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Editorial AS WE SEE IT

At least this much can be said for the Administration's "permanent solution" of our farm problem: It turns a scornful eye upon "an obsolete parity formula based on conditions of a half century ago." Unfortunately it is not possible to determine with certainty whether the Administration's own "realistic" support program "related to market prices in recent years" is to carry its own parity concept, and hence whether the whole absurd parity principle is being discarded or whether we merely have a turning from the base period of the old one. Of course, the whole concept of "parity," whether applied to prices or to income, has never had a leg to stand on and the sooner that fact is widely understood and accepted the better for us all. The inference would appear to be warranted from what is now said that, whatever the methods of determining the amount of subsidies paid to the farmer, the amount per unit of output will come out considerably lower—and for this much we may be thankful.

Acreage controls and marketing quotas also appear to be discarded in the thinking of the Administration. So far as it goes this, too, is in its favor. There is no more reason why we should undertake to tell the farmer how many acres he may plant to this or that crop or how much of it he may bring to market than there is that we should fix the hours of operations and the output of the steel industry that may be brought to the market. The practice and the program are utterly alien to our traditions and are without the slightest warrant in economics. Natural forces in a free economy can control such matters with infinitely more wisdom than any government, any set of politicians or any number of economists could possibly hope to achieve, and determine them in such manner that the more efficient producers supply the country, and hence at a much lower cost.

A Permanent Solution

But this is a "permanent" program that is being formulated, and hence can not be (Continued on page 28)

Investment Implications of Our Population Growth

By Dr. Philip M. Hauser,* *Professor and Chairman of the Department of Sociology, University of Chicago, Ill.*

Prominent sociologist submits the American economy must be geared for a population growth between 231-270 million in a little more than a generation with most of the growth in "megalopolises" and the remainder spilling over into exurbia and interurbia. Dr. Hauser sees output shaped for a population growing faster at its extremes than in the intermediate range; marked household formation increase in 1965; and differential economic growth opportunities.

A population of 231 million to 273 million Americans is the prospect to which the economy of the United States must be geared by 1980. These projections of the U. S. Bureau of the Census indicate that in the 30 years between 1950 and 1980 we shall be adding to the population of the United States some 80 million Americans at the lower limit, and 122 million at the upper limit. At the lower limit it means adding to the population of the United States as many people as in all of Japan; at the upper limit, as many people as in all of Japan and the United Kingdom combined—all in less than one human generation!

Prof. P. M. Hauser

By July, 1958, the population of the United States, at 174 million, had increased by 23 million over the 1950 census figure of 151 million. Most of the anticipated population growth between 1950 and 1980, therefore, still lies ahead. Between 1958 and 1980, the U. S. Bureau of Census projections point to an increase of from 57 million to 99 million persons.

The lower projected figure is based on the assumption that the birth rate will decline from the current level (1955-57) to the wartime level (1942-44) by 1965 to 1970, and then remain at such a level to 1980. The upper figure assumes a 10% increased in birth rate above current level. If the birth rate of the United States should remain at the current level throughout the period, then, by 1980, a population of 260 million is indicated. Under this assumption, there would be a population increase of 109 million persons in the 30-year span.

The dramatic population growth we are experiencing is in sharp contrast, of course, with the actual and prospective rate of national growth during the depression 1930s. Population projections of the '30s, based on the long time secular decline in rate of growth, and unduly influenced by the then prevalent marriage and birth rates, indicated a maximum U. S. population of 165 million. This figure was likely to be achieved by the end of the century, after which a period of stationary population and then decline was in prospect. This prospect was not difficult to accept in the 1930s, because it was consistent with that already in evidence in other Western countries, notably France, Sweden, and the United Kingdom. The U. S. in the 1930s was concerned about the economic and business implications of a stationary or declining population, and was reading its future as a "mature economy" in terms of the events already discernible in other Western nations.

But the actual course of events has belied the outlook of the 1930s. World War II and its postwar and cold war aftermath has drastically altered the present and the prospect in national population growth. We have experienced a major boom in marriage and birth rates, unanticipated either in magnitude or duration. In consequence, the postwar, cold-war political and social climate has not only stimulated great economic growth in the short run but has also (Continued on page 28)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertaking in our "Securities in Registration" Section starting on page 32.

The Security I Like Best . . .

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

This Week's Forum Participants and Their Selections

GERALD S. COLBY

Partner, du Pont, Homsey & Co., Boston, Mass.

Members: New York and Boston Stock Exchanges and American Stock Exchange (Assoc.)

Erie Railroad Co.

If memory doesn't fail me, this continuing forum started sometime in 1950, and I am quite sure that I was a contributor to the forum in its second weekly appearance. A contributor four times since, I think the market has made me a winner in four out of five starts. At this writing, considering an interim industrial average rise from about 230 to 683.90, it is difficult to understand how I could have been a loser even once.

Gerald S. Colby

The record is recounted not for the sake of setting up kudos, or the making of apologies, but to more emphatically illustrate the point that to choose the "Security I Like Best" is a more difficult assignment in November 1959, than it was in mid-1950. To make one choice of one security for all readers is either impossible, or ridiculously easy, depending on the point of view. The former instance is self-explanatory, the latter would of course entail only the highest quality, longest record of earnings and yield, and greatest growth potential compatible with the trend of the economy — for ultimate profit commensurate with involved risk.

I am going to take a little license with the title of this forum, and add to it, "The Security I Like Best for Making Money Is Erie Railroad Common." This is not for widows and orphans, though it might well be in a year or two from now, but for risk capital accumulation in a range within two points of the present $11 price. It is my opinion that the shares are a very good buy for certain accounts willing to forego immediate income for a long-tax term gain, either a couple points under the recent price of 11, or a couple of points higher. The next sustained trend should be upward, the first leg of the advance carrying to about 15-15½ where irregularity should be anticipated; the second leg should be upward to the 18-20 level where more irregularity (ups and downs) should occur, with long term potential in the neighborhood of 35-40.

Erie and its predecessor companies date back well over 100 years, and as far as I know never paid a dividend until 1942; at least the present common stock of the company incorporated in 1895 started paying in 1942, and has since paid between $1.00 and $1.75 annually, until the last quarter of 1957. No dividends have been paid since. In my opinion, resumption would have been made in the last quarter of this year, had it not been for the long steel industry strike. The road exhibited pretty good earning power throughout the period '42 to '56, maintained profitable operations through the 1949 and 1953 cyclical recessions, ran into trouble in this respect with reported net of only 3¢ per share in 1957, and a deficit of $2.51 in 1958. Despite a poor start in 1959 when burdened with high bad weather costs and slowly recovering carloadings, the road was about to break into black figures in July when the shutting off of steel inspired traffic dropped loadings drastically, a trend that has continued to the present.

As a result of the strike (my opinion) the road reported a loss exceeding $5 million for the first nine months of the year, will add something like $1.5 million to this figure when results for ten months are known, and will probably not turn upward from an earnings downtrend until mid-December, even under the best of conditions that can be forecast at this writing. With this outlook, Erie is probably going to report a loss upwards of $2.50 per common share for 1959. That's the worst that I foresee for Erie for a long time. The transition from red figures to black now foreseen could carry to as much as $3.00 per share in 1960, and—I am not overlooking the prospects of plenty of labor trouble for the rails in early '60. Erie is not alone in the battle that is shaping up between management and labor in the carrier industry early in 1960—but in this case, the stakes of a possible victory for the industry in modernizing work practices dating back 30 years are so high the battle is well worth the risk.

Risks become minimized, though no less real, when they are acknowledged, and it is my opinion that a lot of very smart money went into Erie common at prices somewhat above the current level. A study of volume factors during the decline from 15 to 11 indicates purchased holdings have been retained, and will be added to during periods of weakness. This of course is an observation, an opinion, for which there must be a reason, which I believe to be largely as follows:

Management, directors, and stockholders of both Erie and Delaware, Lackawanna & Western have voted to merge, pending ICC permission, on the basis of 1¼ shares of the stock of the new company for each outstanding share of Erie, and on a share-for-share basis for stockholders of DL&W. It is anticipated by management that savings amounting to some $13 million can be realized over a period of three to five years. This sum alone would be equivalent to something in the neighborhood of $3 per share on the approximately 4¼ million shares of common to be outstanding when the merger is consummated, as I think it will be.

While the Lackawanna property is by no means equal to that of Erie, both these roads have been high earners in the industry within the past five years, and can be again under conditions of high level industrial production now foreseen for 1960 and beyond. It should also be recognized that both Lackawanna and Erie common have sold as high as the 24-25 level within the past five years, and, in my opinion, can again. With or without the merger I believe Erie can generate earning power of up to $3 per common share, and with the merger I can foresee up to $5 per share for the combination. On this projection, a price-to-earnings ratio of 7 to 1 would appear conservative.

Obviously, what you have read here thus far is largely conjectural. To make money in the stock market, one must assume risks, and the risk taker must have imagination. Let's stretch it a little. The railroad has been the whipping boy of the economy for years. It has had to compete with subsidized types of transportation for years, automobiles and trucks on publicly owned and maintained highways, airplanes that are subsidized landing on publicly built airfields, and even with subsidized ships on the water. The industry has borne just about every conceivable tax possible, and has had to contend with a set of work rules that in some instances dates back to the days of the horse and buggy. The wonder of the carrier industry is that it has survived at all. It has, it will, because there has never been a replacement found that will deliver so much tonnage so efficiently. I can't help but think that the Erie-DLW merger is but the beginning, the forerunner of a system that will include Pennsie, Central, Nickle-Plate, and Erie-Lackawanna, and I look forward confidently to the day of the push button railroad that will ultimately return huge gains to its owners. As I see it, the best way to share in outsize gains is through Erie.

HUGO KAPPLER, Jr.

Boenning & Co., Philadelphia, Pa.

Members Philadelphia-Baltimore Stock Exchange and American Stock Exchange

Reheis Co., Inc.

Reheis Company, at its recent price of 10½ does not reflect any of the changes that have occurred within the company in the past few years. Reheis Company is the largest producer of aluminum hydroxide gels and aluminum oxychlorides in the United States. The company produces 50% of the total production of aluminum hydroxide gels in the country and 70% of the oxychloride production. The aluminum hydroxide gels are sold to ethical pharmaceutical manufacturers who compound drugs for ulcer management and the control of other stomach and gastro-intestinal disorders. Aluminum oxychlorides are sold to the cosmetic industry where they are used as the active ingredient in creams, lotions, sprays and powders which control perspiration and body odor.

Hugo Kappler, Jr.

Though more expensive than aluminum chlorides or sulfates, the oxychlorides, because of their less irritating nature, have proved to be an important sales item of Reheis Company. Sales of this product line are 41% of the company's total sales and would be bettered, according to Mr. Reheis, if a container for an anti-perspirant adaptable to the use of alcohol gels could be developed. Alcohol gels would be more effective since they have no oils or fats, as do other forms, to interfere with their action.

Until 1955, the company had been slow in expanding since capital was not readily available. The company grew primarily from retained earnings which was

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

What Time Is It on the Stock Market Clock?

By Edmund W. Tabell, Director of Institutional Research, Walston & Co., Inc., New York City*

Expert market analyst sees D-J Industrial Average topping out in 1960 to 1961 at around 780 to 800, compared to last August's high of 683, before declining to 750-525 range in next five years. In revealing investor confidence is currently extremely high and makes for a more vulnerable market, Mr. Tabell doubts, however, that we are in a major downtrend. The analyst explains the factors influencing price diversity of one stock to another; examines market wave theories; observes new emerging pattern of a narrower range for stocks and a wider one for bonds; and envisages an advancing market wave over the next ten years. Investors are advised to be selective and not solve their investment problems by remaining static and owning the "Favorite Fifty."

Many investors are confused by the seemingly irrational behavior of the stock market. They find it difficult to understand why one stock will sell at 40 or 50 times earnings and another at 10 times. They become confused when the price of one stock advances while its earnings are declining and another declines while its earnings are in an uptrend. Part of this seeming irrationality is explained by the fact that the stock market should act as a barometer rather than a thermometer, attempting to discount trends in advance rather than reflect the immediate situation.

Edmund W. Tabell

To a larger extent, however, the seemingly irrational behavior of stock prices is explained by the fact that the price of a stock depends, not on one single yardstick but on many elements. These many elements can probably be narrowed down to four main influences on stock prices. Three of these factors are tangible: (1) earnings, (2) dividends, and (3) money rates or bond yields. But there is a fourth factor that is not tangible, that cannot be expressed in terms of numbers and that is not easy to measure. This fourth factor is investor confidence. Investor confidence is that element that makes a stock earning $10 a share sell at $75, or only seven and a half times earnings at one time and will make the same stock with the same earnings sell at $200 or 20 times earnings at another time. This intangible factor of investor confidence, or lack of it can, for long periods of time, be much more important in its influence on prices than the other three fundamental factors.

Investor confidence is difficult to measure. The best but far from perfect method is by a study of the technical factors in price movements. Breadth-of-the market action as portrayed by volume, advances and declines and new highs and new lows is sometimes quite helpful and I maintain a large library of graphs and charts of this nature. Even more important is the action of individual issues and groups. Continued study of the price action of some 1,500 individual companies listed on the New York Stock Exchange and American Stock Exchange and their relative strength as compared to the rest of the market is a partial answer to the evaluation of investor confidence. What do these various technical indicators show at the moment? What time is it on the stock market clock?

Highs and Lows of Investors' Confidence

Perhaps the best approach to the question is to examine the two extremes of high and low in investor confidence. Interestingly enough, the highest confidence point in recorded financial history, and also the lowest point, both occurred in the last 30 years.

1929 was a peak of investor confidence—or more truly, a peak in speculative confidence. It is not necessary to go into detail on the speculative excesses that occurred during that period. The story has been told many times before. It was the result of a combination of factors that will, in my opinion, never occur again in our lifetime. 1929 was the end of an era. It was the end of an upward trend of prices that started way back in 1850. Perhaps we can call this 80-year period the Era of Private Capitalism where a comparatively small number of individuals reaped the rewards of the development of the country and the many new inventions of the period. 1929 signaled the end of concentrated wealth.

The next 20 years were a period of change during which time a great many of our former beliefs and concepts altered quite radically. World War II added to the change. By 1949 we were ready to embark on a new era. The investor, however, did not believe it. The fear of 1929 still hung over the stock market.

In 1949, investor confidence was extremely low. In fact, the stock market was more drastically undervalued in 1949 than at any time in our financial history. Blue chips stocks like General Electric were selling at six to seven times earnings to yield 6½% to 7½%. The undervaluation was even greater than in 1932 because earnings in 1949 were already in an uptrend that started after the end of World War II, while in 1932 there were still several years of almost

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OBSERVATIONS...

BY A. WILFRED MAY

ON THE TWINS WHO SLICE THE PIE

Split Evidence on the Split

One of the two major defenses made for the stock-split rests on its alleged attractiveness, if not actual indispensability in reducing the dollar price of growth issues. Picking up this attribute, Hemphill, Noyes & Co. under the direction of Harold Clayton, have made a compilation revealing what the current prices of some selected split issues would be today, had there been no split.

A. Wilfred May

Under this hypothetical assumption, Smith Kline and French would today be selling at 21,690 (exceeding even un-split Christiana Securities' 16,000 current price tag. Rohm & Haas, had it not been split since 1947, would be quoted today at 7,100 instead of in the present 700 area. Minnesota Mining, likewise split several times since 1947, would be priced at 2,382 instead of today's 140 level. American Home Products would currently be quoted at 1,014 instead of 160; Pfizer at 2,925 in lieu of today's price ticket of 33, etc.

We, of course, agree that some advantages can accompany use of the split. But we feel that (1) its employment is unduly extended, and (2) more important, many investors are misled concerning its implications, thus seriously contributing to market speculation and inflation. Only today, as this is being written, news of three more splits is laid as a boon by both the press and market participants. One of the splitters, Firestone Tire, even with the accompanying dividend increase, sells to yield but 2.3%, and is rated by analysts as facing a period of business difficulties.

On Broadening Share Ownership

A second major defense of split technique rests on the contention that, constructively, it provides growth in the company's number of shareholders. But this has not, at least uniformly, worked that way in actual practice. American Telephone's stockholder family (somewhat swelled by conversions via rights offerings, to common stock) grew to 1½ million while the un-split shares were selling up in the 150-200 area. AT&T's record of shareholder growth both before and after its actual initial split last April, also indicates the non-existence of the vaunted stimulus holder-wise from splitting. In the October 1958-October 1959 interval, which constituted the "rumor stage" and the post-split interval, the rise in the number of shareholders was limited to 4%, against a whopping 13% gain in the corresponding 1956-1957 non-split period, and a 2% rise of the corresponding interval in 1957-1958. Based on split precedents Telephone's current meagre population rise will "fade" as time since last April's action goes on.

Anti-Split Testimony

Ironically, the Stock Exchange, which so strongly endorses use of the split, unwittingly provides ammunition for the anti-splitters. In an article in its publication, *The Exchange*, it lists 30 companies with 45,000 or more shareholders which have shown the greatest rate of increase in shareholders since early 1956.

It shows that the largest percentage gain in shareholders, 153%, was scored by glamorous IBM. Actually this "blue ribbon" result invalidates the concept that a split to a low market price is necessary for shareholder growth. For IBM's 1957 split, a 2-for-1 affair, reduced the price merely to the 290's; with the following "stock-slicing" on April 29, 1959 still leaving the post-split shares up in the rarefied atmosphere of the 390's. Surely these prices hardly conform to the "bargain" level prescribed by the pro-splitters as the prerequisite for broadened shareholding.

Of the other 29 companies listed as the largest percentage gainers in the number of owners, 17 are companies which have not been split during the three-year period covered by the growth figures.

Thus, Corn Products, although remaining un-split, ranked third with a 112% gain in shareholders. Du Pont, Dow, International Paper are among the other high-priced issues which have been gaining the most shareholders despite their abstenance from the split.

This record backs our conclusion, spelled out in previous articles, that in the long run, enlarged shareholders' families as well as permanent price rise, depend on earnings and dividends, not on cutting up the stock certificates.

* * *

The Stock Dividend— "Dilution and Delusion"

Let us now take a fresh look at the Split's twin brother in the pie-slicing family—the stock dividend —particularly at the public's attitude thereto. Confirming the existence of this close family relationship is the Stock Exchange's definition of the Split as a dividend greater than 24%. As with the Split, most shareholders are glad to receive the stock dividend in the belief that they are receiving something for nothing.

A welcome addition to the all-too-little literature on the subject is provided by an article in the November-December issue of the *Harvard Business Review* "Dividends, Dilution, and Delusion," with the significant sub-caption, "Can Management Put Stockholders in the Happy Position of Eating Their Cake and Having It Too?" by Professor James T. S. Porterfield of Stanford University.

Professor Porterfield emphasizes the similarity of the Split and Stock Dividend ("Simply read 'two-for-one split' instead of '100% stock dividend.' The accounting treatment differs, but this is not relevant to the principle involved'").

With unusual clarity he dispels the chief illusions surrounding the paper-dividing process; showing that the Stock Dividend as well as the Split give nothing of value to the investor. He tellingly brings home the fact that both simply represent division of the corporate ownership into a larger number of smaller pieces.

Fictional Tax Benefits

Particularly widespread are illusions concerning the tax treatment of stock dividends. Much is made of a supposed advantage of tax avoidance by reason of the fact that stock dividends are not taxable at the time of their distribution. While they are indeed not taxable at the time of distribution, this is so because, as we have pointed out above, they actually do not constitute real income. They are customarily taxable only when and if they are sold, at the capital gains rate instead of the ordinary personal income rate which applies to cash dividends. Professor Porterfield points out that this constitutes an advantage of stock over cash dividends, but not an advantage over no dividends at all, which is the appropriate comparison.

Actually, when the stockholder needs more cash, he must sell a portion of his equity whether in the form of stock dividends or his original holdings; in either case paying a capital gains tax. It must be realized that he also pays the tax at regular income rates on the cash dividends received from his stock dividend shares, as on the cash dividends paid to him on his original holdings, with the tax bill the same. Hence avoidance of the regular personal income tax on cash dividends should not be attributed to the stock dividend.*

In any event, as in the case of the Split, education of the public as to their true nature of the Stock Dividend, is of primary importance. Realistic evaluation of the latter policy should be promulgated by company managements, the investment services, and all other professional advisers.

*This paragraph expresses the opinion of your columnist; not necessarily of Professor Porterfield.

Milo Mallory V.-P. Of First Inv. Savs.

BIRMINGHAM, Ala.—Milo Mallory has been appointed Vice-President in charge of sales for First Investment Savings Corp., 404 North 21st Street.

Investing in Steel Stocks

By Theodore H. Gerken,* Vice-President, Laird & Company, Corp. New York City

Wall Street banker examines what lies in store for steel stocks in the light of the Taft-Hartley injunction's failure to settle the strike issues, and in terms of the industry's growth and earnings rate compared to the rest of the economy. Mr. Gerken expects the industry's investment status to survive the labor dispute successfully and, if the strike is settled before the injunction is lifted, to achieve a record high year in 1960. Looking further ahead, he sees the industry's over-all earnings growth becoming more stable necessitating, therefore, careful selection of aggressive firms, some of which he identifies to illustrate his point.

Why should anyone buy the steel stocks today when you get a 5% return on high grade bonds? Why should anyone invest their own or other people's money in stock at all? I'm not quite sure that I know the answer, no more than I know why most of the nation's steel mills had to be closed down for more than three months in the most prosperous year in our economic history. I am sure that if I had known this was going to happen last spring when I agreed to discuss steel stocks, I should have been much less enthusiastic. I can assure you that Mr. McDonald has not made the job easier.

Had the mills not been opened by governmental injunction, I could state that investment in the steel stocks had not been seriously hurt, but only somewhat bruised. Now, I can't do that because the strike isn't over. I don't know what the outcome will be, but the price tag has been very high. It may be even higher; but if the bill can be paid largely in the current year, the outlook for the steel industry in 1960 is very good indeed. If the strike can be settled before the injunction is lifted, I see no reason why 1960 can't be the best year the steel industry ever has enjoyed. But perhaps we should postpone this unpleasant subject until later.

Getting back to those earlier questions, I suppose investors continue to buy common stocks at today's levels because they expect them to go higher—eventually. They have been quite successful in doing this recently. The mere preservation of principle and maintenance of income have not been enough. Our tax structure has decreed that it is not nearly enough; and there is also the constant threat of inflation, which has become a reality since World War II. Many large estates which have been invested solely in fixed income securities during that period are yielding a very poor income today in terms of real dollars and have actually deteriorated in value at today's bond prices. It has been different for those who invested a substantial part of their funds in the common stocks of du Pont, IBM, General Motors, Minnesota Mining, General Electric and Standard Oil of New Jersey, to mention just a few. I believe I can safely add to that list, the stocks of the eight leading steel producers and those of a half dozen or so smaller companies, which have been equally successful.

Yes, it cannot be denied that holding steel stocks has been highly remunerative, especially over the past five years. Prior to World War II, this was not always true. Steel stocks were highly speculative, and they are still so regarded by many conservative investors. This is due to the cyclical characteristics of the industry, which I am sorrow to say are probably here to stay. The other basic objection to steel stocks can be traced to the failure of the industry to grow as fast as the economy, even during the burgeoning year just passed. I am just as sorry to say that this objection is well founded. We can scarcely expect steel demand in the 60's to rise at a rate of more than 2% or 3% annually, and everyone knows about chemical and electronic companies which expand their sales 10% or 15% annually and sail through recessions and depressions without a jiggle in their upward trend of sales and earnings.

If, then, steel is not a growth industry, how have the earnings of the major companies managed to expand so much faster than the economy as a whole in recent years? There are many reasons, but the two most important are probably a stable and rising price structure and an extraordinary improvement in plant efficiency resulting from huge capital expenditures. There was a time when every decline in steel demand resulted in widespread price cutting, which reduced already meager earnings to the vanishing point. In those days steel was characterized as a "prince-or-pauper" industry and the princely eras were few and far between. Some politicians and even a few economists would like to see a return to those days of lower prices whenever demand declined temporarily. Of course, they would expect no advance in steel quotations when demand was brisk, as in the first half of this year.

Ten years ago came the first postwar decline in steel demand. To the surprise of many, the price structure held, and steel earnings were rather well maintained; but most investors were not attracted to steel stocks. As the Korean War drew to a close, it became apparent that the country was in for another economic recession and that the steel industry would suffer. It did in 1954, so far as volume was concerned, but again prices held and the earnings of many companies actually improved. That year saw a basic change in investor attitude toward the steels. The break in steel stock prices, which many potential buyers expected to accompany

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The State of TRADE and INDUSTRY

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

Nationwide Bank Clearings 8.8% Above 1958 Week

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the "Chronicle," based on telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Nov. 14, clearings from all cities of the United States from which it is possible to obtain weekly clearings will be 8.8% above those for the corresponding week last year. Our preliminary totals stand at $22,564,389,006 against $20,738,638,041 for the same week in 1958. Our comparative summary for some of the principal money centers follows:

Week Ending Nov. 14	1959	1958	%
New York	$11,042,535,693	$9,330,457,413	+18.3
Chicago	1,172,267,782	1,188,939,453	— 1.4
Philadelphia	1,039,000,000	1,013,000,000	+ 2.6
Boston	665,303,650	674,884,911	— 1.4

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 45 of the Nov. 16 issue.

Union and Steel Industry Resume Negotiations

Steel negotiations have been stepped up in the form of secret meetings between top negotiators, "The Iron Age" reports.

The national metalworking weekly says that pressures on both the union and the companies have resulted in the renewed negotiations. This is in advance of scheduling of meetings by Federal mediators.

Pressure on the steelworkers is to avoid a second walkout after the Taft-Hartley injunction runs out. Pressure on the companies is the threat of Congressional action to force compulsory arbitration if the strike continues into the next session of Congress.

But the magazine cautions that the recent meetings did not bring the two sides close enough to cause a surge of optimism. They did clear some of the air between David J. McDonald, steelworker President, and R. Conrad Cooper, chief industry negotiator.

"The Iron Age" says that if a "voluntary" agreement is reached, it will be classed as a non-inflationary package. It will probably be a three-year contract and may be sweetened slightly from the last offer made a few weeks ago of 10 cents an hour wage cost.

The magazine says that the best guess on the critical 2-B (local practices) clause is that if it goes to arbitration, the language must be a two-way street. This is to counter the union claim that it is not treated fairly in the companies' arbitration proposal.

Meanwhile, "The Iron Age" reports, Mr. McDonald and the steelworkers' union are launching a plan of massive encirclement. The intent is to reach settlements with the aluminum industry, the copper industry, and the canmaking companies. All of them are now negotiating with the steelworkers' union.

This, Mr. McDonald hopes, would put irresistible pressure on steel, as the one remaining holdout, and force a settlement.

"The Iron Age" reports that steel's startup under the T-H injunction is going ahead faster than even the optimists predicted. This is because of three factors: Advance planning in the industry before and during the strike; less damage to steelmaking facilities than feared; and better than hoped-for cooperation by steelworkers.

But while mills rush ingot-making operations, it will still be weeks before normal tonnages of finished products are shipped. The first shipments of products stored at mills or in process raised some false hopes and mills are discouraging premature joy.

Nevertheless, the fast getaway is encouraging to most users in spite of the delay before balanced shipments can be expected.

Bottlenecks now are in the finishing facilities, rail car shortages, and the possibility of greater furnace damage than appeared shortly after the startup.

Steel Output Continues to Increase

Steel producers will return to the bargaining table with solid support from their customers for their firm stand on wages and

Continued on page 30

Cenco Instruments Corp. Broadening Science's Orbit

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

A brief report on an aggressive company dedicated to the advance of scientific education and to the production and marketing of exciting new instruments for industry and national defense.

When the Russians sent Sputnik I into orbit in 1957 it was a shock to American complacency. All of a sudden we realized that, despite our early and commanding lead in atomics, we were trailing in missilery and rocketry. Something had to be done. If Russia had outstripped us in these technologies then it was apparent that we needed more and better trained scientists in a hurry. Which led to the National Defense Educational Act of 1958, making available a maximum of $70 million a year in Federal funds to buy scientific equipment for elementary and secondary schools. Allocation of these funds is by states, and, to qualify, each state must put up enough of its own money to match the Federal grant it is entitled to. Forty-five states have already arranged to do this for 1960.

Ira U. Cobleigh

All of which is just fine for Cenco Instruments Corp., the enterprise selected for review today. Cenco has, for 64 years, been in the business of supplying scientific and laboratory equipment to schools and colleges. Today Cenco Instruments Corp. is the dominant factor in this field. Its prospects were never brighter for it can now look forward to some $140 million a year in school purchasing power for its wares. There are now 28,500 high schools in the United States. This alone is a fabulous market when you consider that it takes $30,000 to properly equip a high school general science laboratory. In addition there is the burgeoning demand of colleges and universities for scientific instruments. These institutions do not come under the Federal grant, but their science budgets have all been increased. Cenco has been selling to them for decades.

Over 60% of Cenco's current sales are to schools, colleges and universities. Cenco has a nationwide sales organization and its salesmen are well equipped to cover this market since most of them are former science teachers and especially effective in presenting their products to educators. Cenco offers a broad line of laboratory testing, measuring, and process control instruments and can lay out a program for completely equipping any new laboratory.

Not only is the Cenco name well known in the educational fields but almost every technical or industrial laboratory in America has at least one Cenco instrument.

A second major section of Cenco is its research, development and production of special instruments for industry. It does considerable research itself, but is particularly fortunate in the arrangements it has made to share in the research results of a number of very large corporations. It has exclusive license and royalty agreements with Standard Oil of Indiana, Phillips Petroleum Co. and Sinclair Oil Corp., under which it produces and merchandises certain instruments, researched in their laboratories. Working along these lines with Sinclair, Cenco has engineered a Gravitometer which records and directs the blending of different crude or refined products in a pipeline by remote control. This Gravitometer sells for $3,300 and, with one unit installed every 40 miles in a pipeline, it can greatly reduce labor costs.

Other products with an exciting sales potential, developed by this intercorporate research liaison include the Karl Fischer Moisture Determinator and Cenco Vapor Pressure Apparatus, worked out with Phillips Petroleum; the Cenco-Indiana Smoke Point Lamp ideated by Standard of Indiana; and distribution rights in the educational field, for a new missile-guidance type gyroscope developed at General Motors. Working with great corporations such as these in bringing to market patented new instruments offers great potentials for expansion of Cenco earning power.

But enough of this cataloging of products. Let's get on to the financial side of this eager and smartly managed company. Cenco is a money-maker, and getting more so all the time. Its annual sales are moving ahead by 50% a year. This is a remarkable rate, and profit margins are rising at the same time, as Cenco increases the volume of its own manufactured items. Cenco, which started out in business as a jobber, now aims, in due course, to manufacture 75% of the dollar volume of its sales.

Cenco has not only been growing internally, but by the merger route as well. In the past year it has acquired Atomic Laboratories of Berkeley, Calif., a manufacturer of scientific apparatus for schools; and Soiltest, Inc., outstanding manufacturer of instruments to test the condition and quality of soils, concrete and asphalt. Cenco has also a new manufacturing plant at Breda, in Holland, acquired on extremely attractive terms, and enjoying most favorable labor wage scales.

Growth stocks today are in high financial fashion. You'll have to comb over dozens and dozens of companies to come up with an enterprise moving forward as rapidly as Cenco. Its net earnings have trebled in the past five years. Total sales for the fiscal year ended 4/30/59 were $15 million and net, $729,148, or 72 cents a share. For 1960 we anticipate that sales will reach $25 million, and net per share advance to $1.35

This is a lot of corporate mileage for a single year and this unusual velocity has caused quite a few sophisticated investors to interest themselves in Cenco common. There are 1,013,479 common shares outstanding, listed on the American Stock Exchange and currently quoted around 32. The stock will not be sold this year end for tax losses, since it has been rising steadily! Ahead of the common is $2,150,000 in long-term debt.

Cenco Instruments Corp. is the leading company in an industrial field that is rocketing forward, and is uniquely insulated against recession. Our school population is teeming; college and university enrollment will treble in the next decade. And this generation of students from Kindergarten to doctorate is science-minded. That fact plus Uncle Sam's $300 million bankroll to be spent mainly on educational scientific hardware, suggest that Cenco will continue its scintillating business expansion. Especially so under the present dynamic management that took over five years ago, shepherded by Mr. John T. Gossett, Chairman of the Board, and Mr. Alfred A. Strelsin, President. Cenco is flying by instruments, but has some pretty good pilots at hand!

Dempsey-Tegeler Has Absorbed Burke&MacDonald

KANSAS CITY, Mo. — The staff and personnel of Burke & MacDonald, Inc. investment securities, have joined Dempsey-Tegeler & Co. as that firm's Kansas City office, 17 E. 10th St., it was announced by Jerome F. Tegeler, Senior Partner of Dempsey-Tegeler & Co. Mr. Tegeler also stated that the new Kansas City office will be in charge of Laurence B. Carroll, Resident Manager, and Ivan J. Donaldson, Associate Manager.

Dempsey-Tegeler & Co. is a member of the New York Stock Exchange, Pacific Coast Stock Exchange, Midwest Stock Exchange, Salt Lake Stock Exchange and is an associate member of the American Stock Exchange.

Lloyd Canady With Howard Traywick

ATLANTA, Ga.—Lloyd E. Canady has been elected a Vice-President of Howard C. Traywick & Company, Inc., Atlanta Federal Savings Building. He will be the North Carolina representative of the firm.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

For the past two weeks there has been an absence of important State and municipal underwriting due to the traditional holidays in the midst of each week. Although the municipal market gained little during this period, there have been overtones of firmness and even strength, particularly in the new issues.

On Monday of this week the general market was abruptly easier for reasons that had been apparent for some time. These included the sizable volume of diversified new issues scheduled for sale in the current week; A. T. & T.'s mammoth $250 million offering on Tuesday; plus the $2,000,000,000 of Treasury cash financing, details of which will be announced today (Nov. 19). The prospect had been formidable right along but the fearful impact on the municipal market occurred on Monday. As a result, dollar bond quotations were down a point or two in many instances.

There were and still are obvious market symptoms that might cause both dealers and investors to exercise more caution in their market dealings. Importantly there is the substantial enlarged float of bonds in the Street. This has increased close to $100,000,000 during the past six weeks. On Oct. 2, the total of State and municipal bonds offered in the "Blue List" was $169,881,900. Currently, the total is $263,470,215. Moreover, new issues although receiving fair reception, are not being sold with the same speed and facility as was usual a month back when yields were generally more generous. Although the level of new issue bidding continues higher, the secondary market level is about unchanged. This is verified by the *Commercial and Financial Chronicle's* High Grade Bond Index which has lately shown little change.

These market factors are, of course, of the accustomed variety and dealers and traders often treat them accordingly. They are sometimes overlooked completely in a search for more subtle influences. Following the immediate success of the $250,000,000 Telephone financing, State and municipal bond dealers became immediately aggressive in their bidding for new issues. The fact that the new issue Calendar is building up at a relatively high rate seems set aside as a current market consideration. More pertinent in bidding considerations seems the possibility that next year's corporate capital expenditures may be greater than in 1959, but that the market may be called upon to supply less of the necessary funds than will be the case this year. This results from the fact that a larger proportion of corporate capital requirements will be generated internally.

Competition among the tax exempt dealer groups for new issues seems repeatedly to ignore patent market indicators to the lasting benefit of none. Unfortunately, we believe this practice may continue for some time as dealers, no less than individuals, have trouble in equating the forces that derive from the maintenance of U. S. world leadership and the expanding economy it must generate. Dealing in tax exempt income compounds the proposition.

On Tuesday $16,350,000 State of Delaware bonds (1960-1979) were awarded to the Morgan Guaranty Trust-Kuhn, Loeb & Company-Kidder, Peabody & Company group. Scaled to 3.35% the bonds were favorably received by investors. About $4,000,000 remain in account. Also $10,000,000 South Carolina bonds (1960-1979) came to market through the Chase Manhattan Bank - Bankers Trust Company-Smith, Barney & Company-C. J. Devine & Company syndicate. Scaled to yield 3.30% the reported balance is less than $4,000,000. Also on Tuesday, Boston, Massachusetts, awarded $5,800,000 bonds (1960-1979) to the First National Bank of Chicago-Kuhn, Loeb & Company and associates. The issue is said to be less than half sold. On Tuesday also, $4,250,000 Wake County, North Carolina bonds (1961-1980) were sold to the Harris Trust & Savings Bank-Wertheim & Company-B. J. Van Ingen & Company group. The interest cost was 3.424%. Less than $1,500,000 of bonds remain in account.

On Wednesday, First Boston Corporation and associates were high bidder, for $12,000,000 Los Angeles, California "Dewap" bonds (1960-1989) at an interest cost of 3.748%. The bonds were scaled to a 3.80% yield. Also, on Wednesday, Halsey, Stuart & Company with associates, were high bidders for $2,296,000 Poughkeepsie, New York bonds (1960-1988) with the named coupon 3½%. The scale was to a 3.50% yield.

The week's most important issue, $55,125,000 New York State bonds (1960-2009) was awarded at noon, Wednesday to the First National City Bank - Lehman Brothers group. The interest cost to the State was 3.481%. The competing Chase Manhattan Bank group bid was 3.49%. The longest normal coupon bonds were 3.70% obligations due 2002-2005 priced at par.

No important new issues have been added to the Calendar during the past week but numerous small and relatively unimportant issues have been accumulated. The largest issue ahead continues to be $100,000,000 State of California bonds scheduled for 12/9/59. Negotiated type issues have been scarce this fall. There continues to be none ready for the market at this writing.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.70%	3.55%
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%	3.35%
Pennsylvania (State)	3⅜%	1974-1975	3.30%	3.15%
Vermont (State)	3⅛%	1978-1979	3.25%	3.10%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.40%	3.25%
Los Angeles, Calif.	3¾%	1978-1980	3.85%	3.70%
Baltimore, Md.	3¼%	1980	3.65%	3.50%
Cincinnati, Ohio	3½%	1980	3.50%	3.30%
New Orleans, La.	3¼%	1979	3.85%	3.70%
Chicago, Ill.	3¼%	1977	3.95%	3.80%
New York City, N. Y.	3%	1980	4.05%	3.95%

November 18, 1959 — Index = 3.46%

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	1-1-1973	100	109	—½	4.55%
Chicago-O'Hare Airport 4¾% 1-1-1999	1-1-1974	104¾	105	(*)	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	86	—1¼	3.97%
Grant Co., Wash. PUD No. 2 3⅞% 11-1-2005	5-1-1966	103	95	—½	4.11%
Illinois Toll Highway 3¾% 1-1-1995	1-1-1965	103¾	72½	—1½	5.53%
Illinois Toll Highway 4¾% 1-1-1998	1-1-1978	104¾	90	—1	5.38%
Indiana Toll Highway 3½% 1-1-1994	1-1-1962	103	84	—1¼	4.40%
Jacksonville, Fla. Exp. 4¼% 7-1-1992	7-1-1967	103	104	(*)	4.03%
Kansas Turnpike Authority 3⅜% 10-1-1994	10-1-1962	103	74½	—1½	4.90%
Kentucky Turnpike Authority 3.40% 7-1-1994	7-1-1960	104	90½	(*)	3.90%
Mackinac Bridge Authority 4% 1-1-1994	1-1-1964	108	90	(*)	4.57%
Maine Turnpike Authority 4% 1-1-1989	1-1-1958	104	83¼	—½	5.10%
Massachusetts Turnpike Authority 3.30% 5-1-1994	5-1-1962	103½	81¾	—1	4.32%
Massachusetts Port Authority 4¾% 10-1-1998	10-1-1969	104	102½	—1¼	4.63%
New Jersey Turnpike Authority 3⅜% 7-1-1988	7-1-1958	103½	96¾	+¾	3.55%
New York Power Authority 3.20% 1-1-1995	1-1-1963	103	85½	—2	3.97%
New York Power Authority 4.20% 1-1-2006	1-1-1970	103	101½	—½	4.13%
New York Thruway Authority 3.10% 7-1-1994	7-1-1960	103½	86	—½	3.83%
Ohio Turnpike Authority 3¼% 6-1-1992	6-1-1959	103	84½	—1½	4.12%
Pennsylvania Turnpike Authority 3.10% 6-1-1993	6-1-1959	103	82½	(*)	4.05%
Richmond-Petersburg Turnpike 3.45% 7-1-1995	7-1-1963	103½	82½	—1	4.43%
Tri-Dam Project, Calif. 3.05% 7-1-2004	7-1-1959	104	82½	—1	3.87%
Virginia Toll Revenue 3% 9-1-1994	9-1-1959	105	85	(*)	3.77%

(*) Unchanged.

Hess, Grant Has Wire to Saxton

PHILADELPHIA, Pa. — Hess, Grant & Remington, Incorporated, 123 South Broad Street, members of the New York and Philadelphia-Baltimore Stock Exchanges, have announced the opening of a direct trading wire to G. A. Saxton & Co., Inc., New York, under the supervision of William J. McCullen.

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 19 (Thursday)

Huntington Union Free Sch. Dist. No. 3, N. Y.	1,300,000	1960-1974	11:00 a.m.
Indianapolis Redevelopment Dist., Indiana	2,730,000	1962-1982	Noon
Mississippi (State of)	7,000,000	1961-1999	10:00 a.m.
New Castle County, Del.	1,000,000	1960-1993	11:00 a.m.
Niagara County Water Dist., N. Y.	5,100,000	1961-1990	2:00 p.m.
Oyster Bay and North Hempstead Union Free Sch. D. No. 15, N. Y.	1,288,000	1961-1989	2:00 p.m.
Philadelphia, Pa.	24,780,000	1961-1990	Noon
Walpole, Mass.	1,910,000	1960-1979	11:00 a.m.
Woonsocket, R. I.	2,290,000	1959-1979	11:30 a.m.

November 24 (Tuesday)

Adams County S. D. No. 50, Colo.	1,600,000	1961-1984	7:30 p.m.
Alabama Highway Authority, Ala.	10,000,000	1961-1980	11:00 a.m.
Boonton School District, N. J.	2,110,000	1960-1984	8:00 p.m.
Boston Metropolitan Dist., Mass.	1,801,000	1970-1990	11:00 a.m.
Cumberland County, Maine	1,000,000	1960-1979	11:00 a.m.
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.
Greenwood, S. C.	1,800,000	1961-1990	Noon
King County, Renton S. D. No. 403, Washington	1,300,000	1961-1969	11:00 a.m.
Knoxville, Tenn.	1,170,000	1961-1980	Noon
Los Angeles School District, Calif.	21,500,000	1961-1985	9:00 a.m.
Orange County, County Sanitation District, Calif.	7,300,000	1961-1989	11:00 a.m.
Pittsburgh School District, Pa.	3,000,000	1960-1984	2:00 p.m.
Portsmouth, Va.	6,800,000	1961-1985	11:00 a.m.
Providence, R. I.	4,550,000	1962-1981	Noon
Santa Monica Unified S. D., Calif.	2,500,000	1960-1979	9:00 a.m.

November 25 (Wednesday)

Port of Tacoma, Wash.	1,500,000	1961-1970	3:00 p.m.

November 30 (Monday)

Washington University, Mo.	3,411,000	1961-1968	1:00 p.m.

December 1 (Tuesday)

Columbus, Ohio	10,010,000	1962-1986	Noon
Edwardsburg Con. Sch. Dist., Mich.	1,495,000	1961-1989	8:00 p.m.
Los Angeles County, Calif.	2,444,000	1961-1980	--------
Salt River Project Agric. Improv't and Power District, Ariz.	15,000,000	1963-1992	10:00 a.m.

December 2 (Wednesday)

Peoria Public Building Comm., Ill.	4,800,000	1961-1979	11:00 a.m.
Sayreville, N. J.	1,120,000	1960-1984	7:30 p.m.

December 3 (Thursday)

Los Angeles County, Calif.	13,000,000	1959-1999	9:30 a.m.
Marple-Newtown Joint School Authority, Pa.	2,110,000	1961-1965	8:00 p.m.
Willoughby-Eastlake City School District, Ohio	1,200,000	1961-1975	Noon

December 7 (Monday)

Kane Co., Sch. Dist. No. 129, Ill.	1,215,000	1961-1975	7:30 p.m.

December 8 (Tuesday)

Puerto Rico (Commonwealth of)	20,000,000	1960-1979	--------

December 9 (Wednesday)

California (State of)	100,000,000	1961-1985	10:00 a.m.
La Fourche Parish, La.	1,000,000	1961-1980	10:00 a.m.

December 11 (Friday)

Florida Development Comm., Fla.	2,000,000	1961-1972	11:00 a.m.

December 14 (Monday)

Port of Portland, Ore.	2,000,000	1960-1979	10:00 a.m.

December 15 (Tuesday)

Fairfield Local S. D., Ohio	1,493,000	1961-1982	Noon

December 17 (Thursday)

Midland, Texas	3,110,000	--------	2:00 p.m.

January 6 (Wednesday)

Sayreville, N. J.	4,435,000		

J. Talcott Names Two Vice Pres.

James Talcott, Chairman, and Herbert R. Silverman, President of James Talcott, Inc., one of the country's oldest and largest independent commercial financing and factoring organizations, have announced the election of James J. Coy and Sidney Lochan as Vice-Presidents of the firm.

Mr. Coy has been in the credit field for more than 20 years. He was elected as Assistant Vice-President of James Talcott in 1955. Mr. Coy is in charge of the North East and Middle Atlantic States Department of Talcott's Commercial Finance Division, serving industrial and commercial clients.


Sidney Lochan


James J. Coy

Mr. Lochan has been with Talcott since 1946 and became chief auditor in 1947. In 1952 he was appointed an account executive in the Commercial Finance Division, and now is in charge of the Metropolitan Area Department of the Division, which specializes in financing mergers and acquisitions. He was elected an Assistant Vice-President in 1957.

Named Director

Richard H. Mansfield, banker and general partner of Lazard Freres & Co., New York, has been elected a director of Libbey-Owens-Ford Glass Company, to fill the vacancy resulting from the resignation of Charles J. Stewart, who took office as President of the Manufacturers' Trust Co., New York on Nov. 2.

Mr. Mansfield began his banking career as a messenger and rose to become a Vice-President and Director of the Chase Manhattan Bank. Since 1948 he has been Vice-President of Rockefeller Center, Inc., President and Director of the Lazard Fund, Inc., a Director of the U. S. Borax & Chemical Corp. and The Sun Insurance Co. of New York, Trustee of the Atlantic Mutual Insurance Co. and the Seamen's Bank for Savings in New York.

Mr. Stewart joined the LOF board in 1954 and until his election to head the New York bank was also a General Partner of Lazard Freres & Co.

Phila. Investment Women to Hear

PHILADELPHIA, Pa.—Robert J. Simpson, Jr., Assistant Investment Officer, Fidelity-Philadelphia Trust Company, will speak on "Steel—A Growth Industry?" at the third session of the 1950-60 Investment Analysis Program presented by the Educational Committee of the Investment Women's Club of Philadelphia in cooperation with the Financial Analysts of Philadelphia on Monday, Nov. 23 at 5:30 p.m. in the Concourse Conference Room of the Philadelphia National Bank, Broad and Chestnut Streets.

Mr. Simpson, a member of the Financial Analysts, is moderator for the entire series covering various aspects of the investment field.

With United Securities

(Special to The Financial Chronicle)

ROCKY MOUNT, N. C.—James B. Stepp is now with United Securities Company.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Despite the fact that among the professionals Vice-President Nixon seems to be overwhelmingly in the lead for the Republican Presidential nomination you can still get even money in Washington, in some instances odds, that Nelson Rockefeller will get the nod.


Carlisle Bargeron

The professionals like Nixon because he is a party man; is a real Republican, and will appoint Republicans to office. There is a feeling that Rockefeller is too much like Eisenhower, that in the event he should get the nomination and be elected, he will feel that he owes his election to Democrats and Independents as much as he does to the Republicans and be thus governed in his patronage. After going through with that sort of thinking on the part of Eisenhower, the Republican regulars don't want any more of it.

Since Sherman Adams left, Mr. Eisenhower has swung over to the Republican side and for the past several months he has been as good a Republican as any good Republican could ask for. But shortly after he entered office he even toyed with the idea of forming an Eisenhower party.

Those who are willing to place even bets on Rockefeller's nomination say it will eventually dawn upon the Republican regulars that a regular Republican simply cannot win. A recent Gallup poll showed there were some 55,000,000 registered Democrats and only about 31,000,000 registered Republicans. There were some 9,000,000 Independents. If every one of these independents voted for the Republican nominee, it would still not be enough.

There are many shrewd observers who say that the thing that holds the professionals behind Nixon is the possibility that Mr. Eisenhower may die in office thus bringing about Nixon's ascension to the office. It wouldn't do for any Republican professional to be caught in the Rockefeller camp in such a contingency. As time wears on and it becomes apparent that Mr. Eisenhower will serve out his term, the professionals will be freer to leave Nixon, it is argued.

The wily Khrushchev holds Nixon's fortunes in the palm of his hand and he does not like Nixon either. This is to say that Nixon's fortunes depend almost wholly on the peace issue. If Khrushchev continues to be a good boy until after the election, it would immeasurably help Nixon. But let him do something to destroy the peace issue and Nixon's chances would be destroyed.

Strangely enough, Nixon doesn't seem to want to get too closely tied up with Khrushchev, either. He has repeatedly stated that he had nothing to do with the extension of the invitation for Khrushchev's visit over here and this has been confirmed by the President. But all the same, Nixon is at present cashing in on the spirit of Camp David. He is inextricably associated with the Khrushchev visit in the public mind, which at this time is a political asset. There is no telling whether it will be a year from now.

Rockefeller is known to have frowned on the visit, hence as long as it produces good feeling, it is a mark against him. In the event something goes wrong there will be a chorus of "I told you so's."

In the meantime, there is the probability that every time Nixon or John Kennedy, the front runner among the Democrats, gets a pain in his stomach, he will become nervous. They were in Wisconsin at the time the cranberries of two states, Oregon and Washington, were banned from the market because they had been sprayed with an insecticide which had been found to induce cancer in rats.

Wisconsin also has cranberries but they had not been found to be contaminated. So at separate political rallies, Nixon and Kennedy partook of heavy dosages of cranberries to show their confidence in them. Now, the pure food and drug administration has also found some contaminated cranberries in Wisconsin and put them under ban.

It is a hazardous business to run for the Presidency. Kissing babies is usually the politician's stock in trade but now it has come to eating contaminated cranberries.

The business being so hazardous as it is, you wonder why Senators Hubert Humphrey and Stuart Symington are running when they would seem to have little more chance than I have.

Chas. Goodwin Jr. Joins Paine, Webber Firm

SAN FRANCISCO, Calif. — A well-known San Francisco businessman, who retired last year after 48 years of service with General Electric Supply Company has come out of retirement to join the San Francisco office of Paine, Webber, Jackson & Curtis, 369 Pine Street, as a registered representative.

He is Charles W. Goodwin, Jr., who for 23 years was San Francisco District Manager of the electrical supply company serving Northern California and Northern and Western Nevada. After nine months of retirement, Mr. Goodwin decided to enter the investment securities business, a field in which he has always been interested.

Mr. Goodwin is past President of the Northern California Electrical Bureau, past director and life member of the Pacific Coast Electrical Association, past director and life member of the Electric Club of San Francisco and life member of the National Association of Electrical Distributors.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Banks and Trust Companies of the United States—Comparative figures of leading institutions as of Sept. 30, 1959—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.**

Cement Industry—Analysis—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are reports on **Ferro Corporation** and **Borg-Warner** and a memorandum on **General Tire & Rubber Co.**

Chemical Industry—Analysis of outlook—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Chemical Stocks—Analysis—Newburger, Loeb & Co., 15 Broad Street, New York 5, N. Y.

Department Stores, Mail Order Houses and Specialty Stores—Report — Edwards & Hanly, 100 North Franklin Street, Hempstead, N. Y.

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.

Natural Gas Industry—Review—Doherty Roadhouse & Co., 335 Bay Street, Toronto, Ont., Canada.

Oil in Australia—Review—Dempsey-Tegeler & Co., Houston Club Building, Houston 2, Tex. Also available are reports on **Santos, Ltd.** and **Delhi Taylor Oil Corp.**

Oil Securities—Review—Hardy & Co., 30 Broad Street, New York 4, N. Y. Also in the same circular is a brief analysis of **Distillers Corporation-Seagrams Limited.**

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.

Over-the-Counter Securities Handbook — Containing data on more than 925 over-the-counter companies—Over-the-Counter Securities Handbook, Department G, Jenkintown, Pa.—$7.50

Profiting From Tax Losses—Bulletin—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y.

Railroad Equipment and Leasing Companies—Analysis—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available is a report on **Thermo King Corporation.**

Steel — Analysis — Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available is a memorandum on **Toledo Scale Corp.**

* * *

Academy Life Insurance Co.—Memorandum—Bosworth, Sullivan & Company, Inc., 660 Seventeenth Street, Denver 2, Colo.

Amerada Petroleum Corp.—Memorandum — Merrill Lynch, Pierce, Fenner & Smith Inc., 70 Pine Street, New York 5, N. Y. Also available are memoranda on **Brunswick Balke Collender Co., Controls Company of America, New England Electric System, Northern Pacific Railway, Simmons Co., Travelers Insurance Co.**

American Insurance Company—Analysis—Blair & Co., Incorporated, 20 Broad Street, New York 5, N. Y. Also available is a memorandum on **Budd Co.,** and a report on **United Asbestos Corporation Ltd.**

Armour & Co. — Report — Harbison & Henderson, 210 West Seventh Street, Los Angeles 14, Calif.

Basic Inc.—Memorandum—Van Alstyne, Noel & Co., 52 Wall Street, New York 5, N. Y. Also available are memoranda on **Greyhound Corp., New England Electric System, Siegler Corp., Southern Pacific Co., and U. S. Gypsum Co.**

Bemis Bros. Bag Co.—Memorandum—Scherck, Richter Company, 320 North Fourth Street, St. Louis 2, Mo.

Binks Manufacturing Co.—Memorandum—H. M. Byllesby and Company, Incorporated, 135 South La Salle Street, Chicago 3, Ill.

Chrysler Corporation — Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Coca-Cola Bottling Company of New York—Report—Elder & Company, James Building, Chattanooga, Tenn.

L. A. Darling Co. — Bulletin — Moreland & Co., Penobscot Building, Detroit 26, Mich.

Dayton Rubber—Analysis—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available is an analysis of the **Chemical Industry.**

Diamond Portland Cement Co.—Memorandum—Merrill, Turben & Co., Union Commerce Building, Cleveland 14, Ohio.

Ducellier-Bendix-Air Equipment — Memorandum—Model, Roland & Stone, 120 Broadway, New York 5, N. Y.

Electronics Capital Corporation—Analysis—Wm. H. Tegtmeyer & Co., 39 South La Salle Street, Chicago 3, Ill.

First National Stores—Report—Alkow & Co., Inc., 40 Exchange Place, New York 5, N. Y.

H. J. Heinz Co.—Memorandum—Green, Ellis & Anderson, 61 Broadway, New York 6, N. Y.

Heyden Newport Chemical Corporation — Analysis — Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y.

Hugoton Gas Trust — Memorandum—First Trust Company of Lincoln, 10th & O Streets, Lincoln 8, Neb.

Hunt Foods and Industries, Inc.—Report—Halle & Stieglitz, 52 Wall Street, New York 5, N. Y.

National Distillers & Chemical Corporation — Report—Schweickart & Co., 29 Broadway, New York 6, N. Y.

Nazareth College (Kalamazoo, Mich.)—Report—B. C. Ziegler and Company, Security Building, West Bend, Wis.

North Shore Gas Co.—Memorandum—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available are memoranda on **Sorg Paper Co.** and **Weco Products.**

Pepsi-Cola Company—Review—The Milwaukee Company, 207 East Michigan Street, Milwaukee 2, Wis. Also in the same circular are data on **Kellogg Company.**

Poly Industries, Inc.—Report—Alkow & Co., Inc., 9235 Wilshire Boulevard, Beverly Hills, Calif.

St. Louis San Francisco Railway—Memorandum—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a memorandum on **Twentieth Century-Fox Film.**

Sangamo Electric Co.—Memorandum—Jacques Coe & Co., 39 Broadway, New York 6, N. Y.

Second Bank State Street Trust Co. of Boston—Memorandum—Harriman Ripley & Co. Incorporated, 63 Wall Street, New York 5, N. Y.

Southern Natural Gas Company—Analysis—Gude, Winmill & Co., 1 Wall Street, New York 5, N. Y.

Spector Freight System, Inc.—Memorandum—Harshe-Rotman, Inc., 50 West 57th Street, New York 19, N. Y.

Speedry Chemical Products Inc. — Memorandum—Walter R. Blaha & Co., 2909 Bridge Plaza North, Long Island City 1, N. Y. Also available is a memorandum on **Sterling Television Co.**

Sperry Rand—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Super Valu Stores, Inc. — Memorandum — Piper, Jaffray & Hopwood, 115 South Seventh Street, Minneapolis 2, Minn.

Unilever N. V. — Memorandum — Schirmer, Atherton & Co., 50 Congress Street, New York 5, N. Y.

Universal Match—Analysis—Shaskan & Company, 40 Exchange Place, New York 5, N. Y.

Vornado—Analysis—John H. Kaplan & Co., 120 Broadway, New York 5, N. Y.

RAILROAD SECURITIES

New York Central

New York Central System has suffered considerably from the steel strike. This was expected because of the carrier's dependence on heavy industry in the service territory.

Year-to-year comparisons continued favorable through July but the full impact was felt in August and in that month gross fell almost 8%. In addition, Central did not curtail maintenance expenditures during this period of the steel strike. Both maintenance of way and equipment accruals during August were higher than in the like 1958 month. As a result, the Central reported a loss of close to $4 million for that month as compared with a small net profit in the like 1958 month. For the first eight months the road was able to report a net profit of $5.7 million which, on balance, was still $16 million better than for the like 1958 period. The year-to-year decline in carloadings began to narrow somewhat in September as compared with August and the road also started to curtail maintenance expenditures.

Central started at a slow pace this year due to inclement weather in the first two months. However, revenues climbed rapidly and increased 10.1% in the first eight months as compared with a year ago. Part of this gain is being attributed to steel shipments in anticipation of the strike in the industry which lasted longer than most expectations. The road has improved its operating efficiency so far this year in spite of higher wages. Wages in the first eight months were 78% of transportation expenses. Larger gross, coupled with the benefits of the continuing rehabilitation program and the closing of some unprofitable passenger stations, enabled Central to cut its transportation ratio to 47% for the first eight months or 2.7 points under the like 1958 period.

During the steel strike the Central reduced its car maintenance program. Its bad order ratio now stands at around 10%, which is relatively high for a carrier of this importance and volume of traffic. Equipment expenditures have been running at about $11.1 million monthly and probably will be increased in coming months as traffic begins to increase. The carrier also needs additional steel to augment its own supplies for its shops for equipment repair.

Central has been active in reducing its sizable passenger deficit. The out-of-pocket expense from passenger service last year was reduced by $18 to $34 million last year and further reductions are anticipated. It is indicated that the cut in unprofitable passenger mileage which amounted to 17% in the first seven months of this year will be extended. There is expected to be additional savings from the elimination of the West Shore ferry service and prospective benefits from the modified Railway Express plan which calls for a more equitable distribution of costs.

On Aug. 31, cash and cash equivalents amounted to $61.8 million and current liabilities were $115.3 million. Net working capital amounted to $16.8 million as compared with $21.5 million on the like 1958 date. This year's cash flow from depreciation of approximately $45 million should be well above maturing obligations of $29 million.

COMING EVENTS

IN INVESTMENT FIELD

Nov. 29-Dec. 4, 1959 (Bal Harbour, Fla.)
Investment Bankers Association Annual Convention at the Americana Hotel.

Dec. 15, 1959 (New York City)
Investment Association of New York Ninth Annual Dinner at Starlight Roof, Waldorf-Astoria.

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.

New Officers Elected for E. F. Hutton 25-Yr. Club

The Twenty-Five Year Club of E. F. Hutton & Company, 61 Broadway, New York City, members of the New York Stock Exchange, elected Charles R. Hotze President at the group's annual dinner.

Other officers elected are Sidney Peyser, Vice-President, and William M. Mahoney, Secretary-Treasurer. Two new members, Leo G. Adler and Richard G. Henderson were admitted into the club. They received gold watches from the partners of the 55-year-old brokerage firm.

Mrs. Pauline S. Jaffa, who joined the company at its founding in 1904, was cited as the employee with the longest service. Walter Watson, 95, honorary comanager of E. F. Hutton's office at 650 Madison Avenue, is acknowledged to be the firm's oldest employee.

1960: Springboard to Growth or Inflation?

By Dr. Thomas G. Gies,* *Associate Professor, University of Michigan, Ann Arbor, Mich.*

In calculating a new economic high for the economy in 1960 of $515 to $520 billion, Prof. Gies expects that, following the steel strike settlement, stepped up business, consumer and state-local spending will more than offset leveling off in Federal spending, gradual slowing of the housing market, deceleration of inventory buying and emergence of an adverse balance of payments. As for the prospects of price-inflation accompanying this economic resurgency, the former Federal Reserve Board economist says the possibility of such an occurrence is very real.

The current boom in the American economy is now 18 months old and has attained proportions as robust as its postwar predecessors. Like the booms of '46-'47, '50-'53, and '55-'57, the present advance is elevating the economy into hitherto unexplored economic space. Production has soared from last year's recession low of $431 billion to an estimated $490 billion in the third quarter—the latter despite the steel strike. These figures, furthermore, represent real gains in output, for there has been only nominal change in prices during the period of recent business expansion.

Prof. Thomas Gies

Two questions appear with increasing frequency as we approach the coming year: first, will 1960 see today's expansion turn into a decline with consequent reversal of the gains now being made in production and income and a return of large-scale unemployment; and, second, will the next 12 months find the price-level departing from its encouraging sidewise movement of the past year-and-a-half and again threaten to burst through the top edge of our price charts?

Uncertainty Factors

Uncertainty about the resurgence of the economy following termination of the steel strike is based upon four developments: the leveling off in Federal Government spending since the beginning of 1959; the gradual slowing of the housing market as mortgage credit tightens; disappearance of the accelerative effects of inventory accumulation; and the development of a foreign payments deficit in the last quarter of 1958 which has continued at least to midyear, 1959.

Typically, as business expansion develops into full-scale boom, the pattern of increases is modified. The forces initiating the rise tend to play out and are replaced by secondary growth factors. Thus, the strong recovery of production during the year ended at mid-1959 was sparked by important increases in demands by government—Federal, State, and local; but as the year progressed, successive quarterly gains in this area diminished, and in the most recent quarter, the growth impulse from this source had disappeared. State and local outlays for street and highway construction fell below seasonal expectations, and Federal spending on non-defense items fell from the high levels of late 1958.

In addition, expenditures for home-building have declined in the most recent quarter, following the month-to-month slowdown in housing starts beginning last May. In June, seasonally adjusted outlays for residential construction declined for the first time in more than a year, and during the succeeding three months produced a 2% decrease in total construction spending.

The switch from inventory liquidation to accumulation in late 1958 continued and gained momentum in the first half of 1959, reaching a peak in the second quarter. It has been noted, however, that the effective force of inventory accumulation is limited to the early months of expansion and sharply recedes as the growth phase matures.

Finally, it is evident that foreign transactions of the U. S. have represented a net contractionary influence since the beginning of the current year. The balance of U. S. trade has moved gradually from an export balance of $5 billion in 1957 to an annual import balance of nearly $2 billion by the second quarter of 1959.

Nineteen Sixty and the "Glamorous Decade"

With settlement of the steel strike, business will have an opportunity to demonstrate whether these influences tending to neutralize or reverse expansion will prevail or whether 1960 will in fact mark the beginning of the "Glamorous Decade."

Two powerful factors will be operating in the coming year to stimulate a continuation of the boom: Business spending on fixed investment has moved steadily upward from the trough of mid-1958 and rising capital spending can be expected to persist in 1960. Commercial and industrial building has shown surprising strength in 1959, and has continued to increase through the summer despite the steel strike. However, the big push in capital outlays will be in equipment rather than construction, according to surveys of business plans, as producers emphasize modernization as distinct from expansion of capacity. Spending for capital goods was originally scheduled for $35.3 billion in the final quarter of this year, up from $29.6 billion 15 months earlier. While the steel strike has postponed fulfillment of this schedule, the full impact of these demands will appear in 1960.

The second major factor in 1960's business picture is rising consumer demand. Consumer spending has been a source of strength since the beginning of the recovery and by early fall of last year had recovered all of the decline from fall, 1957, to spring, 1958. For the past year, consumption has been moving to successive new record highs. Virtually all major product groups have felt the impact of these demands and are reflected in rising production schedules. In the case of major household appliances, for example, output has been stepped up from 24 to 40% between the second quarter of 1958 and the second quarter of 1959. Nondurables likewise have experienced gains ranging from 10 to 30%.

Outstanding among all product groups in this period, of course, has been the impressive rebound of automobile production with a whopping 66% gain. Third quarter output was affected by model changeover shutdowns, but output schedules (assuming sufficient steel) for the final quarter of the year—109 million units—are 40% above year earlier levels, and the highest since 1955.

Summarizing the outlook for the Nation's business in 1960, the forecaster tells us that despite slackening of growth in certain sectors — government, residential construction, exports, and business inventories — the rapid rise in other major parts of the economy will assure continued upward momentum in the coming year. Led by advancing business capital spending and consumer outlays, aggregate purchases will attain a minimum level of $510 billion according to the most conservative estimates. Admitting the probability, however, that inventory accumulation will average $3-4 billion for the year and that state and local government outlays will expand by the average postwar annual rise of $3 billion, an estimate in the $515-520 billion range appears more probable.

Nineteen Sixty: Outlook for Price Changes

What meaning for price changes can be read from the foregoing estimates of 1960 business developments? The preceding review suggests that expansion of demand almost unquestionably will be a major factor in price level changes. During the postwar era, our major periods of inflation—1946-47, 1950-51, and 1956-58—have corresponded with periods of burgeoning demand. The postponed demands of World War II opened the way for price increases in the early postwar years, the Korean hostilities in 1950-51 provided the background for another burst of buying and price increases in 1950-51, and unprecedented demands for plant expansion in 1956-57 brought on the most recent round of increases.

Will 1960 mark another period when combined demands upon the economy set the stage for a fourth period of wage and price increases? The possibility of such occurrence is very real.

The big gains in output in recent months have been possible mainly because we began the recovery with a large pool of unemployed workers. This pool has gradually dwindled until we now have only about 3.3 million persons unemployed, about half a million away from the 4% figure widely regarded as "full employment." It seems not unlikely that 1960 will open with the economy operating close to capacity.

If such is the case, further advance in demand must be accommodated from improvement in productivity. Rising productivity has been, of course, a notable feature of the post recession scene—productivity in manufacturing reportedly advanced very favorably between the latter part of 1958 and early 1959. But in other recent recovery periods early gains in productivity disappeared as the advance continued and therefore it should not be assumed that further gains in productivity will be forthcoming this year.

*An address by Dr. Gies before the Detroit Chapter of the American Marketing Association, Detroit, Mich.

Kerbs, Caplan & Mindnich Forming

Kerbs, Caplan & Mindnich, members of the New York Stock Exchange, will be formed as of Dec. 1 with offices at 39 Broadway, New York City. Partners will be Edward A. Kerbs, the Exchange member, Alex Caplan, Paul C. Mindnich and John S. Kerbs, general partners, and Arthur G. Loban and Mary B. du Pont, limited partners. Mr. Kerbs is a partner in Kerbs, Haney & Co. which will be dissolved Nov. 30.

Fairman Opens Branch

LANCASTER, Calif.—Fairman & Co. has opened a branch office at 765 Lancaster Boulevard under the direction of Richard Bethke.

Stopping the Debasement Of Our Currency Now

By Dr. Franz Pick,* *Economist, Financial Analyst, Author of "Pick's World Currency Report," New York City*

Foreign currency exchange expert claims the U. S. dollar has been displaced "from its paper throne" after exposing what he concludes are the indicative factors in "the evolution of the Dollar decay." The cure to this charted trend, Dr. Pick advises, is maintenance of high interest rates, acceptance of some economic austerity, slowdown and unemployment. The monetary analyst warns: (1) of possible gold panic if we were to lose another $1 billion or a billion and a half; (2) we are theoretically short of about $7 billion of gold, and (3) no matter how politically unpalatable a radical deflationary policy may be it is preferable to endangering our capitalistic system. The writer also excoriates the ignorance of our political leaders in monetary affairs and samples of their pronouncements on the subject.

Only 20 years ago, the American dollar dominated all existing currency units. Nothing could match it. It radiated strength. It was surrounded by the respect of politicians, bankers and foreign traders. The completely convertible and fully transferable American currency became the world's most hoarded money unit. Everyone had nearly unshakable confidence in the stability of the U. S. dollar. It was thought that nothing could diminish its value or impair its reputation. And much of the gold of the free world, as well as the private assets of far-sighted capitalists in Europe, began to move to the United States. In September, 1939, when World War II broke out in Europe, an even greater scramble for dollars started and from then on the Greenback was simply King in all belligerent countries.


Dr. Franz Pick

We entered World War II in December, 1941. We had to finance it, as wars cost money. The printing presses played a major role in this procedure. Currency circulation rose from about $7 billion in 1939 to $26.5 billion in 1945. That was an increase of about 278%. The public debt increased from $40.4 billion in 1939 to $278.7 billion in 1945, a leap of about 590%. And that was inflation. As there was more money chasing fewer goods and services, prices rose and the buying power of the once almightly dollar started to shrink. At the start, it was not much. About 6% in 1941, 9% in 1952, 5% in 1943 and so on. But it amounted to nearly 23% for the period 1939-1945.

We could have stopped it there in practicing a policy of austerity and of sharp deflation. But that would have been "politically unwise." The war was over and people wanted housing, cars, liquor, clothing, plus all the good things of life. The belief ruled that whatever the eggheads among conservative economists said about inflation was nonsense. Nothing could lick the dollar, no one could duplicate American goods, and nobody was as rich as the U. S. Therefore, the legislators, inclined towards and influenced by such false prophecies, voted the famous 1946 "Employment Act," which put the maintenance of full employment above the importance of a sound currency. At the same time, the rest of the world, partly destroyed in Europe, Africa and Asia, clamored for American goods which it could not pay for with dollars. Thus, the famous "Dollar Gap" came into existence and showed to the uninformed politician or banker, that in spite of all talk about inflation and wage spirals, the dollar still was a highly desired currency.

In the meantime, the once 100 cents of purchasing power of the 1940 dollar continued to dwindle. It fell to about 62 cents in 1947, shrank to 58 cents in 1950, to just 50 cents in 1956 and is now anywhere between 46 and 47 cents of its buying value of 19 years ago. This procedure shows a loss of nearly 3% a year. Such a constant erosion of purchasing power was met with no resistance by any Administration. We were told, over the years, that this loss of buying power was not bad for us and as the dollar decline was a major incentive for capital and industry to invest in capital goods of automatically rising value in Paper Dollars, the boom atmosphere with its full and fuller pay envelope seemed to keep management and labor—as well as the politicians whom they elect to office—rather happy.

Whoever raised his voice to warn that this paper-boom really expropriated all the innocents—who, as a result of relentless government propaganda, believed in the stable dollar—was tagged with such labels as communist or seditionist.

But between 1956 and 1958, the first monetary storm signals became apparent on the dollar horizon, signs which the Administration refused to observe or to heed. The rise of wages of American labor and the refusal of most exporting industries to sell on credit reduced the volume of U. S. exports. And towards the summer of 1958 we found out that we had outpriced ourselves in many world markets, where the cheaper-producing industrial countries of the European continent were beating us in a highly interesting and still continuing battle of price competition.

At the same time, we started to lose some of our monetary gold. In 1949, our currency administration showed a total gold stock of $24.6 billion. Today we do not have more than about $19.4 billion. The difference of $5.2 billion has returned to the leading exporting countries of Europe and Asia. We tried, just as we did with the loss of the dollar's purchasing power, to minimize these gold losses in the eyes of the public. But, as you know, you simply cannot fool all of the people all of the time.

Another important fact was that especially since 1957, our balance of payments started to show a rising deficit, which, increasing by the slackening of our exports, now has reached about $4\frac{1}{2}$ to $5\frac{1}{4}$ billion for the year 1959. Such a deficit finally winds up as a claim against our gold stock. It has a horrible negative leverage of monetary destruction. But here too, official propaganda tried and still tries to reduce the importance of the problem.

U. S. Dollar's Disgrace

Last, but not least, dollar prestige received a terrible blow—its worst since the already historic devaluation of January 1934—during the summer of 1959, when most of the rehabilitated European currencies listed the American unit at a discount from its official value. In about a dozen European countries which had put their currency systems into orderly shapes, the Greenback, once selling in black or gray markets at considerable premiums above the official rate, found no buyers at the same official level. Only at a small discount, varying between ½% and 1%, would hotels, travel agents and banks buy American money.

A period of nearly a quarter of a century of hoarding American banknotes had come to an end. By virtue of this fact, the dollar, without hoarding attraction abroad and selling below its official level, had definitely ceased to be currency king and was on the road to a second class position in the world of monetary units. People overseas began to prefer their own local money units or gold and stopped running after dollars.

The American public, including our bankers, newspapers and politicians, either remained uninformed about these facts or played the famous ostrich-technique of ignoring them. That was another mistake we made.

At the end of 1958, nearly all Western European currencies and the once-again world-dominating pound sterling underwent a constructive monetary reform. They became externally convertible and thus eliminated any remaining exchange restrictions for their foreign trade. A new trade territory, the famous European Common Market—including Belgium, France, Germany, Italy, Luxembourg and The Netherlands—planning elimination of all limitations of tariffs, capital transfer and migration of labor—came into being. About 175,000,000 people live in these six countries. A steel worker in their high industrialized regions gets not more than about $0.80 per hour and is happy, as opposed to his U. S. colleague who is unhappy with $3.10 per hour and wants more.

No Longer a Foreign Exchange Center

The establishment of the "Common Market" and of European convertibility represented another heavy blow to the once mighty dollar. In the first four weeks of 1959, the center of foreign exchange transactions—which until then was New York—moved back to London. At present, Paris and Frankfurt are competing for this rank on the Continent. But Manhattan is out—probably for good. There are other underlying reasons for the present situation. The "document business," and the letters of credit, also moved to London. The insurance business is back in Britain and London's Baltic Exchange is again the world's foremost chartering center of maritime freight. Our newspapers do not comment on such basic changes but finally discover their repercussions in our gigantic balance of payments deficit.

And this evolution is still not at its end. In a few weeks or months, the seven European countries not included in the "Common Market" — known as the "Outer Seven" — most probably will join the Euromart group in a combined free trade area encompassing about 233,000,000 people and with a total foreign trade of about $83 billion, against the U. S. foreign trade of only $32 billion in 1958. This fact is not over-publicized in our press.

Such figures, pitiless and factual, clearly demonstrate that the dollar, having served as leading trade unit of the world, is already displaced from its paper throne, which might be occupied either by the better-managed pound sterling or another unit.

I have tried to show the evolution of the dollar decay. This deterioration is unfortunately opposed by a sheerly miraculous

Continued on page 22

Outlook for Oil Companies Outside the United States

By Maxwell R. D. Vos,* *J. R. Williston & Beane, New York City*

Brief but candid assessment of the outlook for oil companies outside the United States deals with reasons for optimism about the future of international oil companies and for the opposite. Concerned about the political perils confronting such firms, the oil analyst notes that our international oil companies are sizable in our domestic market and, thus, provide their shareholders with some degree of protection.

When an industry is universally acknowledged to be in the doldrums—or perhaps I should say, in deference to my friends in the oil companies, "undergoing a period of consolidation"—I firmly believe in keeping my mouth shut about it. After all, there is neither money nor much credit to be gained in telling our clients **not** to buy oil stocks, even if we are right. If we happen to be wrong—well, I suppose there are compensations about teaching school, or playing marbles, or whatever security analysts do when their industry group runs away from them. You may therefore conceive how firmly my arm was twisted in order to get me to make these comments. Most of the figures in question are used by courtesy of the British Petroleum Company, whose economics department has compiled excellent statistics on the petroleum industry throughout the world.


Maxwell R. D. Vos

The oil industry is involved in a problem of oversupply which extends to crude reserves, refining capacity, and in this country at any rate, to inventories. The industry has no magic wand which it can wave over the vast oil deposits of the Middle East so that they will disappear; even the passes which it has made at the modest excess producing capacity in this country seem to have proved remarkably ineffectual. I think, therefore, we must take the oversupply as a precondition of investment analysis, and try to determine whether it can be lived with, and lived down, over a reasonable period of time. I am speaking now of a five-year perspective; not that it need take more than three years or so to restore prices and profit margins to the attractive levels of 1956-57, but because we are, after all, concerned first and foremost with oil **stocks**, and we must therefore take account of the intangible factor of market confidence. In the recession of 1958 oil company earnings skidded at a rate that would more usually be associated with steels or railroad equipments. This is not to say that they were caught up in the same business cycle as the capital goods companies, but they certainly developed an impressive cycle of their own, thereby shocking many good people to whom "oil" and "growth" had been unquestionably synonymous terms. To add insult to injury: during the sharp business recovery which occurred in the first half of 1959, oil profits showed regrettably little buoyancy; aside from a very few special situations the industry did not reward its shareholders with the 50% and 100% earnings improvements that were frequent in the cyclical groups. It follows that the oils have to attain a higher plateau of earnings **and hold it for at least a couple of years,** before they are likely to be accorded the flattering price: earnings ratios that they enjoyed in the years 1955-57. I seek only
to show that the international oi
companies are in a good positior
to climb on to that plateau ove
a period of time. What happens t
their stocks as a consequence i
in the lap of the gods—and o
course of the investment trusts.

The first and most cogen
reason for believing in the futur
of the international companies i
that, logically, oil profits will b
made where the oil is. Of the Fre
World's known oil reserves, 69%
are located in the Middle East
whereas only 24% of the Fre
World's production comes fron
that area. To put it another way
the entire oil demand of the Fre
World, including the Unite
States, could be supported for 2
years from the reserves of th
Middle East alone. On the othe
hand, the Free World's reserve
outside the Middle East woul
support Free World demand fo
only 12 years. Moreover, the re
serves of the Middle East ar
growing, simply through the con
tinual extension of existing field
the **increase** in Middle Easter
reserves in 1958 was considerabl
larger than the **entire** reserves
Canada at the end of that yea
What is more, Middle Eastern o
is still the cheapest in the worl
to find. The cost of adding a
additional barrel of reserves
the Middle East is believed b
industry observers to be abo
16¢, compared to 52¢ in Vene
zuela, and $1.45 in the Unite
States. These considerations
size and cost are of the kind th
may be masked for a time b
temporary dislocations in wor
trade patterns, but they mu
assert themselves overwhelming
in the end.

The second reason for optimis
about the Free Foreign World
derived from my second table
figures. It shows that the Unit
States and Western Europe, t
world's two great importing are
require at present 4.1 milli
barrels more a day than th
produce. As I hope to sho
shortly when we come to discu
growth rates, this figure is goi
to increase very sharply, but ev
as it stands, it is impressi
enough. If Latin America a
tempted to supply this exp
demand in addition to its o
requirements, its presently kno
reserves would be exhaust
inside 8½ years.

This equation is sufficien
startling in any case, but on
add the growth factor and it b
comes almost unbelievable. T
average annual rate of growth
the five years 1953-1958 for We
ern Europe over this period w
13%; project European consum
tion five years ahead at only
modest 8% and you find that
1963 that continent will need
additional 1.4 million barrels
day. (Incidentally the year-
year increase in the first half
1959 seems to have been nea
18%). Applying the same 8%
crement to the Free Eastern He
isphere (as compared to the av
age of 12% achieved since 19
we find that it will be using
additional 2.4 million barrels
day in 1963. Prices and pr
margins may be poor today,
the international oil compar
own the crude from which t
growth must be satisfied, the
fineries through which the cr
will be run, and the outle
through which the growing m
kets will be served. They

have to be very unlucky, or very quick on their feet, to avoid making money.

I would like to comment very briefly on refineries. The industry's data show an excess of refining capacity over demand of 3% in the United States. I believe this figure to be very low. For the whole Western Hemisphere, within which refined products flow quite freely, the excess is 12.3%, which I believe to be nearer the mark. In Europe it is 7%, and in the Eastern Hemisphere as a whole, 11.3%. A quick comparison of growth rates will show where demand is likely to overhaul capacity quickest, even in spite of the 20% increase in refining plant now planned or under construction in the Eastern Hemisphere. Moreover, by a comparison of refinery yields, it should be possible to meet the growing demands of the Eastern Hemisphere for refined products at far lower capital cost, since they require a much smaller component of costly gasoline-making equipment.

Finally, a word about danger. An international oil company faces many kinds of peril, including confiscatory taxes, outright expropriation, or the kind of unwarrantable interference in free markets that the U. S. Government has imposed by its import quotas, and the French Government is threatening to accomplish by forcing high-cost Algerian oil into the French market — for which, by-the-by, it is totally unsuited because of its very low refinery yield of heavy fuel oil. Personally these risks scare me, and I have to comfort myself by remembering that the international companies are also the greatest factors in our own domestic market, which provides their shareholders with some degree of protection. But which risk are we going to assume? The chance of further trouble in the Middle East or Algeria? Or the certainty of rising costs, diminishing returns and cut-throat competition at home?

*From an address by Mr. Vos before the New York Society of Security Analysts, New York City, Oct. 29.

Stanley Ketcham Forms Own Co.

Stanley R. Ketcham, formerly manager of the midtown office of Smith, Barney & Co., has opened the investment securities firm of Stanley R. Ketcham & Co., Inc. at 76 Beaver St., New York City. The company will engage in a general brokerage business and security underwritings.

Mr. Ketcham, who started his Wall Street career as a page with the New York Stock Exchange in 1924, had been associated with Smith, Barney since 1952. During his seven years with the firm he was a member of the Planned Investment Department and a registered representative, as well as midtown manager.

Prior to joining Smith, Barney, Mr. Ketcham was with Moody's Investors Service for 17 years. He was a security analyst in Moody's research department for three years, and from 1938 to 1952 he was portfolio manager.

Kleiner Pres. of Cantor, Fitzgerald

BEVERLY HILLS, Calif. — Burt Kleiner has been elected President of Cantor, Fitzgerald & Co., Inc., 232 North Canon Street. He succeeds B. Gerald Cantor who has resigned to become president of National Theatres & Television, Inc.

Profit Factors in the Domestic Oil Industry

By Charles W. Haynie, Carl M. Loeb, Rhoades & Co., N. Y. City*

Oil analyst sees finished oil product prices improving in the next year; outlines factors that could favorably effect domestic oil companies profits; and advises fellow analysts the time has come to develop new ways of evaluating oil stocks. Mr. Haynie pin points what to look for in determining selection and adds that it depends upon something more than ordinary oil business to make any particular stock really attractive.

From the stock market action in oils over the past two years, it would appear that oil analysts, as well as investors, have lost faith in the ability of the oil industry to regain its former earning power. Perhaps too much was expected of the oil industry but we had no way of anticipating the lack of inventory control on the part of oil company management.

Charles W. Haynie

As a result many disappointed oil shareholders have been reducing their proportionate holdings of these stocks. In any case, the prices of oil equities have lost substantial ground compared with the overall industrial average. Using Standard & Poor's indexes of stock prices the ratio of the 19 oils to the 425 industrials has declined from a high of 1.72 in June, 1957, to 1.16 in the week ending Oct. 28, 1959, and is at the time of this writing at its lowest level since June, 1950. The ratio for the four domestic producers has declined from a high of 3.52 in June, 1957 to 1.84; the nine domestic integrated from a high of 1.33 to 0.89. International oils reached a high of 1.02 and Oct. 28 it was 1.25.

The combined net income of the same 19 companies rose 300% from 1946 to 1957; declined 12% from 1957 to 1958; and in the first nine months of 1959, based on the reports of seven of these companies, recovered 16% with the third quarter alone showing a 2% gain over 1958. Three domestic refiners reported an increase of 22% in the first nine months and a 2% decline in the third quarter. Four of these seven, which are internationals, reported a gain of 15% in the first nine months and an increase of 4% in the third quarter. No reports from the producers have been received as yet, but the lower crude oil allowables in the third quarter of 1959 compared with the same period in 1958 are likely to reduce the 23% reported increase in profits for the first six months.

I think it is safe to say that most of the fluctuations in profits during the last two years have occurred primarily as a result of the changes in product prices and crude oil production.

Sees Oversupply Ending

I should, however, like to go out on a limb and say that I believe that the domestic oil industry is going to straighten out its oversupply situation in products, and that prices of finished product will improve over the next year, with the rate of recovery depending on the degree of cold weather between now and next spring. In other words, if the weather is exceptionally cold in November, prices will tend to improve early. However, the supply of finished products will be geared closer to demand than ever before regardless of weather, *whether or not.*

Other factors which could effect profits of the domestic oil companies over the near term are their operating efficiency, quantity of imports, natural gas and, of course, petrochemicals.

Conditions in the oil industry in the last two years have made the oil companies, for the first time in nearly 10 years, realize that they can't continue to count on a 6% annual increase in demand and higher crude oil prices to absorb some of the inefficiencies which crept into their operations during the postwar boom. Take a look at the individual oil company reports and see the reduction in the number of employees and increasing scale of their operations. And this, for an industry which already has relatively low unit labor costs. New automatic equipment for both operating plants and office work are beginning to be standard equipment and should permit further reductions in costs within the next several years.

Furthermore, the domestic oil industry no longer is adding to refinery capacity, and the capacity of pipelines and tankers is sufficient to take care of growth in demand for the next few years. All these factors make for greater utilization of present facilities and should benefit earnings.

Imports in the past have cut down the consumption of domestic oil; have upset the scheduling of supplies; and have had a strong influence on both crude oil and product prices. These imports now appear to be stabilized at least for the area east of the Rockies.

Improving Natural Gas Prices

Natural gas producers are faced with the complex problems of regulations. Predictions of prices to be obtained by individual companies are impossible. However, it is reasonable to assume that at least a gradual improvement in wellhead prices is likely. The reports of many of the domestic oil companies indicate that they are now more willing to commit their gas reserves. Also the profit potential from the rapidly growing demand for natural gas liquids has encouraged many oil companies to open up some of their shut-in gas reserves.

Petrochemicals represent an area which offers great promise for *some* of the oil companies. I stress *some* because the type of chemical product is important. The rate of growth in demand for petrochemicals plus the improvement in their prices, and the oil companies' ability to supply the necessary low cost raw materials, makes it inviting for oil companies to enter this field as a means of offsetting their lower rate of growth in demand for oil.

An increase of ½ cent per gallon in the weighted average price of finished products means $700 million per year in additional revenue for the industry as a whole. Therefore, while the recovery in product prices will benefit profits for all domestic integrated companies, and help to hold the price of crude oil at or near present levels, it will take something more than the ordinary oil business to make any particular oil stock really attractive. A study of these previously mentioned factors will then be necessary to make selections for investment in the domestic oil industry. Nonintegrated crude oil producers, on the other hand, must obtain controlled markets for their crude oil or face a future which offers only moderate gains in profits. Extraordinarily successful domestic exploration efforts will be necessary to make any strictly producing company attractive.

What I have been trying to say is that as oil analysts we must develop a new way of evaluating oil stocks. In the future more attention will have to be paid to the return on investment for the individual segments of the companies. Appraisals of oil and gas reserves, and refining, marketing and transportation facilities, should be made on the basis of their earning power rather than on some of the outmoded procedures and criteria we have been using.

I would like to conclude by saying that it might be beneficial to oil analysts to pay considerably more attention to the economics of the oil industry as a whole rather than devoting valuable time studying the drilling activities of individual companies.

*An address by Mr. Haynie before the New York Society of Security Analysts, New York City, Oct. 29, 1959.

Customers Brokers To Have Meeting

The Association of Customers' Brokers will hold an educational meeting and forum on low-priced stocks Nov. 24 at 4 p.m. at Schwartz' Restaurant, 56 Broad Street, New York City. Speakers will be Dr. Ira U. Cobleigh; David Bell, Herzfeld & Stern; and Robert H. Stovall, E. F. Hutton & Company.

A Warning to America

By Roger W. Babson

A reminder that Russia believes "coexistence of economic differences is impossible and that one system ultimately be destroyed" is made by Mr. Babson who opines that the U.S.S.R. is continually getting stronger through self-sacrifice while the Free World is constantly getting weaker through luxury and easy living. The financial writer hopes for a Free World spiritual and economic awakening now in warning we can expect peace, but for another generation.

On the ocean—en route from Russia to the United States. As I write this, my last report while on my two months' trip, I think my American readers will be interested chiefly in my idea as to the probability of World War III in our time.

Roger W. Babson

Everywhere in Russia you see replicas of the "Dove of Peace." In restaurants it appears on the frosting of your cake, in stores it is printed on the wrapping paper, and it also appears on postage stamps; while the children in the parks are encouraged to feed the doves that fly about. Every speech emphasizes that Russia is for peace while the United States is anxious for war. Even our guide asked us "why" the United States is so anxious to fight Russia—and why Communism cannot be allowed to help the Russian people without hurting the United States. We are unfairly represented as a very warlike nation.

The Russian newspapers carry stories of how we fought and destroyed the native Indians who once owned so much of our land. They relate how we "stole" Texas, New Mexico, Arizona, and California from Mexico, which was their rightful owner. The main American news in the Russian newspapers is about our treatment of the Negroes at Little Rock. (I am told that this has let up some since Mr. Khrushchev has returned to Russia. They now talk about the "Spirit of Camp David."

Destroying Moscow

In case World War III should be started either by Russia or by the United States, which latter I believe could never happen, Moscow and other Russian cities would be destroyed, as well as New York and various other American cities. Whoever might start or even win such a World War III, Moscow would be destroyed whether or not we could destroy the big steel plants and military centers in East Russia and Siberia. I am sure Mr. Khrushchev does not now want Moscow destroyed. It is a wonderful and beautiful city, the "pride and joy of his heart."

The foregoing should prevent World War III from coming now. However, this does not mean there may never be a World War III after Mr. "K" dies. When talking with prominent Russians, I insisted that Communism and Free Enterprise could peacefully coexist in the world, as do the Catholics and Protestants who once were constantly fighting each other. The Protestants, when they got into power, cut off the heads of the leading Catholics; while the Catholics burned at the stake the leading Protestants when the Catholics got into power. I know well about this as my own ancestor, the Reverend John Rogers, was the first of these to be executed by the Catholics.

The Russian Answer

The Russian leaders answer this by saying that "intelligent people are now realizing that religious differences are unimportant" and are gradually being eliminated. On the other hand, they claim, the conflict between Communism and Free Enterprise is economic and fundamental. They believe that coexistence of economic differences is impossible and that one system must ultimately be destroyed. They believe that Russia is continually getting stronger through self-sacrifice; while the Free Nations are constantly getting weaker through luxury and easy living.

Can't Watch Stock Market

In short, I am hoping that the United States, Great Britain, France, and the other Free Nations will have a great spiritual and economic awakening. We cannot go on watching the stock market and following the latest styles of dress and entertainment. We must make our religion real, our politics unselfish, and we must educate our children to sacrifice. It is not enough to say that Communism cannot win as it does not believe in God today. It can believe in God tomorrow, and then what?

In conclusion—we cannot continue leading our present artificial lives and getting softer, while Russia continues to concentrate on fundamentals and grow stronger—for perhaps 20 years or more, but not forever. Hence, we may expect peace for another generation. Furthermore, countries should carefully watch China, which could be a deciding factor as to when the fatal day will come.

Havener Securities Opens in New York

Havener Securities Corporation has been formed with offices at 165 Broadway, New York City to engage in a securities business. Officers are Paul W. Havener, President, and Ann Koeohl and Virginia Christine, Vice-Presidents. Mr. Havener was formerly an officer of Jerry Thomas & Co., with which Miss Christine was also associated. In the past he was President of Hovener-Hall Securities Corp.

Milton Boyce Now Milwaukee Mgr.

(Special to The Financial Chronicle)

MILWAUKEE, Wis. — Milton S. Boyce has been appointed Manager of the Milwaukee office, of Merrill Lynch, Pierce, Fenner & Smith Incorporated, 710 North Water Street. He was formerly in charge of the Nashville office.

Gordon B. Crary

Gordon B. Crary, partner in E. F. Hutton & Company, passed away Nov. 8.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Central Illinois Light Company

Central Illinois Light (one of the three "Central Illinois" utilities) emerged from the Commonwealth & Southern system in 1949. The company serves electricity to 105 municipalities (including Peoria, Springfield and Pekin) and rural areas, with a population of over 447,000; gas to 26 municipalities, and heating service in two cities. The company also supplies the major power requirements of the Lincoln division of Central Illinois Electric & Gas. The territory is divided into three divisions which are interconnected.

Peoria is a major transportation center and the area is served by 16 railroads, three air lines and over 100 trucking companies. The service areas along the Illinois River are well located for industrial expansion, and there are abundant supplies of coal. Caterpillar Tractor supplies a large part of the company's industrial business and is now completing a new industrial engine plant. Other new enterprises include a Kroger distribution warehouse, two new shopping centers, six Jewel Tea supermarkets, two large motels, etc. An expansion program which includes a new terminal building and control center is currently in progress at the Greater Peoria Airport.

Electricity accounted for 60% of the company's revenues in 1958, gas 38% and steam 2%. Electric revenues were 38% residential, 18% commercial, 34% industrial, and 10% wholesale and miscellaneous. Gas is sold chiefly for residential and space heating purposes, and since no gas is available for interruptible industrial sales, industrial revenues are only 27% of the total.

Residential use of electricity now approximates 3,707 kwh. per annum compared with 3,405 in 1958; the sharp increase is partially explained by a cold winter and hot summer. The company recently filed a promotional rate for space-heating of 1.9¢ per kwh (.4% below the regular rate) which should be competitive with oil and propane in outlying areas where there is no gas service.

The company operates two generating plants and one internal combustion plant with total capacity of about 337,000 kw, compared with a peak load of 276,000 kw in August, 1958. (A 100,000 kw unit was added at the Wallace Station in April, 1958.) The company's lines are also interconnected with those of Commonwealth Edison, Central Illinois Public Service and Illinois Power (two inter-connections with the latter company have now been completed). The first 125,000 kw unit at Edwards Station is expected to be in service by next June, at which time over half the capacity will be less than three years old.

The company serves over 100,000 gas customers, gas being obtained from Panhandle Eastern Pipe Line. It also owns propane peak-shaving plants capable of supplying 30 million c.f. compared with last winter's peak load of 145 million c.f. Since early in World War II, the company has been operating under restrictive orders of either the Federal Government or the Illinois Commerce Commission. This has been necessary because of the continuing shortage of available gas. At the end of 1958, 75,457 customers were taking gas for space heating of which 3,181 had been added during the year. With an additional supply recently available from Panhandle, 7,000 new customers were taken on in October, though not all are on the line yet. Saturation of space heating customers is now about 78%.

The company is exploring the terrain southwest of Pekin to determine whether underground storage facilities can be built; preliminary indications seem favorable. Panhandle is also working on a storage project in connection with the Waverly Field south of Springfield, and if completed Central Illinois Light may obtain one-quarter of the available capacity.

Capitalization is now about 53% long-term debt (including 8% in convertible debentures), 15% preferred stock and 32% common stock equity. Gradual conversion of the debentures is expected to offset anticipated senior financing next year, and eventually the equity ratio should be restored to a normal 35%. The company is expending about $24 million this year for construction, but next year it should drop to $17 million (unless another $7 million is required for expansion of the gas business). In 1961-62 construction will probably drop to around $10 or $11 million annually. No new generating units will be installed until around 1964-65 since reserves (including power available through interconnections) will be quite ample.

During the years 1949 (when the stock went into the hands of the public) and 1953 share earnings declined from $1.51 to $1.37, reflecting a decline in the percentage earned on invested capital from 7.5% to 6.6%. With a recovery in the return to 7.7% in 1955 share earnings advanced sharply to $1.85; thereafter, however, return on investment dropped to 6% and share earnings increased only to $1.99 in 1958.

For 1959 earnings are estimated at $2.30, the improvement being due in part to better operations at the Caterpillar Plant, which had been affected by a strike in 1958. Earnings this year were also favored by an increase in interest charged to construction from 20 cents last year to an estimated 39 cents this year. A decline in this item to an estimated 26 cents in 1960 and seven cents in 1961 may tend to retard any gain in share earnings. However, receipt of additional gas supplies, if obtained, should prove a favorable factor earningswise.

The stock has been selling recently around 32 (range this year about 38½-30½). With a dividend rate of $1.52, the yield is 4.75%; the dividend payout of 66% is somewhat on the low side.

Walston to Name Two New V.Ps.

Walston & Co., Inc., 74 Wall Street, New York City, will appoint Douglas E. De Tata and Carl R. Walston Vice-Presidents effective Dec. 1. Mr. De Tata will make his headquarters in the firm's San Francisco office, 265 Montgomery Street.

Now With Walston

(Special to The Financial Chronicle)

LOS ANGELES, Calif. — Richard L. Ulmer is now with Walston & Co., Inc., 550 South Spring Street. He was previously with Paine, Webber, Jackson & Curtis and H. Hentz & Co.

The Economic Outlook for The Domestic Oil Producer

By Donald K. Russell,* *The Lehman Corp., New York City*

A vigorous dissent to the pessimistic views for the domestic oil producer currently held in the stock market is predicated on the basis that much can be done to alleviate excess capacity. Mr. Russell offers a solutional program encompassing imports, refinery runs, gas and oil prices, and producers' self discipline. Its acceptance, he says, by the public and the Government can make a promising future in terms of renewed and continued earnings growth. The oil analyst offers price, output, capital spending and other projections for the next 10 years including a demand for petroleum, oil and liquids, of 3½% per year reaching 13 million barrels per day in 1968. One of the difficulties stressed is gas prices, particularly since gas and gas liquids are expected to provide 10 million barrels per day of oil equivalent or 46% of total petroleum energy. Another is keeping increased imports in tight check so as not to make the employment of capital unprofitable, extinguish our exploratory effort, reduce our producing capacity and liquidate our reserves. Still another is the need for self-restraint by industry.

Pessimistic views on the outlook for the producing branch of the American oil industry are widely prevalent. They are part of the general pessimism which expects excess capacity to continue indefinitely in production, transportation, refining, and marketing. Since 1952 about one-third of the production-emphasis companies then listed on the New York Stock Exchange have sold out and most of the remainder have increased foreign exploration or non-production activity. Investors give the industry a poor rating; oils have backed off in a strong stock market. At the 1957 peak, oil and gas stocks represented over 20% of the value of the Big Board stocks; but at the end of last September the percentage had dropped to 13½%. The loss of relative position by oils approximated $20 billion. Domestic oils, most of which depend essentially upon production, were the poorer performers. Worst of all, there is a widespread impression that domestic production is inefficient and probably subsidized and that its ability to meet future requirements is dubious. The industry, by its failure to make itself understood, has invited such views. By inference this paper will discuss the economic outlook for an uneconomic industry.

Donald K. Russell

My paper will undertake to show that such impressions are unjustified. Nevertheless, the stock market — although subject to emotional excesses—represents the reasoned judgment of many well-informed people and cannot be taken lightly. Nor will the industry's own capital needs permit it to ignore investment opinion. The market action of oils is entirely logical on the generally stated premises and we have to agree with it unless we can find important flaws in the premises. There are such flaws. To anticipate a little: (1) Growth prospect is still satisfactory and compares well with that of many industries; (2) Profit margins are not necessarily frozen between low import prices on the one hand and governmental price surveillance on the other; (3) The industry can, if it will, offset effectively the impact of many of its problems by cost reduction and by realistic, rather than chaotic, management. If these views are correct the stock market must in due course revise an erroneous appraisal.

What Has Been Happening

A review of past trends will bring current problems into focus. We wish here to touch on trends affecting your gross income, costs, and net income and how the latter two were affected by capital expenditures. We shall speak of unit volumes and prices and of how they were affected by trends in domestic petroleum demand, by imports, and by the chronic excesses of the refining industry.

Our discussion will require various figures but our remarks will try to spare you from them as much as possible. [Various tables of figures have been compiled by the author of this paper. They show demand and production, prices and wellhead revenues at 10-year intervals, covering the past 20 years and the next 10 years.—Editor.]

Gross income of the producing industry represents units time price. In the 10 years ended 1958, total wellhead value of domestic crude output had a compound growth rate of only 3.5% per year, contrasting with 14.3% per year in the previous decade. Wellhead income in 1948 was almost four times that of 1938. In that interval volume rose well, contributing about one-third of the increase in revenues, and prices rose sharply, contributing about two-thirds. Crude prices more than doubled after the war, when the price pressures of the war years were released. In 1958 total wellhead income from crude was up only 41% from 1948. In the last 10 years both volume and prices rose only moderately. The comparison of 1958 with 1948 requires qualification but nevertheless highlights the broad trends. The year 1948 was an up-year in business, rather than a down-year. Production was full with 366 days in Texas, just three times as many as the record low of 122 days in 1958. Inventories rose in 1948 and were reduced in 1958. Prices were strong then and soft last year. While in 1948 the element of price advances growing out of the war was a particularly strong factor, the fact remains that gross income of the producing industry has not fared well in the past 10 years and especially in the last four years.

Even though gains in revenues slowed down, partly because they did, the production industry has increased sharply its capital outlay in terms of money and, except for the retrenchment year of 1958, substantially in terms of percentage relationship to total wellhead income. Heavy charges against gross income resulted and net income declined.

The representative income figures of the Chase Manhattan Bank for a group of some 30 oil companies show for 1948 net income over six times that of 1938 with a further rise to over eight times in 1958. The group's net thus rose about a third between 1948 and 1958. This further rise reflected foreign gains; the foreign component of group earnings, largely contributed by the five international companies, rose better than three for one in the past decade. The domestic component of the group's net last year was somewhat under that of 1948. In the best year of the past decade, 1957—the year of the Suez bulge — the domestic net income was up only about 23% from 1948. A study of companies emphasizing production suggests that the group's domestic earnings have been dominated by production results, even though the Chase companies account for the great bulk of the country's refining and marketing.

The essence of the 10-year trends is that we operated our production at a steadily declining ratio to capacity and gross income gained only moderately so that rising costs, particularly capital costs but also operating and exploratory costs, impinged increasingly on net income. This incidentally constitutes a complete answer to those who think that imports should be increased to "save" domestic reserves. Continuance of the 10-year trend would not only represent unprofitable employment for capital, it would gradually extinguish the exploratory effort, with consequent reduction of producing capacity and liquidation of reserves.

The disturbing revenue trends of the past 10 years derive in part from smaller percentage gains in demand, but more important elements were rising imports as affecting both units and prices and refining excesses as affecting prices.

Percentage gains in demand have been smaller in recent years. Important elements have included the slower growth of automobile population, the completion of railway dieselization and the flatter sales growth of heating oils. This last element is related to the tremendous impact of gas in the hydrocarbon market — we shall discuss this separately. Between mid-1956 and mid-1958 the nation's per capita consumption of energy declined and this has been an important element in the past couple of years. The 1958 decade nevertheless showed a gain of 3.3 million barrels per day in demand for oil and liquids, a gain of 600,000 barrels per day greater than in the previous decade.

The correlation between domestic crude production and increased domestic demand has been poor, largely due to imports; and domestic production utilized only a small fraction of its large increase in producibility since 1948. Although domestic demand for crude and liquids gained 3.3 million barrels per day in the last decade, domestic crude production increased only 1.2 million barrels per day. This was much less than its increase of 2.2 million barrels per day in the 10 years through 1948. The gain in our crude production was somewhat less than the rise in net imports of 1.3 million barrels per day for the past 10 years. The balance of the demand increase is accounted for by a gain in gas liquids and by inventory change factors. Domestic crude supplied only 36% of the demand increase in the 1958 decade and only 28% in the past 4 years. The domestic industry, based on figures of the National Petroleum Council, has had a huge increase in producibility since the beginning of 1948. The last reported estimate of the Council, as of Jan. 1, 1957, indicated crude producibility of almost 9.9 million barrels per day. This was up some 4.6 million barrels per day from approximately 5.3 million at the beginning of 1948. The 10-year rise in crude production, 1.2 million barrels per day, equalled only 26% of the rise in producibility.

The unsatisfactory price trend in crude, considering sharply increased costs, is due in large measure to rapidly increasing imports of crude and products and to refining excesses. Here we should also mention marketing, because refining and marketing seem to have a joint operation—a sort of inverted bootstrap operation. The cheaper price of foreign crude is a factor of long standing but its effects on our prices, through imports, have been substantially intensified in the more recent past by the acutely distressed tanker market. The tanker fleet was seriously over-built and there has been a cost revolution in that the big new ships can carry oil at half or less the cost of the old T-2's. As to product imports, we have increasingly needed residual oils as domestic refiners up-graded their yields. When the voluntary import controls left open the loophole of product imports, we sustained a heavy blow of light products in the first quarter of 1959, as to both volume and price. In that quarter product imports rose 500,000 barrels per day over a year before, partly continuing the trend of latter 1958 and partly anticipating the mandatory controls which regulated products also. With demand gaining more slowly, excessive refinery runs have involved serious mismanagement by the industry of product inventories, soft prices for products, and corresponding pressure on crude prices. A classic example of this took place in 1956-58. These various influences have substantially eroded the 1957 advance in crude prices which at the wellhead may now approximate $2.89 per barrel, against the 1957 average of $3.09. A drop of 20 cents per barrel on current production equals about $500 million per year. Even with the mandatory controls there has recently been renewed pressure on crude prices, due to excessive refinery runs.

Sharply increased capital expenditures, some of which are attributable to declining allowables, have brought disappointing increases in gross revenue and heavy charges against income. The Chase Bank has good estimates of capital expenditure, in which it includes lease costs, such exploration as is capitalized, and all drilling and development costs, including dry holes. Expanding our wellhead revenue to include not only crude but gas at average wellhead price and natural gas liquids as valued at gasoline plants by the Bureau of Mines, we find that the annual increase in total wellhead revenue for the past 10 years averaged $332 million per year. Capital expenditures for domestic production averaged $3.4 billion per year, in the area of 16% of gross prop-

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The Economic Outlook for The Domestic Oil Producer

Continued from page 13

erty account each year. The increase in revenue was small in relation to the spending. On that kind of spending some other industries might expect to increase net income at a rate of 10% or more per year, rather than to have a growth of less than 5% yearly in gross revenues and show for a 10-year period a decline in net income. However, a substantial element in this spending was drilling for production, rather than producibility, an effort to offset declining allowable rates by development increasing the operator's total allowable.

Petroleum Energy

The discussion thus far has provided support for the pessimistic view of the industry's outlook, but this is only part of the story. The picture changes radically when it is examined from the standpoint of petroleum energy. This approach shows that domestic production is a highly efficient source of energy and can continue so. It demonstrates the necessity that the public and the government support the industry in obtaining its revenue needs. This will require utilization of huge shut-in production, a dead investment of many billion dollars, and a firm trend of prices for all petroleum hydrocarbons — oil, gas and gas liquids.

Of total petroleum energy which last year supplied nearly three-quarters of national energy use, gas provided 37% but brought in only 14% of your wellhead revenue. Therein lies the key to better things. Gas has come a long way since the time when a gas discovery was considered worse than a dry hole, and we may not realize how far it has come. Viewing gas in terms of energy rather than revenue contribution, we obtain a vastly different picture of demand growth, wellhead prices, quantities of reserves added, and the area of reserve costs.

To explore this picture we must use for gas a basis different from that which the industry as practical people is accustomed to employ. It may put gas on a market equivalent basis and say 25 Mcf equal 1 barrel. It may use a present worth basis and say oil is worth $1 and gas 5 cents. In establishing the finding and development cost of oil, it may credit gas additions at the equivalent of 25 Mcf per barrel and thus arrive at a figure for oil. From the energy standpoint we must take the barrel equivalent of gas as 5.604 Mcf, the ratio used by Bureau of Mines energy studies.

On the energy basis, the proper one from the consumer's standpoint, demand trend is changed as to percentage growth and vastly changed as to growth in equivalent barrels and the importance of gas and liquids is highlighted. Last year's marketed gas production of 11 trillion feet becomes nearly two billion barrels of oil, some 5.4 million barrels per day against last year's crude production of 6.7 million barrels per day. Where oil and gas compete, thermal efficiency of gas averages higher, increasing the energy impact of gas, but we will not adjust for this factor. To obtain total demand for petroleum energy we must add the oil equivalent of marketed gas to the customary figure of demand for oil and gas liquids. Our 1958 energy figure thus becomes 14.5 million barrels per day, rather than 9.1 million for oil and liquids. The 10-year growth rate of this total demand was 5.7%, rather than 4.6%. The 10-year gain in total barrels per day was 6.2 million, against 3.3 million for oil and liquids.

Increase in Demand for Petroleum Energy, 1948-58

	Million Barrels per Day
Marketed gas	2.9
Net imports, crude and products	1.3
Crude production	1.2
Gas liquids	0.4
Inventory change factor	0.4
Total	6.2

Domestic crude production, contributing only 19% of the increase, had a growth rate of 2% per year, in contrast with one of 8% for marketed gas production. Gas liquids, increasing from a small base had an even better growth rate than gas. Over 42% of petroleum energy used in 1958 was provided by gas and gas liquids combined.

Here we have a prime point for the future. Our 1968 forecast indicates that gas and gas liquids will then provide 10 million barrels per day of oil equivalent or 46% of total petroleum energy. It is vital that the nation assure the continued functioning of domestic production through which this energy is provided, for the producing industry finds the gas. Some regions are more prospective for gas and some for oil but to quote the American Gas Association, "When drilling is undertaken there is no way of knowing whether the resultant well will yield gas or oil or both or will be dry."

On the energy basis the wellhead price of petroleum hydrocarbons is moderate. The average wellhead price for gas last year, 11.9 cents, becomes 5.6 times that, or 67 cents a barrel. The price paid the domestic producer last year for petroleum hydrocarbons was a blend of oil at $3.01, liquids at $2.29, and gas at 67 cents—a weighted average price of $1.99 per barrel. Oil and gas together brought a weighted price of $1.97. This is somewhat higher than the posted price of most crudes at Middle Eastern ports. However, domestic sources provide a full line of petroleum hydrocarbons, whereas we cannot buy gas from overseas.

The price of 67 cents a barrel for gas as energy equivalent may seem too low to be real, but it is real, as the sellers of oil burners and of distillate and other heating oils can testify. It is low in part because the cost of transmission and distribution is large. These operations have been essential to growth of the gas market. In 1958 the national average price of gas at point of consumption—industrial, commercial, and residential — was 46 cents per 1,000 cu. ft., equal to $2.59 per barrel. The residential market is the prime one and there the average U. S. price in 1958 was 98 cents, equal to $5.50 per barrel. Much higher prices are necessarily paid for residential gas in the northeast, where transmission and distribution costs are greater. The cost of distribution facilities in a major city is obviously high.

The production industry has been highly efficient in providing supplies of energy. The moderate additions to oil reserves in recent years are frequently criticized, as if our current problem were one of oil reserves rather than one of oil production. Taking API and AGA reserve figures at face value, the gross reserve addition of petroleum energy in the past 10 years amounted to over 66 billion barrels. Production was nearly 43 billion barrels, including gas losses. Ratio of addition to withdrawal was entirely satisfactory at 155%. Total reserves on an energy basis were some 82 billion barrels at the end of 1958.

The capital cost of these reserve additions has been moderate. We cannot here go into the highly complex and difficult aspects of finding experience and finding and development costs. We can point out that estimated capital expenditure by the production industry during the past 10 years totaled $34 billion, against the gross energy addition of 66 billion barrels. These figures suggest efficiency, rather than inefficiency, in the cost of our energy supplies.

The approach on an energy basis, rather than through oil alone, indicates that domestic production is efficient, that it can provide satisfactorily for future energy supplies, granted the needed revenues. They are essential to the industry's long-term functioning, which has been seriously threatened by the trends of recent years.

We approach the question of capital funds by way of an estimate of wellhead revenues in 1968. There is a fairly consistent percentage relationship between capital expenditure and wellhead revenue. The latter must be high enough to provide, on the basis of a reasonable percentage, sufficient capital funds for a substantially greater industry effort. The current decade appears to require reserve additions on the order of 20% greater for oil and 50% greater for gas, as compared with the past 10 years. Costs are up substantially and seem likely to rise further. Our 1968 projection of units and prices leads us to total wellhead income of $16.5 billion, a growth rate of 5.8% per year from 1958. The 10-year rise would be $7.1 billion. If we used lower prices, the resulting revenues would be correspondingly short of the sum we think necessary for the industry effort to continue along past lines and produce the needed reserve additions. As a percentage figure, the relation of capital outlay to wellhead revenue, we have chosen a conservative 43%, comparing with 39% in 1958 and 35% in 1948, thus reflecting higher costs. The 43% will certainly be low if the industry does not use as fully as it can the opportunities for capital economy on which we shall comment later. This is clear from the fact that 1958 was a year of retrenchment and the ratio of expenditure to outlay was much higher in other recent years. In 1954-56, inclusive, it averaged 48-49%.

To obtain the increased wellhead revenues, we have three possible sources. We must depend primarily on gas and oil since gas liquids will yield an increase of about $600 million.

Gas revenues will increase substantially but far less than our need. We see no problem in units, since demand is vigorous. The problem is gas prices. Gas — the premium fuel—sells at a discount, an unfortunate situation due to the application of utility regulation to a risk business and to the existing regulatory confusion. Perhaps in the absence of a Gas Act, prices will continue below their economic level but they nevertheless must rise in this decade. We project a 1960 wellhead price of 19 cents per 1,000 cubic feet, up 7 cents in this decade, comparing with a rise of about 5½ cents in the past decade. Old low-priced contracts will expire and new higher-priced contracts will take their place. Our projected revenue increase from gas is $2.1 billion, out of $7.1 billion required.

This leaves us oil to provide $4.4 billion. Rising production at the niggardly rate of recent years might provide $1.1 billion, based on a 10-year increase of 100,000 barrels per day per year taken at $3. Tight import controls are clearly essential. With them we might increase production 250,000 barrels per day per year and gain $2.75 billion of revenues. Even then we would be $1.65 billion short of the revenue needed. An increase of crude to $3.50 per barrel would be necessary to reach the needed sum. We must remember that gas transmission and distribution costs will continue; so that, aside from regulatory influences, it is unrealistic to expect a rise in volume and prices of gas matching its energy impact. Our 1968 projections show gas subsidized less than currently by oil, but gas will still yield only 21% of revenue against 40% of petroleum energy and oil must continue to carry the main burden of providing funds.

The alternatives become clear. If the production industry does not continue to explore in its accustomed manner, we shall sooner or later lack not only indigenous oil supplies but also the gas and gas liquids which by 1968 may represent close to 50% of petroleum energy used. If we support the domestic effort, we can have the needed supplies of gas and gas liquids and can continue substantially self-sufficient in petroleum energy as a whole. Our 1968 projection shows domestic sources providing about 88% of such energy in that year.

The essentials of support include continued and tight import controls, a relatively full rate of domestic oil production, and higher crude prices, as well as the revenue contribution of higher volume and prices for gas and gas liquids. And whatever we may think of import allocation methods we must recognize that without mandatory controls the gradual extinction of domestic production was threatened.

This is a strong case to put before the American public. The nation certainly wants the gas and under any circumstances would prefer to rely on domestic rather than foreign sources for energy supplies. To suppose an absurdity for the sake of illustration, we shouldn't care to have our electricity coming in large measure from gigantic generating stations in Latin America, the Middle East, and the Far East, with a new station building in North Africa. Substantial self-sufficiency in petroleum energy promises not only military security and economic security but also the economic welfare which continued development of a basic resource would insure.

If the oil industry's case is in the public interest, it deserves governmental support. Only the government can see to it that tight import controls continue and can remove the threatened straight-jacket on prices, whereby one governmental agency keeps watch on prices of petroleum and products and another applies utility regulation to gas sold at 67 cents per equivalent barrel.

To the domestic producer a substantially rising trend of production and firm prices would mean a revitalized industry.

Danger Points

We see in refining and production areas of danger involving crude prices and capital costs. Crude prices must rise to provide needed revenues and capital expenditure must be held down to keep costs on an efficient basis and to provide a return for the owners of the business.

Crude prices cannot rise if there are to be recurring price shambles in products, due to excessive refinery runs. The 1959 outlook seemed promising until refiners, forgetting the severe readjustment of 1958, proceeded as usual to give only token heed to seasonality and to cultivate the incremental barrel. Each year demand declines 2-2.5 million barrels per day from winter peak to summer trough, and the fact cannot be successfully ignored either by refiners or by the setters of allowables. Although it is true that higher refinery runs — the incremental barrels—tend to reduce refining costs more than proportionately, the benefits are negative when burdensome product stocks result as they did in 1956-58 and again this year. If excessive refinery runs reduce costs by five cents a barrel, the refiner may lose 20 or 25 cents a barrel through resulting price declines, apart from what he may lose in evaporation losses and carrying charges. The outsider cannot understand runs out of reason, runs that might be called "sinkremental" barrels because they sink the good hopes of the domestic industry, as they certainly did this year! The industry is indeed under Federal scrutiny; but there is nothing in the statutes to preclude ordinary business prudence, still less to encourage what at times suggests suicidal mania. Can it be that this huge industry has become compartmented, so that the zealous efforts of individual departments defeat the overall interest? Top management bears a heavy burden but shouldn't it look hard, in detail, at what goes on in refining and marketing? To the outsider these divisions seem engaged in a vicious circle of excessive runs resulting in distressed product prices which, in turn, require still higher runs to achieve still lower "costs," and so on. We respectfully suggest that runs 5% lower than the refining division normally plans would make the difference between a livable situation and the recurrence of intolerable situations—intolerable, we believe to the industry, to its stockholders, and to the national interest. The long-term welfare of the consumer is not seved by distress merchandise.

In oil production we see a problem of excessive capital expenditures. Under the lease and royalty set-up a discovery of marginal quality can set off a whole chain of development, through required offsets. There is a much broader category of excessive expenditures, however. The other side of nine days in Texas is that, apart from exempt production, existing wells could produce at MER more than twice their allowables. In a sense any development drilling is redundant. But required offsets must be met; and with allowables declining, there is strong pressure to develop for production, for the allowables that go with additional wells. Such development adds each year huge sums to capital expenditure. If production were anywhere near MER, which we hope it will gradually approach, the situation would be different. If in the meantime the industry does all it can to hold down development not needed for producibility, there can be large capital economies. These are essential if the ratio of expenditure to income is to be held down, as previously discussed. For success in this direction a whole-hearted industry effort will be required. Another most important avenue of capital economy is that of the widest possible spacing of wells compatible with adequate drainage. The current trend in this direction should be extended to the uttermost, along with all other practices which can reduce costs in exploration, development, and production.

The Current Decade

In the current decade the gain in demand for petroleum hydrocarbons will be smaller percentagewise, due to the higher base. We project a growth rate of 4.2% per year. The gain in barrels per day will be huge, some 7.3 million, of which somewhat less than half will come from marketed gas production and somewhat more than half from oil and liquids. The total gain may come close to matching that of oil demand in the free foreign world as a whole. Last year such demand was 7.7 million barrels per day, and it may double in the current decade, with a growth rate of about 7% per year.

Our marketed gas production is projected at a growth rate of 5% per year to reach about 18 trillion feet in 1968. This is perhaps a liberal projection. Although the gas utilities expect a growth rate of 6% in their market, we know of projections lower than ours. Regulatory developments will have an influence. The amount of imports will have an important bearing and this will be influenced by Canada's policy as to exports of gas and oil. Our projection is unlikely to be attained if the domestic finding effort is crippled by inadequacy of revenues.

For petroleum demand, oil and liquids, we contemplate growth of 3½% per year, which we hope may prove conservative, to reach 13 million barrels per day in 1968.

Domestic petroleum demand will rise 3.9 million barrels per day on this basis and domestic crude production must obtain a high share of the increase. We project for domestic oil output a growth rate of 3%, giving an average increase of 249,000 barrels per day against 119,000 in the last 10 years and amounting in this decade to an increase of 2.5 million barrels per day, bringing production to 9.2 million barrels per day. We believe that, even on the lower estimates of current producibility, our production can accomplish this gain and still have spare capacity. If the higher estimates of producibility are more correct, crude production can increase more than that and the increase of imports can be held down correspondingly. We assume a figure for gas liquids, subject to the uncertain amount to be used in miscible floods, and reach a figure for imports as the balancing factor.

Since we have already spoken of gas prices, we will note here that prices of petroleum and products are low in relation to the general commodity index and extremely low in relation to such commodities as steel. On this basis alone the government should not object to price rises in crude, over a period, equal to whatever advances occur in the commodity index. If that should rise 2% per year, crude prices could parallel the rise and thus reach $3.50 by 1968.

If the commodity index does not rise that much, a crude price increase of that extent will still be essential to attainment of the needed wellhead revenue. Taking crude and gas liquids at the average prices of 1958 and on the basis of our projected volumes in 1968, our estimate of needed revenue in that year could be reached only if wellhead gas went to 29 cents, up from 12 cents last year. Such a rise in gas seems highly improbable.

With crude at $3.50 the revenue contribution of higher crude prices would be $1.65 billion in 1968, as compared with 1958. An average crude price advance of $165 million a year for 10 years would amount to 33/1000 of 1% of gross national product now approximating $500 billion per year. This seems a trifling price for the nation to pay for security in energy supplies.

As previously noted, total wellhead value in 1968 is projected at $16.5 billion, representing a growth rate of 5.8% per year from 1958 and a dollar increase of $7.1 billion or 75%.

If our figure for capital expenditure in 1968 of $7.1 billion is about right, the current decade may witness total capital expenditures for production of $50-55 billion, to compare with $34 billion in the past 10 years.

Reserves

We must also comment on the important subject of reserves.

As to *oil*, the 10 years through 1958 on balance were not bad since the industry had a gross addition of 30 billion barrels by discovery, extension, and revision. After production of 23 billion barrels, reserves rose 7 billion. Indicated reserve life based on 1958 production is about 12½ years.

How much oil would have to be added to have a good reserve-production ratio at the end of 1968, facing the following decade? Since production from secondary or assisted recovery is likely to rise more than proportionately, we could have in 1968 an indicated reserve life of about 11 years, which, when multiplied by 9.2 million barrels per day of production, would represent 37 billion barrels. This would be a better-quality reserve as to producibility than the present one. To reach this figure we would need a gross addition of 36 billion barrels, before 29-30 billion barrels of production. Addition of 36 billion would be 20% more than the gross addition of the past 10 years.

Secondary oil should provide a large fraction of the requirement. Paul D. Torrey's secondary study showed 43 billion barrels recoverable by injection, and, as of Jan. 1, 1958, 13 billion barrels recoverable on the basis of the then-economic conditions. This oil awaits the application of known technology which is improving rapidly. Assisted recovery with proper selection of projects represents big oil on a satisfactory economic basis.

What about the primary source of new reserves—discovery? Gas finding has been aided by the good movement of gas to market. Nothing could stimulate oil discovery more than an improving trend of production and firm prices. The nearer the industry gets to MER, the stronger will be the stimulus from this direction. Technological advances will help—new geological ideas, new geophysical attainments, greater success in finding the elusive but prolific stratigraphic trap, improved drilling techniques to probe the great depths of sediments as in the Louisiana Miocene. There will be new basins, new provinces. Apart from secondary operations, it should not be difficult to equal the reserve additions of the past decade. Furthermore, Canada may well evolve as a source of gas and it would be logical to bring additional oil imports from Canada, thus including in our set-up Canada's exploratory promise, in which many American companies already participate. The Canadians might like that, since on an oil-only basis they can compete no better than we with the Middle East, especially at distressed tanker rates.

Although reserve additions of gas in the past decade were excellent, gas finding will have to step up, in line with increasing demand. Ratio of reserves to production at the end of 1958 was around 22 years. On projected demand and assuming a ratio of 19 years at the end of 1968, reserve additions will have to average 25 trillion a year until then—rather than the 17 trillion of the past decade. There seems no doubt that there is plenty of gas to be found. However, addition of 25 trillion a year is a large order. It seems likely that domestic supplies will be supplemented from neighboring sources.

As to **long-term energy sources**, shale reserves are measured in at least Middle Eastern magnitudes. Hydrocarbons from shale will sooner or later become commercial, probably through a combination of technological advances and rising prices for hydrocarbons.

Conclusion

In conclusion, the basis of petroleum energy rather than oil alone indicates a vigorous growth of demand and makes a strong case for public and governmental support of the industry's objectives, based on the provision of needed gas supplies and of substantial self-sufficiency in energy. It may be that past difficulties of communication between industry and public can be remedied by this approach. It seems vital that both public and government realize the need to utilize more fully the producibility and to obtain, through prices as well as unit volume, funds for the still greater tasks of the future.

While the failure to establish the oil industry's case would have disturbing implications, with its acceptance by public and government, the future can be promising. The industry cannot expect anything so good as the first 10 postwar years, through 1955, but it can expect something much better than the 10 years ended with 1958. There will have to be realistic policies as to refinery runs. All feasible economies will have to be made, both to keep the industry efficient in its provision of energy supplies and to make sure that the improving trend of gross revenues finds adequate reflection in net income. The investor is not going to favor this industry until it shows renewed earnings growth and the capacity to extend that growth. Neither of these can be expected without the exercise of mature self-restraint during the current period of over-capacity. This industry is unaccustomed to self-restraint which may therefore prove difficult, but it is high time that we have something better than chaos. The industry takes justifiable pride in its past accomplishments, an outstanding example of national service through free enterprise. It has been said that no man is free who is the slave either of his habits or of his appetites. The mark of freedom for man or industry is the capability of self-discipline. It will not be the least accomplishment of this intensely competitive industry if it can at last meet its urgent need for self-discipline, if it can muster the maturity and statesmanship to overcome its internal difficulties, in which the interests of both industry and nation are deeply involved. With these stipulations, a substantially rising trend of production and firm prices should permit it to do much better. And who knows — at some point the investors may like oil again. If the industry really does the job that now confronts it, they may even become devoted—with better basis than the apparent devotion of 1957.

*An address by Mr. Russell before the Production Session during the 39th Annual Meeting of the American Petroleum Institute, Chicago, Ill., Nov. 10, 1959.

McDaniel Lewis Co. Now Corporation

GREENSBORO, N. C. — Greensboro's oldest independent investment banking firm, McDaniel Lewis & Co., formerly a proprietorship and more recently a partnership is now a corporation. The company which started in business 37 years ago has been located since 1924 in the Jefferson Standard Bldg., where it now has spacious new quarters on the fifth floor.

Marshall H. Johnson

In the new set-up, Marshall H. Johnson, with the firm for 12 years becomes President and General Manager, and has charge of corporate underwriting and trading. McDaniel Lewis is now Chairman of the Board of Directors and remains executive head of the firm. Edward R. Lowry, Vice-President, formerly of Knoxville and Johnson City, Tennessee, is head of the Municipal bond department and Assistant General Manager. E. Kemp Reece, Vice-President, heads the trading department, and Hal L. Simpson is Cashier.

McDaniel Lewis, the founder, entered the municipal bond field in 1922 and soon became a specialist in the preparation and sale of North Carolina city and county issues, and was the author of a short story on this subject. In the early thirties the company started trading Jefferson Standard Life Insurance Co. shares and local bank stocks, then branched out into nationally traded industrial issues and mutual funds. It has also become an important factor in the underwriting and distribution of local and national issues.

Registered representatives living in Greensboro are: Kenneth C. Wible and C. Franklin Miller, Jr., Vice-Presidents; and Willard C. Robbins and Stephen L. Wilkerson. Others, all stationed within the state are Vice-Presidents R. Thornton Hood, Kinston; Robert E. Lee, Jr., Greenville; and Richard M. H. Stock, Morganton; and representatives Robert L. Abbott, Goldsboro; Earl H. Lanning, Raleigh; Jarvis J. Arthur, Jr., Wilmington, Robert J. Clemens, Durham; John H. McKinnon, Red Springs.

W. Vicino Joins Stewart, Eubanks

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Walter J. Vicino has become associated with Stewart, Eubanks, Meyerson & Co., 216 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges. He was formerly Assistant Manager of the trading organization for the San Francisco office of Blyth & Co., Inc.

Vickers, Christy Formed in N. Y.

Vickers, Christy & Co., Inc. has been formed with offices at 30 Broad Street, New York City, to engage in a securities business. Officers are Sidney G. Vickers, Jr., President; and William J. Christy, Secretary-Treasurer. Both were formerly with Vickers, Angelus & Daly, and prior thereto were partners in Vickers Bros.

Manley, Bennett Appoints

DETROIT, Mich. — Herman J. Grambau has been appointed a mutual fund representative in the investment trust department of Manley, Bennett & Co., Buhl Building, members of the New York and Detroit Stock Exchanges.

Mr. Grambau was formerly supervisor of salaried personnel at Vickers, Inc.

R. O. Ballschmider Now With Sheboygan Inv.

(Special to THE FINANCIAL CHRONICLE)

SHEBOYGAN, Wis. — Richard O. Ballschmider has become associated with Sheboygan Investment Co., Inc., Security National Bank Building. In the past Mr. Ballschmider was with White, Weld & Co. and was an officer of Heronymus & Co. of Sheboygan.

Bryon Co. Formed

MANHASSET, N. Y. — Bryon & Company, Inc. is engaging in a securities business from offices at 2 Park Avenue.

MUTUAL FUNDS

BY ROBERT E. RICH

The Changing Investment Climate

Texans, familiar with the fickleness of their weather, often assuage a stranger complaining about their climate by saying: "If you don't like the weather, stick around." Veteran managers of investment portfolios, no less aware that the market climate blows hot and cold without warning, might well give the Texans' advice to those who fret about the state of the marketplace.

In recent days the winds that have swept Wall Street, from graveyard to river, have caused considerable erosion in stock prices. Meanwhile, another wind out of Washington, stemming from the Treasury Department, has made for balmier days in the bond market. The Treasury, which has its own fish to fry, of course, has no desire to alter the course of stocks and bonds. But the success, amazing to the Government and Wall Street, of its more than $2 billion issue of 5% notes has altered the investment climate of the country considerably. The public clamor for the so-called Magic 5's took everybody unawares—Treasury aides, Wall Streeters and the banks all across the country. As Robert Swinarton of Dean Witter & Co. said: "People called and phoned —they all wanted to know how you go about buying them."

Yields, in stocks or bonds, meant little until the advent of the Magic 5s. In a soaring stock market, with everybody seemingly convinced that the future held out the prospect of 10-cent dollars, the stress was on outcome, not income. And, for that matter, yields held out scant attraction even before the market took off last year. Mutual fund managers have no difficulty in recalling that during the stock market decline of 1957, yields of 7% and more were available in such issues as Continental Baking, Chesapeake & Ohio Railway, United States Lines, R. H. Macy and scores of others. There was no scramble to buy.

Early this year bonds also went begging. As Dean Witter's Mr. Swinarton explained it at the time: "People are cold to 4% income. They want a capital gain, and the only way to get it is through stock." And in the forepart of 1959 the average corporate bond was yielding 4.1%, compared with less than 3½% for the average stock.

As the year wore on, the return from bonds became even more substantial: falling prices made 5% returns quite common. And, of course, the Magic 5s have all but made 5% a floor. Meanwhile, the continued rise in stocks (halted this summer) dropped the yield from equities often much less than 3½%. United States Steel, as a case in point, returned less than 3% until price erosion set in this month.

It was just one week ago that a secondary offering was made of 202,860 shares of General Motors Corp. at $50.75 a share—more than $10 million worth of stock, believed to have been the holding of a leading mutual fund. The yield on G. M.'s $2 dividend, around current levels, is a shade less than 4%

Managers of investment portfolios are not unaware that bond yields these days are the highest in a generation. At the same time, they have seen returns from common stocks go into decline. While they have been attracted to the so-called glamour stocks (the space age and electronic issues), they also are asking themselves whether some of these equities aren't already being too liberally appraised. If they live by such traditional yardsticks as price-earnings ratios, then the answer not infrequently is an emphatic "Yes." If we are undergoing a period in which the funds are sellers of stock on balance and showing increasing interest in liens it may very well be that an ancient Wall Street shibboleth has gained new acceptance. That maxim holds that "when yields from stocks drop below the return from high-grade bonds—then sell stocks."

about the same as in September when 28,883 new accumulation plans were started. In October, 1958, the Association reported, 22,735 accumulation plans were begun.

Redemption of shares by investors declined slightly in October, totaling $53,309,000, compared with $54,057,000 the month before, and $61,270,000 in October, 1958.

* * *

Vance, Sanders & Co., in its bi-weekly publication, "Brevits," lists the latest reports on endowment funds of colleges and universities. The tally shows common stocks have the prominent place in such holdings.

* * *

Distributors Group, Inc. reports the largest holding in its Capital Growth Fund was American Motors, purchased nearly five months ago. The profit already tops 100%.

* * *

Abacus Fund declared a dividend of 3/100ths of a share of the common stock of Gatineau Power for each of the 855,716 shares outstanding on Nov. 25. This is attributable to the second half of 1959 and compares with 2/100ths of a share of Gatineau disbursed last June.

* * *

Mutual Income Foundation, sponsored by Nationwide Insurance, reports more than 1,000,000 shares outstanding and net assets of nearly $17,000,000—both about 100% higher than a year earlier.

* * *

Abacus Fund has elected Leonard S. Sheriff as Secretary. A partner in the New York law firm of Cleary, Gottlieb, Steen and Hamilton, he succeeds Henry J. Friendly, who resigned to become a judge of the U. S. Court of Appeals.

* * *

Wellington Fund sales for the last 10 months rose 22% to $117,288,000.

* * *

Energy Fund, Inc. reports that as of Oct. 31 net assets amounted to $8,653,636. This compares with the $950,000 at the time it was founded four years earlier.

* * *

In its annual report for the fiscal year ended Sept. 30 **Franklin Custodian Funds** disclosed that four of its five funds increased their net assets per share during the 12 months. Gains were registered by the **Common Stock Series,** up 20% to $11.74; the **Utilities Series,** up 12% to $10.74; the **Income Series,** up 8% to $5.87, and the **Preferred Stock Series,** up 2% to $5.70. Assets of the **Bond Series** declined by 3% to $5.42 per share.

* * *

In its report for the nine months ended Sept. 30, **General Capital Corp.** disclosed that its net asset value per share increased to $16.33 at the close of the period from $15.37 at last Dec. 31. There were large decreases in holdings of Merck & Co., Standard Oil of New Jersey and United Aircraft. The biggest single increase was in Amerada Petroleum. Major industry holdings at the close of the period: electrical and electronics, 18.88%; chemicals, 15.14%; paper and forestry, 11.33%; glass, 9.97%, and petroleum, 8.94%. Largest individual commitments were in International Business Machines, Minnesota Mining & Manufacturing, Eastman Kodak, International Paper and Owens-Corning Fiberglas.

* * *

General Investors Trust announces that its net assets hit a record $9,127,992 on Sept. 30, an 87% gain over the level of one year earlier. Net assets per share, however, dropped to $7.12 from $7.39 on June 30. At the close of the latest period, the fund had 40.21% of its assets in U. S. Governments and corporate bonds, 55.35% in common stocks, 1.59% in preferred stocks and 2.85% in cash and receivables.

Inv. Ass'n of N.Y. 9th Annual Dinner

The Investment Association of New York will hold its Ninth Annual Dinner on Tuesday, Dec. 15, at the Starlight Roof of the Waldorf-Astoria. John J. McCloy, former U. S. High Commissioner for Germany and presently Chairman of the Board of the Chase Manhattan Bank, will address the membership and their guests.

Dinner starts at 7:15 p. m. and cocktails will be served starting at 6:15 in the Palm Court adjacent to the Starlight Roof.

Denschor Branch

MIAMI BEACH, Fla. — Denschor Realty and Trading Corporation of New York has opened a branch office at 4720 Alton Road under the direction of Dr. Morris Schor.

The Funds Report

Investor purchases of shares in open-end investment companies during October totaled $183,083,000, according to the **National Association of Investment Companies.**

This was slightly under the $188,315,000 invested in September, but above the $170,563,000 total reported for October, 1958.

Total net assets of the 155 mutual fund members of the Association rose slightly during the month. They amounted to $15,080,583,000 on Oct. 31, compared with $14,746,405,000 at the end of September. Assets at the end of October a year ago totaled $12,218,441,000.

Assets of mutual funds are widely diversified among an estimated 3,500 securities of some 2,000 corporations, the Association reported, adding that mutual funds currently hold approximately 3.6% of the value of all equities listed on the New York Stock Exchange.

The popularity of accumulation plans for the regular monthly or quarterly acquisition of mutual fund shares continued at a steady rate. During October, 28,989 such plans were opened by investors,

THE MARKET . . . AND YOU

BY WALLACE STREETE

Stocks seesawed with the bulk of the list showing no clearcut intention this week and the fact that rails slipped repeatedly to the poorest postings seen this year was far from helpful.

* * *

The rails were the rather obvious disappointment now that the steel mills are humming. They felt the brunt of the strike almost immediately, as carloadings dropped off and logically could have been the group to show the better action as the post-strike business picked up.

Rails Continue as Drag

Instead of this celebration, they were a definite drag on the list which is still disturbing to those who take the technical approach to the market. The industrial average, by contrast, has been holding around a score of points above the September low.

* * *

Selected electronics were able to forge higher at times, particularly when, as in Motorola, split hopes are high. Steels had their buoyant moments although without making any serious attempt to overwhelm the lists of new highs.

"Compacts" Quiet Down

The small car shares were well quieted down, wavering around in what the market analysts like to call a trading range. The Big Three were restrained, with the decline in Ford probably reflecting the imminence of another two million share offering.

* * *

Utilities were steady most of the time and the entire money market was helped by the ready acceptance accorded American Telephone's latest debenture offering. The utility section continued to be the above-average one for yields.

* * *

Southern Natural Gas was a high-yielding item even in this income section. Its return of around 5½% even compared favorably with some of the high bond yields prevailing currently. This is one of the older and larger of the transmission companies. Its outlook is bright because of both enlarged pipeline facilities and sizable rate increases. In addition it plans to step up its own drilling activities to secure a greater proportion of its needs. Its own wells last year produced only 8% of the gas needs. It also has a stock interest in Alabama Gas, one of its principal customers, and in Air Reduction. These have a market value some $10 million more than the cost basis at which they are carried on the books.

A Rebounding Machine Tool Issue

The earnings rebound item in the counter market is Warner & Swasey Co. in the machine tool group. For the first three-quarters of the year, on a sale jump of only around 42%, profit was more than four times the earnings for the same period last year and even triple the final results for all of 1958. The company has been diversifying to smooth out the sharp ups and downs of the cyclical tool business, its interests now reaching to textile machinery and construction equipment. The issue sells for around eight times the current annual profit rate, and six times the anticipated earnings for 1960. In markets where 20-times and more are prevalent, the issue appears to be one that isn't yet in the stratosphere.

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Koehring Co. is another sharp recovery item. It makes construction and industrial machinery. For the August quarter its profit was 150% ahead of the same period last year and for nine months the profit gain came to 230% over the 1958 showing. This was achieved on a sales gain of only 44% for the nine months and slightly more than 50% in the third quarter. The company also has been busy diversifying, mostly by acquiring new firms including a couple in the oil well supply business.

* * *

The steady gainer is Anchor Hocking Glass which turned in record figures despite the recession last year, and undoubtedly will make a better showing this year with business generally perking up. It is one of the more steady dividend payers, too, and in a few more years will round out half a century of uninterrupted payments.

A Newly Arrived Chemical

Unlike United Fruit where troubles in Latin American countries made a break necessary in one of the longer dividend chains, W. R. Grace some years ago branched out into chemicals. This move cushioned the sharp drop in profits from its Latin American activities. Several chemical companies were acquired, including Davison and Dewey & Almy. In all, Grace committed some $200 million to its chemical business. Last year the chemical activity accounted for 40% of sales and more than half of the net income. The company now ranks among the top 10 chemical producers of the country. Price-wise the issue has been available more than a dozen points under its 1956 peak, even though this year the chemical business has shown a pronounced recovery generally, and better results for Grace are virtually assured.

Paramount's Spreading Activities

A mundane item is Paramount Pictures which so far this year has held in a range of around eight points. Movie producers haven't been market favorites to any great extent for a long while, but Paramount is a bit more than a movie producer only. It has grown into maker of devices for electronic computers, has developed a color TV tube that is a production item now, owns a closed circuit television operation and holds a multi-million interest in Du-Mont Laboratories. All this in addition to its movie business.

* * *

Paramount last year sold some 700 films to Music Corp. of America, from which it should receive $50 million income payable in installments until 1973. In addition it still has a large library of films made after 1948 available for future sale. More importantly as far as the stock is concerned, Paramount has been busy retiring its own shares, a total of 536,800 having been reacquired so far. In the first half of this year it bought 43,000 shares. The yield on it at recent prices has been a respectable 4¼%. With Paramount pretty clearly not offering newer purchasers much in the way of price action, it is one item that should be immune to all the tax loss selling that market followers anticipate between now and the end of the year.

Tax-Loss Selling Ahead?

There is, as ever, a school of contrary thought which holds that a flood of tax loss selling has been anticipated so generally that it probably won't happen in the perverse way things occur in the stock market. There is some evidence that much tax loss selling has been done already. But the expectation of more has been contributing to the general caution around.

[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.]

Phila. Inv. Assn. To Hear Schraeder

PHILADELPHIA, Pa.—A luncheon meeting of the Investment Association of Philadelphia will be held on Friday, Nov. 20, at the Engineers Club, 1317 Spruce Street.

Harold X. Schraeder, Executive Vice-President and Director of Research of Distributors Group, Inc., will be guest speaker. Mr. Schraeder will discuss "The 1960 Business and Stock Market Outlook."

Herbert S. Bengtson of Schmidt, Roberts & Parke, is in charge of arrangements.

With Bosworth, Sullivan

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Leonard R. Jones has become connected with Bosworth, Sullivan & Company, Inc., 660 Seventeenth Street, members of the New York and Midwest Stock Exchanges.

With Columbine

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Robert G. Danknich is now affiliated with Columbine Securities Corp., 621 Seventeenth Street.

Joins Inv. Bankers Inc.

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Russell R. Hopkins has joined the staff of Investment Bankers, Inc., First National Bank Building.

IBA Announces Convention Speakers

WASHINGTON, D. C.—The 48th Annual Convention of the Investment Bankers Association of America will be held Nov. 29-Dec. 4, at the Americana Hotel, Bal Harbour, Fla.

In addition to the address by William D. Kerr, Partner, Bacon, Whipple & Co., Chicago, and President of the Association, the following guest speakers will participate in the program:

His Excellency B. K. Nehru, Commissioner General for Economic Affairs, India.

Gabriel Hauge, Chairman, Finance Committee, Manufacturers Trust Company, New York.

The Honorable James P. Mitchell, Secretary of Labor.

The Honorable Samuel C. Waugh, President, Export-Import Bank of Washington.

A Municipal Forum will open the Convention on Sunday afternoon, Nov. 29, and there will be Convention sessions each morning, Monday through Thursday. Chairmen of national IBA committees will present their annual reports. Cash awards will be made to the three winners of the 1959 Institute of Investment Banking essay competition.

New officers will be installed on Thursday morning, Dec. 3, and the incoming Board of Governors will meet that afternoon.

Duffy With Byllesby

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Gordon T. Duffy is now affiliated with H. M. Byllesby and Company, Incorporated, 135 South La Salle Street, members of the Midwest Stock Exchange. He was formerly with Bacon, Whipple & Co. and Lee Higginson Corporation.

Lowell, Murphy Adds

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Dale C. Cockerill has been added to the staff of Lowell, Murphy & Co., Inc., Denver Club Building. He was previously with Allen Investment Company.

With Slayton & Thayer

(Special to THE FINANCIAL CHRONICLE)

ALTON, Ill.—Herbert G. Wickenhauser is now with Slayton & Thayer, Hotel Stratford Building.

NEWS ABOUT BANKS AND BANKERS

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

Irving Trust Company of New York announces the promotion of Edwin A. Heard from Assistant Vice-President to Vice-President.

Mr. Heard has been associated with Irving Trust Company since 1947 and is in the Company Investments Division.

At the same time Douglas E. Allis was named an Assistant Vice-President, and Paul D. Bordwell, Edward K. Lantz, Karl E. W. Mueller, Robert R. Risch and John C. Sutherland were made Assistant Secretaries.

* * *

The Trade Bank and Trust Co., New York, on Nov. 6, was given approval by the New York State Banking Department to increase its capital stock from $3,147,210 consisting of 314,721 shares of par value of $10 each, to $3,540,610 of 354,061 shares of the same par value.

* * *

The election of Wilfred Wottrich as Chairman of the Board and Chief Executive Officer and Michael J. Burke as President was announced by **The Lincoln Savings Bank, Brooklyn, N. Y.** Mr. Wottrich has been a member of The Lincoln's Board of Trustees since 1951 and is presently Chairman of its Executive Committee.

He has been connected with **Manufacturers Trust Company, New York,** for the past 35 years where his recent position was Vice-President in charge of the personal trust department.

Michael J. Burke has been affiliated with the Bank since 1949 as a Vice-President. He was made a Trustee in 1953, and Executive Vice-President in 1955.

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Mr. James A. Collishaw, President of **The Rockland National Bank at Suffern, New York,** announced the appointment of Mr. M. Ambrose McCabe, as Executive Vice President. A former Vice-President, Mr. McCabe, had served as President of the **Haverstraw National Bank and Trust Company, Haverstraw, N. Y.,** from September, 1939 to December, 1957, when it merged with the **Rockland National Bank.** In his new post Mr. McCabe will be in charge of business development, advertising and public relations.

* * *

A merger of the **Canal National Bank of Portland, Maine** with common stock of $1,400,000 and the **York National Bank of Saco, Maine** with common stock of $250,000 was approved by the office of Comptroller of the Currency effective Oct. 31 under the charter of The Canal National Bank of Portland and under the title of **Canal National Bank.** (Number of shares outstanding 200,000 shares, par value $10.)

* * *

Shareholders of **The First National Bank of Jersey City, N. J.,** at a special meeting Nov. 17 approved a proposal by the Directors to increase capital funds through the sale of 31,000 additional shares of the bank's $25 par value capital stock. More than 80% of the stock of the bank was voted in favor of the proposal.

In accordance with this action by the shareholders, the bank will offer the shareholders of record on Nov. 17, 1959, rights to subscribe pro rata to the 31,000 new shares at $53 per share. These rights will expire on Dec. 3, 1959.

With the completion of this offering, the number of shares of the bank's capital stock will be increased from 189,000 to 220,000. The proceeds will increase the capital of the bank to $5,500,000, surplus to $5,500,000, and undivided profits to approximately $1,750,000. It is estimated that total capital structure, including reserves, will amount to $14,938,000.

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Frank R. Denton, Vice-Chairman of **Mellon National Bank and Trust Co., Pittsburgh, Pa.,** announced the appointment of Richard D. Flinn as Assistant Secretary in the Trust Department. Mr. Flinn joined the Trust Department of the bank in 1951.

Mr. Denton also announced the appointment of Miss Mary C. Williams to Assistant Secretary in the Trust Department. Miss Williams' banking career began in 1943 with the **Union Trust Co.,** three years before it consolidated with the Mellon National Bank and Trust Co.

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The consolidation of the **Hill Top Bank of Pittsburgh, Penn.** and **Western Pennsylvania National Bank, Pittsburgh, Pa.** has been approved by the stockholders, effective as of Nov. 16.

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The office of the Comptroller of the Currency approved a merger of the **First National Bank of Kinsman, Ohio,** with common stock of $125,000 with the **Mahoning National Bank of Youngstown, Ohio,** with common stock of $2,455,000, effective Oct. 31 under the charter and title of the Mahoning National Bank of Youngstown. (Number of shares outstanding 260,500 par value $10 each.)

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The **Lorain County Savings and Trust Co., Elyria, Ohio,** and the **Peoples Banking Co., Oberlin, Ohio,** consolidated under charter and title of the **Lorain County Savings & Trust Co.,** effective Nov. 7.

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A consolidation of the **Centerville State Bank of Centerville, Indiana,** with common stock of $25,000 into the **Second National Bank of Richmond, Indiana,** with common stock of $1,000,000 was approved by the Office of the Comptroller of the Currency effective Nov. 4. (Number of shares outstanding 140,000, par value $10.)

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The American National Bank & Trust Co. of Kalamazoo, Michigan, increased its common capital stock from $1,250,000 to $1,500,000 by a stock dividend effective Nov. 5. (Number of shares outstanding 60,000, par value $25.)

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By a stock dividend, **The First National Bank of Owatonna, Minnesota** increased its common capital stock from $100,000 to $250,000, effective Nov. 2. (Number of shares outstanding 2,500, par value $100.)

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The Fort Dodge National Bank of Fort Dodge, Iowa, increased its common capital stock from $200,000 to $400,000 by a stock dividend effective Nov. 5. (Number of shares outstanding 16,000, par value $25.)

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The new assistant manager of the foreign department of **City National Bank & Trust Co., Kansas City, Mo.,** is Baron L. C. Van Lawick.

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Mr. Henry B. Matthew was named Assistant Cashier of **Guaranty Bank, Phoenix, Ariz.** The announcement was made by Mr. James P. Simmons, President. The Guaranty Bank will open early in 1960 with a $2,500,000 capitalization.

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F. Howard Russ, Jr., 73, retired Vice-President of **California Bank, Los Angeles Calif.,** died on Nov. 9 following a brief illness.

Mr. Russ began his long career in banking with the **First Detroit Co., Detroit, Mich.,** in 1922 where he served as Vice-President. He joined the **First National Bank, Detroit, Mich.,** in 1924 as a Vice-President and later moved to the **Cleveland Trust Co., Cleveland, Ohio,** where he also held the post of Vice-President.

Mr. Russ joined the California Bank as Vice-President in 1943 where he continued until his retirement last year.

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The First Western Bank & Trust Company, of San Francisco, Calif. announced the appointment of Mr. Stanley M. Hogshead, as Vice-President and Manager of the bank's Sacramento, Calif. main office.

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William R. Heins was appointed Vice-President of the **Security First National Bank, Los Angeles, Calif.**

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The Security First National Bank, Los Angeles, California, elected Charles E. Ducommun, a Director, effective Nov. 12.

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A merger of the **First National Bank of Tustin, California,** with common stock of $50,000, and **The First Western Bank and Trust Co., San Francisco, California.** was approved by the Office of the Comptroller under the charter and title of the **First Western Bank and Trust Co.,** effective Oct 30.

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The common capital stock of the **National Bank of Commerce, Seattle, Wash.,** was increased by a stock dividend from $9,000,000 to $10,000,000 effective Nov. 5. (Number of shares outstanding 100,000, par value $100.)

Roscoe Ayers With Cruttenden, Podesta

DENVER, Colo.—Roscoe B. Ayers has been appointed Manager of the Denver office of Cruttenden, Podesta & Co., 524 17th Street, according to an announcement from Robert A. Podesta, managing partner of the investment firm.

Roscoe B. Ayers

Mr. Ayers comes to the Cruttenden, Podesta staff after more than six years with The J. K. Mullen Investment Company, where he was registered representative and manager of the Mutual Fund Department. Previously, he was with the Denver office of Harris, Upham & Co., and the New York office of Hemphill, Noyes & Co.

Active in financial community affairs, Mr. Ayers has served as Secretary-Treasurer and member of the Executive Committee of the Rocky Mountain Group, Investment Bankers Association of America. Next month, he begins a one-year term as Vice-Chairman of that Group.

J. J. B. Hilliard to Admit 2 Partners

LOUISVILLE, Ky.—J. J. B. Hilliard & Son, 419 West Jefferson Street, members of the New York and Midwest Stock Exchanges, on Dec. 1 will admit T. Ballard Morton, Jr. and George L. Partlow to partnership.

Shuman, Agnew to Admit W. Savage

SAN FRANCISCO, Calif. — Shuman, Agnew & Co., 155 Sansome Street, members of the New York and Pacific Coast Stock Exchanges, on Dec. 1 will admit William T. Savage to partnership.

Financing Picture in 1960 For Finance Companies

By Edward L. Holsten,* *Partner, Salomon Bros. & Hutzler, New York City*

Investment banker advises installment finance companies money may not be more costly in 1960 than in 1959, with some possibility of lower rates from time to time. Borrowers, in Mr. Holsten's judgment, should consider shortening maturities where possible to minimize interest rate penalties, or accept higher interest rate to longer periods of non-callability, should that be the choice. The probable sources of funds for 1960 are summarized group by group and reflect the same problems encountered in 1959 with the exception of possible changes resulting from anticipated reduced mortgage starts and Treasury repayment of debt in first half of 1960.

This last year has been filled with changes so swift and so staggering, with the yield curve pitched, at times, quite steeply, and shifting with great suddenness to a flattened curve, and then to a reverse one. It is interesting to recall that less than a year and a half ago long government $3\frac{1}{4}$s sold to yield 3.22, 5-year $2\frac{5}{8}$s reached a 2.50 yield, and the Treasury was able to raise 1-year money at $1\frac{1}{4}$. The money managers have followed the pattern of a restrictive monetary policy to combat what they felt to be renewed dangers of a vigorous inflation, and they have attempted by such means to keep our boisterous economy within limits. The money managers have used the traditional vehicles, the rediscount rate (that is, the penalty charge incurred by member banks for offsetting deficits in reserves), and the purchase and sale of Treasury bills in the open market, with the immediate effect of expanding or shrinking the supply of credit.

Edward L. Holsten

The money managers have carried on their program of restraint, while, at the same time, noting the urgent requirements of the Treasury for raising some $12 billion of new money to supply the budget deficit and insuring an adequate supply of credit for the normal minimum needs of a dynamic economy, and keeping the market from becoming too disorderly. I must say I can't imagine a hotter seat to be in than the one occupied by those money managers. I think they deserve our sympathetic endorsement of their very valiant efforts toward reconciling so many absolutes. Against this background of a restrictive policy of the Fed, aggravated by a substantial government deficit in a year when housing starts increased violently and unexpectedly to 1,350,000 starts, the installment finance companies set out to prepare themselves not only for the current requirements of 1959, but to lay the groundwork for the expected expansion in what is generally expected as a record year for the automobile industry in 1960.

Typical Financing Pattern

Capitalization of finance companies consists of funds from common stock, retained earnings and surplus, preferred stocks, capital debentures or junior subordinates, senior subordinates and long- and short-term senior debt, including bank borrowings, finance paper, notes, etc. While this pattern is occasionally complicated by other intermediate layers, I think this covers substantially all major company financing.

Indenture limits of typical pattern will still allow the very fascinating potential of a finance company in never-never land who might capitalize as follows:

Common stock and surplus	$1.00
Preferred stock	.50
Capital notes (junior subordinates)	.75
Senior subordinates	1.00
	$3.25
Superior indebtedness of all kinds at 5 times the above equals	$16.25

Our $1 of capital is thus expanded some 16 times.

1959 showed a concentration of fund raising in the field of fixed income securities. The giant finance companies raised capital debenture (junior subordinate money) in sizable chunks. GMAC raised $175 million $5\frac{1}{8}$s, Commercial Credit and Associates aggregated $75 million in this third layer, CIT, GMAC and Associates have marketed some $225 million of senior debt in the past 60 days, using both private placement and the public market.

Sources of funds have varied somewhat, both in availability and selectivity by type. Senior debt was sold primarily to pension funds, trust funds, universities, savings banks and life insurance companies. Subordinates and junior subordinates found few purchasers among the pension trust groups, and a much broader acceptance by life companies, universities, and, a relative newcomer in our list of purchasers, the open end investment trusts, who also participated in some of the senior issues.

As the bond market deteriorated and yields increased sharply, there was a growing insistence on longer periods of non-callability, with 10 years sought by most lenders, and granted reluctantly by some borrowers.

What Is Ahead?

Now what can we see for the year ahead. My crystal ball is, as usual, very cloudy, but I think that there are a few probabilities that can be stated. Let me list them below:

(1) The budget deficit for 1959-60 promises to be considerably smaller than fiscal 1958-59.

(2) Housing starts will be curtailed somewhat, and, if the drop is substantial, this could make available additional funds for the bond market.

(3) Federal Reserve policy of restriction will probably continue, with an outside possibility of modification should business fail to justify the present sanguine expectations.

(4) The bond calendar will probably continue light in the corporate field, and approximately as heavy as 1959 in the tax exempt field.

With these basic assumptions, it seems probable that money will be no more costly in 1960 than in 1959, with some possibility of lower rates from time to time during the year. Finance company borrowers face less competition from building starts, and from the Treasury, especially in the first half of 1960 when the Treasury will probably be paying off debt from the large first-half tax collections. I think the borrowers should consider shortening maturities where possible to minimize interest rate penalties. I would suggest that they prefer paying higher interest, rather than accept longer periods of non-callability, and that any extremely long maturities should be avoided, if possible, until a normal interest curve is restored.

Sources of Funds in 1960

The probable sources of funds for 1960 present approximately the same problems that we have already encountered in 1959. To make a very brief summary by groups, my guess is that it will look approximately as follows:

(1) Bank lines. Principal source will continue to be commercial banks in the United States. A definite ceiling based on bank capital and surplus still restricts accommodations available to the largest finance companies. The limiting factors are especially visible as major finance companies buy or absorb smaller ones. If the parent has already secured the maximum of bank accommodation, the new increment receives no recognition, and an actual diminution of the combined lines.

(2) Pension funds, trusts and universities can be expected to provide funds in larger amounts than 1959. They can be expected to be the chief suppliers of funds for senior securities, and, to a lesser extent, for junior securities of the large companies.

(3) Life insurance companies. If mortgage starts are reduced from the 1959 figure, a larger percentage of insurance company funds will probably be available for our purposes. Life companies should provide substantial funds in all categories of fixed interest securities, with the emphasis probably centering on the better-than-average yields available from time to time in these categories.

(4) Savings banks will probably continue their interest in senior securities in about the same degree as 1959, and are also modest prospects for preferred stocks.

(5) Fire and casualty companies should be potential buyers of a limited amount of senior and junior securities, and of preferred stocks, as well.

(6) Open end investment trusts are an increasingly important source of funds. Their potential is enormous, and the amount of their interest must vary widely with the yield differentials that prevail from time to time between equities and fixed income securities.

If we are successful in doing all of these things, I think that management should be given the heartiest of thanks by all its shareholders.

Timing will continue to be, at once, the most difficult and the most rewarding of the problems to be solved. I am sure that the installment finance field will come up in 1960 with good solutions to all of these questions, and score, as usual a very high mark for maximum efficiency.

*An address by Mr. Holsten before the American Finance Conference, New York City, Nov. 6, 1959.

Now With Amos Sudler

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Forrest W. Wilcox is now associated with Amos C. Sudler & Co., 818 Seventeenth Street. He was formerly with Allen Investment Co.

N. Y. Hanseatic Official Changes

The investment firm of New York Hanseatic Corporation, 120 Broadway, New York, has announced the following executive changes: Erich O. Grunebaum becomes Chairman of the Board of Directors; Kurt H. Grunebaum, President; Edward M. Corley, Timothy P. Donovan, Philip F. McManus, William P. Meyer (San Francisco office), and William A. Sholten (Chicago office), Vice-Presidents; Herbert B. Jones, Assistant Vice-President; Seymour Welch, Assistant Treasurer; William J. Doran, Henry J. Kieper, and Violet M. Gourlay, Assistant Secretaries, and Walter Oppenheim, a director.

Kurt H. Grunebaum

Now With Fahnestock

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill. — Hal B. Howard is now with Fahnestock & Co., 135 South La Salle Street. He was formerly with Mitchell, Hutchins & Co.

McDonnell Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—John G. Gay has been added to the staff of McDonnell & Co., Incorporated, 208 South La Salle Street.

Investing in Steel Stocks

Continued from page 4

the low point in operations during the summer of 1954, never came. Instead, these stocks continued to rise without major interruption for three years and most of them tripled in value. During that period, they outpaced the accepted common stock averages by a wide margin and were heavily accumulated by the mutual funds, pension trusts, insurance companies, and to a lesser extent, I believe, by the trust departments of the major banks.

Last Chance at Bargain Prices

I base this last statement only upon personal observation, as trust holdings are not published, but I know that many large institutional trust officers and committees wanted one more opportunity to see how the steels would behave in adversity before committing themselves. They had this chance at the end of 1957 when the steels declined much more rapidly than the common stock averages. In retrospect, the period immediately thereafter offered the last chance to buy the steels at bargain prices. By the end of 1958, some of them had doubled in price and the rise continued through the first seven months of 1959. A few issues have reached new highs since the strike began and the 11 steels in the Standard & Poor's average of 425 stocks reached a high at 160% of the overall Index on Sept. 23. For comparative purposes, the steels were at 91.6% of the Index in September, 1953. Apparently, investor confidence in the steels is not easily shaken; but I suppose that investors today are most concerned with the future extension of this confidence.

The 1958 performance of the leading steel companies was certainly outstanding, but in a negative way. They proved that they could cover their dividends when operating at very low levels. The proverbial break-even point for many companies turned out to be much lower than many students of the industry had surmised. Prices held firmly and were even advanced slightly to compensate for contractual wage increases granted at mid-year. The lingering fear of pauperism, except of a comfortably genteel character, probably was exercised permanently.

But stocks are bought in anticipation of the princely periods. In this instance, investors didn't have long to wait, and the prince's palace proved to be luxurious beyond the most optimistic expectations. The second quarter of 1959 was by far the best the industry has ever experienced. Unfortunately, it isn't likely to be repeated soon again and a substantial part of the earnings accumulated during those three months has already been sacrificed to the great American luxury of "Free Collective Bargaining." Yet that fabulous quarter gave steel investors a foretaste of the future, which was highly palatable after the meager fare of 1958. And now what may we expect?

Injunction Does Not Clear the Issues

I suppose we must return to that unpleasant subject. As I said before, the reopening of the mills by means of a Taft-Hartley injunction has not settled any of the issues involved. Those issues must be resolved before we can get a clear picture of what lies in store for the steel industry and for steel stocks. One thing appears to be certain, however. The rate of growth of earnings over the next five years is going to be much slower than it has been since 1954. It is probable, and even likely, that the annual rate of profits achieved in the June quarter this year will not be duplicated; but new records will probably be set in both steel production and company earnings, and the P/E ratios accorded steel stocks should continue to rise modestly. There doesn't appear to be anything in steel's future to warrant undue alarm or prompt the liquidation of steel stocks, but a sober appraisal of the strike and the reasons for it is in order.

Everyone is familiar with the postwar pattern of wage increases, followed by price advances in the steel industry. This culminated in 1956 in a three-year contract after a five-week strike, which cost the steel industry 78 cents per hour in wages and fringe benefits over the life of the contract, an overall advance of 28%. Over the same period, finished steel prices, as measured by the Composite Index of the American Metal Market, went up only 20%. The industry met this challenge handily. The heavy capital expenditures which the industry made immediately before and during the period paid off in terms of greater plant efficiency. In terms of cash profit per ton of finished steel shipped, the eight major companies were able to show an average gain of 18% in the first six months of 1959, as compared with the corresponding 1956 period. Shipments were very little higher—up only 5½%; and the operating rate was lower—90% in the first half of 1959, compared with 99% in the first six months of 1956. Steel making capacity, of course, had expanded. Why couldn't this very pleasant little party have been continued? Steel labor leaders were very happy with it and proposed a three-year extension to cost the steel producers about the same each year as the expiring contract. They presumed to believe that the steel industry could absorb such increases without raising steel prices and that such a settlement therefore would not be inflationary.

Why Steel Fears Inflation

This year steel industry leaders chose to change the record. In principle, they fear inflation as much as anyone and now they are feeling its effects as applied to steel prices. Whatever the reason—and rising wage costs are certainly the major cause—iron and steel prices as measured by the government's wholesale price indices have gone up far more since 1950 than commodity prices generally. The index is based on the average 1947-49 level; and if an earlier base is used, the results are not so disturbing; but the fact remains that high steel prices are costing the industry markets. This is most notable in the import field, but competing metals and even plastics are taking tonnage away from steel. The amounts are small in relation to the magnitude of steel production, but they are growing and would certainly accelerate if steel prices continue to rise. Recent introduction of a new type of aluminum sheet for the building industry, which is designed to compete with galvanized steel is indicative of the trend and many more examples could be cited. With respect to imports, data for 1959 have been distorted by the strike, but the rapid increase during the last two years has been widely publicized, especially since the opening of the St. Lawrence Seaway. While the total still does not amount to the normal annual shipments of a medium-sized steel company, it is of grave concern to many small producers of wire and other steel products, which can be made far cheaper abroad because of much lower wage rates.

This is the major reason that large steel companies had to stand firm this year against the annual wage demands of the U.S.W. leaders. They had little choice, and when union leadership refused categorically to consider changes in the working rules to eliminate costly featherbedding practices, which had been allowed to develop in the industry, the battle lines were drawn. Even though many large steel consuming companies ran out of steel and have had to close down, I think their sympathies are still with steel management. They realize only too well what someone finally had to call a halt to this endless spiral of higher wages and higher prices, which has been built into the economy since World War II largely through the monopolistic power of Big Labor. If it cannot be done under existing laws, it is probable that the Congress will be called upon to devise new legislation early in the next session.

In the meantime, what happens to the steels? The stocks have held up remarkably well during this historical economic battle, largely, I believe, because of the excellent prospects for earnings in 1960. The possibility of another work stoppage after the present injunction expires in January has cast a cloud on those prospects. Near capacity operations expected in the first quarter next year will not be possible if union bosses are able to lead the workers out again. However, it now seems almost certain that six to nine months of very high production will be required after the strike is settled before consumer inventories can be built up to normal levels; so there are bound to be some large earnings ahead of the steel industry before we head into the next recession. Many economists expect this to start in late 1960 or early 1961. I am not prepared to say whether they are right or wrong, but I believe the steel industry will be ready to roll with the cycles.

Almost before the last recession had run its course, a number of large companies, including the largest here in Detroit, had announced plans for future expansion and integration which are calculated to reduce their costs and expand their markets. This trend will continue. It will be partially defensive to offset steadily rising employment costs, and I'm sure that not all of the benefits will be paid out in wages. There may even be enough left over next year for modest dividend increases. However, I think the industry is going to have to retain more than half of its net profits for some years in the future unless present unrealistic depreciation policies in our Federal tax laws are changed.

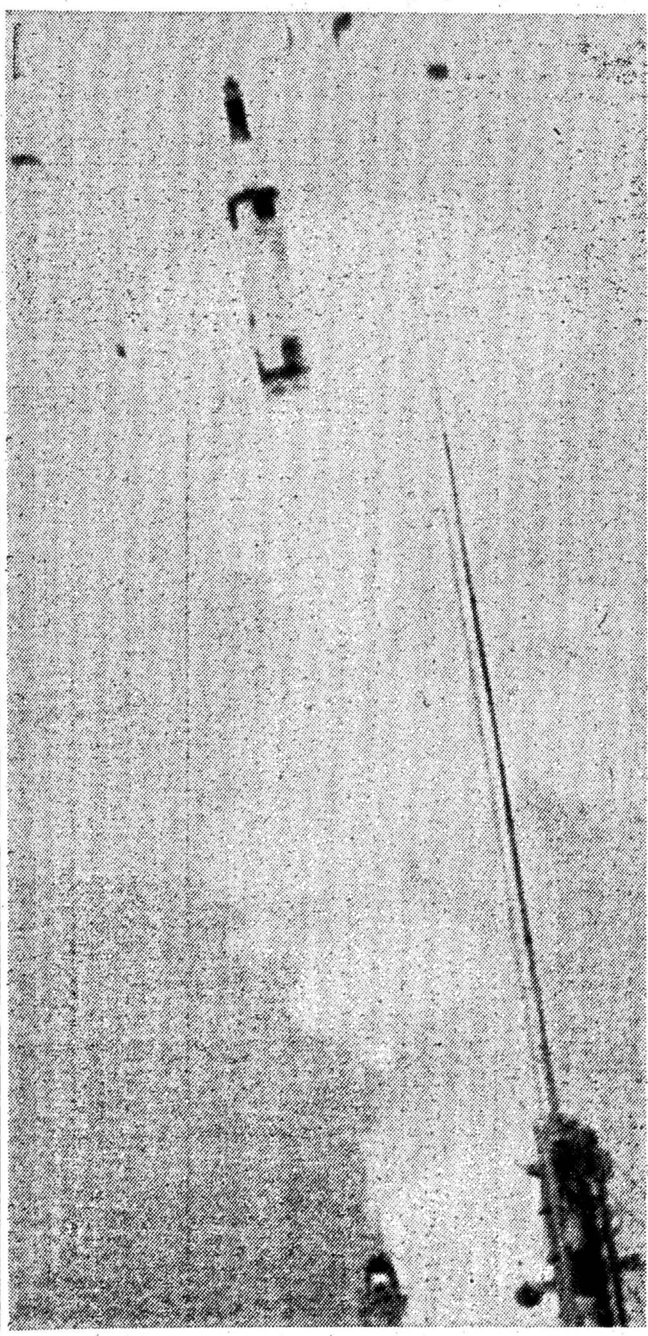
The best investment results will be obtained from the stocks of the companies which are demonstratively willing to spend large sums of money to broaden their share of the market. This does not necessarily call for big additions to steel making capacity. I doubt if there will be a large net addition to the nation's steel productive facilities over the next five years, but I would expect the more aggressive companies to broaden their product lines and extend their geographical penetration of the market to conform with the country's changing population patterns. National Steel, through its subsidiary in Detroit, is doing just that; and its stock is one which I would favor for longer term appreciation. I should also include Armco, Jones & Laughlin, and Republic, all of whom have announced plans for expanding their operations and marketing areas over the next two or three years. I am sure many like to receive estimates; and much as I hate to make them, I will predict that National will earn about $10 a share next year if production is uninterrupted and the industry is able to pour 125-million tons of steel. Under similar conditions, Armco ought to report $7.00 a share, Jones & Laughlin, $9.50 to $10.00, and Republic, $8.50 or more. In view of announced expansion and improvement plans, these figures are well below the potentials of two or three years hence. Among the smaller companies, Granite City and McLouth, which could earn $8.50 and $10 per share, respectively, next year, are candidates for further expansion in earning power.

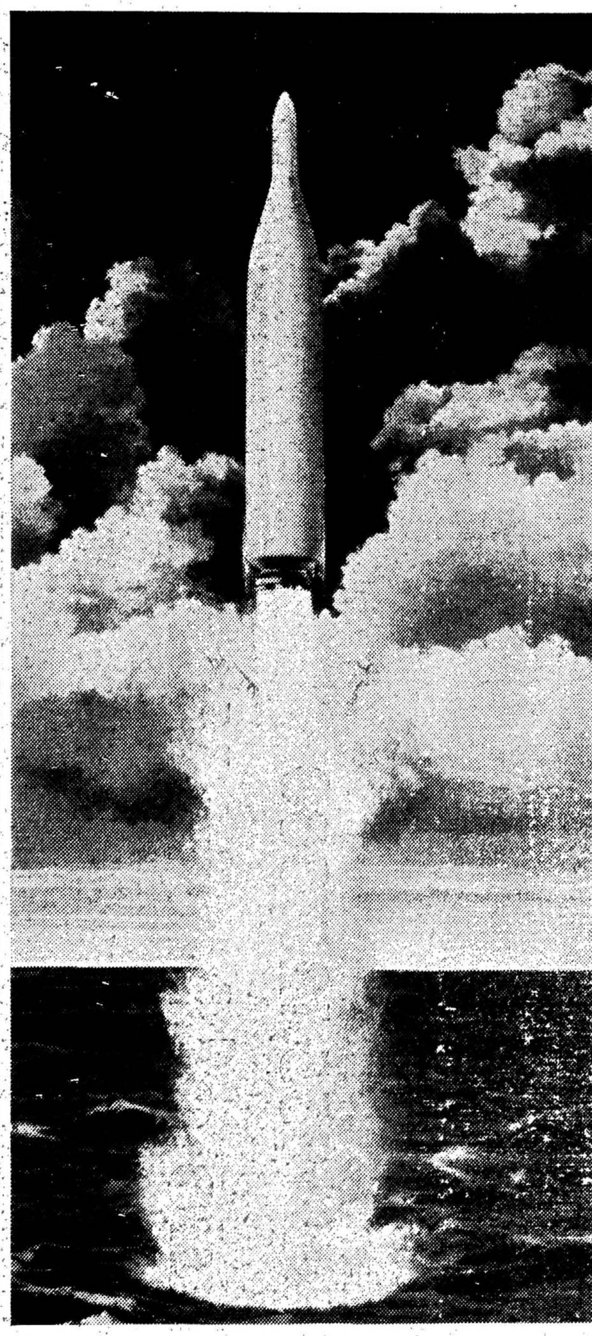
New commitments in steel today, and I don't mean today literally, as I'm afraid the stock market has not yet reflected the full economic impact of the steel strike, should be based upon improvement in earnings potential rather than on the hope of a further rise in P/E ratios. Steel stocks have made a lot of progress in this direction in the last year or two, and I doubt if too much more can be expected in view of the ever present cyclical threat which may dominate economic thinking over the next year. However, most of the stocks I mentioned before are priced at less than 10 times potential 1960 earnings and therefore would not appear to be very vulnerable.

Summary

To summarize, I am sure the steel industry is going to survive this strike without serious impairment of its recently won investment status. I think it will continue to retain its cyclical characteristics, but that earnings will be less seriously affected than in the past. That means more stable income. With growth in volume limited, further increases in profits will be won largely as a result of aggressive planning for the future through more efficient facilities and improved product mix. It won't be as easy to make money in the steels as it has been over the past five years, but substantial appreciation still will be possible in the right issues.

*An address by Mr. Gerken before the Investment Forum on Steel at the 2[illegible] Mid-Continent Trust Conference sponsored by the Trust Division of the American Bankers Association, Detroit, Michigan, Nov. 5, 1959.





Stopping the Debasement Of Dollar Now

Continued from page 10

strengthening of sterling, mark, guilders, francs and lire—currencies which only two years ago were unable to function without controls and multiple exchange rates. Today they are "hard." The reason for it is rather simple. All the above-mentioned units are managed by absolute masters or former professors of currency theory. We, in the U. S., do not have any institution of higher learning teaching abundant courses of currency theory or currency analysis and bringing up currency experts. We have no arbitrageurs of currency and gold that can match the wit and speed of their European colleagues. We just get along with politicians filling important posts of monetary administration and this fact is majorly discussed abroad.

Why we do this is a question I cannot answer.

We would not dare to call for a gardener when a surgical operation like an appendectomy is necessary. We would not dare to hire a dentist for designing the 1961 automobile models. But to administrate budget matters, central bank functions and the dollar, we accept political nominees who have probably never even read the classics of monetary theory. And our members of Congress can simply decide that a highly critical detail of debt management policy can be postponed for months to come. At the same time they cannot understand that the unfavorable judgment of their acts abroad further depresses the already shrinking dollar prestige.

Once more I must say that all these facts are not popular and in any discussions with high officials they are subject to supreme disdain by the involved office-holder. A horrible atmosphere of cynical approach to the Dollar exists, up to the highest echelon of the Administration and up to the top levels of management of banks and insurance companies. Nobody really wants to stop the debasement of the Dollar. No one advocates deflation, as all Administrators and Legislators want to keep their jobs. Deflation is the feared unknown, the terra incognita — and all talk of return to monetary stability is just that—no real actions are taken.

Allow me to compare two documents:

The President, in one of his speeches early this year, announced that the Vice-President would head an Anti-Inflation Committee, whose first task would be to publish a study on this history-making problem. The so-called Nixon Report, a multigraphed collection of less than 20 pages, was published a few weeks ago. It was one of those jobs in which a gardener performed an appendectomy. Accustomed to such brilliance of our currency administration, I would not have brought up this result of failure to learn or understand currency theory, if I had not experienced a rather disagreeable adventure connected with it.

During the first week of this month, I attended the annual World Monetary Conference in Washington, where delegates from 68 nations assembled. There also were many foreign journalists, intelligent guests and above all, the real masters of currency theory. They talked to me without any fear. And more than once I was told: how can a country like the U. S. publish the inexpertly written Nixon Report of about 18 pages of illusionary treatment of the Dollar problem, when, a few weeks earlier, the British Administration published the 375 page Radcliffe Report on financial policy, a document of deep knowledge. And, most of the nonresident currency managers asked: you want us to have confidence in your statements on conservative currency policy in the U. S.? We simply are very much afraid that you Americans simply do not know how to manage your Dollar. We are afraid of what you can do. . . .

You may believe that I was rather unhappy to hear such opinions. I knew that they were — unfortunately — precisely correct. But most of the leading financial journalists from Europe and Asia, also present at that meeting, shared the same opinion of U. S. monetary policy.

Do you know that what you, your bankers, your Congressmen or your business associates think of the Dollar is absolutely unimportant—that all your artificially or propaganda-wise created opinions have only one goal: to keep you in a state of monetary docility, like sheep in a slaughter house, so that you do not cause panics? Because the *dangers we are facing* with our already second class dollar of about 46 cents, for the time being, are centered abroad. But they increase every day. Let us have a look at them.

Claims Against Our Gold Stock

We have a gold stock, as already mentioned, of about \$19.4 billion. Against this gold stock, we have to face a mortgage of about \$12 billion in the form of dollar assets of foreign governments — which can withdraw them at a moment's notice in their gold equivalent. Furthermore, we know that about \$6 billion of private foreign short-term investments — Wall Street, bank accounts, drafts, etc. —exist and can be transferred to any one of the foreign central banks, which in turn can legally change them into gold here.

So, in case of panic, about \$18 billion of the \$19.4 billion total gold stock can be considered as mortgaged.

Yet that, unfortunately, is not the whole story.

According to our monetary legislation, about \$8 billion of gold —25% of the outstanding banknote-circulation—have to be considered as basic reserves that cannot or should not be touched. Therefore we are theooretically short of about \$7 billion of gold.

There are few people who care to talk about these facts. Some of the newspapers have dealt with the question, but their reporters put velvet gloves on their hands before they wrote the story. Only the Wall Street Journal (Sept. 10) was rather bold.

But these basic figures of our currency reserves still do not represent a satisfactory analysis of the problem. We must look at a few more angles.

Calls for Positive Action

Positive action to stop any attempt of a foreign run on the dollar was taken when the discount rate was increased to 4% a few weeks ago. I believe it should be raised to 5% and stay at that level for a long time, at least until we have neutralized any inflationary tendencies of the Administration. I am afraid we will not do it.

Now, with a high price of money, the lobbies are going to yell.

The building lobby, the instalment loan lobby, the automobile, electrical appliance and mortgage lobbies all will spend a lot of money to get what they want—namely lower interest rates. The banks, for the first time in a long period, are going to be intelligent and will not lobby in this direction.

Should Congress give in and should the discount rate be lowered, a new and serious crisis for our gold stock will have to necessarily arise. We will lose gold again and by the hundreds of millions a month.

Just previously I tried to demonstrate that our gold-position—already overdrawn — cannot undergo a new and heavy series of substantial losses. The danger is that they could snowball and that situation could lead to very disagreeable solutions, about which I currently have ghastly dreams practically every night.

With all our financial skill and productive talent, we have made a horrible mess of our currency.

If we want to save what we have, we must maintain high interest rates and accept some economic austerity, slowdown and unemployment. High interest rates also will continue to depress prices of government, World Bank and corporate bonds and prove to their buyers that patriotism in finance never pays.

If we do not practice deflation and if we return to low rates of interest in order to create plentiful and cheap credit conditions, we are going to run into even heavier trouble. Prices will once again rise, the dollar can go from its present 46 cents value to 42 cents and even below 40 cents. If that should happen, our gold stock is going to dwindle more and more, as foreign governments will withdraw the yellow metal at the same speed at which we debase the dollar.

And a tragedy of major proportions would then be in the making.

If our losses of gold reach another billion or a billion and a half, we might run into a gold panic. I shiver when I think of such a possibility. If we would subsequently have to proceed to declare a gold embargo, a monetary earthquake would shake the capitalistic world. And it would be our fault. We would be cursed by all nations, as they would have to align their units to the dollar and we would lose many of our allies.

The Soviets and satellites would laugh.

And this is a simply horrible constellation.

Our Choice

We have the choice between radical deflation or final devaluation of the dollar.

I am told, by so-called wise men, that we cannot practice the former as it would be "politically unbearable."

The pages of monetary history, unfortunately, do not carry any precedent showing that debasement of a unit can go on without end and create prosperity at the same time.

If we were alone in this world, we could perhaps make the pleasures of prosperity last a few years longer, at the cost of debasing the dollar.

But we are not alone. There are several countries today where the dollar prestige has so dwindled that the national currency commands a premium over the American unit. There are many monetary administrations in Europe that have been asked by Washington to cease withdrawing gold from the U. S. They do so now via London, with the same effect. And, whether we like it or not, this gold outflow, whether effected directly or via London, can force us into a horrible dilemma.

We have committed practically every sin possible in our dollar policy. We coldly sacrificed the asset value of deposits of widows, orphans, old age pensions, just to name a few. We showed the buyer of war bonds that he was a sucker, we debased the assets of savings banks, savings and loan associations, and even of the larger commercial banks, which are forced to carry billions of governments on their books. We have made a joke out of annuities in life insurance policies written 20 years ago or earlier.

We have debased all forms of monetary savings without even thinking that any system of justice would have required giving at least some compensation to those whom the monetary management simply expropriated.

A solution is due.

It will come, whether we like it or not. I am afraid that it will be sooner than many of us—including the gentlemen of the administration—think. The procedure will not be like a stroll through the park in the springtime. It will be rough going.

And only a radical deflation, an end to all graft and corruption and a call to government service of masters of currency theory, with full authority to apply their knowledge, can save us from a monetary caesarea.

History, always having reflected repeated "achievements" of stupidity, most probably will do so again.

But this time we might endanger the entire capitalistic system.

Therefore we should really pay the price of a painful deflation to avoid such a catastrophe.

*An address by Dr. Pick before the Trade Relations Council of the United States, New York City.

Atlas Sewing Securities Offered

Van Alstyne, Noel & Co. on Nov. 18 headed an underwriting group which publicly offered $2,000,000 of Atlas Sewing Centers, Inc. 6% convertible subordinated debentures, due Nov. 1, 1974, at 100% and accrued interest. Offering is also being made of 75,000 shares of common stock currently outstanding at $14 per share.

The debentures are in coupon form and will initially be convertible into common stock at $15.40 per share. The debentures are redeemable at the option of the company at 106% before Nov. 1, 1960, and at decreasing prices thereafter, plus accrued interest in each case.

Net proceeds from the sale of the debentures will aggregate approximately $1,842,000. In addition, Atlas has commitments early next year to sell 6% notes due Jan. 1, 1972, and 15,000 common stock purchase warrants, to two insurance companies for $1,000,000. Atlas expects to apply substantially all the proceeds from the sale of the debentures and notes to the reduction of short term bank loans, thereby making available further borrowing under its lines of credit as needed for expansion and working capital.

After issuance and sale and application of proceeds of the debentures, notes and related common stock purchase warrants, the outstanding debt and capital stock will consist of: $3,000,000 of 6% notes due 1971; $1,000,000 of 6% notes due 1972; $2,000,000 of 6% convertible subordinated debentures; $5,508,000 of short term bank loans; 794,820 shares of common stock; 34,212 common stock purchase warrants expiring 1963; 47,502 warrants expiring 1971; and 15,000 warrants expiring 1972.

Atlas Sewing Centers, located in Miami, operates 57 outlets in 27 states, the District of Columbia, Puerto Rico and Cuba. It is engaged primarily in the sale of sewing machines and vacuum cleaners. Net income for the fiscal year ended May 31, 1959 amounted to $936,243, against $560,646 the previous year. Unaudited figures indicate net income of $200,027 in the two months ended July 31, 1959, compared with $157,455 a year ago.

British Stock Exchange Boom Continues

By Paul Einzig

Commenting on the realization of the predicted London stock market upward trend following the Conservative Party's victory, Dr. Einzig attributes the market's instability and erratic price movements to the influx of small operators. He reports the rank and file of the Conservative Party is pressing hard for the removal of the high stamp duty on Stock Exchange transactions and sees such a step as being in line with the government's program to create a large class of small investors. He further reports that the government is being pushed by some Conservatives to consider a capital gains tax which, paradoxically, might come about if the Socialists were to cease agitating for it.

LONDON, Eng. — Developments during the weeks that followed the Conservative victory at the election have substantially confirmed the optimistic forecasts about the effects of such a victory on the London Stock Exchange. It is true, the advance since Oct. 9 has not been as spectacular as many people expected it to be. It was interrupted from time to time by relatively sharp setbacks. But each setback was followed by a fresh advance bringing the *Financial Times* index of industrial equities again and again to fresh high records. On balance the rise since polling day has been quite substantial, especially if we allow for the heavy overbought position that existed at the time, and for the resulting heavy profit-taking after each advance.

Paul Einzig

The reason why the rise has been far from steady lies in the large number of small investors and speculators who are in the market nowadays. Everybody who has the means for it tries to snatch a tax-free profit through a capital gain on the Stock Exchange. The Labor Party, with its program of taxing such gains has been defeated, so that it is now safe to go in for short-term investment or speculation (where is the borderline between them?) in order to supplement heavily taxed middle-class incomes.

Institutional investors, and even large private investors, think in terms of yield or of long-term capital appreciation. They do not rush to take their profits as soon as there is some to take. Nor are they frightened into realizing as soon as there is a setback. On the other hand, many small investors and speculators are apt to instruct their brokers to sell after each rise and also immediately there is a relapse. The effect of their operations on prices is usually quite disproportionate to the grand total of equities involved. For the appearance of lower markings on the tickers—which in London do not indicate the number of securities that changed hands—is liable to attract additional selling orders. Of course the same is true when a large number of small buying orders tends to push prices upward. So the extent of small operations makes for instability and for erratic price movements.

Immediately after the election there was a great shake-out of the small investors and speculators. There were substantial profits to take and a large number of people took them. Hence the sharp relapse that followed the rise. But when it gradually became evident that the election marked the beginning of a prolonged and fairly dependable upward movement, a number of small operators got into the market again. So the market remains as vulnerable as before, and setbacks due to realizations by inexperienced investors and speculators who are unable to take long views are liable to occur at any time.

Most investors who can afford to disregard such ups and downs are likely to hold on to their investments in equities. The extent to which various categories of equities, and within the categories the various individual equities, have benefited and are liable to benefit by the rising trend varies very widely. But the upward trend is unmistakable.

Even though hundreds of thousands—possibly even as many as a million or two—have benefited or are likely to benefit by the Stock Exchange boom tens of millions are left out of its benefits. It is no wonder if those who are left out are inclined to be resentful. Their resentment was voiced on Nov. 12 by Lord Pakenham, a Socialist Peer and a Minister in the Labor Government, in the course of a debate on monetary policy in the House of Lords. He warned the Government about the growing suspicion with which "the City" is viewed among the masses. But there seems to be little consistency in these attacks. For "the City" is also attacked by Socialists on account of a few recent minor financial scandals as a result of which some thousands of small investors are liable to suffer financial losses. If these very people, instead of losing their money, had made large capital profits through the appreciation of their holdings "the City" would be attacked on that ground.

From a political point of view it is perhaps as well that the Stock Exchange boom takes place during the early part of the life of the newly elected Parliament. Trees are not allowed to grow to the sky, and in a few years' time a steadier tone, or even a major relapse, may develop. By the time of the next election the capital gains made in 1959-60 will be a matter of the past, and the envy of those who gained nothing is not likely to influence the next election.

Even so, some Conservatives are inclined to think that, having won the election, the Government could afford to be a generous winner. In quite unexpected quarters the idea that the Government should introduce a capital gains tax is viewed with favor. If only the Socialists abstained from pressing for it the Government might consider the idea of adopting it. But it is not likely to yield under Opposition pressure. So investors and speculators are reasonably safe in assuming that there will be no capital gains tax at least till after the next election, and possibly not even then.

Meanwhile the rank and file of the Conservative Party is likely to press the Government hard for a reduction of the stamp duty on Stock Exchange transactions, which was raised to an excessively high level under the Labor Government. In particular the small investor feels the burden of that duty, and it would be in keeping with the Government's program of creating a numerous class of small investors to make such a concession.

Amer. Tel. & Tel. Debs. Offered

Morgan Stanley & Co. heads a nationwide underwriting group of 136 investment firms offering for public sale on Nov. 17 a new $250,000,000 issue of American Telephone & Telegraph Company 27-year 5⅜% debentures. The debentures are priced at 102.25% and accrued interest to yield about 5.22% to maturity. The underwriters purchased the debentures from the company at competitive sale yesterday, bidding 101.4799% and naming the 5⅜% coupon. The maturity date is Nov. 1, 1986.

The new debentures will be redeemable at 108.25% to and including Oct. 31, 1960 and thereafter at prices decreasing to the principal amount on and after Nov. 1, 1981.

The proceeds from this sale will be used for advances to subsidiary and associated companies in the Bell System, for the purchase of stock offered for subscription by such companies, for extensions, additions and improvements to American Telephone's own telephone plant, and for general corporate purposes.

Capitalization of American Telephone and its principal telephone subsidiaries at June 30, 1959 consisted of $6,029,153,000 of funded debt and $12,001,030,000 of capital stock and surplus.

For the six months ended June 30, 1959 the company reported consolidated operating revenues of $3,628,506,000 and total income before interest deductions of $675,357,000, compared with $3,304,901,000 and $569,924,000 for the like period of 1958. For the 1958 calendar year consolidated operating revenues were $6,771,403,000 and total income before interest deductions was $1,193,072,000.

Harris, Upham Forum

Harris, Upham & Co., 99 Park Avenue, New York, has announced that a mutual fund forum will take place Nov. 23 from 7:30 p.m. to 9:30 p.m. in the firm's office under the direction of Merton Allen, Harris, Upham Registered Representative.

The program, open to the public and designed to "further investor knowledge of mutual fund mechanics in light of steadily increasing participation," will consist of four speakers treating various phases of mutual fund investing followed by a question and answer period. Mr. Allen will discuss professional investment management and portfolio potential after which Richard Lombard, Registered Representative, will speak on pricing, investment objectives, and policy. John Ahlgren and Fritz Wurzel, also Harris, Upham Registered Representatives, will conclude the forum with talks concerning cumulative investment programs, dividends and financial statements, the monthly withdrawal plan, and share redemption.

M. S. Wylie Opens

JACKSON HEIGHTS, N. Y.—Morris S. Wylie is engaging in a securities business from offices at 89-11 37th Avenue.

Joins Walston Staff

(Special to THE FINANCIAL CHRONICLE)

LONG BEACH, Calif. — John E. Usher has joined the staff of Walston & Co., Inc., 210 East First Street. He was formerly with Dean Witter & Co., and Dempsey-Tegeler & Co.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Just Between Ourselves

If you work in an office, or any place where the other fellow is also busy at his job, possibly the observations we pass along this week may be of some interest. Otherwise, it is just something those of us who sit at an active desk in a brokerage office can well understand. Most people who are not in the securities business have very little understanding of the limited amount of precious time that is available to the securities salesman or registered representative.

I have yet to meet the superman who can concentrate on an involved reading of a prospectus, a financial report, or a complicated financial news item and get much out of it when he is besieged by his telephone, his customers, and very often his associates in the office. Yet, this is the day-to-day problem faced by every securities salesman who is producing a substantial volume of business.

A Typical Day

Some salesmen try to read their financial news in the morning and they get to their desks an hour before the market opens. They hastily scan the morning financial press, then they turn to their mail. There are letters to be answered and memos from the cashier's department and other data to which they must also give their attention. In most busy offices there are advices concerning coming new issues, sales meetings, issues that have trading restrictions, and inter-office memos that must be digested and sometimes answered.

By the time the market opens and the phone begins to ring in earnest a securities man has already done quite a bit of work. In offices where there is a boardroom I am sure there are times when many a registered representative has wished that he could build a fence around his desk. Some of the "sitters" and boardroom watchers only need half an opening and they are ready to pounce upon you. Service is what they want. "Could you get me a quote on Umpty Dumpty convertible preferred?" asks one. "Or is it the common?" "Do you know Mr. Dutton? It is Dutton, isn't it?" "I am sorry to bother you, but I just dropped in from Opalacka and I am a stranger here. I do business with Nertz and Co. there; now let's see, I think I was right the first time, it is the preferred and not the common."

Dutton reaches to answer the telephone while he looks in his book for Umpty-Dumpty. "Will you excuse me while I answer this call?", says he. And so it goes. Dutton discovers the stock is traded on the Midwest after he looks in his book. He finishes his telephone call and tries to be very polite. He writes his quote request but before he can get up from his desk his telephone rings again. About five minutes and another phone call later he obtains the quote and hands it over to Opalacka. Sensing that this fellow cannot be stopped and wishes to involve him in a long discussion about the stocks he has bought several years ago and now have tripled in value, he finally disengages himself thoroughly convinced that all the braggarts aren't salesmen but there are customers who can spread it on too.

By this time he is ready to start to do some constructive thinking about certain of his accounts—there are bonds to check, tax losses to investigate, several other clients that he must contact regarding deliveries and he should look up his records and determine which of his customers might be interested in knowing about a pending new issue that is coming soon.

And in Comes Joe—

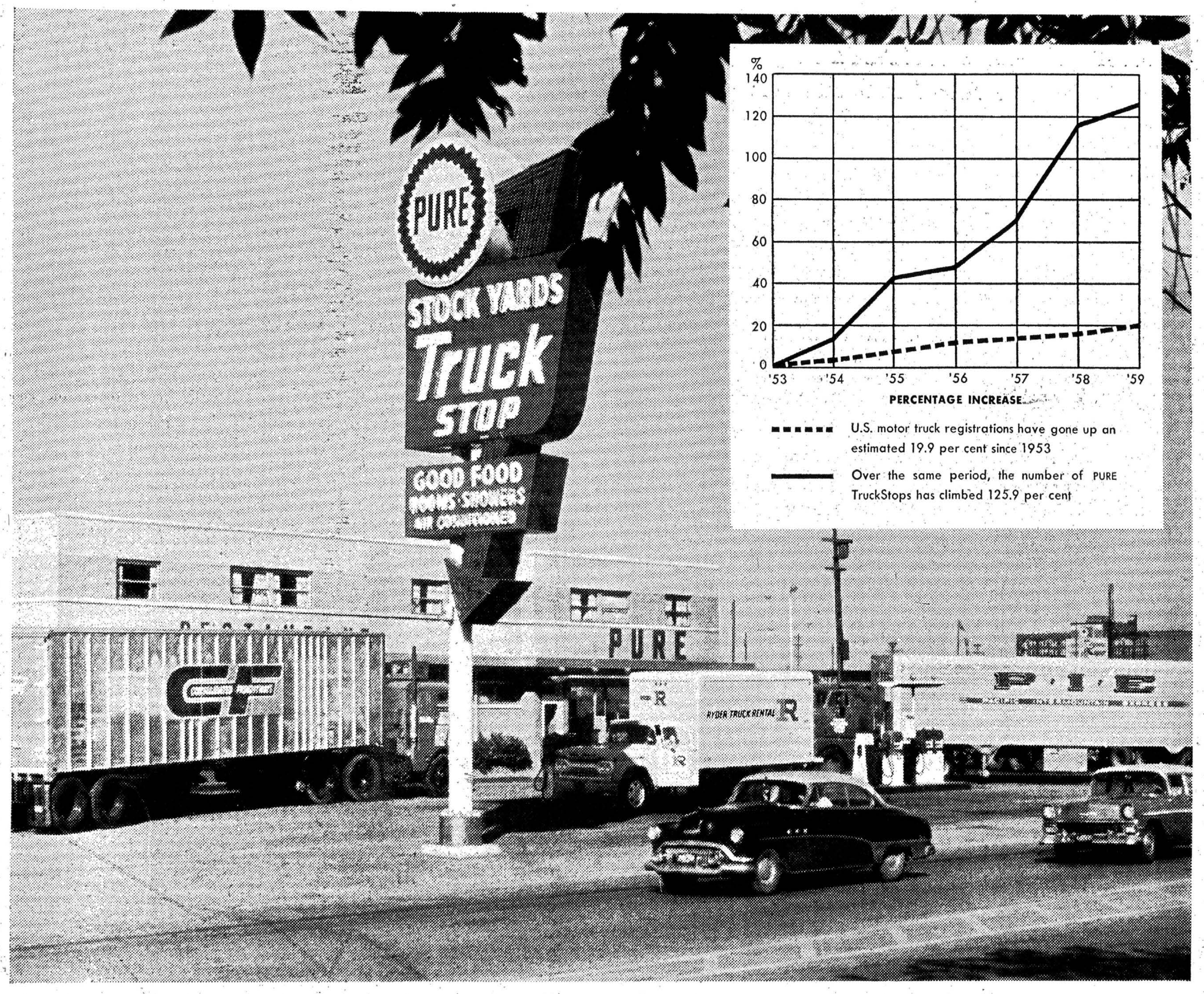
It seems that every office has a "Joe." I don't see any special reason why I should use the good old name of Joseph to designate the sort of fellow I am going to describe here. To all the good Joes in the world I mean no offense. It could have been John just as well. Anyway, Joe usually has some extra time on his hands. He is a real nice guy. He works about half as hard as the rest of us. Possibly he has some money saved and doesn't need the commissions as much as we do. Or maybe he's just a low geared fellow—get there today, get there tomorrow, no top of the sales staff for him. He's not going to end up with a coronary. So he ambles in, reads his paper, pulls out his pipe, and takes it easy. If there is mail he will get to it when he is ready. Let the market boil, and let it rip, who cares? New issues, so what? Joe makes enough for his needs and he isn't going to worry himself about much else.

This is all to the good—we can use Joes in the world too. But there is one place where he does need a little prodding at times. Joe gets restless. He can sit, and think, and make a few leisurely calls, but after a while he wants to talk with someone. So he strolls over to your desk, or to someone else that he thinks has a few minutes to listen to his personal problems and he says, "John, what do you think I ought to do about my big girl Fannie, the kid is eating so much I think she is going to end up an old maid. Her mother is so worried that it's all I hear when I get home at night." And you take one good look at good old Joe and you say to him, "Joe, put her on a diet and make her stick to it." Just then your telephone rings again, and its your wife. She wants to know if you will stop at the cleaners and pick up the "wash and wear" because she isn't feeling so well, and you say, "Yes, dear, I am busy dear, O. K. dear, goodby dear." And Joe says, "That's the worst of it, just when you are working like blue blazes trying to get something done someone is always interrupting you. Now to get back to my kid, she won't stick to a diet" . . . you look at Joe, you look at the board, you look at the telephone, and quietly and calmly you say to him, "Why don't you feed her some SEC prospectus you big 'Oaf.' You don't read them yourself and maybe she wouldn't gain so much weight on that kind of diet?"

This definitely will mark you as an "odd ball," a man lacking in emotional control, and just a little sick in the head. But sooner or later if you don't control those "Joes and their stories" you may be trying to sell securities in a real "nut house." You know the kind, those that don't have a board-room and even the walls are padded.

Form T. & T. Investors

T. & T. Investors Corporation is conducting a securities business from offices at 27 William Street, New York City.



PURE leads the field in service to a growing industry

The Pure Oil Company now has over 40 per cent of the specialized truckstop stations in its marketing area—and more are on the way

In the early fifties, The Pure Oil Company recognized the growth potential of the trucking industry and the need for special service stations that would meet the needs of truckers.

Today PURE, industry leader in truckstop service, has 235 of these high-volume outlets strategically located along key truck routes from Minnesota to Florida, from the Dakotas to the Eastern Seaboard.

Pioneering like this—the constant search for new and profitable marketing opportunities—is another of the ways we are able to keep the sure in PURE for you.

THE PURE OIL COMPANY, 35 East Wacker Drive, Chicago 1, Ill.

PURE
Truck Stop

BE SURE WITH PURE

What Time Is It on the Stock Market Clock?

Continued from page 3

ten million unemployed and many uncertainties ahead. The reason for the undervaluation was the inability of investors to believe the earnings of 1949 would continue. Fears of a postwar depression, seven million unemployed and another 1929 were in the offing.

The set of factors that caused the undervaluation of 1949 were most unusual. The investor who is waiting for them to return is doomed to disappointment. Like 1929, the 1949 undervaluation will not occur again in the lifetime of today's investors. 1949 was probably the start of a new era which we might call, to use Keith Funston's term, an Era of Peoples' Capitalism. This era, like 1850 to 1929, will be an era of great growth, new inventions and products of even greater magnitude than the previous period. Its rewards will be gained by the many rather than the few. In timing, it should be similar to 1850 to 1929.

However, to temper the rosy enthusiasm of this pattern, the growth and advance will not be in straight line. There will be many interruptions. There were many in the 1850-1929 pattern. FIGURE I portrays the 1850-1929 period.

There were, of course, many other ups and downs during this period, but the five main waves are noted above. The present pattern will probably correspond roughly to the graph, with 1949 corresponding to 1850.

This five-wave pattern is the usual one and I would expect the present major advance to have a similar movement before it culminates early in the 2000's. The present market is still in the first wave of this upward movement. The question is how far are we from the top of the first wave and the start of the second.

Present Market Vulnerability to Change

The market, in terms of the Dow-Jones Industrial average has advanced over 300% from the June 1949 low of 160 to the August 1959 high of roughly 680. This ten-year advance was partially due to increased earnings and partially due to a correction of the drastic undervaluation that existed in 1949. It is unrealistic to expect a similar advance in the next ten years. The earnings improvement over the next decade could easily be comparable to that of the past ten years, but the undervaluation caused by low investor confidence in 1949 does not exist today. Investor confidence is, currently, extremely high. It is higher than at any time since the 1920's. Many of today's prices reflect a belief in the continuation of the upward earnings trend well into the 1960's. The market is obviously more vulnerable to a temporary change in confidence than it has been for quite some time.

Just how far we are toward the end of the advance that started in 1949 might be gathered from an examination of the price pattern of that advance. It has not been in a straight line, as shown in FIGURE II.

It will be noted that the advance has been in five waves like the advance shown for the major 1850-1929 advance in FIGURE I. This is a characteristic price movement and is shown as Elliot's Wave Principal. Quite a bit of study has been done on this interesting theory. Hamilton Bolton of Bolton-Tremblay, Montreal, President of the National Federation of Financial Analysts Societies, is the leading authority on this subject, as well as on money supply and demand. The conclusions drawn from Elliot's work have been quite accurate over a period of time. In very simplified form, the principle is that price movements usually consist of five waves. Three are in the direction of the move and two in an opposite direction. This pattern occurs in both major and minor moves. The minor moves are, of course, much more difficult to recognize. A glance at FIGURE II would indicate that the stock market is in the fifth or final phase of the advance that started in 1949. The first wave was the advance from the 1949 low to near the end of the Korean war in 1952. The second wave was a mild correction or consolidation until September 1953. At that point the market was still greatly undervalued and a broad advance to 525 in the averages occurred from 1953 to 1956. This was the third wave and was followed by a 20% correction to about 420 that ended in October 1957. This was the fourth wave. The fifth wave started from the October 1957 low.

Doubts We Are in Major Downtrend

Was the long-term advance from 1949 completed at the August 1959 high of 683 and are we now in a major downtrend? It is possible, but I doubt it. There are several technical reasons for this. The advance that started in October 1957 while a part of the broad 1949 advance to date, must be considered a bull market of its own. A study of 14 bull markets since 1884 indicates that if the present bull market ended in August 1959, it is well below average in terms of both time and percentage advance. The average time duration of the 14 bull markets has been 30 months. The present bull market lasted only 21 months if August was the top. The average percentage advance of previous bull markets was 105%. The present advance to August is only 63%. In addition, volume indications on the decline since August have not been of the type usually associated with important phases. The heaviest volume of trading occurred in the first week of the decline from 683 to 640. While the decline continued to a low of 613 in September, volume failed to increase. In an important downtrend, volume increases as each new low is attained.

From the viewpoint of the business cycle, the odds favor a continued upturn in business well into 1960 and maybe beyond. The average time duration of a business cycle is 27 months to three years. The present upward business cycle started in April 1958 and is only 19 months old. The steel strike shortages will probably extend the cycle through 1960 and into 1961. Earnings in the first half of 1960 could well surpass the rate of $11 earned in the second quarter of 1959. Dividend payouts have been below average and some dividend increases and extras are to be expected. This is hardly the background for a market decline. Furthermore, the fifth and final phase of a long-term advance is usually the most dynamic with heavy volume and overspeculation. The present advance does not yet fit into this category.

If we use Elliot's wave principal on the advance from the October 1957 lows, we have a number of alternative interpretations. On shorter term moves, the various waves are difficult to recognize while they are taking place. One possibility is shown in FIGURE III.

This would indicate that we are now in the fifth or final wave. An equally valid possibility, in my opinion, is the one shown in FIGURE IV.

This would indicate we are only in the third wave, and the culmination of the advance from October 1957 will be in 1961 or possibly as late as 1962.

My conclusion is that the August, 1959 high of 683 is not the top of the bull market. I believe it probable that the stock market will have a typical fifth wave climax with sharply higher volume and speculation in secondary issues. The high to be reached in 1960 or 1961 will be somewhere around 750-800. Percentagewise, this is an advance only about 20% from present levels—as compared with a rise of 300% from the 1949 lows.

Might Reach 550-525 at Most

What will follow after the market reaches a high in 1960 or 1961? I believe the market will probably have a decline somewhat greater than we have witnessed in quite some time. This is not as ominous as it sounds. The market has not had a really severe decline in recent years. The 1957 decline was 20%. The 1946 decline was 25%. If the averages reach 750-800 on the Dow-Jones industrials, I would expect a decline to around 550-525, or about 28% to 32%. The averages were at 550 about a year ago so a return to that level would be no great catastrophe.

Going back to Elliot's Wave Principle, the second wave of a major price advance, as depicted in *Figure I* is usually a broad, consolidating phase rather than a steep decline. This consolidation or resting period is needed to allow earnings to catch up with first overenthusiastic appraisal of the years ahead. Therefore, after the market tops out in 1960 or 1961, I would expect a broad consolidating period for several years. During that period, the Industrial average might hold in an area bounded roughly by 750 and 550. At present levels, the market is about half way between these extremes. This trading range could last as long as five years. While this is the pattern indicated for the averages, it does not necessarily apply to individual stocks. I would expect extreme selectivity during this period in individual issues.

This is not a new development. We have long experienced selectivity in advancing markets. For example, the market has advanced 63% from the October, 1957 lows. The buyer of U. S. Steel at the 1957 low of 50 would have had a better-then-average 100% advance. The buyer of another blue chip issue, Standard Oil of New Jersey, would have a loss at today's prices if he bought at the 1957 low. But in the new pattern of recent markets, this selectivity is extending into declining markets also. In 1957, for the first time in market history, it would have been possible to have been 100% long of stocks and have shown a profit despite the fact that the averages declined 20%. A broad list of issues advanced from June 1957 to the end of the year, including utilities, grocery chains, drugs, tobaccos, finance companies and foods. With institutional investors continually investing in the equity market on a dollar averaging plan, certain types of companies will run counter to the downtrend.

All of this is part of a new pattern resulting from the Federal government's attempt to stabilize the economy. These various built-in stabilizers of social security, unemployment insurance, government spending, money rates and many others, result in a narrower range for stocks and a wider range for bonds. In the 10 years prior to World War II, the average yearly fluctuation from high to low in stocks was 44%, and in bonds 8%. In the 10 years after World War II, the average yearly fluctuation in the stock market had dropped to 18%, and bond fluctuations had increased to 12%. The spread is probably narrower in the past five years. The question, "What is the stock market going to do?" is becoming more and more outmoded. The market is no longer like the Western movies, either a "good guy" or a "bad guy," or either bull or bear. The market of the next five years will probably be neither bull nor bear, but rather a combination of up and down markets in individual issues. The events of the next few years will have varying effects on various individual stocks and groups.

Foresees Consolidating Market

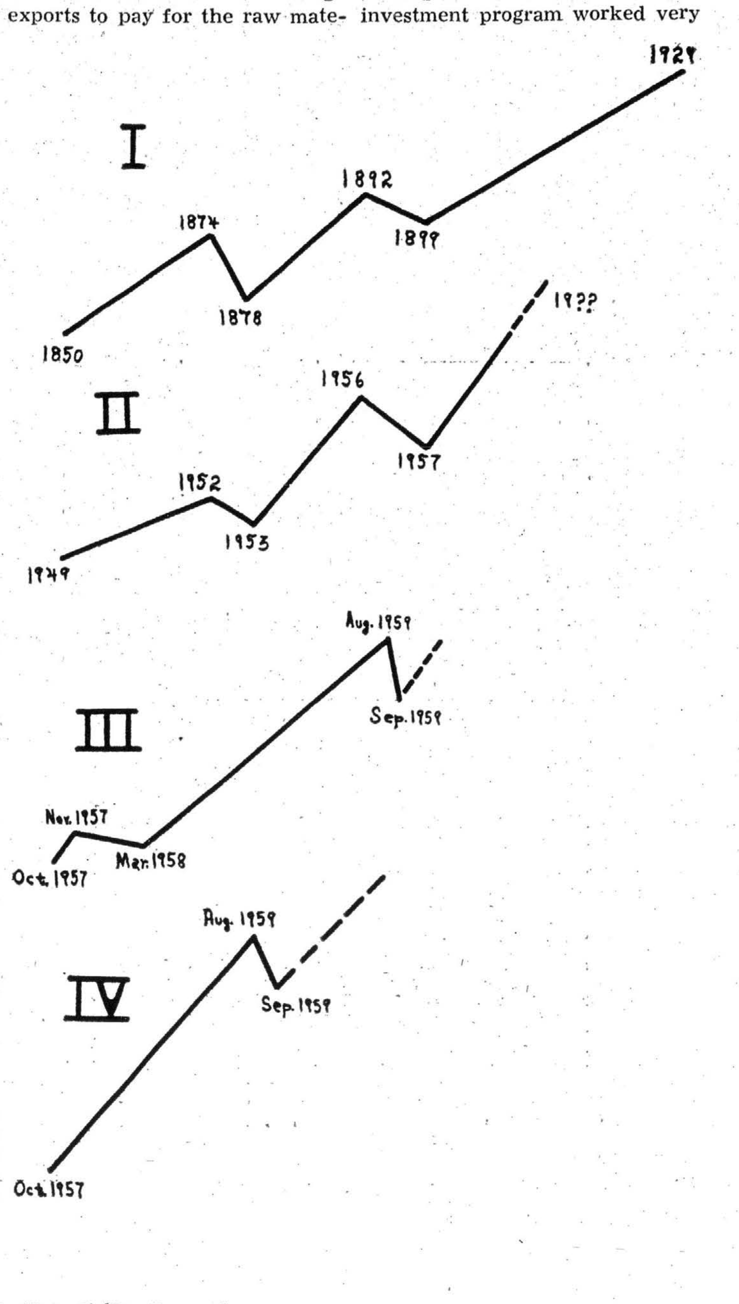
A consolidating market for a long period of time fits into the probable economic background for the foreseeable future. Mr. Krushchev's recent visit has brought home to us the fact that the war with Russia will be fought on the economic front rather than with hydrogen bombs and missiles. This will require some drastic changes in thinking, not only at the government level, but from labor and business. In order to meet the challenge of a dynamic nation, we will have to drop our complacent attitude toward a great many of our problems.

We must realize, for example, that a great many of our tax laws are archaic and were enacted under conditions that no longer exist. They are in need of a thorough revision. We must realize that we cannot afford much of the needless government spending like the billions we are pouring down a rathole on farm subsidies. We must realize that inflation must be halted or we will price ourselves out of world markets. We must realize that costs must be stabilized and productivity increased if we are to create enough exports to pay for the raw materials we will have to import in increasing amounts as our own raw materials dwindle. We must realize that outmoded "make-work" programs and "featherbedding" are outmoded and a terrific drag on our economy. We must realize that research expenditures must be increased sharply in order to keep our place in the competitive race. We must realize that government spending must be streamlined and taxes reduced in order to help create the capital needed for more efficient plant and for the public needs such as roads, hospitals, schools and low-cost housing.

These and many other problems will need time for their solution. Enactment of such a program will have disturbing effects at times on certain segments of our economy, while at the same time it will be constructive toward other segments. It will probably result in the highly selective market that I envision for the next several years.

Conclusion

In conclusion, I believe the stock market will top out in 1960 or 1961 at around 750 to 800 and then hold in a range bounded by roughly 750 and 525 for the next five years. The Dow-Jones Industrial average on Nov. 12, 1959, sold at 648.52. It is entirely possible that on Nov. 12, 1964 the average will still be at 648.52. During the next five years, we will have to drop the outmoded concept of bull and bear markets and concentrate on the outlook for individual industries and issues. We will probably have to change our opinions on the outlook for many individual issues. We will not be able to solve the investment problems of the next five years by remaining static and owning the "Favorite Fifty." That investment program worked very



well in the past 10 years, but will not meet the probable changes of the next five years.

If the picture is somewhat obscure for the next five years, it is much clearer for the next 10 years. This is a growth country and we are still in the early stages of our new era of a "People's Capitalism." After the first wave is ended and the needed consolidating phase of the second wave completed, the economy and the stock market will again embark upon another advancing phase. I do not expect that in the next 10 years the market will duplicate the 300% rise of the past 10 years. It could, however, be 100% higher by 1969, or somewhere around 1250 and 1500 in the Dow-Jones Industrials.

*An address by Mr. Tabell before the Arizona Bankers Assn.'s 56th Annual Convention, Phoenix, Ariz., Nov. 13, 1959.

Lenahan Alum. Window Corp. Stock Offered

Lenahan Aluminum Window Corp. is presently offering 157,494 additional shares of its common stock (par 50 cents) to its common stockholders of record Nov. 2, 1959, on the basis of one new share for each two shares then held; rights to expire on Nov. 20, 1959. The subscription price for each shareholder is $4 per share, with Plymouth Bond & Share Corp., of Miami, Fla., underwriting the offering. Unsubscribed shares will be offered publicly at $5 per share. The underwriter has agreed to use its best efforts to effect the sale of all of the shares. If all of the shares have not been sold by 5:00 o'clock p.m. (EST) on Dec. 20, 1959, then no shares will be issued and all subscriptions will be returned in full.

The net proceeds will be used to finance increased inventory requirements, for expansion, and the balance for working capital.

Int'l Tuna Corp. Stock Offered

Gates Carter & Co., Inc., of Gulfport, Miss., on Nov. 10 publicly offered 175,000 shares of class "A" cumulative common stock (par 50 cents) at $1 per share, on a best efforts basis. The dealer discount is 10 cents per share. An additional 67,500 shares of class "B" common stock (par 50 cents) will be issued in payment of property acquired by the corporation and payment of underwriting and other expenses.

International Tuna Corp. is a Mississippi corporation organized Dec. 31, 1954, as Marine Sales & Service, Inc. On Jan. 14, 1959 the corporation adopted its present name.

Federal Interest Credit Banks Debs. Offered

The Federal Intermediate Credit Banks on Nov. 18 offered a new issue of approximately $132,000,000 of 5¼% nine months debentures, dated Dec. 1, 1959, and maturing Sept. 1, 1960. Priced at par, the new issue is being offered through John T. Knox, Fiscal Agent, and a nationwide selling group of securities dealers.

Proceeds from the financing will be used to refund $196,000,000 3.70% debentures maturing Dec. 1, 1959.

Vandervelde Branch

L. Vandervelde & Co., Inc. has opened a branch office at 46 Exchange Place, New York City.

Humphrey Gets Medal of Merit

George M. Humphrey, Chairman of the Board of National Steel Corp., has been selected to receive the 1959 Gold Medal of Merit of the Wharton School Alumni Society of the University of Pennsylvania, it has been announced.

Geo. Humphrey

The award, given yearly "for outstanding business achievement," was presented to Mr. Humphrey at the Society's annual dinner Nov. 18.

Dr. Gaylord P. Harnwell, President of the University, made the presentation. Attending were several hundred alumni of the Wharton School of Finance and Commerce and representatives of Philadelphia business and industry.

Mr. Humphrey, who was Secretary of the Treasury under President Eisenhower from January, 1953 until July, 1957, was influential in the organization of the National Steel Corporation in 1929.

A graduate of the University of Michigan Law School, Mr. Humphrey practised law with his father for five years in Saginaw, Michigan, then entered industry and finance as general counsel of the M. A. Hanna Co. in 1917. By 1929 he was the company's President and he became its Board Chairman in 1952.

He was elected Chairman of the Board of National Steel in 1957 after leaving government service.

Mr. Humphrey also was influential in the formation of the Pittsburgh Consolidation Coal Co. in 1945, which formed the world's largest bituminous coal-producing company. In 1950, he helped organize the Iron Ore Co. of Canada to develop the Laborador-Quebec iron ore deposits.

Previous recipients of the Wharton Gold Medal have been Charles E. Wilson (then President of the General Motors Corp.), 1950; Benjamin Fairless, 1951; Crawford H. Greenewalt, 1952; Richard K. Mellon, 1953; Thomas B. McCabe, 1954, Cleo F. Craig, 1955; Henry Ford, 2nd, 1956; Ralph J. Cordiner, 1957, and J. Peter Grace, 1958.

Detroit Basis Club Elects Officers

DETROIT, Mich.—At the Annual Meeting of the Basis Club, an association of young men active in the municipal bond field in Detroit, the following officers and directors were elected for 1960:

President: Harry H. Jones, II, Kenower MacArthur & Co.

Treasurer: Robert Seiber, First of Michigan Corporation.

Secretary: Wm. Chapel, McDonald, Moore & Co.

Directors: Edward J. Parr, Merrill Lynch, Pierce, Fenner & Smith and Duane Billmeyer, Paine, Webber, Jackson & Curtis.

Peter Whitman, Watling Lerchen & Co., was named Social Chairman and Jos. M. Ryan, Ryan, Sutherland & Co., Publicity Chairman.

Evans MacCormack Adds

(Special to THE FINANCIAL CHRONICLE)

BAKERSFIELD, Calif.—Jack G. Gray has been added to the staff of Evans MacCormack & Co., 1675 Chester Avenue. He was previously with E. F. Hutton & Company.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The money and capital markets have been on the stable side, since it seems as though there is an improving interest in both the short- and medium-term government obligations. The Treasury will be rasing new money in the near future and the opinions currently prevailing are that these funds will be obtained in the short-term sector of the government market.

There is a rather general feeling now that the peak demand for money and credit will not come until sometime during the second quarter of next year. This would seem to indicate that the demand for funds will continue to grow, since the rebuilding of inventories will be going on for an extended period now that the steel companies are operating again. The money market will no doubt reflect this demand for credit by remaining on the restricted side.

Portfolio Changes Enlarged

There is an increasing amount of activity in government securities because institutions are not only stepping up tax exchanges but there is also a fair demand around for the longer-term discount issues from pension funds, particularly those that have to confine their purchases to Treasury obligations. In addition, there is some selling of government obligations by commercial banks and savings institutions, with the proceeds being used for loans and mortgages.

To be sure, tax swaps have been going on most of the year, and not a few institutions have this operation completed for 1959. However, it is evident that quite a number of banks still have tax exchanges which have to be made and these switches will most likely be going on well into the final month of the year. The year 1959 has been a "loss year" for the banks as far as Treasury obligations are concerned and, with earnings from other operations of these institutions on a very profitable basis, it is not surprising that full advantage is being taken of the tax situation.

Recent Issues in Demand

The digestion of the refunding issues is progressing in a very satisfactory manner with the 4¾% certificate evidently being bought by those investors who are interested in an obligation which is somewhat longer in maturity than a Treasury bill. The four-year 4⅞% note continues to attract buying from institutions that have sizable savings accounts. This means that the smaller out-of-town commercial banks are among the prominent ones making commitments in the refunding 4⅞s.

Also, individuals are buyers of the issue, with indications that money which had been in common stocks is now finding an outlet in not only the new 4¾s, but likewise in the 5s of 1964. It seems as though there is still considerable attraction for investors in the "magic 5s" and, even though this issue is selling at a premium, there are indications that savings bank money is still being put to work in this security.

No Competition Expected

The impending new money raising operation of the Treasury does not appear to have retarded the interest among large and small investors in the 4⅞s and 5s. They do not feel that the issues to be used in the coming government venture will compete with these two outstanding high coupon obligations The 4⅞s and 5s, of course, are not competitive with long-term corporates and selected municipal bonds. However, there is evidently more than a moderate amount of glamour to these two Treasury securities because the belief is gaining momentum that the future offering of middle-term high coupon government obligations for either refunding or new money raising purposes will not be sizable enough to have more than a short lived effect on these two issues. Also, the income available in the 4⅞s and the 5s is considerably better than that which can be obtained from savings accounts or government savings bonds. The relatively short maturity and the high coupon rate means that price declines will be at a minimum, even though interest rates might go slightly higher.

Tight Money to Continue

The long steel strike has had a not too unfavorable effect upon the economy, but the extent of the damage, if any, cannot be measured at this time. As the situation now shapes up, this most likely means that the period of recovery will be extended well into 1960. This would seem to indicate that the tight money condition will continue and the deficit of the budget will probably be in the neighborhood of a billion dollars.

T. H. Fitzgerald Opens

NAUGATUCK, Conn.—T. H. Fitzgerald & Co. is acting as a dealer in mutual fund securities from offices at 66 Radnor Avenue.

AS WE SEE IT (Continued from page 1)

judged by such relatively isolated features as these. If the Administration is bringing something forward that it is asking Congress to adopt and make permanent and the people to accept as something they are to live under permanently, then it must be inspected in detail and appraised as a whole. When that is done, it is evident—with deep regret be it said—that the Administration fails by almost as much as its predecessors in getting to the heart of this problem and formulating a real solution. If this be regarded as a harsh judgment, let the facts speak for themselves. When they have done so there can be no room for doubt about the conclusion that must be drawn—or at least so it seems to us.

In the first place it envisages a "voluntary retirement of land from crop production for the next five to ten years," voluntary but induced by payments from the taxpayer to the farmer for not cultivating his land. Of course, something of this sort or its equivalent has been going on for a long time. It is now to be "expanded." What, precisely, the Administration has in mind, the future must disclose, but unless it is utterly different in principle from anything that has yet been undertaken or even suggested it can hardly be regarded as even a sensible palliative. Paying people not to work or not to produce, whether they be farmers or anyone else, simply makes no sense. The determination of what ought to be produced and how much and what ought not to be produced is a function of a free market. There is no need either to assist it now or to limit its field.

Research designed to find more and larger uses for farm products is an old, old idea and one which within normal limits is to be approved. Precisely how effective such a program sponsored by government is, or can be expected to be, is another matter. Industry itself is alert and very active in its search for the materials it needs. There is no reason to suppose that it is overlooking many important possibilities of using farm products. Certainly the range of uses to which farm products are now put is very much larger than was the case only a few years ago. Of course, it is to be expected that still further uses will be found from time to time. It is, however, not a source of demand that may reasonably be expected to open new areas within a short period of time no matter what the extent or the range of the research.

But No Solution for Us

Sending our food products abroad to assuage the hunger of peoples in dire need is, of course, a procedure that is full of humanitarian appeal, but as a solution for our farm problem it can hardly be assigned a place of first rate importance—certainly not as a part of a "permanent" arrangement. As we have so often remarked, the "solution" of the problem of world poverty—whether it take the form of hunger or not—is only to be found in somehow making indigent peoples self supporting. They must in the long run be able and willing to fill their own needs with the labor of their own hands. There is absolutely no soundness in any thought of lifting such peoples out of their sufferings and their want by making idlers and suppliants of them. If sound humanitarianism suggests that we send foodstuffs to various parts of the world, why by all means let us do so, but let us look elsewhere for a solution of our own so-called farm problem.

As to the Administration's "expanded rural development program to assist farmers in low income areas to attain a higher standard of living," the thoughtful observer can only wonder what this part of the "permanent" farm solution is to be. It certainly has an ominous sound. There is no telling what the politicians from such areas will think up to have the rest of us do for their constituents! The proposal as presented has a very pronounced New Deal ring. Any specific critique of such an undertaking must, of course await further detail, but, for our part, we find it difficult to imagine any likely program which could be accorded a place in any reasonable or realistic solution of our farm problem.

Agriculturally we are in a mess. Let the fact be frankly faced. Precipitate discontinuance of all New Deal and New Deal-like programs would without question bring disaster to many individuals and a period of trouble for all the rest of us. Any realistic man must and would take all this into consideration in formulating any plan to get us out of this mess. When, however, we begin to formulate a "permanent" program we must never lose to sight the fundamentals of the situation. One of these indeed the fundamental of all fundamentals—is the absolute need of having an agriculture which stands on its own feet. The only way that such an end can be reached is to permit the market place to determine how many men and which men should remain in agriculture and how many and which men should seek their livelihood elsewhere. We overlook this essential for any great length of time at our own serious risk.

Investment Implications of Our Population Growth

Continued from page 1

through its effect on the marriage and birth rate, produced a resurgence in national population growth which will be a stimulus to economic development and business expansion for at least the next two or three decades.

The economy of the U. S. is confronted with increasing annual additions to population between now and 1980. In 1958, the U. S. increased by about 2.5 million persons. Between 1960 and 1965, we may average an increase of three million persons per year; between 1965 and 1970, four million persons; between 1970 and 1975, five million persons; and between 1975 and 1980, six million persons per year. The rate of investment will necessarily be affected by this need to increase facilities for the production of goods and services for the expanding American market.

Metropolitan Area Explosion

Even more dramatic than the resurgence in our total national population growth is the increasing concentration of the population of the United States in a relatively small number of urban agglomerations designated by the Federal Government as "standard metropolitan areas." A standard metropolitan area is a city of 50,000 or more inhabitants, the county in which it is located and such adjoining counties as are by various economic and social criteria oriented to the central city. In 1900, about a third of the population of the nation lived in places that would qualify as standard metropolitan areas. Between 1900 and 1950, while the population of the country doubled, that in the nonmetropolitan areas of the United States increased by only 50%, whereas that in the standard metropolitan areas tripled. By 1950, 57% of the population of the country, some 85 million people, lived in 162 standard metropolitan areas.

The trend toward increased concentration of population in standard metropolitan areas is an accelerating one. During the first half of the century, the metropolitan areas of the United States absorbed 73% of the total population increase of the nation. In the last decade of that period, that is between 1940 and 1950, the standard metropolitan areas absorbed 81% of the total growth of the nation. In the first half of the present intercensal decade—that is, between 1950 and 1955—according to estimates of the Bureau of the Census, the metropolitan areas absorbed 97% of the total population growth of the United States.

The trend may be expected to continue. It will continue because such agglomerations of population represent the most efficient producer and consumer units that our society has yet devised. The very size, density, and congestion of our standard metropolitan areas, to which some city planners object, are among our most precious economic assets. They are a population manifestation of our market system and technological development which underlies the American level of living—the highest mass level of living ever achieved in the history of man.

What is the prospect in respect of future metropolitan area growth? Should the trends described continue, then, by 1980, it is possible that the number of standard metropolitan areas will have increased to over 200, and that they will contain a population greater than that of the entire country in 1950—that is, they may have a population of some 165 million persons. Thus, while the population of the United States as a whole increases from 54 to 80% in the 30 years between 1950 and 1980, it is possible that the population of metropolitan United States will almost double!

Metropolitan Area Decentralization

While the population of the United States becomes more concentrated in standard metropolitan areas, the population within such areas is becoming increasingly decentralized. Larger and larger proportions of the population resident in the standard metropolitan areas live in the suburban rings of such areas, rather than in their central cities.

During the first half of the century, metropolitan rings in standard metropolitan areas grew 1⅓ times as fast as their central cities. In the last decade of that period, between 1940 and 1950, metropolitan suburban rings grew 2½ times as fast as central cities. Between 1950 and 1955, metropolitan rings grew seven times as fast as central cities. While central cities increased by 4%, metropolitan rings increased by 28%.

The acceleration in the rate of growth of suburban rings, relative to that of central cities, is evident in still another way. Between 1900 and 1950, metropolitan rings absorbed about 45% of the total population growth of the standard metropolitan areas. In the last decade of that period, between 1940 and 1950, metropolitan rings absorbed 61% of the total metropolitan area growth. Between 1950 and 1955, the metropolitan rings absorbed about 80% of total population growth in standard metropolitan areas. Consequently, whereas in 1920 about 35% of the population in metropolitan areas lived in the suburban ring, by 1950 suburban inhabitants had increased to 42%, and by 1955 to 47% of total metropolitan area population.

There are two basic reasons for the increased decentralization of population within the standard metropolitan areas. Since they will continue to operate in the coming decades, it is well to set them forth. The first, and more fundamental reason, is to be found in the shift from 19th to 20th century technology. Nineteenth century technology was symbolized by the steam engine, the belt and pulley, and the horsedrawn vehicle. Nineteenth century technology created centripetal forces which produced dense population agglomerations around the factory. In contrast, 20th century technology is symbolized by electric power, by the automotive complex—the auto, the truck, and the highway—and by the telephone. Twentieth century technology generates centrifugal forces, making possible greater dispersion of both industry and population within metropolitan areas. Or, perhaps a better way to state the effects of 20th century technology, is to say that 20th century technology makes possible larger agglomerations of population than did 19th century technology as efficient producer and consumer units.

Our metropolitan areas, then while experiencing explosive population growth as a result of our resurgent national growth on the one hand, and increasing economic expansion on the other, are, also of necessity, adapting to 20th century technology. Since most of our metropolitan areas achieved a good part of their growth in response to 19th century technology, this necessarily means that metropolitan areas must undergo increasing decentralization simultaneously with experiencing explosive growth.

The second factor accounting for decentralization of population within metropolitan areas is so simple that it tends frequently to be overlooked. Metropolitan rings are growing more rapidly than central cities in the United States because central cities, on the average, since about 1020, have been filled up. The population of our metropolitan areas has continued to grow with the expansion of the economic base. Central cities tend to have relatively fixed boundaries set forth in a state charter. Because economic reality does not stop at arbitrary city limits, continued population growth necessarily transcended city political boundary lines. The continued growth of metropolitan areas has necessarily meant increasing proportions of growth beyond city limits.

The decentralization of metropolitan area populations may be expected to continue. Observed trends indicate that, between 1950 and 1980, while the total population of standard metropolitan areas almost doubles, the population of central cities may increase by only 30%, while that in metropolitan rings may increase by about 180%. Of a possible increase of 80 million persons in the population of standard metropolitan areas, only 16 million would be added to the population of central cities; and the remaining 64 million would be added to the population of suburbia. It may also be noted that of the 64 million added to suburbia, if observed trends continue, about 35 million will be added to what now is exurbia and interurbia—that is, the open country, unincorporated parts of metropolitan rings; and the remaining 29 million would be added to incorporated areas in suburbia. Thus, it is possible that about two-thirds of the population of the country will be in standard metropolitan areas by 1980, and that at least 60% of this population will be suburbanites.

Finally, any reference to the growth of our metropolitan areas must necessarily include some reference to the emergent "megalopolis." Tremendous growth of the type which is in prospect necessarily involves the spilling of population into the open country areas of our metropolitan rings—into exurbia and interurbia. It means that intermetropolitan area space will become increasingly filled. The coalescence of metropolitan areas produces the megalopolis. The contours of such emergent megalopolises or "strip-cities" are already in evidence.

In Northeastern U. S. A., an emergent megalopolis may be seen stretching from Boston to Washington, D. C.; the Middle West from Milwaukee to Chicago to South Bend and, perhaps, even to Detroit and Toledo and south to Cincinnati. Continuous metropolitan development may conceivably stretch also from Chicago through Peoria to St. Louis. On the West Coast, an emergent megalopolis may be seen from Seattle to Tacoma to Portland and Salem; and from Sacramento to San Francisco, through Fresno and Los Angeles to San Diego. On the Gulf Coast, Fort Worth to San Antonio and Dallas through Houston to Galveston also represent prospective megalopolises. Both the east and west Coasts of Florida may have similar developments, from Jacksonville down to Fort Myers down the west coast and from Jacksonville to Miami on the east coast. Similar developments may also occur in other parts of the country.

It is too early even to try to anticipate the implications of megalopolis for the economy at large, or, more specifically, for general investment purposes. But that it will evoke new dimensions of economic need and investment requirements is certain to be the case.

The great changes in total population will bring with them significant changes in the composition of the population of the United States. Many of these will have important economic implications. Only two can be dealt with here; namely, changes in age structure and changes in household formation.

The present generation is the only one in the history of man that has experienced two world wars and a major depression. These catastrophic events have profoundly affected the birth rate of the American people. They have produced great swings in fertility, with troughs and peaks paralleling the swings of the business cycle. The fluctuations in the birth rate, accompanied by continuously decreasing mortality, have greatly altered the age structure of the population. For the interplay of changing birth and death rates has produced great differences in the rates of growth of various age classes.

Age Structure. For example, between 1900 and 1950, while the total population of the country doubled, the population of school age, five to 19 years of age, increased by only 40%, while our "senior" citizens, those 65 years of age, quadrupled. Between 1950 and 1980, the total population of the U. S. may increase by from 52 to 80%. The population under 15 years of age, however, may increase by as much as 136% should the high population projections hold; or, perhaps, by not more than 51% if the birth rate should decline as assumed in the low population projection. Persons of high school age—that is, 15 to 19 years of age—may increase by from 76 to 130%. At the other extreme, between 1950 and 1980, the population 65 years of age and over will almost double. Older persons will increase by some 98%, and this projection is, of course, unaffected by what may happen to the birth rate between now and 1980, because everybody who will be 65 years of age by 1980 is already born.

Finally, the population 20 to 64 years of age, also relatively little affected by the course of the birth rate between 1950 and 1980, will increase by from 71 to 74%. As an extreme instance of the way in which age structure can be affected by the fluctuating birth rate, it is noteworthy that amidst all these changes, persons 25 to 40 years of age are likely to remain at about a constant number over the next 15 years! This, of course, is the relatively small cohort of persons born mainly during the depression.

By 1980, persons 65 years of age and over may constitute from 9 to 11% of the population of the U. S., as compared with 8.2% in 1950, and 4.1% in 1900. Persons under 20 may range from 34 to 44% in 1980, as compared with 34% in 1950, and 44% in 1900. Persons of intermediate age, 20 to 64 years, may make up from 47 to 55% of the total population by 1980, compared with 58% in 1950, and 52% in 1900. Perhaps the most significant aspect of the changing age structure lies in the changing dependency ratio. In 1950, there were 73 persons of dependent age—that is, under 20 or 65 and over—for each 100 persons of working age, 20 to 64. Of these dependents, 14 per 100 persons of working age were 65 and over, and 59 were under 20 years old. By 1980, if the high birth rate assumption holds, the total number of dependents per 100 persons of working age will have increased to 95. Of these, only 16 would be older dependents and 79 younger dependents. If the birth rate should decline, as assumed in the lowest of the census projections, dependents per 100 persons of working age would be 68, 16 of whom would be older dependents, and 52, younger ones.

Household Formation

Significantly affected by the changing age structure of the population is the rate of net household formation. Net household formation is, of course, the net effect of new households being formed through marriage and the breakup of the "large family" system; and old households being dissolved through divorce, death, and separation.

In 1950, there were some 43.6 million households in the United States. Between 1946 and 1956, under the impact of demobilization after the war and postwar high-level economic activity, the number of households in the United States increased by about 11 million, twice as many as in any other 10-year period in the history of the United States. Net household formation between 1947 and 1950 averaged over 1.5 million per year.

Between 1950 and 1955, however, net household formation decreased to an average of a little over 800,000 per year. Such a decrease had, of course, significant consequences for all sectors of the economy, and especially those dependent on the household rather than the individual as a consumer unit, such as the home construction and the automotive industries, and, indeed, all industries producing consumer durable goods designed for household use.

Net household formation increased somewhat between 1955 and 1958 to a level of about 900,000 per year. Projections of the Bureau of the Census, however, indicate that it is possible that further decreases in net household formation may occur between 1960 and 1965. Under assumptions producing a low projection, it is possible that net household formation may drop to about 643,000 per year for the period 1960 to 1965; under assumptions producing high projections, it is, also, possible that it may exceed a million per year.

By 1965, it is almost certain that net household formation will increase because, by that date, the postwar babies will begin to reach marriageable age. Between 1965 and 1970, net household formation may vary from 850,000 to over a million per year. Reflecting the continued impact of the postwar birth rate boom, net household formation will reach levels of from 1 million to over 1.2 million per year between 1970 and 1975; between 1 million and 1.3 million per year between 1975 and 1980.

The Bureau of the Census has also made projections of households, between 1958 and 1965, by age of head. This is a significant differentiation for market purposes, because the nature of purchases of households with heads under 25, and with heads 55 years of age and over, respectively, is of a different character than of households with heads from 25 to 54 years of age. Particularly is this true for major purchases such as that represented by a residence.

By reason of the changing age structure, households with heads in these varying ages will change at greatly differing rates during the 7 years from 1958 to 1965. For example, while all households in the United States may increase by from 8% to 14% during this period, households with heads under 25 years of age will increase by from 36% to 67%. During this same interval, households with heads 55 years of age and over will increase by from 15% to 20%. While these relatively large increases occur for households with younger and older heads, respectively, households with heads 25 to 54 years of age will increase by only 3% to 7%. To the extent that households headed by persons in these various age groups differ in their requirements for goods and services, varying sectors of the economy will obviously be differentially affected in the coming years.

It should also be pointed out, however, that although the younger households will increase the most rapidly percentagewise, they will constitute a relatively small number numerically. Between 1958 and 1965, households with heads under 25 years of age may increase by from 900,000 to 1.6 million, while households with heads 55 years of age and over may increase by from 2.5 million to 3.3 million. Households with heads 25 to 54 years of age will, during the same 7-year period, increase by from 800,000 to 2.2 million units. The changing age structure, then, will necessitate varying types of adjustments by business as indicated in the differences in rates of growth, on the one hand, and the actual size of the household market on the other.

Between 1950 and 1980, households in the United States may increase by from 25 to 32 million, that is, from a level of 43.6 million in 1950 to from 69 to 76 million by 1980. Sectors of the economy geared primarily to households as consumer units may anticipate then, over this 30-year period, an increase of from 58% to 72% in their consumer markets. Moreover, most of this increase still lies ahead. Between 1958 and 1980, households in the United States may be expected to increase by from 38% to 52%.

The postwar, cold-war climate has produced a boom in marriage rates and birth rates so as to bring about a great resurgence in the rate of national population growth. Rapid increase in population has been a major factor in the postwar level of economic activity. Moreover, the altered prospect in respect to future population growth has created a need for great economic expansion in the coming decades. In a little more than one human generation, between 1950 and 1980, the American economy must be geared for an expansion of from 54% to 80% in the size of the consumer market. Most of this increase lies ahead, in the period between 1958 and 1980. By 1980, present facilities must be increased to provide goods and services for an increment or from 32% to 57% in the population of the United States.

As a result of continued technological development, it may be anticipated that we shall continue to experience increased concentration of population in a relatively small number of great standard metropolitan areas. By 1980, it is possible that two-thirds or more of the total population will be resident in some 200 standard metropolitan areas. By 1980, metropolitan areas may contain 165 million persons. They will, therefore, almost double in population in the 30-year period. Most of the population increase in our standard metropolitan areas will take place in the suburban rings, rather than in the central cities. Suburban rings will increase by 180%—that is, they will almost triple—while central cities increase by 30%. Most of the increase in suburban rings is likely to go into what is now exurbia or interurbia—that is the open country, unincorporated parts of metropolitan rings. By 1980, it is likely that at least 60% of the population in standard metropolitan areas will be resident in the suburbs, only 40% in central cities.

By reason of great fluctuations in the birth rate of the United States, following two world wars and the great depression and continued declining mortality, the age structure of the nation is experiencing great change. The economy is confronted with the need to supply goods and services for population growing much more rapidly at its extremes—that is, one in which younger persons, under 20, and older persons, 65 and over, are increasing much more rapidly than persons of intermediate age. While the population of the country as a whole increases by from 54% to 80%, the population of senior citizens, those 65 and over, is almost certain to double. The population of school age is also likely to double, although this is contingent on the future and unpredictable course of the birth rate. During the same period, population of intermediate age, 20 to 64 years of age, which is relatively unaffected by the course of the birth rate between 1950 and 1980, will increase by almost three-quarters.

The great fluctuations in the age structure of the population will greatly influence the rate of net household formation.

The changing age structure of the United States has affected, and will continue greatly to affect, new household formation. Despite the great national resurgence in total population growth, net household formation actually decreased after 1950. The relatively low rate of net household formation was attributable, of course, to the decreased size of the cohort reaching marriageable age, reflecting, again, the low birth rate of the depression '30s. It is possible the net household formation may remain at relatively low levels, and may actually continue to decrease until 1965. By that date, however, the greatly enlarged cohort of postwar babies will be reaching marriageable age. From 1965 on, for a period of at least 12 years, the present duration of the baby boom, relatively high rates of net household formation may be anticipated.

In conclusion, the magnitude and character of population changes in prospect clearly point to an era of relatively great economic expansion. Differential opportunity for economic growth is to be found in the differences in the rates of growth of different sectors of the population. Levels of consumption may be expected to continue to increase. But even at 1955-1958 levels of consumption, there will be tremendous increases in demand by reason of the increased size of the market.

Without question, our great postwar economic expansion is in large measure attributable to the superimposition of a high-level civilian economy a partially mobilized cold-war economy, in response to national security needs. In the decades which lie ahead, the American economy must continue to expand, both to meet the increased demand of our rapidly growing population, and to assure national security. In playing a significant role in the expansion of the American economy, investors will be fulfilling a duty and obligation to the nation, as well as being alert to tremendous opportunity.

*An address by Dr. Hauser before the American Bankers Association, Detroit, Mich., Nov. 5, 1959.

North'n Properties Com. Stk. Offered

Candee & Co. and Peters, Writer & Christensen, Inc. on Nov. 18 publicly offered 150,000 shares of common stock (par $2.50) of Northern Properties, Inc. common stock at $5 per share. This offering was oversubscribed and the books closed.

The proceeds to the company from this offering will be $602,284.50, $170,000 will be applied to the cash required to close title to the Baldwin Property. An additional $50,574.70 will be applied to meet mortgage installments of principal and $29,693.42 will be applied to interest during the first year of operations ending July 31, 1960. The company may also utilize the proceeds of the sale of the shares offered to pay carrying charges, including taxes for its various properties.

The company expects to set aside the balance of proceeds (approximately $342,817) as operating capital for the purposes of the development of its properties.

The company was organized under the laws of New York on April 7, 1959 to engage in suburban real estate development.

Realsite, Inc. Stock All Sold

An offering of 200,000 shares of Realsite, Inc. class A common stock (par 10 cents) was commenced on Nov. 12 by Robert L. Ferman & Co. and Godfrey, Hamilton, Magnus & Co., Inc., at a price of $3 per share. This offering was oversubscribed and the books closed.

The net proceeds will be used for general corporate purposes.

Realsite, Inc., was incorporated under the laws of the State of New York on April 23, 1956. Its principal executive offices are located at 138-16—101st Ave., Jamaica 35, New York.

As of July 5, 1959, Realsite, through its wholly-owned subsidiaries, had acquired interests in approximately 320 acres of real property in the States of Florida and New York, and had entered into contracts for the acquisition of undivided interests in 210 additional acres. The company's properties are located in Broward and Dade Counties in Florida and in Nassau County, New York.

Acme Missile & Construction Corp. Stock All Sold

An offering of 200,000 shares of class A common stock (par 25 cents) of Acme Missile & Construction Corp. was made publicly at $6 per share on Nov. 12 by Myron A. Lomasney & Co. This offering was oversubscribed and the books closed.

The proceeds are to be used for general corporate purposes, including expansion.

For the year ended Jan. 31, 1959 net billings totaled $478,591 and net income, after provision for Federal income taxes, was $63,571. Net billings for the six months ended July 31, 1959 were $572,527 and net income, after provision for Federal income taxes, totaled $116,946.

Giving effect to the offering, capitalization of the company on Oct. 6, 1959 was: 210,000 shares of class A common stock outstanding, and 220,000 shares of class B common stock outstanding.

Richard Morris Opens

Richard A. Morris has opened offices at 42 East 52nd Street, New York City, to engage in a securities business.

STATE OF TRADE AND INDUSTRY

Continued from page 5

work rules, "Steel," the metalworking weekly, said on Nov. 16.

A survey by the magazine reveals that nine of ten metalworking companies want the steelmakers to hold the line in their negotiations with the union.

Although most steel users are hurting badly for want of steel, they prefer to share the losses with the steel producers to effect a noninflationary settlement and to stop featherbedding and makework practices.

Typical comment from steel users: "The producers are fighting our battle too. Actually, we have more to lose through an inflationary settlement than have the steelmakers. They can pass along increased costs through higher prices. We can't."

The magazine points out that this is a new attitude for steel users. In past strikes, users often have been more interested in obtaining steel than in the terms of the wage settlement.

Consumers, nevertheless, are converging on the mills trying to get to the front of the line for steel shipments. In spite of the pressures, steelmakers hope to treat all customers fairly.

Steel ingot operations last week hit an estimated 40% of capacity, up 27 points. Production was about 1,133,000 ingot tons.

With a break weatherwise for lake shipping and the aid of imported ore and all-rail shipments, the steel industry expects to have adequate iron ore supplies for near capacity operations through next spring.

"Steel" predicted that ore stocks through April would total 77 million tons and that consumption would eat up 59 million tons, leaving an 18 million ton cushion.

More scrap will be used in the open hearths to stretch out iron ore stocks. Although scrap is in good supply, rising demand is expected to cause price hikes.

Losses to the nation because of the nonoperation of the steel mills are still mounting even though mills have started their furnaces, "Steel" said.

In the 115 days of the strike, steelworkers lost $1,172,500,000 in wages. Steel companies lost $3,493,000,000 in sales. Some 32.7 million tons of ingots were lost. Overhead, depreciation, and salaries of nonproduction workers in steel cost the companies $672 million. The U. S. lost $755 million in taxes.

Losses to metalworking companies and employees are continuing. An estimated 450,000 metalworkers are laid off as of today. Even more are working short weeks. Layoffs may peak at around 500,000 and hold there until mid-December.

Resumption of steelmaking will aggravate the tight copper supply situation. An even greater scramble for the red metal is predicted as some users whose operations were shut down or curtailed for lack of steel begin to step up their production.

Steel Output Based on 78.9% of Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *139.0% of steel capacity for the week beginning Nov. 16, equivalent to 2,233,000 tons of ingot and steel castings (based on average weekly production of 1947-49) as compared with an actual rate of 80.4% of capacity and 1,291,000 tons a week ago. In week beginning Nov. 2, output was 368,000 tons and operating rate *22.9%. [ED. NOTE: The strike in the steel industry which began July 15 was ended via a court injunction on Nov. 7.]

Actual output for the week beginning Nov. 9 was equal to 45.6% of the utilization of the Jan. 1, 1959 annual capacity of 147,633,670 net tons. Estimated percentage for this week's forecast is 78.9%.

A month ago the operating rate (based on 1947-49 weekly production) was *23.1% and production 371,000 tons. A year ago the actual weekly production was placed at 2,000,000 tons, or 124.5%.

*Index of production is based on average weekly production for 1947-49.

Auto Makers Still Plagued by Steel Shortage

U. S. auto makers suffered through another steel-short work period in the week ended Nov. 14, but managed to hold the production decline to about 1,100 units below previous week, "Ward's Automotive Reports" said.

The reporting agency said the drop-off in volume was accounted for in most part by the final collapse of General Motors car-building and a leveling off in production by most other manufacturers. By the end of the week under review, the only GM car being produced was the Chevrolet Corvette which mounts a fibre glass body.

"Ward's" added that Ford Motor Co. increased production schedules at most Ford car plants to four days during the week in hopes that steel supplies would be renewed in a few weeks. The company operated its Falcon plants at Lorain, Ohio, and Kansas City, Mo., on a five-day basis and the Lincoln-Thunderbird plant at Wixom, Mich., worked through Saturday Nov. 14.

All Chrysler Corp. plants continued to operate on a four-day basis with the exception of St. Louis which ran five days through Friday, Nov. 13. The big Rambler works at Kenosha, Wis., returned to a five-day program after six straight weeks of Saturday car-assembly.

"Ward's" said thus far in November the industry has turned out about 125,000 cars and that barring severe production cutbacks the total should approach 250,000 at the end of the month—60% below the pre-steel strike estimate of 636,000 units.

"Ward's" said the latest week's production estimate of 62,573 cars was 47% under turnout for the same week last year (117,688) but noted that car-truck production to date (5,990,474) is 46% ahead of comparable 1958 (4,112,375).

Electric Output 7.2% Above 1958 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Nov. 14, was estimated at 13,270,000,000 kwh., according to the Edison Electric Institute. Output increased by 251,000,000 kwh. above that of the previous week's total of 13,019,000,000 kwh. and showed a gain of 892,000,000 kwh., or 7.2% above that of the comparable 1958 week.

Car Loadings Down 14.9% from 1958 Week

Loadings of revenue freight for the week ended Nov. 7, 1959 totaled 560,658 cars, the Association of American Railroads announced. This was a decrease of 97,784 cars or 14.9% below the corresponding week in 1958, and a decrease of 114,921 cars or 17.0% below the corresponding week in 1957.

Loadings in the week of Nov. 7 were 27,490 cars or 4.7% below the preceding week. It is estimated that about 155,000 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 2,650,000 cars.

Intercity Truck Tonnage Shows Little Change From 1958 Week

Intercity truck tonnage in the week ended Nov. 7, was virtually even with that of the corresponding week of 1958, the American Trucking Associations, Inc., announced. Truck tonnage was 0.1% ahead of tonnage a year ago and 4.6% below the previous week of this year.

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

Lumber Shipments 4.1% Below 1958 Week

Lumber shipments of 463 mills reporting to the National Lumber Trade Barometer were 6.6% below production for the week ended Nov. 7, 1959. In the same week new orders of these mills were 9.8% 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 42 days' production.

For the year-to-date, shipments of reporting identical mills were 0.2% above production; new orders were 0.7% below production.

Compared with the previous week ended Oct. 31, 1959 production of reporting mills was 0.1% above; shipments were 1.5% below; new orders were 0.4% below. Compared with the corresponding week in 1958, production of reporting mills was 0.8% below; shipments were 4.1% below; and new orders were 2.5% above.

Business Failures Up Moderately in Nov. 12 Week

Commercial and industrial failures rose to 285 in the week ended Nov. 12 from 265 in the preceding week, reported Dun & Bradstreet, Inc. At the highest level in ten weeks, casualties exceeded moderately the 274 in the similar week last year but remained below the toll of 306 in 1957. Seven per cent fewer businesses failed than in the comparable week of prewar 1939 when 308 occurred.

Casualties involving liabilities of $5,000 or more increased to 247 from 226 a week earlier and 223 in the corresponding week of 1958. Among small failures, those under $5,000, there was a dip to 38 from 39 in the previous week and a marked drop from the 51 of this size a year ago. Twenty-five of the failing concerns had liabilities in excess of $100,000 as against 28 in the preceding week.

Retailing accounted principally for the week's upturn—its toll climbed to 143 from 127. Meanwhile, wholesaling failures edged to 34 from 29 and commercial service to 26 from 25. A contrasting dip brought casualties among manufacturers down to 39 from 41. There was no change in the construction toll which held at 43. Mortality ran slightly above last year's level in all lines except manufacturing.

Geographically, the rise in failures during the week was concentrated in three regions: the East North Central States, up to 55 from 40, the South Atlantic, up to 39 from 13, and the West South Central, up to 25 from 11. The other six regions reported declines. The toll in the Pacific States dipped to 61 from 64, and fell in the Middle Atlantic to 73 from 91. Year-to-year trends were mixed, with five regions suffering heavier casualties and four having lower tolls.

Failures Continue Up in September

Business failures, continuing counter to their usual seasonal downturn, edged up to 1,144 in September. The highest since June, casualties exceeded by 10% the toll a year ago, and in fact, reached a 26-year peak for the month of September. However, their rate in relation to the operating business population remained relatively low. Concerns were failing at an annual rate of 58 per 10,000 listed enterprises; this compared with a prewar toll of 70 per 10,000 in 1939 and a depression level of 155 in 1932.

Wholesale Food Price Index Down Fractionally

Following three consecutive weekly increases, the Wholesale Food Price, compiled by Dun & Bradstreet, Inc., dipped fractionally in the latest week. On Nov. 10, it declined 0.5% to $5.91 from $5.94 a week earlier. It was 7.4% below the $6.38 of the comparable date a year ago.

Higher in wholesale cost this week were wheat, corn, oats, hams, milk, coffee, and eggs. Lower were flour, rye, bellies, lard, cottonseed oil, cocoa, raisins, steers, 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 Up Moderately in Latest Week

Reflecting price increases on some grains, flour, butter, cotton, and rubber, the general commodity price level advanced moderately in the latest week. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 280.04 (1930-32=100) on Nov. 16, compared with 279.11 a week earlier, and 276.81 on the corresponding date a year ago. The commodities moving higher in wholesale cost offset declines in sugar, hogs, steers, lambs, and hides.

Stimulated by prospects of good export business, prices on wheat and oats moved up fractionally. Wheat supplies were light and domestic trading expanded somewhat. Oats transactions were steady and salable supplies were limited. In contrast, there was a fractional dip in rye prices as trading lagged.

There was a fractional increase in corn prices resulting from more active trading and a slight reduction in supplies. After climbing to high levels early in the week, soybean prices declined at the end of the period. The dip was attributed to the government's November crop report estimating the 1959 yield at about 528,500,000 bushels, down only 1,500,000 bushels from October. However, there was a rise in inquiries for the buying of soybeans for export.

Although the buying of flour was scattered during the week, prices edged up fractionally from a week earlier. Except for inquiries from Pakistan, the export market for flour was slow. Steady domestic buying and increased purchases for export held rice prices at prior week levels this week. Sizable quantities of rice were purchased by Indonesia and Pakistan, and negotiations were pending for exports to Peru.

Wholesalers reported a moderate decline in sugar prices as trading lagged. Both trading and prices on coffee remained close to the preceding week. There was an appreciable decrease in cocoa prices and trading was substantially lower.

Hog receipts in Chicago fell somewhat from a week earlier and trading slackened; hog prices were down moderately. Supplies of cattle remained steady, but purchases slipped holding prices below the prior week. Although lamb receipts expanded noticeably, trading was slow and prices dipped moderately.

Cotton future prices on the New York Cotton Exchange finished the week moderately higher. United States exports of cotton for the week ended last Tuesday came to about 55,000 bales, compared with 47,000 a week earlier and 64,000 in the corresponding period a year ago. For the current season through Nov. 10, cotton exports amounted to about 576,000 bales, compared with 685,000 in the similar period last season.

Consumer Buying Exceeds Year Ago

Although rainy weather over the week-end cut gains in some Eastern cities, sales promotions and good volume on Veteran's Day helped over-all retail trade climb moderately over a year ago in the week ended this Wednesday. Retailers reported the most noticeable gains in apparel, appliances, furniture, and draperies. Scattered reports indicate that sales of new passenger cars slipped fractionally from the high level of the prior week, but remained sharply over a year ago.

The total dollar volume of retail trade in the week ended this Wednesday was 2 to 6% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1958 levels by the following percentages: East North Central and West South Central +4 to +8; West North Central and Mountain +3 to +7; South Atlantic and Pacific Coast +2 to +6; East South Central +1 to +5; Middle Atlantic 0 to +4; New England —1 to +3.

While volume in women's apparel remained close to the prior week it moderately exceeded that of a year ago. The most appreciable year-to-year gains occurred in Winter coats and suits, and more moderate increases prevailed in sportswear and dresses. Increased buying of men's topcoats and suits boosted total sales of men's apparel slightly over last year; interest in furnishings lagged somewhat. Volume in children's clothing rose somewhat from a year ago; best-sellers were girls' sweaters and skirts and boys' slacks and jackets.

Appliance dealers reported substantial gains from a year ago in sales of television sets, lighting fixtures, and laundry equipment. Year-to-year increases in bedroom sets and upholstered chairs helped total furniture volume rise appreciably over the similar 1958 week. There were marked gains in purchases of linens and draperies, but interest in floor covering remained at similar 1958 levels.

There was a noticeable rise this week in most wholesale markets in early orders for men's, women's and children's Spring apparel and appreciable gains over last year occurred. Best-sellers in women's clothing were Spring coats, suits, and sportswear. Some fill-in buying of Winter merchandise was reported as retailers prepared for the Christmas selling season. Bookings in men's Spring slacks, sports coats, and sweaters moved up appreciably while the call for suits and furnishings lagged somewhat. A marked rise occurred in purchases by boys' Spring apparel at wholesale.

The buying of furniture at wholesale matched that of the prior week and was well over that of a year ago; buyers were most interested in metal outdoor tables and chairs, bedroom sets, case goods, and occasional lines. Shortages began to appear among wholesalers of appliances as production was cut by steel shortages, but orders remained close to the prior week; best-sellers were television sets, refrigerators, and automatic washers and dryers. The call for floor coverings, linens, and draperies remained at a high level exceeding that of both the prior week and a year ago. There was a marked rise in purchases of gifts, glassware, and china.

Nationwide Department Store Sales Up 5% for Nov. 7 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's Index for the week ended Nov. 7, increased 5% above the like period last year. In the preceding week, for Oct. 31, an increase of 7% was reported. For the four weeks ended Nov. 7 a 7% increase was registered and for Jan. 1 to Nov. 7 a 7% increase was noted.

According to the Federal Reserve System department store sales in New York City for the week ended Nov. 7 increased 2% over the like period last year. In the preceding week Oct. 31 an 8% increase was shown. For the four weeks ended Nov. 7 a 6% increase was reported over the 1958 period. Jan. 1 to Nov. 7 showed a 3% increase.

BANK AND INSURANCE STOCKS

BY ARTHUR B. WALLACE

This Week — Insurance Stocks

Despite the fact that, pricewise, the fire-casualty stocks have not participated much in the current bull market for equities, there has been a consistent growth over the past decade (or, if the investor chooses, a longer period) in the so-called gain to the stockholder. It, of course, would be a mistake to say that insurance equities have not participated at all in the general uptrend in stocks, for some of them have done better than, let us say, some industrial common issues.

However, the general pattern of the insurance stock trend has disappointed the majority of holders of them. This, of course, has been due to the poor earnings results in the past several years, that is, earnings results from underwriting operations. These, industrywise, have been quite poor, whereas the outcome of investment activities by these companies has been beyond any complaint.

The unsatisfactory showings in underwriting have been due in the main to three causes; unrealistic rates inflicted on the companies by the various state supervisory authorities; outrageous jury verdicts in so many cases involving automobile and compensation law suits; repair costs where automobiles are concerned.

But let us see how, on equity growth, the insurance stock investor has made out. We have taken a decade as a fair span, because, it must be remembered, fire-casualty insurance underwriting results are based more-or-less on a cycle of that duration, with about five years of their trying to get better rates and another five years of "enjoying" them. To the change recorded in the decade we have added the cash dividends paid in the period. We have then related the annual average gain to the current price (we have used Sept. 30, 1959, which was about the time this work was set up) to give us the number of years that it would be required to obtain a return of the Sept. 30, 1959, price of each stock, based on the gain of the past ten calendar years. Adjustments have been made for stock dividends; rights offerings, on the assumption that rights were in all cases exercised. No effect has been given to the acquisition of life departments, as some of these have been absorbed as existing companies, and some have merely been new departments set up. We have used consolidated data. No adjustment has been made for contingent federal income tax liability on unrealized equities.

	Dec. 31, 1958 Liquidating Value	Ten-Year Increase	Gain to Stockholder	Ratio of Ann. Avg. to Curr. Price (Years)
Aetna Insurance	$118.60	$46.69	$70.94	9.1
Agricultural	68.36	30.06	45.27	6.0
American Insurance	33.02	20.45	29.74	8.8
Bankers & Shippers	102.84	62.45	80.33	6.8
Boston Insurance	55.62	25.10	39.71	7.9
Continental Insurance	83.35	67.22	81.92	6.0
Federal Insurance	40.76	22.02	29.59	20.2
Fireman's Fund	77.30	40.19	54.37	10.3
Glens Falls	57.30	29.34	39.44	7.5
Great American	76.94	47.96	61.86	6.1
Hanover Insurance	73.95	30.97	46.79	8.4
Hartford Fire	177.33	102.06	123.66	14.2
Home Insurance	88.16	49.64	69.09	7.1
Insurance Co. of No. Amer.	116.67	82.42	101.41	11.9
National Fire	166.04	75.46	100.51	13.2
National Union	66.85	21.19	36.59	10.6
New Hampshire	94.61	48.70	67.48	6.2
Northern Insurance	66.29	45.16	54.16	7.8
North River	68.99	37.62	50.63	7.3
Pacific Insurance	103.49	65.89	83.31	6.3
Phoenix Insurance	151.34	78.45	104.18	6.9
Providence Washington	36.97	6.31	5.23	35.8
Reliance Insurance	83.84	39.78	56.12	8.0
St. Paul Fire	35.74	16.79	24.88	21.9
Security Insurance	47.72	2.31	12.49	34.2
United States Fire	45.86	23.67	31.79	8.8
Westchester	54.84	29.98	40.78	6.9
Aetna Casualty	192.81	140.02	161.41	10.6
American Re-insurance	41.85	24.39	31.91	13.1
American Surety	28.55	3.31	11.10	18.5
Continental Casualty	79.61	58.51	68.67	18.4
Fidelity & Deposit	62.34	29.98	46.62	10.0
Massachusetts Bonding	47.52	11.39	25.39	12.5
Seaboard Surety	41.87	25.63	33.88	11.3
U. S. Fidelity & Guarantee	91.77	55.17	71.26	4.9
General Reinsurance	84.80	37.34	50.59	17.1

It, of course, may be argued that it is not worth while getting back some of these stocks in any period of years; and again we find that the better grade issues are the ones that show the better gains to the shareholder.

P. S.—A fair number of the fire-casualty insurance stocks are doing better pricewise. The insurance stock market has the appearance of a modest buying turn, and there seem to be a few institutional accounts that recognize some of the good values that are present, and that are just getting their feet a little wet.

I. M. Simon Adds

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — Wallace F. Springer, Jr. has been added to the staff of I. M. Simon & Co., 315 North Fourth Street, members of the New York and Midwest Stock Exchanges.

Joins Straus, Blosser

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill. — Paul L. Skurie has joined the staff of Straus, Blosser & McDowell, 39 South La Salle Street, members of the New York and Midwest Stock Exchanges.

New Capital Raised by Pipeline

A public offering of $40,000,000 of debentures and 2,000,000 common shares of Transwestern Pipeline Co. of Houston, Tex., was made on Nov. 17.

The underwriting group of 191 houses was headed by Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc. The offering consisted of $61,500,000 of $40,000,000 of 5% subordinated debentures due on Nov. 1, 1969 and 2,000,000 shares of Transwestern. The securities were offered in units of one $100 debenture and five common shares at $153.75 a unit.

The gas will be delivered to Pacific Lighting Gas at the California border. The network will consist of a thirty-inch line from Roswell, N. M., to the Arizona-California border, a distance of 670 miles and two twenty-four-inch major lateral lines from Roswell, one extending northeast 298 miles to Canadian, Texas, in the Panhandle field, and the other running southeast 252 miles to the Puckett field in Pecos County, Texas.

The initial maximum delivery to Southern California is set at 350,000,000 cubic feet a day. This can be raised to 640,000,000 cubic feet through the construction of additional compressor stations at a cost of $62,000,000.

The offering is part of the $194,-498,000 needed to bring the line into its initial operation. The company has also arranged for private placement of $103,000,000 of 5¼% first mortgage bonds due Dec. 1, 1980, through Lehman Brothers and Merrill Lynch, and $28,000,-000 in bank loans.

The debentures will be redeemable at prices ranging from 105% in 1960 to 100% in 1969, and accrued interest. After Oct. 1, 1961, the debentures may be paid at the option of the company in 5½% cumulative preferred stock.

Upon completion of the financing, capitalization will consist of $103,000,000 of first mortgage bonds due in 1980; $40,000,000 of subordinated debentures due in 1969; $28,000,000 in bank loans and 6,000,000 shares of common stock.

Jack Kirsch Opens

FAR ROCKAWAY, N. Y. — Jack Kirsch is engaging in a securities business from offices at 13-25 Dickens Avenue.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

Abbott-Warner Co., Inc.
Aug. 12 (letter of notification) 62,500 shares of common stock (no par). **Price**—$2.70 per share. **Proceeds**—To prepare estimates and to submit bids, as prime contractor on specialized construction projects. **Office**—123 Denick Avenue, Youngstown, Ohio. **Underwriter** — Strathmore Securities, Inc., 605 Park Building, Pittsburgh 22, Pa. This offering is expected to be refiled.

● **Aircraft Dynamics International Corp. (12/15)**
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.

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 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. No decision has been announced.

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 Yachting Systems, Inc. (11/23-27)**
Oct. 30 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—Roslyn, N. Y. **Underwriter**—Hilton Securities Inc., formerly Chauncey, Walden, Harris & Freed, Inc., 580 Fifth Avenue, New York, N. Y.

● **Anodyne, Inc., Bayside, L. I., N. Y. (11/20)**
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. (12/7-11)**
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. **Registrar**—The First National City Bank of New York.

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.

Arkansas Louisiana Gas Co. (12/3)
Nov. 10 filed $16,000,000 of first mortgage bonds due in 1979. **Price**—To be supplied by amendment. **Proceeds**—To be used to repay part of an outstanding long-term bank loan incurred for construction and acquisition purposes. **Underwriter**—Eastman Dillon, Union Securities & Co., 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.

★ **Artesian Water Co.**
Nov. 2 (letter of notification) 100 shares of class A common stock (no par). **Price**—$40 per share. **Proceeds**—To expand the water distribution system. **Office**—501 Newport & Gap Pike, Newport, Del. **Underwriter** — Laird, Bissell & Meeds, Wilmington, Del.

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.

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.

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. 25.

● **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 this week.

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. (11/19)**
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**—$17 per share. **Proceeds**—To be added to general funds to reduce bank loans. **Underwriter**—William Blair & Co., Chicago, Ill. **Offering**—Expected today (Nov. 19).

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.

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.

★ **Bear Brand Hosiery Co.**
Nov. 10 (letter of notification) 2,000 shares of common stock (no par) to be offered for subscription by stockholders of record Dec. 10, 1959 on the basis of one share for each 6½ shares held. **Price**—$100 per share. **Proceeds**—For working capital. **Office**—131 S. Wabash Ave., Chicago 3, Ill. **Underwriter**—None.

★ **Behlen Manufacturing Co., Columbus, Ohio (12/15)**
Nov. 12 filed 370,000 shares of common stock (par $1) of which 70,000 shares are to be offered for the account of the issuing company and 300,000 shares will be sold for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For working capital and other corporate purposes. **Underwriters** — Smith, Barney & Co., New York; Kirkpatrick-Pettis Co., Omaha, Neb.; and The First Trust Co. of Lincoln, Neb.

● **Biederman Furniture Co. (11/23-27)**
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 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.

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.

Bourns, Inc. (11/24)
Nov. 2 filed 120,000 shares of capital stock (par 50 cents). Of the total, 60,000 shares are to be offered for the company's account and the remaining 60,000 shares are to be sold for the account of a certain selling stockholder. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Underwriter**—Blyth & Co., Inc., New York.

● **Bowmar Instruments Corp. (12/14)**
Nov. 10 filed 78,000 shares of common stock (no par), of which 45,000 shares will be offered for the company's account and 33,000 shares will be offered for the account of several selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—8000 Bluffton Road, Ft. Wayne, Ind. **Underwriter**—Paine, Webber, Jackson & Curtis, New York.

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 notification) 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 on the basis of one new share for each 8 shares held. **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 capi-

tal. **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 Stock Fund (11/23-27)
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.

Carwin Co.
Oct. 2 filed 48,080 shares common stock (par $2), of which 46,080 shares are being offered for subscription by common stockholders at the rate of one new share for each four shares held on Nov. 16. The rights expire Dec. 7. The remaining 2,000 shares are being sold for the account of a selling stockholder. **Price**—$11.50 per share **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. (11/23-27)**
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. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes, including working capital and the acquisition of shares of the outstanding 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.

★ **Citadel Life Insurance Co. of New York**
Nov. 10 filed 60,000 shares of common stock (par $10). **Price**—$20 per share. **Proceeds**—For working capital. **Office**—150 Broadway, New York City. **Underwriter**—The stock will be sold through the efforts of the officers and directors of the company, principally Moshe B. Pomrock, President.

● **Citizens Casualty Co. of New York (12/7-11)**
Nov. 9 filed 250,000 shares of class A common stock (par $2). **Price**—To be supplied by amendment. **Proceeds**—To be invested in income-producing securities. **Office**—33 Maiden Lane, New York City. **Underwriter**—Lee Higginson Corp.

Coastal States Gas Producing Co.
Nov. 12 filed 40,000 shares of common stock (par $1). **Price**—To be related to the market. **Proceeds**—To selling stockholders. **Office**—200 Petroleum Tower, Corpus Christi, Texas. **Underwriter**—Blair & Co. Inc., New York City.

● **Colorado Central Power Co.**
Oct. 16 filed 66,490 shares of common stock (par $2.50) being 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**—$20 per share. **Proceeds**—For construction. **Office** — 3470 South Broadway, Englewood, Colo. **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 (par $1). **Price**—$2.50 per share. **Proceeds**—For general corporate purposes, inclding 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. (11/23-27)**
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

Continued on page 34

NEW ISSUE CALENDAR

November 19 (Thursday)
Atlantic City Electric Co.________Common
(Eastman Dillon, Union Securities & Co. and Smith, Barney & Co.) 200,000 shares
Barber-Greene Co. ________Common
(William Blair & Co.) $2,271,200

November 20 (Friday)
Anodyne, Inc. ________Common
(Ross, Lyon & Co., Inc.) $300,000
Electro-Sonic Laboratories, Inc.________Common
(L. D. Sherman & Co.) $300,000
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.) 36,237 shares
Southern Gulf Utilities, Inc.________Common
(Jaffee, Leverton, Reiner Co.) 135,000 shares

November 23 (Monday)
American Yachting Systems, Inc.________Common
(Hilton Securities, Inc.) $300,000
Biederman Furniture Co.________Common
(Dempsey-Tegeler & Co.) 331,635 shares
Capital Life Insurance & Growth Stock Fund ________Common
(Shearson, Hammill & Co.) $5,000,000
Chadbourn Gotham, Inc.________Debentures
(R. S. Dickson & Co.) $2,000,000
Conde Nast Publications, Inc.________Common
(No underwriting—offering to stockholders) 501,863 shares
Conetta Manufacturing Co.________Common
(Vermilye Bros.) $400,000
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
Frontier Refining Co.________Debentures
(J. A. Hogle & Co.; Garrett-Bromfield & Co. and Peters, Writer & Christensen, Inc.) $6,000,000
General Flooring Co., Inc.________Debentures
(H. M. Byllesby & Co., Inc.; Howard, Weil, Labouisse, Friedrichs & Co. and Mason-Hagan, Inc.) $1,500,000
General Flooring Co., Inc.________Common
(H. M. Byllesby & Co., Inc.; Howard, Weil, Labouisse, Friedrichs & Co. and Mason-Hagan, Inc.) 270,000
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 Bellas Hess, Inc.________Debentures
(Offering to stockholders—underwritten by Stern Bros. & Co.) $5,318,800
National Video Corp.________Common
(Bache & Co.) 283,307 shares
Oak Valley Sewerage Co.________Bonds
(Bache & Co.) $145,000
Oak Valley Water Co.________Bonds
(Bache & Co.) $125,000
Perrine Industries, Inc.________Debentures
(S. D. Fuller & Co.) $1,500,000
Potomac Electric Power Co.________Bonds
(Bids 11 a.m. EST) $15,000,000
(Howard W.) Sams________Common
(Indianapolis Bond & Share Corp., Kiser, Cohn & Shumaker, Inc., and Walston & Co.) 88,000 shares
Superior Manufacturing & Instrument Corp.___Com.
(D. A. Lomasney & Co.) $240,000
White Shield Corp.________Common
(Adams & Peck) 110,000 shares

November 24 (Tuesday)
Bourns, Inc.________Common
(Blyth & Co., Inc.) 120,000 shares
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
Permian Oil Co.________Debentures
(Lehman Brothers) $800,000
Permian Oil Co.________Common
(Lehman Brothers) 100,000 shares
Ryder System, Inc.________Common
(Blyth & Co., Inc.) 150,000 shares

November 30 (Monday)
Faradyne Electronics Corp.________Common
(Netherlands Securities Co., Inc.; Herbert Young & Co., Inc.; Morris Cohon & Co.; Schrijver & Co. and Richard Bruce & Co., Inc.) $1,150,000
Financial Federation, Inc.________Common
(Kidder, Peabody & Co.) 235,000 shares
Harman-Kardon, Inc.________Debentures
(Milton D. Blauner & Co., Inc.) $600,000
Harman-Kardon, Inc.________Common
(Milton D. Blauner & Co., Inc.) 196,400 shares
Hawthorne Financial Corp.________Common
(William R. Staats & Co.) 165,000 shares
Hydromatics, Inc. ________Common
(Paine, Webber, Jackson & Curtis and Tucker, Anthony & R. L. Day) 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
Oxford Chemical Corp.________Common
(Johnson, Lane, Space Corp.; Francis I. du Pont & Co. and The Robinson-Humphrey Co., Inc.) $1,089,125
Trans-World Financial Co.________Common
(W. R. Staats & Co.) 655,000 shares
United Marine, Inc.________Common
(Boenning & Co.) 125,000 shares
United Marine, Inc.________Debentures
(Boenning & Co.) $1,250,000
Universal Container Corp.________Common
(Michael G. Kletz & Co.) $670,000
World Publishing Co.________Common
(Joseph, Mellen & Miller, Inc.) 100,000 shares

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
Electronics Development, Inc.________Common
(First Broad Street Corp.) $404,106.50
General Telephone Co. of California______Preferred
(Paine, Webber, Jackson & Curtis and Mitchum, Jones & Templeton) $10,000,000
Merry Brothers Brick & Tile Co.________Common
(Johnson, Lane Space Corp.) $1,248,000
Vance-Sanders & Co., Inc.________Common
(400,000 shares)
Winkelman Bros. Apparel, Inc.________Common
(Watling, Lerchen & Co.) 145,000 shares

December 2 (Wednesday)
Middlesex Water Co.________Common
(Offering to stockholders—underwritten by Kidder, Peabody & Co., Inc.) 29,534 shares
United Control Corp.________Debentures
(Blyth & Co., Inc.) $2,500,000

December 3 (Thursday)
Arkansas Louisiana Gas Co.________Bonds
(Eastman Dillon, Union Securities & Co.) $16,000,000

December 4 (Friday)
BarChris Construction Corp.________Common
(Peter Morgan & Co.) $1,680,000
Seligman & Latz, Inc.________Common
(F. Eberstadt & Co.) 250,000 shares

December 7 (Monday)
Anthony Pools, Inc.________Common
(Marron, Edens, Sloss & Co., Inc.) 200,000 shares
Citizens Casualty Co. of New York______Common
(Lee Higginson Corp.) 250,000 shares
Dilberts Leasing & Development Corp.___Debens.
(Ira Haupt & Co.) $2,500,000
Dilberts Leasing & Development Corp.___Common
(Ira Haupt & Co.) 600,000 shares
Dynex, Inc.________Common
(Myron A. Lomasney & Co.) $600,000
Electronics Funding Corp.________Common
(Darius Inc.) $150,000
Garden Land Co., Ltd.________Common
(Hill, Darlington & Co.) 200,000 shares
Palomar Mortgage Co.________Common
(J. A. Hogle & Co.) 80,000 shares
Palomar Mortgage Co.________Debentures
(J. A. Hogle & Co.) $750,000
Talcott (James), Inc.________Notes
(F. Eberstadt & Co. and White, Weld & Co.) $7,500,000
Talcott (James), Inc.________Notes
(F. Eberstadt & Co. and White, Weld & Co.) $15,000,000
Worcester County Electric Co.________Bonds
(Bids to be invited) $7,500,000

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
Fed-Mart Corp.________Debentures
(Eastman Dillon, Union Securities & Co.) $3,000,000
Scott-Mattson Farms, Inc.________Common
(R. S. Dickson & Co.) 67,500 shares
Transitron Electronic Corp.________Common
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 1,000,000 shares

December 9 (Wednesday)
Land Bank of France________Bonds
(Morgan Stanley & Co. and Lazard Freres & Co.) $50,000,000
Missouri Power & Light Co.________Bonds
(Bids 11 a.m. EST) $4,000,000
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
Red Fish Boat Co.________Common
(R. A. Holman & Co., Inc.) $300,000

December 14 (Monday)
Bowmar Instrument Corp.________Common
(Paine, Webber, Jackson & Curtis) 78,000 shares
Copperweld Steel Co.________Debentures
(Dillon, Read & Co., Inc. and Riter & Co.) $8,000,000
Gulf & Western Corp.________Debentures
(Ira Haupt & Co.) $1,500,000
Midwestern Financial Corp.________Common
(William R. Staats & Co.; Boettcher & Co. and Bosworth, Sullivan & Co., Inc.) 250,000 shares
Turner Timber Corp.________Common
(Frank P. Hunt & Co., Inc.) 250,000 shares
Turner Timber Corp.________Debentures
(Frank P. Hunt & Co., Inc.) $2,000,000
Victoreen Instrument Co.________Debentures
(Van Alstyne, Noel & Co.) $2,500,000

December 15 (Tuesday)
Behlen Manufacturing Co.________Common
(Smith Barney & Co.; Kirkpatrick-Pettis Co. and The First Trust Co. of Lincoln, Neb.) 370,000 shares
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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acquisition of Street & Smith Publications, Inc. last August. **Office** — 420 Lexington Ave., New York City. **Underwriter**—None. The registration statement is expected to become effective during the week of Nov. 23.

● Conetta Manufacturing Co. (11/23-27)
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 (par 20c), of which 1198,000 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, 75c 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 Nov. 1, 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 $9,000,000 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.

Copperweld Steel Co. (12/14-18)
Nov. 16 filed $8,000,000 of convertible subordinated debentures, due Dec. 1, 1979. The company has applied for the listing of the debentures on the New York Stock Exchange. **Price**—To be supplied by amendment. **Proceeds**—To repay short-term notes with the balance to be added to general funds. **Underwriters**—Dillon, Read & Co., Inc., and Riter & Co., both of New York.

● Copymation, Inc. (formerly Peck & Harvey Mfg. Company)
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. **Offering**—Expected any day.

● Coraloc Industries, Inc.
Oct. 30 (letter of notification) 5,450 shares of common stock (par $5) and 27,250 shares of preferred stock (par $10) to be offered in units of five shares of preferred and one share of common. **Price**—$55 per unit. **Proceeds**—For engineering and technical costs, sales, services, etc. **Office**—494 S. San Vicente Blvd., Los Angeles 48, Calif. **Underwriter**—Edward Lewis Co., Inc., New York, N. Y. **Offering**—Expected in two to three weeks (subject to SEC clearance).

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.

● Dallas Power & Light Co.
Nov. 10 filed $20,000,000 of first mortgage bonds, due 1989. **Proceeds**—To repay short-term borrowings from Texas Utilities Co., the parent company, which amounted to $12,500,000 on Sept. 30, with the balance to be used for general corporate purposes, including construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Salomon Bros. & Hutzler; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Eastman Dillon, Union Securities & Co.; Blair & Co., Inc. and Baxter & Co. (jointly); Lehman Brothers. **Bids**—Expected to be received up to noon on Dec. 14.

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.

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.

De Ville Co.
Oct. 27 (letter of notification) Pre-formation limited partnership interests in an aggregate amount of $295,000 to be offered in units of $5,000. **Proceeds**—For working capital. **Office**—555 Fifth Ave., New York 17, N. Y. **Underwriter**—None.

● Digitronics Corp.
Sept. 25 filed 65,877 shares of capital stock (par 10 cents) being offered to the holders of outstanding shares of such stock on the basis of one new share for each five shares held. The rights dates are Nov. 18 to Dec. 3. **Price**—$7.50 per share. **Proceeds**—For general corporate purposes. **Office** — Albertson, L. I., N. Y. **Underwriter** — Granbery, Marache & Co., New York City.

Dilberts Leasing & Development Corp. (12/7-11)
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.

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 (par $5). **Price**—$10 per share. **Proceeds**—For general corporate purposes, including payment on a building and the financing of loans. **Office**—Orlando, Fla. **Underwriters**—Leon H. Sullivan, Inc., Philadelphia, Pa., on a "best efforts" basis.

Dutron Corp.
Nov. 5 filed 118,030 shares of common stock (no par), of which 100,000 shares are to be offered for the account of the issuing company and 18,030 shares, representing outstanding stock, to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes, including the purchase of equipment, addition to working capital, and the redemption of the preferred stock of a subsidiary. **Office**—607 Irwin St., San Rafael, Calif. **Underwriter**—J. Barth & Co., New York.

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.

★ Dynatronics, Inc.
Nov. 6 (letter of notification) $105,000 of five-year 6% subordinated debentures to be offered in denominations of $500 each with warrants to purchase 143 shares of common stock. **Price**—$3.50 per share. **Proceeds**—For working capital. **Office**—P. O. Box 2566, Orlando, Fla. **Underwriter**—None.

Dynex, Inc. (12/7-11)
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.

● 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 in two to three weeks' time (subject to SEC approval).

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.

● Electronics Development, Inc. (12/1)
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.
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. (11/25)
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.

Enfio Corp.
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. **Offering**—Expected today (Nov. 19).

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. (11/30)
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.

★ Fastline, Inc.
Nov. 6 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—8 Washington Place, New York, N. Y. **Underwriter** — Mortimer B. Burnside & Co., Inc., New York, N. Y.

● Fed-Mart Corp. (12/8)
Nov. 6 filed $3,000,000 of 6% subordinated debentures, due Dec. 1, 1979, convertible through Nov. 30, 1969. **Price**—To be supplied by amendment. **Proceeds**—For intermediate- and long-term capital requirements. **Office**—8001 Othello Street, San Diego, Calif. **Underwriter**—Eastman Dillon, Union Securities & Co., New York.

Financial Federation, Inc. (11/30-12/4)
Nov. 6 filed 235,000 shares of capital stock ($1 par). **Price**—To be supplied by amendment. **Proceeds**—Mostly for the repayment of short-term notes, with the balance for working capital. **Office**—5150 Wilshire Boulevard, Los Angeles, Calif. **Underwriter**—Kidder, Peabody & Co., New York.

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 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. 28 filed 158,236 shares of common stock, to be 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.

★ Florida Tile Industries, Inc.
Nov. 12 filed 89,285 shares of class A common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—It is expected that about $437,500 will be used for additional working capital and/or general corporate purposes, of which $250,000 may be expended for additional facilities, and that about $87,500 will be used to retire short-term bank loans. **Office**—Lakeland, Fla. **Underwriter**—Johnson, Lane, Space Corp., Atlanta, Ga.

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.

Fredonia Pickle Co., Dunkirk, N. Y.
July 29 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Underwriter** — Summit Securities, Inc., New York. **Offering**—Expected in about two weeks.

● Frontier Refining Co. (11/23-27)
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.

● Garden Land Co., Ltd. (12/7-11)
Nov. 9 filed 200,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Proceeds** — For land conversion and improvement in California, with the balance to be added to working capital. **Office** — 17315 Sunset Boulevard, Pacific Palisades, Calif. **Underwriter**—Hill, Darlington & Co., New York City. **Offering**—Expected sometime during the middle of December.

● 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 this week.

● General Coil Products Corp.
Oct. 29 (letter of notification) 99,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For automation of operations; working capital; additional equipment and machinery and research and development. **Office**—147-12 Liberty Ave., Jamaica, N. Y. **Underwriter**—A. T. Brod & Co., New York, N. Y. **Offering**—Expected in four weeks.

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. (11/23-27)
Sept. 14 filed $1,500,000 of 6½% debentures (par one cent) dated Oct. 1, 1959 and due Oct. 1, 1969, and 270,000 shares of the 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 8109 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 Telephone Co. of Calif.
Nov. 5 filed $30,000,000 of first mortgage bonds, series M, due Dec. 1, 1989. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Paine, Webber, Jackson & Curtis, and Stone & Webster Securities Corp. (jointly); The First Boston Corp. and Equitable Securities Corp. (jointly); White, Weld & Co. and Kidder, Peabody & Co. (jointly). **Bids**—Expected to be received up to 11 a.m. (EDT) on Dec. 2.

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.

Gibraltar Financial Corp. of California
Oct. 19 filed 325,000 shares of outstanding capital stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—9111 Wilshire Boulevard, 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.

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). The stock is underlying the warrants, and the purpose of the filing was to permit the warrant holders to exercise their warrants and buy the underlying stock at $2.50 per share during the life of the warrant. The expiration date of the warrant is Feb. 25, 1961. The price of the warrant is at the market. **Proceeds**—In the first instance, to the warrant holders; if they convert, Granco's treasury will receive $2.50 per share. **Office**—36-17 20th Ave., Long Island City, N. Y. **Underwriter**—John R. Boland & Co., Inc., New York City.

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 Northern Life Insurance Co.
Oct. 28 (letter of notification) 99,236 shares of common stock (par $1) to be offered for subscription by stockholders of record, on the basis of one new share for each 2½ shares held. Warrants are to expire during November, 1959. The unsubscribed shares are to be offered to the public through the underwriter at not less than the subscribed price nor more than the highest over-the-counter market price. **Price**—$3 per share. **Proceeds**—For expansion. **Office** — 119 W. Rudisill Blvd., Fort Wayne, Ind. **Underwriter** — Northwestern Investments, Inc., 502 Gettle Bldg., Ft. Wayne, Ind.

Great Western Financial Corp. (11/20)
Oct. 19 filed $9,998,800 of convertible subordinated debentures, due Dec. 1, 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 Boulevard, Calif. **Underwriter** — Lehman Brothers, New York.

Greater Washington Industrial Investments, Inc.
Nov. 4 filed 20,500 shares of common stock (par $1). **Price**—$8.50 per share. **Proceeds** — For investments in small businesses. **Office**—1625 Eye St., N. W., Washington, D. C. **Underwriter**—None.

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.

Gulf & Western Corp. (12/14-18)
Nov. 5 filed $1,500,000 of 6% convertible subordinated debentures, due Nov. 15, 1974. **Price**—To be supplied by amendment. **Proceeds**—Initially for working capital, and, as required, to finance increased inventories and accounts receivable on behalf of subsidiaries. **Office**—4615 Empire State Bldg., New York. **Underwriter**—Ira Haupt & Co., New York City.

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. (11/30)
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.

(H. M.) Harper Co.
Nov. 6 filed 100,000 shares of common stock (par $1), of which 60,000 shares are being offered for the account of the issuing company, and 40,000 shares are being offered for the accounts of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office** — Morton Grove, Ill. **Underwriter**—Blunt Ellis & Simmons, Chicago, Ill. **Offering**—Expected in mid-December.

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.

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) being offered for subscription by common stockholders on the basis of one new share for each five shares held of record Nov. 17, 1959; rights to expire on Dec. 3. **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.

● Hydromatics, Inc. (11/30-12/4)
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 General Corp. (formerly Indiana Steel Products Co.)
Nov. 12 filed 208,270 shares of common stock (par $1). These shares were issued to holders of the outstanding stock of General Ceramics, pursuant to the terms of the merger of Ceramics into General, which became effective Nov. 16. **Office**—405 Elm Street, Valparaiso, Ind. **Underwriter**—None.

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 Avenue, 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 pre-

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ferred 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. 25.

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.

★ **Investors Counsel, Inc.**
Nov. 2 (letter of notification) 300,000 shares of common class A stock (non-voting). **Price**—At par (one cent per share). **Proceeds**—For general corporate purposes. **Office**—20 Exchange Place, New York 5, N. Y. **Underwriter**—None.

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.

★ **J E Plastics Manufacturing Co.**
Nov. 12 filed 72,500 shares of common stock (par 10¢), of which 42,500 shares are to be offered for the account of the present holders thereof and 30,000 shares represent shares issuable by the company upon the exercise of a like number of warrants to buy the common stock at $2.50 per share from 11/1/59 to 11/1/61. **Price**—The public offering price will be supplied by amendment. **Proceeds**—For working capital. **Office**—Yonkers, N. Y. **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.

★ **Kennesaw Life & Accident Insurance Co.**
Nov. 12 filed 331,836 shares of common stock, to be offered to the holders of the outstanding common stock on the basis of one new share for each four shares held. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—165 Luckie Street, Atlanta, Ga. **Underwriter** — The Robinson - Humphrey Co., Inc., Atlanta.

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 on Nov. 14, 1959; rights to expire on Dec. 15, 1959. **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.

★ **Land Bank of France (12/9)**
Nov. 18 filed $50,000,000 of guaranteed external loan bonds due 1979. The bonds are to be unconditionally guaranteed as to payment of principal and interest by the Republic of France. The bonds will not be redeemable prior to Dec. 15, 1969 except by operation of the sinking fund, which will begin in 1964 and is designed to retire the entire issue by maturity. **Price**—To be supplied by amendment. **Proceeds**—The net dollar proceeds will be added to the foreign exchange reserves of the Republic of France. **Underwriters**—Morgan Stanley & Co. and Lazard Freres & Co., both of New York.

Lenahan Aluminum Window Corp.
July 28 filed 157,494 shares of common stock (par 50c), being offered for the first 15 days of the offering on a pro rata basis, to stockholders on the basis of one new share for each two shares held on Nov. 2, 1959; rights to expire on or about Nov. 20. **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.

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.

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.

★ **Magna-Bond, Inc.**
Nov. 9 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—1718 S. 6th Street, Camden, N. J. **Underwriter**—American Diversified Securities, Inc., 1028 Connecticut Avenue, N. W., Washington 6, D. C.

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.

★ **Massachusetts Investors Growth Stock Fund**
Nov. 16 (by amendment) filed 1,000,000 additional shares of capital stock ($1 par). **Proceeds** — For investment. **Office**—Boston, Mass.

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.

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.**
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. **Offering**—Expected any day.

Micronaire Electro Medical Products Corp. (11/23-27)
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.

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.

★ **Mid-America Minerals, Inc.**
Nov. 16 filed 400,000 shares of class A common stock (par $1). **Price**—$5 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness, acquisition of properties, and additional working capital. **Office**—500 Mid-America Bank Building, Oklahoma City, Okla. **Underwriter**—None.

Middlesex Water Co. (12/2)
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.

● **Midwestern Financial Corp. (12/14-18)**
Nov. 9 filed 250,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To pay the $1,360,000 balance to Majestic Mortgage Co. due in connection with the issuing company's acquisition of all of the outstanding stock of Majestic Savings & Loan Association, with about $650,000 to be used for capital contributions to its savings and loan associations and for loans to other subsidiaries, $51,000 to be used to repay principal and interest on a short-term bank loan, and $55,000 to be used as additional working capital. **Office**—2015 13th Street, Boulder, Colo. **Underwriters**—W. R. Staats & Co., Los Angeles, Calif., and Boettcher & Co. and Bosworth, Sullivan & Co., Inc., both of Denver, Colo.

★ **Minitran Corp.**
Oct. 30 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds** — For general corporate purposes. **Office** — 5 Oliver Street, Newark 2, N. J. **Underwriter**—Pleasant Securities Co., 392 Broad Street, Newark, N. J.

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 Airlines Inc.
Nov. 9 filed $3,500,000 of 6% convertible subordinated debentures, due 1974, $1,917,500 of which are to be offered in exchange for a like amount of the company's outstanding 5½% convertible subordinated debentures, due 1966. The remainder, plus any not taken in the exchange offer, are to be publicly offered. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes, including debenture redemption, airplane equipment, and working capital. **Office**—Utica, N. Y. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

● **Mohawk Business Machines Corp. (12/7-11)**
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.

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.

Motel Co. of Roanoke, Inc.
Oct. 28 (letter of notification) 9,000 shares of common stock (par 20 cents). **Price**—At-the-market. **Proceeds**—To go to selling stockholders. **Office**—144 S. Jefferson St., Roanoke, Va. **Underwriter**—None.

★ **Munston Electronic Manufacturing Corp.**
Nov. 9 (letter of notification) 50,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Proceeds**—For general corporate purposes. **Office**—Beech Street, Islip, N. Y. **Underwriter**—Heft, Kahn & Infante, Inc., Hempstead, N. Y.

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.

● **National Bellas Hess, Inc. (11/23-27)**
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 on or about Nov. 20, 1959; rights to expire on or about Dec. 8. **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 and 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. **Offering**—Expected this month.

● **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. **Offering**—Expected any day.

National Video Corp. (11/23-27)
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 up to 11 a.m. (EST) on Dec. 9.

● **New York State Electric & Gas Corp. (11/20)**
Oct. 21 filed 466,961 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.

★ **Northeastern Gas, Inc.**
Nov. 9 (letter of notification) 7,863 shares of common stock. **Price** — At par ($25 per share). **Proceeds** — To purchase material and for working capital. **Office**—2018 S. Oliver, Wichita, Kan. **Underwriter**—None.

★ **Nova-Tech, Inc.**
Nov. 4 (letter of notification) 120,000 shares of common stock (no par). **Price**—$2 per share. **Proceeds**—For development, purchase, parts for production, and additional working capital. **Office**—1721 Sepulveda Blvd., Manhattan Beach, Calif. **Underwriter**—Holton, Henderson & Co., Los Angeles, Calif.

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. (11/23-27)**
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. (11/23-27)**
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 (par one cent). **Price**—$6 per share. **Proceeds**—For research and working capital. **Underwriter**—Sutro Bros. & Co., New York. **Offering**—Expected sometime after Dec. 1.

● **Oxford Chemical Corp. (11/30-12/4)**
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.

★ **Palomar Mortgage Co. (12/7-11)**
Nov. 16 filed $750,000 of 15-year 7% subordinated sinking fund debentures, due 1974, with common stock warrants attached, and 80,000 shares of common stock ($1 par), to be offered in units of $1,000 principal amount of debentures with a warrant entitling the holder to buy 100 shares of common before 11/30/62. **Prices**—To be supplied by amendment. **Proceeds** — To be loaned to home builders and individual borrowers in connection with real estate. **Office**—4026 30th Street, San Diego, Calif. **Underwriter**—J. A. Hogle & Co., Salt Lake City, Utah.

● **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. These rights expire on Nov. 20. Marine Drilling also plans to sell 250,000 shares of the 680,000 shares of Pan-Alaska it now owns. **Underwriter**—Any stock and 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 Street, New York. **Underwriter**—Hilton Securities, Inc., formerly Chauncey, Walden, Harris & Freed, Inc., New York. **Offering**—Expected in about 30 days.

● **Permian Oil Co. (11/24)**
Oct. 14 filed $800,000 of subordinated 6% debentures due Nov. 1, 1969 and 100,000 shares of commonstock (par $1) to be offered in units. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—611 West Texas St., Midland, Texas. **Underwriter**—Lehman Brothers, New York.

Perrine Industries, Inc. (11/23-27)
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.

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 Street, Chicago, Ill. **Underwriter**—None. Statement effective Nov.4.

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 Dec. 1, 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.

Quaker Maid Restaurant System, Inc.
Oct. 26 (letter of notification) 179,920 shares of common stock. **Price** — At par ($1 per share). **Proceeds** — For equipment, supplies, leasing restaurants and working capital. **Office**—Cohen Bldg., Norton, Va. **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 in late December.

Realty Investment Associates, Inc.
Oct. 30 (letter of notification) 3,000 shares of capital stock with a minimum subscription of 50 shares and a maximum of 500 shares. **Price**—At par ($100 per share). **Proceeds**—For working capital. **Office**—1104 N. Main St., Randolph, Mass. **Underwriter**—None.

● **Red Fish Boat Co. (12/10)**
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. **Business**—Manufactures fiberglass boats. **Address**—P. O. Box 610 Clarksville, Texas. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y.

Renewal Guaranty Corp.
Oct. 28 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For working caiptal. **Office** — First National Bank Bldg., Suite 2323, Denver 2, Colo. **Underwriter**—Columbine Securities Corp., Denver, Colo.

Reserve Insurance Co., Chicago, Ill.
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. Un-

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derwriter—A. G. Becker & Co. Inc., Chicago, Ill. This offering will not be made in New York State. **Offering**—Expected this week.

★ Revere Fund, Inc., Philadelphia, Pa.
Nov. 10 filed 250,000 shares of capital stock (par $1). **Price** — $13.50 per share. **Proceeds** — For investment. **Underwriter**—Revere Management Co., Inc. **Investment-Advisor**—Revere Advisory, Inc.

Ridall Corp.
Nov. 3 (letter of notification) 100,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase a barge, mobile incinerators, working capital, etc. **Office**—85 Centre St., Roxbury, Mass. **Underwriters**—Three company officials.

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**—Hilton Securities, Inc., 580 Fifth Avenue, New York. **Offering**—Expected in three or four weeks.

St. Paul Ammonia Products, Inc.
Oct. 2 filed $1,249,849 of 10-year 6% convertible subordinated debentures, due Dec. 1, 1969, being 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.
Nov. 12 filed 267,325 shares of common stock (par $5) to be offered in exchange for the outstanding common stock of Schmidt & Ault Paper Co. on the basis of 4¼ St. Regis shares for each Schmidt & Ault share. **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.

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.

★ Savoy Industries, Inc.
Oct. 29 (letter of notification) 23,412 shares of common stock (par 25 cents), of which 12,300 shares will be offered to five former stockholders in exchange for outstanding capital stock of Rex Bassett, Inc.; 11,112 shares will be issued upon conversion, if any, of convertible debentures. **Price**—$9 per share. **Office**—416 Enterprise Bldg., Tulsa, Okla. **Underwriter**—None.

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; increaese 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-Mattson Farms, Inc. (12/8-9)
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.

★ Seaboard Land Co.
Oct. 30 (letter of notification) 60,000 shares of class A common stock. **Price**—At par ($5 per share). **Proceeds**—For investment purposes. **Office** — 8125 Georgia Ave., Silver Spring, Md. **Underwriter**—None.

● Seligman & Latz, Inc. (12/4)
Oct. 28 filed 250,000 shares of common stock (par $1). **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.

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.

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 Growth Industries, Inc.
Nov. 12 filed 963,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—For investment. **Office** — Greenville, S. C. **Underwriter** — Capital Securities Corp., on a "best efforts" basis, with a commission of 50 cents per share.

● Southern Gulf Utilities, Inc. (11/20)
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.

Standard Beryllium Corp.
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
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. Statement withdrawn on Nov. 10.

Strategic Materials Corp.
June 29 filed 373,364 shares of common stock (par $1), being offered for subscription by common stockholders at the rate of one new share for each five shares held on Nov. 4, 1959; rights to expire on Nov. 20. **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 mortagage; and as working capital for another subsidiary. **Underwriters** — S. D Lunt & Co., Buffalo, N. Y.; and Allen & Co., New York.

● Superior Manufacturing & Instrument Corp. (11/23)
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. **Business**—Electronics. **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** — 105 E. Main St., Plainville, Conn. **Underwriter** — E. T. Andrews & Co., Hartford, Conn.

★ Talcott (James), Inc. (12/7-12)
Nov. 12 filed $15,000,000 of senior notes due 1979 and $7,500,000 of capital notes due 1979 and convertible into common stock on or before Dec. 1, 1969. **Price**—To be supplied by amendment. **Proceeds**—For additional working capital. **Underwriters** — F. Eberstadt & Co. and White, Weld & Co., both of New York.

★ Tasti-Cup Coffee Corp.
Nov. 9 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—For general corporate purposes. **Office**—30 Main Street, Brooklyn 1, N. Y. **Underwriter**—None.

★ Telechrome Manufacturing Corp.
Nov. 16 filed $750,000 of 6% convertible subordinated debentures, due 1969. **Price** — At 100% of principal amount. **Proceeds**—For general corporate purposes including expansion and debt reduction. **Office**—Amityville, L. I., N. Y. **Underwriters**—Amos Treat & Co., Inc., and Truman, Wasserman & Co., Inc., both of New York City. **Offering**—Expected in January, 1960.

● 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 was scheduled to expire on Nov. 16, but has been extended to Nov. 20. **Office**—Tennessee Building, Houston, Texas. **Dealer-Managers**—Stone & Webster Securities Corp., and White, Weld & Co., both of New York. Statement effective Oct. 1.

(The) T 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.

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.

Transamerica Corp.
Nov. 9 filed 832,000 shares of capital stock (par $2), to be offered in exchange for the capital stock (par $6.25) of American Surety Co. of N. Y., on the basis of two shares of Transamerica for three shares of Surety. The offer is conditional upon holders of 51% of the Surety stock accepting the exchange. **Office**—Montgomery St. at Columbus Ave., San Francisco, Calif.

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.

Transitron Electronic Corp. (12/8)
Nov. 6 filed 1,000,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—168 Albion St., Wakefield, Mass. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York City.

● Trans-World Financial Co. (11/30-12/3)
Oct. 26 filed 645,000 shares of common stock (par $1) 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. **Offering**—Expected this week.

(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.

★ Turner Timber Corp. (12/14-18)
Nov. 12 filed $2,000,000 of 6¾% convertible debentures, due 1969, and 250,000 shares of common stock (par one cent), to be offered in units consisting of $1,000 principal amount of debentures and 125 shares of stock. **Price**—$1,001.25 (plus accrued interest from 12/15/59) per unit. **Proceeds**—For the acquisition of coal and timber properties, with any balance to be added to working capital. **Office**—60 E. 42nd Street, New York City. **Underwriter**—Frank P. Hunt & Co., Inc., Rochester, N. Y.

● United Control Corp., Seattle, Wash. (12/2)
Nov. 10 filed $2,500,000 principal amount of convertible subordinated debentures, due Dec. 1, 1974. **Price**—To be supplied by amendment. **Proceeds**—For construction with the balance (which will be at least $500,000) to be used for general corporate purposes. **Underwriter** — Blyth & Co., Inc., New York.

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. (11/30-12/3)
Oct. 23 filed $1,250,000 of 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.

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 subsidiaries of the issuing company. **Office**—1040 Bayview Drive, Fort Lauderdale, Fla. **Underwriter**—None.

★ U. S. Magnet & Alloy Corp.
Oct. 3 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—266 Glenwood Avenue, Bloomfield, N. J. **Underwriter**—Robert Edelstein Co., 52 Wall Street, New York 5, N. Y.

★ U. S. Sonics Corp.
Nov. 5 (letter of notification) 73,300 shares of common stock (no par). **Price**—$2.50 per share. **Proceeds**—For working capital. **Office**—Somerville, Mass. **Underwriter**—Old Colony Investment Co., Stoneham, Mass.

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 (11/30-12/4)
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.

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 (par 50 cents). **Price**—To be supplied 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.

★ Victoreen Instrument Co. (12/14-18)
Nov. 13 filed $2,500,000 of 6% convertible debentures, due Dec. 15, 1974, to be offered in coupon form in denominations of $1,000. **Price** — At 100% of principal amount plus accrued interest from Dec. 15, 1959 to date of delivery. **Proceeds**—$1,850,000 is to be used to retire a short-term bank loan undertaken in connection with acquiring the assets of Standard Felt Co., with the balance to be used for general corporate purposes. **Office**—5806 Hough Avenue, Cleveland, Ohio. **Underwriter**—Van Alstyne, Noel & Co., New York City.

★ Virginia-Carolina Chemical Corp.
Nov. 13 filed $1,500,000 of participations in its Stock Purchase Plan for Employees, and 100,000 shares of common stock (no par), purchasable under the Plan. **Office**—401 East Main Street, Richmond, Va. **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.

★ Waco-Porter Corp.
Nov. 4 (letter of notification) 46,000 shares of common stock (par $1.25). **Price**—$6.50 per share. **Proceeds**—For working capital. **Office**—3565 Wooddale Ave., St. Louis Park, Minn. **Underwriter** — Paine, Webber, Jackson & Curtis, Minneapolis, Minn. **Offering** — Expected this week.

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.
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. Statement effective Nov. 16.

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 Carolina Telephone Co.
Nov. 4 filed 71,513 shares of common stock (par $5), to be offered to stockholders on the basis of one new share for each five shares held. **Price**—$6.75 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness and the continuation of construction. **Office**—15 South Main St., Weaverville, N. C. **Underwriter**—None.

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 (11/23-27)
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.

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.

★ Wood (Alan) Steel Co.
Nov. 2 (letter of notification) an undetermined number of shares of common stock (par $10) to be offered to certain employees under the (Alan) Wood Steel Co. Stock Purchase Plan for 1960. **Price**—At-the-market on the American Stock Exchange and Pacific Stock Exchange or private sales at a price not to exceed the lowest of current or last quoted offering price on the American Stock Exchange. **Proceeds**—To buy stock for employees. **Office**—Conshohocken, Pa. **Underwriter**—None.

● Worcester County Electric Co.
Oct. 30 filed $7,500,000 of first mortgage bonds, due 1989, and 35,000 shares of common stock, the stock to be sold to its corporate parent, New England Electric System. **Proceeds**—First to the payment of short-term notes payable, then outstanding, incurred for capitalizable construction expenditures, including notes payable to NEES, presently amounting to $6,800,000. The balance will be used to pay the cost of or the reimbursement of Worcester's treasury for, extensions, enlargements, and additions to the plant and property of the company. **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.

● World Publishing Co. (11/30)
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.

Word Record Distributing Co.
Oct. 30 (letter of notification) 20,000 shares of common stock (par 10 cents) to be offered primarily to distributors, certain key men within the distributor organizations and recording artists of the company. **Price**—$10 per share. **Proceeds**—To retire a debt; purchase inventory, etc. **Office**—3407 Franklin Ave., Waco, Tex. **Underwriter**—None.

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.

York County Gas Co.
Oct. 26 (letter of notification) 5,571 shares of common stock (par $20), to be offered for subscription by stockholders of record Nov. 17, 1959, on the basis of one new share for each 15 shares then held; warrants to expire Dec. 8, 1959. Unsubscribed shares go to full-time, regular employees (including officers) allowing them to subscribe for not more than 100 additional shares, subject to allotment; these rights also expire Dec. 8, 1959. **Price**—$47 per share. **Proceeds**—To pay off a temporary bank loan. **Office**—127 W. Market St., York, Pa. **Underwriter**—None.

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

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Securities & Co. and Smith, Barney & Co., both of New York. **Registration** — Expected sometime after Jan. 1, 1960.

● 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. The company is presently negotiating with two New York underwriters.

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.

● Benson Manufacturing Co.
Nov. 18 it was reported that the company contemplates a proposed offering of $2,000,000 of convertible debentures due Nov. 30, 1971 and 130,000 shares of common stock (par $1) to be offered in units. **Proceeds** — For expansion program and working capital. **Business**—The company is engaged in the manufacture of aircraft and missile parts, aluminum curtain wall sections for the building industry. **Underwriter**—S. D. Fuller & Co., New York.

● Brooklyn Union Gas Co.
Aug. 19 it was reported that the company is contemplating some additional equity financing, the form of which will be decided on shortly. It will probably be preferred stock. **Proceeds** — For construction program. **Offering**—Expected in the first quarter of 1960.

● 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** —To be supplied by amendment. **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.
Stockholders of this Bank are being offered rights to subscribe for 31,000 additional shares of stock; rights to expire on Dec. 3. **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.

★ General Telephone Co. of California (12/1)
The company plans to sell approximately1 $10,000,000 of preferred stock about Dec. 1. **Underwriters** — Paine, Webber, Jackson & Curtis, and Mitchum, Jones & Templeton (jointly).

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 pursuant to a stockholders meeting to be held on Dec. 4 in Augusta, Georgia.

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 to be received on Jan. 6.

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.

Nedick's Stores, Inc.
Nov. 12 it was reported that the company is contemplating the placing in registration of 17,000 shares of common stock. About 66% of the issue will be sold for the company's account and the remaining 34% balance will be sold for the account of a selling stockholder. **Underwriter**—Van Alstyne, Noel & Co., New York.

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.

★ Northern Illinois Gas Co.
Nov. 13 it was announced by Marvin Chandler, President, that the company expects to sell $10,000,000 to $15,000,000 of straight preferred stock early next year, subject to market conditions. **Proceeds**—To retire outstanding bank loans and for 1960 construction program. **Underwriters**—The First Boston Corp. and Glore, Forgan & Co., both of New York.

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. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc. **Registration** — Expected later this month.

★ Ryder System, Inc. (11/24)
This company has recently sought ICC approval for the issuance of 150,000 shares of common stock (par $2.50). **Price**—To be supplied by amendment. **Proceeds**—To reduce bank loans and for general corporate purposes. **Underwriter** — Blyth & Co., Inc. Clearance of the issue is expected Nov. 24.

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.

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.

OUR REPORTER'S REPORT

This week's offering of American Telephone & Telegraph Co.'s huge debenture issue provided the corporate market with a replica of the "Magic 5s," of a few weeks ago in the Treasury market.

The current undertaking brought out buyers in droves and proved once more that there is plenty of investment money around if the projected offering terms fit in with the views of such potential buyers.

Small investors vied with their giant counterparts, in the form of insurance companies, pension funds and trusts, for the American Telephones and it was apparent even before books opened that oversubscription would be quick and substantial.

Suffice it to say that bankers and others involved in this huge $250 million undertaking were pleased as Punch with the response which it elicited. In fact the rush to buy confirmed the view expressed a week ago in many quarters that the seasoned market was suffering from competition with the big issue.

This competition, of course, was indirect taking the form of a virtual withdrawal of prospective buyers from the market to wait and see the terms fixed for the AT&T's.

Obviously the 5.22% yield afforded, plus the high redemption price fixed for the first five years or so, were attractions which the average investor considered as making the deal really worth waiting for.

At any rate, the general feeling now is that with the huge sparkler out of the way those with funds seeking employment will have to give more attention to seasoned issues since forward calendar is light.

Close Bidding Race

Not only the best, but virtually all of the underwriting brains of the country were at work in the two syndicates which competed for American Telephone's quarter billion of new 27-year debentures.

And undoubtedly contributing to the rousing success of the deal, when it was publicly offered was the fact that these investment banking aggregations obviously were thinking just about along the same lines pricewise and in the matter of reoffering price.

The winning group's bid of 101.4799 for a 5⅜% coupon was a mere 17 cents per $100 or $1.70 per $1,000 bond better than that of the runnerup which named the same coupon rate.

Holiday Slashes Calendar

The approaching week shapes up as one with real holiday potentialities for the investment banking world. Certainly as far as new issue prospects are concerned there is little to promise much in the way of activity.

Monday's prospects make up an extensive list but it is hardly likely that more than a couple of these little ones will materialize into actual offerings.

With all hands preparing to observe Thanksgiving Day, one of the nation's major holidays, the bidding on Tuesday for $16 million of bonds of Gulf States Utilities Co., will pretty well ring down the curtain for the week.

Big French Loan

The French Government and the Credit Foncier de France—the Land Bank of France — have registered with the Securities and Exchange Commission for the proposed flotation of a $50 million bond issue.

To be guaranteed unconditionally by the Government, the bonds would mature in 1979 and would not be redeemable prior to Dec. 15, 1969, except through sinking fund.

Offering of the big issue, to be handled by a nationwide underwriting group of firms, is tentatively set for around Dec. 9.

Barber-Greene Co. Stock Offered

An underwriting group headed by William Blair & Company, is offering publicly today (Nov. 19) 133,600 shares of common stock, $5 par value, of Barber-Greene Co., at a price of $17 per share. This is the first offering to the public of any of the company's securities.

Of the shares being offered, 125,000 shares are being sold by the company. The remaining shares are being sold by certain stockholders. Proceeds to the company will be used primarily to increase working capital.

Barber - Greene Co. is the world's leading producer of asphalt mixing plants and asphalt paving machines, and a principal manufacturer of materials-handling equipment and ditching machines. Its executive offices and principal plant are located in Aurora, Ill.

Precisely

"We view Russia's entry in the world agricultural market with wheat, or other farm commodities, as a challenge. In response to such a challenge we must determine whether or not U. S. agriculture can compete. We have three possible choices. First, if we cannot compete we could let the Soviets push us out of international commercial markets and store the production which formerly was exported, or attempt to give away the major portion of such production to various countries who are willing, or who could be induced, to accept it.

C. B. Shuman

* * *

"The second possible choice would be for agriculture to turn over its export problems to the U. S. Government, which would in turn fight an all-out trade war with Russia on a government-to-government basis.

* * *

"The third possible choice—and in our opinion the most desirable—is to meet this challenge of Soviet Russia with the economic advantages that are at our disposal under our economic system. The American farmer is the most efficient producer in the world. We can become even more efficient and we must. This means the end to unrealistic domestic farm price support programs and a return to the farmer of those opportunities and incentives which permit and induce him to produce for the market as economically as possible. We should meet the challenge of Soviet Russia with all the force of a vigorous private, competitive enterprise system. We are confident that outcome will prove our economic system superior."—Charles B. Shuman, President, American Farm Bureau Federation.

Out of the mouth of a farmer's representative—the truth about our farmer and what should be done about agriculture!

The Security I Like Best . . .

Continued from page 2

a slow process, but one that proved satisfactory.

Reheis is very strong financially with $636,696 cash and government securities (as of March 28, 1959) against $194,091 current liabilities. Below is a record of the company's sales and earnings for the past five years.

	Sales	Depreciation Per Share	*Earnings Per Share
1955......	1,196,000	0.26	0.34
1956......	1,517,000	0.44	0.45
1957......	1,733,000	0.49	0.57
1958......	1,767,000	0.44	0.33
1959 (Est.)	2,400,000	0.44	0.65

*Based on total of 244,549 shares of stock: (Class A—115,549; Class B—129,000).

The earnings record established since 1955 was broken in 1958 because of additional administrative expenses and improvements in plant operations. Until recently, "Reheis" had been a one-man organization; to offset this, capable management was hired from other leading companies. The economies effected in plant operation will begin to show results in 1959.

Now that the company has arrived at its present status, it is ready to blossom forth and reap in all the fruit that it took so many years to build up. Recently, the company received outside financing from the Prudential Insurance Company of America. The funds were used to retire an existing loan, purchase new equipment and acquire Tec Chemical Corp.

Tec Chemical produces and sells chemicals manufactured from animal by-products to be used exclusively in the pharmaceutical industry such as liver fractions, extracts, bile salts, etc. It owns 75% of Quimica Tec del Uraguay which is located in Montevideo and produces partially-processed liver extracts from livers purchased locally. Reheis is now setting up a crude liver concentrate plant in Brazil. These plants will be able to supply about 75% of the raw materials for the Tec products which, because of the lower cost of raw livers, should contribute to profits. This is the first step in the company's plans for expansion.

The company is planning to expand present facilities in order to market a new product sometime in 1960. The plant is located at Berkeley Heights, New Jersey but the expansion may take place elsewhere. In addition, Reheis Company will continue to look for companies to fit into their future plans.

Each year, additional appropriations are put aside for research and development. The company is constantly working with leading pharmaceutical firms attempting to develop products which make use of the company's chemicals. Presently under development is a sun-screening product. Besides having a potential as a cosmetic, it would also be used as a therapeutic agent, such as in hospitals where patients or doctors are in danger of being overexposed to ultraviolet or infra-red rays. The perfection of such a product, needless to say, would have an important bearing on the future of the company. There are other products under development such as in the food additive and coating fields which show great promise.

Along with this program, Reheis Company has a continuing Grant-in-Aid, issued four years ago to the Harvard Medical School for the study of the perspiration mechanism in the human body. A second such program, studying the chemical structure of aluminum oxychlorides and related problems is carried out at the University of Vermont, Burlington, Vermont.

From what has been said, it is easily recognizable that Reheis has emerged from a small, lackluster company to one that has romance, glamour, and earnings. The sales increase in the last five years, the hiring of capable, experienced management, the acquiring of a new company, and the research and development program aimed at broadening the company's product base have all contributed towards making Reheis a sound, progressive company. This has resulted in a favorable earnings picture and a very strong balance sheet. With the present policy of management, rapid growth of the company in the future seems assured. Because of all these factors, it is my opinion that Reheis Co. can be bought for capital appreciation with a minimum downside risk.

Capitalization:

Notes payable:	$340,000
Common stock:	Class A—115,549
Common stock:	Class B—129,000

Note: Class A stock is entitled to receive dividends up to $1.00 before Class B stock participates. Of the 129,000 shares of Class B stock, 126,000 is owned by Mr. Reheis. Class A is presently paying at the rate of $.30 a year.

Rek-O-Kut Co. Stock All Sold

A public offering of 214,000 shares of common stock of Rek-O-Kut Co., Inc. was made on Nov. 17 by D. A. Lomasney & Co. as underwriter. The stock is priced at $3.50 per share. Of the offering 142,666 shares are being marketed for the account of the company and the remaining 71,334 shares are being sold for the account of certain selling stockholders who will receive all of the proceeds from the sale of these shares. This offering was oversubscribed.

The company will use the proceeds from the 142,666 shares to reduce its debt and to finance the tooling and production of new items designed especially for stereophonic components.

After completion of the sale of the 71,334 shares for the selling stockholders they will continue to own, as a group, around 66% of the outstanding common stock. Prior to this financing most of common stock was closely held, more than 45% having been owned by George Silber, President, one of the selling stockholders.

Products which the Corona, Long Island, company designs, engineers and produces include turntables, tonearms, loudspeakers and speaker systems. It also builds professional disc-recording machines and transcription systems for use by the broadcasting industry, recording studios and educational institutions.

For the year ended June 30, 1959 net sales were $1,912,824 and net income was $106,704 compared with $1,614,540 and $21,009 for the preceding twelve months.

Montgomery Mtge. Inv.

SILVER SPRING, Md. — Montgomery Mortgage Investment Corp. has been formed with offices at 11236 Georgia Avenue to engage in a securities business. Officers are Robert Symonds, President; Allan Meldenson, Secretary; and Morton Lifshutz, Treasurer.

Connecticut Brevities

Stockholders of **Echlin Manufacturing Co.**, Branford, voted Nov. 18 on a proposed merger with United Parts Manufacturing Co. of Chicago. The transaction involves about $3.3 million in cash and stock. If approved, United will begin operating as a brake parts division of Echlin on Jan. 4, 1960. Echlin is a leading independent manufacturer of replacement parts for electrical systems in cars and trucks.

* * *

Pitney-Bowes, Inc., of Stamford, recently sold 200,000 shares of common stock. The proceeds from the sale are to be used to retire bank loans in the amount of $6,000,000, and for additions to working capital. The bank loans were incurred over the past year and a half in connection with the company's $8,750,000 expansion and modernization program at its Stamford plant and offices.

* * *

The Fuller Brush Company, Hartford, has announced plans for a new 200,000 square foot plant on a 25-acre site in Burlington, Ont. The new plant, which will take over work now performed at a plant in Hamilton, Ont., is expected to be completed by mid-1960. In Connecticut, Fuller Brush is presently moving from Hartford to its new 360,000 square foot $5.5 mililon plant in East Hartford.

* * *

Rowland Products, Inc., of Kensington, recently announced a 50% increase in its quarterly dividend. The new quarterly rate of 15c a share represents an increase of 5c over the previous rate.

* * *

The Norden Division of **United Aircraft Corporation**, East Hartford, has announced plans to construct a multi-million dollar research, engineering and manufacturing plant on an 80-acre tract it has acquired in Norwalk. The 350,000 square foot building is expected to be completed in about one year.

* * *

The Directors of **Plastic Wire & Cable Corporation** of Jewett City have proposed a 10% stock dividend, subject to stockholders' approval, payable in January on a date to be determined later. Stockholders will vote on the proposal at the annual meeting Dec. 18, 1959.

* * *

The American Hardware Company of New Britain has purchased the Safe Padlock and Hardware Company of Lancaster, Pa., for an undisclosed amount of stock. The 110-year-old Lancaster firm will continue to operate in Pennsylvania as a separate American division.

* * *

The Connecticut Telephone & Electric Corporation, has moved to a new 20,000 square foot location in Meriden. The company now has a work force of 90 and a backlog of orders amounting to slightly under $1,000,000.

* * *

The Barden Corporation of Danbury has arranged to acquire Lacey Manufacturing Co., of Bridgeport. The terms of the acquisition were not disclosed, but it has been announced that the acquisition will become effective in December. Lacey is a tool and die manufacturer and Barden produces precision ball bearings. Barden recently declared a 3% stock dividend in addition to its regular quarterly dividend of 12½c per share. Both dividends are payable Dec. 10 to stockholders of record Nov. 25, 1959.

Frantz Mfg. Co. Secondary Made

A registered secondary block of 160,000 shares of common stock was offered on Nov. 17 by an underwriting group headed by Blair & Co. Inc. and A. C. Allyn & Co. Inc. at a price of $15 per share.

All of the shares offered, were sold for the accounts of certain selling stockholders and no funds will accrue to the company.

The company was incorporated under Illinois law Aug. 26, 1909, under the name The Frantz Specialty Manufacturing Co. The present corporate name was adopted Jan. 11, 1911.

The company's executive offices and plant are located at 301 West St., Sterling, Ill., about 120 miles west of Chicago. It is engaged in the design, development, production and distribution of builders' hardware, primarily overhead type garage door hardware.

Robert Brandt Opens

BEVERLY HILLS, Calif.—Robert Brandt & Co. has been formed with offices at 430 North Camden Drive to engage in a securities business. Officers are Robert Brandt, President; Joanne Brandt and Theodore Grossman, Vice-Presidents; Constance Knickmeyer, Secretary-Treasurer, and William Ivory, Assistant Secretary. Mr. Brandt was formerly with Hill Richards & Co.; Paine, Webber, Jackson & Curtis and Pacific Coast Securities Co.

Named Director

The election of Emery Flinn, Miami investment banker, to the board of directors of Delta Air Lines was announced by C. E. Woolman, President and General Manager. Mr. Flinn is a partner in the firm of Oscar E. Dooly & Co., investment bankers in Miami. Previously he had served as Vice-President of the First National Bank of Miami, Chairman of the Board of Carl G. Fisher Corp.. and President of Spacarb, Inc. (now Automatic Canteen).

Newburger, Loeb Adds

BROOKLYN, N. Y.—Newburger, Loeb & Co., members of the New York Stock Exchange and other Exchanges, announce that Mrs. Sara Middleton, a Registered Representative, has joined their organization in their office at 920 Flatbush Avenue.

J. B. Whitley

J. B. Whitley, associated with Halsey, Stuart & Co., Inc., New York City, passed away Nov. 6th.

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. 21	§78.9	*45.6	13.1	74.1
Equivalent to— Steel ingots and castings (net tons)	Nov. 21	§2,233,000	*1,291,000	371,000	2,000,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Nov. 6	6,898,975	6,886,775	6,812,225	7,003,385
Crude runs to stills—daily average (bbls.)	Nov. 6	¶7,681,000	7,491,000	7,688,000	7,686,000
Gasoline output (bbls.)	Nov. 6	27,575,000	27,239,000	27,625,000	27,654,000
Kerosene output (bbls.)	Nov. 6	2,267,000	1,880,000	1,971,000	2,286,000
Distillate fuel oil output (bbls.)	Nov. 6	12,083,000	11,849,000	12,612,000	12,352,000
Residual fuel oil output (bbls.)	Nov. 6	6,086,000	6,279,000	5,537,000	6,849,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Nov. 6	175,800,000	176,147,000	177,613,000	169,210,000
Kerosene (bbls.) at	Nov. 6	32,764,000	33,035,000	32,814,000	32,369,000
Distillate fuel oil (bbls.) at	Nov. 6	181,624,000	181,546,000	177,670,000	165,354,000
Residual fuel oil (bbls.) at	Nov. 6	57,799,000	58,050,000	59,040,000	68,095,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Nov. 7	560,658	588,148	558,780	658,442
Revenue freight received from connections (no. of cars)	Nov. 7	510,960	524,211	519,257	571,962
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Nov. 12	$444,300,000	$251,900,000	$264,300,000	$374,316,000
Private construction	Nov. 12	265,700,000	104,300,000	145,400,000	123,630,000
Public construction	Nov. 12	178,600,000	147,600,000	118,900,000	250,686,000
State and municipal	Nov. 12	148,900,000	120,900,000	110,600,000	197,415,000
Federal	Nov. 12	29,700,000	26,700,000	8,300,000	53,271,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Nov. 7	7,535,000	*7,935,000	7,765,000	8,859,000
Pennsylvania anthracite (tons)	Nov. 7	423,000	369,000	376,000	412,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Nov. 7	155	145	151	148
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Nov. 14	13,270,000	13,019,000	12,861,000	12,378,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Nov. 12	285	265	252	274
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Nov. 10	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Nov. 10	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	Nov. 10	$46.17	$46.17	$44.50	$42.33
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Nov. 11	34.625c	*32.725c	32.375c	28.675c
Export refinery at	Nov. 11	32.025c	30.875c	28.075c	31.100c
Lead (New York) at	Nov. 11	13.000c	13.000c	13.000c	13.000c
Lead (St. Louis) at	Nov. 11	12.800c	12.800c	12.800c	12.800c
‡Zinc (delivered) at	Nov. 11	13.000c	13.000c	12.500c	11.687c
Zinc (East St. Louis) at	Nov. 11	12.500c	12.500c	12.000c	11.187c
Aluminum (primary pig. 99.5%) at	Nov. 11	24.700c	24.700c	24.700c	24.700c
Straits tin (New York) at	Nov. 11	101.750c	101.375c	102.750c	99.875c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Nov. 17	82.50	82.69	82.44	88.48
Average corporate	Nov. 17	84.17	84.17	83.91	90.20
Aaa	Nov. 17	87.99	87.86	87.99	94.71
Aa	Nov. 17	86.11	85.98	85.46	92.93
A	Nov. 17	83.91	84.17	83.91	89.38
Baa	Nov. 17	79.01	79.13	78.78	83.91
Railroad Group	Nov. 17	82.15	82.52	82.65	87.86
Public Utilities Group	Nov. 17	84.04	83.79	82.90	90.34
Industrials Group	Nov. 17	86.11	86.38	86.24	92.50
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Nov. 17	4.25	4.26	4.29	3.57
Average corporate	Nov. 17	4.85	4.85	4.87	4.40
Aaa	Nov. 17	4.57	4.57	4.56	4.09
Aa	Nov. 17	4.70	4.71	4.75	4.21
A	Nov. 17	4.87	4.85	4.87	4.43
Baa	Nov. 17	5.27	5.26	5.29	4.87
Railroad Group	Nov. 17	5.01	4.98	4.97	4.57
Public Utilities Group	Nov. 17	4.86	4.88	4.95	4.39
Industrials Group	Nov. 17	4.70	4.68	4.69	4.24
MOODY'S COMMODITY INDEX	Nov. 17	386.5	385.8	379.0	397.2
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Nov. 7	361,161	328,047	376,005	345,836
Production (tons)	Nov. 7	319,477	332,303	331,221	311,196
Percentage of activity	Nov. 7	94	96	98	93
Unfilled orders (tons) at end of period	Nov. 7	523,320	483,208	570,331	460,078
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Nov. 13	111.71	111.77	111.09	109.48
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Oct. 23	2,209,290	1,874,840	2,419,910	2,684,510
Short sales	Oct. 23	316,670	300,750	387,090	561,150
Other sales	Oct. 23	1,834,050	1,527,530	2,241,510	2,194,000
Total sales	Oct. 23	2,150,720	1,828,280	2,628,600	2,755,150
Other transactions initiated off the floor—					
Total purchases	Oct. 23	496,030	364,030	506,040	[illegible]
Short sales	Oct. 23	73,820	53,100	56,400	104,700
Other sales	Oct. 23	458,880	317,540	577,000	[illegible]
Total sales	Oct. 23	532,700	370,440	633,400	861,020
Other transactions initiated on the floor—					
Total purchases	Oct. 23	800,540	670,345	769,645	987,739
Short sales	Oct. 23	111,710	144,583	179,900	181,680
Other sales	Oct. 23	754,273	629,165	853,743	869,100
Total sales	Oct. 23	865,983	773,748	1,033,643	1,050,780
Total round-lot transactions for account of members—					
Total purchases	Oct. 23	3,505,860	1,909,215	3,695,595	4,442,869
Short sales	Oct. 23	502,200	498,433	623,390	847,530
Other sales	Oct. 23	3,047,203	2,474,035	3,672,253	3,819,420
Total sales	Oct. 23	3,549,403	2,972,468	4,295,643	4,666,950
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. 23	1,565,776	1,705,039	2,124,622	1,553,096
Dollar value	Oct. 23	$79,971,089	$89,400,397	$111,853,527	$70,838,537
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Oct. 23	1,295,247	1,333,654	1,382,595	1,672,709
Customers' short sales	Oct. 23	11,965	13,077	36,759	10,122
Customers' other sales	Oct. 23	1,283,282	1,320,577	1,345,836	1,662,587
Dollar value	Oct. 23	$63,675,160	$67,224,748	$70,450,752	$76,078,809
Round-lot sales by dealers—					
Number of shares—Total sales	Oct. 23	329,660	327,980	288,080	567,270
Short sales	Oct. 23	------	------	------	------
Other sales	Oct. 23	329,660	327,980	288,080	567,270
Round-lot purchases by dealers— Number of shares	Oct. 23	606,320	711,220	1,029,770	455,820
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. 23	661,920	623,450	891,680	1,102,400
Other sales	Oct. 23	13,772,620	11,292,130	15,615,360	19,953,420
Total sales	Oct. 23	14,434,540	11,915,580	16,507,040	21,055,820
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Nov. 10	119.2	119.2	119.2	119.2
Farm products	Nov. 10	86.5	*86.4	86.5	91.2
Processed foods	Nov. 10	105.7	*106.0	106.2	109.7
Meats	Nov. 10	92.7	*92.7	95.7	101.8
All commodities other than farm and foods	Nov. 10	128.7	128.7	128.5	126.8

*Revised figgure. §Includes 967,000 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
AMERICAN GAS ASSOCIATION—For month of August:			
Total gas sales (M therms)	5,526,100	5,558,000	4,959,900
Natural gas sales (M therms)	5,439,200	5,461,500	4,718,600
Manufact'd & mixed gas sales (M therms)	86,900	96,500	95,500
AMERICAN PETROLEUM INSTITUTE—Month of July:			
Total domestic production (barrels of 42 gallons each)	236,501,000	238,439,000	227,565,000
Domestic crude oil output (barrels)	210,311,000	212,489,000	203,700,000
Natural gasoline output (barrels)	26,165,000	25,934,000	23,822,000
Benzol output (barrels)	25,000	16,000	43,000
Crude oil imports (barrels)	27,510,000	36,147,000	26,916,000
Refined product imports (barrels)	16,407,000	20,919,000	23,008,000
Indicated consumption domestic and export (barrels)	277,808,000	278,192,000	274,979,000
Increase all stocks (barrels)	2,610,000	17,313,000	2,510,000
AMERICAN ZINC INSTITUTE, INC.—Month of October:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	63,938	62,202	65,304
Shipments (tons of 2,000 pounds)	65,723	*61,185	93,244
Stocks at end of period (tons)	191,251	193,036	210,176
COAL OUTPUT (BUREAU OF MINES)—Month of October:			
Bituminous coal and lignite (net tons)	35,060,000	32,530,000	40,205,000
Pennsylvania anthracite (net tons)	1,709,000	1,726,000	1,966,000
COKE (BUREAU OF MINES)—Month of Sept.:			
Production (net tons)	1,563,711	1,582,790	4,514,800
Oven coke (net tons)	1,532,010	1,542,545	4,458,100
Beehive coke (net tons)	31,701	40,245	56,700
Oven coke stock at end of month (net tons)	2,850,429	2,298,911	3,993,444
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of Sept. 30:			
Total consumer credit	$48,394	$47,910	$43,144
Instalment credit	37,495	37,049	33,079
Automobile	16,259	16,082	14,332
Other consumer goods	9,419	9,314	8,312
Repairs and modernization loans	2,363	2,323	2,107
Personal loans	9,454	9,330	8,328
Noninstalment credit	10,899	10,861	10,065
Single-payment loans	3,925	3,878	3,495
Charge accounts	4,250	4,243	4,033
Service credit	2,724	2,740	2,537
CONSUMER PRICE INDEX—1947-1949=100— Month of September:			
All items	125.2	124.8	123.7
Food	118.7	118.3	120.3
Food at home	116.2	115.7	118.7
Cereal and bakery products	134.1	134.0	133.5
Meats, poultry and fish	110.4	109.9	115.8
Dairy products	115.5	114.1	114.1
Fruits and vegetables	124.1	125.6	120.7
Other food at home	107.6	106.2	115.2
Food away from home (Jan. 1953=100)	116.8	116.6	113.4
Housing	129.7	129.3	127.9
Rent	140.0	139.8	138.2
Gas and electricity	121.6	120.1	118.0
Solid fuels and fuel oil	135.0	133.9	135.2
Housefurnishings	104.0	103.6	103.6
Household operation	135.2	134.6	132.2
Apparel	109.0	108.0	107.1
Men's and boys'	109.2	108.8	108.3
Women's and girls'	100.5	98.8	99.6
Footwear	137.9	137.3	130.1
Other apparel	92.9	92.5	92.0
Transportation	146.4	146.7	141.3
Private	135.3	135.5	130.4
Public	194.9	194.9	189.8
Medical care	152.2	151.4	146.1
Personal care	132.1	131.7	128.7
Reading and recreation	119.6	119.1	116.6
Other goods and services	131.5	131.1	127.1
DEPARTMENT STORE SALES—FEDERAL RESERVE SYSTEM—1947-49 Average=100— Month of October:			
Adjusted for seasonal variation	144	*143	135
Without seasonal adjustment	151	*144	141
MOODY'S WEIGHTED AVERAGE YIELD 100 COMMON STOCKS—Month of Oct.:			
Industrials (125)	3.14	3.13	3.45
Railroads (25)	4.95	4.77	4.80
Utilities (not incl. Amer. Tel. & Tel.) (214)	4.01	4.00	4.11
Banks (15)	3.70	3.73	4.14
Insurance (10)	3.03	2.97	2.75
Average (200)	3.36	3.34	3.64
NEW CAPITAL ISSUES IN GREAT BRITAIN MIDLAND BANK LTD.—Month of Oct.	£34,508,000	£47,311,000	£24,758,000
PORTLAND CEMENT (BUREAU OF MINES)— Month of September:			
Production (barrels)	32,590,000	34,800,000	31,597,000
Shipments from mills (barrels)	35,098,000	36,836,000	34,767,000
Stocks at end of month (barrels)	25,341,000	28,104,000	24,445,000
Capacity used (per cent)	97	100	98
RAILROAD EARNINGS CLASS I ROADS (ASSOCIATION OF AMERICAN RRs.)—Month of September:			
Total operating revenues	$769,210,827	$774,406,342	$874,148,707
Total operating expenses	615,148,300	629,353,297	674,042,534
Taxes	81,833,433	78,526,852	91,676,041
Net railway operating income before charges	45,780,612	39,923,383	84,173,722
Net income after charges (estimated)	30,000,000	26,000,000	64,000,000
RUBBER MANUFACTURING ASSOCIATION INC.—Month of September:			
Passenger Tires (Number of)—			
Shipments	7,850,220	6,761,064	6,658,564
Production	8,803,572	8,457,836	7,133,984
Inventory	19,635,978	18,676,696	16,044,954
Truck and Bus Tires (Number of)—			
Shipments	1,447,954	1,196,305	1,253,307
Production	1,299,214	1,225,320	1,143,404
Inventories	2,905,918	3,053,723	2,880,251
Tractor Implement Tires (Number of)—			
Shipments	315,745	273,453	273,417
Production	316,131	330,101	280,153
Inventory	854,017	854,989	675,748
Passenger Motorcycle, Truck and Bus Inner Tubes (Number of)—			
Shipments	3,692,581	3,583,177	3,498,264
Production	4,064,885	3,715,762	3,390,465
Inventory	8,334,261	7,847,968	7,656,758
Tread Rubber (Camelback)—			
Shipments (pounds)	44,055,000	41,206,000	43,083,000
Production (pounds)	44,929,000	42,354,000	43,726,000
Inventory (pounds)	33,502,000	32,978,000	32,813,000

New York State Bonds Marketed

An underwriting syndicate formed by the consolidation of two groups—the first headed by The First National City Bank of New York and the second by Lehman Brothers—was the successful bidder Nov. 18 for an issue of $55,125,000 State of New York Housing Bonds, due Dec. 1, 1961 to 2009, inclusive.

The group bid 100.019 for the bonds as 4s, 3¾s, 3.60s, 3.70s and 2s, representing a net interest cost of 3.4810% to the state.

On reoffering to the public, the bonds are scaled to yield from 2.65% to 3.90%, according to maturity.

Other members of the underwriting syndicate include:

Bankers Trust Co.; Morgan Guaranty Trust Co. of New York; Bank of America N. T. & S. A.; Smith, Barney & Co.; Harriman Ripley & Co., Inc.; First National Bank of Chicago; Halsey, Stuart & Co., Inc.; Phelps, Fenn & Co.; Glore, Forgan & Co.; Goldman, Sachs & Co.;

Eastman Dillon, Union Securities & Co.; Continental Illinois National Bank & Trust Co. of Chicago; The First National Bank of Oregon; Wood, Struthers & Co.; Paine, Webber, Jackson & Curtis; Roosevelt & Cross Inc.; F. S. Smithers & Co.; Lee Higginson Corp.; The Boatmen's National Bank of St. Louis;

Dominick & Dominick; Ira Haupt & Co.; Coffin & Burr Inc.; Hirsch & Co.; Dean Witter & Co.; Hayden, Stone & Co.; Shearson, Hammill & Co.; Clark, Dodge & Co.; Wm. E. Pollock & Co., Inc.; Robert Winthrop & Co.; E. F. Hutton & Co.; Alex. Brown & Sons and J. C. Bradford & Co.

Coast Exch. Member

George W. Davis, Davis, Skaggs & Co., Chairman of the Board of the Pacific Coast Stock Exchange, has announced the election to membership in the San Francisco Division of the Pacific Coast Stock Exchange of Earle C. May of May & Co., Inc., with offices at 618 S. W. Yamhill Street, Portland, Ore., upon which firm he will convey the privileges of his membership.

Officers, directors and stockholders of this firm are: Earle C. May, President; Cyril H. May, Vice-President; Walter H. Daggett, Assistant Vice-President, and E. Pearl May, Secretary-Treasurer.

Scott & Fetzer Co. Stock Marketed

A block of 100,000 shares of common stock (par $5) of Scott & Fetzer Co. was placed on the market on Nov. 17 by an underwriting group headed by McDonald & Co. and Kidder, Peabody & Co. These shares were offered at a price of $35.50 each.

50,000 of these shares were sold for the account of George H. Scott, Chairman of the Board of Directors and President of the company, and the remaining 50,000 shares were sold for the account of Carl S. Fetzer, Vice-President and Director.

The company, which is the outgrowth of a business originally founded in 1914 by George H. Scott and Carl S. Fetzer, was incorporated under Ohio law on Nov. 30, 1917. Its executive offices and plant are located at West 114th St., Cleveland, Ohio.

The company, a leader in its field manufactures and sells household vacuum cleaners under the trade name "Kirby".

"Today's Market Review"

BUFFALO, N. Y.—"Today's Market Review"—highlights of the New York Stock Exchange activities—is the new five-minute program service feature nightly on WGR-FM.

Dominick and Dominick, leading Buffalo investment Securities firm will sponsor "Today's Market Review" three evenings each week.

New W. E. Hutton Branch

HACKENSACK, N. J. — W. E. Hutton & Co. has opened a branch office at 337 Main Street under the direction of Edward Ward.

Named Director

Henry W. Reed, a Partner of Shearson, Hammill & Co., has been elected a Director of Electronic Research Associates, Inc., Cedar Grove, N. J., manufacturer of transistorized electronic devices.

Phila. Secs. Men to Hear

PHILADELPHIA, Pa.—The Philadelphia Securities Association and the Financial Analysts of Philadelphia will be the guests of Hammond Organ Company at a meeting to be held Tuesday, Nov. 24 at the Racquet Club.

Stanley M. Sorenson, President of Hammond Organ, will address the group. A question and answer period will follow.

Walter C. Korn

Walter C. Korn, limited partner in Newborg & Co., New York City, passed away November 12.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—On the site of the old, but refurbished Claypool Hotel in downtown Indianapolis, Abraham Lincoln stopped off in 1961 en route to Washington to take the oath as 16th President of the United States. The other night on the same spot another Republican stopped off and heard himself described in a brilliant encomium as "a man of destiny."

Richard M. Nixon, who hopes to become the 35th President of this Nation, heard an influential Hoosier declare flatly that Indiana is "a Nixon State."

There is no doubt that out there in a state of nearly 5,000,000 people there is a strong sentiment for Dick Nixon. At the same time, in the State which calls itself the "Cross Roads of America," the Democrats are making more and more headway. Evidence of this is the fact that Indianapolis, one of the largest cities in the United States "not on navigable water" and having a population of 461,000, has a Democrat Chief Executive in Mayor Charles H. Boswell.

The Vice-President left icy and snowy Wisconsin to fly to Indianapolis to address a banquet of more than 400 people as part of a program commemorating the founding a half-century ago of Sigma Delta Chi, the oldest and largest journalistic fraternity in the world.

Richard Nixon arrived in Hoosier land with his able press Secretary, Herbert Klein, on leave from his San Diego editorship, and only four correspondents. At the same time, his chief rival for the Republican Presidential nomination, Governor Nelson A. Rockefeller of New York, was in California with dozens of newsmen covering his activities. However, the main significance of this was the fact that Governor Rockefeller was making his first transcontinental political trip.

Many Publishers Present

At the airport Mr. Nixon was welcomed by a delegation including Governor Harold W. Handley of Indiana, and Eugene C. Pulliam, publisher of the Indianapolis "Star" and the Indianapolis "News." A little while later Mr. Nixon, obviously tired, was at the speakers' table at the James Whitcomb Riley Room in the Claypool Hotel with his "black tie" on.

There the Vice-President and the Sigma Delta Chis—those from the professional chapters and the undergraduates from Alabama to Wisconsin — ate a broiled steak and a baked potatoe at a dinner given by Bernard Kilgore, President of the "Wall Street Journal." Sitting with him at the table, decorated with a sea of red and white carnations were Roy Howard, the Scripps-Howard newspaper publisher; Laurence P. Scott, publisher of the Manchester "Guardian," and other editors and publishers and some undergraduate Sigma Delta Chis. Like Mr. Kilgore, Mr. Howard went to New York from Indiana.

Indiana points with pride to its long string of successful editors and publishers and the number of natives, like James Whitcomb Riley, Booth Tarkington, George Ade, George Lew Wallace and others, who became famous in the field of American literature.

But Indiana today has other things that the people are proud of. Governor Handley when he stepped to the podium told the journalists and their guests that Indiana, with nearly 5,000,000 population, does not owe a dime of state debt. Why? There is a provision in the State Constitution that prohibits Indiana from piling up a debt.

It was publisher Pulliam, who paid such a glowing tribute to Vice-President Nixon. It was Mr. Pulliam and a handful of other students on the campus of DePauw University, 40 miles from Indianapolis, who founded Sigma Delta Chi 50 years ago at the institution which today has 2,100 students.

"Truly Great American"

The publisher in his introduction of Mr. Nixon said he was the best trained, and the most dedicated Vice-President the United States has had in its history. He said Mr. Nixon is truly one of America's great men.

Mr. Nixon, whom some Republicans question whether he can win if nominated, in acknowledging the introduction, expressed his appreciation, but wondered whether he could live up to the tribute. Then he facetiously said he was "not on a political trip," but he quickly told the audience, and Indianians in particular, that his mother was born in Indiana, and his father was born in neighboring Ohio. Then after a brief pause, the California wondered if he could rightfully claim any additional geography, which can be of importance politically sometimes.

After his formal remarks, he opened the meeting for questions. Agriculture is anything but a dying industry in Indiana. Nearly 85% of the area of the state is farm land. Only Iowa and Illinois produce more corn. Last week before the heavy rains, snows and wintry blasts came the Indiana corn crop had been harvested. The hogs and the cattle had been turned into the fields to feed on the residue of grain that fell among the stalks and the shucks.

Farm Problem Aired

The Vice-President said there was no question that the farm problem will be an issue in the 1960 Presidential campaign. Both parties will make it an issue. Of course the speaker said there is no easy solution to the complex farm problem.

Even the Indiana Farm Bureau, which was having its 41st annual convention in Indianapolis, a day or so before Mr. Nixon arrived, acknowledged through speakers, that solution of the so-called farm problem is not an easy one. George Doup, President of the Indiana Farm Bureau, told fellow members what a lot of Hoosier farmers already suspected when he said: payment plans will not assure farmers of a higher net income and will regiment agriculture completely. Such ideas must not be imported from other countries.

Mr. Nixon seemingly made a hit with a good many of the young and budding journalists in the audience. Even some of the old "pros" in the crowd said the Vice-President continues to improve when speaking from the cuff, and in response to questions. He told a couple of anecdotes that went over well.

He said one hard-hitting political figure where he had gone to make a speech admonished him that he should always take along his wife, "Pat" Nixon. Why? "He told me," said the Vice-President, "that everyone liked Pat. Furthermore, she is not controversial."

The Vice-President disclosed to the journalists, young and old, that writing had always come difficult to him. He told the young men in the field of journalism that there are two types or kinds of reporting in the Nation's Capital. He said there are the hand outs and the releases, issued by the various departments, agencies and the bureaus. But the best stories that came out of Washington are "dug up" by probing newsmen.

A "Hand" for Rockefeller

Mr. Nixon has thrived, so it seems, on crises in his political career. Perhaps there will be others before next July in Chicago when he will face a showdown. Before his address in Indianapolis he reiterated in a news conference that he will not accept the Vice-Presidency. He could not afford to take the No. 2 spot again.

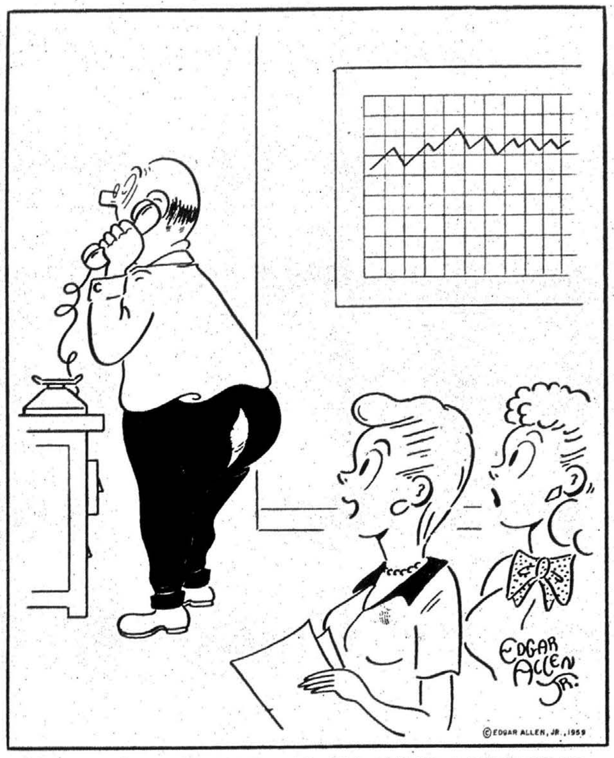
Nevertheless, he gave a little political pat on the back for Governor Rockefeller. He said the Governor showed in his New York campaign that he is a very effective campaigner. Perhaps Governor Rockefeller was an effective campaigner in New York. The results would appear so, but the question arises could Governor Rockefeller hold his own with some of the slambang Democratic politicians who will be out in the field next year. It is true that Governor Rockefeller has no scars, because he has not had to cast votes in Congress as a Representative, as a Senator or break a tie as a Vice-President while presiding over the Senate.

It is also true that there is no one in the Republican party hierarchy who is a more effective, two-fisted speech-maker than Richard M. Nixon.

Mr. Nixon, while out in Indiana, warned against a raging battle in the Grand Old Party. He said Republicans can't possibly win unless they stop battering each other. Only a few days before the Republican National Committeeman had resigned in Indiana because of sniping by fellow Republicans.

There appears little or no doubt that Vice-President Nixon is far ahead of Governor Rockefeller for the Republican nomination out in the Great Mid-West.

[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.]



"His stock wasn't the only thing that split today!"

Elected Director

Philip Isles, a Partner of Lehman Brothers, has been elected a Director of the Lehman Corporation, it was announced by Robert Lehman, President of the Corporation.

Mr. Isles has been a member of Lehman Brothers since 1941 and is a director of The One William Street Fund, Inc.; Callery Properties, Inc. and Underwood Corporation.

Businessman's BOOKSHELF

Business Experience With Electronic Computers: A synthesis of What Has Been Learned from Electronic Data Processing Installations—B. Conway, J. Gibbons and D. K. Watts—Controllers Institute Research Foundation, Inc., 2 Park Avenue, New York 16, N. Y. (cloth).

Critical Shortage of Middle Income Apartments—And How It Can Be Solved—Louis Sachar—Marshall Management Corp., 244 Madison Avenue, New York, N. Y. (paper).

Economics and the Policy Maker—Brookings Lectures 1958-1959—The Brookings Institution, 722 Jackson Place, Washington 6, D. C. (cloth), $2.95.

Employment, Growth, and Price Levels—Hearings Before the Joint Economic Committee of the Congress of the United States—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 75c.

How Public Financing Can Help Your Company Grow—A Guide to the Advantages and Ways of Securing Equity Capital Through Sales of Stock to the Public—Maxwell J. Mangold—Pilot Publications, 42 West 33rd Street, New York 1, N. Y., $5.

International Finance Corporation—Third Annual Report—International Finance Corporation, 1818 H Street, N. W., Washington 25, D. C. (paper).

Invest—A new stock market game—Research & Promotion Co., Division G, Jenkintown, Pa., $5.

Mid Year Look at Fiscal 1960—National Association of Manufacturers, 2 East 48th Street, New York, N. Y.

Monetary Policy Under the International Gold Standard, 1880-1914—Arthur I. Bloomfield—Publications Division, Federal Reserve Bank of New York, New York 45, N. Y., 50c.

Over-the-Counter Securities Handbook—Containing data on more than 925 over-the-counter companies — Over-the-Counter Securities Handbook, Department G, Jenkintown, Pa.—$7.50.

Portfolio Selection: Efficient Diversification of Investments—Harry M. Markowitz—John Wiley & Sons, Inc., 440 Fourth Avenue, New York 16, N. Y.

Profit Situations in smaller companies—Bi-weekly publication—$15 for 3-month subscription (sample copy on request)—Investment Associates, P. O. Box 14, Hillsdale, N. J.

State Tax Collections in 1959—Bureau of the Census, Washington 25, D. C. (paper), 25¢.