14.6% below production. Unfilled orders of reporting mills amounted to 34% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 16 days' production at the current rate, and gross stocks were equivalent to 44 days' production.

For the year-to-date, shipments of reporting identical mills were 0.2% above production; new orders were 0.5% below production.

Compared with the previous week ended Oct. 17, 1959, production of reporting mills was 1.7% above; shipments were 2.1% below; new orders were 3.7% below. Compared with the corresponding week in 1958, production of reporting mills was 0.5% below; shipments were 6% below; and new orders were 3% below.

Business Failures Rise Moderately

Commercial and industrial failures climbed to 273 in the week ended Oct. 29 from 250 in the preceding week, reported Dun & Bradstreet, Inc. While casualties continued below the year-ago level of 299, they exceeded moderately the 250 occurring in the similar week of 1957. Some 14% fewer businesses succumbed, however, than in the comparable prewar week of 1939 when the toll was 318.

Failures involving liabilities of $5,000 or more rose to 242 from 228 in the previous week, but remained below the 262 of this size last year. A slight increase lifted small casualties, those with liabilities under $5,000, to 31 from 22 a week ago, although they fell short of their 1958 level of 37. Nineteen of the failing concerns had liabilities in excess of $100,000 as against 25 a week earlier.

Wholesale Food Price Index Slightly Higher

For the second week in a row, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., moved up somewhat in the latest week. On Oct. 27 it stood at $5.93, a gain of 0.7% from the prior week's $5.89, but a decline of 5.3% from the $6.26 of the similar date a year ago.

Commodities advancing in wholesale cost this week were flour, wheat, corn, oats, barley, bellies, butter, milk, coffee, cocoa and potatoes. Declines occurred in lard, rice and hogs.

The Index represents the sum total of the price per pound of 31 raw foodstuffs and meats 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.

Wholesale Commodity Price Index Rises Appreciably in Latest Week

Higher prices on butter, hogs, coffee, rubber, and steel scrap helped boost the general commodity price level appreciably over that of the prior period in the latest week. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 279.33 (1930-32=100) on Oct. 30, compared with 277.77 in the prior week and 276.14 on the comparable date a year ago.

Although trading dipped somewhat, most grain prices remained close to the prior week. Wheat prices edged up slightly on light offerings; while domestic buying of wheat was unchanged, export purchases moved up somewhat. Transactions in rye were limited, and prices were down fractionally.

Salable supplies of corn were light again this week, but harvesting was making good progress. Corn prices were close to the prior week as trading was sustained at a high level. Anticipation of sizable exports and the small crop held oats prices steady, but trading was down somewhat. Reports of unfavorable weather for harvesting boosted soybean prices; while domestic purchases were close to the prior week, export buying moved up appreciably.

Prices on the New York Cotton Exchange remained close to the prior week, and trading moved within a narrow range. Exports during the wee kended last Tuesday were estimated at 82,000 bales, compared with 59,000 a week earlier and 38,000 in the similar week a year ago. Exports for the season through Oct. 27 came to about 474,000 bales, against 581,000 in the same period last year.

Nationwide Department Store Sales Up 8% for October 24 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's Index for the week ended Oct. 24, increased 8% above the like period last year. In the preceding week, for Oct. 17, an increase of 10% was reported. For the four weeks ended Oct. 24 a 5% increase was registered and for Jan. 1, to Oct. 24 a 7% increase was noted.

According to the Federal Reserve System department store sales in New York City for the week ended Oct. 24 increased 8% over the like period last year. In the preceding week Oct. 24 a 6% increase was shown. For the four weeks ended Oct. 24 a 1% increase was reported over the 1958 period. Jan. 1 to Oct. 24 showed a 3% increase.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

● Acme Missiles & Construction Corp. (11/9-13)
July 24 filed 200,000 shares of common stock (par 25c), of which 150,000 shares will be offered for public sale for the account of the company, and 50,000 shares will be offered for the accounts of the present holders thereof. **Price**—$6 per share. **Proceeds**—For general corporate purposes, including additional personnel, office space, equipment, and the provision of funds necessary to compete for certain contracts. **Office**—2949 Long Beach Road, Oceanside, L. I., N. Y. **Underwriter** — Myron A. Lomasney & Co., New York.

● Aircraft Dynamics International Corp. (12/1)
Sept. 25 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—229 S. State Street, Dover, Del. **Underwriter**—Aviation Investors of America, Inc., 666 Fifth Avenue, New York 19, N. Y.

● Alaska Consolidated Oil Co., Inc.
Sept. 17 filed 3,000,000 shares of common stock (par five cents). **Price**—$2.50 per share. **Proceeds**—For further development and exploration of the oil and gas potential of the company's Alaska properties. **Office**—80 Wall Street, New York. **Underwriter**—C. B. Whitaker Co., New York. **Offering**—Expected in about three to four weeks.

Albright Bond Mortgages
Oct. 19 filed $2,000,000 of Albright bonds, of which Albright Title & Trust Co. is the trustee. The bonds are to be sold for cash in multiples of $50, and Albright savings bonds will be issued and sold for cash in any amount deposited by the investors. **Proceeds**—To be invested in real estate mortgages. **Office**—Newkirk, Okla.

★ Aleutian Development Co., Inc., Unalaska, Alaska
Oct. 26 (letter of notification) 30,000 shares of common stock. **Price** — At par ($10 per share). **Proceeds** — For machinery, buildings, stock cattle ranch, purchase of a boat, working capital, etc. **Underwriter**—None.

Alliance Tire & Rubber Co. Ltd.
Sept. 9 filed 100,000 shares of class A stock. **Price**—$12.60 per share, payable either in cash or in bonds issued by the State of Israel. **Proceeds**—For expansion. **Office**—Hadera, Israel. **Agent** — Harry E. Brager Associates, Washington, D. C., and New York. **Offering**—Expected any day.

Allied Small Business Investment Corp.
Sept. 29 filed 100,000 shares of common stock (par $8). **Price**—$11 per share. **Proceeds**—To be used to provide equity capital and long-term loans to small business concerns. **Office**—Washington, D. C. **Underwriter**—To be supplied by amendment.

American Boatbuilding Corp.
Sept. 29 (letter of notification) 100,000 shares of common stock (par 15 cents). **Price**—$3 per share. **Proceeds**—For additional working capital, to pay off a note and for expanding and improving the boat building business. **Office**—Division Street, Warwick, R. I. **Underwriter**—Frank P. Hunt & Co., Inc., Rochester, N. Y.

★ American Ceramic Products, Inc.
Oct. 26 (letter of notification) 32,000 shares of common stock (par $2). **Price**—$9.37½ per share. **Proceeds**—For working capital. **Office**—1825 Stanford St., Santa Monica, Calif. **Underwriter**—Morgan & Co., Los Angeles, Calif.

● American & Foreign Power Co., Inc. (11/6)
Oct. 7 filed 220,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—Will go to selling stockholder, Electric Bond & Share Co. which upon completion of the offering will hold 52.3% of the total outstanding stock of American & Foreign Power Co. **Underwriters** — Lazard Freres & Co. and The First Boston Corp., both of New York.

American Investors Syndicate, Inc.
June 25 filed 600,000 shares of common stock (par 10 cents), and 200,000 shares of 6% preferred stock (no par value, $9 stated value), to be offered in units consisting of 3 shares of common ($1 each) and 1 share of preferred ($9). **Price**—$12 per unit. **Proceeds**—For construction and related expenditures. **Office**—513 International Trade Mart, New Orleans, La. **Underwriter**—Lindsay Securities Corp., New Orleans, La. The SEC had scheduled a hearing, to begin on Sept. 2, which will determine whether a stop order will be issued suspending the offering. As of Oct. 21, no decision had been rendered.

● American Motorists Insurance Co.
Sept. 22 filed 166,666⅔ shares of capital stock (par $3), being offered to holders of outstanding shares of such stock of record Oct. 27, 1959, in the ratio of one new share for each eight shares then held; rights to expire on or about Nov. 27. **Price**—$12 per share. **Proceeds**—To raise the ratio of its capital stock, surplus, and surplus reserve to premium writings, to increase underwriting capacity, and for general corporate purposes. **Office**—4750 Sheridan Road, Chicago, Ill. **Underwriter**—None.

American Service Life Insurance Co.
Sept. 14 filed 375,000 shares of common stock, of which 300,000 shares are to be publicly offered. **Price**—$3.50 per share. **Proceeds**—For general corporate purposes, including, possibly, the acquisition of similarly engaged companies. **Office**—113 Northeast 23rd Street, Oklahoma City, Okla. **Underwriter** — First Investment Planning Co., Washington, D. C.

American Telephone & Telegraph Co. (11/17)
Oct. 22 filed $250,000,000 of 27-year debentures, due Nov. 1, 1986. **Proceeds**—For general corporate purposes. **Office**—195 Broadway, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: The First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly); Morgan Stanley & Co. and Kidder, Peabody & Co. (jointly). **Bids**—Expected to be received before 11:30 a.m. (EST) on Nov. 17 at Room 2315, 195 Broadway, New York, N. Y.

● Anodyne, Inc., Bayside, L. I., N. Y. (11/9-13)
Sept. 9 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For expansion and general corporate purposes. **Underwriter**—Ross, Lyon & Co., Inc., New York, N. Y.

● Anthony Pools, Inc.
Sept. 28 filed 200,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—5871 Firestone Boulevard, South Gate, Calif. **Underwriter** — Marron, Edens, Sloss & Co., Inc., New York. **Offering** — Expected in December.

Anthony Powercraft
Sept. 8 (letter of notification) 241,200 shares of 5% cumulative convertible preferred stock to be offered for subscription by common stockholders at the rate of two preferred shares for each three shares of common stock held. **Price**—At par ($1 per share). **Proceeds**—To purchase inventory, new tools, construction and for working capital. **Office**—5871 E. Firestone Boulevard, South Gate, Calif. **Underwriter**—None.

● Architectural Plastics Corp.
Sept. 30 (letter of notification) 260,686 shares of common stock (par $1) being offered for subscription by stockholders (with a 15 day standby) and then to the public. Of the total shares to be offered, 103,430 shares are under options and subscriptions. **Price** — $1.25 per share. **Proceeds**—For relocating and improving manufacturing plant; advertising, additional inventories and working capital. **Office**—1355 River Rd., Eugene, Ore. **Underwriter**—Zilka, Smither & Co., Inc., Portland, Ore.

● Arizona Fertilizer & Chemical Co.
Sept. 24 filed 100,000 shares of common stock (par $2.50) of which 75,000 shares are to be offered for the account of the issuing company, and 25,000 shares for the accounts of the present holders thereof. **Price** — Around $9 per share. **Proceeds** — For general corporate purposes, including the provision of funds for the expansion of Cortez Chemicals Co., a subsidiary, the addition to working capital of the issuing company, and the partial liquidation of its unfunded indebtedness. **Office**—734 East Southern Pacific Drive, Phoenix, Ariz. **Underwriters** — Mitchum, Jones & Templeton, Los Angeles, Calif., and Walston & Co., Inc., New York.

Arkansas Power & Light Co. (12/8)
Oct. 23 filed $15,000,000 of first mortgage bonds, series due 1989. **Proceeds**—For construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers and Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Blyth & Co., Inc. and Dean Witter & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly). **Bids**—Expected to be received up to 11:30 a.m. (EST) on Dec. 8.

Associations Investment Fund
Aug. 28 filed 400,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For investment in common stocks. **Office**—301 W. 11th Street, Kansas City, Mo. **Underwriter**—Jones Plans, Inc., a subsidiary of R. B. Jones & Sons, Inc.

Atlantic City Electric Co. (11/19)
Oct. 20 filed 200,000 shares of common stock (par $4⅓) **Price**—To be supplied by amendment. **Proceeds** — To provide part of the funds required for the company's 1960 construction and to provide additional funds if needed for costs of construction being incurred in 1959. **Underwriters**—Eastman Dillon, Union Securities & Co. and Smith, Barney & Co., both of New York.

★ Atlantic & Pacific Life Insurance Co. of America
Oct. 26 (letter of notification) 30,000 shares of common stock (par $2.50). **Price**—$10 per share. **Proceeds**—For working capital. **Office**—1430 W. Peachtree St., N. W., Atlanta 9, Ga. **Underwriter**—None.

● Atlas Sewing Centers, Inc. (11/16-20)
Oct. 15 filed $2,000,000 of 6% convertible subordinated debentures due Nov. 1, 1974. **Price**—100% and accrued interest from Nov. 1, 1959 to date of delivery. **Proceeds**—Along with other funds, will be used for reduction of short-term loans, for company's expansion program, and for additional working capital. **Underwriter**—Van Alstyne, Noel & Co., New York.

Atlas Sewing Centers, Inc. (11/16-20)
Oct. 15 filed 75,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Miami, Fla. **Underwriter**—Van Alstyne, Noel & Co., New York.

Australian Grazing & Pastoral Co., Ltd.
Jan. 13 filed 4,000,000 shares of common stock. **Price**—At par (56¼ cents per share). **Proceeds**—To purchase cattle; for improvements; to buy additional ranch in Queensland, Australia; and for other corporate purposes **Office** — 1301 Avenue L, Cisco, Texas. **Underwriter** — None. Robert Kamon is President.

Baker Oil Tools, Inc. (11/12)
Oct. 7 filed 550,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Business**—Company designs, manufactures, and distributes a broad line of specialized tools and equipment used throughout the world in drilling. **Underwriters**—Lehman Brothers, New York, and Lester Ryons & Co., Los Angeles Calif.

● B. M. Harrison Electrosonics, Inc.
Sept. 25 filed 133,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness and the provision of funds to assist the company's expansion into the civilian market. **Office** — Newton Highlands, Mass. **Underwriter**—G. Everett Parks & Co., Inc., 52 Broadway, New York City. **Offering**—Expected sometime after Nov. 20.

Baldwin Securities Corp., New York
Oct. 20 filed 823,825 shares of common stock (par one cent), to be offered in exchange for the common stock of General Industrial Enterprises. Inc., at the rate of five Baldwin shares for each General share. **Offering** — Expected in two to three weeks (subject to SEC approval).

Bankers Management Corp.
Sept. 10 (letter of notification) 300,000 shares of common stock (par 25 cents). **Price**—$1 per share. **Proceeds**—For working capital. **Office**—1404 Main Street, Houston 2, Texas. **Underwriter**—Daggett Securities, Inc., Newark, N. J. **Offering**—Expected in about 30 days.

Bankers Preferred Life Insurance Co.
Jan. 30 (letter of notification) 100,000 shares of common stock (par $1.60). **Price**—$3 per share. **Proceeds**—For expenses incidental to operation of an insurance company. **Office**—Suite 619, E. & C. Bldg., Denver, Colo. **Underwriter**—Ringsby Underwriters, Inc., Denver 2, Colo.

Barber-Greene Co., Aurora, Ill. (11/16-20)
Oct. 21 filed 133,600 shares of common stock (par $5) of which 125,000 shares are to be offered for the account of issuing company, and 8,600 shares are to be offered for the accounts of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To be added to general funds to reduce bank loans. **Underwriter**—William Blair & Co., Chicago, Ill.

★ BarChris Construction Corp. (12/4)
Oct. 28 filed 280,000 shares of common stock. **Price** — $6 per share. **Proceeds**—For general corporate purposes, including expansion. **Office** — 35 Union Square West, New York. **Underwriter**—Peter Morgan & Co., New York.

● Barton's Candy Corp.
Sept. 28 filed 175,000 shares of common stock (par $1), of which 150,000 shares are to be publicly offered. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the financing of accounts receivable, the provision of funds for new machinery and equipment, for construction of new stores and improvements of present outlets, and for working capital. **Office**—80 DeKalb Avenue, Brooklyn, N. Y. **Underwriter**—D. H. Blair & Co. **Offering**—Expected today (Oct. 5).

★ Basic Products Corp.
Oct. 30 filed 100,000 warrants for the purchase of common stock, and 100,000 shares of stock reserved for issuance upon exercise of said warrants. **Proceeds**—The proceeds from the sale of the stock will be used to redeem notes issued in equal amounts to Mass. Mutual Life Insurance Co. and New England Mutual Life Insurance Co. in connection with the (consummated) acquisition of Hevi-Duty Electric Co., with the balance to be used for general corporate purposes. **Office**—3830 West Grant St., Milwaukee, Wis.

● Biederman Furniture Co. (11/9-20)
Oct. 16 filed 331,635 shares of class A common stock (par $1). Of the total, 216,549 shares will be sold for the company's account and 115,086 shares are being offered for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—$845,170 will be used to purchase from the shareholders of Biedermans of Alton, Inc., an Illinois corporation and Biedermans of Springfield, Inc., a Missouri corporation, all of the outstanding stock of both corporations. The shareholders from whom such stock is to be acquired are David Biederman, William Biederman and the Trustees of the Trust Estates created under the Will of Charles Biederman, deceased, all of whom are also selling shareholders; the balance will be used for general corporate purposes, and the possible future expansion of its business by opening of additional stores, requiring the carrying of additional inventories and additional instalment obligations, and also possibly for the expansion of warehouse facilities. **Underwriter** — Dempsey-Tegeler & Co., St. Louis, Mo.

★ Bissonnet Co.
Oct. 22 (letter of notification) pre-formation limited partnership interests in an aggregate of $285,000 to be offered in units of $5,000. **Proceeds**—For land, buildings, equipment and expenses. **Office** — 555 Fifth Ave., New York, N. Y. **Underwriter**—None.

Blanch-Ette, Inc.
Oct. 12 filed 400,000 shares of common stock, to be offered initially to independent dealers who handle the company's products, with the unsubscribed shares to be offered to the public. **Price**—$1 per share. **Proceeds**—To establish new dealerships, increase inventories, and provide funds for advertising and increase working capital. **Office**—10232 South Kedzie Ave., Chicago, Ill. **Underwriter**—None.

Border Steel Rolling Mills, Inc.
Sept. 14 filed $2,100,000 of 15-year 6% subordinated sinking fund debentures, due Oct. 1, 1974, and 210,000

shares of common stock ($2.50 par), to be offered in units of $50 principal amount of debentures and five shares of common stock. **Price** — To be supplied by amendment. **Proceeds**—For the purchase of land and construction thereon, and for the manufacture and installation of necessary equipment. **Office**—1609 Texas Street, El Paso, Texas. **Underwriters**—First Southwest Co., Dallas, Texas, and Harold S. Stewart & Co., El Paso, Texas.

Border Steel Rolling Mills, Inc.
Sept. 14 filed 226,380 shares of common stock, to be offered for subscription to stockholders of record Aug. 31, 1959, on the basis of 49 new shares for each share then held. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office** — 1609 Texas Street, El Paso, Texas. **Underwriter**—None.

Breuer & Curran Oil Co.
Sept. 24 filed $1,500,000 of co-ownership participations in an oil and gas exploration fund. **Price**—The minimum participations will be $10,000. **Proceeds**—To conduct oil and gas exploration activities. **Office**—3510 Prudential Plaza, Chicago, Ill.

Burch Oil Co.
Sept. 25 (letter of ontification) 120,000 shares of class A common stock (par five cents). **Price**—$2.50 per share. **Proceeds**—For building and equipping stations and truck stop and additional working capital. **Office**—C/o Garland D. Burch, at 707 Grattan Road, Martinsville, Va. **Underwriter**—Maryland Securities Co., Inc., Old Town Bank Building, Baltimore 2, Md.

Cadre Industries Corp.
Sept. 25 filed 17,532 shares of common stock (par $5), to be offered to holders of such stock of record Oct. 23, on the basis of one new share for each 8 shares then held; rights to expire on or about Nov. 16 (subject to SEC approval). **Price**—$64 per share. **Proceeds**—For general corporate purposes, including working capital. **Office**—20 Valley St., Endwell, N. Y. **Underwriter**—None.

California Metals Corp.
July 27 filed 2,500,000 shares of common stock. **Price**—At par (20 cents per share). **Proceeds**—For construction of a pilot plant; for measuring ore; for assaying; and for general corporate purposes. **Office**—3955 South State St., Salt Lake City, Utah. **Underwriter**—Cromer Brokerage Co., Inc., Salt Lake City.

California Mutual Co-Ply, Inc.
Sept. 14 filed 140 shares of voting common stock. **Price**—At par ($5,000 per share). **Proceeds**—To purchase the mill and related facilities of Durable Plywood Co. for $690,000, with the balance to be used for working capital. **Office**—Calpella, Calif. **Underwriter**—The offering is to be made by Ramond Benjamin Robbins, one of the nine promoters, the list of which also includes Harry Ernest Holt, of Eureka, Calif., President of the company.

● Calumet & Hecla, Inc., Chicago, Ill.
Oct. 27 filed 188,340 shares of common stock, to be offered in exchange for all of the common and preferred stock of Flexonics Corp., on the basis of one Calumet share for each 2⅜ shares of Flexonics common and one Calumet share for each 4 shares of Flexonics preferred.

★ Capital Life Insurance & Growth Fund (11/19)
Oct. 26 filed (by amendment) 500,000 shares of stock (par one cent). A class of stock issued by Capital Shares, Inc. **Price**—$10 per share. **Proceeds**—For investment. **Underwriter**—Shearson, Hammill & Co., New York.

★ Carrier Corp.
Oct. 30 filed 450,000 shares of stock, of which 200,000 shares are to be offered under the Carrier Employees Stock Ownership Plan and 250,000 shares under its Incentive Stock Option Plan. **Office**—Syracuse, N. Y.

● Carwin Co. (11/12)
Oct. 2 filed 48,080 shares common stock (par $2), of which 46,080 shares are to be offered for subscription by common stockholders at the rate of one new share for each four shares held. The remaining 2,000 shares are being sold for the account of a selling stockholder. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes including the repayment of outstanding bank loans in the amount of $425,000, the provision of funds for the 1959-60 construction program, and for working capital. **Office**—Stiles Lane, New Haven, Conn. **Underwriter**—Putnam & Co., Hartford, Conn.

● Chadbourn Gotham, Inc.
Sept. 28 filed $2,000,000 of 6% conv. subord. debentures, due Oct. 1, 1974, with warrants to purchase 200,000 shares of common stock (par $1), to be offered for subscription by holders of its common stock at the rate of $100 of debentures, with an attached warrant to purchase 10 common shares for cash for each 100 common shares held on or about Oct. 15, 1959; rights to expire on or about Oct. 30. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including working capital and the acquisition of shares of the out-

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NEW ISSUE CALENDAR

November 5 (Thursday)

Barton's Candy Corp.____Common
(D. H. Blair & Co.) 175,000 shares

General Acceptance Corp.____Debentures
(Paine, Webber, Jackson & Curtis and Eastman Dillon, Union Securities & Co.) $10,000,000

Lenahan Aluminum Window Corp.____Common
(Offering to stockholders—underwritten by Plymouth Bond and Share Corp.) 629,976

Standard Beryllium Corp.____Common
(R. G. Williams & Co., Inc.) $300,000

November 6 (Friday)

American & Foreign Power Co., Inc.____Common
(Lazard Freres & Co. and The First Boston Corp.) 225,000 shares

November 9 (Monday)

Acme Missiles & Construction Corp.____Common
(Myron A. Lomasney & Co.) $1,200,000

Anodyne, Inc.____Common
(Ross, Lyon & Co., Inc.) $300,000

Biederman Furniture Co.____Common
(Dempsey-Tegeler & Co.) 331,635 shares

Eitel-McCullough, Inc.____Debentures
(Schwabacher & Co.) $5,000,000

Electro-Sonic Laboratories, Inc.____Common
(L. D. Sherman & Co.) $300,000

Enflo Corp.____Common
(D. Gleich Co. and Aetna Securities Corp.) 375,000

First Financial Corp. of the West____Common
(William R. Staats & Co.) 120,000 shares

Giant Food, Inc.____Common
(Auchincloss, Parker & Redpath and Kidder, Peabody & Co.) 200,000 shares

Metropolitan Telecommunications Corp.____Common
(Lee Co.) $299,799

Oak Valley Sewerage Co.____Bonds
(Bache & Co.) $145,000

Oak Valley Water Co.____Bonds
(Bache & Co.) $125,000

Radio Frequency Co., Inc.____Common
(Myron A. Lomasney & Co.) $300,000

Realsite____Class A
(Robert L. Ferman & Co.) $600,000

November 10 (Tuesday)

Hydromatics, Inc.____Common
(Paine, Webber, Jackson & Curtis and Tucker, Anthony & R. L. Day) 105,000 shares

Kayser-Roth Corp.____Common
(Hemphill, Noyes & Co.) 375,000 shares

Pitney-Bowes, Inc.____Common
(The First Boston Corp.) 200,000 shares

Span America Boat Co., Inc.____Common
(R. A. Holman & Co., Inc.) $175,000

State Industries____Debentures
(John Keenan & Co., Inc.) $500,000

Tennessee Gas Transmission Co.____Preferred
(Stone & Webster Securities Corp. and White, Weld & Co.) 300,000 shares

November 12 (Thursday)

Baker Oil Tools, Inc.____Common
(Lehman Brothers and Lester, Ryons & Co.) 550,000 shares

Carwin Co.____Common
(Putnam & Co.) 48,080 shares

Colorado Central Power Co.____Common
(Offering to stockholders—underwritten by The First Boston Corp.) 66,490 shares

Frantz Manufacturing Co.____Common
(Blair & Co., Inc.) 190,953 shares

November 16 (Monday)

Atlas Sewing Centers, Inc.____Common
(Van Alstyne, Noel & Co.) 75,000 shares

Atlas Sewing Centers, Inc.____Debentures
(Van Alstyne, Noel & Co.) $2,000,000

Barber-Greene Co.____Common
(William Blair & Co.) 133,600 shares

Conetta Manufacturing Co.____Common
(Vermilye Bros.) $400,000

Copymation, Inc.____Common
(Simmons & Co. and Plymouth Securities Corp.) $300,000

Digitronics Corp.____Common
(Granbery, Marache & Co.) 65,877 shares

Electronics Development, Inc.____Common
(First Broad Street Corp.) $404,106.50

Frontier Refining Co.____Debentures
(J. A. Hogle & Co.; Garrett-Bromfield & Co. and Peters, Writer & Christensen, Inc.) $6,000,000

Gibraltar Financial Corp. of California____Common
(Kidder, Peabody & Co.) 325,000 shares

Lindberg Steel Treating Co., Inc.____Common
(Cruttenden, Podesta & Co.) 85,035 shares

Micronaire Electro Medical Products Corp.____Com.
(General Investing Corp.) 200,000 shares

Micronaire Electro Medical Products Corp.____Wts.
(General Investing Corp.) 50,000 warrants

National Video Corp.____Common
(Bache & Co.) 283,307 shares

Northern Properties____Common
(Candee & Co. and Peters, Writer & Christensen, Inc.) $750,000

Rek-O-Kut Co., Inc.____Common
(D. A. Lomasney & Co.) $749,000

Reserve Insurance Co.____Common
(A. G. Becker & Co., Inc.) 110,837 shares

Scott & Fetzer Co.____Common
(McDonald & Co. and Kidder, Peabody & Co.) 100,000 shares

(J. M.) Smucker Co.____Common
(McDonald & Co.) 165,000 shares

Universal Container Corp.____Common
(Michael G. Kletz & Co.) $670,000

November 17 (Tuesday)

American Telephone & Telegraph Co.____Debens.
(Bids to be received) $250,000,000

November 18 (Wednesday)

Transwestern Pipeline Co.____Debentures
(Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith, Inc.) $40,000,000

Transwestern Pipeline Co.____Common
(Lehman Brothers and Merrill Lynch, Pierce, Fenner and Smith Inc. (2,000,000 shares

November 19 (Thursday)

Atlantic City Electric Co.____Common
(Eastman Dillon, Union Securities & Co. and Smith, Barney & Co.) 200,000 shares

Capital Life Insurance & Growth Stock Fund____Common
(Shearson, Hammill & Co.) $5,000,000

Electronics Funding Corp.____Common
(Darius Inc.) $150,000

World Publishing Co.____Common
(Joseph, Mellen & Miller, Inc.) 100,000 shares

November 20 (Friday)

Great Western Financial Corp.____Debentures
(Offering to stockholders—underwritten by Lehman Brothers) $9,998,800

New York State Electric & Gas Corp.____Common
(Offering to stockholders—underwritten by The First Boston Corp.; Lehman Brothers; Wertheim & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc.) 467,247 shares

Piedmont Natural Gas Co., Inc.____Preferred
(Offering to stockholders—underwritten by White, Weld & Co.) 30,237 shares

November 23 (Monday)

Consolidated Diesel Electric Corp.____Debentures
(Van Alstyne, Noel & Co.) $1,000,000

Cracker Barrel Supermarkets, Inc.____Common
(Diran, Norman & Co.) $300,000

Dashew Business Machines, Inc.____Common
(Shearson, Hammill & Co.) 150,000 shares

Harman-Kardon, Inc.____Debentures
(Milton D. Blauner & Co., Inc.) $600,000

Harman-Kardon, Inc.____Common
(Milton D. Blauner & Co., Inc.) 196,400 shares

Marine Corp.____Debentures
(Robert W. Baird & Co., Inc.) $5,000,000

Perrine Industries, Inc.____Debentures
(S. D. Fuller & Co.) $1,500,000

Potomac Electric Power Co.____Bonds
(Bids 11 a.m. EST) $15,000,000

November 24 (Tuesday)

Gulf States Utilities Co.____Bonds
(Bids 11 a.m. EST) $16,000,000

Gulton Industries, Inc.____Common
(Lehman Brothers and G. H. Walker & Co.) 60,000 shares

Oxford Chemical Corp.____Common
(Johnson, Lane, Space Corp.; Francis I. du Pont & Co. and The Robinson-Humphrey Co., Inc.) $1,089,125

November 30 (Monday)

Hawthorne Financial Corp.____Common
(William R. Staats & Co.) 105,000 shares

Life Insurance Co. of Florida____Common
(Plymouth Bond & Share Corp.) $915,642

Mohawk Business Machines Corp.____Common
(Myron A. Lomasney & Co.) 30,000 shares

Mohawk Business Machines Corp.____Debentures
(Myron A. Lomasney & Co.) $600,000

Seligman & Latz, Inc.____Common
(F. Eberstadt & Co.) 250,000 shares

Worcester County Electric Co.____Bonds
(Bids to be invited) $7,500,000

December 1 (Tuesday)

Aircraft Dynamics International Corp.____Common
(Aviation Investors of America, Inc.) $300,000

Consolidated Edison Co. of New York, Inc.____Bonds
(Bids to be invited) $50,000,000

Merry Brothers Brick & Tile Co.____Common
(Johnson, Lane Space Corp.) $1,248,000

United Marine, Inc.____Common
(Boenning & Co.) 125,000 shares

United Marine, Inc.____Debentures
(Boenning & Co.) $1,250,000

Vance-Sanders & Co., Inc.____Common
(400,000 shares)

Winkelman Bros. Apparel, Inc.____Common
(Watling, Lerchen & Co.) 145,000 shares

Worcester County Electric Co.____Bonds
(Bids to be invited) $7,500,000

December 4 (Friday)

BarChris Construction Corp.____Common
(Peter Morgan & Co.) $1,330,000

December 7 (Monday)

Trans-World Financial Co.____Common
(W. R. Staats & Co.) 655,000 shares

December 8 (Tuesday)

Arkansas Power & Light Co.____Bonds
(Bids 11:30 a.m. EST) $15,000,000

Fall River Electric Light Co.____Preferred
(Bids 11 a.m. EST) $3,000,000

December 9 (Wednesday)

Missouri Power & Light Co.____Bonds
(Bids 11 a.m. EST) $4,000,000

New England Power Co.____Preferred
(Bids to be invited) 100,000 shares

New England Power Co.____Preferred
(Bids to be invited) $10,000,000

December 10 (Thursday)

Dyna-Therm Chemical Corp.____Common
(Peter Morgan & Co.) $600,000

December 15 (Tuesday)

Johnny-On-the-Spot Central, Inc.____Common
(Richard Bruce & Co., Inc.) $150,000

January 19 (Tuesday)

Louisiana Gas Service Co.____Bonds
(Bids to be invited)

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standing common stock of Davenport Hosiery Mills, Inc., of Chattanooga, Tenn. **Office** — 2417 North Davidson St., Charlotte, N. C. **Underwriter**—R. S. Dickson & Co. Charlotte, N. C. **Offering** — Expected sometime after Nov. 20.

Colorado Central Power Co. (11/12)
Oct. 16 filed 66,490 shares of common stock (par $2.50) to be offered for subscription by holders of outstanding stock of record Nov. 6, 1959, on the basis of one new share for each 10 shares then held; rights to expire on Nov. 30. **Price**—To be supplied by amendment. **Proceeds**—For construction. **Office**—3470 South Broadway, Englewood, Colorado. **Underwriter** — The First Boston Corp., New York.

● **Columbian Financial Development Co.**
Aug. 14 filed $1,000,000 of Plans for Investment in Shares in American Industry, of which $500,000 was for Single Payment Investment Plans and $500,000 for Systematic Investment Plans and Systematic Investment Plans With Insurance. **Office**—15 East 40th Street, New York. **Underwriter** — None. **Offering** — Expected some time after Jan. 1, 1960.

★ **Combined Electronics, Inc.**
Oct. 30 filed 800,000 shares of common stock. **Price**—$2.50 per share. **Proceeds**—For general corporate purposes, including expansion, new product development, and working capital. **Office**—135 S. La Salle Street, Chicago, Ill. **Underwriter**—David Johnson & Associates, Inc., Indianapolis, Ind., on a "best efforts" basis.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in uints as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

★ **Conde Nast Publications, Inc.**
Oct. 30 filed 501,863 shares of common stock (no par) to be offered for subscription by common stockholders. **Price**—To be supplied by amendment. **Proceeds**—To retire $3,500,000 bank loan incurred in connection with the acquisition of Street & Smith Publications, Inc. last August. **Office** — 420 Lexington Ave., New York City. **Underwriter**—None.

Conetta Manufacturing Co. (11/16-20)
Sept. 28 filed 100,000 shares of class A common stock (par 10c). **Price**—$4 per share. **Proceeds**—For working capital; to prepay a bank note; and for machinery and equipment. **Office**—73 Sunnyside Avenue, Stamford, Conn. **Underwriter**—Vermilye Bros., New York.

Consolidated Development Corp.
Aug. 28 filed 448,000 shares of common stock, of which 198,000 shares are to be offered to holders of the issuing company's 6% convertible debentures, and 100,000 shares are to be offered to the underwriter, with the remaining 150,000 shares, in addition to those shares described above not subscribed for by the debenture holders and the underwriter, respectively, to be publicly offered. **Price** — For the shares to be offered to the debenture holders, 75 cents per share, which is equal to the price at which the debentures are convertible into common stock; for the shares to be offered to the underwriter, $1 per share; for the shares to be offered to the public, the price will be related to the current price of the outstanding shares on the American Stock Exchange at the time of the offering. **Proceeds** — For general corporate purposes. **Office**—Calle 23, No. 956, Vedado, Havana, Cuba. **Underwriter**—H. Kook & Co., Inc., New York.

★ **Consolidated Diesel Electric Corp. (11/23-27)**
Oct. 29 filed $1,000,000 of 6% convertible subordinated debentures, due 1975. **Price** — At 100% of principal amount. **Proceeds**—For working capital and the discharge of $187,535 of debts. **Office**—880 Canal Street, Stamford, Conn. **Underwriter**—Van Alstyne, Noel & Co., New York.

★ **Consolidated Edison Co. of New York, Inc. (12/1)**
Oct. 30 filed $75,000,000 of first and refunding mortgage bonds, series Q, due Dec. 1, 1989. **Proceeds** — For construction expenditures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; The First Boston Corp. **Bids**—Expected to be received up to 11 a.m. (EST) on Dec. 1.

★ **Consumers Cooperative Association**
Nov. 3 filed $5,000,000 of 5½% 25-year subordinated certificates of indebtedness and 120,000 shares of preferred stock (par $25). **Price**—The certificates are to be offered in units of $100; the preferred stock is to be sold at $25 per share. **Proceeds**—To be added to general funds of the association and be used for retiring maturing certificates of indebtedness and for capital expenditures. **Office**—Kansas City, Mo. **Underwriter**—None.

● **Copymation, Inc. (formerly Peck & Harvey Mfg. Company) (11/16-20)**
Sept. 23 (letter of notification) 100,000 shares of common stock (par 50 cents). **Price**—$3 per share. **Proceeds**—To pay bank loans and loans to stockholders and others and for working capital. **Office**—5642-50 North Western Avenue, Chicago 45, Ill. **Underwriter**—Simmons & Co., (handling the books) and Plymouth Securities Corp., both of New York, N. Y.

Cordillera Mining Co., Grand Junction, Colo.
Aug. 31 filed 4,234,800 shares of capital stock, of which 2,179,800 shares are to be offered solely to the holders of previously-issued options. These shares, together with the remaining 2,055,000 shares, may be offered for public sale by the holders thereof in the over-the-counter market from time to time. **Price**—To be related to the market price at the time of sale. **Proceeds**—For general corporate purposes, including working capital. **Underwriter**—None.

Cornbelt Insurance Co., Freeport, Ill.
Sept. 29 filed 200,000 shares of common stock to be offered for subscription by common stockholders of record Sept. 15, 1959, at the rate of four new shares for each 10 shares then held. Unsubscribed shares may be offered publicly. **Price**—$4 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—None, but brokers and dealers who join in the distribution will receive commission of 40 cents per share.

Cornbelt Life Co.
Sept. 29 filed 100,000 shares of common stock, to be offered to stockholders of record Sept. 15 on the basis of one share for each share then held. **Price**—$4.50 per share. **Proceeds**—To be credited to stated capital and paid-in surplus. **Office**—12 North Galena Avenue, Freeport, Ill. **Underwriter**—None.

● **Cracker Barrel Supermarkets, Inc. (11/23-27)**
Sept. 25 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds**—For general corporate purposes. **Office**—84-16 Astoria Blvd., Queens, L. I., N. Y. **Underwriter**—Diran, Norman & Co., New York.

Crusader Oil & Gas Corp., Pass Christian, Miss.
May 26 filed 1,500,000 shares of common stock, of which 641,613 shares will be offered on a one-for-one basis to stockholders of record May 15, 1959. The remaining 858,387 shares will be offered publicly by the underwriter on a "best efforts" basis. **Price**—To be supplied by amendment. **Proceeds**—For repayment of notes and for working capital. **Underwriter** — To be supplied by amendment.

Dashew Business Machines, Inc. (11/23-27)
Oct. 22 filed 150,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds**—For purchasing of equipment, expansion, and working capital. **Underwriter** — Shearson, Hammill & Co., New York.

Dayton Aviation Radio & Equipment Corp.
Sept. 28 filed 201,050 shares of common stock, of which 190,871 shares are to be offered to holders of outstanding stock as of the record date on the basis of one new share for each four shares then held. **Price**—$1.50 per share. **Proceeds**—To finance government contracts, reduce accounts payable, and increase working capital. **Office**—South Dixie Highway, Troy, Ohio.

Deluxe Aluminum Products, Inc.
Oct. 15 filed $330,000 of convertible debentures, and 70,000 shares of common stock. **Price**—For the debentures, 100% of principal amount; for the stock, $5 per share. **Proceeds**—From 10,000 shares of the common stock, to the present holders thereof; from the rest of the offering, to the company to be used for expansion and as working capital. **Office**—6810 S. W. 81st St., Miami, Fla.

Denab Laboratories, Inc.
July 31 filed 50,000 shares of common stock (par $2.50). **Price**—$10 per share. **Proceeds**—For general corporate purposes, including salaries, cars, promotion, inventory, the establishment of branch offices, expenses incidental to obtaining permission to do business in other states, and the establishment of a contingency reserve. **Office**—1420 East 18th Avenue, Denver, Colo. **Underwriter**—None.

Digitronics Corp. (11/16-20)
Sept. 25 filed 65,877 shares of capital stock (par 10 cents) to be offered to the holders of outstanding shares of such stock on the basis of one new share for each five shares held. **Price** — To be supplied by amendment. **Proceeds** — For general corporate purposes. **Office** — Albertson, L. I., N. Y. **Underwriter**—Granbery, Marache & Co., New York City.

● **Dilberts Leasing & Development Corp.**
June 11 filed $4,400,000 (subsequently reduced to $2,500,000) of 20-year convertible debentures, due July 15, 1979 and 1,056,000 shares (subsequently reduced to 600,000 shares) of common stock (par 1c) to be offered in units consisting of $50 principal amount of debentures and 12 shares of common stock. Dilberts Leasing & Development Corp. expects to file a new statement next week. Debentures are guaranteed as to principal and interest by Dilbert's Quality Supermarkets Inc., the parent company. **Price** — $51.20 per unit. **Proceeds** — For repayment of notes; to develop and construct shopping centers and a super-market under existing purchase contracts and for working capital. **Name Changed** — Company formerly known as Dilbert's Properties, Inc. **Office**—93-02 151st Street, Jamaica, N. Y. **Underwriter**—Ira Haupt & Co., New York. **Offering**—Expected in about 30 days.

Diversified Communities, Inc.
Sept. 25 filed 367,200 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For acquisition of Hope Homes, Inc., Browntown Water Co. and Cantor & Goldman Builders, Inc., with the balance to be used as working capital. **Office**—29A Sayre Woods Shopping Center, Madison Township, P. O. Parlin, N. J. **Underwriter**—Lee Higginson Corp., New York.

Don Mott Associates, Inc.
Oct. 27 filed 161,750 shares of class B, non-voting, common stock. **Price**—$10 per share. **Proceeds**—For general corporate purposes, including payment on a building and the financing of loans. **Office**—Orlando, Fla. **Underwriter**—Leon Sullivan, Philadelphia, Pa., on a "best efforts" basis.

Dorsett Laboratories, Inc.
Oct. 2 (letter of notification) $160,000 of 10-year 6% convertible subordinated debentures. Debentures are convertible into common stock at $4 per share up to and including Nov. 1, 1962; thereafter at $8 per share up to and including Nov. 1, 1965 and thereafter at $12 per share. **Price**—At face amount. **Proceeds**—To reduce notes payable, to purchase facilities and equipment, and for working capital. **Office**—401 E. Boyd St., Norman, Okla. **Underwriter**—None.

Drexelbrook Associates
May 22 filed $2,000,000 of partnership interests, to be offered in units. **Price**—$10,000 per unit. **Proceeds**—To be used for various acquisitions. **Office** — Broad & Chestnut Streets, Philadelphia, Pa. **Underwriter**—None.

● **Dyna-Therm Chemical Corp. (12/10)**
Oct. 28 filed 200,000 shares of capital stock (par $1). **Price**—$3 per share. **Proceeds**—To purchase stock of subsidiaries, for payment of loans, and for working capital. **Office** — Culver City, Calif. **Underwriter** — Peter Morgan & Co., New York City.

● **Dynex, Inc.**
Aug. 6 filed 120,000 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes, including product research, the purchase of new equipment, and expansion. **Office** — 123 Eileen Way, Syosset, L. I., N. Y. **Underwriter**—Myron A. Lomasney & Co., New York. **Offering**—Expected sometime in December.

E. H. P. Corp.
Aug. 31 filed 160,000 shares of capital stock (par 10c), of which 100,000 shares are to be publicly offered. **Price**—$2.50 per share. **Proceeds** — To provide funds for the purchase of vending machines which will be used to distribute automobile breakdown insurance policies on thruways, parkways and highways in the amount of $25 of such breakdown insurance for the purchase price of 25 cents, and for a public relations and publicity program. **Office**—Hotel Troy Building, Troy, New York. **Underwriter**—John R. Boland & Co., Inc., New York. **Offering**—Expected during the next two months.

ESA Mutual Fund, Inc.
June 29 filed 2,000,000 shares of capital stock. **Price**—To be supplied by amendment. **Proceeds**—For investment. **Investment Adviser**—Yates, Heitner & Woods, St. Louis, Mo. **Underwriter**—ESA Distributors, Inc., Washington, D. C. **Office**—1028 Connecticut Avenue, N. W., Washington, D. C.

ECon-O-Veyor Corp.
Sept. 18 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For advertising and promotion; new equipment, and general corporate purposes. **Office**—224 Glen Cove Avenue, Glen Cove, N. Y. **Underwriter**—Plymouth Securities Corp., New York, N. Y. **Offering**—Expected this week.

● **Eitel-McCullough, Inc. (11/9-13)**
Oct. 14 filed $5,000,000 of convertible subordinated debentures due Nov. 1, 1974. **Price** — To be supplied by amendment. **Proceeds**—For retirement of the company's current bank borrowings and for general corporate purposes. **Underwriter**—Schwabacher & Co., San Francisco, Calif.

● **Electronics Development, Inc. (11/16-20)**
Sept. 25 filed 115,459 shares of common stock (par 10c). **Price**—$3.50 per share. **Proceeds**—For plant erection, advertising, research and development, and working capital. **Office** — Gill and West College Streets, State College, Pa. **Underwriter**—First Broad Street Corp., 50 Broad St., New York.

● **Electronics Funding Corp. (11/19)**
Oct. 19 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Business** — Sales and leaseback of special and staple machinery and equipment for the American electronics industry. **Office** — c/o Darius Inc., 90 Broad Street, New York 4, N. Y. **Underwriter**—Darius Inc., New York, N. Y.

● **Electro-Sonic Laboratories, Inc. (11/19)**
Aug. 14 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To retire outstanding bank loan; to increase inventories; for sales and promotional activities; to improve production facilities and to acquire new and improved tools and machinery; for development and research and for working capital. **Office** — 35—54 Thirty-sixth St., Long Island City, N. Y. **Underwriter**—L. D. Sherman & Co., New York, N. Y.

● **Enflo Corp. (11/9-13)**
Sept. 30 filed 125,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—Maple Shade, N. J. **Underwriters**—D. Gleich Co. and Aetna Securities Corp., both of New York.

Equity Annuity Life Insurance Co.
April 21 filed $1,000,000 of Variable Annuity Policies. **Price**—No less than $120 a year for annual premium contracts and no less than $1,500 for single premium contracts. **Proceeds**—For investment, etc. **Office**—2480 16th Street, N. W., Washington, D. C. **Underwriter**—None.

★ **Fall River Electric Light Co. (12/8)**
Oct. 22 filed 30,000 shares of preferred stock (par $100). **Proceeds**—To be used for prepayment of the company's short-term bank loans which amounted to $2,800,000 at Oct. 19, 1959 and the balance will be used for construction purposes. **Underwriters**—To be determined by competitive bidding. Probable bidders: Stone & Webster Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Eastman Dillon, Union Securities & Co. **Bids**—Expected to be received up to 11 a.m. (EST) on Dec. 8, 1959 at the offices of the company, 49 Federal Street, 8th Floor, Boston, Mass.

Faradyne Electronics Corp.
Sept. 1 filed 230,000 shares of common stock (par five cents) of which 200,000 shares are to be publicly offered. **Price**—$5 per share. **Proceeds**—For general corporate purposes, including plant expansion, improvement and equipment. **Office** — 744 Broad St., Newark, N. J. **Underwriters** — Netherlands Securities Co., Inc. (handling the books) and Herbert Young & Co., Inc. (jointly); Morris Cohon & Co.; Schrijver & Co.; Richard Bruce & Co., Inc., all of New York. **Offering**—Expected in November.

Financial Industrial Income Fund, Inc.
July 22 filed 1,000,000 shares of common capital stock **Price**—At market. **Proceeds**—For investment. **Office**—950 Broadway, Denver, Colo. **General Distributor**—FIF Management Corp., Denver, Colo.

● **First Financial Corp. of the West (11/9-13)**
Sept. 28 filed 120,000 shares of capital stock (without par value), of which 100,000 shares are to be offered for the account of the selling stockholders, and 20,000 shares will be sold for the company's account. **Price** — To be supplied by amendment. **Proceeds**—To prepay the remaining balance of and accrued interest on an outstanding term loan. **Underwriter**—William R. Staats & Co., Los Angeles and San Francisco, Calif.

First Northern-Olive Investment Co.
Aug 17 filed 20 partnership interests in the partnership. Similar filings were made on behalf of other Northern-Olive companies, numbered "second" through "eighth." **Price**—$10,084 to $10,698 per unit. **Proceeds**—To purchase land in Arizona. **Office**—1802 North Central Ave., Phoenix, Ariz. **Underwriter**—O'Malley Securities Co.. Phoenix. Statement effective Oct. 9.

First United Life Insurance Co.
Sept. 23 filed 158,236 shares of common stock, being offered to common shareholders of record Oct. 15 at the rate of one new share for each four shares then held; rights to expire on or about Dec. 2. **Price**—$5 per share. For company reserves and expansion. **Office** — 475-79 Broadway, Gary, Ind. **Underwriter**—None.

★ **Formula 409, Inc.**
Oct. 29 filed 300,000 shares of common stock (no par). **Price**—$1.50 per share. **Proceeds**—For advertising, reduction of indebtedness, bottling equipment, payment of $44,000 for acquisition of formula 409, a liquid degreaser, and office equipment. **Office**—10 Central Street, West Springfield, Mass. **Underwriter**—DiRoma, Alexik & Co., Springfield, Mass.

● **Frantz Manufacturing Co. (11/12)**
Sept. 11 filed 190,953 outstanding shares of common stock, (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Business**—Company is engaged in the design, development, production and distribution of builders' hardware, primarily overhead type garage door hardware. **Office**—301 West 3rd St., Sterling, Ill. **Underwriter**—Blair & Co., Inc., New York.

● **Frontier Refining Co. (11/16-20)**
Oct. 16 filed $6,000,000 of 6% convertible subordinated debentures dated Nov. 1, 1959 and due Oct. 31, 1959. **Price**—At 100% of principal amount plus accrued interest from Nov. 1, 1959 to date of delivery. **Proceeds**—To purchase the common stock of Western States Refining Co. **Office**—4040 E. Louisiana Avenue, Denver, Colo. **Underwriters**—J. A. Hogle & Co., Salt Lake City, Utah, and Garrett-Bromfield & Co., and Peters, Writer & Christensen, Inc., both of Denver, Colo.

★ **Gas Hills Uranium Co.**
Oct. 28 filed 6,511,762 shares of common stock, of which 3,990,161 are to be offered for sale. The remaining 2,521,601 shares are owned or underlie options owned by officers and/or directors, affiliates, and associates of the issuing company. Of the shares to be sold, 415,000 shares are to be offered to holders of the outstanding common at the rate of one new share for each 20 shares held; 500,000 shares are to be offered in exchange for properties and services; 326,883 shares are to be offered to certain holders of the company's convertible promissory notes; and 2,748,278 shares are to be offered for the account of selling stockholders, of which number 655,500 shares represent holdings of management officials and affiliated persons. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the repayment of indebtedness. **Office** — 604 South 18th Street, Laramie, Wyo. **Underwriter**—None.

● **Gateway Airlines, Inc.**
Aug. 31 filed 400,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds** — For general corporate purposes, including the purchase of airplanes, spare parts, and equipment, the retirement of debt, and the increase of working capital. **Office** — MacArthur Field, Islip. L. I., N Y **Underwriter**—Dunne & Co., New York. **Offering**—Expected today (Nov. 5).

● **General Acceptance Corp. (11/5)**
Oct. 2 filed $10,000,000 of 6¼% subordinated debentures due Nov. 1, 1974, with warrants for the purchase of common stock, to be offered in units consisting of a $1,000 debenture and one common stock purchase warrant. Warrants are detachable after Feb. 1, 1960. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office** — 1105 Hamilton St., Allentown, Pa. **Underwriters**—Paine, Webber Jackson & Curtis, and Eastman Dillon, Union Securities & Co., both of New York.

General Finance Corp.
Sept. 11 filed 150,000 shares of common stock. **Price**—$3 per share. **Proceeds**—For working capital, with $15,000 being allocated for lease improvements and equipment and supplies. **Office** — Santurce, Puerto Rico. **Underwriter**—Caribbean Securities Co., Inc., Avenida Condado 609, Santurce, Puerto Rico.

General Flooring Co., Inc.
Sept. 14 filed $1,500,000 of 6½% debentures, due Oct. 1, 1969, and 270,000 shares of common stock, to be offered in units of $100 principal amount of debentures and 18 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the reduction of indebtedness and the purchase and installation of machinery and equipment. **Address** — P. O. Box 8169, New Orleans, La. **Underwriters**—H. M. Byllesby & Co., Inc., Chicago, Ill.; Howard, Weil, Labouisse, Friedrichs and Co., New Orleans, La., and Mason-Hagan, Inc., Richmond, Va.

General Underwriters Inc.
April 6 (letter of notification) 225,000 shares of common capital stock (par 25 cents). Of the total, 195,000 shares are to be offered for the account of the company and 30,000 shares for a selling stockholder. **Price**—$1 per share. **Proceeds**—For furniture inventory and improved merchandising methods, to finance the real estate department and insurance policy loans. **Office**—211-215 Pine St., Pine Bluff, Ark. **Underwriter**—Lovan Securities Co., Inc., Pine Bluff, Ark.

● **Giant Food Inc. (11/9-13)**
Oct. 13 filed 200,000 shares of class A common stock (non-voting) (par $1). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Landover, Md. **Underwriters** — Auchincloss, Parker & Redpath, Washington, D. C., and Kidder, Peabody & Co., New York.

● **Gibraltar Financial Corp. of California (11/16-20)**
Oct. 19 filed 325,000 shares of outstanding capital stock. **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—9111 Wilshire Blvd., Beverly Hills, Calif. **Underwriter**—Kidder, Peabody & Co., New York.

Gold Medal Packing Corp.
June 18 filed 572,500 shares of common stock (par one cent), and 50,000 common stock purchase warrants. Of the shares 400,000 will be sold for the account of the company; 110,000 by certain stockholders; 12,500 for the underwriter; and the remaining 50,000 shares are purchasable upon exercise of the warrants. **Price**—$1.25 per share. **Proceeds**—For repayment of debt; purchase of equipment and facilities and other general corporate purposes. **Office**—614 Broad St., Utica, N. Y. **Underwriter**—Mortimer B. Burnside & Co., New York. **Name Change** — Formerly Eastern Packing Corp. **Offering** — Expected in late November.

Gold Medal Studios, Inc.
Sept. 18 filed 500,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes, including the purchase of additional studio equipment, investing in properties in the entertainment field, and the provision of funds for a down payment on another building or buildings. **Office**—807 E. 175th Street, New York, N. Y. **Underwriter**—Arnold Malkan & Co., Inc., New York.

★ **Granco Products, Inc.**
Oct. 21 (letter of notification) 42,860 warrants and 60,000 shares of common stock (par 50 cents). **Price**—Of warrants, at the market (approximately $2.50 per warrant); of the stock, at the market (approximately $4.50 per share). **Proceeds**—For general corporate purposes. **Office**—36-17 20th Ave., Long Island City, N. Y. **Underwriter**—John R. Boland & Co., Inc., New York, N. Y.

● **Great Lakes Bowling Corp.**
Aug. 31 filed 120,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the development of bowling lanes, bars, and restaurants on various Michigan properties. **Office**—6336 Woodward Ave., Detroit, Mich. **Underwriter**—Straus, Blosser & McDowell, Chicago, Ill. **Offering**—Expected sometime after Jan. 1, 1960.

Great Western Financial Corp. (11/20)
Oct. 19 filed $9,998,800 of convertible subordinated debentures, due 1974, to be offered for subscription by common stockholders of record Nov. 20, 1959 (with a 14 day standby), on the basis of one new debenture for each 22 shares then held; rights to expire on or about Dec. 4. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the reduction of indebtedness. **Office** — 4401 Crenshaw Blvd., Calif. **Underwriter**—Lehman Brothers, New York.

Green River Production Corp.
Oct. 15 (letter of notification) 200,000 shares of common stock (par 50 cents). **Price**—$1.50 per share. **Proceeds**—For expenses for exploring for oil and gas. **Office**—212 Sixth Ave., South, Nashville, Tenn. **Underwriter**—Crescent Securities Co., Inc., Bowling Green, Ky.

Growth Fund of America, Inc.
Feb. 4 filed 250,000 shares of common stock (par 10 cents). **Price**—At market. **Proceeds**—For investment. **Office** — 1825 Connecticut Avenue, Washington, D. C **Investment Advisor** — Investment Advisory Service, Washington, D. C **Underwriter**—Investment Management Associates, Inc., Washington, D. C. The statement became effective July 24.

Guaranty Insurance Agency, Inc.
See, Mortgage Guaranty Insurance Corp., below.

Gulf States Utilities Co. (11/24)
Oct. 13 filed $16,000,000 of series A first mortgage bonds due 1989. **Proceeds** — To pay off existing short-term notes due Dec. 1, 1959, issued under revolving credit agreements to provide funds for construction purposes, of which it is estimated $6,000,000 will be outstanding prior to the date of sale of the new bonds, and the balance will be used to carry forward the company's construction program and for other corporate purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly); Stone & Webster Securities Corp.; Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received up to 11 a.m. (EST) on Nov. 24 at the office of The Hanover Bank, Room A, 70 Broadway, New York 15, N. Y.

Gulton Industries, Inc. (11/24)
Oct. 22 filed 60,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—212 Durham Ave., Metuchen, N. J. **Underwriters**—Lehman Brothers and G. H. Walker & Co., both of New York City.

● **Harman-Kardon, Inc. (11/23-27)**
Oct. 22 filed $600,000 of 6½% subordinated convertible debentures due December 1969, and 196,400 shares of common stock (par 25 cents), of which the debentures are to be offered for the account of the issuing company and 80,000 shares of the common stock are to be offered for the account of its President, Sidney Harman. Of the 116,400 common shares remaining, 20,000 are being registered under a restricted stock option plan, 4,000 are being reserved for key employees pursuant to stock options, and 92,400 are being reserved for debenture conversion. **Proceeds**—For reduction of bank loans and general corporate purposes including new plant and equipment. **Office**—Westbury, L. I., N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., New York City.

Harnischfeger Corp.
Aug. 28 filed 200,000 shares of common stock (par $10). **Price**—To be related to the market price of outstanding shares on the American Stock Exchange at the time of the offering. **Proceeds** — In part to repay outstanding unsecured short-term bank loans, expected to approximate $4,000,000, with the balance to be used for general corporate purposes. **Office** — 4400 W. National Ave., Milwaukee, Wis. **Underwriter**—The First Boston Corp., New York. **Offering**—Indefinitely postponed due to market conditions.

Hawthorne Financial Corp. (11/30-12/3)
Oct. 22 filed 165,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 301 South Hawthorne Blvd., Hawthorne, Calif. **Underwriter**—William R. Staats & Co., Los Angeles, Calif. **Offering**—Expected in late November.

● **Hickerson Bros. Truck Co., Inc.**
March 11 (letter of notification) 285,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To pay existing liabilities; for additional equipment; and for working capital. **Office**—East Tenth Street, P. O. Box 68, Great Bend, Kan. **Underwriter**—Birkenmayer & Co., Denver, Colo. **Offering**—Expected shortly.

● **Housatonic Public Service Co.**
Oct. 23 filed 76,642 shares of common stock (par $15) to be offered for subscription by common stockholders on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—For construction, including the payment of short-term loans incurred for this purpose. **Office**—33 Elizabeth Street, Derby, Conn. **Underwriters** — Allen & Co., New York, and Bacon, Whipple & Co., Chicago, Ill. **Offering**—Expected sometime this month.

Hycon Manufacturing Co.
Aug. 28 filed 126,316 shares of common stock, which were issued to Avco Corp. on Dec. 8, 1958, at $2.375 per shares, and which will now be publicly offered by Avco. **Price**—To be related to the prices prevailing in the over-the-counter market at the time, or times, the stock is sold. **Office**—1030 South Arroyo Parkway, Pasadena, Calif. **Underwriters**—The offering will be made through registered brokers and dealers who are NASD members.

Hydromatics, Inc. (11/10)
Oct. 20 filed 105,000 shares of common stock (par $1), of which 80,000 shares are to be offered for the account of company, and 25,000 shares are to be offered for the accounts of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds**—For working capital. **Office**—Livingston, N. J. **Underwriters**—Paine, Webber, Jackson & Curtis, and Tucker, Anthony & R. L. Day, both of New York.

I C Inc.
June 29 filed 600,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver. Colo.

● **Indiana Gear Works, Inc.**
Oct. 8 filed 100,000 shares of common stock (stated value $2) of which, 25,000 shares are to be offered to employees, and the remaining 75,000 shares are to be offered to the public. The public offering will include any shares not subscribed for by the employees. **Price**—To be supplied by amendment. **Proceeds**—To partially retire bank loans, which were used for acquisition of fixed assets and working capital. **Office**—1458 E. 19th St., Indianapolis, Ind. **Underwriter**—City Securities Corp., Indianapolis. **Offering** — Expected in about two to three weeks.

Industrial Leasing Corp.
June 1 (letter of notification) $200,000 subordinated convertible 6% debentures ($1,000 denomination) and $50,000 subordinated convertible 6% debentures ($500 denomination). **Price**—100% of principal amount. **Proceeds**—For working capital. **Office**—522 S. W. 5th Ave-

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nue, Portland 4, Ore. **Underwriter**—May & Co., Portland, Ore. Clearance date was June 9.

Inland Western Loan & Finance Corp.
Sept. 24 filed $1,000,000 of 6% capital debentures. **Price**—To be supplied by amendment. **Proceeds**—To discharge loans from banks and from the Commercial Life Insurance Co.; to furnish operating capital for subsidiaries; and to establish new subsidiaries or branches of already existing ones. **Office**—10202 North 19th Ave., Phoenix, Ariz. **Underwriter**—The underwriters, if any, will be named by amendment.

● **Integrand Corp.**
Oct. 13 filed 85,000 shares of common stock (par 5c). **Price**—$4 per share. **Proceeds** — For general corporate purposes, including the redemption of outstanding preferred stock and new plant equipment. **Office**—Westbury, L. I., N. Y. **Underwriter**—DiRoma, Alexik & Co., Springfield, Mass.

● **Intercontinental Metals, Ltd.**
Oct. 7 filed 133,000 shares of common stock (par 10c). **Price**—$3 per share. **Proceeds**—To be added to working capital in order to enable company to exercise options on motels and/or parcels of land. **Office**—Martinsville, Va. **Underwriter** — G. Everett Parks & Co., Inc., 52 Broadway, New York City. **Offering**—Expected sometime after Nov. 20.

Inter-Island Resorts, Ltd.
Sept. 10 filed 99,000 shares of common stock (par $3) being offered first to stockholders on the basis of one new share for each four shares held of record Oct. 10, 1959; rights to expire on Nov. 30. **Price**—$5.50 per share. **Proceeds**—For construction of a new hotel at Kalapaki Bay, on the Island of Kauai. **Office**—305 Royal Hawaiian Ave., Honolulu, Hawaii. **Underwriter**—None.

International Bank, Washington, D. C.
Dec. 29 filed $5,000,000 of notes (series B, $500,000, two-year, 3% per unit; series C, $1,000,000, four-year 4% per unit; and series D, $3,500,000, 6-year, 5% per unit). **Price**—100% of principal amount. **Proceeds** — For working capital. **Underwriter**—Johnston, Lemon & Co., Washington, D. C. **Offering**—Indefinitely postponed.

International Tuna Corp.
Aug. 11 (letter of notification) 175,000 shares of class A common stock (par 50 cents). **Price** — $1 per share. **Proceeds**—For equipment and working capital. **Office**—Pascagoula, Miss. **Underwriter**—Gates, Carter & Co. Gulfport, Miss.

Investment Trust for the Federal Bar Bldg.
Aug. 14 filed 500 Beneficial Trust Certificates in the Trust. **Price**—$2,600 per certificate. **Proceeds**—To supply the cash necessary to purchase the land at 1809-15 H St., N. W., Washington, D. C., and construct an office building thereon. **Office**—Washington, D. C. **Underwriters**—Hodgdon & Co. and Investors Service, Inc., both of Washington, D. C., and Swesnick & Blum Securities Corp.

Irando Oil & Exploration, Ltd.
April 24 filed 225,000 shares of common stock. **Price**—90 cents per share. **Proceeds**—To defray the costs of exploration and development of properties and for the acquisition of other properties; also for other corporate purposes. **Office**—1950 Broad St., Regina, Sask., Can **Underwriter** — Laird & Rumball, Regina, Sask., Can.

Israel Development Corp.
Sept. 22 filed 200,000 shares of common stock (par $25). **Price**—$27.50 per share, payable in cash or State of Israel Independence Issue or Development Issue bonds. **Proceeds**—For general corporate purposes. **Office**—17 E. 71st Street, New York City. **Underwriter**—None.

Jocelyn-Varn 1960 Oil Associates
Sept. 28 filed 100 units of oil and gas exploration agreements. **Price**—$20,000 per unit. **Proceeds**—For locating, developing, and administering oil and gas producing properties. **Office**—310 KFH Building, Wichita, Kan. **Underwriter**—None.

★ **Johnny-On-The-Spot Central, Inc. (12/15)**
Oct. 28 (letter of notification), 30,000 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office** — 830 Central Ave., Scarsdale, N. Y. **Underwriter**—Richard Bruce & Co., Inc., New York, N. Y.

Kayser-Roth Corp. (11/10)
Oct. 5 filed 375,000 shares of outstanding common stock (par $1). **Price**—To be related to the market price on the N. Y. S. E. at the time the offering begins. **Proceeds**—To Harrison Factors Corp., the selling stockholder. **Office**—425 Fifth Ave., New York. **Underwriter**—Hemphill, Noyes & Co., New York.

Kentucky Central Life & Accident Insurance Co.
Aug. 28 filed 81,717 shares of common stock, of which Kentucky Finance Co., Inc. will offer its stockholders 51,000 shares. **Price**—Of 30,717 shares, $115 each; and of 51,000 shares, $116 each. **Proceeds**—To selling stockholders. **Office**—Anchorage, Ky. **Underwriter**—None.

Kilroy (W. S.) 1960 Co.
June 8 filed $3,500,000 of Participating Interests under Participant Agreements in the company's 1960 Oil and Gas Exploration Program, to be offered in amounts of $25,000 or more. **Proceeds**—Acquisition of undeveloped oil and gas properties. **Office**—2306 Bank of the Southwest Bldg., Houston Texas. **Underwriter**—None.

Kittanning Telephone Co., Kittanning, Pa.
Aug. 24 filed 14,000 shares of common stock, to be offered by subscription to holders of outstanding common stock on the basis of approximately 0.212 new shares for each share held. **Price**—$25 per share. **Proceeds**—In part to repay a bank loan in the amount of $450,000 representing funds acquired for general modernization, improvement, and expansion. **Underwriter**—None.

● **Lenahan Aluminum Window Corp. (11/5)**
July 28 filed 157,494 shares of common stock (par 50c), being offered initially to stockholders on the basis of one new share for each two shares held on Nov. 4, 1959; rights to expire on or about Nov. 19. **Price**—$4 per share to stockholders; $5 to public. **Proceeds**—For inventory and for working capital. **Office**—Jacksonville, Fla. **Underwriter**—Plymouth Bond & Share Corp., Miami, Fla.

Lenkurt Electric Co.
Aug. 31 filed 10,000 outstanding shares of class B common stock. **Price**—$83.31 per share. **Proceeds**—To selling stockholder. **Office** — 1105 County Road, San Carlos, Calif. **Underwriter**—None.

Life Insurance Co. of Florida (11/30-12/4)
Sept. 28 filed 203,476 shares of common stock (par $1). **Price**—$4.50 per share. **Proceeds**—For expansion. **Office**—2546 S. W. 8th St., Miami, Fla. **Underwriter**—Plymouth Bond & Share Corp., Miami.

Lindberg Steel Treating Co., Inc. (11/16)
Oct. 12 filed all of their 85,035 outstanding shares of class A stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Melrose Park, Ill. **Underwriter** — Cruttenden, Podesta & Co., Chicago, Ill.

M. & S. Oils Ltd.
May 11 filed 390,000 shares of common stock. **Price**—60 cents per share. **Proceeds** — For exploration, development and acquisitions. **Office**—5 Cobbold Block, Saskatoon, Saskatchewan, Canada. **Underwriter** — Cumberland Securities Ltd., Regina, Saskatchewan, Canada.

Magnuson Properties, Inc.
June 29 filed 500,000 shares of class A common stock (amended on Aug. 24 to 150,000 shares of 6½% cumulative convertible preferred stock, par $10), and 150,000 shares of class A common stock, par $1, with common stock purchase warrants. Each share of class A common stock carries one warrant entitling the registered holder to purchase one share of such common stock at an initial price of $11 per share. **Price**—For preferred, at par; and for class A, $10.10 per share. **Proceeds**—$291,099 is to be expended during the period ending Aug. 31, 1960 for mortgage payments and releases; $465,000 will be paid on notes acquired by members of the Magnuson family in the transfers of subsidiaries and properties to the company; $106,000 will be used to close certain options and purchase contracts covering lands in the Melbourne-Cape Canaveral area; the balance will be added to the general funds of the company and used for general corporate purposes. **Office**—20 S. E. 3rd Ave., Miami, Fla. **Underwriter**—Blair & Co. Inc., New York. **Offering**—Expected this Fall.

★ **Manchester Insurance Management & Investment Corp.**
Oct. 22 (letter of notification) 100,000 shares of common stock (par $1) to be offered for subscription to stockholders at the rate of one share for each two shares held, and the remainder to the public. **Price**—To stockholders, $2.70 per share; to the public, $3 per share. **Proceeds**—To pay a note, purchase land and to construct a building. **Office**—9929 Manchester Road, St. Louis 22, Mo. **Underwriter**—None.

● **Marine Corp., Milwaukee, Wis. (11/23-27)**
Oct. 19 filed $5,000,000 of convertible debentures, due Nov. 1, 1974. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the provision of funds to other banks now controlled by the issuing corporation. **Underwriters**—Robert W. Baird & Co., Inc. (agent), and Paine, Webber, Jackson & Curtis, and Loewi & Co., all of Milwaukee.

Mayfair Markets
Oct. 1 filed 301,177 shares of common stock (par $1), to be offered to holders of such stock on the basis of one new share for each five shares then held. **Price** — $10 per share. **Proceeds**—For general corporate purposes, including expansion and working capital. **Office**—4383 Bandini Boulevard, Los Angeles, Calif. **Underwriter**—None.

★ **Mercantile Acceptance Corp. of California**
Oct. 23 (letter of notification) $30,000 of 5½% 12-year capital debentures. **Price**—90% of face amount. **Proceeds** — For working capital. **Office** — 333 Montgomery Street, San Francisco, Calif. **Underwriter**—None.

★ **Merry Brothers Brick & Tile Co. (12/1)**
Oct. 26 filed 160,000 shares of common stock (par $2.50). **Price** — $7.80 per share. **Proceeds** — For new production facilities. **Office**—415 Masonic Bldg., Augusta, Ga. **Underwriter**—Johnson, Lane, Space Corp., Atlanta, Ga.

● **Metropolitan Telecommunications Corp. (11/9-13)**
Sept. 28 (letter of notification) 99,933 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—964 Dean St., Brooklyn, N. Y. **Underwriter**—Lee Co., New York, N. Y.

● **Microwave Electronics Corp.**
July 2 filed $500,000 of 10-year 5% subordinated debentures due July 1, 1969 together with 250,000 shares of common stock (par 10 cents) to be offered in units of $10,000 principal amount of debentures and 5,000 common shares. An additional 138,000 shares may be issued in connection with the company's restricted stock option plan. **Price**—$10,500 per unit. **Proceeds**—To purchase machinery, equipment and other fixed assets, for operating expenses, and the remainder for working capital **Office**—4061 Transport St., Palo Alto, Calif. **Underwriter**—None. **Financial Adviser**—Hill, Richards & Co., Inc., Los Angeles, Calif. Statement effective Oct. 26.

Micronaire Electro Medical Products Corp. (11/16-20)
Oct. 16 filed 200,000 shares of common stock (par 10 cents) and 50,000 one-year warrants for the purchase of such stock at $3 per share, to be offered in units of 100 shares of common stock and 25 warrants. **Price**—$275 per unit. **Proceeds**—For general corporate purposes, including the discharge of indebtedness, the expansion of sales efforts, and for working capital. **Office**—79 Madison Avenue, New York City. **Underwriter**—General Investing Corp., New York.

★ **Middlesex Water Co.**
Oct. 30 filed 29,534 shares of common stock, to be offered to holders of the outstanding preferred and/or common stock of record Dec. 2 on the basis of one new share for each three preferred or common shares then held. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans incurred for construction purposes, with the balance to be used for general corporate purposes. **Office**—52 Main St., Woodbridge, N. J. **Underwriter**—Kidder, Peabody & Co., Inc., New York.

★ **Missouri Power & Light Co. (12/9)**
Oct. 29 filed $4,000,000 of first mortgage bonds, due 1989. **Proceeds**—To be added to general funds, to be used to retire certain short-term bank loans incurred in connection with the company's construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; White, Weld & Co. **Bids**—Expected to be received up to 11 a.m. (EST) on Dec. 9.

★ **Mohawk Business Machines Corp. (11/30-12/4)**
Oct. 29 filed $600,000 of 6% 10-year subordinated convertible debentures, due 1969, and 30,000 outstanding shares of common stock (par 40 cents). **Price**—For the debentures, 100% of principal amount; for the common stock, at a price to be related to the market. **Proceeds**—To liquidate indebtedness in the amount of $150,000, with the remainder to purchase new equipment and machinery and be used as working capital. **Office** — 944 Halsey Street, Brooklyn, N. Y. **Underwriter**—Myron A. Lomasney & Co., New York.

Montgomery Mortgage Investment Corp.
Oct. 16 filed $3,000,000 of second mortgage notes and accompanying repurchase agreements, to be offered in $3,000 units. **Price**—From $2,000 to $4,000 per unit. **Proceeds**—To purchase other second trust notes and to maintain a reserve for repurchase of notes under its repurchase agreements. **Office**—11236 Georgia Avenue, Silver Spring, Md. **Underwriter**—There is no underwriter as such, but Adrienne Investment Corp., an affiliate of the issuing company, will act as sales agent, for which it will receive a selling commission of 7%.

Mortgage Guaranty Insurance Corp.
Sept. 23 filed 40,000 shares of common stock (par $10) in a joint registration with Guaranty Insurance Agency, Inc., which filed 10,000 shares of its own common stock (par $5). **Price**—$115 per unit of four shares of Mortgage common and one share of Guaranty common. **Proceeds**—Mortgage will use its proceeds fo rexpansion; Guaranty will use its proceeds for additional working capital. **Office**—(of both firms) 606 West Wisconsin Ave., Milwaukee, Wis.

Mutual Credit Corp.
Oct. 6 (letter of notification) $300,000 of 6½% convertible subordinated debentures, series A, due Oct. 1, 1969. Debentures are convertible at any time through Oct. 1, 1968 into class A non-voting common stock (par $5) at the rate of 100 shares of such stock for each $500 of debentures converted. **Price**—At face amount. **Proceeds**—For the general funds of the company. **Office**—c/o Raymond F. Wentworth, 6 Milk St., Dover, N. H. **Underwriter**—Eastern Investment Corp., Manchester, N. H.

● **Narda Microwave Corp.**
June 16 filed 50,000 shares of common stock (par 10 cents) and 50,000 warrants to be offered in units, consisting of one share of common stock with attached warrant entitling the holder to purchase one additional share. The statement also includes an additional 10,000 shares of common stock reserved for issuance to key employees pursuant to options. **Price**—To be supplied by amendment. **Proceeds** — To be used to retire bank loans. **Underwriter**—Milton D. Blauner & Co., Inc., New York. Indefinitely postponed.

National Bellas Hess, Inc.
Oct. 27 filed $5,318,800 of convertible subordinated debentures, due Oct. 1, 1984, to be offered to common stockholders on the basis of $100 of debentures for each 50 shares held. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the possible increase of investment in the issuing company's life insurance subsidiary. **Office**—14th Avenue & Swift Street, North Kansas City, Mo. **Underwriter** — Stern Bros. & Co., Kansas City, Mo.

National Citrus Corp.
April 20 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—For new equipment, inventory and working capital. **Address**—P. O. Box 1658, Lakeland, Fla. **Underwriter**—R. F. Campeau Co., Inc., Detroit, Mich. Statement to be amended.

National Industrial Minerals Ltd.
Aug. 4 filed 150,000 shares of common stock (no par). **Price** — $1 per share. **Proceeds** — To retire indebtedness for construction of plant and for other liabilities, and the remainder will be used for operating capital. **Office** — Regina, Saskatchewan, Canada. **Underwriter**—Laird & Rumball Ltd., Regina, Saskatchewan, Canada.

★ **National Motels, Inc.**
Oct. 23 (letter of notification) 3,500 shares of common stock (no par). **Price** — $75 per share. **Proceeds** — For guarantee of a lease of Howard Johnson Motor Lodge in Prince Georges County, Md., operating expenses and acquisition of a third motel. **Office**—59 S. Park Avenue, Longmeadow, Mass. **Underwriter**—None.

National Munsey Co.
Sept. 28 filed 293 limited partnership interests. **Price**—$5,000 per unit. **Proceeds**—To purchase land and erect buildings thereon. **Office**—535 Fifth Avenue, New York City. **Underwriter**—Tenney Securities Corp.

National Standard Electronics, Inc.
Sept. 25 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Underwriter**—Palombi Securities Co., Inc., New York City.

National Union Fire Insurance Co. (Pittsburgh, Pa.)
Sept. 24 filed 200,000 shares of capital stock (par $5) being offered for subscription by stockholders of record Oct. 16, 1959, on the basis of one additional share of capital stock for each three shares then held; rights to expire on Nov. 16. **Price**—$32.50 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—The First Boston Corp., New York.

National Video Corp. (11/16-20)
Oct. 19 filed 283,307 shares of class A stock (par $1). Each certificate for class A shares will bear an endorsement evidencing an interest in a Trust which will hold all of the outstanding common stock of Rico Electronics, Inc., a Puerto Rican manufacturing company affiliated with National Video Corp. **Price** — To Be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Chicago, Ill. **Underwriter** — Bache & Co., New York.

★ **New England Power Co. (12/9)**
Nov. 2 filed 100,000 shares of cumulative preferred stock (par $100). **Proceeds**—To reduce indebtedness. **Underwriter**—To be determined by competitive bidding. Probable bidders: Lehman Brothers; Equitable Securities Corp.; Kidder, Peabody & Co.; Lee Higginson Corp., and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received on Dec. 9.

● **New York State Electric & Gas Corp. (11/20)**
Oct. 21 filed 467,247 shares of common stock, (no par), to be offered to holders of outstanding common stock of record Nov. 20 on the basis of one new share for each 15 shares then held. The rights are scheduled to expire Dec. 7. **Price**—To be supplied by amendment. **Proceeds**—To discharge short-term obligations incurred for construction, with the balance to be applied to expenditures for construction. **Office**—Ithaca, N. Y. **Underwriters**—The First Boston Corp., Lehman Brothers, Wertheim & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc.

North Carolina Telephone Co.
Sept. 4 filed 576,405 shares of common capital stock, to be offered for subscription by holders of outstanding stock in the ratio of two new shares for each five shares held. **Price**—$2 per share. **Proceeds**—To reduce indebtedness with the balance, if any, to be used as working capital. **Office**—Matthews, N. C. **Underwriter**—One or more security dealers will be offered any shares not subscribed for at $2 per share.

● **Northern Properties, Inc. (11/16-20)**
Sept. 8 filed 150,000 shares of common stock (par $2.50). **Price**—$5 per share. **Proceeds**—To acquire and develop various properties in New York State. **Office**—Hartsdale, N. Y. **Underwriter**—Candee & Co., New York; and Peters, Writer & Christensen, Inc., of Denver, Colo.

★ **Nucleonics Chemistry & Electronics Shares, Inc.**
Nov. 2 filed (by amendment) an additional 90,000 shares of stock. **Price**—At market. **Proceeds**—For investment. **Office**—Englewood, N. J. **Underwriter**—None.

Nu-Line Industries, Inc.
Sept. 28 (letter of notification) $250,000 of 7% subordinated debentures due Oct. 1, 1969 with common stock purchase warrants entitling the holders of the warrants to purchase 25,000 shares of common stock (par 10 cents). **Price**—$1,020 per $1,000 debenture with warrant for purchase of 100 shares of common stock attached. **Proceeds**—For working capital. **Office**—Minneapolis, Minn. **Underwriter**—Woodard-Elwood & Co., Minneapolis, Minn.

Oak Valley Sewerage Co. (11/9-13)
June 30 (letter of notification) $145,000 of 5½% first mortgage bonds series of 1958. **Price**—At par. **Proceeds**—To repay to Oak Valley, Inc. a portion of the cost of construction of sewerage collection and disposal system and to pay the costs and expenses of financing. **Office**—330 Main St., Mantua, N. J. **Underwriter**—Bache & Co., Philadelphia, Pa.

Oak Valley Water Co. ((11/9-13)
June 30 (letter of notification) $125,000 of 5½% first mortgage bonds series of 1958. **Price**—At par. **Proceeds**—To repay Oak Valley, Inc. a portion of the cost of construction of the water supply and distribution system; to pay the cost of a new 12 inch well to increase the company's supply of water; and to pay the costs and expenses of financing. **Office**—330 Main St., Mantua, N. J. **Underwriter** — Bache & Co., Philadelphia, Pa.

★ **Occidental Petroleum Corp.**
Oct. 29 filed 615,854 shares of common stock (par 20 cents), 307,927 shares of which are to be offered for subscription by holders of outstanding common stock at the rate of one new share for each 10 shares held. The remaining shares are to be offered to a group of individuals, not as yet named, who have agreed to purchase not less than 307,925 shares, and will also be offered shares not bought by the holders of the outstanding common. **Price**—To be supplied by amendment. **Proceeds**—For drilling, exploration, development, and to purchase an interest in Parker Petroleum Co. **Office**—8255 Beverly Boulevard, Los Angeles, Calif. **Underwriter**—None.

Oil, Gas & Minerals, Inc.
April 2 filed 260,000 shares of common stock (par 35 cents. **Price**—$2 per share. **Proceeds**—To retire bank loans and for investment purposes. **Office**—513 International Trade Mart, New Orleans, La. **Underwriter** — Assets Investment Co., Inc., New Orleans, La. The SEC had scheduled a hearing, to begin on Sept. 2, to determine whether a stop order should be issued suspending the offering.

Ovitron Corp., Detroit, Mich.
Oct. 27 filed 150,000 shares of common stock. **Price**—$6 per share. **Proceeds**—For research and working capital. **Underwriter**—Sutro Bros. & Co., New York.

● **Oxford Chemical Corp. (11/24)**
Oct. 22 filed 227,500 shares of class A common stock (par 25 cents), of which 35,000 shares are to be offered first to employees. Any shares not so purchased plus an additional 72,500 shares are to be publicly offered. The remaining 120,000 shares, representing outstanding stock, are also to be publicly offered. **Price**—To employees, $4.55 per share; to the public, $5 per share. **Proceeds**—For general funds. **Office** — 166 Central Ave., S. W., Atlanta, Ga. **Underwriter**—Johnson, Lane, Space Corp., Atlanta, Ga.; Francis I. duPont & Co., New York; and The Robinson-Humphrey Co., Inc., Atlanta, Ga.

Pacific Uranium Mines Co.
Oct. 20 filed $3,000,000 of 6% secured notes, 675,000 common stock purchase warrants, and 675,000 shares of common stock. $1,600,000 of the notes and 360,000 warrants are to be offered to holders of $1,600,000 of outstanding notes. The remaining $1,400,000 of new notes and 315,000 warrants are to be offered to American Securities Corp., acting on behalf of their clients, for a total sum of $1,344,000 for the notes and $56,000 for the warrants.

Pan-Alaska Corp.
Aug. 7 filed 2,612,480 shares of common capital stock to be issued pursuant to options held by Marine Drilling, Inc. Latter company of record Oct. 29 offered its stockholders rights to purchase two shares of Pan-Alaska common at 20 cents a share, for each share of Marine Drilling stock. Marine Drilling also plans to sell 250,000 shares of the 680,000 shares of Pan-Alaska it now owns. **Underwriter**—Any stock not subscribed for by holders of Marine Drilling will be publicly offered by Crerie Co., Houston, Texas and Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn., at a price of 20 cents a share.

Pantasote Co.
Aug. 28 filed $2,700,000 of 6% subordinated sinking fund debentures, due Oct. 15, 1974 (with warrants attached entitling the holder to purchase 50 shares of common stock of the issuing company for each $500 of debentures). **Price**—100% and accrued interest from Oct. 15. **Proceeds**—For construction, equipping, and placing in operation of a new plant, with the balance to be used for general corporate purposes. **Office**—26 Jefferson St., Passaic, N. J. **Underwriter** — Blair & Co., Inc., New York. **Offering**—Temporarily postponed.

Pathe News, Inc.
Sept. 17 filed 400,000 shares of common stock (par 10 cents) with warrants to purchase an additional 100,000 common shares at $3.25 per share. **Price** — $3.75 per share, with warrants. **Proceeds**—For general corporate purposes, including the addition of working capital, the reduction of indebtedness, and the provision of the $173,000 cash required upon the exercise of an option to purchase the building at 245-249 W. 55th St., New York. **Office**—245 W. 55th St., New York. **Underwriter**—Chauncey, Walden, Harris & Freed, Inc., New York. **Offering**—Expected in about 30 days.

Perrine Industries, Inc. (11/23)
Oct. 26 filed $1,500,000 of 20-year convertible subordinated debentures due 1979, to be offered in units of $500 and $1,000. **Price**—At par. **Proceeds**—To be used to establish two new plants in the midwest and southeast industrial areas; to spend $350,000 to equip these new plants; $150,000 to further equip and improve the company's Brooklyn plant; and $600,000 will be used to retire corporate indebtedness. **Underwriter**—S. D. Fuller & Co., New York.

Petroleum Projects
Oct. 13 filed $1,500,000 of participations in oil and gas exploratory fund. **Price** — The minimum participation will cost $10,000. **Office**—Madison, N. J. **Underwriter**—Mineral Projects Co., Ltd.

Piedmont Natural Gas Co., Inc. (11/20)
Oct. 22 filed 36,237 shares of cumulative convertible preferred stock (without par value), to be offered to common stockholders of record Nov. 20, 1959, on the basis of one new share of preferred stock for each 35 of common stock then held; rights to expire on Dec. 7. **Price**—To be supplied by amendment. **Proceeds**—For repayment of notes incurred for construction program. **Underwriter**—White, Weld & Co., New York.

Pik-Quik, Inc.
Sept. 17 filed 500,000 shares of common stock (par $1). **Price**—$3.50 per share. **Proceeds**—To place in operation 80 food markets in Florida, three of which will be located near West Palm Beach. These three have been leased from International Properties, Inc., a newly-formed Minneapolis real estate firm, for 15 years, with options to renew. **Office** — Baker Bldg., Minneapolis, Minn. **Underwriter** — Craig-Hallum, Inc., Minneapolis, Minn. **Offering**—Expected sometime in November.

Pilgrim National Life Insurance Co. of America
Sept. 17 filed 100,000 shares of common stock (par $1), of which 55,000 shares are to be offered first to stockholders of record Aug. 31, 1959, and 45,000 shares (minimum) are to be offered to the public, which will also be offered any shares unsubscribed for by said stockholders. **Price**—$5 per share. **Proceeds** — For general corporate purposes, possibly including the enabling of the issuing company to make application for licenses to conduct its insurance business in States other than Illinois, the sole State in which it is presently licensed. **Office**—222 W. Adams St., Chicago, Ill. **Underwriter**—None.

● **Pitney-Bowes, Inc. (11/10)**
Oct. 13 filed 200,000 shares of common stock (par $2). **Price**—To be related to the New York Stock Exchange at time of offering. **Proceeds**—To retire short-term bank loans and for working capital. **Underwriter**—The First Boston Corp., New York.

● **Plastic Applicators, Inc.**
Oct. 1 filed $1,000,000 of convertible subordinated sinking fund debentures, due 1969. **Price**—At 100% plus accrued interest from Oct. 1, 1959. **Proceeds** — For general corporate purposes. **Office**—7020 Katy Road, Houston, Texas. **Underwriter**—A. G. Edwards & Sons, St. Louis, Mo. **Offering**—Expected this week.

Porce-Alume, Inc.
Aug. 3 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For expansion. **Office**—Alliance, Ohio. **Underwriter**—Pearson, Murphy & Co., Inc., New York.

★ **Porter-Cable Machine Corp.**
Oct. 23 (letter of notification) 10,910 shares of common stock (par $10) to be offered in exchange for all of the outstanding stock of Rototiller, Inc. The exchange offer expires at 3 p.m. (EST) on Dec. 1, 1959. **Office**—700 Marcellus St., Syracuse, N. Y. **Underwriter**—None.

★ **Potomac Electric Power Co. (11/23)**
Nov. 2 filed $15,000,000 of first mortgage bonds, due 1994. **Proceeds**—For construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith Inc., White, Weld & Co., and Salomon Bros. & Hutzler (jointly). **Bids**—Expected to be received up to 11 a.m. (EST) on Nov. 23.

Producers Fire & Casualty Co., Mesa, Ariz.
March 31 filed 400,000 shares of common stock to be offered for subscription by holders of stock purchase rights acquired in connection with life insurance policies issued by Dependable Life Insurance Co. and to certain agents and brokers of Producers Fire & Casualty Co. **Price**—$5 per share. **Proceeds**—For working capital. **Underwriter**—None.

Prudential Commercial Corp.
Oct. 21 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—City of Dover, County of Kent, Del. **Underwriter**—All State Securities, Inc., 80 Wall Street, New York, N. Y.

● **Puerto Rico Industries, Inc.**
Oct. 15 filed 48,500 shares of class A common stock, (par $1), 200,000 shares of class B common stock (par $1) and $388,000 of 6% subordinated debentures, due July 1, 1971. With the exception of 151,500 shares of class B common allocated to the organizers of the company at par, the securities are to be offered to the public in units of $4,000 of debentures, 500 class A shares, and 500 class B shares. **Price**—$5,000 per unit. **Proceeds**—For investment in the securities of its subsidiary, Puerto Rico Meat Packing Co., Inc., which will use the funds, estimated at $600,000, as operating capital. **Address**—P. O. Box No. 622, Little Rock, Ark. **Underwriter**—None.

★ **Quarterly Distribution Shares**
Nov. 3 filed (by amendment) an additional 200,000 shares of common stock. **Price**—At market. **Proceeds**—For investment. **Office**—Kansas City, Kan. **Underwriter**—None.

● **Rad-O-Lite, Inc.**
July 8 filed 300,000 shares of common stock (par 25¢). **Price** — $1.50 per share. **Proceeds** — For general corporate purposes. **Office**—1202 Myrtle St., Erie, Pa. **Underwriter**—John G. Cravin & Co., New York. **Offering**—Expected in a couple of weeks.

Radiant Lamp & Electronics Corp.
Sept. 4 filed $250,000 of 6% ten-year subordinated convertible sinking fund debentures, series II, due Oct. 15, 1969, and 120,000 shares of class A stock (par 10 cents). **Price** — For debentures, 100% of principal amount; for stock, $5 per share. **Proceeds**—To acquire Radiant Lamp Corp., of Newark, N. J., with the balance to be used as working capital. **Office**—40 Washington Place, Kearney, N. J. **Underwriter**—Amos Treat & Co., Inc., New York. **Offering** — Expected sometime during the end of November.

● **Radiation Dynamics, Inc., Westbury, N. Y.**
Sept. 8 filed 25,000 shares of common stock (par $1). The company is offering its stockholders of record Oct. 26 the right to subscribe to 11,325 shares at $10 per share, with warrants to purchase an equal number of common shares at $12.50 per share, on the basis of one new share for each four shares held. Rights to expire Nov. 16. Hayden, Stone & Co. has agreed to purchase 2,500 shares for its own account and to use its best efforts to place 11,175 shares with certain selected investors at $10 per share, with warrants to purchase an equal number of shares at $12.50 per share. **Proceeds**—For working capital. **Office**—1800 Shames Drive, Westbury, L. I., N. Y. **Underwriter**—Hayden, Stone & Co., New York.

● **Radio Frequency Company, Inc. (11/9)**
Aug. 12 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — Medfield, Mass. **Underwriter**—Myron A. Lomasney & Co., New York.

Ranney Refrigerator Co.
Oct. 8 filed 43,500 shares of common stock (par $2.50) of which 40,000 shares are to be offered for the account of the issuing company and 3,500 shares, representing outstanding stock, are to be offered for the accounts of the present holders thereof. **Price**—$8 per share. **Proceeds** — For expansion and working capital. **Office**—

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Greenville, Mich. **Underwriter** — Campbell, McCarty & Co., Inc., Detroit, Mich.

Raub Electronics Research Corp.
July 15 filed 165,000 shares of common stock (par $1), subsequently reduced by amendment to 115,500 shares, of which 100,000 shares will be offered to the public. **Price**—$8.50 per share. **Proceeds**—For general corporate purposes. **Office**—1029 Vermont Avenue, N. W., Washington, D.C. **Underwriter**—Weil & Co., Washington, D.C.

● **Realsite, Inc. (11/9-10)**
July 28 filed 200,000 shares of class A stock (par 10 cents. **Price**—$3 per share. **Proceeds**—To pay off mortgages and for working capital. **Office**—Jamaica, L. I., N. Y. **Underwriter**—Robert L. Ferman & Co., Miami, Fla., and Godfrey, Hamilton, Magnus & Co. Inc., New York.

★ **Red Fish Boat Co.**
Oct. 22 (letter of notification) 400,000 shares of class A common stock (par 10 cents). **Price**—75 cents per share. **Proceeds**—To pay mortgages, accounts payable, purchase raw materials, expand production facilities and expansion of sales program. **Address**—P. O. Box 610 Clarksville, Texas. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y.

● **Rek-O-Kut Co., Inc. (11/16-20)**
Sept. 25 filed 214,000 shares of common stock (par 25c), of which 142,666 shares are to be offered for account of the issuing company and 71,334 shares are to be offered for the accounts of the present holders thereof. **Price** — $3.50 per share. **Proceeds** — For general corporate purposes, including the repayment of indebtedness and for tooling and production. **Office**—38-19 108th St., Corona, L. I., N. Y. **Underwriter**—D. A. Lomasney & Co., New York.

Reserve Insurance Co., Chicago, Ill. (11/16-20)
Oct. 20 filed 110,837 shares of capital stock, of which 62,676 are to be sold for the company's account and 48,161 shares are to be sold for the account of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company to enable it to finance a larger volume of underwriting and to expand its area of operations. **Underwriter**—A. G. Becker & Co. Inc., Chicago, Ill. This offering will not be made in New York State.

Rosemount Engineering Co.
Oct. 2 (letter of notification) 22,609 shares of common stock (par 75 cents) of which 7,799 shares are to be offered to the employees of the company and the remainder to the public. **Price**—To employees, $12.83 per share; to the public, $13.50 per share. **Proceeds**—To pay outstanding bank loans and for working capital. **Office**—4900 W. 78th St., Minneapolis, Minn. **Underwriter**—White, Weld & Co., Minneapolis.

Roulette Records, Inc.
Aug. 27 filed 330,000 shares of common stock (one cent), of which 300,000 shares are to be publicly offered. **Price**—$3.50 per share. **Proceeds**—For general corporate purposes, including moving to new quarters and installing executive offices and sound studio facilities therein, acquiring technical equipment and machinery, and adding to working capital. **Office** — 659 10th Avenue, New York. **Underwriter**—Chauncey, Walden, Harris & Freed, Inc., 580 Fifth Avenue, New York. **Offering**—Expected in three or four weeks.

St. Paul Ammonia Products, Inc. (11/6)
Oct. 2 filed $1,249,849 of 10-year 6% convertible subordinated debentures, due Dec. 1, 1969, to be offered for subscription by common stockholders on the basis of $10 principal amount of debentures for each 10 shares held on Nov. 6, 1959; rights to expire on Nov. 23. **Price** — At 100% of principal amount. **Proceeds** — For inventory accumulation with the balance, estimated at $125,000, to be added to working capital. **Office**—South St. Paul, Minn. **Underwriter**—White, Weld & Co., New York.

★ **St. Regis Paper Co.**
Oct. 29 filed 86,250 shares of common stock (par $5), to be offered in exchange for outstanding common shares of the common stock of Birmingham Paper Co. in the ratio of 8.625 such shares of St. Regis for each such share of Birmingham. **Office** — 150 E. 42nd Street, New York City.

(Howard W.) Sams & Co. (11/23-27)
Oct. 21 filed 88,000 shares of common stock (par $1), of which 50,000 shares are to be offered for the account of the issuing company, and 38,000 shares, representing outstanding stock, are to be offered for the accounts of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To be used as working capital and to reduce indebtedness. **Office**—1720 East 38th St., Indianapolis, Ind. **Underwriters**—Indianapolis Bond & Share Corp. and Kiser Cohn, & Shumaker, Inc., both of Indianapolis, and Walston & Co., Inc., of New York City. **Offering**—Expected sometime in November.

Samson Convertible Securities Fund, Inc.
July 15 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For investment. **Office**—23 Hazelton Circle, Briarcliff Manor, N. Y. **General Distributor**—Samson Associates, Inc.

● **San Diego Gas & Electric Co.**
Oct. 6, 1959 filed 500,000 shares of common stock (par $10) being offered for subscription by common stockholders on the basis of one new share for each eight shares held of record Nov. 4; rights to expire Nov. 24. **Price**—$23.40 per share. **Proceeds**—To reimburse treasury funds of the company. **Office**—San Diego, Calif. **Underwriter**—Blyth & Co., Inc., New York and San Francisco.

Scaico Controls, Inc.
Sept. 23 (letter of notification) 240,000 shares of common stock (par 10 cents). **Price**—$1.25 per share. **Proceeds**—For research and development; increase of plant facilities; sales and training program; sales promotion and for general corporate purposes. **Office**—P. O. Box 41, 450 Cooper St., Delanco, N. J. **Underwriter**—Albion Securities Co., Inc., 11 Broadway, New York 4, N. Y.

Scott & Fetzer Co. (11/16-23)
Oct. 15 filed 100,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To two company officials, the selling stockholders. **Office**—1920 West 114th Street, Cleveland, O. **Underwriters**—McDonald & Co., Cleveland, and Kidder, Peabody & Co., New York.

● **Scott-Mattson Farms, Inc.**
Oct. 27 filed 67,500 shares of outstanding common stock. **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—Professional Building, Ft. Pierce, Fla. **Underwriter**—R. S. Dickson & Co., Charlotte, N. C. **Offering**—Expected in early December.

● **Seligman & Latz, Inc. (11/30)**
Oct. 28 filed 250,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Business**—The company operates 259 beauty salons in leased premises in leading department and specialty stores. **Underwriter**—F. Eberstadt & Co., New York.

Sheaffer (W. A.) Pen Co.
Oct. 5 (letter of notification). An undetermined number of shares of class A common stock (par $1) and class B common stock (par $1) not to exceed $50,000. The shares may be purchased in blocks of not less than five by employees who have been with the company for at least five years. **Price**—At the most recent Midwest Stock Exchange quotation. **Proceeds** — For working capital. **Office** — 301 Avenue H, Fort Madison, Iowa. **Underwriter**—None.

Shield Chemical Ltd.
Sept. 8 (letter of notification) 95,000 shares of capital stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—To purchase and install manufacturing equipment; control and test equipment; advertising and for working capital. **Office**—17 Jutland Road, Toronto, Canada. **Underwriter**—Peters, Writer & Christensen, Inc., Denver, Colorado.

(J. M.) Smucker Co. (11/16-20)
Oct. 12 filed 165,000 shares of outstanding common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Orrville, Ohio. **Underwriter**—McDonald & Co., Cleveland, Ohio.

Sottile, Inc. (Formerly South Dade Farms, Inc.)
July 29 filed 2,000,000 shares of common stock (par $1), of which 1,543,000 shares are to be issued and sold for the account of the company, and 457,000 shares, representing outstanding stock, to be sold for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To retire 70% of the common stock outstanding at the date of the stock offering; to invest in the capital stocks of six of the company's seven bank subsidiaries; to repay a bank loan of $6,400,000; to add to working capital; to retire certain long-term indebtedness; and to develop citrus groves. **Office**—250 South East First Street, Miami, Fla. **Underwriter**—Bear, Stearns & Co., New York. **Offering**—Indefinite.

Southern Frontier Finance Co.
Aug. 11 filed 1,300,000 shares of common stock (par 50 cents). **Price**—$1 per share. **Proceeds**—For working capital and to be used for the purchase of receivables covering the installment financing of consumer products or other types of financing in which the company may engage. **Office** — 615 Hillsboro St., Raleigh, N. C. **Underwriter**—None, but the company officials, who are making the offering, may pay a 10% commission to dealers in connection with the sale of their shares. Statement effective Oct. 15.

Southern Gulf Utilities, Inc.
Aug. 24 filed 135,000 shares of common stock (par 5c). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including expansion. **Office**—7630 Biscayne Blvd., Miami, Fla. **Underwriter**—Jaffee, Leverton, Reiner Co., New York.

★ **Southwestern Investment Co.**
Nov. 2 filed 225,000 shares of common stock, of which 15,000 shares are to be offered to employees of the issuing company and its subsidiaries, and 210,000 shares represent outstanding stock held by previous stockholders of Southwest Acceptance Co., who may offer their shares. **Price**—At market. Office—Amarillo, Texas. **Underwriter**—None.

● **Span America Boat Co., Inc. (11/10)**
Sept. 9 (letter of notification) 175,000 shares of common stock (par 25 cents). **Price**—$1 per share. **Proceeds**—To purchase raw materials; for sales program and working capital. **Address**—Exposition Park, Fort Dodge, Iowa. **Underwriter** — R. A. Holman & Co., Inc., New York, New York.

● **Standard Beryllium Corp. (11/5)**
Sept. 3 (letter of notification) 200,000 shares of common stock (par one cent). **Price**—$1.50 per share. **Proceeds**—For working capital and general corporate purposes. **Office**—150 E. 43rd St., New York 17, N. Y. **Underwriter**—R. G. Williams & Co., Inc., New York, N. Y.

State Industries (11/10)
Oct. 5 filed $500,000 of 6% convertible subordinated debentures, due Oct. 1, 1974. **Price**—At 100% of principal amount. **Proceeds**—For general corporate purposes, including the purchase and installation of a modern paint plant, and the purchase and installation of new tube mill equipment. **Office**—4019 Medford St., Los Angeles, Calif. **Underwriter**—John Keenan & Co., Inc., Los Angeles.

● **Steak'n Shake, Inc.**
Aug. 24 filed 65,505 shares of common stock, being offered by subscription by common stockholders of record Sept. 15, 1959, on the basis of one new share for each 9 shares then held. The warrants are being mailed out today (Nov. 5) with rights expiring on Nov. 19. These warrants are non-transferable. **Price**—$4.62½ per share to stockholders; unsubscribed shares will be publicly offered at $5 per share. **Proceeds**—For general corporate purposes, including the developing of three drive-in restaurants on company-owned building sites. **Office**—1700 West Washington St., Bloomington, Ill. **Underwriter**—White & Co., St. Louis, Mo.

Stelling Development Corp.
June 8 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For mortgages, land, paving roads, loans payable, advertising, etc. **Office**—305 Morgan St., Tampa 2, Fla. **Underwriter**—Stanford Corp., Washington, D. C.

Storm Mountain Ski Corp.
Oct. 14 filed $225,000 of 6% to 7% first mortgage convertible serial bonds due 1965-1975, and 500,000 shares of common stock (par $1). **Price**—For bonds, 100%; and for common stock, $1 per share. **Proceeds**—For working capital. **Office**—Steamboat Springs, Colo. **Underwriter**—None.

Strategic Materials Corp.
June 29 filed 368,571 shares of common stock (par $1), to be offered for subscription by common stockholders at the rate of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—For payment of bank loans; for payment of a note; for working capital; for expenditures by Strategic-Udy Metallurgical & Chemical Processes Ltd., which owns and operates a pilot plant at Niagara Falls, Ontario, and is a subsidiary of Stratmat Ltd., Strategic's principal subsidiary, and by its other direct subsidiary, Strategic-Udy Processes, Inc., which owns and operates a laboratory at Niagara Falls, N. Y.; as working capital for a mining subsidiary; for payment of a mortgage; and as working capital for another subsidiary. **Underwriters** — S. D. Lunt & Co., Buffalo, N. Y.; and Allen & Co., New York.

Superior Manufacturing & Instrument Corp.
Oct. 12 (letter of notification) 80,000 shares of common stock (par 50 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—154-01 Barclay Ave., Flushing 55, N. Y. **Underwriter**—D. A. Lomasney & Co., New York, N. Y.

Supermarket Service, Inc.
Oct. 14 (letter of notification) 9,000 shares of common stock (no par). **Price**—$11.50 per share. **Proceeds**—For working capital. **Office** — 103 E. Main St., Plainville, Conn. **Underwriter** — E. T. Andrews & Co., Hartford, Conn.

★ **Superstition Mountain Enterprises, Inc.**
Oct. 22 (letter of notification) 251,849 shares of common stock (no par). **Price**—$1 per share. **Proceeds**—For operating expenses, a note payable, engineering and construction, etc. **Address**—P. O. Box 57, Apache Junction, Ariz. **Underwriter**—None.

Tennessee Gas Transmission Co.
Aug. 21 filed 473,167 shares of common stock (par $5), being exchanged for common stock of East Tennessee Natural Gas Co. on the basis of one share of Tennessee Gas Common for 2.75 shares of East Tennessee common. This offer is subject to various conditions, one of which is that all of the 5.20% cumulative preferred stock ($25 par) of East Tennessee shall have been purchased or redeemed and cancelled. East Tennessee is presently negotiating for the sale of $5,800,000 of which 11-year 5¾% debentures, contingent upon the consummation of the exchange offer, $4,568,785 of the proceeds of which will be applied to the redemption of the 5.20% cumulative preferred stock. Exchange offer will expire on Nov. 16, 1959, unless otherwise extended. **Office**—Tennessee Bldg., Houston, Texas. **Dealer-Managers** — Stone & Webster Securities Corp., and White, Weld & Co., both of New York. Statement effective Oct. 1.

Tennessee Gas Transmission Co. (11/10)
Oct. 21 filed 300,000 shares of cumulative convertible second preferred stock (par $100). **Price**—To be supplied by amendment. **Proceeds**—To reduce short-term debt incurred for expansion. **Office** — Houston, Texas. **Underwriters** — Stone & Webster Securities Corp., and White, Weld & Co., both of New York City.

Tex-Tube, Inc.
Oct. 6 filed 150,000 shares of common stock, (par $1), of which 100,000 shares are to be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds** — To discharge bank loans, for capital improvements, and to increase working funds. **Office**—1503 North Post Road, Houston, Texas. **Underwriter**—Moroney, Beissner & Co., Houston. **Offering**—Expected sometime in November.

Timeplan Finance Corp.
Oct. 8 (letter of notification) 28,570 shares of cumulative preferred stock (par $5) and 14,285 shares of common stock (par 10 cents) to be offered in units of one share of preferred and one-half share of common. **Price**—$10.50 per unit. **Proceeds**—For working capital. **Office**—111 E. Main St., Morristown, Tenn. **Underwriter**—Texas National Corp., San Antonio, Tex.

Tower's Marts, Inc.
Aug. 28 filed 300,000 shares of class A common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To reduce indebtedness by about $300,000, with the balance to be added to working capital of the company and its subsidiaries. **Office**—210 East Main Street, Rockville, Conn. **Underwriters**—To be supplied by amendment.

● Town Enterprises, Inc.
Sept. 30 filed 200,000 shares of class A common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—For expansion, and for the reduction of indebtedness. **Office**—902 Orange Street, Wilmington, Del. **Underwriter** — Johnston, Lemon & Co., Washington, D. C. Statement expected to become effective today (Nov. 5).

Transcon Petroleum & Development Corp., Mangum, Okla.
March 20 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For development of oil properties. **Underwriter**—First Investment Planning Co., Washington, D. C.

Transwestern Pipeline Co. (11/18)
Oct. 20 filed $40,000,000 of 5% subordinated debentures due 1969 and 2,000,000 shares of common stock (par $1), to be offered in units consisting of $100 principal amount of debentures and five shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—Will be used as part of a total estimated financial requirement of $194,498,000 to construct and put into operation a pipeline system to supply natural gas to the customers of Pacific Lighting Company's subsidiaries. **Underwriters**—Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York.

Trans-World Financial Co. (12/7-12)
Oct. 26 filed 655,000 shares of common stock, of which 420,000 shares are to be offered for the account of the issuing company, and 225,000 shares are to be offered for the accounts of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds** — To repay bank loans on its own behalf and that of a subsidiary, and to liquidate the unpaid balance for the common stock of a subsidiary, with the balance to be added to general funds. **Office** — 8001 Beverly Boulevard, Los Angeles, Calif. **Underwriter**—W. R. Staats & Co., Los Angeles, who has acquired for investment purposes in exchange for $20,000 cash the 10,000 shares of the filing not accounted for above.

Tri Metal Works, Inc.
Oct. 5 (letter of notification) 60,000 shares of 40 cents cumulative convertible preferred stock (par $1). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office**—Bannard & Warrington Aves., East Riverton, N. J. **Underwriter**—R. L. Scheinman & Co., New York, N. Y.

(1960) Trice Oil and Gas Co.
Oct. 2 filed $5,500,000 of participations in Programs 6001-4. **Price**—$5,000 per unit. **Proceeds**—For acquisition and development of undeveloped oil and gas properties. **Office**—Longview, Texas. **Underwriter**—None.

Trinity Small Business Investment Co.
April 17 filed 235,000 shares of capital stock (par $1). **Price** — $10.75 per share. **Proceeds** — For investment. **Office**—South Main Street, Greenville, S. C. **Underwriter**—To be supplied by amendment. Statement effective Sept. 25.

Tungsten Mountain Mining Co.
May 21 (letter of notification) $100,000 principal amount of 7% first mortgage convertible bonds, to be offered in denominations of $500 and $1,000 each. **Price**—100% of principal amount. **Proceeds**—For construction, installation of machinery and equipment and working capital. **Office**—511 Securities Building, Seattle 1, Wash. **Underwriter**—H. P. Pratt & Co., Seattle 4, Wash.

United Employees Insurance Co.
April 16 filed 2,000,000 shares of common stock (par $5). **Price** — $10 per share. **Proceeds** — For acquisition of operating properties, real and/or personal, including office furniture, fixtures, equipment and office space, by lease or purchase. **Office** — Wilmington, Del. **Underwriter**—None. Myrl L. McKee of Portland, Ore., is President

United Marine, Inc. (12/1)
Oct. 23 filed $1,250,000 or 6% sinking fund debentures, due Dec. 1, 1974, with warrants to purchase 100 common shares for each $1,000 of debentures, and 125,000 shares of common stock (par $1), to be offered in units of 100 common shares and $1,000 of such debentures. **Price**—$1,125 per unit. **Proceeds**—For the acquisition of Richardson Boat Co., Inc., and Colonial Boat Works, Inc., and expenses incidental thereto. **Office**—Millville, N. J. **Underwriter**—Boenning & Co., Philadelphia, Pa.

● United States Fidelity & Guaranty Co.
Oct. 8 filed 910,743 shares of capital stock (par $5) to be offered to stockholders on the basis of one new share for each five shares held of record Oct. 28. The warrants will expire Nov. 17. **Price**—$26.50 per share. **Proceeds**—To increase capital and surplus. **Underwriters**—Alex. Brown & Sons, Baker, Watts & Co., John C. Legg & Co. and Stein Bros. & Boyce, all of Baltimore, Md.

★ U. S. Land Development Corp.
Oct. 30 filed 2,250,000 shares of common stock, of which 1,170,000 shares are to be offered pro rata to holders of the outstanding common shares of Eastern Properties, Inc., and 1,080,000 shares are to be offered pro rata to holders of the outstanding common shares of Venice East, Inc., which are to be operated as subsidaries of the issuing company. **Office**—1040 Bayview Drive, Fort Lauderdale, Fla. **Underwriter**—None.

United Tourist Enterprises, Inc.
Jan. 28 filed 4,500,000 shares of class A common stock (par 50 cents). **Price** — $2 per share. **Proceeds** — For development and construction of a "Western Village" and for construction of a Grand Estes Hotel and Convention Hall, to be constructed in the immediate vicinity of Estes Park Chalet, located in Larimer County, Colo. **Office** — 330 South 39th Street, Boulder, Colo. **Underwriter**—Mid-West Securities Corp., Littleton, Colo. Statement effective Oct. 9.

Universal Container Corporation (11/16-20)
Sept. 25 filed 167,500 shares of common stock (par 10 cents), of which 150,000 shares are to be publicly offered. **Price**—$4 per share. **Proceeds** — For general corporate purposes, including provision of funds for the purchase of the assets of a similarly engaged enterprise, working capital, new equipment, and expansion. **Office**—Louisville, Ky. **Underwriter**—Michael G. Kletz & Co., New York.

Universal Finance Corp.
July 13 (letter of notification) 10,000 shares of common stock (par 15 cents). **Price**—$5 per share. **Proceeds**—For general operating funds. **Office**—700 Gibralter Life Bldg., Dallas, Tex. **Underwriter**—Texas National Corp., San Antonio, Tex.

Urethane Corp.
Sept. 25 filed 170,000 shares of class A capital stock (par $5) and 170,000 shares of common stock (par 5 cents), to be offered in units of one class A share and one common share. An additional 170,000 shares of common stock will be offered to the founders of the company and to the underwriters. **Price**—$5.05 per unit. **Proceeds**—For general corporate purposes, including the purchase of supplies, machinery, and equipment, and the leasing of a Los Angeles plant for manufacturing purposes. **Office**—235 Montgomery St., San Francisco, Calif. **Underwriters**—Wilson, Johnson & Higgins of San Francisco, and Evans, MacCormack & Co., of Los Angeles.

Val Vista Investment Co., Phoenix, Ariz.
June 29 filed 80 investment contracts (partnership interests) to be offered in units. **Price**—$5,378.39 per unit. **Proceeds**—For investment. **Underwriter**—O'Malley Securities Co. Statement effective Aug. 11.

★ Vance Sanders & Co., Inc. (12/1-4)
Nov. 3 filed 400,000 shares of non-voting common stock. **Price**—To be suppled by amendment. **Office** — Boston, Mass. **Underwriter**—Paine, Webber, Jackson & Curtis, New York.

Variable Annuity Life Insurance Co. of America
April 21 filed $4,000,000 of Variable Annuity Policies. **Price**—No less than $120 a year for annual premium contracts and no less than $1,500 for single premium contracts. **Proceeds**—For investment, etc. **Office**—1832 M Street, N. W., Washington, D. C. **Underwriter**—None.

Vita-Plus Beverage Co., Inc.
Aug. 11 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For publicity, advertising, business promotion and initiation of a program of national distribution and for working capital. **Office**—373 Herzl St., Brooklyn, N. Y. **Underwriter**—Glen Arthur & Co., New York, N. Y.

Vulcan Materials Co., Inc.
June 29 filed 10,000 shares of 6¼% cumulative preferred stock and 560,000 shares of common stock, to be offered to the stockholders of Ralph E. Mills Co., Talbott Construction Corp. and Talco Constructors, Inc., in exchange for all the outstanding capital stock of these three corporations, and to the owner of Sherman Concrete Pipe Co., Chattanooga, Tenn., for the business and assets of that company. **Office**—Mountain Brook, Ala. Statement became effective on July 20.

Waltham Engineering and Research Associates
July 28 filed $1,065,000 of participations in partnership interests. **Proceeds**—To purchase land and buildings of Waltham Engineering and Research Center, Waltham, Mass., and for expenses connected to the purchase. **Office**—49 W. 32nd Street, New York 1, N. Y. **Underwriter**—The First Republic Underwriters Corp., same address.

Washington Mortgage and Development Co., Inc.
Sept. 29 filed 100,000 shares of common stock (par 10c). **Price**—$5 per share. **Proceeds**—For investment in mortgage notes secured by real estate. **Office**—1028 Connecticut Ave., N. W. Washington, D. C. **Underwriters**—American Diversified Mutual Securities, Inc. and Gildar & Co., both of Washington, D. C.

Washington Planning Corp. (11/5-13)
Oct. 1 (letter of notification) 24,286 shares of new class A stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To go to the company. **Office**—52 Broadway, New York 4, N. Y. **Underwriter**—Heft, Kahn & Infante, Hempstead, N. Y.

Waukesha Motor Co.
Oct. 1 filed approximately 100,000 shares of common stock being offered for subscription by common stockholders on the basis of one new share for each five shares held of record Oct. 27, 1959; rights to expire on Nov. 12. **Price**—$39 per share. **Proceeds**—To repay bank loans and for working capital. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith, Inc., New York.

Wellington Electronics, Inc.
May 6 filed 240,000 shares of common stock (par 75 cents. **Price**—$6 per share. **Proceeds**—For repayment of a bank note; to complete the automation of the etched foil production plant at Englewood, N. J.; for manufacture of machines to be leased to capacitor manufacturers; and for working capital. **Office**—65 Honeck St., Englewood, N. J. **Underwriters**—Amos Treat & Co., Inc., and Truman, Wasserman & Co., both of New York. Statement effective July 8.

Western Wood Fiber Co.
March 5 filed 100,000 shares of common stock (par $10) and 40,000 shares of preferred stock (par $25). **Price** — At par. **Proceeds**—For construction and equipment of company's plant and for working capital. **Office**—300 Montgomery St., San Francisco, Calif. **Underwriter**—None.

West Florida Natural Gas Co.
Aug. 31 filed $837,200 of 7½% 30-year subordinated income debentures and warrants to purchase 25,116 shares of class A common stock ($1 par). **Price**—$100 per unit consisting of one $100 debenture and a warrant to purchase three shares of class A common stock. **Proceeds**—To be applied, together with moneys in the sinking fund of the issuing company, to the redemption of the outstanding 6% 20-year debenture bonds at their redemption price of 103% of their principal amount. **Office**—Maple and 3rd Streets, Panama City, Fla. **Underwriter**—Beil & Hough, Inc., St. Petersburg, Fla.

Western Heritage Life Insurance Co.
Aug. 26 filed 500,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—533 East McDowell Road, Phoenix, Ariz. **Underwriter**—None. Some of the shares may be sold by salesmen employed by the company, or by registered broker-dealers. A commission not to exceed 17%, or 34 cents per share, may be paid to sellers of such shares.

Western Reserve Life Assurance Co.
Oct. 6 filed 100,000 shares of common stock, to be offered for subscription by stockholders at the rate of one new share for each share held. **Price**—To be supplied by amendment. **Proceeds** — For working capital. **Office**—Cleveland, Ohio. **Underwriters**—McDonald & Co., and Ball, Burge & Kraus, both of Cleveland, Ohio.

White Shield Corp., New York
Oct. 20 filed 110,000 shares of common stock (par 10c). **Price**—To be supplied by amendment. **Proceeds**—For advertising and general funds. **Underwriter**—The shares are to be offered on an "all or none" basis by Adams & Peck, of New York, who will advise the issuing company before the close of business on the third full business day following the effective date of registration as to whether they will purchase the shares.

★ (Lyle A.) Wittney & Co., Inc.
Oct. 23 (letter of notification) 75,000 shares of common stock (par $1). **Price**—$1.75 per share. **Proceeds**—For manufacturing, research, plant expansion, product expansion, personnel and working capital. **Office**—142 W. 5th Avenue, Denver 4, Colo. **Underwriter**—None.

Winkelman Bros. Apparel, Inc. (12/1)
Oct. 22 filed 145,000 shares of class A common stock (par $3), of which 70,000 shares are to be offered for the account of the company and 75,000 shares, representing outstanding stock, are to be offered for the accounts of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—25 Parsons St., Detroit, Mich. **Underwriter**—Watling, Lerchen & Co., Detroit.

★ Worcester County Electric Co. (11/30)
Oct. 30 filed $7,500,000 of first mortgage bonds, series E, dated Dec. 1, 1959 and due Dec. 1, 1989. **Proceeds**—Together with other funds, will be applied first to the payment of short-term note indebtedness, and any balance will be used to pay for construction or to reimburse the treasury thereof. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Blyth & Co., Inc., and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—Tentatively scheduled for Nov. 30.

World Publishing Co. (11/17)
Oct. 23 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For plant and working capital. **Office**—2231 W. 110th Street, Cleveland, Ohio. **Underwriter**—Joseph, Mellen & Miller, Inc., Cleveland, Ohio and New York.

Wyoming Nuclear Corp.
Sept. 11 (letter of notification) 10,000,000 shares of common stock. **Price**—At par (three cents per share). **Proceeds**—For mining expenses. **Office**—Noble Hotel Bldg., Lander, Wyo. **Underwriter**—C. A. Benson & Co., Inc., Pittsburgh, Pa.

Prospective Offerings

American Gypsum Co.
July 15 it was reported that the company will register debt and equity securities later this year. **Proceeds**—For construction of a gypsum products plant in Albuquerque, New Mexico, and for working capital. **Office**—Albuquerque, N. M. **Underwriters**—Jack M. Bass & Co., Nashville, Tenn., and Quinn & Co., Albuquerque, N. M.

American Hospital Supply Corp.
Oct. 28 directors of this company have authorized an additional equity financing, number of shares has not as yet been determined. **Proceeds**—For company's expansion program, to retire bank loans, and for general corporate purposes. **Underwriters**—Eastman Dillon, Union Securities & Co. and Smith, Barney & Co., both of New York.

American Jet School, Inc., Lansing, Mich.
Aug. 31 it was announced that the corporation plans to issue and sell 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For expansion of present Michigan and Ohio sales force to a national one, and introduction of new courses and resident study schools. **Business** — In correspondence school business. **Office**—1609 Kalamazoo St., Lansing, Mich. **Underwriter** — In New York, to be named.

Bell Telephone Co. of Pennsylvania
Sept. 25 it was announced that the company plans the sale of $30,000,000 of debentures dated Dec. 1, 1959. **Proceeds** — To replace short-term borrowings used to finance construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Morgan Stanley & Co.; White, Weld & Co. and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received on Dec. 15.

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Benson Manufacturing Co., Kansas City, Mo.
June 10 it was announced that the company contemplates an offering of $4,500,000 of common stock. **Proceeds** — For expansion program and additional working capital. **Business**—The company is engaged in the manufacture of aircraft and missile parts, aluminum containers and beer barrels, aluminum curtain wall sections for the building industry and other proprietary products. **Underwriter**—S. D. Fuller & Co., New York.

Bridgeport Gas Co.
Sept. 9 it was announced that stockholders were to be asked on Oct. 27 to approve the issuance of about $1,100,000 in new common stock to stockholders in ratio of one new share for each seven shares held. **Proceeds** — To reimburse the company's treasury for expansion and expenditures. **Underwriter**—Previous financing was arranged through Smith, Ramsey & Co., Inc., Bridgeport, Conn.

Brooklyn Union Gas Co.
Aug. 19 it was reported that the company is contemplating some additional equity financing, the form it will take will be decided on shortly. **Proceeds**—For construction program. **Offering**—Expected before the end of the year.

Coffee House, Inc., Lansing, Mich.
Aug. 31 it was announced company plans to issue and sell 100,000 shares of common stock (par 10 cents). **Price** —$3 per share. **Proceeds** — To build chain of coffee houses, establish commissaries and for general corporate purposes. **Office** — 1500 Clifton Ave., Lansing, Mich. **Underwriter**—In New York, to be named.

Consolidated Natural Gas Co.
May 19, James Comerford, President, announced that company plans later in year to issue and sell $20,000,000 of debenture bonds, if market conditions are favorable. **Proceeds**—For investments, improvements, etc. **Underwriter**—To be determined by competitive bidding. **Probable bidders**: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. and The First Boston Corp. (jointly); White, Weld & Co. and Paine, Webber, Jackson & Curtis (jointly).

Duquesne Light Co.
Aug. 3 it was reported that the company is contemplating the issuance of an undetermined amount of subordinated convertible debentures. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Eastman Dillon, Union Securities & Co.; A. C. Allyn & Co., Inc. and Ladenburg, Thalmann & Co. (jointly); White, Weld & Co.; The First Boston Corp. and Glore, Forgan & Co. (jointly); Blyth & Co., Inc.; Drexel & Co. and Equitable Securities Corp. (jointly). **Offering**—Expected later this year.

First National Bank of Jersey City, N. J.
Oct. 29 directors of this bank proposed a 31,000 share subscription offering to its shareholders. Shareholders would be given the right to subscribe pro-rata on the basis of about one new share for each 6.09 shares held. **Price**—$53 per share. **Proceeds**—To increase capital and surplus.

First National Bank of Miami, Fla.
Sept. 14 it was announced stockholders have approved a proposed offering to stockholders of 150,000 additional shares of capital stock (par $10) on the basis of one new share for each four shares held. **Price**—$40 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—None.

Florida West Coast Corp.
Oct. 22 it was reported that a public offering of common stock is expected later this year. **Proceeds** — For land acquisition. **Office**—30 East 60th Street, New York City. **Underwriter**—Midtown Securities Corp., same address.

Georgia-Pacific Corp.
Aug. 19 it was reported that the company plans to register about $10,000,000 of convertible preferred stock, conversion of which would add about 600,000 shares to the number of common shares currently outstanding. **Proceeds** — For expansion. **Office** — Olympia, Wash. **Underwriter**—Financing in past has been handled by Blyth & Co., Inc. **Offering**—Expected later this year.

Hawaiian Telephone Co.
Aug. 3 it was reported company received approval from the Territorial Public Utilities Commission to issue about $4,500,000 of new bonds. Last bond issues were placed privately.

Independent Radio, Inc., Lansing, Mich.
Aug. 31 it was announced company plans to issue and sell 100,000 shares of common stock (par 10 cents). **Price** —$3 per share. **Proceeds**—For acquisition of radio stations. **Business**—Radio broadcasting. **Office**—130 Shepard St., Lansing, Mich. **Underwriter**—In New York, to be named.

Kansas City Power & Light Co.
Dec. 29 it was reported that the company plans to issue and sell $20,000,000 of first mortgage bonds. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey Stuart & Co. Inc.; The First Boston Corp. and Blyth & Co., Inc. (jointly); Equitable Securities Corp.; White Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co., Salomon Bros. & Hutzler and Eastman, Dillon, Union Securities & Co. (jointly); Lehman Brothers and Bear Stearns & Co. (jointly). **Bids**—Expected later in the year, or early in 1960.

★ Louisiana Gas Service Co. (1/19)
Nov. 4 it was reported that the company contemplates the sale of $7,500,000 of first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co. (jointly); Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly). **Bids**—Expected to be received on Jan. 19.

National Mail Order Co., Lansing, Mich.
Oct. 5 it was announced company plans to register an issue of 100,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds**—For expansion and working capital. **Office**—130 Shepard St., Lansing, Mich. **Underwriter**—To be named later in New York State.

New England Telephone & Telegraph Co.
Aug. 19 it was reported that the company will issue and sell $10,000,000 of preferred stock. **Proceeds**—For capital expenditures. **Underwriter** — To be determined by competitive bidding. Probable bidders: Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc. and Eastman, Dillon, Union Securities & Co. (jointly); Equitable Securities Corp., Kidder, Peabody & Co., Lee Higginson Corp. and White, Weld & Co. (jointly); Blyth & Co., Inc. **Bids**—Expected to be received sometime in December.

New-Era Corporation, Rochester, Mich.
Sept. 1 it was reported that this company contemplates the early registration of approximately 200,000 shares of common stock. **Business**—Manufacturer of mufflers and gears. Underwriter—Mortimer B. Burnside & Co., Inc., New York. **Registration**—Expected shortly.

Public Service Electric & Gas Co.
Oct. 21 it was announced that the company on that date filed an application with the Board of Public Utility Commissioners of the State of New Jersey covering the proposed issuance and sale of 800,000 shares of common stock (without nominal or par value). **Proceeds**—To be added to the general funds of the company and will be used for its general corporate purposes, including payment before maturity of any unsecured bank loans which may be outstanding, and including payment of a portion of the cost of its current construction program. **Offering** —Expected in December.

Ryder System Inc.
Aug. 3 it was reported that the company plans issuance this Fall of an additional 75,000 shares of present common stock (par $5), or 150,000 shares of new common stock (par $2.50). The ICC has approved the proposed two-for-one stock split. **Underwriter**—Blyth & Co., Inc., New York.

● (The) 7 Transportation Plan, Inc.
Oct. 7 filed $600,000 of 7% convertible subordinated debentures, due November, 1969, 60,000 shares of common stock (par one cent) and 30,000 common stock purchase warrants, to be offered in units consisting of $100 of debentures, 10 common shares, and 5 warrants. **Price** —$150 per unit. **Proceeds**—For general corporate purposes, including working capital. **Office**—120 Broadway, New York City. **Underwriter**—Ross, Lyon & Co., Inc., New York.

South Carolina Electric & Gas Co.
June 22, S. C. McMeekin, President, announced plans to sell approximately $8,000,000 of bonds in December, 1959. **Proceeds**—To repay bank loans incurred for current construction program. Previous issues have been placed privately.

Tampa Electric Co.
Sept. 14 it was reported that the company is planning the sale of about $7,000,000 of additional common stock, probably in the form of a rights offering and a negotiated underwriting. Last rights offering was underwritten by Stone & Webster Securities Corp., New York.

● Telechrome Manufacturing Corp.
Nov. 4 it was reported that the company contemplates the issuance of some debentures and some common stock, probably in the latter part of this year, or early part of next January (subject to SEC clearance). **Office** —Amityville, Long Island, N. Y. **Underwriters**—Amos Treat & Co. and Truman, Wasserman & Co., Inc., both of New York. **Registration**—Expected in a week to 10 days.

★ Trade Bank & Trust Co.
It was announced Nov. 4 that stockholders have approved an increase in the bank's capital stock by 39,340 shares to pave the way for an offering of additional stock to holders at $19 a share. The offering, to be made at the rate of one new share for each eight held of record Nov. 6, will expire Nov. 30.

Transcon Lines
Oct. 9 filed an application with the ICC seeking permission to issue 57,000 shares of common stock (par $2.50), of which 45,000 shares will be offered for the account of the company and 12,000 shares are to be offered for the account of a selling stockholder. **Price**—To be supplied by amendment. **Proceeds**—The proceeds in entirety will be used to reduce equipment obligations owing to the Bank of America National Trust & Savings Association. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo. **Offering**—Expected in November.

Transcontinental Gas Pipe Line Corp.
Sept. 29 it was announced that the company plans to come to market twice in 1960 with the sale of first mortgage bonds, and common and preferred stock. **Proceeds**—To raise permanent funds for the financing of its 1960 expansion program. **Office**—Houston, Texas.

Trav-ler Radio Corp.
Sept. 10 it was reported that the company is contemplating the issuance and sale of some additional common stock. **Underwriters**—Lee Higginson Corp., New York; and Straus, Blosser & McDowell, Chicago, Ill.

Worcester County Electric Co. (12/7)
Sept. 17 it was announced that this company plans to issue and sell $7,500,000 of first mortgage bonds, series E, due 1989. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Blyth & Co., Inc., and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; The First Boston Corp.; Coffin & Burr, Inc. **Bids**—Expected to be received on Dec. 7.

Savings Bankers School At Brown University

Summer Graduate School for savings bankers to begin June 19, 1960, is announced by the National Association of Mutual Savings Banks. Primary objective is to develop skills and abilities in the management of savings institutions.

Brown University at Providence, Rhode Island, has been selected as the campus for the Graduate School of Savings Banking, sponsored by the National Association of Mutual Savings Banks, and Dr. Lloyd F. Pierce has been appointed Director of the School and Director of the Association's newly-created Department of Education. The announcement was made by Dr. Grover W. Ensley, Executive Vice-President of the Association, following approval by the Association's Board of Directors. The creation of an Education Department for the Association and the decision to conduct a Graduate School of Savings Banking were announced earlier by the Association's President, John deLaittre.

Dr. Ensley reported that Brown University's experience with graduate studies, its fully-staffed economics department, and its excellent facilities make it an ideal campus for the school, scheduled to begin on June 19, 1960. He also said that Dr. Pierce's career as a banker, teacher, and administrator eminently qualify him for directing the Association's educational program and cooperating with Brown University and the Association's Committee on Education and Management Development in planning the curriculum, administrating the programs, and developing other operational details of the school.

The new education director, who will assume his post about Nov. 1, is at present Assistant Vice-President of the Hamilton National Bank of Johnson City, Tenn., and is a member of the Board of the Tennessee Council on Economic Education, the American Institute of Banking, and the Johnson City Development Corporation. Dr. Pierce, after receiving his B.A. from Carson Newman College, did graduate work at American University, where he received his M.A. degree in finance and economic theory, and at the University of Wisconsin, from which he received his Ph.D. in economics in 1953. During these years he taught at the University of Tennessee and the University of Richmond. From 1950 to 1954 he was chairman of the department of economics at the East Tennessee State College, and in 1954 he became dean of the College's School of Business Administration. In 1956 he joined the Hamilton National Bank.

Commenting on the Board's decision, John deLaittre, President of the Association, said, "the primary objective of the Graduate School of Savings Banking will be to help qualified personnel from savings banks of all sizes to develop skills and abilities in the management of savings institutions. To achieve this objective, the school will seek to develop a broad understanding of the American economy and the function and the place of mutual savings banks in this environment."

The Association's new Education Department, Mr. deLaittre added, will not only work closely with Brown University and the Association's Committee on Education and Management Development in organizing the school and its curriculum, but will continue to sponsor the Management Development Conference at Dartmouth, which the Association began in July 1957. It will also develop education programs for either levels of savings bank personnel.

"The inauguration of this new program," Mr. deLaittre concluded, "is a significant step forward in training and educating men and women to assume the responsibility of safeguarding and advancing the financial independence and security of millions of Americans."

The Association's Committee on Education and Management Development has been authorized by the Board of Directors to formulate policy and operational directives for the Graduate School. Richard A. Booth, President, Springfield Institution for Savings, Mass., is Chairman of the Committee and the following savings bankers are members:

Maurice C. Aldrich, President and Treasurer, Dartmouth Savings Bank of Hanover, N. H.; Randolph H. Brownell, President, Union Square Savings Bank, New York; Leonard B. Campbell, Executive Vice-President, Ware Savings Bank, Mass.; Charles W. Carson, President, The Community Savings Bank of Rochester, N. Y.; C. Lane Goss, President, Worcester County Institution for Savings, Mass.; John S. Howe, President, The Provident Institution for Savings in the Town of Boston, Mass.; Everett J. Livesey, President, The Dime Savings Bank of Brooklyn, New York; Norman P. McGrory, Senior Vice-President, The Howard Savings Institution, Newark, N. J.; Robert J. Nash, Treasurer, The Binghamton Savings Bank, N. Y.;

Thomas L. Nims, President, The Norwalk Savings Society, Conn.; Charles A. Post, President, Citizens Savings Bank, Providence, R. I.; Russell W. Richie, Vice-President, The Philadelphia Savings Fund Society, Pa.; Howard B. Smith, President and Treasurer, The Middletown Savings Bank, Conn.; and Jason W. Stockbridge, President, Central Savings Bank, Baltimore, Md.

Rondout Corp. Stock Offered

An offering of 140,000 shares of Rondout Corp. common stock was made on Nov. 5 by Sandkuhl & Co., Inc. and S. B. Cantor Co. at a price of $3.50 per share.

The proceeds from the sale of this stock will be applied to the purchase of the capital stock and notes of Rondout Paper Mills, Inc. and for general corporate purposes.

Upon the merger of Rondout Paper Mills into Rondout Corp. the company will engage in the former's business of manufacturing and distributing industrial tissues and other lightweight papers.

With Manley, Bennett

DETROIT, Mich. — Naming of James C. Finney, Jr., Carl Johnson and Harry W. Summers as registered representatives on the Detroit staff of Manley, Bennett & Co., Buhl Building, members of The New York and Detroit Stock Exchanges, has been announced.

Mr. Finney was a partner in the accounting firm of James C. Finney & Co. Mr. Johnson has been a yacht broker, executive secretary of the American Power Boat Association and newsman on the New York "Herald Tribune," Boston "Herald" and Providence (R. I.) "Journal." Mr. Summers was sales manager of Nesbitt Detroit Bottling Co. and in charge of sales for the Squirt Bottling Company, Toledo, before his appointment.

With Newburger, Loeb

Newburger, Loeb & Co., 15 Broad Street, New York City, members of the New York Stock Exchange and many other exchanges, announce that the following registered representative have joined their organization in their eight New York City offices: Bert E. Askern, Frank J. Corabi, Norman S. Epstein, Leonard A. Gottlieb, Sol Hitzig, Alex Krasner, Arthur S. Libman, Jerome S. Reinert, Charles J. Schlesinger II, Leonard Weiser, and George Wolfgang.

With H. C. Hudgins

(Special to The Financial Chronicle)

SAN DIEGO, Calif. — Hall G. Holder, Jr. has been added to the staff of H. C. Hudgins & Co., 239 A Street.

With Francis I. du Pont

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—Jimmie C. Spicer is now with Francis I. du Pont & Co., 317 Montgomery St. He was formerly with Wilson, Johnson & Higgins.

With W. C. Langley

BOSTON, Mass. — William W. Paxton has become associated as a registered representative with W. C. Langley & Co., 201 Devonshire Street.

Chester R. Durgin

Chester R. Durgin, Boston, Assistant Secretary of Lee Higginson Corporation, passed away Oct. 25.

Mills M. Fries

Mills MacPherson Fries, passed away suddenly Oct. 28 at the age of 53. He was a partner in G. C. Haas & Co.

Dealer-Broker Recommendations

Continued from page 8

New York 6, N. Y.—15¢ per copy; $1.00 per year. Also in the November issue are articles on **Telephone of Tomorrow; Leesona Corp.; Montrose Chemical; Sherman Products.**

Treasury Refunding—Appraisal—New York Hanseatic Corp., 120 Broadway, New York 5, N. Y.

Your Tax Program—Review—Hirsch & Co., 25 Broad Street, New York 4, N. Y. Also in the same circular are reviews of **Florida Power & Light** and **Food Machinery & Chemical.**

* * *

Aetna Life Insurance Co. — Memorandum — Merrill Lynch, Pierce, Fenner & Smith, Incorporated, 70 Pine Street, New York 5, N. Y. Also available are memoranda on **American Metal Climax and Missouri Pacific Railroad.**

American Broadcasting-Paramount Theaters, Inc. — Data — Oppenheimer, Neu & Co., 120 Broadway, New York 5, N. Y. Also in the same circular are data on **Cenco Instrument Corporation, Leesona Corporation, Philco Corporation,** and **Piper Aircraft Corporation.**

Ampex — Data — In November Investment Letter — Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y. In the same letter are reviews of **Philips Electronics, Zenith Radio, American Airlines, and Flintkote.** Also available is a study of **Spartans Industries.**

Anchor Hocking Glass — Report — Thomas & McKinnon, 2 Broadway, New York 4, N. Y.

British Industries Corp. — Memorandum — Van Alstyne, Noel & Co., 52 Wall Street, New York 5, N. Y. Also available is a memorandum on **Olin Mathieson Chemical Corp.**

Carrtone Laboratories, Inc.—Analysis—Mid South Securities Co., American Trust Building, Nashville 3, Tenn.

Cincinnati Milling Machine Co.—Analysis—Halle & Stieglitz, 52 Wall Street, New York 5, N. Y.

Clark Oil & Refining Corporation—Analysis— Loewi & Co., Incorporated, 225 East Mason Street, Milwaukee 2, Wis. Also in the same circular is an analysis of **Allis-Chalmers Manufacturing Company.**

Dominion Bridge Company Ltd.—Bulletin—Bache & Co., 36 Wall Street, New York 5, N. Y.

Eastern Gas & Fuel Associates—Analysis—The First Boston Corporation, 15 Broad Street, New York 5, N. Y.

Empire Petroleum Company—Bulletin—De Witt Conklin Organization, 120 Broadway, New York 5, N. Y.

Erdman, Smock, Hosley & Reed, Inc.—Memorandum—Simmons & Co., 56 Beaver Street, New York 5, N. Y.

Greyhound Corporation—Analysis—Alkow & Co., Inc., 40 Exchange Place, New York 5, N. Y.

Gulf Oil Corp.—Memorandum—Woodcock, Hess, Moyer & Co., Fidelity-Philadelphia Trust Building, Philadelphia 9, Pa.

Harris Intertype Corporation—Report—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Harris Intertype Corporation—Analysis—G. C. Haass & Co., 65 Broadway, New York 6, N. Y.

Ingersoll Rand Co.—Memorandum—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y.

International Minerals & Chemicals—Bulletin—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a report on **Shamrock Oil & Gas Corp.** and a list of **Utility Stocks** with tax exempt features on 1958 dividends.

Kent Petroleum Corp.—Analysis—First Angeles Corporation, 8929 Wilshire Boulevard, Beverly Hills, Calif.

Lone Star Brewing Company — Analysis — Muir Investment Corp., 101 North St. Mary's, San Antonio 5, Tex.

Meredith Publishing Company—Bulletin—Stone & Webster Securities Corporation, 90 Broad Street, New York 4, N. Y.

Multi Amp Electronic Corp.—Memorandum—G. Everett Parks & Co., 52 Broadway, New York 4, N. Y.

Nazareth Convent & Academy—Bulletin—B. C. Ziegler and Company, Security Building West Bend, Wis.

Nekoosa Edwards Paper Company—Report—Milwaukee Company, 207 East Michigan Street, Milwaukee 2, Wis.

Oregon Metallurgical Corporation—Report—Harbison & Henderson, 210 West Seventh Street, Los Angeles 14, Calif.

Purex Corporation, Ltd.—Analysis—Blyth Co., Inc., 14 Wall Street, New York 5, N. Y.

Royal McBee Corporation—Anaylsis—Schweickhart & Co., 29 Broadway, New York 6, N. Y.

Security First National Bank—Analysis—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

United States Communications—Analysis—Heft, Kahn and Infante, Inc., 320 Fulton Avenue, Hempstead, N. Y.

Universal Marion Corporation—Analysis—Edwards & Hanly 100 North Franklin Stret, Hempstead, N. Y.

Warren Brothers Company—Analysis—Hill Richards & Co., 621 South Spring Street, Los Angeles 14, Calif.

Form Lee Ackerman Co.

SCOTTSDALE, Ariz.—Lee Ackerman Securities Co., Inc. has been formed with offices at 70000 East Camelback Road to engage in a securities business. Officers are Leopold Ackerman II, President; Malcolm S. Curtis, Vice-President; and William R. Yeager, Secretary-Treasurer.

Bache Adds to Staff

(Special to The Financial Chronicle)

BOSTON, Mass.—David L. Barron, Ralph L. Cox, Vera Cummings, James Patriquin and John H. Sullivan, Jr. have been added to the staff of Bache & Co., 21 Congress Street.

Named Director

Paul Hallingby, Jr., general partner of White, Weld & Co., has been elected a director of San Diego Imperial Corp., savings and loan holding company recently listed on the New York Stock Exchange.

Now With Glore, Forgan

(Special to The Financial Chronicle)

CHICAGO, Ill. — Donald P. Hill has become associated with Glore, Forgan & Co., 135 South La Salle Street, members of the New York and Midwest Stock Exchanges. Mr. Hill was formerly with Dean Witter & Co. in California.

NASD Nominates 1960 Officers


Glenn E. Anderson


James G. Dern


James F. Jacques


Ralph C. Sheets


Wallace H. Fulton

WASHINGTON, D. C. — The National Association of Securities Dealers, leading organization of brokers and dealers, has announced the nomination of Glenn E. Anderson as Chairman of the Board of Governors to take office in January, 1960. Mr. Anderson is President of Carolina Securities Corp., Raleigh, N. C. Nomination is tantamount to election.

Mr. Anderson will succeed Alexander Yearley, IV, partner, Robinson Humphrey & Co., Atlanta.

Other officers for 1960 are: Vice-Chairmen, Ralph C. Sheets, Vice-President, Blyth & Co., Inc., New York, and James G. Dern, Chicago, partner, Smith, Barney & Co.; Treasurer, James F. Jacques, Vice-President, First Southwest Co., Dallas; and Executive Director, Wallace H. Fulton of Washington.

Joins Keller Bros.

(Special to The Financial Chronicle)

BOSTON, Mass. — Frederick J. Buckley has been added to the staff of Keller Brothers Securities Co., Inc., Zero Court Street.

Blair Adds to Staff

(Special to The Financial Chronicle)

CHICAGO, Ill.—Charles W. Gosselin has been added to the staff of Blair & Co., Incorporated, 105 South La Salle Street.

New Columbine Branch

HONOLULU, Hawaii—Columbine Securities Corporation has opened a branch office at 119 Merchants Street under the direction of Jane Von Brecht.

Joins Dean Witter

SAN DIEGO, Calif. — Floyd K. Rubendall has joined the staff of Dean Witter & Co., First National Building.

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:					
Indicated Steel operations (per cent capacity)	Nov. 7	§13.0	*13.1	12.8	74.5
Equivalent to—					
Steel ingots and castings (net tons)	Nov. 7	§368,000	*371,000	362,000	2,011,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Oct. 23	6,875,075	6,839,025	6,858,325	6,918,635
Crude runs to stills—daily average (bbls.)	Oct. 23	¶7,662,000	7,759,000	7,722,000	7,753,000
Gasoline output (bbls.)	Oct. 23	27,236,000	28,111,000	28,078,000	27,546,000
Kerosene output (bbls.)	Oct. 23	2,140,000	2,157,000	1,954,000	2,523,000
Distillate fuel oil output (bbls.)	Oct. 23	12,253,000	11,796,000	12,155,000	12,071,000
Residual fuel oil output (bbls.)	Oct. 23	5,902,000	5,999,000	6,333,000	7,227,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Oct. 23	177,833,000	178,732,000	180,696,000	168,350,000
Kerosene (bbls.) at	Oct. 23	33,176,000	33,440,000	32,217,000	31,883,000
Distillate fuel oil (bbls.) at	Oct. 23	181,445,000	179,990,000	172,401,000	163,916,000
Residual fuel oil (bbls.) at	Oct. 23	58,699,000	*59,745,000	59,398,000	67,854,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Oct. 24	607,347	580,768	587,079	674,845
Revenue freight received from connections (no. of cars)	Oct. 24	527,267	518,499	521,662	568,853
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Oct. 29	$318,500,000	$261,000,000	$408,400,000	$272,924,000
Private construction	Oct. 29	177,800,000	146,500,000	182,800,000	105,881,000
Public construction	Oct. 29	140,700,000	114,500,000	225,600,000	167,043,000
State and municipal	Oct. 29	113,900,000	96,200,000	120,000,000	146,820,000
Federal	Oct. 29	26,800,000	18,300,000	105,600,000	20,223,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Oct. 24	8,100,000	*7,975,000	7,795,000	8,712,000
Pennsylvania anthracite (tons)	Oct. 24	433,000	365,000	422,000	407,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Oct. 24	151	160	145	140
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Oct. 31	12,978,000	12,762,000	13,234,000	12,330,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Oct. 29	273	250	224	299
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Oct. 27	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Oct. 27	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	Oct. 27	$46.17	$45.17	$43.17	$42.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Oct. 28	32.875c	32.175c	31.125c	28.700c
Export refinery at	Oct. 28	32.375c	29.450c	27.725c	30.000c
Lead (New York) at	Oct. 28	13.000c	13.000c	13.000c	13.000c
Lead (St. Louis) at	Oct. 28	12.800c	12.800c	12.800c	12.800c
‡Zinc (delivered) at	Oct. 28	13.000c	12.500c	12.500c	11.500c
Zinc (East St. Louis) at	Oct. 28	12.500c	12.000c	12.000c	11.000c
Aluminum (primary pig, 99.5%) at	Oct. 28	24.700c	24.700c	24.700c	24.700c
Straits tin (New York) at	Oct. 28	101.625c	101.625c	102.500c	97.125c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Nov. 3	82.85	83.44	81.88	87.92
Average corporate	Nov. 3	84.04	84.04	83.79	89.92
Aaa	Nov. 3	87.86	87.99	87.72	94.26
Aa	Nov. 3	85.72	85.33	85.33	92.93
A	Nov. 3	84.17	84.17	83.53	89.64
Baa	Nov. 3	79.01	79.13	79.13	83.53
Railroad Group	Nov. 3	82.65	82.90	82.77	87.86
Public Utilities Group	Nov. 3	83.53	83.40	82.52	89.64
Industrials Group	Nov. 3	86.11	85.98	86.24	92.35
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Nov. 3	4.24	4.17	4.34	3.62
Average corporate	Nov. 3	4.86	4.86	4.88	4.42
Aaa	Nov. 3	4.57	4.56	4.58	4.12
Aa	Nov. 3	4.73	4.76	4.76	4.21
A	Nov. 3	4.85	4.85	4.90	4.44
Baa	Nov. 3	5.27	5.26	5.26	4.90
Railroad Group	Nov. 3	4.97	4.95	4.96	4.57
Public Utilities Group	Nov. 3	4.90	4.91	4.98	4.44
Industrials Group	Nov. 3	4.70	4.71	4.69	4.25
MOODY'S COMMODITY INDEX	Nov. 3	388.5	384.8	380.1	392.9
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Oct. 24	291,955	285,609	295,039	291,364
Production (tons)	Oct. 24	317,823	332,662	336,246	304,776
Percentage of activity	Oct. 24	94	98	97	94
Unfilled orders (tons) at end of period	Oct. 24	437,298	523,694	502,306	421,384
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	Oct. 30	111.64	111.05	110.45	108.97
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Oct. 9	1,769,620	1,968,230	1,805,520	2,542,650
Short sales	Oct. 9	314,600	343,680	175,370	510,350
Other sales	Oct. 9	1,453,820	1,711,170	1,531,020	1,899,500
Total sales	Oct. 9	1,768,420	2,054,850	1,706,390	2,409,850
Other transactions initiated off the floor—					
Total purchases	Oct. 9	424,220	569,980	348,150	671,710
Short sales	Oct. 9	54,550	57,710	54,400	43,800
Other sales	Oct. 9	338,060	544,310	322,820	691,550
Total sales	Oct. 9	392,610	602,020	377,220	735,350
Other transactions initiated on the floor—					
Total purchases	Oct. 9	726,438	824,580	504,630	905,390
Short sales	Oct. 9	162,950	145,380	76,120	186,090
Other sales	Oct. 9	580,063	953,415	781,065	1,141,580
Total sales	Oct. 9	743,013	1,098,795	857,185	1,327,670
Total round-lot transactions for account of members—					
Total purchases	Oct. 9	2,920,278	3,362,790	2,658,300	4,119,750
Short sales	Oct. 9	532,100	546,770	305,890	740,240
Other sales	Oct. 9	2,371,943	3,208,895	2,634,905	3,732,630
Total sales	Oct. 9	2,904,043	3,755,665	2,940,795	4,472,870
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	Oct. 9	1,152,174	1,667,559	1,395,209	2,140,798
Dollar value	Oct. 9	$58,801,306	$82,644,477	$70,337,916	$104,351,503
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Oct. 9	885,629	1,137,874	1,095,506	2,162,292
Customers' short sales	Oct. 9	10,441	22,681	19,943	8,473
Customers' other sales	Oct. 9	875,188	1,115,193	1,075,563	2,153,819
Dollar value	Oct. 9	$44,332,645	$55,751,097	$55,862,299	$101,053,962
Round-lot sales by dealers—					
Number of shares—Total sales	Oct. 9	190,930	242,450	256,150	681,860
Short sales	Oct. 9	------	------	------	------
Other sales	Oct. 9	190,930	242,450	256,150	681,860
Round-lot purchases by dealers— Number of shares	Oct. 9	491,640	775,130	557,180	646,800
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	Oct. 9	642,980	761,920	480,836	902,850
Other sales	Oct. 9	11,663,290	13,409,690	10,999,690	19,287,560
Total sales	Oct. 9	12,306,270	14,171,610	11,480,520	20,190,410
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Oct. 27	119.3	119.1	119.2	118.6
Farm products	Oct. 27	86.8	86.1	86.9	90.9
Processed foods	Oct. 27	106.3	106.1	106.8	109.6
Meats	Oct. 27	94.8	94.7	98.2	103.8
All commodities other than farm and foods	Oct. 27	128.6	128.5	128.4	126.1

*Revised figure. ¶Includes 955,000 barrels of foreign crude runs. §Based on new annual capacity of 147,633,670 tons as of Jan. 1, 1959, as against Jan. 1, 1958 basis of 140,742,570 tons. †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
BANK DEBITS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Month of September (000's omitted)	$215,938,000	$208,131,000	$195,205,000
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES — Month of August (Millions of dollars):			
Manufacturing	$52,000	$52,200	$49,400
Wholesale	12,500	12,500	12,100
Retail	24,900	x25,100	23,900
Total	$89,400	$89,800	$85,400
CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS—U. S. DEPT. OF COMMERCE — Month of September (000's omitted)	$1,843,700	$331,206	$1,723,100
COTTON GINNING (DEPT. OF COMMERCE):			
To Oct. 8 (running bales)	6,995,965	------	5,172,897
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of September:			
Cotton Seed—			
Received at mills (tons)	1,129,100	314,400	482,208
Crushed (tons)	501,100	149,300	306,751
Stocks (tons) Sept. 30	887,500	265,500	506,842
Cake and Meal—			
Stocks (tons) Sept. 30	97,000	87,800	71,215
Produced (tons)	226,900	70,100	135,067
Shipped (tons)	217,700	98,600	142,293
Hulls—			
Stocks (tons) Sept. 30	43,100	33,100	90,426
Produced (bales)	112,200	34,600	66,441
Shipped (tons)	102,200	44,900	62,962
Linters—			
Stocks (bales) Sept. 30	134,800	109,300	219,140
Produced (bales)	159,800	45,000	94,348
Shipped (bales)	134,300	63,800	105,756
DEPARTMENT STORE SALES SECOND FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF NEW YORK—1947-49 Average = 100—Month of September:			
Sales (average monthly), unadjusted	130	104	*126
Sales (average daily), unadjusted	133	102	129
Sales (average daily), seasonally adjusted	129	133	125
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR—REVISED SERIES—Month of September:			
All manufacturing (production workers)	12,317,000	*12,181,000	11,940,000
Durable goods	6,816,000	*6,696,000	6,579,000
Nondurable goods	5,501,000	*5,485,000	5,361,000
Employment indexes (1947-49 Avge. = 100)—			
All manufacturing	99.6	*98.5	96.5
Payroll indexes (1947-49 Average = 100)—			
All manufacturing	167.9	*165.0	155.7
Estimated number of employees in manufacturing industries—			
All manufacturing	16,321,000	*16,172,000	15,755,000
Durable goods	9,204,000	9,073,000	8,814,000
Nondurable goods	7,117,000	*7,099,000	6,941,000
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE — U. S. DEPT. OF LABOR—Month of September:			
Weekly earnings—			
All manufacturing	$89.28	$88.70	$85.39
Durable goods	96.05	96.12	92.46
Nondurable goods	80.60	80.00	77.03
Hours—			
All manufacturing	40.4	40.5	39.9
Durable goods	40.7	40.9	40.2
Nondurable goods	39.9	40.0	39.5
Hourly earnings—			
All manufacturing	$2.21	$2.19	$2.14
Durable goods	2.36	2.35	2.30
Nondurable goods	2.02	2.00	1.95
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS — INSTITUTE OF LIFE INSURANCE—Month of August:			
Death benefits	$245,200,000	$247,100,000	$222,600,000
Matured endowments	44,200,000	47,400,000	50,900,000
Disability payments	9,300,000	9,900,000	9,500,000
Annuity payments	52,300,000	54,600,000	48,700,000
Surrender values	112,500,000	124,700,000	108,300,000
Policy dividends	104,300,000	103,200,000	97,000,000
Total	$567,800,000	$586,900,000	$537,000,000
LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE — Month of Sept. (000,000's omitted):			
Ordinary	$3,932	$4,047	$3,957
Industrial	558	541	597
Group	863	887	599
Total	$5,353	$5,475	$5,153
MANUFACTURERS' INVENTORIES AND SALES Month of August (millions of dollars):			
Inventories—			
Durables	$29,650	*$30,079	$27,658
Nondurables	21,842	*21,711	21,229
Total	$51,492	*$51,790	$48,887
Sales	29,252	*30,858	26,388
MONEY IN CIRCULATION—TREASURY DEPT. As of Aug. 31 (000's omitted)	$32,000,000	$31,900,000	$31,400,000
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE—1910-1914 = 100—As of Sept. 15:			
All farm products	239	239	255
Crops	220	221	228
Commercial vegetables, fresh	214	214	182
Cotton	280	281	292
Feed, grains and hay	156	159	157
Food grains	198	201	196
Fruit	230	211	220
Oil-bearing crops	204	214	217
Potatoes	146	164	124
Tobacco	510	504	485
Livestock	256	254	278
Dairy products	265	251	263
Meat animals	307	314	340
Poultry and eggs	143	139	171
Wool	244	249	204
REAL ESTATE FINANCING IN NONFARM AREAS OF U. S. — HOME LOAN BANK BOARD—Month of August (000's omitted):			
Savings and loan associations	$1,203,179	$1,285,881	$995,170
Insurance companies	137,391	137,939	129,859
Banks and trust companies	505,337	561,487	475,771
Mutual savings banks	167,151	187,395	169,183
Individuals	336,431	366,786	292,227
Miscellaneous lending institutions	521,586	560,318	472,411
Total	$2,871,075	$3,099,806	$2,534,621
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS — Month of August (000's omitted):			
Exports	$1,396,700	*$1,468,600	$1,396,400
Imports	1,189,800	1,248,400	950,200

The Security I Like Best . . .

Continued from page 2

other pipelines that have been in the ground 20 years or more in the United States. These lines had no internal protection from corrosion. In many cases these lines are now corroded and have leaks. It will cost about $950,000,000 to clean and protect these lines. Large diameter steel pipe is expensive, when put into use it begins to corrode from chemical combinations in gas, oil and products. If no preventative measures are taken, the lines have to be eventually cleaned and protected against corrosion to extend the life or abandoned. A twenty-inch line from Texas to New York costs approximately $250,000,000. One can readily see how important it is for gas transmission companies to protect their investments. Elaborate precautions must be taken to prevent corrosion and the resultant leaks, which may cause product loss, even fires and explosions.

Pipelife has developed and owns the only patents on a practical method to coat the inside of pipelines of any diameter while they are in place in the ground. In many instances the gas transmission lines can be cleaned and coated without seriously reducing the delivery of gas. Oil products and water lines can be coated without interrupting delivery, by using a by-pass line laid on the ground. Five mile-sections of pipeline are cleaned and coated while the products move through the by-pass line.

It would be impossible for Pipelife Corporation to perform more than a portion of the potential business available. Ten percent alone would amount to a gross business of approximately $95,000,000 over the next ten years. PLC has licensed its method to contractors and will receive a royalty of approximately $250.00 per mile of pipe, that other companies coat with their method. In addition, Pipelife will provide the technical "know-how," materials and specialized equipment. A licensee is expected to start coating transmission lines of Gas de France in late 1959. A licensed contractor is awaiting the specialized equipment to be delivered to start coating a line in England. Italian pipeline interests are now inquiring about the use of Pipelife patents and "know-how" to coat the gas transmission lines in Northern Italy. Immediate tests are planned for a 1,300 mile, 10 inch, new line in Canada to move gasoline products and powdered sulphur. The revenue from foreign royalty sources should eventually be considerable to Pipelife stockholders.

The Industry

In the 1920s pipelines were buried in the ground with no external wrapping to prevent corrosion. The first cross-country line was wrapped in 1928. Beginning in 1935, wrapping was considered a normal practice for outside protection. Some of the lines laid in the 1920s showed signs of internal corrosion in about 1947. Curtis-Tomlinson Co., the predecessor to Pipelife Corp., coated the first gas transmission line in place in 1947. This line is still in use with a minimum of maintenance. Corrosion is nature's way of turning metal back into its native state. It is costing the petroleum industry an estimated 2-billion dollars every year in damage to equipment used in finding, producing, moving, processing and marketing oil and gas and their by-products. Even the new pipelines are considering epoxy resin coating in place immediately when laid to prevent corrosion from shortening their economic life.

The Pipelife Method of coating is simple, yet fully protected by patents. The equipment consists of two radio equipped trucks with pressure and flow gages and compressor units. One tank truck to haul the epoxy resin paint, a loading barrel same size as the pipe to be coated and an unloading barrel, and special plugs. Twenty mile sections of the pipeline are the most convenient. The line is thoroughly cleaned with wire brush pigs put through the line with air pressure, then a quantity of liquid solvent is run through the line and the pipe dried with compressed air. The forward multiple Pipelife plug assembly is put into the loading barrel followed by the rear plug assembly. The epoxy resin paint is metered into the loading joint between the two plugs in sufficient quantity to put a 5 to 10 mill coating on the pipe. Air pressure is then applied behind the rear plug in sufficient quantity to overcome the back pressure causing the train of plugs and coating material to move down the pipeline at an accurately controlled and uniform velocity, spreading and compressing a tough uniform thickness of epoxy resin onto the interior surface of the pipeline. It takes time to clean the pipe, however, the 20 miles can be coated in 4 to 5 hours. The next 20 mile section is prepared for coating, and so on until the line is completed. New pipe does not require elaborate cleaning and can be coated with less expense.

Work Performed

Pipelife has coated oil, gas or water lines for Shell Oil Co., Gulf Oil, Humble Oil, International Minerals & Chemicals, Warren Petroleum, Phillips Oil Co., Sunray, Ohio Oil, Sohio, Kerr-McGee and others. The Pipelife Method has been accepted by the oil and gas industry. The company has spent large sums of money since 1954, when epoxy resin was first formulated, on research and development.

Hailed as "Pipeline News of the Year" by a leading Pipeline trade journal was recent news of an increase of 13% in throughput in tests conducted by a group of major oil and gas companies using the "Pipelife Process" on the cleaning and coating of 12 miles of mainline 24 inch gas transmission line.

Capitalization and Finance

Pipelife Corporation has 6,000,000 shares authorized and 1,800,000 outstanding. The present Corporation was formed in 1951. The predecessor company was Curtis Tomlinson Company. Mr. Arvil Curtis is the inventor of the method and is employed in research and development by Pipelife Corporation. It is estimated that approximately a million dollars has been spent on research since 1951. These funds have come from equity capital furnished by some 600 stockholders and operating revenues. The stock has had a high of $4.00 and is currently around a dollar. At the present time Mr. Curtis and a research staff of engineers is putting the finishing touches on the process and specialized equipment. A group of Texas industrialists has provided the company with loans and banking facilities which will enable PLC to accept some of the contracts now being negotiated.

Future Earnings

The company has successfully performed contracts with the many oil and gas transmission companies aforementioned. The contracts for the most part have been short lines which are excellent for perfecting methods and getting the engineering down to a fine point, but are not too profitable. With recent substantial financial backing, PLC is now in position to go after the big transcontinental transmission lines. With royalties from their patents, sale of special equipment to their licensees and their own lucrative contracts the company should do well in the future.

Conclusion

Pipelife Corporation appears to have merit as a capital gains speculation for the following reasons:

(1) "PLC" owns the patents and has the "know-how" that is vitally necessary to the internal inplace coating of oil and gas and products transmission lines.

(2) The company has expert management and has demonstrated the value of its process to the major oil and gas companies.

(3) Substantial financial resources for continual development and performance of contracts has been placed at its disposal. With the accumulation of sound engineering "know-how," the company now appears to be ready to show worthwhile earnings. The stock is traded in the Over-the-Counter Market.

Gertsch Prods. Inc. Stock All Sold

Schwabacher & Co., on Oct. 29 publicly offered 107,143 shares of capital stock (without par value) of Gertsch Products, Inc. at $14 per share. This offering was heavily oversubscribed and the books closed.

Of the 107,143 shares offered, 28,571 shares are being offered for the account of the company and 78,572 shares are being offered for the accounts of certain selling stockholders.

The net proceeds will be used to increase the working capital of the company.

The company was incorporated in California on May 13, 1949, under the name of Kappler Engineering and Manufacturing Corp. In July of the same year, E. P. Gertsch purchased all of the outstanding stock of the company and its name was changed to Gertsch Products, Inc.

The company's principal offices are maintained at 3211 South La Cienega Boulevard, Los Angeles 16, California.

The company is engaged in the development, manufacture and sale of precision electronic instruments used primarily in the fields of measurement and generation of radio frequencies and division of AC voltages.

With H. A. Riecke

PHILADELPHIA, Pa.—H. A. Riecke & Co., Incorporated, 1433 Walnut Street, members of the Philadelphia-Baltimore Stock Exchange, announce that Paul Mellis Miller is now associated with them as a registered representative.

With Freehling, Meyerhoff

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—William V. Morris has been added to the staff of Freehling, Meyerhoff & Co., 120 South La Salle Street, members of the New York and Midwest Stock Exchanges.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — The current drive for wide-open trade doors between this country and Russia, inspired by a rosy new hope for "mutual trust" between the two powers, holds many and serious pitfalls for U. S. business firms.

The let's-trade-instead-of-fight movement is strictly the progeny of Russian and U. S. diplomats. It's aimed at political results, rather than economic benefits to this country.

American business firms and investors can discount most of the glowing hints that they will be tapping a tremendous market soon by supplying merchandise-starved Russians with what we consider the necessities and even luxuries of life.

The diplomats will get together this month to begin negotiating solutions to the many and serious legal and monetary problems blocking trade between U. S. and Russia. This will be a slow and painful process.

The biggest hurdle, and the one that the negotiators will consider first, is agreement on Russia's payment of its huge World War II lend-lease debt. This debt, estimated at one time at $2.6 billion, now is open for settlement at $800 million by the U. S., but the Reds in the last discussion offered only $300 million.

Congressional Action Needed

When this block is cleared away, the U. S. State Department as the architect of the new trade drive must go to Congress to get other problems solved. Some involve special restrictions on imports of Soviet goods, which although minor, apparently greatly irritate the Russians. In some cases, restrictions of specific Red goods are involved. In others, duties on Russian imports are higher than on similar goods from other countries.

Credit is going to be a big problem to any increase in U. S.-Russian trade. First, the Reds want to get out from under a law which prohibits U. S. firms from offering credits for longer than six months to countries which owe old debts to the U. S. Government. Russia is affected because it refuses to honor some old defaulted Czarist Government bonds.

Even after these questions are cleared away — if they are — other serious ones remain.

The U. S. State Department, in an almost unusual sop to the private economy, has been demanding that the Reds agree in advance to pay royalties and to honor U. S. patents and copyrights. The Soviets say that this is a matter to be worked out between themselves and private U. S. firms.

In the past, the Soviets have played fast and loose with patented processes, pirating the best features of most of the goods that have been sent there.

Economic Warfare Forecast

One diplomat not quite in complete sympathy with the State Department's approach to the trade question, comments that the Reds are pretty clearly aiming to open trade doors not for economically fruitful exchanges, but for their own technological improvement and to help them conduct their economic war on the free world. The Reds are most interested in obtaining technological data from this country, and in exchange aiming some carefully-timed attacks at some of our own vital industries, he grumbles.

Boiling the possibilities of U. S.-Russian trade down to their essentials leaves little in the kettle. At present, the Reds have few items to sell to this country in any volume. Their productive capacity is not used for many salable items. This, of course, could change in time. On the other hand, the entire Russian economic program calls for self-sufficiency, so their interests in buying U. S. goods are obviously to fill gaps while their own production is developed and to learn our technology.

During his recent talks with President Eisenhower and other top U. S. leaders, Premier Khrushchev made it clear that any sizable growth in purchases by the Russians in this country would have to be financed by U. S. manufacturers and exporters because his country just doesn't have dollars or convertible currency supplies.

Finance Competition

How many U. S. businessmen are likely to give credit for a sale which in all probability will turn out to be a one-shot order and which they may eventually find copied, produced in Russia, and competing with them for other foreign markets.

Lurking behind the talk of increased trade with Russia are some limited but bitter experience of U. S. firms with dumping of goods. Most of the dumping by the Reds has occurred in Europe, but some has crept into this country.

American machinery manufacturers have long been plagued with cutprice sales of Russian equipment overseas. Last year, the Reds by skillfully selling in Europe only 22,000 tons of aluminum (some of which is believed to have this country in fabricated form) broke the world aluminum market by two cents a pound.

More recently, the Reds made a deal to sell scientific equipment in this country for use in U. S. schools and colleges. Their prices delivered, tariff paid, in this country were from one-fifth to one-tenth of comparable U. S. prices. It took an act of Congress to prevent Federal aid funds designed to bolster our scientific education from being used to purchase these "made in Russia" goods.

Further, tariffs are no deterrent when dumping is conducted for political, economic, of propaganda purposes. The Russian Government will cheerfully pay the freight.

In another recent case, the Reds shipped pig iron through Canada which eventually wound up in Detroit and Dayton. Despite its long journey and extreme weight, the pig iron sold for about 20% less than U. S. produced iron. Obviously, the shipment wasn't for profit, since the amount was relatively small. It was simply a propaganda jab coinciding with the steel strike.

Trade Prospects Bright In Dark Continent

While the Russian trade drive, even though probably in the long run to prove abortive, is getting most attention, the U. S. Government has been encouraging U. S. businessmen to explore a new market with real possibilities for profitable trade — the sub-Sahara areas of Africa.

The dark continent has been slumbering in an economic stone age for centuries. But it is now beginning to awaken, partly because the old colonial empires are crumbling and also because once-useless resources are becoming valuable.

The countries of Ghana, Nigeria, and others are promising. International Cooperation Administration team of small business experts recently returned from Nigeria and points to that country as one of the better possibilities.

With a population of 40 million and a large land area, Nigeria has a national income of $2.7 billion a year, mostly from agriculture, petroleum, and tin. The government has some $400 million in sterling credits in English banks to spend.

Seek American Know-How

But the country is crying for American machines and know-how to begin industrialization. Last year, only one thirty-fourth of the total national output in Nigeria came from manufacturing.

These countries have the money to spend. Climate, reputation for backwardness, and skilled labor shortages have kept salesmen away. But companies who have gone into the African continent, particularly the oil companies, have found that labor is also the area's biggest resource although it is in the raw. They say that with small investments in training, they can build up the labor pool they need, and the sales possibilities are endless.

The governments of these countries give liberal advantages to firms seeking a sales toe hold. Particularly sought are machines and training to produce all kinds of metal fabricating, building materials, raw materials processing, consumer goods, and to service equipment. (The country now imports 800 cars a month, but a mechanic is hard to find.)

With traditional foreign markets rapidly becoming competitively unprofitable, the undeveloped areas such as Africa may prove to be the only long-range growth markets available to high-cost American producers.

[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.]

"She just has one slight Drawback — She can't type."

Now With D. W. Holmes

(Special to THE FINANCIAL CHRONICLE)

FRESNO, Calif. — Richard J. Martin has been added to the staff of D. W. Holmes & Co., 1052 East Olive Avenue. He was formerly with Francis I. du Pont & Co. and E. F. Hutton & Company.

Two With Freschi

(Special to THE FINANCIAL CHRONICLE)

GLENDALE, Calif. — Ralph J. Smith and Billie A. Steen have joined the staff of Raymond F. Freschi, 1032 North Glendale Avenue. Mr. Steen was formerly with Fairman & Co.

COMING EVENTS

IN INVESTMENT FIELD

Nov. 1-5, 1959 (Boca Raton, Fla.)
National Security Traders Association Annual Convention of the Boca Raton Club.

Nov. 14, 1959 (Philadelphia, Pa.)
Investment Traders Association of Philadelphia 7th Annual Dinner Dance at Germantown Cricket Club.

Nov. 18, 1959 (Minneapolis, Minn.)
Twin City Investment Women's Club dinner and meeting at the Can Can Room, Hotel Dyckman.

Nov. 29-Dec. 4, 1959 (Bal Harbour, Fla.)
Investment Bankers Association Annual Convention at the Americana Hotel.

April 6-7-8, 1960 (Dallas, Tex.)
Texas Group of Investment Bankers Association of America 25th annual meeting at the Sheraton Dallas.

April 8, 1960 (New York City)
New York Security Dealers Association 34th annual dinner in the Grand Ballroom of the Hotel Biltmore.

Binder Adds Two

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Willard H. Lea and Herman Winters have become affiliated with Binder & Co., Inc., 8400 Sunset Boulevard. Mr. Lea was formerly with Alkow & Co.

Hayden, Stone Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Wayne L. Bowen has become connected with Hayden, Stone & Co., 5657 Wilshire Boulevard. He was formerly with McCormick & Co.

Two With E. F. Hutton

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Roderick D. Hall and Robert E. Jackson are now with E. F. Hutton & Company, 623 South Spring Street. Mr. Jackson was formerly with Eastman Dillon, Union Securities & Co.

Howard Traywick Adds

(Special to THE FINANCIAL CHRONICLE)

ATLANTA, Ga.—Grover N. Allen has been added to the staff of Howard C. Traywick & Company, Inc., Atlanta Federal Savings Building.

Joins A. G. Edwards

(Special to THE FINANCIAL CHRONICLE)

BELLEVILLE, Ill. — Robert W. Tiernan has joined the staff of A. G. Edwards & Sons, 13 Public Square. He was formerly with Newhard, Cook & Co.