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Editorial AS WE SEE IT

A slight rise in the consumer price index, plus an expression of opinion by a spokesman for the Department of Labor that further increases were to be expected in the months immediately ahead, has more or less started the inflation debate agoing again. It must be said, though, that most of those who had been troubled most about the danger of rising prices appear to be not unduly worried at this time. There has been a definite reduction in the tightness in the money market, and even talk to the effect that the Federal Reserve has become at least half convinced that it would be warranted in relaxing its vigil a little. Although reports from industry and trade are on the whole still distinctly good, there are certain indications which suggest to some that all is not going quite as well as had been expected at least in some quarters. All in all, the feeling seems to be fairly general that the danger of inflation has for the time being largely disappeared—which may not be a wholly safe state of affairs in an election year.

There was a time, of course, when the subject of inflation did not appear quite so simple to thoughtful economists as it apparently does now. In those days price stability was not regarded as a sure indication that no inflation was taking place. Other and much more complex factors were thought to be involved. One eminent economist of those days used to define inflation as simply "rotten banking," by which he meant absorption by the commercial and central banks of paper which could not be expected to liquidate itself within a short period of time in the normal course of the business giving rise to it. It has, however, been at least two decades since much has been heard of this older notion of self-liquidating, short-term paper—which was, of course, originally conceived of as the main instrument of access to the Federal Reserve banks.

"Liquidity"

The term "liquidity" now is all but synonymous with "marketability," which in terms (Continued on page 38)

Canada Is Now Creating the Base For a Splendid Decade of Growth

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

A preview of the indicated growth in Canada during the Substantial Sixties, plus a swift review at closer range of the recent and current bases for optimism about Canada's prospective progress. Study includes an authoritative tabulation of Canadian listed and unlisted equities on which cash dividends have been uninterruptedly paid ranging from five to 131 years. Data describes the firms and shows: number of consecutive years cash dividends were paid, amount paid in 1959, end of year quotations and approximate yields.

Canada is at the threshold of an exciting new decade, propelled by ore, fueled by gas and petroleum, cascaded by water power, sheened with the metallic luster of copper, nickel and gold; and accompanied by a crescendo in population and industrial development. The Canadian citizen is justified in viewing the next ten years with eager optimism. By 1970, Canadian population should reach 21½ million, a rise of almost 20%, and that panoramic index of prosperity, Gross National Product, should advance from the 1959 figure of $34.7 billion to well past $50 billion. Iron ore shipped should treble to over 60 million tons annually. Per capita annual income is expected to rise from the present $1,500 to over $2,000. And a substantial increase in the price of gold, the world's most cherished metal, seems predictable some time within the next decade.

Rapid industrialization extending from Halifax to Vancouver will be another feature of the Sixties. We have already witnessed some substantial moves in that direction — the new steel mill in West Canada, petrochemical plants in Alberta, new cement mills in Ontario and British Columbia, the Quebec South Shore Mines program to build a new electric-smelting type steel plant outside Montreal; and the $200 million ore development project of Quebec-Cartier Mining now well under way in the Ungava area. By 1970, Canada will have moved very substantially away from its earlier status as, predominantly, a supplier of agricultural products and raw material resources, and a relatively modest manufacturer of goods.

The decade will produce great advances in transportation as well. The St. Lawrence Seaway, a golden dream for half a century, became an animate reality in 1959. Tonnage and navigating speeds were a bit disappointing at the start but the future of this artery is bright. Perhaps some day steampipes or nuclear heating elements in the bed of the St. Lawrence may even make this renowned water lane a year round one. The Trans Canada Highway, for years on the drawing boards, and in cement mixers, is now one of the most scenic highways in the world, and millions of motor vehicles are destined to purr swiftly and transcontinentally parallel to co-functioning railways and pipelines. And by swift airlines, the British Columbia forester and the Labrador fisherman are today only a meal apart. (Continued on page 24)

Canadian Investment Opportunities Featured Herein

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

American Electric Power Co. — Hubert Atwater, of Wood, Walker & Co., New York City. (Page 2)

Beech Aircraft — George V. Honeycutt, Co-Manager, Harris, Upham & Co., Los Angeles, Calif. (Page 2)

HUBERT ATWATER

Wood, Walker & Co., New York City
Members: New York Stock Exchange

American Electric Power Co.

Any social gathering which an investment man may attend will surely afford an opportunity to meet one or more persons who are members of an Investment Club.

Hubert F. Atwater

This title covers a wide range of interest as I found out recently when I was spending the evening with friends including one or two university professors, lawyers, male and female, financial executives and others who I am sure enjoy more in both education and income than the average person.

Some ladies present were members of a local Blue Chip Club, a group of about 16 that met frequently to learn the investment characteristics of the stocks of our leading corporations. That was their professed interest in securities, but nearly every one had some obscure favorite selling at a very low price which she had bought out of the housekeeping funds.

An invitation to speak before such a group was something that I was unable to accept at the time because their meeting would not be held while I was in town.

Now what does a conservative man in the investment field tell the members of a Blue Chip Club that will preserve his own respect for sound securities and give them something of value? There seemed to be but one answer. Give them a talk on one conservative investment stock with growth characteristics.

My subject, therefore, becomes American Electric Power Co. This is the leading utility that operates through subsidiaries in a territory extending from Benton Harbor to Kingsport, Tennessee, serving the workshop of America. Its operating units include Appalachian Power Co., Indiana & Michigan Electric, Kentucky Power Co., Kingsport Utilities, Ohio Power and Wheeling Electric. The one word which exactly describes the secret of success of American Electric Power Co. is "efficiency". At the various generating plants we find an operating efficiency that permits the generation of electricity at new low cost in heat value making for a thermal efficiency of 35.4%. This capacity to produce power at low cost, the saving in transmission losses, the policy of building power plants in large units all contribute to the success of the company.

The American Electric Power started an expansion program in 1956 which will be completed this year. The cost was $800 million. These new facilities will increase generating capability 6,409,000 KW, while program projected for the next three years will add about 1,400,000 KW more.

The company is a member of Nuclear Power Group, Inc. which will continue the research and investigations in connection with the starting up of the 180,000 KW nuclear power plant at Dresden, Ill. Other research stations and developments include Florida West Coast Nuclear Group, a joint program of American Electric Power and General Electric in harnessing the gas and steam turbines in a cycle that should improve the performance of each and other important studies in the field of power generation.

A current program has found unusual expression in the Clinch River power plant in Virginia.

The first unit of 225,000 KW capacity was started in the middle of 1956 and began operation Oct. 1, 1958 followed by a second unit of the same size which has operated since December 1958. The decision to add a third 225,000 KW unit which will be ready to operate next year is reported to be based on the fact that this new plant has operated more economically and efficiently than any other plant of which the company has knowledge.

When in full operation, the Clinch River Plant, already the largest power plant in Virginia, will have a capacity of 675,000 KW and consume 1,800,000 tons of coal annually or about 5,000 tons every 24 hours. All of this coal will be purchased under a long-term contract from nearby mines of the Clinchfield Coal Co.

The American Electric Power Co. has proven to be a rich field for investment for many years. It has paid continuous annual cash dividends for 50 years and has increased its cash distribution per share in each of the last seven years.

Since 1944 I have made repeated recommendations of the American Electric Power stock with beneficial results to the purchasers. Since most of us can visualize a relatively short span of seven years let us see how the stockholder has fared in that period. Starting with a purchase of 100 shares for $6,300 at the end of 1952 we would have an annual dividend of $300. In 1953 the stock was split 2:1 and a 2½% stock dividend was declared so that we then had 205 shares and a cash income of $321. In 1954 the cash dividend was $334.40 and in 1955 was $369.25.

A 2% stock dividend followed by a 1½-1 split occurred in 1956 giving us a total of 313 shares and cash dividends of $434.36 for that year. In 1957 these shares received cash dividends of $463.24 followed by a 2½% stock dividend in 1958 making a total of 321 shares held at the end of that year upon which a total of $519.02 was paid in cash.

The cash dividend was again increased in 1959 making the distribution $548.91.

At the present time the 1952 purchase of 100 shares of American Electric Power at a cost of $6,300 has become 321 shares paying $1.80 annual dividend or $577.80 and having a market value of about $16,000.

During this seven-year period there were two opportunities to acquire additional stock through the exercise of rights and one distribution of a 3% stock dividend payable in the shares of Atlantic City Electric Co., a former subsidiary, that does well on its own.

Of course this growth which has brought joy to the stockholders has only kept pace with the growth of the Company whose sales of energy in this seven-year period have increased in value from $206 million to $323.6 million.

There is a great opportunity for growth in American Electric Power over the next decade and I submit that a familiarity with this Company will reveal a sound investment vehicle and discourage the search "for a chance to make a fast buck."

GEORGE V. HONEYCUTT

Co-Manager, Los Angeles Office
Harris, Upham & Co.,
Members New York Stock Exchange and Other Principal Exchanges

Beech Aircraft

My selection for "The Security I Like Best" forum at this time is prompted by two factors: the constant growth of "business aviation" and Beech Aircraft's excellent progress in recent years in increasing sales, net earnings and diversification.

George V. Honeycutt

Fiscal 1959 (ended September 30) was Beech's biggest year for the sale of business and private airplanes and net income rose to $3,968,280, equal to $4.74 a share—compared to $4.03 in 1958.

To get some idea of the trend and extent of the growth in this industry, some comparative figures are necessary. We are here concerned with that segment of general aviation which includes all personal and business flying, except commercial airlines.

In the past decade, unit sales have more than doubled, but their value has increased six times. The value increase is substantially greater because of the numerous improvements in the aircraft, which are larger, faster and more completely instrumented with navigation and communication equipment—which increases their utility.

This trend in the type of aircraft being manufactured has resulted from their enthusiastic reception by business as a means of rapid transportation and a very effective sales tool. According to the Federal Aviation Agency, general aviation flew 12,300,000 hours in 1959 compared to 9,650,000 hours in 1950. But the greatest growth has occurred in business flying, which has increased from 2,750,000 hours in 1950 to an estimated current rate of more than 6,000,000 hours. This is compared to the airlines today flying less than 4,000,000 hours annually. In other words, the 6,000,000 hours flown in business aviation alone are 50% greater than the total airline hours.

The reason why business aircraft provide such great utility to executives and salesmen and saleswomen is seen when we realize that of the nation's approximately 6,900 airports that are used by business planes, airline service is available to less than 600 of these. The business of selling, servicing and maintaining a general aviation fleet today is a billion dollar business.

The Beech Aircraft slogan is: "The World is Smaller When You

Continued on page 51

(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.)

Canada Will Not Deviate From Sound Money Policy

By J. E. Coyne,* *Governor of the Bank of Canada*
Ottawa, Ont., Canada

Twenty-five years of the Bank of Canada are distilled by Governor Coyne into review of what the Bank can and cannot do. The Governor examines the adverse trade balance, which he finds has been made unstable by the inflow of money from abroad, and offers his solution to this problem. In distinguishing between central banking and governmental functions, Mr. Coyne makes clear the special dangers of subsidized interest rate and credit policy; opposes quantitative credit controls; and suggests non-inflationary governmental intervention in the case of spot unemployment and excess capacity instead of general credit expansion.

Twelve days ago the Bank of Canada completed the 25th year of its operations. Contemporary students of our economic history are often surprised to find that not until 1935 did Canada, last of all the Western nations, establish a central bank. The reason why that development was so long delayed need not detain us now, but it may be of interest to recall the circumstances in which the Bank of Canada was established 25 years ago.

J. E. Coyne

The great decline in economic activity throughout the world during the depression of the early 1930s was accompanied by and aggravated by a loss of confidence in financial markets. Even in countries which had central banks, it now appears, looking back, that action taken to relieve credit stringency and to guard against progressive collapse or near collapse of financial institutions was far from being as prompt or substantial as would now be expected of any central bank in similar circumstances. In Canada, however—without a central bank and with only the imperfect machinery of the Dominion Finance Act in lieu of a central bank—nothing was done for several years to prevent or relieve a very severe contraction of credit, including bank credit. Lenders individually sought to realize on their outstanding loans in the face of widespread defaults and refrained from undertaking new loans except on a very limited basis. Long-term interest rates remained high, and even rose during the depression, reaching in early 1932 levels that had not been seen during the prosperous twenties. The exchange rate of the Canadian dollar, which had depreciated sharply when Britain went off the gold standard in September 1931, moved up to a premium against the United States dollar for a time after the latter currency depreciated in late 1933, a movement in the exchange rate of the Canadian dollar which increased the impact on Canadian producers of deflationary trends abroad.

In these circumstances it is no wonder that there was widespread dissatisfaction with the working of the Canadian financial system. In 1933 the Government appointed a Royal Commission under the Chairmanship of Lord MacMillan to explore the desirability of establishing a central bank in Canada. The Commission received briefs and took evidence from a wide variety of groups and individuals throughout the country, and in its report recommended that a central bank be established in Canada as a new financial institution, "a single banking authority on which should lie the primary responsibility for regulating the volume of credit and currency. . . ." The Bank of Canada was established by Act of Parliament in 1934 and after a period of organizing its affairs commenced operations on March 11, 1935.

The fact that the central bank was established in a period of depression meant that people associated the Bank of Canada with the need at that time for an expansionist monetary policy which would provide credit-granting institutions with more liquidity and with a ready source of liquidity, to the end that loans would be more freely made, that interest rates would decline, and that movements in the exchange value of the Canadian dollar would not reinforce within Canada the deflationary effect of severe declines in commodity prices in world markets.

Neither in Canada nor elsewhere was the depression fully overcome by the time World War II broke out, and perhaps, some of our thinking has been conditioned by that fact. Most people now recognize, however, that from the time of the outbreak of World War II right up to the present a major problem throughout the world has been to fight against overall inflationary tendencies, rather than overall deflationary tendencies, even though there have been short intervals of relatively mild recession during the postwar period.

In a serious depression, unemployment is of such a magnitude and of such a widespread character that general measures of monetary expansion and deficit financing may be expected to make a major contribution towards encouraging an increase in production and employment throughout the country. Of course, no great assistance will be derived by industries dependent upon export markets from an increase in spending and spending power

Continued on page 36

CONTENTS

CANADIAN INVESTMENT OPPORTUNITIES

Article starting on the cover page, "Canada Is Now Creating the Base for a Splendid Decade of Growth," discusses the investment opportunities inherent in Canadian secuirties and, by way of documenting the views presented, includes a tabulation of the Canadian banks and companies which have paid consecutive cash dividends from 10 to 131 years (Table I, page 24) and from 5 to 10 years (Table II, page 31), along with other data of interest to investors.

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OBSERVATIONS...

BY A. WILFRED MAY

STOCK MARKET DE-FLATION AND THE MUTUAL FUNDS

To all who are concerned over the Mutual Fund Industry's excesses, foibles, and abuses, during this era of its *growing pains*, this year's arrival of stock market deflation connotes some highly welcome aspects.

Revelation that stock prices do not travel permanently on a one-way upward street should prompt fund managers as well as the public to re-examine their treatment of asset value fluctuations as the box score in a game of beating-the-market.

Furthermore, it will restore a more realistic attitude toward *capital gains* versus *investment income*. Abandonment, or reversal, of the long one-way bull market would re-establish for the public's knowledge the uncertainty of market profits. Capital gains dividends, flowing therefrom, have been persistently confused with ordinary investment income.

Some funds encourage this illusion, both through their reports' emphasis on profits and asset value to the exclusion of income and yield, and through their reporting on dividend distributions. For example, lumping of short-term capital gains with distributions of ordinary investment income, although in accord with the tax statute, thoroughly misleads the lay shareholder regarding their truly speculative nature.

Similarly to be hailed is the investing public's return to some regard for the dollar and fixed-interest investment as a needed brake on fund salesmen's exploitation of the "inflation" spectre as a lazy and superficial way to sell their wares. Now the fund salesman, be he barber or broker, will have to emphasize the many constructive advantages of fund ownership, in lieu of relying on scaring the wits out of his prospects via the "inflation" threat.

"Window Un-Dressing"

Another outgrowth — albeit not a constructive one—of the deflated market with the extraordinary declines in some specific groups, is the managers' turning from Bull Market portfolio "Window Dressing" to "Window Un-dressing." By "Window Dressing" is meant the managers' proclivity, conscious of the scrutiny of their periodic portfolio reports by shareholders, prospects and competing distributors, to have available for display the "right" stocks (i.e., the popular issues, the glamor, "growth," and cyclically prosperous chips).

Now, in a deflationary, or at least noninflationary atmosphere, the portfolio managers feel obliged to concentrate on *un*-dressing their "windows," to rid them of the unpopular issues in advance of their end-of-the-quarter portfolio reporting.

Such deflationary portfolio strategy has been taking place for some time in the liberally held oil stocks, which are in the cyclical "dog house." After commanding liberal fund buying at their 1957 and early 1958 peaks, this newly de-glamorized industry's shares have been heavily resold, at their substantially lower prices. What fund manager, particularly if open-end and subject to their extreme competitive distribution pressures, can have the courage to show a large proportion of his portfolio still in the oils, irrespective of their long-term value?

Chasing-the-Market

Also in the case of individual issues have the fund managers, partly because of the "window" factor and partly because of a widespread investment fallacy, chased the market up and down. Ford Motors first was heavily sold by the funds in the second quarter of 1958, when its market price ranged between 38 and 43; only to be switched to a fund *buying* favorite during its far higher market range of 57-93 during the past three-quarters of 1959.

If they had felt free to follow logical investment motivation, or just plain common sense, in lieu of popularity considerations, would they not have bought, not sold, at the more highly-valued lower price levels, and vice versa?

De-Flation Therapy

Perhaps a drastic market readjustment would lead to the happy result of disillusioning the investing public of this "window" technique, freeing the managers from the compulsion to behave illogically in adding and subtracting issues for other than value considerations.

Other foibles in related speculative areas that could benefit from de-flation therapy include the increasing proclivity to chase the reported fund portfolio transactions as "hot" tips (overlooking the facts that they are reported from one to four months after, that managements are usually on both the buying and selling sides, and that there may have been individual non-value reasons for the transaction). Also hopefully marked for "deflationary liquidation" is the "indoor sport" of rating managements—as by the ardent porers over Racing Form—on the basis of *past performance*.

Tax Attrition vs. The Box Score

Another element which may receive badly needed attention and clarification via the arrival of a bear market, is the potential tax on unrealized appreciation. This is the capital gains tax which has accrued on the portfolio's net appreciation over cost, and will have to be paid by the shareholder when that profit shall be realized. The buyer into a fund with its stated asset value thus reducible by a tax on the return to him of his capital, is thereby buying a tax bill, thus rendering the actually realizable asset value overstated in the quoted price. Moreover, in the case of an open-end fund charging a "load," or a closed-end company selling at a premium over the stated asset value, the new buyer is paying a premium on a portion of his capital on whose return he will be taxed. In the case of a closed-end fund selling at a *discount* from asset value, the indicated gross discount is overstated by an amount related to the potential tax on that portion of the asset value which consists of appreciation.

While the impact of this levy, both as to its actuality and extent, is subject to varying offsets and individual elements, including the time of the holder's death or/and the resale of his stock, its status as a serious contingent liability is enhanced by the recent extended profit-building bull-markets.

Funds in the process of merging, including the acquisition of holding companies by the larger units, recognize the need for making proper allowance for this tax—usually according to an SEC-approved formula. Hopefully the individual bear market shareholder, receiving a dividend carrying a taxable gain midst general losses, will also be prodded into recognition of this potential liability.

A Dividend Bought and Paid For

A bear market might likewise clarify a related illusion (too often sales-promoted), namely, that buying fund shares shortly before its outpayment of a capital gains dividend, constitutes an advantage. Actually the investor is here buying a return of capital plus a tax bill that is immediately payable.

[The foregoing constitutes excerpts from a talk by the writer before the Investment Company Seminar (conducted by Dr. Harold Oberg, Research Director of the National Ass'n of Investment Cos.) at the Bernard M. Baruch School of Business Administration of the College of the City of New York, March 24, 1960. Dr. Oberg expressed disagreement with the author's premises.]

Irwin Ross Opens

BROOKLYN, N. Y. — Irwin Ross is conducting a securities business from offices at 1866 East 26th Street under the firm name of Irwin Ross Co.

With J. B. Hanauer

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—James L. Goree has been added to the staff of J. B. Hanauer & Co., Russ Building. He was formerly with Walter C. Gorey Co.

Dempsey-Tegeler Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Milton Reich has been added to the staff of Dempsey-Tegeler & Co., 210 West Seventh Street. He was formerly with Fairman & Co.

The State of TRADE and INDUSTRY

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

Bank Clearings for March 26 Week Increased 9.6% Above Those for Same 1959 Week

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the "Chronicle" based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, March 26, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 9.6% above those of the corresponding week last year. Our preliminary totals stand at $25,620,186,467 against $23,382,413,102 for the same week in 1959. Our comparative summary for some of the principal money centers in the United States for week ended March 26 follows:

Week End.	000 omitted		
Mar. 26—	1960	1959	%
New York	$13,269,785	$12,311,266	+ 7.8
Chicago	1,163,811	954,872	+21.9
Philadelphia	1,139,000	896,000	+27.1
Boston	813,179	773,913	+ 5.1

Only New Orders Will Prevent Further Cut in Steel Operations

The shakedown of the steel market is not yet ended, the "Iron Age" reports.

Unless a wave of new orders supports the market, present rates of operations can not be sustained and the ingot rate will drop sharply in April and May.

The disappointing rate of orders has three main causes, the "Iron Age" says. These are:

Severe cutbacks in automotive production ahead, which are already reflected in cancellations and deferments.

Cutbacks in railroad freight car programs which had been expected to sustain the heavy steel market.

Inventory control practices in which even major users are operating with as little steel in stock as possible.

However, the national metalworking weekly points to some plus factors in the market which may soften the April-May drop in business.

Some seasonal support can be expected from users who have already accomplished inventory control and will resume normal buying geared to consumption.

Mills are actively working on export business and finding some orders. There is a fair export market for cold-rolled sheets in Europe because of a shortage of rolling capacity there.

The capital spending plans of industry indicate a good market for products that go into new plants and equipment.

As the market stands today, the "Iron Age" comments, shipments of steel are in excess of consumption, but consumption is well ahead of current rate of orders.

This means that the market will level off when backlogs are wiped out and new orders are geared at the rate of consumption. But this point is still some time ahead, the magazine says.

The stainless steel market is hardest hit. This is because a large percentage of the stainless capacity operated through the steel strike. The strike ended with users in relatively good shape on stainless stocks and the market "correction" first occurred there.

The market for flat-rolled products continues good and most mills are sold out through April on cold-rolled sheets in spite of cancellations. Galvanized remains strong, with demand staying ahead of supply.

Says Steel Production in First of 1960 Will Be Largest on Record

First half steel production of 65 million ingot tons will be the largest in the industry's history, topping the first half, 1959, output by almost 1 million tons, "Steel" magazine predicted.

The metalworking weekly said first quarter production of 34.7 million tons set an all-time record. It looks for second quarter output of about 30.3 million tons.

Even though automakers will assemble 300,000 fewer cars in the second quarter than they did in the first, the magazine expects total steel consumption to gain. There will be seasonal upturns in construction, canning, oil country drilling and railroad trackwork.

Steel users are keeping a close check on inventories. When steelmakers get cancellations or setbacks, they often find that smaller customers who have not had a chance to rebuild their stocks are glad to take surplus tonnage. Many in the so-called miscellaneous group expect excellent second quarter business.

Because of hand - to - mouth buying, most mills can promise April or early May delivery of a broad variety of products. Still in relatively tight supply are galvanized and cold rolled sheets, small seamless tubing, and tin plate.

"Steel" forecast that 6.5 million tons of tin plate will be shipped this year, topping the record of 6.4 million set in 1955. 1959 shipments: 5.8 million.

Can manufacturing is the big factor in the tin plate story. Canmakers take about 80% of the tin mill tonnage shipped annually. Last year, they produced more cans than ever before, about 45 billion. This year's output should be greater.

Tin plate is still tight because the 116-day steel strike last year started when tin plate stocks would normally have been rebuilt. When the walkout ended, canmakers had little steel in their warehouses, and their suppliers had almost nothing to ship. Some inventories are approaching normal, but more rebuilding is needed.

Last week, the ingot rate dropped below 90% for the first time this year. Steelmakers operated their furnaces at 89.6% of capacity, down 1.9 points. Output was about 2,554,000 ingot tons.

Japanese steel threatens to provide formidable competition to American steel in the Alaskan market, the magazine reported. The first large direct shipment of Japanese steel to that state (3800 tons of reinforcing bars, pipe, galvanized sheets, and nails) will be unloaded at Anchorage in May.

It's estimated that costs favor Japanese imports by 10 to 15% on the average in Alaska. Domestic steel is handicapped by the high water freight rates which add from 25 to 40% to the price of steel at Pacific Coast ports.

The scrap price drop appears to have halted. "Steel's" composite on No. I heavy melting grade is holding unchanged at $34 a gross ton after declining seven straight weeks. Mill buying is slow.

This Week's Steel Output Based On 88.7% of Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *157.3% of steel capacity for the week, beginning March 28, equivalent to 2,527,000 tons of ingot and steel castings (based on average weekly produc-

tion of 1947-49). These figures compare with the actual levels of *161.7% and 2,597,000 in the week beginning March 21.

Actual output for last week beginning March 7, 1960 was equal to 91.1% of the utilization of the Jan. 1, 1960 annual capacity of 148,570,970 net tons. Estimated percentage for this week's forecast based on that capacity, is 88.7%.

A month ago the operating rate (based on 1947-49 weekly production) was *164.7% and production 2,645,000 tons. A year ago the actual weekly production was placed at 2,638,000 tons, or *164.2%.

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

Auto Output in First Quarter Put at 25% Above 1959 Period

Despite unruly weather in many parts of the country, March 11-20 auto sales were the best for that period since 1957 and the best mid-month showing since last October, "Ward's Automotive Reports" reported.

March 11-20 sales of 159,814 units averaged to a 19,976 daily rate that shot 15.3% above March 1-10 when severe storms held purchasing to 17,322 cars daily.

Over-shadowing the surge were bright introductory sales of the new medium-price Comet car which carried sales of the six U. S. compacts March 11-20 to a new all-time 10-day record of 40,331.

The volume lifted the U. S. compacts to 25.2% of U. S. auto sales for the period following a steady diet of 22% in January and February, opening a new and perhaps expanding era in sales of compact-type automobiles.

Since Act. 1 some 539,183 U. S. compacts have been retailed, including over 177,000 Ramblers, 164,000 Falcons, 94,000 Corvairs, nearly 60,000 Larks and 40,000 Valiants. The Comet, although on sale only three of the eight selling days March 11-20, carved 10.6% of the compact market.

"Ward's" said the general sales increase puts the industry in line in March for the first 500,000-plus monthly sales of domestic-built cars since last October. It also brings retailing since Jan. 1 to a strong 9.9% above year ago and 35.4% over Jan. 1-Mar. 20 of 1958.

The outlook is for approximately 550,000 or more March sales if import auto buying is included, but does not rule out continuing adjustments in record level factory reduction to dealer inventories.

"Ward's" estimated U. S. passenger car production for the first three months of 1960 at the second-highest first quarter total in history.

The reporting service said that by March 31, the industry will have assembled approximately 2,000,000 cars, about 25% more than in the first quarter of last year.

The industry established an all-time first quarter production record in 1955 with 2,129,018 vehicles. In any succeeding year first quarter output never exceeded 1,790,597 cars.

"Ward's" said the first quarter total for 1960 would be the highest three-month output in the past four years.

Car output in the week ended March 26, "Ward's" said, reflected cutbacks because of plant shut- further cutbacks because of plant shutdowns and shorter work periods. Output was estimated at 138,416 cars compared with 146,052 the previous week.

"Ward's" said three Ford Motor Co. assembly plants and Chrysler Corp.'s Plymouth Detroit lines were idled during the latest week because of "schedule adjustments" and that three- and four-day schedules were in effect at three Ford plants, three Chrysler Corp. sites and a Chevrolet line at Oakland, Calif. Studebaker-Packard worked three days following settlement of a strike, and American Motors Corp. resumed Rambler production on a three-shift, six-day basis.

Electric Output 9.8% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, March 26, was estimated at 13,951,000,000 kwh., according to the Edison Electric Institute. Output was 158,000,000 kwh. below that of the previous week's total of 14,109,000,000 kwh. but showed a gain of 1,242,000,000 kwh., or 9.8% above that of the comparable 1959 week.

Carloadings Show 3.7% Gain Over 1959 Week

Loading of revenue freight for the week ended March 19, 1960, totaled 581,477 cars, the Association of American Railroads announced. This was a decrease of 22,408 cars or 3.7% below the corresponding week in 1959 but an increase of 48,480 cars or 9.1% above the corresponding week in 1958.

Loadings in the week of March 19 were 21,247 cars or 3.8% above the preceding week.

There were 11,075 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended March 12, 1960 (which were included in that week's over-all total). This was an increase of 3,366 cars or 43.7% above the corresponding week of 1959 and 6,479 cars or 141.0% above the 1958 week. Cumulative loadings for the first 10 weeks of 1960 totaled 101,218 for an increase of 31,995 cars or 46.2% above the corresponding period of 1959, and 56,019 cars or 123.9% above the corresponding period in 1958. There were 51 Class I U. S. railroad systems originating this type traffic in the current week compared with 46 one year ago and 39 in the corresponding week of 1958.

Intercity Truck Tonnage 1% Lower Than 1959 Week

Intercity truck tonnage in the week ended March 19 was 1.3% below the volume in the corresponding week of 1959, the American Trucking Associations, Inc., announced. Truck tonnage was an even 1.0% behind that of 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 more than 400 truck terminals of common carriers of general freight throughout the country.

Lumber Shipments 9.5% Below 1959 Week

Lumber shipments of 461 mills reporting to the National Lumber Trade Barometer were 8.6% below production during the week ended March 19, 1960. In the same week new orders of these mills were 16.1% below production. Unfilled orders of reporting mills amounted to 34% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 18 days' production at the current rate, and gross stocks were equivalent to 52 days' production.

For the year-to-date, shipments of reporting identical mills were 6.8% below production; new orders were 9.4% below production.

Compared with the previous week ended March 12, 1960, production of reporting mills was 2.3% above; shipments were 7.1% above; new orders were 0.5% below. Compared with the corresponding week in 1959, production of reporting mills was 1.4% above; shipments were 9.5% below; and new orders were 16.6% below.

Wholesale Food Price Index Advances to Highest Level Since September 1959

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., advanced this week to the highest level since Sept. 16, 1959. On March 22, it rose to $5.97 from the prior week's $5.91,

Continued on page 51

Trees as an Investment

By Roger W. Babson

Mr. Babson enumerates his investment preference reasons for the tree-growing industry and names three of his favorite companies.

In my winter home in Florida, I have a private library of 8,000 books. These books were issued by the publishers during the past 50 years at about $3 a copy. I doubt if any second-hand book dealer would today pay 20 cents a copy for the lot. But while most books are constantly decreasing in value, most trees are constantly increasing in value.

Forests as an Investment

Probably the largest owners of forest lands in the United States are the Weyerhaeuser family. The stock of the Weyerhaeuser Company sells at a high price and pays a small cash dividend. When, however, your wife buys a package of "ready-mix" at a supermarket, the pasteboard box was probably made from trees which the Weyerhaeuser family set out 40 years ago. Your wife's dress was probably made from rayon manufactured from the timber of Rayonier Incorporated, which has vast holdings in the Southeast where trees grow more rapidly than in the North.

Timber growth is not circumscribed by labor union regulations. Trees do not observe Sunday holidays, vacations, coffee breaks, etc. They are protected against fire, earthquakes, and freezes, but are subject constantly to increased taxation.

Timberland Companies Which Appeal to Me

The Kimberly-Clark Corp. is a large producer of cellulose and a leading manufacturer of book and printing paper. It is said to control (not necessarily own) over 10,000,000 acres of timberland. Its stock sells, however, around $68 a share and yields only about 2¾%. Another favorite is the St. Regis Paper Co. — third largest paper manufacturer in the U. S., holding over 5 million acres. Your telephone book was probably printed on their paper. The stock sells below $50 a share, but yields over 3%—plus stock dividend.

A third favorite of mine is Scott Paper, which owns 1,500,000 acres of timberland that is being carefully protected and replanted as cut. The stock sells in the 70s and yields around 3%. Readers will think these yields are low, but it's the old story: "We can't have our cake and eat it too." The assets of these companies are growing every day and night of the year—which is not true of the assets of such popular stocks as General Electric, American Telephone, Union Carbide, and most of the "blue chips."

Two V.-Ps. for Peters, Writer

DENVER, Colo.—Robert M. Kirchner and Jack E. Ormsbee on Apr. 7 will become Vice-Presidents of the Peters, Writer & Christenson Corporation, 724 Seventeenth Street, members of the New York Stock Exchange. Both are officers of Kirchner, Ormsbee & Wiesner, Inc.

Form J. F. Rafferty Co.

James F. Rafferty & Co., Inc., members of the American Stock Exchange, has been formed with offices at 11 Wall Street, New York City, to engage in a securities business. Officers are James F. Rafferty, President and Treasurer, and David B. Carmel, Vice-President and Secretary.

Natural Gas Securities Deserve Better Recognition

By Gardiner Symonds,* *Chairman and President, Tennessee Gas Transmission Co., Houston, Texas*

A forthright presentation of gas pipelines' bonds and stocks superiority over those of electric utilities is made by Mr. Symonds to overcome whatever reluctance there may be to include them in the trust portfolio. He reviews the fact that from an unwanted ugly duckling of fuels, natural gas grew in 15 years to become the fifth largest industry in terms of gross assets, and points out its growth should double in the next 10 years. Current problems are examined and the perennial charge that gas revenues are declining is shown to be false. In fact, Mr. Symonds emphasizes that the growth in gas reserves is close to 8% compounded annually and, thus, removes any fear held of a declining rate base as a reducer of earnings.

I

Natural Gas in the Nation's Economy

One of the least understood but most important facts of today, in my opinion, is the part played in our lives and our economy by the nation's three basic sources of fuel energy.

Gardiner Symonds

Almost 40% of all the annual energy consumption in the world occurs in the United States, although we have only 6% of the population of the globe and 7% of its land.

It is well known that we in this country enjoy the world's highest standard of living. It is little known that this results from the huge supply of fuel energy available, and the skill of our engineers and technicians in putting it to use.

Machines, powered by fossil fuels directly (or indirectly, by creating electricity, for example) do over 95% of the work done in our nation—work which in equivalent hand labor would require 80 times as many people as are now alive on earth.

Our fossil fuels, so-called because of their origin, are three in number.

Coal was the first to be utilized. It helped usher in America's industrial age, powering steam-driven machinery that industrialized the United States faster than any other country in history. Until recent years, it fueled our railroads, opening up our country for settlement and providing transportation for people, goods, and raw material to all parts of the nation.

Oil became known to industry with the Drake Well in 1859. It became available in volume after Spindletop in 1901. Fueling the internal combustion engine, it put America first on auto wheels. In this century, it put a good many of us on airplane wings. It led to our modern highway system. Possibly more than any one substance, it changed the American way of life.

Natural gas once was the unwanted ugly duckling of fuels, a stepchild of oil. Huge quantities of it were piped away from oil wells and as a nuisance were wasted in fiery flares which burned day and night. Technological advances in metallurgy and welding made big, long-distance pipelines possible. Then the ugly duckling became a swan, the fuel preferred over any other and piped everywhere large concentrations of population exist. Its growth and expansion have become one of the great industrial success stories of our generation.

Now Ranks Fifth in Asset Size

Natural gas is now ranked as the fifth industry in the nation in gross assets. It probably has grown faster than any other major industry in the past 20 years.

Its growth has been based on that of the transmission lines—such as Tennessee Gas Transmission Company, with which I am associated and which, incidentally, is one of the wholesale suppliers of gas to New York; and another supplier of this city, Transcontinental Gas Pipeline Company. Another example is El Paso Natural, a major natural gas wholesaler to California.

Since 1944, when the first Tennessee Gas pipeline commenced operations, the natural gas industry has tripled, doubling in the last 10 years. I am glad to be able to say that our growth since 1944 has been four times that of the industry, since we now transport 12½ times as much gas through our system as we could or did through that first pipeline.

What of our two other major fuels in those periods?

Oil, since 1944, has enjoyed more than a 50% growth, of which 40% has occurred in the past 10 years. Coal is down 37% from 1944, most of which also has occurred in the past 10 years.

In the 12 months of calendar 1959, it is estimated that natural gas consumption rose between 9 and 10%. This was about twice the 5% increase registered by oil. Coal, meantime, just about held even with 1958 both in BTU's produced and consumed.

But since the other two fuels were increasing their volume of heat units or BTU's, coal declined in its competitive position. Our preliminary figures indicate approximately these figures for the 1959 contribution to overall fuel usage:

	Consumption	Production
Oil	43%	38%
Gas	32	33
Coal	25	29
	100%	100%

The place of natural gas as we enter 1960, then, is that of the second most utilized of the nation's three great fuels, which together not only provide the basic energy for our industrial might, but also the power for our modern-day appliances which make life more comfortable, convenient, and free of hand labor than ever before, here or elsewhere.

But the progress of natural gas to today's important position has not been free of troubles or problems, nor will it be in the future. Let's look at some industry developments and problems.

Looks at Problems and Developments

Regulation is one of the industry's problems—not so much the fact of regulation, for the industry has grown during regulation, some would say, despite it. But in all fairness I think it has helped us in the long-lines part of the industry to keep our growth orderly and sound.

But the amount of regulation, the complexity of it, the time lag between applications and rulings, all add up to something that takes a lot of industry thought, time, and money, which means added costs to consumers. The Federal Power Commission shows awareness of most of its problems. But many of them stem from the Commission's task—starting with 1954—of regulating producers' gas prices in the field. That problem they definitely have not solved.

Opinions about regulation vary widely, as these two public statements made about the same time recently will prove:

First, a Congressman from a gas-importing and-consuming state made a speech at a F.P.C. hearing claiming the F.P.C. should be investigated by Congress for not preventing more effectively the rise in producers' prices of gas in the field.

Second, an oil industry spokesman in a gas-producing and-exporting state issued a statement contending that in producers' rate cases before the F.P.C., gas is not being allocated a large enough part of the cost of drilling for oil and gas; i.e., that gas field prices are being kept too low. He predicted that this would reduce producers' incentive to find gas, that reserves would decline and consumers would suffer.

In other words, one man said not enough regulation is going on; the other said too much, or perhaps the wrong kind.

The year 1960 should see several developments in gas regulation. The F.P.C. will rule in the Phillips Case, that 1954 Supreme Court decision which put producers under regulation for the first time. The Commission now is studying Examiner Zwerdling's recommended decision, which in general would prescribe a public-utility-type cost-of-service formula.

No matter what the F.P.C. rules, it seems certain to be appealed.

The Third Circuit Court of Appeals' decision in the Transco-Consolidated Edison transportation case is important to the industry. The F.P.C. had denied a certificate. The Court reversed and directed a certificate be issued, and the F.P.C. now plans to appeal.

If the Court is upheld, it will strengthen the ability of gas pipelines to maintain high-load-factor operations by selling or transporting valley gas for industrial use. Such sales make for the most efficient operation of a pipeline system, at the lowest MCF-mile transportation cost.

The Court reversal was based on the position that the F.P.C. had no right to assert authority over end-use of gas, as it did in deciding the case.

Also this year will see an urge for government regulation of the end-use of gas, the real goal of the controversial drive of the coal industry for what they call a government fuels policy. It appears to be an attempt to achieve by regulation or legislation an advantage over the other two fuels which coal has been unable to gain in the free market.

Secretary of the Interior Seaton has said conversely that consumption of fuels should continue to be determined by such forces as relative costs at specific locations, efficiency of use, dependability of supply, cleanliness, convenience, and ease of control.

As to a natural gas bill to free producers from regulation, the chance for passage in this election year is nonexistent.

Ownership of the tidelands is before the Supreme Court for a decision in 1960. For such companies as ours, which is drilling in the tidelands, settlement of the matter once and for all would simplify and facilitate business procedures. The ownership issue does not stop development, however.

Rate Matters

For many gas companies, including ours, the most serious and important phase of regulation affecting our business is that of gas sales rates. In that field, it is the problem of rate of return that is crucial. The annual cost of debt capital to us and all other companies regulated as utilities has risen steadily over the past several years. At the same time, a broad improvement has occurred in the general position of the U. S. saver and investor, so that recently individuals have had the opportunity to take their dollars out of their savings accounts and get 5% on traditionally the most conservative investment of all, government bonds.

At such a time, I cannot overemphasize to you and to the Federal Power Commission that increases in the cost of both debt and equity capital—not merely costs projected for future expansion, but costs actually experienced—must be recognized. The recognition should be in the form of a compensating upward adjustment in rate of return.

Otherwise, the increased debt cost comes directly out of the pocket of the security holders. As to the common stock, that is easy, because it is a net deduction. But it also affects greatly the debt securities of the gas companies, inasmuch as it again reduces the coverages they enjoy, which reduces their quality, which in turn reduces their price—as well as the price of the common stock, if earnings are withheld from it. Thus, if the higher cost of money is not recognized by the Federal Power Commission, it must come out of the gas industry security holders as a group. Such inequitable treatment of one group of investors cannot be enforced successfully by regulatory commissions when investors in general are being paid premiums to encourage savings and create capital funds.

In the case of the interstate gas companies, we are confident the Federal Power Commission will face up to the problem and that compensatory rates of return will be forthcoming to maintain investor confidence and continue the tradition of adequately meeting service.

Reserves

In view of the rapid and continuing expansion of the industry, an adequate supply of gas is vital. So let's look at the gas reserve picture for a moment.

The joint committee on reserves of the American Gas Association and American Petroleum Institute reports that as of Dec. 31, 1958, proved recoverable reserves of the United States were 254 trillion cubic feet. Based on production in that year of about 11½ trillion, the ratio of reserves to production is 22. New figures, as of Dec. 31, 1959, will be available in a couple of months; no great change is anticipated.

But more important than the ratio is the fact that reserve growth has substantially outdistanced production growth over the years. Since 1950, for example, production has increased about a half-trillion each year on the average. But reserves have increased an average of eight trillion per year since 1950; that is, over and above production.

So we are definitely keeping ahead. Incidentally, since 1950 the nation's reserves increased 36%, while ours at Tennessee Gas increased nearly twice as fast, or about 63%.

Two other points about reserves: First, we have been talking only about U. S. reserves. In addition, there are substantial volumes of gas in Canada and to a degree in Mexico in excess of the long-range needs of those countries. These reserves can cross international boundaries and find markets in this country in the manner in which the proposed pipeline of Midwestern Gas Transmission Company, one of the subsidiaries of Tennessee Gas, will utilize a Canadian gas supply for deliveries to companies and communities in North Dakota, Minnesota, and Wisconsin. Tennessee Gas has another application on file before the FPC to buy Canadian gas at Niagara Falls.

Second, the figures we have been discussing are proved reserves; that is, the reserves that have been found and their extent determined. In addition, we in the industry get considerable comfort from the predictions of experts whose business it is to make long-range studies on what probably will occur in the future; in other words, ultimate reserve figures.

Oil and gas economists for Eastern banks have estimated the total U. S. gas reserves including the 254 trillion of the present and all gas to be discovered in the future will amount to some 1,200 trillion cubic feet. An American Gas Association official's projection is some 1,400 trillion, and a U. S. Geological Survey fuels branch chief has gone as high as 1,700 trillion for the ultimate gas reserves of this nation.

In that connection, it is interesting to recall that in 1919 a man who was perhaps the most generally accepted authority of his day on gas reserves, a Mr. E. W. Shaw, estimated that the total recoverable reserves already known at that time and to be discovered in the future might equal 15 trillion cubic feet. Today the U. S. is producing almost that much every year.

Later estimates have consistently increased. But in each case it was the same story. Every pronouncement has been shown up as pessimistic in a few years by the technological advances and by the drillers' success in finding more and larger gas pools than any one dreamed of.

So, I believe the gas reserve situation forms a solid base for the industry expansion of today and for projected future growth.

I would like to discuss what the natural gas industry offers the buyer of securities for trust funds.

II

Turns to Gas Securities' Recognition

Let's go back into not too ancient history a little. During the depression, 25 or 30 years ago, it wasn't easy to get money for natural gas pipelines. Many will remember that Toledo Gas Company sold five-year 8%s at 90 to raise money in those days, which shows what the investment banking fraternity thought then of a good gas distributing property.

But even in those tough financial times, the vitality of pipelines was apparent, and some of them got into business mostly on a limited basis. Starting from the Panhandle and Hugoton fields of Texas, Oklahoma, and Kansas, such pipelines as Colorado Interstate, Northern Natural, and Panhandle Eastern began to push across the country. El Paso also headed from West Texas toward the smelters of Arizona, and down on the Gulf Coast, the remains of the Moody-Seagraves empire were tied together to form the United Gas Corporation.

Along came the war. But both before and during the war, a lot of things happened that made the job of natural gas transmission more feasible. Reserves continued to mount in the Southwest as oil men drilling for oil found gas, sometimes a lot of gas with no oil. Inspired by the war, the demand for gas mounted rapidly in the Appalachian area, which was the Ruhr of America, as well as in the East, Northeast, Middle

Continued on page 34

TAX-EXEMPT BOND MARKET COLUMN APPEARS ON PAGE 14.

Using Securities Research More Effectively!

By Monte J. Gordon,* Manager, Research Department, Bache & Co. New York City

Securities research head explains the interrelationship and functions of a registered representative and the research department of his firm. Keeping in mind the plethora of material and the numbers and types of issues being disseminated, Mr. Gordon would like to see registered representatives well versed in the use of analytical tools and techniques, knowledge of his customers' needs, and in current developments. He suggests that the firm's representative should be very knowledgeable in 15 to 20 issues which satisfy various investment goals.

In order to fully expand upon this topic, I believe the first step is to define a concept of the relationship between the registered representative and the research department of his firm. In my opinion, the registered representative properly should not be viewed as merely a vessel for transporting the opinions and interpretations of his research department to his customer, but rather, he should be recognized as a definite terminal point to pass judgment on the validity and usefulness of any recommendation made by the research department for the purposes of his accounts. This is based on the premise that it is the registered representative who is in the best position to know the needs of his clients and what type of investments are not only suited for him but that he is seeking.

Monte Gordon

This interpretation places a two-fold responsibility upon the registered representative: not only must he know intimately the requirements of his clients and determine for them the proper investment policy to pursue, but also, he must insist that the standard and caliber of his research department be sufficiently high that he can expect intelligent, reasoned judgments and interpretations as to security values. For, without in any way abdicating his very real fiduciary responsibility to his client, he must rely on the judgment of his research department.

Should Understand Security Analysis

To use this research material effectively for the purposes of his client, the registered representative must have a practical working knowledge of the tools and techniques of security analysis. Too, he must keep aware and abreast of developments in the political, economic and social field which will have a bearing on security prices. Only with this background and awareness can he perform effectively his basic function of screening out from the mass of material presented him by his research department those issues which meet the needs of his clients.

The registered representative must conceive of himself as not only a salesman but as an individual with a fiduciary responsibility to his customers. He has the right to insist that opinions from the research department be specific and clearly defined as to the characteristics of any securities they recommend and as to what they expect from these securities. He has the right to insist that the research department follow up constantly on the recommendations they have made in terms of new developments which are simply of interest and also in terms of developments which will affect now or in the future the price action and values of the various securities involved.

From the point of view of his client, the registered representative must be well versed in the characteristics and operations of various forms of investment. He should know what are the forces which motivate action in the government bond market, in the corporate bond market, the municipal bond market and in the various other forms of investment available. It is to his advantage and to his client's advantage that he have this knowledge, for there always will be periods of time when the alternatives of investment in any one of these areas will be more suitable than simply making commitments in common stocks. Only by having this knowledge can he meet his responsibility to his clients to choose for them the most attractive commitments available.

I believe the registered representative having this type of background should have, as any good portfolio analyst has, the prerogative of rejecting recommendations of the research department of his firm on the premise that any particular recommendation may not suit his client.

A Qualified Representative

The need for independent judgment on the part of the registered representative within the confines of policies of his firm are doubly accentuated today because not only is there a tremendous amount of information available, but the range of securities in terms of numbers and types of issues in various industrial classifications has been enormously increased over the years. Clearly, the problem of selection and screening of suitable issues from this mass of material is a very real one. Only if the registered representative is qualified in terms of his understanding of analytical tools and techniques, has knowledge of his customer's needs and is aware of current developments can he properly fulfill his functions to his clients and use security research material more effectively.

As a day-to-day working tool, I would suggest that the registered representative familiarize himself with probably 15 to 20 issues which in total cover the various types of objectives of his clients. He should know these issues intimately and follow their development carefully. He should not hesitate to eliminate any issue from the group when it has lost its attractiveness for one reason or another to him, and replace it with another. With such a basic working group, he can not only meet the needs of the great bulk of his clients but, in addition, his vision will not be obscured by scanning the horizon of the hundreds of issues available.

*An address by Mr. Gordon before the Association of Customers Brokers, at the N. Y. Society of Security Analysts, New York City.

Crowell, Weedon Admit Partners

LOS ANGELES, Calif. — Crowell, Weedon & Co., 650 South Spring Street, members of the Pacific Coast Stock Exchange, announce the admission of Edmund M. Adams, Howard E. Barton, Robert W. Graham, O. I. Lamoreaux and Edwin E. Morgan to general partnership in the firm.

Schirmer, Atherton Branch

BREWER, Me.—Schirmer, Atherton & Co. has opened an office at 224 Washington Street, with Donald J. Waring as the firm's representative.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Atomic Letter No. 55—Recent developments in nuclear industry—Atomic Development Securities Co. Inc., 1033 Thirtieth Street, N. W., Washington 7, D. C. Also available are data on **Shares In American Industry.**

Bank Stocks—Earnings comparison of 21 leading bank stocks—Laird, Bissell & Meeds, 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.

Business Trends and Progress — Chart of periods of prosperity and depression from 1835 to 1960—Hannaford & Talbot, 519 California, St., San Francisco 4, Calif.

Canada & Canadian Provinces—Booklet on funded debts outstanding—Investment Dealers Association of Canada, 55 Yonge Street, Toronto, Ont., Canada.

Canadian Review—Monthly report on current topics affecting Canadian business — Bank of Nova Scotia, New York Agency, Dept. CFC 3, 37 Wall St., New York 5, N. Y.

Canadian Statistical Summary — Bank of Canada, Ottawa, Ont., Canada—25¢ per copy; $3.00 per year.

Capital Expenditures—Survey for 1960—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

Chemical and Pharmaceutical Industry—Data—Smith, Barney & Co., 20 Broad St., New York 5, N. Y.

Electric Utilities — Discussion — Ralph Samuel & Co., 2 Broadway, New York 4, N. Y.

Four Undervalued Non Cyclical Stocks — Bulletin on **Colgate-Palmolive, Gillette, Peabody Coal, and Philip Morris** — Shearson, Hammill & Co., 14 Wall Street. New York 5, N. Y.

Guide to Business In Canada — Booklet — including a survey in laymen's language of major Canadian taxes affecting business or personal interests in Canada — Business Development Department, Bank of Montreal, Montreal, Que., Canada. (New York office 2 Wall Street.)

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

Military Investment Manual — Booklet on the mechanics and benefits of investing as related particularly to members of the armed forces—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

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.

Pacific Northwest Bank Stocks—Comparison of ten leading issues — Pacific Northwest Company, United Pacific Building, Seattle 24, Wash.

Rail Outlook—Bulletin—Bache & Co., 36 Wall Street, New York 5, N. Y.

Understanding Put & Call Options — Herbert Filer — Crown Publishers, Dept. A-7, 419 Park Avenue, South, New York 16, N. Y.—$3.00 (ten day free examination).

* * *

ACF Industries—Analysis—Eastman Dillon, Union Securities & Co., 15 Broad St., New York 5, N. Y.

ACF Industries, Inc.—Memorandum—Woodcock, Moyer, Fricke & French, 123 South Broad Street, Philadelphia 9, Pa.

AMP, Inc. — Analysis — Herzig, Farber & McKenna, 39 Broadway, New York 6, N. Y.

Adams Express Co. — Memorandum—Merrill Lynch, Pierce Fenner & Smith, Incorporated, 70 Pine Street, New York 5, N. Y. Also available are memoranda on **Bell & Howell, Borman Food Stores, Eagle Picher Co., General Time, Eli Lilly & Co., and U. S. & Foreign Securities Corp.** In the current issue of "Investor's Reader" are discussions of **U. S. Imports, United States Borax & Chemical Corp., Tampa Electric Company, P. R. Mallory & Co., International Paper Company, Suburban Gas Services, Inc., Calumet & Hecla Inc., American Hospital Supply Corp., White Motor Company, Interstate Department Stores, and Robertshaw Fulton Controls Co.**

Aluminium Limited — Survey — Ross, Knowles & Co., Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada.

American Broadcasting Paramount—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

American Machine & Metals, Inc. — Annual report — American Machine and Metals, Inc., Woolworth Building, New York 7, N. Y.

American Marietta Co. — Memorandum—R. W. Pressprich & Co., 48 Wall St., New York 5, N. Y. Also available are memoranda on **General Portland Cement Co.** and **Harsco Corp.**

American Steel Foundries—Memorandum — Pershing & Co., 120 Broadway, New York 5, N. Y.

Amphenol Borg — Review — Hill, Darlington & Co., 40 Wall Street, New York 5, N. Y.

Anheuser Busch—Memorandum—Schirmer, Atherton & Co., 50 Congress Street, Boston 9, Mass.

Beneficial Standard Life Insurance Company—Study—Robert H. Huff & Co., 210 West Seventh St., Los Angeles 14, Calif.

Bailey Selburn Oil & Gas Ltd.—Bulletin — Fiscal Information Service, 33 Rector Street, New York 6, N. Y.

A. J. Bayless Markets, Inc.—Analysis—Hayden, Stone & Co., 25 Broad St., New York 4, N. Y.

Bergstrom Paper Company — Review—Loewi & Co., Incorporated, 225 East Mason Street, Milwaukee 2, Wis. In the same circular is a study of **H. M. Harper Company.**

Borg Warner Corp. — Memorandum—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y.

Bourjois, Inc. — Analysis — Boenning & Co., 1529 Walnut Street, Philadelphia 2, Pa.

Century Chemical Corp.—Analysis—V. S. Wickett & Company, Incorporated, 99 Wall Street, New York 5, N. Y. Also available is an analysis of **Roto American Corporation.**

Chance Vought—Memorandum—Halle & Stieglitz, 52 Wall Street, New York 5, N. Y.

Cohu Electronics, Inc.—Analysis—Winslow, Cohu & Stetson, Incorporated, 26 Broadway, New York 4, N. Y. Also available in the April commentary is a review of **Garrett Corp.**

Columbia Broadcasting System, Inc.—Analysis—Penington, Colket & Company, 70 Pine Street, New York 5, N. Y.

Combustion Engineering Inc. — Analysis—Joseph Walker & Sons, 120 Broadway, New York 5, N. Y.

Continental Assurance Company—Analysis—William Blair & Company, 135 South La Salle Street, Chicago 3, Ill.

Dayton Aviation—Report — Simmons, Rubin & Co., Inc., 56 Beaver Street, New York 4, N. Y. Also available are reports on **Douglas Microwave, Crompton & Knowles** and **Big Apple Supermarkets.**

Dominion Tar & Chemical Company Ltd.—Bulletin—Osler, Hammond & Nanton Limited, Nanton Building, Winnipeg, Man., Canada. Also available is a bulletin on **Industrial Acceptance Corporation Limited.**

Executone, Inc.—Analysis— L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Firth Carpet Company — Analysis—Grimm & Co., 2 Broadway, New York 4, N. Y. Also available is a memorandum on **Koppers.**

Food Fair Stores — Review—Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also in the same circular is a review of **Harris Intertype Corp.**

Iowa Southern Utilities—Report—Milwaukee Company, 207 East Michigan St., Milwaukee 2, Wis. Also available is a report on **Wisconsin Power & Light Company.**

Magnavox Company — Analysis — Blyth & Co., Inc., 14 Wall Street, New York 5, N. Y.

Magnavox Company—Analysis—Schweickart & Co., 29 Broadway, New York 6, N. Y.

Marine Midland Corporation — Analysis— W. E. Hutton & Co., 14 Wall St., New York 5, N. Y.

Missile Systems Corp.—Review—George O'Neill & Co., Inc., 30 Broad St., New York 4, N. Y.

Massey Ferguson Ltd.—Review—in March issue of "American Investor"—The American Investor, American Stock Exchange Bldg., 65 Trinity Place, New York 6, N. Y.—15¢ per copy; $1.00 per year. Also in the same issue are reviews of **Miller Wohl Co., Inc., Mansfield Tire & Rubber** and **United Asbestos Corporation.**

Micromatic Hone Corporation — Bulletin—De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y.

Microwave Associates — Data — Shields & Company, 44 Wall St., New York , N. Y. Also in the same circular are data on **U. S. Borax** and **Kawecki Chemical.**

Minerals Corporation of America —Data—Merritt Vickers Inc., 37 Wall St., New York 5, N. Y.

Monsanto Chemical Corp. — Review—A. M. Kidder & Co., Inc. 1 Wall St., New York 5, N. Y. In the same circular are reviews of **Standard Railway Equipment Manufacturing Co.** and **Kawecki Chemical.** Also available is a report on **Mesabi Iron Co.**, and an analysis of the **Pleasure Boat Industry.**

Murphy Finance Co.—Analysis—Piper, Jaffray & Hopwood, 115 South Seventh St., Minneapolis 2, Minn. Also available is an analysis on **Toro Manufacturing Corp.**

National Dairy Products Corp.—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

National Steel — Review — Van Alstyne, Noel & Co., 52 Wall St., New York 5, N. Y. Also in the same circular is a review of **United Fruit** and three sample **Portfolios.**

Ohio Oil Company—Annual report—Ohio Oil Company, Secretary, Findlay, Ohio.

Pantex Manufacturing Corporation — Card memorandum — Strauss, Ginberg & Co., Inc., 115 Broadway, New York 6, N. Y.

Pierce Industries, Inc.—Review—Bruns, Nordeman & Co., 52 Wall Street, New York 5, N. Y. Also in the same cirular is a review of **Standard Railway Equipment Manufacturing Co.**

Pittsburgh National Bank—Analysis—Singer, Deane & Scribner, Union Trust Building, Pittsburgh 19, Pa.

Port of New York Authority—Annual report—Port of New York Authority, New York, N. Y.

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

Pullman, Inc.—Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available is a report on **Syntex Corp.**

Pullman Incorporated — Annual report—Pullman Incorporated, 100 West 10th Street, Wilmington 99, Delaware.

Province of Quebec — Economic progress and industrial expansion 1946-1959—Agent General of the Province of Quebec, 50 Rockefeller Plaza, New York 20, N. Y.

Republic Supply Co. of California —Analysis—Dean Witter & Co., 632-34 South Spring St., Los Angeles 14, Calif. Also available is a review of **Thomson Ramo Wooldridge Inc.**

Richardson Co. — Analysis — H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available are analyses of **Eastern Stainless Steel, Soo Line Railroad,** and **Peoples Gas Light & Coke Co.**

St. Regis Paper—Data—Cooley & Co., 100 Pearl St., Hartford 4, Conn. Also in the same circular are data on **General Cable** and **Interchemical Corp.**

Southern Company — Annual report — The Southern Company, 1330 West Peachtree Street, N. W., Atlanta 9, Ga.

Standard Railway Equipment Manufacturing Co. — Analysis — Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is an analysis of **Dictaphone Corp.** and comparative figures on **Natural Gas Utility Companies.**

Tappan Company—Analysis—McDonald & Co., Union Commerce Building, Cleveland 14, Ohio.

Texas Eastern Transmission Corp. —Analysis—Hill Richards & Co., 621 South Spring St., Los Angeles 14, Calif.

Texas Instruments — Bulletin — Goodbody & Co., 2 Broadway, New York 4, N. Y.

Timken Roller Bearing Co. —Analysis—Peter P. McDermott & Co., 42 Broadway, New York 4, N. Y.

Trinidad Petroleum Development Company Ltd.—Report—Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y. Also available is a report on **New York Capital Fund of Canada Ltd.**

Union Bag Camp Paper—Memorandum—Robert Garrett & Sons, South & Redwood Sts., Baltimore 3, Md.

United States Rubber Co.—Analysis—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

United States Rubber Company — Analysis — McCormick & Co., 231 South La Salle St., Chicago 4, Ill.

Walgreen Co. — Analysis—Bacon, Whipple & Co., 135 South La Salle St., Chicago 3, Ill.

West Virginia Pulp & Paper—Data—Paine, Webber, Jackson & Curtis, 25 Broad St., New York 4, N. Y. Also in the same circular are data on **National Union Fire Insurance Co., Philadelphia Electric Co., New York Chicago & St. Louis, Texas Instruments,** and **Aluminum Producers.**

Western Airlines Inc.—Review—John H. Lewis & Co., 63 Wall St., New York 5, N. Y.

Opens Branch Office

FREDERICKSBURG, Va.—Anderson & Strudwick has opened a branch office at 209 William Street under the management of Edward W. Farmer.

International Nickel—an Illustrious Metal Producer

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

A review of this famous company's progress in 1959 and its noteworthy gain in profitability.

Nickel is a wonderful metal. It is a vital ingredient in stainless steel; nickel steels are important in motor cars, in rockets and missiles. "Monel" metal, famous INCO nickel-copper alloy found in the best kitchen sinks, pioneered in the nickel alloys now being developed and produced to solve the high temperature and corrosion problems created by our sophisticated new electronic, avionic and chemical technologies.

In 1959, the total deliveries of nickel, by producers in the free world, was about 515 million pounds. Of this amount the International Nickel Company of Canada, Limited, delivered 317 million pounds. Not only did INCO thus provide 60% of the free world's nickel but it brought its annual output above 300 million pounds for the first time. In addition INCO delivered 252.4 million pounds of copper and 384,600 pounds of platinum metals. (There are five in this latter category with exciting names—platinum, palladium, rhodium, ruthenium and iridium).

Upsurge in Earnings

By any standards International Nickel is a remarkable company; and one of the most remarkable things about it is the dramatic upsurge in earnings it was able to achieve in 1959. In 1958, net sales totaled $322 million, which produced a per share net of $2.71. For 1959, however, sales surged ahead to $457¾ million and per share net more than doubled to $5.83. No wonder investors are taking such an eager look at International Nickel common at this time. The dividend rate was increased to $3 during 1959, and a 2-for-1 split in the common is to be recommended at the annual meeting next month. If stock prices are the slaves of earnings power, then Nickel common should continue to turn in a creditable market performance.

Expanded Production Capacity

International Nickel which pioneered in the production and promotion of nickel, has been very busy bringing up its capacity to meet world demand. It now operates five vast underground mines in the Sudbury district of Ontario (with proven ore reserves of 264.6 million tons assaying about 3% in nickel-copper content), plus mills for crushing, grinding, concentrating and smelting the ore at nearby Copper Cliffs. From there the smelted product is shipped to refinery at Port Colborne, Ontario. This is a big producing operation to which will be added, commencing later this year, huge new facilities at Thompson, Manitoba, increasing annual nickel capacity by 75 million pounds to a total of 385 million pounds. This Thompson project is not just a mine—it's a whole new community of 8,000 people complete with apartment houses, hospital, theater and municipal buildings. This development will be the first completely integrated nickel making facility (and one of the lowest cost ones) in the world. The refinery will utilize a new process, developed by the company research staff, based on the direct electrorefining of nickel sulphide. This entire expansion, involving a total outlay of over $115 million, has been completely financed out of company funds and without public sale of new securities. Of total capital outlays in 1957 ($66,902,000) $46 million was spent at Thompson. The capital budget for 1960 is about $70 million.

When a company is chewing up mineral resources as fast as INCO is, constant search for substantial high grade ore bodies is most essential. Last year INCO spent about $8 million in exploration, mostly in Manitoba, but including probing for ore potentials in Ontario, Saskatchewan and Northwest Territories in Canada, as well as in remote regions in Africa, Australia, and in the United States.

World Demand for Nickel

The demand for nickel is based not only upon rising industrial activity throughout the world but by considerable advance inventory buying, and by expansion of the market itself through INCO's own research and sales promotion efforts. Research at INCO is of a high order and is constantly developing new uses for and applications of the metal. During 1959, for example, a new series of high strength steel alloys which contain 20% to 30% nickel were developed. These will have broad commercial uses in many end products from small machine parts to heavy equipment. The company is also aggressively at work on anti-corrosive alloys including those that protect and insulate against salt water.

Something should be said about product prices. Nickel in 1959 was quite steady at 74 cents a pound. Copper averaged around 30 cents, up five cents over 1958. Platinum was $77 an ounce for the last three-fourths of the year. Cobalt metal was $1.75 during 1957 but high purity electrolytic cobalt sold higher.

INCO has for over 35 years done a substantial business in high-nickel alloy rolling mill and foundry products. Over fifty such alloys are produced, a number of them under established trade names. The best known is "Monel"; others are "Nimonic," "Inconel" and "Ni-Rod."

Not generally known is the fact that INCO is an iron producer. It delivered 162,000 long tons of iron ore last year, up 30% over 1958. International Nickel also collects royalties from foundries which produce Ductile Iron (an INCO patent), under a license agreement.

Development in the Nickel Market

There have been, in the past year, two major developments affecting the nickel market. The first consisted of agreements, entered into by International Nickel with the United States Government, which reduced the Government's surplus stock of nickel, and ended the further Government stockpiling of nickel for strategic purposes. As a result the company reports, "additional nickel supplies have been made available to the market to encourage increasing industrial uses of nickel pending the new production to come from our Manitoba project and the programs of other producers."

The second development in the nickel market is the Cuban situation halting operation of the Nicaro facilities on that troubled island. Nobody can predict production levels if the Cuban Government operates the industry.

While nickel is the principal profit maker for INCO, accounting for more than half of its net earnings, copper delivers some 25% of net profits and gives the company rank as fifth largest producer in that metal.

Bright Prospects

In the company's words, 1959 witnessed "one of the sharpest and swiftest" recoveries in nickel demand in history. That's just fine but what about this year? Will the company continue to move forward moving into a new high ground in profitability? The answer appears to be "yes." With no strikes on the horizon the company should operate at virtually capacity levels and should show further improvement in net income. Our guess would be $6.25 a share for 1960.

International is a magnificently solvent company. Its year-end statement for 1959 revealed current assets of $319.6 million against current liabilities of $79.2 million; and over $41 million in net profits for 1959 was retained and plowed back.

Few companies can boast a more distinguished or elite board of directors than International Nickel. There are 25 board members and their names read like a Who's Who of industry and finance in Canada, Great Britain, and the United States. This eminent board is matched by an operating management of proven competence and efficiency.

International Nickel common has been a favorite mineral equity for decades. Its market range in 1959-60 has been between 86⅜ and 111¼. Currently quoted at 104 it is selling about 18 times earnings, which seems a rather low ratio for a company of such quality.

The 66,000 stockholders of International Nickel ought to be pleased with their investment. It has been in a ten year rising trend in earnings and 1960 should continue this. After the stock is split 2-for-1 it will trade, of course, in a more popular price range and should attract thousands of new shareholders. (The new shares should be able to pay 40 cents quarterly). A company of this stature that can double its net earnings in a single year deserves to be on many investors' shopping lists.

D'Ambrosio With Schirmer Atherton

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Gerald J. D'Ambrosio has become associated with Schirmer, Atherton & Co., 50 Congress Street, members of the New York and Boston Stock Exchanges. Mr. D'Ambrosio was formerly in the Trading Department of May & Gannon, Incorporated.

Clark, Dodge to Admit

Frank P. Shepard will become a limited partner in Clark, Dodge & Co., 61 Wall Street, New York City, members of the New York Stock Exchange.

Baker, Simonds Officers

DETROIT, Mich. — On Feb. 25, Paul P. Chester, Secretary of Baker, Simonds & Co., Inc., Buhl Building, members of the New York and Detroit Stock Exchanges, was named Vice-President. William B. Hibbard, formerly Assistant Secretary, was appointed Secretary.

V. E. Thomas Opens

OLEAN, N. Y.—Victor E. Thomas is conducting a securities business from offices at 115 Stowell Ave.

Western Securities Corp.

(Special to THE FINANCIAL CHRONICLE)

MOORHEAD, Minn.—Western Securities Corporation is engaging in a securities business from offices at 602½ Center Avenue.

Cunnie Joins Stone Youngberg

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—John L. Cunnie has become associated with Stone & Youngberg, Russ Building, members of the Pacific Coast Stock Exchange. Mr. Cunnie was formerly in the Trading Department of First California Company Incorporated.

Weston Adams to Admit Woollard

BOSTON, Mass. — Weston W. Adams & Co., 55 Kilby Street, members of the New York and Boston Stock Exchanges, on Apr. 7 will admit Harold H. Woollard to partnership in the firm.

Kook Names Vice-Pres.

On March 8 Harry Selden was elected Vice-President of H. Kook & Co., Inc., 79 Wall Street, New York City, members of the New York Stock Exchange.

With Walston Co.

HARTFORD, Conn. — Irwin M. Chase has become associated with Walston & Co., Inc., as Western Massachusetts Representative, with headquarters in the Hartford office at 111 Pearl Street.

With Sampair & Egan

(Special to THE FINANCIAL CHRONICLE)

ST. PAUL, Minn.—Julia A. Kreig has joined the staff of Sampair and Egan, Inc., First National Bank Building. Miss Kreig was formerly with Paine, Webber, Jackson & Curtis.

Function and Activities Of Commodity Exchanges

By J. Raymond Stuart,* President, Commodity Exchange, Inc. New York City

Expert on commodity exchange operations provides a useful primer on hedging, the importance and relationship of spot and futures markets and prices, and the role played by the speculator. Mr. Stuart demonstrates how commodity exchange markets keep prices down, and makes the reminder that futures exchanges do not make nor determine prices, nor sell anything themselves except their services.

Organized futures markets as we know them in this country have been in operation for many, many years. The need for them grew out of the more widespread use in industry of the so-called "to-arrive" contract—a contract to deliver merchandise at a fixed time in the future. Such contracts, of course, developed from the desire on the part of procurement officers to assure themselves and the companies they represented of a continuing flow of needed supplies at reasonable prices well into the future. As time went on, the idea of standardizing the size and specifications of such contracts grew in favor. It was only natural, therefore, that eventually a place was arranged where both buyers and sellers could meet to conduct their business more efficiently. Out of this rather simple beginning have grown the great market places which we know today as commodity futures exchanges.

J. Raymond Stuart

While I happen to be a member of eight such futures exchanges, and a member of the governing board of two of them, I shall limit my remarks to the function and activities of the Commodity Exchange, Inc., which I now represent. For over 25 years this important market place has served the hides, metal, and rubber trades, as well as the public at large, as a place where buyers and sellers of these industrial commodities, for either spot or future delivery, can meet and transact their business quickly and efficiently. In times past, the Commodity Exchange has also had active trading in silk, burlap, and tin futures, but recently these commodities were suspended from trading due to a declining interest in them.

Stripped of all the gobbledygook, a futures market exists primarily as a facility to enable producers, consumers, and distributors of basic raw materials to obtain price insurance. This we in the business call "hedging." With it industry can operate successfully on relatively small price mark-ups and profit margins. Without it, selling prices of finished goods must inevitably be higher to compensate for the risk of loss due to adverse price changes in basic raw materials between the date of sale of the finished product, and the time it is possible to acquire the materials needed in its manufacture.

How is this price insurance obtained? What is the relationship between spot and futures markets and prices? What is the role played by the speculative trader? I shall try to touch on each of these questions briefly.

Explains the Value of Hedging

First—How is price insurance obtained? In our industrial free enterprise society a company must jealously protect its ability to earn a profit each year if it is to remain in business. In those cases where volatile-priced basic raw materials represent a substantial part of the cost of the finished product it is, of course, highly desirable always to buy when prices are lowest. But who among us can always do that? I can't, and I don't think you can either. And yet there is a way by which management can insure that the price of its finished product will always be competitive in the market place. Through carefully regulated hedging operations using the facilities provided by our futures exchanges, profit margins can be preserved and kept small, and ruinous losses due to adverse price movements of basic raw materials used in the manufacturing process can largely be avoided.

Consider, for example, the case of a manufacturer who has an opportunity to book a large order for copper "widgets" at a time when his inventory of raw copper is insufficient to make the quantity desired. To land the order he must be in a position to quote a finished product price based on today's price for raw copper. It may be days, or even weeks, before he can obtain the red metal he needs to fill the order. Since most copper producers book orders on a time-of-delivery price basis, our manufacturer friend is in a bad fix unless he can assure himself that his raw copper costs when the metal is obtained will be no greater than today's copper price on which he must fix the selling price of his manufactured "widgets." This is where the futures market comes in handy.

Let us assume that our manufacturer friend needed 100 tons of copper to complete the order he has received. Knowing that he can't possibly get delivery of the metal for some weeks, he telephones his futures broker, who is a member of the Commodity Exchange, and instructs him to buy four contracts of copper futures for delivery in, let us say, the month of May. Four contracts happen to represent 100 tons of copper. While today's price of spot copper on which he based his finished product selling price may be, say, 33 cents per pound, it is possible that he may have to pay only 30.50 cents for May futures. This is simply because buyers and sellers of May futures at the time think that the copper price structure will be a little easier when May rolls around. Along about April our friend is able to acquire the needed copper, but he finds then that he must pay 34 cents for it, not the 33 cents on which he based his "widget" selling price. Fortunately, however, by that time his long May futures contracts have also enjoyed a sympathetic rise in price by an approximately equal amount.

Thus, the extra price our manufacturer friend must pay for his raw material is substantially offset by the price gain on the long futures contracts. These, of course, are liquidated in the trading ring by an offsetting sale of four contracts of May copper futures at the same time the spot metal is acquired. Had the spot price declined rather than advanced, our friend would have paid less than 33 cents per pound for his copper, but he would very likely have sustained a loss on his long futures contracts of about the same proportions, sufficient to wipe out the advantage gained from the lower spot market. In either case, the "widget" manufacturer is always able to be competitive in the market place for his finished product, simply because he takes the precaution of insuring his raw material cost through a hedging program.

Use of the futures markets, however, is not limited to those who must buy. Raw material sellers who find inventory accumulating and unsold can always remain competitive regardless of price by offsetting excess inventory of actuals with the sale of a corresponding tonnage amount of futures contracts. If prices drop before the inventory can be sold, the profit made by the corresponding decline in futures will largely tend to offset the lower price which must now be accepted if sales of actuals are to be made. On the other hand, if prices advance following the hedge sale in futures, the loss sustained on the futures hedge will more than likely be made up by the better price available at the time on the sale of actuals. It should be remembered, of course, that in either case, the futures hedge must be closed out promptly following a transaction in the actuals. Failure to do so would place the futures transaction from that point on in a speculative category, and it is not the normal business of a manufacturer or dealer to speculate in raw materials.

Contracts Are Not a Scrap Of Paper

From these illustrations it can readily be appreciated that most futures contracts are liquidated by offsetting transactions in the trading ring rather than by actual delivery of the material involved. This does not mean, however, that the futures contract is a mere scrap of paper. By its terms a buyer of copper futures remaining long into the delivery month can fully expect sometime during that month to have the red metal delivered to him in an Exchange-approved warehouse and in the form prescribed by Exchange regulations. By the same token, a seller of copper futures who remains short after trading in the contract month expires is obligated to deliver the required amount of metal in an approved warehouse before the last business day of the delivery month is over. As evidence that futures contracts are no mere scraps of paper, I would only remind you that 9,300 tons of copper were delivered against short September, 1959 contracts and 7,680,000 lbs. of hides were delivered against short October, 1959 hide futures contracts.

All futures exchanges pride themselves on the sanctity of their contracts. It is rare, indeed, when there is a default in delivery. When such a situation develops it is customary for exchange authorities to move in on the situation promptly. Usually the needed material is bought on the outside market for delivery to the offended party, and the cost of the same plus financial penalties are same plus financial penalties is faulting.

Spot Prices Are Determinant

The question of whether cash markets regulate futures or whether futures markets establish cash prices is, fortunately, easier to answer than the old question of "Which came first—the chicken or the egg?" In the final analysis prices are determined in any free market by what buyers are willing to pay or, conversely, by what sellers are able to get for their products. This is certainly true of commodity trading. But because futures contracts ultimately, if left open, must be settled by a delivery of actuals, it is prices in the actual or cash markets which determine futures prices. This can best be illustrated during periods of stringency when supplies of actuals may be limited and spot market prices, accordingly, are high. Under such circumstances it is not unusual to find futures prices for the nearby or spot month trading moderately below the cash market. This situation, however, cannot last indefinitely. For unless the owner of spot copper can get as much for it by delivering it against a short futures contract as he can get from a sale in the spot market, he will elect to sell his metal outside and cover or buy back his short futures hedge.

The process of covering short futures contracts under such circumstances during the last days of trading tends to bring the futures market price up to the spot market level. Thus we see that it is spot markets which regulate futures markets, and not the reverse. This is not to say that many spot marke sales are not based on futures prices, because they are. But in the final analysis, it is what buyers are willing to pay in the spot market that ultimately sets the level of futures prices.

By this time it is surely apparent that one of the *very* important functions performed by commodity exchanges relates to the establishment of true market values. Through the medium of the facilities offered by our exchanges buyers and sellers from all over the world can quickly determine the correct price for the commodity involved. How would you, for example, determine how much rubber was worth unless you knew the price buyers are willing to pay or the price at which sellers will part with their inventory?

Merchandising of commodities such as rubber, hides, or metals is not like merchandising consumer goods through a department store. In the case of a department store, the store manager is able to price his merchandise correctly only by watching for the advertisements of his nearby competitors and by hiring super-snoopers — they call them comparison shoppers — to shop the various stores in his neighborhood for *prices*, not merchandise.

In our business we need no snoopers. Everything connected with the establishment of true values is open and above board. Prices are established when bids and offers, communicated by open outcry around a trading ring, happen to match and a sale is made. Such prices within a matter of minutes then become public information as high-speed tickers flash last sales from the trading floor for all to see. Thus, potential buyers or sellers who may not be represented in the trading ring have ample opportunity to know the prices others are paying or receiving and can be guided accordingly. This we regard as one of the most important of the services performed by our commodity exchanges.

Useful Role of the Speculator

Now, where does the speculator come in? How does his operation serve the Exchange and the public interest? If trading on futures markets were limited simply to trade hedging activity, it would frequently be exceedingly difficult to do business. Bids and offers would tend to be far apart. Fortunately, this is not the case. The activity of speculators helps to broaden the market. A speculative trader may be defined as an individual or company which hopes to realize a profit from trading in futures contracts. It makes little difference to the speculator whether prices rise or fall—all he wants is price movement for he will go either long or short the market depending on his estimate of the price situation. But in the process of doing so he and all his companions provide a constant supply of bids and offers in the hands of brokers on the trading floor. This makes it much easier for legitimate trade firms to lay off their hedges than would be the case if the speculators were not there to assume the offsetting price risks. Thus, we can say that speculators do perform an important and vital function in insuring orderly instead of erratic trading in futures markets. Without them most futures markets would

either cease to perform their principal function in a satisfactory manner or, what is worse, would cease to exist altogether.

In these brief remarks I have tried to explain how our commodity exchanges contribute importantly to keeping prices down. Think what you might have to pay for a loaf of bread if the flour miller could not insure or protect his wheat costs through the hedging process. It seems safe to say that the price might well be several cents per loaf higher just to cover the risk of price change that the miller must assume in acquiring his normal supplies of wheat during the year. But what can be said of bread can be said equally about the price of shoes you wear, the cotton shirts you buy, the rubber tires used on your automobile, or the copper used in the electric wiring of your home. In each case, the hedging facilities afforded by our futures markets play an important role in limiting final costs.

All of us in the exchange community are proud of the market places that have been developed. I think I can speak for all of them, and I know I can speak for the Commodity Exchange, when I invite, as I do here, visitors to stop in some time when they are in the vicinity. Ask for the secretary of the Exchange. He will see to it that you get a first hand opportunity to observe a futures market in action. We want you to get to know us better, and to see how price-making and recording in a free and open competitive market is accomplished. If more and more groups of people become interested in commodity exchange activities, much of the misunderstanding that has surrounded our operations in the past will be removed. This can have real and lasting value to the exchanges and to the dedicated people who hold memberships in them.

Exchanges Don't Make Prices

Although I have not specifically said so before, I could not close these remarks without the reminder that our futures exchanges in no sense make prices. They only provide the facilities where buyers and sellers, through their selected brokers, can get together around a trading ring and complete sales transactions, thereby determining a price. The exchanges themselves have nothing to sell except service to the industrial community and the public. Through years of experience they have learned how to regulate the trading activity of brokers and members on their floors so it can proceeds in orderly fashion. To the extent that we succeed in providing industry with a well- regulated place where true values can be established in a free market, and where adnormal price risks can be "insured" or offset by hedging, we feel that our efforts, in some small way, contribute toward making America a better land in which to live.

*An address by Mr. Stuart before the Federal Procurement Association of New York, New York City.

Hayden, Stone Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Douglas Owens has been added to the staff of Hayden, Stone & Co., 5657 Wilshire Boulevard. He was formerly with Blyth & Co., Inc., and Hill Richards & Co.

Joins Walston Staff

(Special to THE FINANCIAL CHRONICLE)

SPRINGFIELD, Mass.—Irwin M. Chase has joined the staff of Walston & Co., Inc. Mr. Chase was formerly with Hayden, Stone & Co.

Joins Walston & Co.

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis. — Jack R. Kunkel is now with Walston & Co., Inc., 210 East Wisconsin Ave. He was formerly with Bache & Co.

U.S.A.'s Costly Blunder Splits Europe Apart

By Paul Einzig

European Common Market plan to accelerate its program, reducing to the vanishing point the time left for an understanding between the "Sixes" and "Sevens," is bound to have serious repercussions. In making this charge, Dr. Einzig spells out the probable consequences and takes us to task for our endorsement of it. He terms this a first rate blunder comparable to our support of Stalin against Churchill and our anti-British oil policy in the Middle East after World War II.

LONDON, Eng.—The endorsement by the Washington Administration of Professor Holstein's plan for the acceleration of the European Common Market program has caused considerable disappointment and resentment in Britain. Coming as it did soon after the irritation created by the exhaustion of the tariff quota for import of British woolen textiles into the United States, that incident seems to mark the beginning of a period of deterioration in British-American relations. This is all the more deplorable as those relations had developed very satisfactorily during the closing months of 1959. The repayment, years before maturity, of the dollar debt owed by Britain, the almost complete removal of quantitative discrimination against dollar imports and the favorable response to the American appeal for more aid to underdeveloped countries, have created the right atmosphere for a period of close economic and political cooperation between the United States and Britain.

Unfortunately the favorable tendency was too good to last. Differences and disagreements are, of course, inevitable even among the best of friends. What matters is that when they do arise, both sides should endeavor to examine the position in a spirit of understanding for the other party's point of view. It is with this object in mind that I am trying here to present the British point of view on the clash between the two European trading groups and the American attitude towards it.

After the failure of the British attempt to unite the whole of Europe this side of the Iron Curtain into a European Free Trade Area, it was decided in London to make the best of a bad job by forming a group of countries which do not form part of the European Common Market. This was done partly because a small Free Trade area was deemed to be better than no free trade area at all and partly because it was hoped that some form of "bridge" might be built between the two groups. These hopes became distinctly stronger following on Mr. Dillon's constructive part at the Paris meeting of the O.E.E.C. countries in January. Until then the official American attitude was distinctly unfavorable towards the European Free Association while remaining favorable towards the European Common Market. At the Paris meeting, however, Mr. Dillon showed great willingness to collaborate in an effort to avoid an open clash between the two groups and to establish some degree of economic cooperation within the whole of Western Europe, with some degree of North American participation.

Unjustified British Optimism

The resulting optimism in British circles has since proved to have been unjustified. The favorable change in the official American attitude became totally reversed following on the publication of Professor Holstein's plan under which the execution of the Rome plan for integration of the Common Market would be put forward by 18 months. If the plan is adopted, the steps which were originally intended to be taken by January 1, 1962, will be taken under the new plan by July 1 of this year.

This means that hopes for an understanding between the two groups have now become reduced to vanishing point. Instead of having nearly two years to straighten out the differences, there are now only four months available for that purpose. Owing to the complexity of the situation, the chances of coming to terms in such a short time are negligible, and the attempt will have to be made in the worst possible atmosphere Indeed, the acceleration plan is looked upon in London and in other capitals of the European Free Trade Association as a deliberate aggressive gesture to show that the European Common Market has not the least wish to come to terms. Which view is certainly correct as far as de Gaulle's France is concerned, though less in so far as the other members of the "Six" are concerned. These countries follow the aggressive French policy with a varying degree of reluctance. Holland is strongly against it; and even West Germany is in two minds about it. The Minister of National Economy, Dr. Erhardt, and the Federation of German Industries, are strongly opposed to it. Until recently the chances that their point of view might prevail were considered to be about even.

U. S. A. Bombshell

The bombshell of the official communique issued in Washington on the conclusion of Dr. Adenauer's visit, endorsing the acceleration plan, created an entirely new situation. It is now considered certain that the German supporters of the acceleration plan will have their way. Had Dr. Erhardt succeeded in influencing Germany's attitude, the acceleration plan would have been abandoned and the door would have been kept open for an understanding. As a result of the American intervention into the dispute, however, it is now practically certain that Germany will side with France, in which case the other four participants in the Common Market are not likely to put up any effective resistance to the acceleration plan.

This means that as a result of the American intervention, Western Europe is now practically certain to be split into two hostile camps from July 1. At the recent Vienna meeting of the European Free Trade Association, the British representative succeeded in preventing the announcement of the retaliatory measures which the group would feel impelled to adopt in the absence of an agreement with the Common Market. But those measures have been elaborated and will be applied unless by some miracle an eleventh-hour agreement is reached. There can be, however, not the slightest hope of such an agreement so long as the United States continues to support the French attitude.

Probable Harmful Consequences

Feeling on the subject is now much stronger in London than it was before, because as a result of the deterioration of the British balance of payments Britain can now ill-afford to lose markets on the continent through the proposed tariff changes on July 1. In the circumstances the British market will have to be protected against excessive imports, especially from the Common Market, but also from other countries. Since the beginning of this year, British imports have been running at a too high level.

The loss of markets in Western Europe, and the effect of the exhaustion of American tariff quotas for British woolen exports might induce the British Government to reverse its liberal economic policy. At the same time there might have to be a very drastic reduction of financial aid and capital export to countries outside the Commonwealth, which would leave to the United States once more the task of carrying the full weight of the "White Man's burden."

Finally, even though British defense estimates provide for the full maintenance of the British forces in Western Germany, it seems probable that the "no trade, no troops" principle would be applied to a considerable degree. So far, the British Government has abstained from announcing its intention to withdraw any troops from Germany if British exports are excluded through a discriminatory tariff, because of the possible effect of such an announcement on the impending Summit Meeting. But in the absence of an agreement with the Common Market that is expected to be the next step.

The view is widely held in London that in the circumstances the official American endorsement of the acceleration was a first-rate diplomatic blunder comparable with the support of Stalin against Churchill towards the end of the war, or the anti-British oil policy in the Middle East after the war. The free world has paid heavily for those mistakes, and the cost of the latest mistake in the form of a split in Western Europe would be incalculable.

John S. Logan V.-P. Of Hooker & Fay

SAN FRANCISCO, Calif. — John S. Logan on March 3 was elected Vice-President of Hooker & Fay, Inc. 221 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges.

With Saunders, Stiver

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Carl H. Arnheiter, Thomas J. Armbruster and Verna Hall have been added to the staff of Saunders, Stiver & Co., Terminal Tower Building, members of the Midwest Stock Exchange.

Link Between Investment And Profit Is Research

By Harold E. Hahn,* *Manager, Shearson, Hammill & Co., N. Y. City*

Before getting hot on a situation obtain the facts from research. This is Mr. Hahn's advice to customers men in dealing with their clients. The analyst compares the pre-1933 days of no disclosures with the post-1933 days in observing that serious overpricing still occurs even though it is no longer necessary to invest in the dark. To keep out of trouble, to secure description of meritorious items, and to add timing to selectivity the use of the research department is recommended. He calls research the link between making an investment and making a profit.

In 1926 the use of research and the sources of information were quite different than they are now. Companies told nothing to brokerage houses and published nothing for their stockholders It was necessary to pirate information from Federal Trade Commission reports and similar sources of which there were very few. If a research man was able to figure out through these sources, a company's earnings, it was practically front page news. There were companies traded on the New York Stock Exchange up to the 1920s with no values behind them and no way of knowing it.

Harold E. Hahn

Overpricing Despite Full Disclosure

With the advent of the SEC in 1933 and full disclosure on the part of companies to their stockholders, a situation such as just described has generally been considered a thing of the past. Now every possible statistic is available. Full description of plants and all assets, their location, age, value, etc. Full operating statements, description of product lines, each product's percentage of operations, etc. It is no longer necessary to buy in the dark. Unfortunately, serious overpricing such as existed in the pre-SEC period is not a thing of the past. In periods of high fever among the public, such as we have recently seen and will probably see again, facts and statistics can be and often are ignored and enthusiasm takes the place of evaluation.

There is a company traded on the American Stock Exchange that has 40-odd employees doing an assembly operation of custom-made and standard hardware pieces into electronic actuators. It is a young company and was originally underwritten last summer at $3.00 a share. The shares had risen to $18.00 by the day they were listed on the American Exchange a few months ago, and to $20.00 shortly thereafter. Assets are less than $2.00 a share and earnings for last year were 14¢ a share. The fact that the magic word "electronics" is in their product line has facilitated the generation of enough enthusiasm to enable these shares, which are now trading around $10.00, to sell at 140 times earnings previously and now 70 times. Now that the stock has receded from $20.00 to $10.00, one might consider it a desirable purchase—if it were not for the use of research.

Two Salable Approaches

Generally speaking in the stock market there are two areas of stocks with which the salesman can concern himself:

(A) The ones with high public acceptance and glamorous ingredients to stimulate public enthusiasm.

(B) The area of stocks that has the interest of the professional investors, such as institutions and funds, where they expect a revaluation to take place in recognition of changing and growing business, changing earnings, i.e. things of more concrete nature.

The approaches in each case are quite different. In the case of the professional investor, reevaluation is expected of these stocks based on carefully marshalled facts, all of which are relevant and contributed to the price-change process, for example, the public can become concerned with the announcement of a new de-salting process for seawater or a company coming out with a magnetic tape, and a major price change could take place on the public's response to this news. But that response can disappear and with no values to back it up, a price deterioration follows.

On the same piece of news the professional is interested in how many other companies have the desalting process, which has the cheapest, how long does it take to build a plant, when will a contribution to earnings take place, etc. and he probably stays away from the stock as a result. However, research does not always react negatively to the things the public responds to. For example, Nafi's acquisition of Chriscraft means an important and growing contribution to earnings, a sufficient contribution to consider the price of the shares currently an under-valuation.

If you are interested in statistics, realistic values and the **use of research,** a department of six, or twelve, or fifteen analysts can be assumed to do as well as any one individual salesman could. If the department can do as well, the salesman's time is best applied in selling. It is possible to consume a great deal of money making time in trying to outresearch research.

When I use our Research Department in order to be able to respond to a customer's inquiry on a particular stock, I ask for the information that I would want if I were investigating a company myself, i.e., the industry's condition, the caliber of the management of the subject company, its earnings record, the future earnings projections of our research people, whether it is adequately financed, etc. The facts and the areas that are emphasized to the client become the basis for the client's future selections. I have a client who, years ago, always first asked for the dividend and the yield when I recommended a stock to him even though he was primarily interested in capital gain. Before long, he de-emphasized dividends and emphasized the growth of earnings prospects. It is a gradual educational process. In time clients adopt the recommended approach to both selection and timing, as the ultimate success of this approach becomes apparent to them.

Making Money the Harder Way

A large area of public investors (and some customer's men as well) think the only type of stocks where they can accomplish gains are the marginal or offbeat ones. They shy away from the U. S. Steels and U. S. Rubbers as something that is just going to be there on the board but not experience any important price change or in some cases they feel that price movements in the giants are more difficult to predict. In any event, they confine themselves to the shares of companies where the business experience is more volatile and hazardous and where the market risk is considerably greater. Actually, it's often easier to make money in U. S. Steel. The thinking and the reaction of the professional investors who are concerned with this stock can more readily be anticipated in the face of given news than the public reaction to news about Fairbanks Whitney.

Cooperative managements now provide budgets and projections of future earnings as well as accurate summaries of past years' operations. After a period of experience, one's Research Department can tell which of these managements can be relied upon as to the accuracy of its budgets and projections. By using management's projections and compiling this with the analysts' sensitivity to developments within the company (management changes, etc.) that they observe during their field trips, it has been possible for them to add timing to some extent to the selectivity that is being exercised. It is still helpful to use other technical tools to insure careful timing, but timing was not something that was forthcoming from research to any extent not too long ago. Research now provides the salesmen with the ideas on what merchandise to sell and the description of the merits of it. When an exhaustive job has been done by the Research Department, the results to the investor and the salesman both are invariably gratifying regardless of general market conditions. In addition, research can keep you out of trouble. You can get hot on a situation for good reasons but in clearing it with your Research Department find out about other things that may come into play to modify the situation and your aggressiveness on it.

In summary, the **link** between making an **investment** and making a **profit** is thorough research. Take advantage of it.

*An address by Mr. Hahn before the Association of Customer's Brokers, New York City.

With Josephthal & Co.

Edward S. Loewenthal has become associated with Josephthal & Co., 120 Broadway, New York City, members of the New York Stock Exchange, as registered representative.

Joins Blair Staff

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Harvey G. Dillon has joined the staff of Blair & Co., Incorporated, 105 South La Salle Street. Mr. Dillon was previously with David A. Noyes & Co.

S. M. Kane Opens

MONSEY, N. Y. — Samuel M. Kane is engaging in a securities business from offices at 11 Waverly Place under the firm name of S. M. Kane Company. Mr. Kane was formerly with M. L. Lee & Co., Inc., and Jacwin & Costa, Inc.

H. D. Rothman Opens

OAKLAND, Calif. — Hiram D. Rothman is engaging in a securities business from offices at 5903 Margarido Drive under the firm name of H. D. Rothman Co.

Form Security Options

Security Options Corporation is engaging in a securities business from offices at 120 Liberty Street, New York City. Officers are Jay P. Kaufman, President; Abraham K. Kaufman, Treasurer; and Martin M. Frank, Secretary. Mr. Jay Kaufman and Mr. Frank were formerly with R. G. Williams & Co., Inc.

Form Warren Securities

Warren Securities Corporation has been formed with offices at 11 West 42nd Street, New York City, to engage in a securities business. Officers are Benjamin Schaffer, President and Treasurer; Sidney Schwartz, Vice-President; and William C. Nolan, Secretary.

Hershman Co. Formed

Hershman & Co. Inc. has been formed with offices at 40 Exchange Place, New York City, to engage in a securities business. Leo M. Hershman is a principal of the firm.

Auchincloss Branch

MONTCLAIR, N. J.—Auchincloss, Parker & Redpath has opened a branch office at 507 Bloomfield Avenue under the direction of M. K. DuVal.

An Economic Appraisal of The Belgian Congo

By Edward Marcus, *Associate Professor of Economics, Brooklyn College, Brooklyn, N. Y.*

An on the spot research study of the Belgian Congo's investment and development trends supports a favorable endorsement of the investment opportunities there. Professor Marcus recently returned from a year's sabbatical leave in Tropical Africa. He points out the absence of serious antagonism toward business, the planning by larger companies of further investments, the obvious need for outside capital to develop the business potential in the area, and the "Open Door" freedom toward foreign investment. More specifically, the economist pinpoints the locale and the types of industries most likely to flourish, and the labor and transportation cost situation, and the inevitable growth of the internal and international market.

The past few months have seen a surprising acceleration in the Belgian Congo's political tempo, and independence by June 30 is definite. American investors, fearing the unknown implications of such a change, have been shying away from the area, and the Congo's 5¼% bonds of 1973—issued only two years ago—are selling some 30% below par. While some of this decline can be attributed to the general tightening of money since the issue date, the more significant influence has been fears regarding the solvency of the country and the financial faithfulness of the as yet untried native regime.

Edward Marcus

Yet, these surface disturbances should not be allowed to hide the deeper-lying, firm economic strength. While it is true that some of the petty tradesmen in the Congo's major cities have been withdrawing their capital, the larger business units are firmly committed, and are planning still further investments there. The Congo, despite the tremendous efforts of the Belgians, is still lacking in local capital and sufficient talents to develop its immense resources, and the outsider is assured a role for many years to come. One need cite only Ghana as evidence, where indepndence has brought more economic opportunities than had ever existed when it was a British colony.

Moreover, it is probable that the Belgian Congo, the most developed territory in Tropical Africa, offers the greatest business potential in that region. Its 13 million inhabitants are spread over an area one-third that of the United States, while an additional four-and-a-half million are in the trust territory to the East, Ruanda-Urundi. The Congo's great central region has been barely touched, while much of its mineral possibilities, particularly in the West—the lower Congo—are just now becoming evident. The native standard of living is one of the highest in "Black Africa," thus furnishing the basis for an expanding internal market. Although transportation and power are two great needs at present, the Government's current Ten Year Plan and the Inga Rapids Project promise to improve these two sectors appreciably.

I
The Congo Economy

By Western standards, of course, the Congo is still a relatively poor country, but for Africa outside the European (i. e., white) belt—South Africa and the Rhodesias—it is extremely prosperous. Annual exports are usually $400-600 million, while imports run about 10%-20% less. The internal market exceeds $1¼ billion, about two-fifths of which is African (that is, native).

Although the past two year's low copper price has slowed the country's growth, the record is still very impressive. Ninteen fifty-eight — the latest year for which data are available — saw levels 50% to 100% above 1950. Exports rose by 60%, national income 71%, and industrial production had more than doubled. These increases were in the face of a decline of 32% from 1956 to 1957 and 28% from 1957 to 1958 in the value of copper exported, a metal that normally accounts for more than a third of all exports.

Despite the economic ties with Belgium—certain to weaken once independence is realized — trade with the rest of the world is much more important than for most African dependencies. The United States, for example, normally buys more than a fifth of all exports, supplying about the same proportion of imports, last year, however, its share was depressed, but this should change once copper recovers. The Belgium-Luxembourg Customs Union, of course, is a more important trading partner, while Germany and the United Kingdom rank after the United States.

Probably the biggest handicap to trade is transport. While personnel can move to most parts of the Congo swiftly and easily by air — Sabena offers an excellent service for the vast distances — cargo movements are much more difficult. For most routes there is only one practicable method. For example, the riverboat from the current capital, Leopoldville, to Coquilhatville, on the Congo River, is quite good; as a result, road and rail transport are poor or non-existent. Consequently, any long haul must go via several different ways, necessitating many loadings and unloadings. A trans-Congo shipment might require more than a dozen voyage breaks, particularly for material sent from the Atlantic ports to the Eastern provinces, since through routes are unknown. This, of course, means extrahandling costs, plus more breakage and pilferage losses.

While river transport is fairly cheap, road costs are high. A sample comparison for the Stanleyville area would show ratios of 1:4:20 for rivers:rail:motor road. Road building costs generally run to $65,000 per mile. The weakest links are in the rural areas, and the current development plan is putting great stress on their improvement, including, it is hoped, a good trans-Congo route. The roads feeding the large cities are better, so that local shipments are rapid and cheap — Leopoldville's Boulevard Albert Premier would be a credit anywhere, although the quality of Congo driving leaves much room for improvement! (Two to four years is the average truck life.)

II
Possibilities for Investment

With such a vast territory, there is almost universal agreement that the Belgians cannot develop it unaided. Outside capital is necessary. Most local economists feel that for the near-future—the next five or ten years—the major opportunities wil center around the Inga Rapids Projects, agriculture, and the internal market (in order of importance).

The Inga Rapids Project is one of Africa's vast power complexes, comparable with, though larger than, the Kouilou in the Republic of the Congo (French Equatorial Africa), Owen Falls in Uganda (British East Africa), and Souapiti in Guinea (West Africa). To be located in the lower part of the Congo River, its full development would yield an installed capacity of more than 25 million kilowatts, more than ten times our own Grand Coulee, thus furnishing the basis for power and water-using industries like aluminum and paper.

Agriculture on the plantation scale is to be encouraged, and tropical products like rubber, coffee, cocoa, tea, and palm oil are possibilities that have already proven feasible.

Third in importance are consumers' goods for the domestic market. This, as already indicated, is quite large, and as road transport improves, local manufacturers will be able to tap more distant centers, thus increasing production runs and lowering costs and selling prices.

Most significant, however, is the freedom granted to foreign investment. The "Open Door" policy, protected by the General Act of Berlin (1885) and the Convention of Saint-Germain-en-Laye (1919), assure equality of treatment to all. There is no official preference for Belgian firms, and, except for access to public careers, Belgians do not enjoy any special privileges. Moreover, the Congolese franc, worth about two cents, is virtually a hard currency, so that foreigners have no difficulty in converting current income or repatriating capital. In this respect the authorities follow the liberal exchange policy practiced by the Belgian Government.

III
The Big Three

Despite the non-discriminatory policy, there are restrictions peculiar to the Congo reflecting the predominance of Belgian capital. More than 90% of foreign investments are Belgian, and this, in turn, is controlled primarily by three groups — Société Générale de Belgique, Banque de Bruxelles, and Huileries du Congo Belge (a Unilever subsidiary). These are large holding companies with financial interests in up to one hundred enterprises, though usually with less than 100% ownership. In some of them the government is a substantial stockholder, a heritage from the nineteenth century, when the Congo was virtually King Leopold's private domain. The common stocks of two of these are traded in the New York Over-the-Counter Market — Union Minière du Haut-Katanga, one of the world's largest copper producers, and Tanganyika Concessions, whose major asset is shares in Union Minière. Unilever, with its large holdings in the Congo, is also traded locally. And, of course many are listed on the major European Exchanges.

As a result of these relationships, there is much that favors joint participation of the foreign investor with one of these Belgian groups. Certainly his sales problem on the internal market would be much simpler. Were he, for example, associated with the Société Générale, he would probably have easier access to the Union Minière du Haut-Katanga, S.G.'s huge copper producer. Probably, too, his local financing with the Banque du Congo Belge—whose assets are triple those of all the other Congo banks combined—would be easier, too, for S.G. controls the B.C.B.

Outside capital, especially American, would be welcomed for political reasons, too. This would lessen the pressure from the "anti-colonial bloc" on the Belgians, who now accuse them of monopoly. Greater international participation would also lessen the local native antagonism, for now capital would no longer be identified with the old political power.

The reader should not infer that there is even currently an absolute preference for the Belgian supplier. The local businessmen are too hard-headed to pass up a bargain simply because of financial ties. Shell, Socony Mobil, and Texaco all do a nice business, despite the presence of Petrocongo. If the price is cheaper or the quality superior, even the complete outsider will get the sale.

Moreover, association has its drawbacks. Obviously, the non-Belgians' profits would have to be shared pro rata, reflecting the proportion of capital contributed by each. More seriously, Belgian capital would not be content as a silent partner. Managerial participation would probably follow a financial contribution, and, once on the inside, the Belgians would have access to the firm's industrial secrets, which, in turn, could be passed on to other members of the empire for eventual use against the foreign firm's sales. In other words, financial association in the Congo could give Belgian industry complete knowledge of American technology easily and cheaply.

IV
Labor

Throughout Tropical Africa — and the Congo is no exception — the number one problem facing any new firm is labor. For most Africans, the tribal way of life is quite the usual, and many still have not emerged into the money economy. It is unusual for a newcomer to the country to find any pool of trained labor on which he could draw. Even the most elementary skills are often absent, while a high illiteracy rate reduces the clerical potential, although a 1970 goal is 70% literate Congolese. As a result, the start-up costs must include an allowance for teaching the raw help.

Congolese wages are high by African standards, and many employers fear that they are in danger of being priced out of the market. Indian and Japanese wage rates are lower, particularly when adjusted for productivity, and their competition is felt in many lines. The skilled Congo African often earns as much as his counterpart in Belgium, though his ability is somewhat less. And most wages must be supplemented, in kind or in cash, by rations and family allowances, sometimes adding as much as 50% to direct wage costs. Hence, even automation is making its appearance as a labor-cost saver.

The experience of most European employers indicates that the Congolese can learn quickly, especially for repetitive operations. He is apparently much slower where any degree of judgment is required, or where he is confronted with a new and hitherto unknown situation.

Productivity per worker, of course, is much lower than in the United States or Western Europe. It would be a miracle if workers with such primitive backgrounds were to match the pace of their overseas counterparts. Moreover, in most trades the native laborer must work with fewer tools or

Continued on page 35

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The tax-exempt bond market has gained moderately during the past week with aggressive new issue bidding setting the pace for the secondary market. At a glance this might seem to be an unbelievable performance since other phases of the bond market, and particularly the influential Treasury issues, have been easier for the last several sessions. In its details, however, this seemingly contradictory municipal bond market has proceeded with good reasons, even though they may not be penetrating.

Scarce Commodity

Municipal bonds are still relatively scarce, especially in the so-called bank category, which means high grade, short maturity securities with ready marketability. Recent buying has derived more from the banks than from other types of investors. As the market has risen these past three months the once general demand has dwindled to the extent that many dealers are now doing very little general retail business. However, scarcity still reigns, and the "Blue List" as usual substantiates this fact; the municipal total as indicated on March 30 was $252,630,500 against $288,997,500 a week ago and $303,748,500 for the previous week. It is apparent that even the less than general demand is keeping more than abreast of the meagre new issue supply as well as the secondary market accruals.

Most dealers are quite aware of the speculative elements that prevail in the general bond market situation. The spectacular rise in all Treasury issues for reasons that were not altogether obvious, and the consequent sharp losses suffered by the same list during the past week, pose a distraction that concerns municipal dealers but which does not seriously deter them from trying to buy new inventory in order to replace the old. Until tax-exempt inventories become considerably larger, prices seem unlikely to rise, providing, of course, that the Treasury markets are not further depressed by the new financing.

Yield Index Down Again

The *Commercial and Financial Chronicle's* state and municipal bond index shows a slightly lower average return for the week. The average stands at 3.423% for this week as against 3.453% a week ago March 23. The average price rise is thereby about one-quarter point. Revenue bonds have also done better this week, according to the Smith, Barney & Company Turnpike Bond Index. Here the indicated average price rise is also about one-quarter point. The average yield fell the past week from 3.95% to 3.93%. There were no unusually large changes in quotations for individual issues.

During the week past there was a relatively light volume of new municipal issues. The few, more important sales will be briefly noted. Last Thursday, March 24, $6,200,000 Charlotte, North Carolina serial (1961-1984) bonds were sold to the group headed by First Boston Corporation-Branch Banking and Trust Company of Wilson, North Carolina-B. J. Van Ingen & Company, as well as others. The maturities offered were scaled from 2.70% to 3.45%. Yesterday morning's balance was reported at $1,200,000. Tuesday, March 29, Los Angeles County, California Flood Control District awarded $10,000,000 serial (1961-1989) bonds to the Bank of America-First National City Bank group. Scaled from 2.40% to 3.85%, the issue, with $3,000,000 maturing in 1961, went well.

Another of Tuesday's sales involved $5,629,000 Islip, New York School District No 12 serial (1961-1990) bonds, the award going to the Chemical Bank New York Trust Company-C. J. Devine & Company-Spencer Trask & Company group. Scaled from 2.80% to 4.00%, $3,829,000 remained in group yesterday morning.

Also on Tuesday, Minneapolis, Minnesota, awarded $6,325,000 serial (1961-1980) bonds to the group managed by Salomon Brothers & Hutzler, and including the National State Bank of Newark, New Jersey-Lee Higginson & Company-Ira Haupt & Company as well as others. Scaled to yield 2.30% to 3.30%, $3,700,000 was reported in group at this writing.

The week's highest rated issue, $2,400,000 Omaha, Nebraska serial (1962-1970) bonds, was awarded to the Bankers Trust Company-Salomon Brothers & Hutzler-F. S. Moseley group. The scale ran from 2.60% to 2.85%. There was a balance of less than $1,000,000 at press time.

Week's Largest Award

The week's largest new issue, $25,000,000 Chicago, Illinois Board of Education serial (1962-1980) bonds was sold to the First National Bank of Chicago-the Harris Trust & Savings Bank and the Northern Trust Company group yesterday. Scaled to yield from 2.80% to 3.60% the issue seems well priced. Orders were substantial; balances are not yet reported.

Another interesting new issue yesterday, was the $3,534,000 Bergen County, New Jersey serial (1961-1980) bonds, award of which went to the Chase Manhattan Bank group. The yields were scaled to 3.30% with no sales reports as we go to press.

Retail Sales Lagging

It appears from the foregoing, and analysis of other less important issues which came to market during the week, that sales to investors were not particularly good. With each new issue bringing a relatively higher bid than the previous one, retail sales efforts naturally meet with more resistance. It is apparent that, in an effort to accumulate inventory, dealers are deliberately overcompetitive. It is hoped that the investor may catch up with the market as it shows improvement following the Treasury financing announcement expected to be made today, March 31. At present the dealers seem to be slightly ahead of the investors.

"The Pay-As-You-Go" Philosophy

The adoption of "pay as you go" as a public financing policy has come to the headlines again this week. By means of a broad tax base, New York State has accomplished such a situation within one year. To the extent that this involves balanced operations and careful capital budgeting and planning, this seems completely desirable and in the public interest. The point arises, however, as to how limiting a total "pay as you go" policy might be to our type of expanding economy.

Such a policy, fully pursued, cannot engender the dynamic growth that has come with our traditional system of capitalizing long-term projects with proper bond financing. It also, we believe, places perhaps unfairly, the burden of payment for certain long-term benefits on too few people during too brief a period. "Pay as you go" is not likely to foster the growth that we in this country demand.

On the other hand, if New York is going to get just a modified "pay as you go," then relatively larger budgets are well on their way.

New York City Issue Likely

There have been no important additions to the new issue calendar recently, although some are rumored. Although the Comptroller has made no announcement at this writing, it is said that New York City may sell around $75,000,000 serial bonds sometime in April. The New York City Housing Authority has formally announced the sale of $20,470,000 serial bonds (New York City guaranteed) for April 27. For the coming week, only one sizable issue is thus far scheduled for bids: $16,022,000 Pennsylvania State Public School Building Authority bonds on (Wednesday), April 6. There has been no change in the calendar of negotiated type sales other than the fact that it appears that the $100 million Triborough Bridge and Tunnel Authority is much closer to the marketing stage. Further municipal bond market gains seem likely.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.95%	3.75%
Connecticut (State)	3¾%	1980-1982	3.40%	3.30%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.45%	3.30%
New York (State)	3%	1978-1979	3.35%	3.20%
Pennsylvania (State)	3⅜%	1974-1975	3.25%	3.10%
Vermont (State)	3⅛%	1978-1979	3.25%	3.10%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.50%	3.35%
Los Angeles, Calif.	3¾%	1978-1980	3.85%	3.70%
Baltimore, Md.	3¼%	1980	3.60%	3.40%
Cincinnati, Ohio	3½%	1980	3.45%	3.30%
New Orleans, La.	3¼%	1979	3.75%	3.60%
Chicago, Ill.	3¼%	1977	3.80%	3.65%
New York City, N. Y.	3%	1980	3.95%	3.80%

March 30, 1960 Index=3.423%

Binder Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Binder & Co., Inc., 542 South Spring Street, has added to their staff Leonard M. Behrens, Raymond S. Clark, Robert W. Damino, Jr., David H. Dunn, and Harold E. Scott. Mr. Damino was formerly with Marache, Dofflemyre & Co. Mr. Clark was with Lloyd Arnold & Co.

Oppenheimer Partner

As of March 31, Silvio Smilovici becomes a partner in Oppenheimer & Co., 25 Broad Street, New York City, members of the New York Stock Exchange.

Norman Roberts Admits

SAN DIEGO, Calif. — Effective March 31, E. Keene Wolcott becomes a partner in Norman C. Roberts Company, 625 Broadway, members of the New York Stock Exchange. Mr. Wolcott was formerly with Lester, Ryons & Co.

Form Knox Investing

CHICAGO, Ill. — Knox Investing Co. has been formed with offices at 2801 North Sheridan Road to engage in a securities business. Officers are Jay J. G. Schatz, President and Treasurer; Delmor B. Markoff, Vice-President, and Israel Schatz, Secretary.

Robert Baker Forms Co.

PHILADELPHIA, Pa.—Robert E. Baker & Co. has been formed with offices at 225 South Fifteenth Street to engage in a securities business. Partners are Robert E. Baker and Muriel W. Baker. Mr. Baker was formerly with Arthur L. Wright & Co. and Robert L. Whittaker & Co.

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.

March 31 (Thursday)			
Austin, Texas	7,500,000	1963-1984	10:00 a.m.
April 4 (Monday)			
Cincinnati School District, Ohio	4,000,000	1961-1984	2:00 p.m.
Florida Development Community, Florida	4,945,000	1962-1990	11:00 a.m.
Redford Township, Redford Union School District No. 1, Michigan	1,250,000	1961-1986	8:00 p.m.
April 5 (Tuesday)			
Alamance County, North Carolina	1,300,000	1960-1978	11:00 a.m.
Buffalo Sewer Authority, N. Y.	1,500,000	1967-1981	11:00 a.m.
Jonesboro, Arkansas	1,000,000	1963-1987	2:00 p.m.
Kansas City, Kansas	8,000,000	1961-1975	10:00 a.m.
Pulaski County, Arkansas	1,250,000	1931-1968	10:00 a.m.
Toms River, New Jersey	1,945,000	1961-1989	8:00 p.m.
April 6 (Wednesday)			
Chippewa Valley S. D. No. 24, Mich.	1,500,000	1962-1988	8:00 p.m.
Dunellen School District, N. J.	1,390,000	1961-1984	2:00 p.m.
Johnson Co., Shawnee-Mission Rural High Sch. Dist. No. 6, Kan.	3,760,000	1961-1980	2:00 p.m.
New Berlin Union Free High Sch. District No. 5, Wisconsin	2,400,000	1961-1980	8:00 p.m.
Pennsylvania State Public School Building Authority, Pa.	16,022,000	1962-1999	Noon
Rock Island Co. S. D. No. 37, Ill.	1,325,000	1962-1980	7:30 p.m.
April 7 (Thursday)			
Arlington, Texas	1,000,000	1964-1987	10:00 a.m.
Center, Indiana	1,850,000	1962-1979	1:00 p.m.
East Carolina College, N. C.	1,250,000	1961-1998	11:00 a.m.
Muncie Comm. Sch. Corp., Indiana	1,034,000	1961-1971	1:00 p.m.
Springfield, Ohio	1,800,000	1961-1985	11:00 a.m.
April 8 (Friday)			
Dunkirk, New York	1,971,000	1961-1989	1:00 p.m.
April 11 (Monday)			
Robbinsdale Independent School District No. 281, Minnesota	1,050,000	1963-1990	7:30 p.m.
San Jose Unified Sch. Dist., Calif.	3,557,000	1961-1985	11:00 a.m.
April 12 (Tuesday)			
Bernardsville, New Jersey	1,215,000	1960-1979	8:00 p.m.
Davidson Co., Tennessee	2,500,000	1961-1985	Noon
Durham, North Carolina	3,000,000	1961-1985	11:00 a.m.
Escambia County Special Tax Sch. District No. 1, Florida	3,235,000	1960-1978	10:00 a.m.
Laramie County S. D. No. 1, Wyo.	1,995,000	1967-1973	2:00 p.m.
South Bay Union High S. D. Calif.	1,000,000	1961-1980	9:00 a.m.
West Central Municipal Water District, Texas	9,000,000	--------	--------
April 13 (Wednesday)			
Mainland Reg. High Sch. D., N. J.	2,100,000	1960-1982	8:00 p.m.
Palm Springs, California	1,550,000	1961-1980	3:00 p.m.
Ramapo, Clarkstown, etc., Central School District No. 2, New York	2,555,000	1961-1989	11:00 a.m.
Royal Oak School District, Mich.	2,000,000	1962-1985	5:00 p.m.
Steubenville School District, Ohio	4,000,000	1961-1980	1:00 p.m.
Tredyffrin Township Municipal Authority, Pennsylvania	2,200,000	1963-2000	8:00 p.m.
West Virginia University, W. Va.	4,800,000	1962-1990	10:00 a.m.
April 14 (Thursday)			
Chicago, Illinois	10,000,000	1962-1979	10:00 a.m.
Clark County School Dist., Nevada	6,000,000	--------	--------
April 15 (Friday)			
University of Washington, Wash.	2,000,000	1961-1990	2:00 p.m.
April 18 (Monday)			
Pima County School Dists., Ariz.	4,900,000	1961-1980	11:00 a.m.
April 19 (Tuesday)			
Mason, Michigan	2,025,000	1962-1986	8:00 p.m.
*Triborough Bridge & Tunnel Authority, N. Y.	100,000,000	--------	--------
Whittier Union High Sch. D., Calif.	2,937,000	1961-1980	9:00 a.m.
April 20 (Wednesday)			
Ewing Township, New Jersey	1,175,000	1961-1981	8:00 p.m.
Philadelphia, Pennsylvania	29,260,000	1961-1990	Noon
Pierce County S. D. No. 10, Wash.	4,200,000	1962-1980	2:00 p.m.
Portsmouth, New Hampshire	1,000,000	1961-1980	11:00 a.m.
April 26 (Tuesday)			
Los Angeles City Sch. Dists., Calif.	16,000,000	1961-1985	9:00 a.m.
April 27 (Wednesday)			
New York City Housing Authority, New York	20,470,000	1962-2010	11:00 a.m.
April 28 (Thursday)			
Sacramento Municipal Utility District, California	30,000,000	--------	--------
May 3 (Tuesday)			
Pearl River Valley Water Supply District, Mississippi	8,800,000	--------	--------
May 2 (Monday)			
Cascade County S. D. No. 1, Mont.	3,100,000	--------	7:30 p.m.
May 4 (Wednesday)			
Dumont School District, N. J.	3,000,000	1961-1983	8:00 p.m.
May 5 (Thursday)			
Central Contra Costa San. District, California	2,900,000	--------	11:00 a.m.
May 10 (Tuesday)			
Jacksonville, Fla.	30,000,000	--------	--------
Newport News, Virginia	3,000,000	1961-1990	2:00 p.m.

*Negotiated offering by Dillon, Read & Co., White, Weld & Co., W. E. Morton & Co., and Allen & Co. syndicate.

More Power for the South!

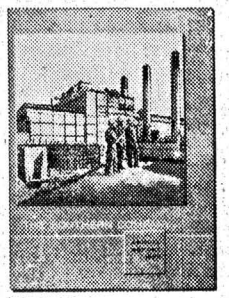
Growth of The Southern Company electric power system continues to match that of our four-state service area. In 1959, $178,665,000 was spent on new power plants and expansion of facilities.

An additional $538,000,000 will be required for anticipated expansion during the next three years.

Our investors are sharing in the benefits of this growth. This year, 1960, is the sixth consecutive one in which dividends have been increased.

✶ ✶ ✶

Send for 1959 Annual Report – The Southern Company, 1330 West Peachtree Street, N.W., Atlanta 9, Georgia, or any of the companies listed below.



HIGHLIGHTS OF THE YEAR . . . 1959

Operating Revenues amounted to $296,657,874
A new high — an increase of $24,523,927, or 9%

Consolidated Net Income was $43,196,965
Another new high — up $4,962,720, or 13%

Earnings Per Share of Common Stock (average) were $1.95
14 cents above the previous year
On year-end shares, earnings were $1.92, up 11 cents

Dividends Per Share of Common Stock were $1.30
Up 10 cents over 1958

Construction Expenditures totaled $178,665,000
Largest in history of the system

Sales of Electric Energy, in kilowatt hours 20,965,773,000
A new record, up 11%

Customers Served Directly increased to 1,539,039
53,673 more than in 1958

Serving the Heart of the South
through

ALABAMA POWER COMPANY
Birmingham, Alabama

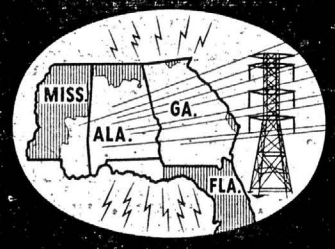
GEORGIA POWER COMPANY
Atlanta, Georgia

GULF POWER COMPANY
Pensacola, Florida

MISSISSIPPI POWER COMPANY
Gulfport, Mississippi

SOUTHERN ELECTRIC GENERATING COMPANY
Birmingham, Alabama

THE SOUTHERN COMPANY



ATLANTA · 1330 W. PEACHTREE STREET
BIRMINGHAM · 600 N. 18 TH STREET

The Burden Really Rests Upon Our Own Shoulders

By Thomas C. Boushall,* *Chairman of the Board, The Bank of Virginia, Richmond, Va.*

Bankers are asked to do some soul-searching by a fellow banker as to the incongruity of being "loaned up" to commercial borrowers while advertising the availability of credit for freely chosen purposes on a revolving credit basis. Moreover, he painfully notes how this weakens bankings' stance against legislative attempts to regulate the exercise of free credit extension in a free economy. Further, he notes the need for such opposition now in criticizing Senate Bill 63 introduced by Senator Bush and Senate Bill 2755 offered by Senator Paul Douglas. The former bill would have the Federal Reserve formulate credit rules and regulations on a stand-by basis and the latter bill is said to go beyond full disclosure in calling for what is believed to be an impossible task of computing annual simple interest and in demanding the prevention of the "uninformed use of credit to the detriment of the national economy."

Six years ago banks were hesitating to extend consumer credit for fear that a downturn in the economy might create some losses.

Today, the picture is reversed. Banks are extending consumer credit, even in a tight-money period, out and beyond any previous level in American history. Too, the terms are far more relaxed and the ready availability of consumer credit, particularly check charge revolving credit, is being advertised widely.

Thomas C. Boushall

Today, too, outstanding debt by municipalities, counties, states, and the Federal Government stands at the all-time high record. Again, mortgage debt is astronomical. Consumer instalment credit is also at a record high.

And so, no wonder that money is tight, interest rates are high, and politicians are roping in the banker as a whipping boy to prove the need of a paternalistic government's protection of the people versus the exploitation of the money lenders.

Before presenting and discussing some of the things that the politicians are planning, perhaps it is best that we take first an objective look at our own part in all this build-up and then take a subjective look as well.

Isn't it difficult to explain to the public that money for lending is scarce in the market place, and hence, the higher rates we charge are based on the immutable law of supply and demand, while at the same time quarter-page, half-page, and some full-size newspaper advertisements tell how, by merely writing a check on the offering bank, practically anybody can set up a revolving line of credit to buy practically anything?

Stand off at arm's length at least and read the financial pages sibe-by-side with the advertising sections.

Are we men of wisdom? Are we financial statesmen? Are we, in fact, able to reconcile these conflicting statements to the public and the politicians?

That's the objective look.

Subjective? Well, revolving credit lines seem to appeal to the better income brackets with reasonable response, and the rate of 1% a month is better than commercial loans at the present prime rate, even "plus a half" or "plus a quarter." And, too, it seems that the larger banks find this method of competitive attraction more responsive than do the smaller banks which are not prepared, equipped, or staffed to offer this type of credit.

An Incongruous Situation

But are we really serving our own overall best interests in so doing? How can your bank tell commercial borrowers that you are "loaned up" and either cannot increase their loans or must raise their rates because of a shortage of money, and then have the would-be borrower present his interviewer with a full-page advertisement of freely available credit for freely chosen purposes on a revolving credit basis?

And how can we tell the politicians that we don't want any regulation of credit practices and extensions, volume, and rates because we are abler to make these determinations than are politically wise but financially illiterate lawmakers?

Sampson, in protest and pride, pulled the pillars of the temple down on his captors and persecutors, but he himself perished in the act. It's true that he had become a long-haired philosopher and was totally blind as well.

The point that I want to make is just this: If we would keep the freedom to conduct our banks in a free-enterprise economy as we see fit, adjusting ourselves to the law of supply and demand and the management of our banks and our credit extensions to old and new customers alike, shouldn't we take stock of our status vis-a-vis the public and be very sure that we have kept our noses clean, our judgment objective, and our offers of service on a sound basis related to the current economic conditions that face the people and ourselves?

Don't misunderstand me, please. I am against every governmental regulation that can be avoided, local, state, or Federal. But, unhappily, we face the fact that most regulations arise to correct developed abuses. The righteous suffer as well as the sinners, and laws are piled upon laws because someone, somehow, somewhere has breached the lines of defense and the political powers have thrust through that opening the sword of regulation and the spear of prosecution.

You see, I hope, that my point here is that we go into court with clean hands. We can only confound the would-be regulation by the righteousness of our conduct. "My strength is as the strength of ten because my heart is pure." And that should be our position if we are to assure ourselves to the right to the exercise of free credit extension in the free economy to which we are all so passionately dedicated.

There are two bills now before the Senate that should and do give us all concern, and to which we all should address ourselves to see that they do not pass because we can show clearly that they are neither justified by past practices nor will they prevent possible future abuses.

Opposes Senator Bush's Bill

The first is Senate Bill 63 offered by Senator Bush of Connecticut. He would authorize the Federal Reserve Board to set up rules and regulations related to the extension of consumer credit

Continued on page 38

THE MARKET . . . AND YOU

BY WALLACE STREETE

The pattern of a general list dawdling until some concrete reason for decisive action shows up continued in this week's stock market. Minor losses predominated more times than not, but it was a casual affair with no great selling pressure except in a few specific situations such as Marquardt which made the week's list of new lows again in continued reaction to the sharp cutback in the Bomarc missile program in which it participates.

* * *

With the market supposedly in a full-fledged "bear" status, the advance of a score of points above the early March low for the industrial average was hardly fitting the description of a true bear swing. Rails followed the same pattern, stabilizing some half a dozen points above the low and showing little disposition to test the low.

* * *

The market, in fact, was building up on a miniature scale the same sort of pattern that accompanied the 1946 break which clipped the industrial average for 50 points, gave a "bear" signal and then rested in a narrow range until 1949 when it went into the longest bull swing in history. Neither in this period nor in the 1937-42 bear market, was their anything approaching the utter debacle of the 1929-32 period.

Will History Repeat?

There is another pattern that is interesting in the 1937 and 1946 breaks which were the only "official" bear markets in so-called modern times. That is that the eventual low was only slightly under the initial reaction low before the trend reversed. In the 1937 setback, the low of around 97 on the first swing was the bottom until 1942 when a new low around 92 was reached with a rapid rebound afterward.

* * *

In the 1946 break a low of around 160 was reached in a rush but the low of 1949 was only fractionally under that and also was followed by a rebound that ran virtually unchecked with only minor interruptions in 1953 and 1957 until this year's setback.

* * *

The only basic difference between the action of the industrials and the rails was that the latter never generated the interest that the growth section did, and the 1957 reaction was much deeper than that of the industrial average.

* * *

As far as the 1957 reaction is concerned, neither average spent much time testing its low. Both reacted rather abruptly and reversed direction just as suddenly after a brief consolidation phase slightly above the lows.

* * *

Just what type of action is due now is, of course, impossible to predict. But without more deterioration in key business areas it seems that there is little reason to suspect either average is going to plunge to some of the extreme lows that have been suggested by the theorists who overlook the vast funds that must seek investment, and public psychology that so far has merely cut off new commitments while content to sit with previously set up portfolios.

Bucking the Trend

Where an issue showed ability to move, the speculative interest was revived quickly, notably Polaroid which soared steadily to all-time peaks even through desultory markets. Polaroid's low dividend payout — 20 cents a year—and the absence of any indication that it was to be revised drastically upward, had little effect on market action and much of the play was based on hopes for a new stock split. The last one—a 4-for-1 division—was in 1957.

* * *

A newcomer to the ranks of listed companies that also has some high multiples and a low yield, which are the characteristics of an issue described as a growth one, is Vendo Co. It is selling well above 20-times last year's earnings and its indicated dividend provides a yield of less than 1½%. But it is the world's largest maker of automatic merchandising equipment and has jumped sales 4½ times and profit more than five times over the last decade. Moreover, sales via automatic vending improved 5% in 1958 and 10% in 1959 and the $2.2 million volume of last year is being projected upward to somewhere between $7 and $10 billion in the next six to eight years. So here the bright future, rather than the traditional yardsticks, holds sway.

Good Prospects

There are other groups, however, where investor disfavor is readily apparent. The carpet manufacturers have been out of style for a decade which leaves an industry leader, like Firth Carpet, selling at around six-times the greatly improved earnings expected for this year. The dividend record is not an illustrious one, annual payments having dropped steadi-

ly to where a token five-cent payment was made last year.

* * *

Firth has been pushing its Acrilan carpets aggressively and these synthetic fiber products have been beneficial on many fronts for the carpet makers, chiefly in eliminating the violent fluctuations in raw materials costs. With new mills added in low-cost areas, Firth is in line to double last year's dollar per share profit and this switch in the earnings trend logically makes the company a candidate for vastly improved dividend action this year.

* * *

The transition company, among others, could be Midland-Ross Corp. which started out in the last century making bicycle parts, switched early in this century to automotive parts but lately has been diversfying to where two-fifths of its sales now are in non-automotive lines, such as industrial machinery, engineering services, heaters and parts for aircraft and missiles.

* * *

Sales and earnings showed sharp upturns last year and Midland-Ross officials are projecting their business to another good improvement this year. If their estimates work out, net profit would come close to doubling the 1958 results and cover the indicated $3 payment twice over. But the company also has a reputation of a generous dividend policy which, with the upturn expected, makes the payment a candidate for improvement. Even at the present rate, the return on the market price approaches 5½%.

Shaking the "Rail" Blues

Where the prime railroad equities have yet to show they have shaken off the effects of the steel strike and its effect on investor sentiment, General American Transportation has been in enough demand to make the new highs lists. After a temporary stymie in 1958, the company's business of leasing special-purpose freight cars bubbled along again last year despite the steel strike and helped offset some manufacturing setbacks caused by the lack of metal.

* * *

General American is in the thick of the rail's attempts to build up their tonnage with such devices as piggy-back operations. In fact, one of its new designs enthusiastically received is a type of freight car specifically designed for such use. The company's ability over the years to show good earnings reports has also enabled it to improve the dividend payout each year for the last seven and the final payment of last year was an increase that lifted it to a $2.10 annual basis, a yield of better than 3%.

[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.]

E. A. Steele Associates

PHILADELPHIA, Pa.—Edward A. Steele, Jr. is engaging in a securities business from offices in the National Bank Building, under the firm name of E. A. Steele Associates.

Fuji Securities Formed

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Fuji Securities, Inc. has been formed with offices at 208 South San Pedro Street to engage in a securities business. Officers are Toshio Ichioka, President; Frank Kuwahara, Vice-President, and Soichi Fukui, Secretary. Mr. Ichioka was formerly a partner in Taiyo Securities Company, with which Mr. Kuwahara was also associated.

MUTUAL FUNDS

BY ROBERT E. RICH

Hoist by Their Own Petard

Familiar to Wall Street is the investment analyst, stumped by market behavior, who counsels "a selective attitude toward stocks." J. P. Morgan, of course, with his "Stocks will fluctuate" said it best.

But if there's one point on which analysts are clear these days it is the need for investment funds to assume once more their aggressive buying of equities if this market is to resume its climb to new heights. And right now the poor analysts are getting less guidance from fund managers than the public is getting from innumerable market letters.

The analysts were encouraged early this month when Ernest Henderson, a trustee of Investment Trust of Boston, said: "We still like common stocks despite the extent of the decline in the market and we are not disturbed about the future of common stocks as investments." Now, Henderson was saying what many a market-letter writer would like to say and the way analysts would like to say it, if only they had the courage to say it.

Henderson disclosed that the fund, with net assets in excess of $60,000,000, had 97.4% of its investments in common stocks, a slightly higher figure than three months earlier. He said that, unlike most balanced funds, Investment Trust keeps itself fully invested in common stocks at almost all times. As to switching out of stocks and into bonds. Henderson declared: "I don't think we would ever switch out of common stocks and into bonds because we are primarily a common stock fund."

Less commendable but more understandable to the box-the-compass school of analysis were the words of Herbert Bernenko, Vice-President of Madison Fund, one of the top-flight closed-end investment companies. Madison Fund, said he, was "not in an aggressive frame of mind" and its policy here was "one of caution."

The company, which had total net assets at latest report of $132,227,000 (off from the $142,703,000 at the end of December), increased "defensive" holdings while reducing "cyclical" holdings in the first two months of this year. To his credit, Bernenko defined "defensive holdings." These are, said he, tobacco, utility and bank stocks, convertible bonds and government securities. Such holdings accounted for over 35% of the fund's holdings at the end of last month. Edward A. Merkle, President of Madison Fund, meanwhile disclosed that the company is not buying oil stocks. Oil and gas holdings toted up to about $11 million, according to its annual report.

While none could doubt where Investment Trust and Madison Fund directors stood, their combined views cancelled out each other as effectively as any hedging analyst. Nor did John Middleton, Vice-President and head of the research department of Incorporated Investors and of Incorporated Income Fund, do much to clear the fog that envelops the financial district. He predicted two weeks ago a decade of continued economic growth in which investment opportunities will become "increasingly more selective."

As one analyst who scrutinizes fund activities very closely remarked: "Three months ago nearly everybody was talking about the Golden Sixties. I have my reservations about forecasts that span 10 years when I see what has happened in the first 90 days."

Still, Lehman Brothers, investment adviser to the One William Street Fund, continues to foresee a further upturn in business activity. Says Dorsey, Richardson, President of the fund: "The fund has increased its investment in common stocks in recent weeks to about 95% of total net assets in reflection of Lehman Brothers' views which remain as stated in the fund's year-end report to shareholders."

Evidence of clashing views mounts as the reports pour in, but then, as one helpful analyst told his breathless readers: "It's difference of views that makes markets."

The Funds Report

Wellington Fund reports that since the beginning of the year its investment program "has been strengthened" by an increase in senior securities and a reduction in common stocks. Holdings of preferred stocks, bonds and cash reserves increased from about 38% to 41% of resources in the first two months.

* * *

Massachusetts Investors Growth Stock Fund reports during the quarter ended Feb. 29 it made new investments in Ampex Corp., Honolulu Oil, International Nickel of Canada and Nalco Chemical. Holdings of stocks in 30 other companies were increased. The fund reduced investments in three companies. Adjusted for a capital gain distribution of 36c a share, paid last December, the net asset value per shares of the fund amounted to $14.19 on Feb. 29. This is 8½% higher than the $13.08 a share a year earlier.

* * *

American Business Shares, Inc., a balanced investment fund, reports net assets at Feb. 29 totaled $25,176,233, equal to $4.04 on each of the 6,215,889 shares outstanding. On Nov. 30, before the capital gains distribution in December of $1,748,272, net assets were $26,437,328 and there were 6,028,793 shares outstanding.

The company pointed out that "the stability portion of our investments was increased during the period to 48% of our net assets from 43% three months earlier." It disclosed that two bonds (Montreal Metropolitan Corp. 5⅝% 1985 and James Talcott, Inc. 5% 1979) were added to the fund's list of investments, and three common stocks (National Biscuit Co., Standard Brands, Inc. and Stauffer Chemical Company) were eliminated. The portfolio showed 48.14% in bonds, preferred and guaranteed stocks and cash; and 51.86% in common stocks as of Feb. 29.

* * *

Hugh W. Long & Co., Inc., a mutual fund sponsor, reports for the quarter ended Jan. 29 total revenues of $1,206,186 and net income of $211,446, equal to 21c on each of the class A and B shares. This compares with year-earlier revenues of $1,375,349 and net of $248,458, or 25c a share.

* * *

Income Foundation Fund reports these additions to its common stock portfolio since Nov. 30: 1,000 shares of Addressograph-Multigraph, 2,200 Eastman Kodak, 1,900 Electronic Associates, 2,000 General Precision Equipment, 1,000 General Time, 800 Owens-Corning Fiberglas, 5,000 Pitney-Bowes, 10,000 Sperry Rand and 3,000 Statham Instruments. Income Foundation eliminated during the same period 3,000 Caterpillar Tractor, 1,530 Central Soya, 1,000 Chesapeake & Ohio Railway, 500 Clark Equipment, 1,020 International Paper and 4,500 National Cash Register.

* * *

Florida Growth Fund, Inc. total net assets climbed to a new high of $2,867,590 at Dec. 31, a 77.65% increase over 1958 year-end assets of $1,614,174, Frank B. Bateman, President, said in the annual report to shareholders. The increase was accounted for principally by a rise in the sales of the fund's shares during 1959 to $1,567,504, from sales of $791,590 in 1958, he said. Net asset value per share rose to a record high of $5.62 per share, up from the $5.48 per share reported at the close of 1958, he added. Bateman pointed out that the Fund paid capital gains distributions of 25c per share during 1959.

Fisher Heads Managed Funds

The contest for control of St. Louis-based Managed Funds has ended with Channing Corp. the winner, getting 9,169,699 votes for its proposed slate of directors, against 8,636,895 votes for the slate of the Townsend Management Co. The Channing group voiced a hope that its management would restore Managed Funds to the good graces of the Securities and Exchange Commission, which prohibited sale of the shares a year ago after contending the fund had issued false reports. The fund at that time was under the management of Hilton H. and Hovey E. Slayton. They withdrew, but since then Managed Funds has had four Presidents. Channing, a holding company, operates an investment management firm, Van Strum & Towne, and an underwriting company, Hare's, Ltd. These serve as investment advisers and underwriters for eight U. S. and Canadian investment companies with assets of about $128,000,000.

Leicester W. Fisher

Leicester W. Fisher, Vice-President and Director of Van Strum & Towne, Inc., has been named President and a Director of Managed Funds.

N. Y. IBA Group Annual Dinner

The Annual Dinner of the New York Group of the Investment Bankers Association of America will be held Wednesday, Oct. 5, at the Waldorf Astoria Hotel.

Cleveland Analysts to Hear

CLEVELAND, Ohio — John A. Volkober, Secretary, Assistant General Manager and a director of Hammond Organ Company, will give an illustrated talk to the Cleveland Society of Security Analysts at a luncheon Thursday, April 14, 1960.

Now Gormican & Homuth

FOND DU LAC, Wis.—Gormican & Homuth Inc. has been formed with offices at 104 South Main Street to act as dealers in securities. Officers are Roger Gormican, President; Elmer E. Homuth, Secretary, and Milton E. Homuth, Vice-President. Mr. Gormican formerly conducted his own investment business under the firm name of Roger Gormican & Co.

NEWS ABOUT BANKS AND BANKERS

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

Approval was given to **Commercial Bank of North America, New York,** to increase its capital stock from $2,521,375 consisting of 504,275 shares of the par value of $5 each, to $2,731,490 consisting of 546,298 shares of the same par value.

* * *

THE GRACE NATIONAL BANK OF NEW YORK

	Mar. 15,'60 $	Dec. 31,'59 $
Total resources	194,420,240	202,700,090
Deposits	159,812,247	164,177,130
Cash and due from banks	46,601,270	50,722,294
U. S. Govt. security holdings	34,421,906	38,122,114
Loans & discounts	84,168,881	91,075,214
Undivided profits	4,427,322	4,083,769

* * *

COLONIAL TRUST COMPANY, NEW YORK

	Mar. 15,'60	Dec. 31,'59
Total resources	$76,805,447	$85,628,024
Deposits	66,419,440	75,201,027
Cash and due from banks	16,146,775	20,300,198
U. S. Govt. security holdings	11,186,678	11,193,672
Loans & discounts	33,730,963	44,041,932
Undivided profits	682,702	668,213

* * *

The election of Roy C. Bonebrake as a Trustee of **Empire City Savings Bank, New York,** was announced by W. Emerson Gentzler, President.

* * *

The Chase Manhattan Bank has promoted Dr. Paul F. Genachte to Vice-President, George Champion, President, announced March 30.

On April 30 Dr. Genachte will become chief marketing officer for the international department and will supervise the Bank's activities in connection with the European Common Market and Free Trade Association. He will continue as director of atomic energy.

He joined the Bank in 1954 and became head of the atomic energy division the following year.

* * *

Walter K. Davies has been elected Executive Vice-President of **Morgan Guaranty International Banking Corporation** and **Morgan Guaranty International Finance Corporation,** it was announced by H. P. Davison, Chairman of the two companies. The companies are wholly-owned subsidiaries of **Morgan Guaranty Trust Company of New York** and were established under provisions of the "Edge Act" (Section 25a of the Federal Reserve Act) to operate in the international field.

* * *

George G. Kleindinst died on March 21 at the age of 73. Mr. Kleindinst was formerly the President and Executive Chairman of the **Liberty Bank, Buffalo, New York.**

* * *

By a stock dividend, the **First National Bank of West Orange, N. J.,** increased its common capital stock from $250,000 to $350,000. Effective March 15. (Number of shares outstanding 17,500 par value $20.)

* * *

By the sale of new stock, the **First National Bank of Hamilton Square, N. J.,** increased its common capital stock from $150,000 to $300,000. Effective March 15. (Number of shares outstanding 15,000 par value $20.)

* * *

The First Pennsylvania Banking and Trust Company, Philadelphia, Pa., announced the election of Stuart T. Saunders, President of Norfolk and Western Railway Co., as a Director.

* * *

Edward D. Townsend has been appointed Assistant Vice-President in the Metropolitan Department of **Mellon National Bank and Trust Company, Pittsburgh, Pa.,** Frank R. Denton, Vice-Chairman of the bank, announced.

* * *

William Penn Bank of Commerce, Pittsburgh, Pa., announced plans for consolidation with **Western Pennsylvania National Bank, McKeesport, Pa.**

Edward Crump, Jr., Chairman of the board and Wilbert S. Greb, President of William Penn, made the announcement of the proposed consolidation jointly with M. A. Cancelliere, President of Western Pennsylvania National. They said it has been approved by the boards of each of the two banks.

Preliminary approval has been received by the Comptroller of the Currency and the Pennsylvania state banking authorities. Both were required, since WPNB is a national and William Penn is a state bank.

Shareholders of each bank will meet soon to vote on the plan of consolidation.

William Penn Bank of Commerce, had total resources of $14,-

245,617 and deposits of $13,118,409 on Dec. 31, 1959.

The addition of these assets to the Western Pennsylvania National resources will form a consolidated bank of more than $200,000,000. WPNB had total resources of $193,102,464 on Dec. 31, 1959.

* * *

The merger of the **Citizens National Bank of Orange, Va.**, with common stock of $125,000 with and into The **Peoples National Bank of Charlottesville, Va.**, with common stock of $1,868,960 has been approved and became effective as of the close of business on March 16. The merger was effected under the charter and title of The Peoples National Bank of Charlottesville, with capital stock of $2,193,960 divided into 438,792 shares of common stock of the par value of $5 each.

* * *

Herman Waldeck died March 22 at the age of 88.

Mr. Waldeck, known as the dean of American bank credit men, had retired in 1954 as Executive Vice-President of **Continental Illinois National Bank and Trust Company of Chicago, Ill.**, and only last January retired as a Director.

He started with the old **International Bank** in 1892, continuing with Continental National Bank after it absorbed International in 1898.

He was elected Assistant Cashier in 1903, Vice-President in 1909, and in 1910 became Vice-President and Director of Continental and **Commercial National Bank** following the old Continental's merger with **Commercial National.**

Mr. Waldeck was named Executive Vice-President of the present Continental Bank in 1932, shortly after the merger of Continental National Bank and Trust Company with **Illinois Merchants Trust Company.**

* * *

The Springport State Savings Bank, Springport, Mich., has changed its title to **Springport State Savings Bank**, effective March 15.

* * *

The **First National Bank of Lincoln, Neb.**, with common stock of $2,500,000 and the **Continental National Bank of Lincoln, Neb.**, with common stock of $1,300,000 consolidated, effective as of the close of business March 12. The consolidation was effected under the charter of the First National Bank of Lincoln and under the title **First Continental National Bank and Trust Company**, with capital stock of $3,750,000 divided into 187,500 shares of common stock of the par value of $20 each.

* * *

By a stock dividend, the **National Bank of Tulsa, Okla.**, increased its common capital stock from $5,500,000 to $5,750,000. Effective March 16. (Number of shares outstanding 575,000 par value $10.)

* * *

The First National Bank of Magnolia, Ark., by the sale of new stock increased its common capital stock from $400,000 to $500,000. Effective March 15. (Number of shares outstanding 50,000 par value $10.)

* * *

The First National Bank of Asheboro, N. C. by a stock dividend, increased its common capital stock from $100,000 to $200,000. Effective March 16. (Number of shares outstanding 20,000 par value $10.)

* * *

The First National Bank of Hollywood, Fla. by a stock dividend, increased its common capital stock from $600,000 to $650,000, and also by the sale of new stock from $650,000 to $750,000. Effective March 11. (Number of shares outstanding 75,000 par value $10.)

* * *

The Merchants National Bank of Port Arthur, Texas, by a stock dividend, increased its common capital stock from $700,000 to $800,000, and also by the sale of new stock from $800,000 to $1,000,000. Effective March 18. (Number of shares outstanding 100,000 par value $10.)

* * *

The Plaines National Bank of Lubbock, Texas, by the sale of new stock, increased its common capital stock from $250,000 to $375,000. Effective March 17. (Number of shares outstanding 37,500 par value $10.)

* * *

The proposed merger of the **Wells Fargo Bank, San Francisco, Calif.**, with and into the **American Trust Company**, which was given in the Feb. 4 issue of the "Chronicle," on page 19, has been approved by the State and Federal Supervisory Banking Authorities, and has been officially approved. The new **Wells Fargo Bank American Trust Company**, with combined resources of $2,604,000,000 came into being on March 26, as the 11th largest bank in the nation. Mr. Ransom M. Cook, President, announced the merger. The bank's capital is $167,000,000.

* * *

A charter was issued to the **Santa Barbara County, Calif.** The President is Louis Lancaster and the Cashier is Daniel B. Turner. The capital of the bank is $600,000 and the surplus is $900,000.

Individual Dealer

MOUNTAIN VIEW, Calif.—L. E. Jenkins, 582 Anza Street, is continuing the investment business of L. E. Jenkins & Co., Inc.

W. A. Yancy Heads McDonnell Dept.

W. A. Yancy has become associated with McDonnell & Co. Incorporated, 120 Broadway, New York City, members of the New York Stock Exchange, as head of the Municipal Bond Department. Mr. Yancy was formerly with R. W. Pressprich & Co.

Standard American Secs.

NASHVILLE, Tenn. — Standard American Securities, Inc. has been formed with offices in the Third National Bank Building to engage in a securities business. H. Wayne Hammontree is a principal of the firm.

B. Schwebel Opens

NORTH MIAMI BEACH, Fla. — Benjamin Schwebel is engaging in a securities business from offices at 1290 Northeast 163rd Street under the firm name of Schwebel & Co. Mr. Schwebel was formerly with Gruntal & Co. and Alkow & Co., Inc.

Form Sechler Associates

ROCKFORD, Ill. — Robert E. Sechler & Associates, Inc. has been formed with offices at 3234 North Main Street to engage in a securities business. Robert E. Sechler is President; Irene Meuret, Vice-President; and D. M. Sechler, Secretary-Treasurer.

NASD District 11 Names Officers

District No. 11 of the National Association of Securities Dealers, Inc., comprising Delaware, Pennsylvania, West Virginia and part

James C. Chaplin, III

of New Jersey, has elected James C. Chaplin, III, Chaplin, McGuiness & Co., Pittsburgh, and George E. Nehrbas, Parrish & Co., Philadelphia, Co-Chairmen.

J. P. Baxter Now With Paine, Webber on Coast

SAN FRANCISCO, Calif. — John P. Baxter has joined Paine, Webber, Jackson & Curtis, 369 Pine Street, Resident Manager Louis Nicoud, Jr. has announced.

Mr. Baxter comes to San Francisco from Reno, Nevada, where he was associated with Dean Witter & Co. Before coming West he was a registered representative with the Buffalo, N. Y., office of Merrill Lynch, Pierce, Fenner & Smith Inc. for 13 years.

While with Merrill Lynch, he was a frequent lecturer on the subject of investments, addressing groups at Cornell University, Syracuse University, Hobart College and the Chautauqua Institute in Jamestown, N. Y. He also taught adult education classes in Buffalo for seven years.

Thomas Inv. Office

HARPER, Kans.—Thomas Investment Company has opened a branch office at 921 North Central under the management of Mervin E. Dent.

M. Weinberger Opens

FOREST HILL, N. Y. — Mandel Weinberger is conducting a securities business from offices at 110-45 Seventy-first Road under the firm name of Weinberger & Co.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Insurance Stocks

After a seasonal setback during the first quarter of 1959, the fire-casualty underwriting cycle which turned upward in mid-1958 grew progressively stronger throughout 1959. The outlook for 1960 is achievement of further recovery since the full benefit of rate increases in recent years is still to be realized. Heavy losses from such lines as automobile bodily injury, due to the high incidence of traffic accidents and costly claim settlements, and workmen's compensation still are sufficient to have held underwriting profits below a normal 5% profit margin for the fire-casualty industry.

Among unpredictable factors present, of course, is bad weather which can change the outlook for fire and auto accident losses quickly. During 1959 fire losses declined 0.9% to $1,047,073,000 from 1958 according to the National Board of Fire Underwriters' estimates. The insurance industry made considerable progress this past year in consolidating its efforts to reduce accidents which, if more effective, can cut the cost of insurance considerably. The National Safety Council has estimated motor vehicle deaths alone in the U. S. increased 2% to 37,800 for 1959. Experimental programs of low cost automobile insurance for the better risk classifications already have been introduced in several states and additional states are slated for coverage during 1960. These new package auto policy and safe driver rating plans presently are being field tested in California, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, Pennsylvania, and effective March 31, 1960 in Connecticut.

Insurance companies are well aware that competition is keener today and that operating results must improve if their present positions are to be maintained. New expense controls through efficiency and flexibility are being weighed. Budget payment of premiums has become increasingly popular in the industry and the movement toward mechanization through the use of electronic equipment is accelerating. Changes in merchandising are spreading beyond the automobile field since competition is telling the stock agency companies to adopt means of reducing the cost of operating through the independent agent.

Many annual reports of insurance companies are now in the hands of stockholders; the underwriting experiences make the reading more pleasant. For the industry, a gain of about 9% was registered in net premiums written during 1959. Due mainly to the lingering loss experience on automobile bodily injury coverage and workmen's compensation, fire underwriting results were somewhat better than casualty lines. The industry's loss ratio declined to around 61% and the expense ratio improved by dropping to around 37%. Although short of a 5% profit margin enjoyed in past decades, underwriting profit margins were 2% on average, up considerably from the marginal results of 1958. Net investment income rose some 9% over 1958, while investment portfolio appreciations were modest as against the substantial appreciations experienced in 1958. The continuing increases in net investment income are particularly significant to the investor since increases in dividends tend to be related to such gains. Several companies already have increased cash dividends and favorable action by others can be anticipated during 1960.

The table presented covers a representative list of companies which achieved gains in premiums written during 1959. The increased frequency of companies reporting combined loss and expense ratios below 100% can be noted. Underwriting trends are reflected in the ratios given since earned premiums can be considered accurate measures of exposure to loss and the major expenses are incurred when policies are written. A profit is indicated if the total of the two ratios is less than 100, a loss is still present if the total exceeds 100.

Due to characteristics of operations, expense ratios are higher for fire lines and are unusually low for such casualty lines as group accident and health, and workmen's compensation. Expense ratios reflect efficiencies made in internal operations as well as changes in classes of business underwritten. To further explain differences reported a particular company's method of operation and territory served are significant factors. Based on the present outlook, prudent and patient insurance stockholders should be well rewarded during 1960.

Underwriting Performance of Fire-Casualty Stocks

	Net Premiums Written, 1959 (Million $)	% Gain Over 1958	Loss Ratio**	Expense Ratio***	Underwriting Profit Margin 1959	Underwriting Profit Margin 1958
Aetna Cas. & Surety	$339.0	10.5%	62.6%	34.8%*	2.6%	2.0%
Allstate Insurance	432.1	16.2	64.9*	25.5	9.6	8.8
American Insurance	172.5	3.6	60.2*	39.2*	0.6	—3.0
Continental Casualty	358.6	19.8	63.3*	32.1*	4.6	2.6
Federal Insurance	72.9	8.3	56.9	34.7*	8.4	7.3
Fireman's Fund	258.2	12.0	60.0*	38.2*	1.8	—1.1
Glens Falls Insurance	87.9	7.3	61.7	38.9*	—0.5	—1.1
Gov't Employees Ins.	57.0	22.2	70.5	13.7*	15.8	18.4
Great American	147.3	1.7	61.2*	39.0*	—0.2	—6.1
Hartford Fire	478.3	12.2	61.3	36.5*	2.3	1.5
Home Insurance	243.5	5.6	57.5*	40.2*	2.2	—2.0
Insurance No. America	357.8	5.1	60.1*	37.4	2.5	2.2
Maryland Casualty	132.0	5.4	64.0	37.3*	—1.3	—0.9
Merchants Fire	21.7	2.6	60.3*	40.0	—0.3	—3.3
National Fire	65.3	18.6	54.4	41.5*	4.2	1.1
New Hampshire	46.1	10.3	60.2*	38.3*	1.5	—3.6
North River	27.9	9.6	57.5*	40.8*	1.7	0.3
Northern Insurance	45.1	14.3	54.5*	43.3*	2.3	—1.6
Ohio Casualty	71.9	12.4	57.1	37.6*	5.3	6.5
Reliance Insurance	70.9	5.0	59.4*	40.0*	0.7	—2.1
St. Paul F & M	161.2	8.1	59.1*	36.9*	4.0	2.8
Standard Accident	76.6	2.5	62.3*	39.5*	—1.8	—5.6
Travelers	817.0	5.1	74.8*	24.6*	0.6	—0.5
U. S. Fidelity & Guar.	277.9	11.0	59.8*	36.4*	3.8	0.4
U. S. Fire Insurance	59.4	10.3	57.6*	40.8*	1.6	—0.1
Westchester Fire	31.4	10.0	57.7*	40.5*	1.8	0.0
Western Cas. & Surety	49.1	12.6	61.1	35.3*	3.6	4.3

*Improvement in performance over 1958.
**Losses incurred to premiums earned.
***Expenses incurred to premiums written.

Fears About Our Gold Status Are Unwarranted

Extent of world institutional potential claims on our gold precludes necessity of devaluation if withdrawals were confined to foreign-owed short-term funds. In making this point, Dr. Nadler discusses measures to forestall any need for devaluation. The economist hails the restoration of the international money market and details the new discipline this entails upon us.

The belief in some quarters that the U. S. may have to devalue the dollar if there is a sudden withdrawal of foreign owned short-term funds is not warranted, according to Dr. Marcus Nadler, consulting economist to the Hanover Bank.

Marcus Nadler

In a report titled "International Money Market," just published by Hanover, the economist points out that much of these foreign-owned funds are kept here as "working balances."

In addition, a substantial amount is owned by international institutions such as the World Bank and International Monetary Fund, Dr. Nadler reports.

The economist asserts that the U. S. monetary stock of gold is still the largest in the world and this country can have recourse to the vast resources of the Monetary Fund.

"As long as the monetary authorities and Congress are aware of the responsibilities resting on a leading financial center and its role in world finance and trade, the future of the dollar is safe," Dr. Nadler says.

"Only Congress could bring about a change in the dollar's international value," he adds.

Dr. Nadler analyzes the impact on the U. S. of the restoration of the international money market at the end of 1958.

The fact that there is now a choice of location for international liquidity is bound to affect the New York Money mart and the interest structure of the country, he states.

"If rates decline too rapidly, it will cause a shift of foreign-owned funds to other centers and an outflow of gold," the economist declares.

"If the latter is on a large enough scale it is sure to affect the credit policy of the Reserve authorities."

Thus, the Reserve, when formulating credit policy, will have to consider not only economic conditions and trends at home, but also money market conditions in other countries of the international market, he points out.

Dr. Nadler hails the restoration of the international money market as "an event of great significance.

"The new discipline imposed on the governments and financial centers . . . constitutes an important bulwark against inflation and against all measures which lead to a deterioration in the purchasing power of currencies," he concludes.

Sums Up Conclusions

The New York University Graduate School Professor sums up his views as follows:

(1) The restoration of the international money market is an event of great significance. It marks the end of the period of exchange restrictions instituted by many countries at the outbreak of World War II. It shows that the reconstruction of the war-torn economies of Europe has been completed and that the governments and their respective central banks believe that their currencies and international trade do not need the artificial protection of exchange controls. As long as these curbs were enforced they enabled the various countries to insulate their domestic prices from world developments and to foster bilateral trade at the expense of a multilateral exchange of goods and services.

(2) The international money market in essence operates like a commercial bank. It attracts the idle funds of its members to the center where the highest return can be obtained, which in turn uses these funds to finance many domestic and international transactions. The nearly $20 billion of foreign-owned funds in the U. S. are invested in short-term Treasury obligations, bankers acceptances, and in other credit instruments, or they are kept on deposit primarily with the large New York City commercial banks. These funds have thus extended the market for the various credit instruments and have enabled the banks to broaden their own lending and investing activities.

(3) Foreign-owned short-term assets are high, and the U. S. balance of payments for the last two years has shown a large excess of payments over receipts. This has led some to believe that a sudden withdrawal of these funds could force the U. S. to devalue the dollar. Such a belief is not warranted by the facts.

In the first place, a considerable part of these funds is kept here as working balances, and a substantial amount is owned by international institutions such as the World Bank and International Monetary Fund.

Secondly, the U. S. monetary stock of gold is still the largest in the world and, like any other member country, the U. S. can have recourse to the vast resources of the Monetary Fund. Only actions by Congress or the Administration which would undermine confidence in the integrity of the dollar could lead to a panicky withdrawal of these foreign-owned short-term funds.

The amount of money which Americans could transfer abroad is larger than that at the disposal of all other nationals. The necessity to maintain confidence in its currency and to protect, its integrity is the obligation of every responsible government, regardless of the amount of foreign-owned short-term funds that may be invested in its financial center.

(4) The restoration of the international money market imposes certain disciplines on the various centers. But it does not deprive the individual central banks of the initiative to adopt credit policies intended to fight a recession and to prevent growing unemployment. In formulating credit policies, these banks will have to consider not only domestic economic trends but also money market conditions in other centers. Unless interest rates elsewhere decrease materially, it is doubtful whether money rates in the U. S. will drop to levels which prevailed in the recession years of 1953-1954 and 1957-1958.

Money rates in this country will continue to fluctuate with business activity, but they will also be influenced by market conditions in other centers. A decline in interest rates here—if not accompanied by a similar move-

ment in other countries—will lead to an outflow of funds and of gold from the U. S. This will narrow the credit base here and broaden that of the other banking systems. Within a relatively short period of time the level of interest rates will be equalized.

(5) **The existence of such a large volume of foreign-owned short-term assets will exert a considerable influence on the movement of the funds from one credit instrument to another.** When open market rates go higher than the time rate paid by commercial banks, a flow of foreign funds to short-term Treasury obligations and other credit instruments will follow. This will be the case as long as the time rate is fixed by the Reserve Board and the individual banks are not in a position to raise the rate beyond the fixed limit. But this does not apply only to foreign-owned funds and thus raises the question whether the fixing of the interest rate that commercial banks may pay on foreign deposits interferes with the proper operations of the international money market.

(6) **The restoration of the international money market means a return to more normal world financial conditions.** The new discipline imposed on the governments and financial centers which form the market has been welcomed by all who favor sound fiscal and monetary policies. It constitutes an important bulwark against inflation and against all measures which lead to a deterioration in the purchasing power of currencies. A nation which prices itself out of the world markets or which unduly depresses interest rates and has no regard for fiscal discipline will soon be forced either to return to exchange and trade restrictions or to devalue its currency.

Robert M. Williams

Robert M. Williams, pioneer Pacific Northwest investment banker, passed away suddenly March 23.

Mr. Williams became connected with the Federal Reserve Bank of Spokane in 1919. In 1925 he joined the firm of Murphey Favre, Inc., Spokane investment banking company and was elected President of the firm in August of 1943, which position he held at the time of his death.

He was Chairman of the Boards of Directors of Composite Bond and Stock Fund, Inc., and Composite Fund, Inc., and was well known in financial centers of the nation.

Mr. Williams was a former Governor of the Investment Bankers Association of America and active in the Pacific Northwest Group of the IBA. He served as Chairman of the Business Conduct Committee of that Group in 1933, 1934, 1938 and 1939 and served on several committees of that organization in the '30s and '40s. In more recent years he was a member of the Executive Committee of the National Association of Investment Companies.

D. Rosetahl Opens

David C. Rosetahl is engaging in a securities business from offices at 103 Park Avenue, New York City.

Shearson, Hammill Branch

WATERBURY, Conn. — Shearson, Hammill & Co. has opened a branch office at 20 East Main St. under the management of Robert E. Veillette.

Valley Forge Securities

PHILADELPHIA, Pa. — Valley Forge Securities Co., Inc. has been formed with offices at 1701 Walnut Street to engage in a securities business. Officers are John O. Salvesen, President; Newell G. Umansay, Secretary - Treasurer; and Rodney Erickson, Vice-President.

DeLaura Heads New NYSE Dept.

The Board of Governors of the New York Stock Exchange has approved creation of a new Department of Operational Development and Planning under the direction of Edward De Laura, it has been announced by Keith Funston, President.

"The Board approved the new department," Mr. Funston said, "in view of the ever broadening range of Exchange activities and the necessity for planned and efficient expansion in the future. Recent Exchange studies indicate a significant future growth in shareownership and volume. We must be prepared to meet the demands that will be placed upon our community."

Mr. De Laura joined the New York Quotation Company, an affiliate of the Exchange, in 1934 as an electrical engineer. He was named Chief Engineer in 1939, Vice-President of the Quotation Company in 1941, and Director of the Exchange's Ticker-Quotation Department in 1952.

George Du Pont, Jr., succeeds Mr. De Laura as Director of the Ticker-Quotation Department. He has been with the Exchange since 1940.

Mr. De Laura will be responsible for exploring possible equipment improvements on the Exchange trading floor, as well as new techniques for the ticker system and quotation service. He will also study possible computer applications to various Exchange operations.

Edmund Shlens Opens

(Special to THE FINANCIAL CHRONICLE)

CHAMPAIGN, Ill. — Edmund Shlens is conducting a securities business from offices at 44 Main Street.

Truman Securities Corp.

Truman Securities Corporation has been formed with offices at 70 Pine Street, New York City to engage in a securities business. Charles H. Truman is President and Treasurer. Mr. Truman was formerly an officer of Truman, Wasserman & Co. Inc.

Form Weinberg & Shanley

CHICAGO, Ill. — Weinberg & Shanley has been formed with offices at 141 West Jackson Boulevard to engage in a securities business. Partners are Richard M. Shanley and Sidney E. Weinberg. Mr. Shanley was formerly with Thomson & McKinnon and Reynolds & Co.

Portfolio Research

LARCHMONT, N. Y. — Portfolio Research Corporation is engaging in a securities business from offices at 349 Boston Post Road. Officers are Harry P. Schwarzman, President; A. A. Schwarzman, Vice-President; and Donald C. Adams, Secretary-Treasurer.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

The spectacle of the three avowed Democratic Presidential candidates standing before 10,000 United Automobile Workers in Detroit and endorsing the Forand Bill gives you an idea of the campaign they are going to conduct.

The Forand Bill to give health and medical insurance to everybody 65 years old and over is estimated to cost $2 billion the first and the cost rises to stupendous proportions in subsequent years. The cost of it would be added onto your Social Security taxes. There are now 15,380,000 persons aged 65 and over.

President Eisenhower has turned the bill down and also wouldn't let his health secretary, Mr. Fleming, propose an alternative. He is under orders to give further study to the problem but it is not likely that he will be able to come up with something before Mr. Eisenhower retires.

This means that the Republicans will go into the campaign as hard-hearted people who would not take care of the aged. It will be a formidable issue. After all 15,380,000 potential beneficiaries are not to be sneezed at.

Mr. Eisenhower's attitude is about to give Vice-President Nixon conniption fits. The latter wants the Administration to offer something in lieu of the Forand Bill and he will likely have a proposal of his own for his own campaign.

While the Democrats get a formidable issue out of this, the Republicans ought to be able to cash in on the obvious tie-up of the Democrats with organized labor, especially Walter Reuther.

Senator Barry Goldwater made Reuther an issue in 1958 by telling about the verge of bankruptcy to which he had brought the State of Michigan in the 16 years that Mennen Williams had been Governor.

In 1956, Senator Homer Capehart of Indiana, received the biggest majority he has ever received by making Reuther an issue. Outside of Michigan there is no reason to believe that Reuther is other than a liability.

All three avowed Democratic Presidential candidates are wooing him. Indeed, young John Kennedy together with his brother, Bob, prevented any investigation of Reuther and his UAW by the McClellan Committee which concentrated on Dave Beck and Jimmy Hoffa.

Republican members of the committee have issued a minority report roundly denouncing the committee for not holding hearings on Reuther. They finally succeeded in getting Reuther before the committee for two or three days but the two Kennedys would not let them bring out anything. Young Bob Kennedy, who was general counsel of the committee, has declared Reuther's UAW is efficiently and honestly run.

There can hardly be any doubt about its efficiency. Its record of terrorism in strikes attests to that.

If the Democrats win, Reuther will be a big influence in the Administration's councils regardless of who wins the nomination, unless it be Lyndon Johnson who is not yet an announced candidate.

The campaign won't be the same in the absence of Estes the Bestest Kefauver. An inveterate runner, Kefauver had to take time out this year because he is a candidate for reelection down in Tennessee.

An unknown first term Senator, Kefauver hit upon an investigation of crime and the underworld in 1951. Thereupon he basked in TV spotlight and when the campaign of 1952 arrived he thought he should be President. With an unusual audacity he entered the New Hampshire primary in which Truman, toying with the idea of running again, had permitted his name to be entered.

Speaking in a timid, faltering voice, and somewhat awkward in appearance, Kefauver went into every little hamlet in the State and, appearing as a bumbling country boy, he roundly trounced Truman. He went on with the same type of campaign and, ignored by the politicians, succeeded in capturing 15 of the 17 primaries he had entered.

But the politicians then ganged up on him and, although he succeeded in leading on the first two ballots at the national convention, he was denied either first or second place on the ticket.

The politicians thought they were through with Kefauver but he bobbed up in 1956 to make life miserable in the primaries for Adlai Stevenson. After Stevenson defeated him in Florida, he withdrew and sought to throw his support to Stevenson. He finally won the Vice-Presidential nomination.

This year, instead of touring 34 States in the Union in quest of the Presidency or Vice-Presidency, Kefauver is touring every little hamlet in Tennessee where he has a hard fight on his hands but is likely to win.

With Amott, Baker

Llewellyn Woodward and Edwin W. Hampshire have joined the Rome, New York, office of Amott, Baker & Co., as fully registered representatives, and Robert J. Alexander has become associated with the firm's New York office in a similar capacity.

Mr. Woodward and Mr. Hampshire have had long previous experience both in business and investments extending over periods of more than 20 years for each.

Amott, Baker & Co., members of the New York Stock Exchange, have maintained their principal office at 150 Broadway, New York City, for the past 27 years.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The Government market gave some ground last week following the rapid and quick run-up in quotations of these securities. It was not unexpected that profit taking was to come into the list since the early stages of a rally in prices usually goes at a pace that cannot be maintained for an extended period of time. In addition, the modest change in money and credit conditions which is being looked for by some, and which others say is already taking place, does not give very much leeway from the policy which has been in force.

The new money raising of the Treasury may also bring with it a refunding offer so that the impending venture could supply the market with obligations which might tend to temper a bit more the fast run-up in prices of Government securities. An announcement is expected today (March 31) and shorts, intermediates and even a bond could be part of the deal.

Too Fast and Too Far?

The sharp and fast rise in prices of Government obligations has the money and capital markets on the "spot" for the time being at least since it is difficult for most financial specialists to believe that this quick uptrend in quotations will be extended very much in the immediate future. It is evident from past experience, however, that changes in trends in security markets generally move too rapidly and too far in both directions initially and this may be the case in the recent upturn in prices of Government issues.

Nonetheless, the action of the markets for all fixed income bearing obligations has been very much on the legitimate and constructive side since the downtrend in yields of these securities has been brought about by good sized buying in these issues, with the exception of the longest Government bonds. The most distant Treasury bonds have been and still are being moved up and down very readily by professional operators, because the buy and sell orders in these issues are very small. About the only ones who have a real investment interest in the low coupon, long-term Government bonds are those pension fund buyers who must confine their purchases to Treasury issues or must have a rigid percentage of the holdings in these securities.

Capital Appreciation Expected

The uptrend in prices of Government securities, that is, the short-term and the intermediate-term issues, has taken place because the buyers of these obligations have had the funds available to make commitments in them. This means that the recent rise in prices is on pretty sold ground in spite of the fastness of the ascent. In addition, the institutions which have made purchases of the near- and middle-term Treasuries have more than a passing amount of opinion that these commitments will turn out to be profitable since it is their belief that money market conditions will be favorable for just such a development.

The policy of "mild" restriction which is being talked about very actively in money market circles does not mean that there is going to be any change in the basic policies of the monetary authorities. The size of the negative reserves will most likely indicate the amount of "mild" restraint that will be in the money market. And the fact that the term negative reserves is the way in which the ease in money and credit conditions is being measured does not seem to indicate that there will be anything like a plethora of funds seeking an outlet.

Accordingly, "mild" restraint would seem to give the money market an opportunity to breathe a bit more easily but this does not mean that the tightness has been taken out of the picture. It seems as though the powers that be will follow a program of watchful waiting from a position on the side lines with the trend of business and the tone of economic conditions being the indicators which will foretell whether or not the program of "mild" restraint will give way to one of greater ease or a return to more rigid restrictions.

Long Treasury Bond Seen Possible

The ease in the money market which brought about the sharp decline in yields of all government obligations has pushed the question of change in the long-term interest rate level of 4¼% right out of the spotlight, although the wisdom of such a move remains unchanged. It is evident that those who have been against the making of alterations in the 4¼% limit are not going to be rushed into it now, with the prospects looking much better for the offering of an obligation with a maturity of more than five years within the present interest rate limit. A bond issue in amounts up to say $1 billion is being talked about in the financial district as a likely part of the coming financing.

Now La Master, Ford

HOUSTON, Tex.—The firm name of La Master & Co., Texas National Bank Building, has been changed to La Master Ford & Co.

With McDonnell

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Harley E. Sullivan is now connected with McDonnell & Co. Incorporated, Russ Building. He was formerly with York & Co.

Integrating U.S. Subsidiaries Into the Canadian Economy

By J. R. White,* President, Imperial Oil Ltd.
Toronto, Ontario, Canada

Head of Standard Oil Company of New Jersey's affiliate offers meaningful advice as to how a parent company should treat its Canadian subsidiary. Also he deals with criticism of our investment and overseas tax investment incentive policies. One of Mr. White's strictures is to forget that subsidiaries are that and, instead, think of them as Canadian companies. He sums up the differences in a Canadian operation from a U. S. operation for the same product and, thus, shows why there must be more responsible decentralization. Moreover, he stresses the importance of good "corporate citizenship," recommends realization of the fact that the real rules of a business are the customers and their government, and suggests measures to improve the receptiveness of our investments in Canada.

I am going to begin with a suggestion which some people may consider a mere matter of semantics. I am going to suggest that wherever we find the words "U. S. subsidiary in Canada" we substitute the words "a Canadian company in which United States shareholders hold at least a majority of the common stock."


J. R. White

This is, of course, the legally exact way of expressing the situation. Once any company begins operations in Canada, it is subject to Canadian law. In effect, it becomes at birth a full-fledged Canadian corporate citizen.

When undertaking a Canadian venture, recognition that it is a "Canadian company" rather than a "U. S. subsidiary" is of fundamental significance. It immediately establishes an attitude toward operational problems, a realization that the new project will have to be governed by conditions as it finds them in Canada, not simply by conditions which the parent company may be experiencing in the United States. Such an attitude is essential for the financial success of any such venture. It is also essential from the growth standpoint because conditions in Canada may push the Canadian company into fields not originally contemplated by the parent company, or may lead to its expanding at substantially different rates from those experienced by the parent company in the United States.

It is also important to regard the new venture as a Canadian company rather than a U. S. subsidiary in order to ensure its successful development along human relations lines. By this, of course, I mean human relations in the broadest sense including relations with the public, with employees and with governments.

Proper Amount of Decentralization

This philosophy is usually translated into operating terms by the general description "decentralization of management." This phrase is not too satisfactory since it implies a change from some previous centralized policy, and the process is actually not so much a negative one of "uncentralizing" as a positive one of adaption to local conditions. Decentralization of management is one of the methods which helps to achieve this end. It is not the only means since co-ordination and internal communication are also essential to the process. If, then, I appear to emphasize the theme of decentralization, I hope you will realize that I am using it as a broad label for the type of management which is closely geared to local conditions.

There is nothing new about decentralization of management in this sense. It has developed wherever a system of branch operation exists. In the form of delegation of responsibility, the necessity for it has tended to increase the growth in the size of operation and with every gain in the capital invested per individual employee.

The reasons for decentralization are also fairly obvious. Without it, flexibility of action may be hard to achieve. The over-centralized business operation frequently loses out to the organization which can make decisions and take actions based on local circumstances promptly as they develop.

Influences which favor decentralization become intensified when you cross an international boundary. Actually, as soon as an organization extends its operations beyond its home municipality or state, certain legal problems and differences emerge and the result is that the new company or undertaking, even though it will have strong family resemblances to the parent company, will often differ substantially because of the new environment in which it is operating.

Describes Differentiating Factors

Many are probably already familiar with a great many of the circumstances which make a Canadian operation different from one in the United States.

One of the more obvious features is the way in which the respective political constitutions affect the legal structure.

There are also differences in the geographic distribution of population. In Canada this has led to a marked emphasis on trans-continentalism in many of our business organizations. Canada's motto is "From Sea to Sea" and this has been echoed in such diverse fields as banking, oil manufacturing and marketing and, not surprisingly, transportation. Fairly commonly the only way in which the economies of mass production can be attained is through building a marketing system which stretches from coast to coast.

A variety of other circumstances has led to a number of differences which can have a profound effect on the fortunes of an individual company. For example, the timing, extent and pattern of business cycles in Canada has not coincided exactly with the timing in the United States. There are other differences, such as interest rates for money, which, both in terms of the absolute level and the timing of changes, can vary between the two countries.

These economic variations reflect basic differences between the two countries. Such factors as the heavy Canadian dependence on exports (which are about 20% of the Gross National Product in Canada compared to roughly 5% in the United States) and on the development of natural resources tend to create a sharply different business climate. As a result the problem of forecasting is quite different in the two countries.

One of the chief differences between Canada and the United States is that Canada is a bilingual country. This means that while the English-speaking part of your Canadian market can understand product promotion and other communications that were "Made in U. S. A.", there is nearly one-third of the population which will not prove receptive to American commercials simply on the basis of language. Consequently, while it is desirable to make specially-designed appeals to your English-speaking Canadian audience, employing material which is familiar to them, the locally-designed appeal becomes compulsory insofar as French-speaking Canada is concerned.

To sum up, there are a great many differences in a Canadian operation from an operation designed to handle the same product in the United States:

Geography changes all the logistical factors; the differences between the two economies change the significance of many economic indicators and make forecasting a separate process; marketing and distribution in French-speaking Canada in particular, but also throughout the nation, call for different approaches from those used in the United States.

Functions That Should Be Decentralized

Where possible, therefore, the marketing advertising, forecasting and capital budgeting functions of a Canadian company with majority U. S. shareholding should be carried on in Canada. Decentralization, a desirable principle in any event, verges on the compulsory when the operation is transferred across an international border. Management closely geared to local needs is necessary for the most fundamental step in integrating a company into the Canadian community — financial success.

Decentralization will also assist greatly in the other necessity for integration of a company into the Canadian scene—good human relations. It implies hiring local help wherever possible; it implies patronizing local sources of supply where these offer appropriate quality at competitive prices; and, rather generally, support for and understanding of local institutions and local aims and objectives.

Good Corporate Citizenship

As I mentioned just above, a business doesn't have to wait until it is 21 before it attains corporate citizenship. It is expected to act as a good citizen right from the drop of the hat. Now, "corporate citizenship" is a phrase which I usually don't like to use. It is far too vague a concept and much too elastic. It can mean nothing more than obeying the strict letter of the law, or it can be stretched to rather unrealistic lengths.

With all its vagueness, however, I think the phrase does carry some meaning to most of us. We think rather generally of a good corporate citizen as the sort of business that plans to stay in the community for a long time. We think of it as one that certainly wants to make a profit, but wants to make it over a long period. Good corporate citizenship may be more of an ideal than a practical way of life, but the company which is trying to achieve it can be readily recognized.

And I might say that I think the average Canadian company with American shareholding is coming pretty close to this ideal. The great bulk of their staff are native-born Canadians. They and their personnel support local campaigns, contribute to universities and other causes. I think that most of this is being done just as naturally as if these companies were operating in their country of origin.

But, you may say, I have heard that there is a good deal of criticism and concern over American investment in Canada. How can you reconcile this with your statement that American-controlled companies are being accepted as good citizens?

The answer to this apparent paradox, it seems to me, is that the two ideas are on completely different planes. Good corporate citizenship is being practised by the Eagle Manufacturing Co., Podunk Centre, Canada. All of this company's stock is held in the U. S. but Podunk Centre would man the barricades in defense of the Eagle Co. The said company has been the making of the town and everybody knows it.

U. S. Investments That Raise Questions

Now, at the same time that this attitude exists towards American investment in the concrete, it is quite possible for people to take a rather different attitude to American investment in the abstract.

U. S. investment—in the abstract—raises such questions as:

Is the proportion of U. S. to domestic Canadian capital investment larger than is healthy? If a majority of the stock in our manufacturing industry is held by U. S. shareholders, does that mean that these industries will be run in the interests of the United States rather than Canada? Does the fact that U. S. capital is buying shares rather than bonds mean that ownership of these companies will never pass to Canadian hands? Are Canadian investors being given a fair chance to participate? Very broadly, are these American-controlled companies being run as Canadian enterprises or as "U. S. subsidiaries," with their activities circumscribed by the rules and regulations of head office, or even of the U. S. government?

These are valid questions and the fact that they persist in the face of rather general approval of specific U. S.-controlled undertakings suggests that there has been room for improvement in the communications and perhaps the policies of at least some American-controlled companies.

The People Dictate the Conditions

As far as the individual corporation is concerned, I think that more emphasis needs to be put

Continued on page 33

Canada Is Now Creating the Base for a Splendid Decade of Growth

Continued from page 1

Having dwelt on the glowing vista the next decade appears to hold in store for Canada, it's appropriate to examine at closer range those recent and current developments which provide a basis for such optimism. Last year was devoted to a resumption of economic forward motion, which had been interrupted for several months in 1958. The figures, for the most part, were excellent. Gross National Product rose by 7% to a new all-time high. Consumer spending, which in Canada accounts for about two-thirds of G. N. P. soared to a new high of $22 billion for 1959, and the earlier reluctance, particularly among the French-speaking population, to purchase on instalment has substantially disappeared.

Mineral production, in total, also attained an historic high level of $2¼ billion. The big increases were in iron ore, natural gas, uranium, copper and nickel. Iron ore production rose dramatically from 14 million long tons in 1958 to 20 million in 1959.

Natural Gas Expansion

Natural gas looks forward to a bright 1960 with expected approval of export applications that may quadruple daily deliveries to the United States. Over 900 capped gas wells, for the most part in Alberta, are waiting for the day they can go "on stream" and loose what radio announcers might call "that locked-in goodness." The principal occasion for delay in authorization of gas export has been the question of whether Canada had sufficient gas reserves to both export gas in volume, and still have plenty left to provide for her own fuel needs in the years to come. This question appears to be satisfactorily answered by 28 trillion cubic feet of proven gas reserves, and estimates of total reserves running from two to ten times that figure. So this year the Trans-Canada Pipeline should vibrate with billions of cubic feet of gas flowing from Alberta to Toronto and beyond, and border deliveries by other lines in Mid-Canada and West Canada should more than offset the so-so figures for petroleum production (now running at less than 50% of capacity).

Export sale is attractive not only as an outlet for existing gas inventory, but as a dynamic factor in expansion of the economy. Implementing the five major export applications, under consideration for months, will lead to direct new investments of over $600 million in the next three years, in more aggressive exploration, and in related industrial, commercial, and residential construction and expansion.

Uranium, a Peak and a Problem

Something should be said about uranium, which in the 1950s was Canada's fastest growing industry. In 1959, sales of uranium totaled $300 million — on the surface a splendid result. But future production and profits have been clouded by the decision of U. S. Atomic Energy Commission, announced Nov. 6, 1959, not to renew existing purchase contracts expiring in 1962/3; and to stretch out deliveries under existing contracts to 1966. The effect of this will be to reduce uranium per annum sales to probably 50% below 1959, and to step up the search for peaceful uses for uranium. All of this soured the markets in uranium equities and led to financial difficulties in the case of two major producers. The outlook for uranium is thus for below-capacity production for some years to come.

The past year was excellent for Canada's great banks. They reported peak earnings and there was a strong market in their shares. Credit did become stringent and the interest rate became progressively painful to borrowers. The action of the financial authorities in putting brakes on credit, however, appears to have been sound. It stabilized the pace of business, set up a solid defense against runaway inflation, and kept the rise in the level of prices to a minimum—about 1%. Share markets generally were less buoyant than in the U. S., with the oil list particularly inanimate.

In the area of public events, the visits of Queen Elizabeth and President Eisenhower to mark the opening of the St. Lawrence Seaway were significant and memorable. The Seaway creates a powerful new artery of international trade, and provided a unique satisfaction in bringing a project which had been dreamed of for decades, into lively reality.

The Immediate Future

Having peered ahead for a decade, and reviewed the immediate past, what can we say about the prospects in Canada for the year now lying before us? Well it should be an excellent one, although the pace of economic advance may be a little slower than in 1959. Lumber and paper production may reach new highs and natural gas and iron ore deliveries are certain to zoom. It should be a fine motor car and appliance year. Travel in all forms should reach a new peak. As the largest importer of capital in the free world, Canada will probably require a billion dollars from abroad for the sustained expansion of her economy. It should be another terrific year in consumer purchasing and the great store systems, such as Loblaw, Steinbergs and Simpsons, should prosper. Lumber, paper and pulp companies are in a favorable conjecture. In life insurance, Canada continues to lead the world in per capita coverage. Both the rise in resources of life companies and the trend towards mutualization are expected to continue. Gold, which holds fifth place in Canada's mineral production, should duplicate its 1959 total of $154 million, but still must wait patiently for a rise in the price, frozen for the past 26 years at $35 (American) an ounce.

Among problems still to be contended with again this year are the economic lags in the Atlantic Provinces, sagging coal production, the achievement of a broader export market for oil, correction of the trade deficit ($1.4 billion in 1959), and a lessening of foreign domination in ownership in Canada's industry and resources.

Achievement of this latter objective is not easy for the reason that Canada continues to afford one of the most attractive climates for protected and profitable investment in the entire world. Here is a great nation, rich in real estate and natural resources, blessed with a sound government, and dedicated to the private enterprise system which rewards initiative, imagination, industry and investment, and protects these by a sound currency and a banking system of magnificent solvency. Ample proof of the desirability of Canadian investments is found in the following tabulation of securities which have paid continuous cash dividends from 5 to 131 years. Most of these issues are listed on one or more of the Canadian stock exchanges and they may be purchased or sold through any one of the hundreds of highly reputable Canadian brokerage and investment houses. Whether your search is for dividends, diversification or dynamic growth, this list should prove rewarding reading.

TABLE I

CANADIAN

(Listed and Unlisted)

Common Stocks

On Which
CONSECUTIVE CASH
DIVIDENDS

Have Been Paid From

10 to 131 Years

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §—	Quotation Dec. 31, 1959♦ —Canadian $ §—	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Abitibi Power & Paper Co., Ltd. Newsprint and allied products	11	1.70	39½	4.3
Agnew-Surpass Shoe Stores, Ltd. Makes and distributes shoes through 128 store retail chain	26	0.63	b18½	3.4
Aluminium Ltd. new Largest producer of aluminum ingot in the world	21	0.55	32¼	1.7
Andian National Corp., Ltd. Operates oil pipe line in Colombia, S. A.	16	*0.35	b5½	6.4

♦ Quotations represent Dec. 31, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of Dec. 31, 1959.
§ Add current Canadian Exchange Rate.
b-Bid.
* Dividend paid in U. S. Currency.

Canada Now Creating the Base For Splendid Decade of Growth

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §—	Quotation Dec. 31, 1959♦	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Anglo-Canadian Pulp and Paper Mills, Ltd. Newsprint and allied products	14	2.00	b41¼	4.8
Anglo-Huronian Ltd. Holding & operating co.—chiefly interests in Can. gold mining	20	0.50	12½	4.0
Anglo-Newfoundland Development Co., Ltd. "Ord." Newsprint and allied products; also mining interests	15	0.20	b7⅝	2.6
Argus Corp., Ltd. Investment co.—manufacturing & merchandising interests	13	1.00	35	2.9
Asbestos Corp., Ltd. Mining & milling of asbestos fibre	22	1.40	26	5.4
Ashdown Hardware Co., Ltd., J. H., "B" Large wholesale and retail business in general hardware	22	0.72	b13⅛	5.5
Aunor Gold Mines Ltd. Ontario gold producer	19	0.16	2.76	5.8
Auto Electric Service Co. Ltd. Service distributors of automotive electrical carburetors & auxiliary equipment	13	1.25	25¾	4.9
BANK OF MONTREAL Operates 813 branches and agencies throughout the world ● See Bank's advertisement on page 30.	131	1.85	55	3.4
BANK OF NOVA SCOTIA Operates 584 branches and sub-offices throughout the world ● See Bank's advertisement on page 27.	127	2.25	70¾	3.2
Banque Canadienne Nationale Operates 594 branches in Canada	78	1.90	56	3.4
Barber-Ellis of Canada, Ltd. Stationery and printers' supplies	29	5.60	b65	8.6
Barymin Explorations Ltd. Holding company, prospecting and exploring various properties N W Ontario.	10	0.30	0.54	5.6
Beatty Bros. Ltd. Manufacturers of barn and stable equipment, household equipment, pumps, etc.	20	0.50	b7	7.1
Beaver Lumber Co. Ltd. Lumber & building supply retailer, 273 branches in Canada	16	1.25	24	5.2
Bell Telephone Co. of Canada Most important telephone system in Ontario and Quebec	79	2.00	42⅞	4.7
Biltmore Hats Ltd. Men's fur felt and wool felt hats	26	0.40	b6½	6.2
Bird Construction Co. Ltd. Engaged in general building and road construction with branches in several cities in central Canada.	11	2.80	b52	5.4
British American Bank Note Co. Ltd. Makes bank notes, bonds, revenue stamps, and similar items	25	2.50	b50	5.0
British American Oil Co. Ltd. Petroleum production, refining, distribution	50	1.00	33¼	3.0
British Columbia Power Corp. Ltd. Holding co., controlling B. C. Electric Co. Ltd.	42	1.40	36⅝	3.8
British Columbia Telephone Co. "Ord." Second largest privately owned telephone system in Canada	44	2.00	b42¼	4.7
Brock (Stanley) Ltd. "B" Laundry supplies, hardware, plumbing supplies, etc.	13	0.40	b8⅜	4.8
Building Products Ltd. Asphalt roofing, flooring and insulation	33	1.80	29½	6.1
Bulolo Gold Dredging, Ltd. Operates a gold dredging project in New Guinea	12	0.45	3.85	11.7
Burlington Steel Co. Ltd. new Steel rolling mill & related oper.	23	0.85	18	4.7
Burns & Co. Ltd. Meat, lards, butter, poultry products, etc.	13	0.60	b13	4.6
Calgary & Edmonton Corp., Ltd. Leases oil and gas drilling rights in Alberta	23	0.10	22½	0.4
Canada Cement Co., Ltd. Portland cement	10	1.00	34	2.9
Canada & Dominion Sugar Co., Ltd. Cane and beet sugar refining	29	0.75	17	4.4
Canada Bread Co., Ltd. Bread and cake wholesaler and retailer	16	0.10	b3.50	2.9
Canada Flooring Co. Ltd. "B" Specializes in manufacture of hardwood flooring of all kinds	10	1.00	15	6.7
Canada Foils, Ltd. Oldest and largest foil converting plant in Canada	11	0.80	b21	3.8
Canada Iron Foundries, Ltd. Holding and operating company—machinery & equipment interests	15	1.50	19⅝	7.6
Canada Life Assur. Co. One of the largest Canadian companies underwriting life, accident and sickness insurance Company has been mutualized. All common stock called in. Trading in issue on Toronto Stock Exchange ceased on Jan. 14, 1960.	105	4.60	218	2.1
Canada Malting Co., Ltd. Malt for the brewing & distilling industries	32	2.00	57	3.5
Canada Packers Ltd. "B" Full line of packinghouse prods.	24	1.75	47	3.7
Canada Permanent Mortgage Corp. Lends on first mortgage security, issues debentures, accepts deposits	104	2.00	b57¼	3.5
Canada Steamship Lines, Ltd. Freight and passenger vessels; other diverse interests include hotels	17	1.40	44½	3.1
Canada Vinegars Ltd. Vinegar and apple products	35	1.30	32	4.1

♦ Quotations represent Dec. 31, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of Dec. 31, 1959.
§ Add current Canadian Exchange Rate.
b Bid.

Continued on page 26

Canada Now Creating the Base For Splendid Decade of Growth

Continued from page 25

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §—	Quotation Dec. 31, 1959♦	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Canada Wire and Cable Co. Ltd. "B" — Copper and steel wires and ropes	21	0.50	9	5.6
Canadian Bank of Commerce — Operates 858 branches throughout the world	92	1.80	55⅝	3.2
Canadian Breweries Ltd. — Holding co.—brewing and grain milling interests	15	1.50	37⅛	4.0
Canadian Bronze Co., Ltd. — Holding co. — subidiaries make bronze bearings, bushings and castings	32	1.65	a23½	7.0
Canadian Celanese Ltd. — Synthetic yarns and fabrics	24	1.00	22¾	4.4
Canadian Dredge & Dock Co., Ltd. — General dredging; construction & repair work on waterways	10	0.933	15½	6.0
Canadian Fairbanks Morse Co., Ltd. — Exclusive sales agents for Fairbanks, Morse & Co. of Chicago	22	2.00	30½	6.6
Canadian Gen. Elec. Co., Ltd. — Exclusive manufacturing & selling rights of General Electric products in Canada	30	12.00	b780	1.5
Canadian Gen. Invest. Ltd. — Management type invest. trust	31	1.35	33	4.1
Canadian Industries Ltd. — Chemicals and allied products	33	0.50	16⅛	3.1
Canadian Ingersoll-Rand Ltd. — Manufactures compressors, pneumatic tools, pulp and paper	30	1.00	b37½	2.7
Canadian Oil Cos., Ltd. — Petroleum refining & distribution	34	0.80	24	3.3
Can. Pac. Ry. Co. "Ord." — "The" private railway system of Canada	16	1.50	23¾	6.3
Canadian Tire Corp., Ltd. — Sells automotive accessories, parts, etc., through 170 stores	16	0.70	198	0.4
Canadian Vickers, Ltd. — Shipbuilding, repairs; also makes industrial and mining machinery	10	0.70	15⅝	4.5
Canadian Westinghouse Co., Ltd. — Airbrakes and large variety of electrical apparatus	14	1.00	b43¾	2.3
Chartered Trust Co. — General fiduciary business	25	1.60	b62⅛	2.6
Chateau-Gai Wines Ltd. — Wines and juices	15	1.00	22¼	4.5
Cochenour Willans Gold Mines Ltd. — Gold producer N. W. Ontario	12	0.12	2.88	4.2
Collingwood Terminals, Ltd. — Operates a 2 million bushel grain elevator in Collingwood, Ontario	18	1.00	b15	6.7

♦ Quotations represent Dec. 31, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of Dec. 31, 1959.
§ Add current Canadian Exchange Rate.
a Asked.
b Bid.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §—	Quotation Dec. 31, 1959♦	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Conduits National Co., Ltd. — Rigid electrical conduits, elbows, couplings, etc.	23	0.70	12¾	5.5
Confederation Life Assoc. — Wide range of endowment and life policies	36	2.00	b134½	1.5
Consolidated Mining & Smelting Co. of Can. Ltd. — Lead, zinc, silver, chemical fertilizers, etc.	27	0.80	19¼	4.2
Consol. Paper Corp., Ltd. — Owns five mills; daily newsprint capacity 2,764 tons	14	2.00	44¾	4.5
Consumers Gas Co. — Manufactures and distributes gas in the Toronto area	112	0.95	38¼	2.5
Consumers Glass Co., Ltd. — Wide variety of glass containers	24	1.50	29	5.2
Corby (H.) Distillery Ltd. v.t. — Holding and operating co. — alcohol and spirits	23	1.10	18	6.1
Cosmos Imperial Mills Ltd. — Manufactures heavier grades of cotton duck	25	0.80	12½	6.4
Crain, R. L. Ltd. — Manufactures & sells continuous business forms	14	0.225	22	1.0
Crown Cork & Seal Co., Ltd. — Bottle caps for the beverage industry	31	2.00	55	3.6
Crown Trust Co. — General fiduciary business	60	0.80	28	2.9
Crow's Nest Pass Coal Co., Ltd. — Coal producer on western slope of Canadian Rockies	42	0.60	b15	4.0
Distillers Corp.-Seagrams Ltd. — A holding co—interests include a complete line of whiskies and gins	23	1.70	31½	5.4
Dome Mines Ltd. — Ontario gold producer	40	0.70	19½	3.6
Dominion and Anglo Investment Corp., Ltd. — Investment holding company	20	17.00	b535	3.2
Dominion Bridge Co., Ltd. — Bridges, cranes and structural steel of all kinds	47	1.00	20⅝	4.8
Dominion Corset Co. Ltd. — Manufactures ladies' foundation garments	10	1.00	17½	5.7
Dominion Engineering Wks., Ltd. — Wide variety of machines and equipment	18	1.00	18	5.6
Dominion Fabrics, Ltd. — Towels, tapestries, draperies, etc.	33	0.60	12	5.0
Dominion Foundries & Steel Ltd. — Makes wide variety of primary steel products	23	1.20	51¾	2.3
Dominion Glass Co., Ltd. — Wide variety of glassware	42	2.60	87	3.0
Dominion Insurance Corp. — Operates company for fire insurance, etc.	16	8.00	300	2.7

♦ Quotations represent Dec. 31, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of Dec. 31, 1959.
§ Add current Canadian Exchange Rate.
b Bid.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §—	Quotation Dec. 31, 1959♦	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Dominion Oilcloth and Linoleum Co., Ltd. — Wide range of linoleum and oilcloth products	73	2.20	b38	5.8
Dominion Steel & Coal Corp., Ltd. — A holding co.—coal, iron & steel interests	14	0.85	15	5.7
Dominion Stores Ltd. — Operates grocery and meat chain of 349 stores	18	1.25	51	2.5
Dominion Tar & Chemical Co., Ltd. — Distiller of coal tar & producer of its derivatives	14	0.575	16	3.6
Dominion Textile Co., Ltd. — Wide range of cotton yarns and fabrics	48	0.60	10¼	5.9
Donohue Brothers Ltd. — Owns and operates a paper mill at Clermont, Quebec	14	0.75	15½	4.8
Dover Industries Ltd. — Owns and operates two flour mills, capacity 1,350 bbls. daily; also 2 box and 1 ice cream cone factory	20	0.45	12½	3.6
Economic Invest't Trust Ltd. — General investment trust business	33	1.60	39½	4.1
Eddy Match Co. Ltd. — Manufactures and sells wood and book matches and through subs. is in lumber business and manufacture of vending machines.	22	1.50	b28	5.4
Electrolux Corp. — "Electrolux" vacuum cleaners, & air purifiers	16	*1.20	16¾	7.2
Equitable Life Insurance Co. of Canada — Wide line of life and endowment policies	21	0.90	b53½	1.7
Falconbridge Nickel Mines, Ltd. — Nickel, copper, cobalt; subsidiary produces steel castings	27	1.20	32¼	3.7
Famous Players Canadian Corp., Ltd. — Largest operator of motion picture theatres in Canada	25	1.50	19½	7.7
Fanny Farmer Candy Shops, Inc. — Operates large candy chain of 407 stores and 1,104 agencies	32	1.00	16½	6.1
Ford Motor Co. of Canada, Common — Automotive manufacturer	27	5.00	173	2.9
Foundation Co. of Canada Ltd. — Engineers & general contractors	20	0.50	11¾	4.3
Fraser Companies, Ltd. — Wide variety paper and lumber products; synthetic yarns and fabrics	16	1.50	28¼	5.3
A. J. Freiman, Ltd. — Owns and operates 2 department stores in Ottawa	14	1.50	32	4.7

♦ Quotations represent Dec. 31, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of Dec. 31, 1959.
§ Add current Canadian Exchange Rate.
* Dividend paid in U. S. Currency.
b Bid.

Canada Now Creating the Base For Splendid Decade of Growth

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §—	Quotation Dec. 31, 1959♦	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Gatineau Power Co. Hydro-electric energy in Eastern Canada	22	1.55	37	4.2
General Steel Wares Ltd. Household utensils; hotel, restaurant, and hospital equipment; refrigerators, etc.	19	0.40	15½	2.6
Goodyear Tire & Rubber Co. of Canada, Ltd. Natural and synthetic rubber products	33	6.00	190	3.2
Gordon Mackay Stores Ltd. "B" Manages subsidiaries which distribute textile products and allied goods	35	0.50	7	7.1
Grand & Toy Ltd. Manufactures commercial & general stationery & business forms and distributes office supplies & furniture throughout Ontario	16	1.80	47	3.2
Great Lakes Paper Co., Ltd. Manufactures newsprint and unbleached sulphite paper	13	1.60	42	3.8
Great West Coal Co., Ltd."B" Wholesale distributor of lignite coal	13	0.375	b3.50	10.7
Great-West Life Assur. Co. Wide range of life, accident and health policies	60	4.40	320	1.4
Great West Saddlery Co., Ltd. Wholesale distributor of general store mdse., and riding goods	10	†0.13	7	1.9
Greening (B.) Wire Co., Ltd. Wide variety of wire products	22	0.20	b4.00	5.0
Guaranty Trust Co. of Can. General fiduciary business	31	0.80	b26	3.1
Hallnor Mines, Ltd. Ontario gold producer	21	0.16	b2.30	7.0
Hamilton Cotton Co., Ltd. Wide variety of textile products	18	0.90	16	5.6
Harding Carpets Ltd. Specializes in seamless "Axminster" and "Wilton" rugs	24	0.50	14½	3.4
Hayes Steel Products Ltd. Wide variety of automotive parts	17	1.50	26⅜	5.7
Hinde and Dauch Paper Co. of Canada Ltd. Wide variety of paperboards, boxes, etc.	26	1.80	b53	3.4
Hollinger Consolidated Gold Mines, Ltd. Ontario gold producer	44	0.60	27¾	2.2
Hudson Bay Mining & Smelting Co. Ltd. Manitoba copper & zinc products	25	3.00	49½	6.1
Huron & Erie Mortgage Corp. Lends money on first mortgage security and operates deposit and debenture accounts	95	1.75	55	3.2

♦ Quotations represent Dec. 31, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of Dec. 31, 1959.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
b Bid.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §—	Quotation Dec. 31, 1959♦	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Imperial Bank of Canada Operates 328 branches throughout Canada	84	1.80	63½	2.8
Imperial Flo - Glaze Paints Ltd. Varnishes, lacquers, enamels, paints, etc.	19	1.60	b38	4.2
Imperial Life Assurance Co. of Canada Comprehensive range of life, endowment and term policies	85	2.00	72½	2.8
Imperial Oil Ltd. With subsidiaries comprises full integrated oil enterprises	60	1.20	36¾	3.3
Imperial Tobacco Co. of Canada, Ltd. "Ord." Tobacco, cigars and cigarettes	48	0.675	11⅞	5.7
Industrial Acceptance Corp., Ltd. Purchases acceptances; also small loans & gen'l insurance business	12	1.60	36½	4.4
International Metal Industries Name changed to Wood (John) Industries Ltd. Shares exchanged share for share				
International Nickel Co. of Canada, Ltd. Holding and operating co.—Primary operations at mines and smelters near Sudbury, Ontario	26	*3.00	104½	2.9
International Paper Co. Holding and operating co. — Operates pulp and paper mills in Canada and the U. S.	14	†2.94	130	2.4
International Petroleum Co. Ltd. South American oil producer and refiner	42	1.20	33	3.6
International Utilities Corp. Management and development of natural gas and electrical companies in Alberta	16	1.25	36¾	3.4
Investment Foundation Ltd. Management type investment trust	16	2.40	39½	6.1
Kerr-Addison Gold Mines Ltd. Ontario gold producer	20	0.80	21	3.8
Labatt (John) Ltd. General brewing business	15	1.20	27¾	4.3
Lamaque Gold Mines Ltd. Quebec gold producer	21	0.20	3.10	6.5
Lambton Loan & Investment Co. Oldest mortgage company in Canada. Company also issues debentures and accepts deposits.	116	†0.40	32½	1.2
Laura Secord Candy Shops, Ltd. Retail candy chain in Ontario & Quebec—133 stores	33	1.25	24	5.2

♦ Quotations represent Dec. 31, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of Dec. 31, 1959.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
* Dividend paid in U. S. Currency.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §—	Quotation Dec. 31, 1959♦	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Lawson and Jones Ltd. "B" Engaged in printing and lithographing. Manufactures labels, folding cartons and calendars, etc.	11	1.00	b20½	4.9
Leitch Gold Mines Ltd. Ontario gold producer	22	0.06	1.47	4.1
Lewis Bros., Ltd. Wholesale hardware trade in Eastern Canada	14	0.60	10⅝	5.6
Loblaw Cos. Ltd. "B" Operates chain of 229 "self-service" grocery stores in Ontario	37	0.40	25¾	1.6
Loblaw Inc. Operates 224 "self-service" food markets in northern New York, Pennsylvania and Ohio	21	2.00	137	1.5
Walter M. Lowney Co., Ltd. Chocolate and other confection products	24	1.00	a26½	3.8
Macassa Mines, Ltd. Ontario gold producer	11	0.15	2.97	5.1
Maclaren Power & Paper Co. Holding company—newsprint, lumbering and power interest	18	3.00	b80	3.8

Listed Companies Which Have Paid Consecutive Dividends From 5 to 10 Years Appear in the Second Table Starting on Page 31

MacMillan & Bloedel Ltd."B" Fully integrated lumber business; large exporter	19	1.40	41¼	3.4
Madsen Red Lake Gold Mines Ltd. Ontario gold producer	20	0.20	2.65	7.5
Maple Leaf Gardens, Ltd. Owns and operates Toronto sports arena of same name	14	1.20	b25	4.8
Maple Leaf Milling Co., Ltd. Grain handling; flour milling; operation of bakeries, etc.	14	0.50	b14¼	3.5
Massey-Ferguson., Ltd. Complete line of farm implements and machinery	14	0.40	11⅝	3.4
Maxwell Ltd. Manufactures washing machines, dryers, lawn mowers and food choppers	10	0.40	4.75	8.4
McCabe Grain Co., Ltd., com. General grain dealings	13	1.00	b33	3.0
McColl-Frontenac Oil Co. Ltd. See Texaco Canada Limited Oil production, refining and distribution				
McIntyre Porcupine Mines, Ltd. Ontario gold producer	43	3.00	92¼	3.3

♦ Quotations represent Dec. 31, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of Dec. 31, 1959.
§ Add current Canadian Exchange Rate.
a Ask.
b Bid.

Continued on page 28

Canada Now Creating the Base For Splendid Decade of Growth

Continued from page 27

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §	Quotation Dec. 31, 1959♦ —Canadian $ §	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Midland & Pacific Grain Corp., Ltd. Deals in grain and operates line elevators in Western Canada	14	1.00	b16½	6.1
Milton Brick Co., Ltd. Makes first quality face brick	10	0.20	2.60	7.7
Mining Corp. of Canada, Ltd. Holding, exploration & financing company	11	0.60	12½	4.8
Minnesota and Ontario Paper Co. Newsprint, specialty papers and other timber products	13	1.60	b31½	5.1
Mitchell (J. S.) & Co., Ltd. General supply house for many industries in Eastern Quebec	25	1.25	22	5.7
Mitchell (Robert) Co., Ltd. "A" Brass, bronze, nickel and other metal products	12	1.00	13	7.7
Modern Containers Ltd. "A" Makes tube containers for tooth paste, shaving cream and other semi-liquid products	12	1.00	b13½	7.4
Molson's Brewery, Ltd. "B" Montreal brewer	15	0.90	25½	3.5
Monarch Investments Ltd. Operates and owns number of apartment houses	12	2.00	45	4.4
Montreal Locomotive Works, Ltd. Diesel-electric locomotives and related production	14	1.35	16½	8.2
Montreal Refrigerating & Storage Ltd. Operates general and cold storage warehouse in Montreal	14	2.00	41	4.9
Montreal Trust Co. Executor & trustee, management of securities & real estate	51	1.50	45	3.3
Moore Corp. Ltd. Business forms, advertising display products, etc.	16	*0.767	41¾	1.8
Morgan (Henry & Co.) Ltd. Owns and operates department stores in Ontario & Quebec.	17	1.00	34	2.9
Mount Royal Rice Mills Manufactures and distributes rice products.	14	1.25	20	6.3
National Drug and Chemical Co. of Canada, Ltd. Wholesaler of drugs, chemical & general merchandise	19	0.80	15⅜	5.2
National Grocers Co., Ltd. Ontario grocery wholesaler	18	0.60	b20	3.0
National Hosiery Mills Ltd. "B" Manufactures ladies' hosiery	12	0.32	3.75	8.5

♦ Quotations represent Dec. 31, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of Dec. 31, 1959.
§ Add current Canadian Exchange Rate.
* Dividend paid in U. S. Currency.
b Bid.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §	Quotation Dec. 31, 1959♦ —Canadian $ §	Approx. % Yield Based on Paymts. to Dec. 31, 1959
National Steel Car Corp., Ltd. Railway cars, automobile chassis, etc.	23	0.40	14¼	2.8
National Trust Co., Ltd. General trust business, also accepts deposits	61	1.80	b50	3.6
Neon Products of Canada Ltd. Neon advertising signs	30	0.60	b16½	3.6
Newfoundland Light & Pow. Co., Ltd. Operating public utility	11	1.85	50¾	3.6
Niagara Wire Weaving Co., Ltd., new Makes wire mesh, cloth, wire weaving machinery, etc.	25	0.75	12	6.3
Noranda Mines, Ltd. Copper and gold producer	30	2.00	47¼	4.2
Normetal Mining Corp., Ltd. Quebec copper and zinc producer	14	0.30	3.55	8.5
Northern Telephone Co. Ltd. Operates telephone system in 36 centres Northern Ontario and Northwestern Quebec. Dec. 31, 1957, had 48,817 telephones in use	49	0.10	3.35	3.0
Nova Scotia Light & Power Co. Ltd. Diverse utility interests in Halifax and vicinity in Nova Scotia	30	0.60	13¼	4.5
Office Specialty Manu. Co. Ltd. Mfg. and distributes office furniture and supplies	14	0.80	b15½	5.2
Ogilvie Flour Mills Co., Ltd. Mills flour, feeds, and cereals	57	1.95	b44¾	4.4
Okanagan Telephone Co. Owns and operates local and long distance phone system. At latest report has 22,421 phones in use.	11	0.60	11½	5.2
Ontario Loan and Debenture Co. Accepts deposits and sells debentures; invests in first mortgages	89	1.20	28	4.3
Ontario Steel Products Co., Ltd. Automotive springs, bumpers and plastic products	22	1.40	22	6.4
Pacific Atlantic Canadian Investment Co Ltd. Investment trust of Management type.	18	0.15	3.00	5.0
Pacific Coast Terminals Co. Ltd. Owns terminal facilities and cold storage warehouse at New Westminster, B. C. Capacity—1,500,000 tons cargo per year.	16	3.75	b60	6.3
Page-Hersey Tubes, Ltd. Industrial pipe and tubing	34	0.90	28¼	3.2
Pato Consolidated Gold Dredging Ltd. Operates a gold dredging project in Colombia, S. A.	21	0.20	2.60	7.7
Penmans Ltd. Woolen, cotton and silk knitted goods	53	1.80	31	5.8

♦ Quotations represent Dec. 31, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of Dec. 31, 1959.
§ Add current Canadian Exchange Rate.
b Bid.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §	Quotation Dec. 31, 1959♦ —Canadian $ §	Approx. % Yield Based on Paymts. to Dec. 31, 1959
People's Credit Jewellers Ltd. Retailer of jewelry and associated merchandise	18	0.70	b26	2.7
Photo Engravers & Electrotypers Ltd. Photo engravings, electrotypes, commercial photography, etc.	26	†0.70	15	4.7
Placer Development, Ltd. Investment—holding company—gold interests	27	0.50	10½	4.8
Powell River Co., Ltd. Largest producer of newsprint on the West Coast	22	†0.75	19	3.9
Power Corp. of Canada, Ltd. A utility holding management and engineering company	23	2.00	54½	3.7
Premier Trust Co. Operates as trust company trustee, etc.	43	8.00	b146	5.5
Price Brothers & Co., Ltd. Newsprint and related products	16	2.00	45½	4.4
Provincial Transport Co. Operates coach lines in Quebec and Ontario	23	1.00	14	7.1

Listed Companies Which Have Paid Consecutive Dividends From 5 to 10 Years Appear in the Second Table Starting on Page 31

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §	Quotation Dec. 31, 1959♦ —Canadian $ §	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Quebec Power Co. Operating public utility	45	1.60	34	4.7
Quinte Milk Prod., Ltd. Wide variety of milk products	11	0.15	b4.05	3.7
Robertson (P. L.) Manufacturing Co., Ltd. Wide range of screws and bolts	18	0.80	17⅛	4.7
Robinson Little & Co., Ltd. Wholesale and retail merchandising of dry goods & variety store lines	12	0.80	b13¾	5.8
Rolland Paper Co., Ltd. "B" High-grade bond writing paper & related products	10	0.60	34	1.8
Royal Bank of Canada Operates 969 branches throughout the world	91	2.325	80	2.9
Russell Industries Ltd. Holding company—machine tool interests	24	0.60	10¾	5.6
Sangamo Co., Ltd. Electric meters, motors, switches, etc.	23	0.60	11¾	5.1
Scythes & Co. Ltd. Manufactures cotton and wool waste, cotton, wipers, etc.	24	1.00	b12	8.3
Shawinigan Water and Power Co., new Quebec electric utility	53	0.77	29⅝	2.6

♦ Quotations represent Dec. 31, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of Dec. 31, 1959.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
b Bid.

Canada Now Creating the Base For Splendid Decade of Growth

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §—	Quotation Dec. 31, 1959♦ —Canadian $ §—	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Sherwin-Williams Co. of Canada, Ltd. Paints, varnishes, enamels, etc.	18	2.05	45	4.6
Sicks' Breweries Ltd. Beer, ale, stout and carbonated beverages	32	1.20	23	5.2
Sigma Mines (Quebec) Ltd. Quebec gold producer	20	0.20	4.25	4.7
Silknit Ltd. Lingerie, swim suits and other rayon products	12	1.00	b19¾	5.1
Silverwood Dairies, Ltd. "A" Full line of dairy products	13	0.60	10½	5.7
Simpson's Ltd. Owns and operates through subs. dept. stores in Canada	14	0.60	32¼	1.9
Siscoe Mines Ltd. Holding Co. with interest in various mines located in Ontario and Quebec.	10	0.045	0.91	4.9
Slater (N.) Co., Ltd. Pole-line hardware for power companies; also metal stampings and forgings	22	1.45	b29¼	5.0
Smith (Howard) Paper Mills Ltd. Pulp and paper manufactures in Canada	15	1.20	43½	2.8
Southam Co., Ltd. Publishes seven daily newspapers across Canada; operates three radio stations	24	†2.40	b81½	2.9
Southern Canada Power Co., Ltd. Operating public utility; Southern Quebec	37	2.50	58	4.3
Sovereign Life Assurance Co. of Canada Life and endowment insurance	41	2.50	217	1.2
Standard Paving & Materials Ltd. General paving contractor	12	†0.692	19⅛	3.6
Standard Radio Ltd. Through subsidiaries owns and operates radio and short wave stations in Canada.	19	0.60	13¾	4.4
Stedman Brothers Ltd. Wholesale and retail small wares business	25	1.20	b37¾	3.2
Steel Co. of Canada, Ltd. Engaged in all branches of steel production	44	1.90	86⅜	2.2
Sterling Trusts Corp. General fiduciary business	23	2.20	b46½	4.7
Stuart (D. A.) Oil Co., Ltd. Makes extreme friction lubricants and related products	20	1.25	16¾	7.5
Supertest Petroleum Corp., Ltd. "Vot. Com." new Markets petroleum products in Ontario and Quebec	34	0.05	3.30	1.5
Sylvanite Gold Mines, Ltd. Ontario gold producer	30	0.06	1.02	5.9
Tamblyn (G.) Ltd. Operates chain of 128 drug stores	23	1.00	25	4.0
Taylor, Pearson and Carson (Canada) Ltd. Holding co.—interest in automotive and household appliances	13	0.50	20¾	2.4
Teck-Hughes Gold Mines, Ltd. Ontario gold producer	34	0.10	1.67	6.0
Texaco Canada Limited Oil production, refining and distribution.	16	1.60	58	2.8
Third Canadian General Investment Trust Ltd. Investment trust of the management type	31	0.25	6¾	3.7
Toronto-Dominion Bank Operates 544 branches, 541 in Canada, one in New York, Chicago, and one in London, Eng.	102	1.85	55¾	3.3
Toronto Elevators, Ltd. Grain elevators, feed manufacturing and vegetable oils	21	†0.467	13	3.6
Toronto General Trusts Corp. General fiduciary business	76	1.675	43	3.9
Toronto Iron Works, Ltd. Steel plate products and special metals	14	0.75	17½	4.3
Traders Finance Corp., Ltd. "B" Purchases installment sales obligations	13	2.40	b36	6.7
Union Gas Co. of Canada, Ltd. Production, storage, transmission and distribution of natural gas	11	0.34	16½	2.1

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§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
b Bid.

Continued on page 30

Shannon & Luchs Formed

WASHINGTON, D. C. — Shannon & Luchs Securities Corporation has been formed with offices at 1724 Fourteenth Street, N. W. to engage in a securities business. Officers are William E. Shannon, President; Frank J. Luchs, Vice-President and Treasurer; Ethel F. Shannon, Secretary; Elizabeth K. Luchs, Assistant Secretary; Donald A. Hurst, Vice-President and Assistant Secretary; and Julius Goldstein, Vice-President.

Consumer Credit Pace Found Within Bounds

Chase Manhattan's latest study on consumer credit expansion concludes it was not so rapid as to suggest a sharp reaction is in store over the coming months. The Bank cautions lenders and borrowers, however, not to bring about an increase in indebtedness at a faster rate than incomes.

Expansion of consumer credit—by a record $6.5 billion during 1959—has once again raised questions of its impact on the nation's economic structure, but there is little reason to believe the consumer has overextended himself, The Chase Manhattan Bank says in the current issue of its bimonthly review, "Business in Brief," published recently.

Rapid growth in instalment debt has been characteristic of the economy for a long time and has been accompanied by a change in the status of the average consumer to something of a small scale capitalist. The consumer's substantial investment in equipment yields a continuing flow of services like transportation, recreation and household help, formerly purchased piecemeal, if at all, the bank's study says.

Purchases of autos and appliances, radio and television sets have increased by nearly 350% over the past 30 years—substantially faster than total consumption. It is these items, with relatively high unit costs, that are typically sold on credit.

"Just as a growing business is most in need of credit, the most frequent instalment borrowers are younger families still in the process of acquiring the stock of equipment that has become a part of the modern home," Business In Brief reports. "Without access to credit on reasonable terms, many of those families would be forestalled from the market, and the whole evolution in production and consumption patterns characteristic of the past half century would have been appreciably slowed."

Except for periods of official regulation, the record shows that extensions of new credit have not fallen below repayments for an extended period since the early 1930's.

There is little reason to believe that adverse implications exist for the demand for durables in 1961, the Chase Manhattan report adds. While the rise in consumer credit has itself helped to tighten the money markets over the past year, funds should remain in ample supply to support sustainable levels of demand. However, the article warned one danger is that in the future, as in the past, a downturn in credit volume might coincide with other recessionary forces.

"Business In Brief" concludes: "While the pace in credit expansion in 1959 was not so rapid as to suggest a sharp reaction is in store for the coming months, it is clear that consumers cannot indefinitely increase their indebtedness at a more rapid rate than their income. . . So long as swings in consumer credit are held within past limits these complications do not appear to be too great a price to pay for a free and dynamic consumer economy. . . "

Hopkins, Harbach Co. Adds T. J. Edwards

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Thomas J. Edwards has become associated with Hopkins, Harbach & Co., 609 South Grand Avenue, members of the New York and Pacific Coast Stock Exchanges. Mr. Edwards, who has been in the investment business for many years, has recently been with Evans McCormack & Co.

Canada Now Creating the Base For Splendid Decade of Growth

Continued from page 29

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §—	Quotation Dec. 31, 1959♦ —Canadian $ §—	Approx. % Yield Based on Paymts. to Dec. 31, 1959
United Amusement Corp., Ltd., "A" — Operates 34 motion picture theatres in Montreal and other Quebec cities	35	0.65	b12	5.4
United Canadian Shares Ltd. — Holding co.—insurance interests	35	0.50	13¾	3.6
United Corporations Ltd. "B" — An investment trust of the management type	19	0.95	b20¾	4.6
United Steel Corp. Ltd. — Steel plate and welded steel products	14	0.40	8¼	4.8
Upper Canada Mines Ltd. — Ontario gold producer	20	0.025	1.17	2.1
Ventures Ltd. — Holding, investment, promotion, exploration and development co.	11	0.50	27	1.9
Viau Ltd. — Biscuits and confectionery	13	3.00	b72	4.2
Waite Amulet Mines, Ltd. — Quebec copper-zinc producer	20	0.80	6.30	12.7
Walker (Hiram)-Gooderham & Worts, Ltd. — Holding company—extensive liquor interests	24	1.75	37⅞	4.6
Westeel Products Ltd. — Manufactures sheet metal	19	0.80	11½	7.0
Western Canada Breweries, Ltd. — Serves four western provinces	23	1.20	32½	3.7
Western Plywood Co. Ltd. "B" — Manufactures and sells veneer & plywood. Plant in Vancouver	12	0.70	b13	5.4
Westminster Paper Co., Ltd. "B" — Wide range of paper specialty products	27	0.80	37½	2.1
Weston (George) Ltd. "B" — Fine biscuits, bread, cakes, confectionery, etc.	30	0.65	35½	1.8
Wood, John, Industries Ltd. "A" — Holding Co. Subs. Can. & U. S. mfr. water heaters, oil trade equipment, etc.	17	1.60	b28⅞	5.5
Woodward Stores (1947) Ltd. — A holding company which operates seven departmental stores in western Canada through subsidiaries	12	0.40	19¾	2.0
Zeller's Ltd. — Operates chain of 61 specialty stores across Canada	19	1.20	33½	3.6

♦ Quotations represent Dec. 31, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of Dec. 31, 1959.
§ Add current Canadian Exchange Rate.
b Bid.

TABLE II

CANADIAN

(Listed and Unlisted)

Common Stocks

On Which
CONSECUTIVE CASH
DIVIDENDS

Have Been Paid From

5 to 10 Years

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §—	Quotation Dec. 31, 1959♦	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Acadia Atlantic Sugar Refineries Ltd. Refines raw sugar cane & produces 50 or more grades & packages of sugar	9	0.575	10⅞	5.3
American Nepheline Ltd. Mines & processes nepheline syenite for use in glass and ceramic trade, in Ontario	7	0.04	0.57	7.0
Anthes-Imperial Co. Ltd. Manufactures and distributes pipe and fittings for soil, water and air. Also boilers, radiators and steel scaffolding.	5	1.40	33¾	4.1
Bowes Company Ltd. Manufactures, importers, and wholesalers of confectioners' and bakers' supplies.	5	1.50	b25	6.0
Bralorne Pioneer Mines Ltd. Owns 2 producing gold mines, Cadwallader Creek, Bridge River area British Columbia	5	0.40	5.35	7.5
British Columbia Packers Ltd. "B" Packs salmon, clams, oysters, etc. with plants in British Columbia, Nova Scotia and Manitoba. Brand names are "Clover Leaf" and "Rupert Brand".	5	1.00	b14½	6.9
Brown Co. Owns 10 mills manufacturing pulp, paper, fibre conduit, chemicals and sawmill products	5	†0.30	10½	2.9
Campbell Red Lake Mines Ltd. Ontario gold producer	8	0.40	12⅞	3.1
Canadian Arena Co. Operates Montreal Forum	6	4.00	b160	2.5
Canadian General Securities Ltd. "B" Investment holding company.	5	0.75	a18	4.2
Canadian Ice Machine Co. Ltd. Engaged in air-conditioning and refrigeration field from manufacturing to installations.	8	0.10	6	1.7
Canadian International Investment Trust Ltd. Management type of investment trust	9	0.85	19½	4.4
Combined Enterprises Ltd. Owns & operates companies mfg. food flavors, paints, industrial rubber goods, moulded drug sundries, elevator gears & machinery. Plants in Montreal, Toronto and Farnham, Ont.	7	0.60	11	5.5
Consolidated Bakeries of Canada Ltd. Holding Co. through subs. operates 19 bakeries in Ontario & Quebec	7	0.50	8⅞	5.6
Consolidated Discovery Y'knife Mines Ltd. Gold producer, Yellowknife Dist., N. W. T.	6	0.24	3.65	6.6
Craig Bit Co. Ltd. Manufactures and sells detachable bits for rock drilling and carbide drill rods	5	0.16	1.80	8.9
Dominion Electrohome Industries Ltd. Manufactures and sells radios, phonographs, television, electric fans, electric motors and allied products	5	†0.20	9¼	2.2
Dominion Scottish Investments Ltd. Investment trust of management type	8	1.00	b33	3.0
DuPont of Canada Ltd. Manufactures chemicals, textile fibres, commercial explosives, etc.	6	0.50	25	2.0

♦ Quotations represent Dec. 31, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of Dec. 31, 1959.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
a Ask.
b Bid.

Continued on page 32

Businessman's BOOKSHELF

Career for You in Sales and Marketing Management — Discussion of career opportunities in sales and marketing profession — National Sales Executives, Inc., 630 Third Avenue, New York 17, N. Y. (on request).

Costa Rica: A Lucrative Foreign Investment Center for United States Companies — Walter H. Diamond — reprinted from "Foreign Tax and Trade Briefs"—Matthew Bender & Co., 250 East 42nd Street, New York 17, N. Y.

Employment Changes in Maryland (Nonagricultural) 1939-1958—Bureau of Business and Economic Research, University of Maryland, College Park, Md. (paper).

Employment in Protected Industries—Beatrice N. Vaccara—The Brookings Institution, 722 Jackson Place, Washington 6, D. C. (paper), $2.00 (cloth edition), $3.00.

Federal Deposit Insurance Corporation — Report to insured banks, Dec. 31, 1959 — Federal Deposit Insurance Corporation, Washington, D. C. (paper).

Historical Statistics of Life Insurance in the United States, 1759 to 1958—Institute of Life Insurance, Division of Statistics and Research, 488 Madison Avenue, New York 22, N. Y. (on request).

How to Build Profits by Controlling Costs—Dun & Bradstreet, Inc., P. O. Box 803, Church Street Station, New York 8, N. Y. (paper), $1.00.

How to Prepare Radioactive Samples for Counting on Planchets—Technical bulletin No. 7—Nuclear Chicago Corporation, 333 East Howard Avenue, Des Plaines, Illinois.

International Air Transport Association—Fifteenth annual general meeting—International Air Transport Association, Terminal Centre Building, Montreal 3, Que., Canada (paper), $2.00.

International Tax Agreements, Vol. VIII: World Guide—Columbia University Press, 2960 Broadway, New York 27, N. Y. (looseleaf binder), $7.50.

International Tax Agreements, Vol. IX: Texts—Columbia University Press, 2960 Broadway, New York 27, N. Y. (looseleaf binder), $3.50.

Italian Affairs, Nov.-Dec. 1959 containing articles on mechanized farming in Italy, Air Traffic; wholesale trade in non-edible industrial products; etc. — Italian Affairs, Via Liguria 7, Rome, Italy —15¢ per copy; $1.00 per year.

Oregon: Keynote for Growth—An Area Survey—Industrial Development, 295 Madison Avenue, New York, N. Y. (paper).

Port of New York Authority—Annual Report — Port of New York Authority, New York, N. Y.

Province of Quebec — Economic Progress and Industrial Expansion 1946-1959—Agent General of the Province of Quebec, 50 Rockefeller Plaza, New York 20, N. Y.

Social Science Research on Business: Product and Potential—Robert A. Dahl, Mason Haire & Paul F. Lazarsfeld — Columbia University Press, 2960 Broadway, New York 27, N. Y. (cloth), $3.00.

Unique Investment Features of Life Insurance: A comparison with other forms of investment—Mutual Life Insurance Company of New York, 1740 Broadway, New York 19, N. Y. (paper).

Wheat Surpluses and the U. S. Barter Program—Canadian American Committee — National Planning Association (paper), 35¢.

World Insurance Trends—Edited by Davis W. Gregg and Dan M. McGill — University of Pennsylvania Press, 3436 Walnut Street, Philadelphia 4, Pa. (cloth), $12.00.

Now B. K. O'Brien

CLEARWATER, Fla.—Mrs. Betty K. O'Brien is continuing the investment business of Baker, Warden and Company, 1985 Drew St., under the firm name of Betty K. O'Brien and Company.

With Lloyd Arnold

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Richard L. MacPherson has joined the staff of Lloyd Arnold & Company, 364 North Camden Drive. He was previously with Merrill Lynch, Pierce, Fenner & Smith, Incorporated.

Rejoins Hill Richards

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif. — Robert F. Wiest has rejoined the staff of Hill Richards & Co., Bank of America Building. Mr. Wiest has recently been with Norman C. Roberts Company.

Gus G. Ginnakos has also become affiliated with Hill Richards & Co. He was previously with Woolrych, Currier & Carlsen, Inc.

Canada Now Creating the Base For Splendid Decade of Growth

Continued from page 31

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 —Canadian $ §—	Quotation Dec. 31, 1959♦	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Edmonton Concrete Block Co. Ltd. — Manufactures concrete blocks and lightweight aggregate. Capacity is 20,000 8-in. blocks per day.	5	0.20	3.25	6.2
Empire Life Insurance Co. — Operates as life insurance co.	9	0.90	52	1.7
General Bakeries Ltd. — One of Canada's largest independent bakery operations. Makes bread, cakes, biscuits and confectionery	9	0.30	8	3.8
Giant Yellowknife Gold Mines Ltd. — Gold producer Yellowknife area, N. W. T.	7	0.50	10¾	4.7
Hughes-Owens Co. Ltd. "B" — Mfg. & retailer of drafting equip. scientific instruments & artists' supplies	7	0.40	a14½	2.8
Interior Breweries Ltd. "B" — Operates 2 breweries with combined capacity of 70,000 barrels per year.	9	0.24	4.00	6.0
International Bronze Powders Ltd. — Holding co. Subs. manufacture bronze and aluminum powders	9	0.70	b15½	4.5
Interprovincial Building Credits, Ltd. — Home improvements financing	8	0.65	9½	6.8
Interprovincial Pipe Line Co. — Owns & operates crude oil pipeline from Red Water, Alta. to Superior, Wis. and Sarnia, Ont. 1,930 miles	7	2.25	58	3.9
Jamaica Public Service, Ltd. — Holding company. Holds all common stock of Jamaica Public Service Co Ltd. which serves Jamaica with light & power from 2 steam electric, 5 hydro-electric and 4 diesel power generating stations. Capacity 66,645 hp.	7	0.75	34	2.2
Jockey Club Ltd. — Operates several horse race tracks in Ontario	8	0.10	2.20	4.5
Lambert, Alfred, Inc. "B" — Manufacturers, wholesalers and retailers of footwear goods	9	0.70	12½	5.6
Lower St. Lawrence Power Co. — Quebec electric utility	9	1.00	30	3.3
Manitoba and Saskatchewan Coal Co. Ltd. "B" — Mines and wholesales lignite coal. Capacity: 850,000 tons per year.	5	0.50	b6¼	8.0
Mexican Light & Pr. Co. Ltd. — Directly and through subsidiaries operates lighting and power systems in Mexico City.	6	†1.00	b14⅝	6.8
New Dickenson Mines Ltd. — Gold producer Northern Ontario	6	0.125	2.21	5.7
Northland Utilities Ltd. — Distributes electric power and gas to several cities in Western Canada.	8	0.50	b15½	3.2
Northwest Industries Ltd. — Engages in overhaul and repair of aircraft, aircraft instruments and accessories	7	†0.257	b5	5.1
Parker Drilling Co. of Canada Ltd. — Owns & operates oil drilling rigs in Western Canada	7	0.25	3.05	8.2
Quebec Telephone — Provides telephone services to some 300 towns & villages in 17 counties of Eastern Quebec	9	0.90	31	2.9
Quemont Mining Corporation Ltd. — Produces gold, silver, copper, zinc, and pyrites in Quebec	9	0.90	10½	8.6
Rapid, Grip & Batten Ltd. — Photo engravings, electrotypes, commercial photography, etc.	5	0.60	16	3.8
Reitman's (Canada) Ltd. — Through holdings of 3 subs. operates 111 retail clothing stores in Ontario and Quebec	9	†0.40	16	2.5
St. Lawrence Corporation Ltd. — Newsprint and allied products	9	1.00	18	5.6
Switson Industries Ltd. — Mfgs. vacuum cleaners, floor polishers, gas heaters, furnaces, etc.	7	0.28	3.40	8.2
United Keno Hill Mines Ltd. — Silver-lead-zinc-cadmium producer, Yukon	6	0.24	5.25	4.6
Victoria & Grey Trust Co. — Operates as trust company	9	1.30	39	3.3
Wood Alexander Ltd. — Operates wholesale hardware business	9	0.30	b4.65	6.5

♦ Quotations represent Dec. 31, 1959 sale prices or the last sale price prior to that date. Bid and ask quotations are as of Dec. 31, 1959.
§ Add current Canadian Exchange Rate.
† Adjusted for stock dividends, splits, distributions, etc.
a Asked.
b Bid.

Integrating U.S. Subsidiaries Into the Canadian Economy

Continued from page 23

on the fact that the real direction of a corporation lies not so much with management as with the conditions which it is management's job to meet. Any company in Canada must live with the conditions of supply and demand which it finds in Canada, it must live with the laws and regulations which it finds in Canada. And these are not dictated by corporate management or ownership but by the people of Canada themselves. This is essentially what makes decentralization necessary in the management of any Canadian company with majority shareholding abroad.

This problem, of course, affects all the relations of industry and the public, whether at home or abroad. In regard to the role of management, a job of debunking is badly needed, together with a job of communicating a more accurate concept. What needs to be debunked is the old "captain of industry" concept of industrial control. This idea goes back, I believe, to the novelists who wrote around the turn of the century and even later, who entranced their readers with the notion of supermen who built and unbuilt industrial empires at the turn of a whim? As most of us know, this is a completely inaccurate picture of the way in which business is actually operated today. Management's job is to adjust business to the changing technical, market and legislated conditions it finds; management does not in any sense of the word create those conditions.

Once it becomes thoroughly understood that the real rulers of business are the customers and their governments, then I think a good deal of the concern about where stock control is held will rapidly disappear. It is just possible, too, that a wider realization that the real control of business lies with the customer and the voter will lead to an even better climate of legislation than we enjoy today. Communication of this viewpoint is in my opinion one of the most important things that business needs to do today, whether or not it is conducting operations across an international boundary.

Offer Stock Without Discrimination

Even though I regret the exaggerated importance ascribed to where the stock control is situated, I would like to suggest that the offering of capital stock in a corporation to the citizens of the country in which it is going to operate is a very sensible procedure. I realize, and I think most other Canadians realize, that this is not always a practicable ideal. In some cases operations are going to be on too small a scale to warrant the public offering of securities. There may be other considerations in other instances, and it would be most unwise to generalize. On the other hand, where it is not possible to make a security offering to Canadians, consideration should be given to the best means of letting it be known why this it not possible.

I also think that, wherever it is possible, a substantial group of Canadian shareholders is very much to be desired. In the first place, they contribute capital—something which is not to be treated lightly in these days of high interest rates! In the second place, they automatically integrate your company with the Canadian community. As soon as you have a list of Canadian shareholders, you have, as it were, a combined public opinion survey and market research panel. By making use of your Canadian shareholders, most of whom will know the country thoroughly, both your operations and human relations will benefit.

Criticizes Our Tax Emphasis

As you probably know, certain rulings of the United States Federal tax authorities put incentive on minimizing local participation in the stock of an American-controlled company abroad, particularly in respect to consolidation for tax purposes. For the reasons I have already given, I think this is unfortunate. Not only does it tend to reduce the efficiency of American ventures abroad, but it casts doubt on the good faith of America's desire to extend the benefits of free enterprise.

This legislation is a weak spot in America's ideological armor, but it is a problem which it not confined to United States-Canada relations. The United Kingdom has legislation which has a similar effect.

It is clear from this that in addition to the things which an individual American company undertaking operations in Canada should bear in mind, there are a few weak spots that still might be patched up on the government account. There is another rather broad area which affects government, business and individuals in both countries.

This is the question of the future economic relationship between Canada and the United States. The growth of trading areas across the Atlantic and in Latin America has led to considerable soul-searching in Canada and the United States as to the desirability of closer economic ties.

Naturally, this issue is a great deal broader than the interests of any single corporation or industry. But I think that business people both north and south of the line should give considerable thought to this matter, and the stand they ought to take in regard to it. Personally, I think some closer and more durable links between the Canadian and U. S. economies are desirable. But there is a danger that if an excessive degree of integration is proposed, or if the suggestion is made that not only economic but political integration should take place, many people would be displeased and progress toward better North American trade relations might be delayed.

Political union is a concept which is unnecessary for achieving any economic co-operation that may be required, and if such an issue is raised, it is almost certain to prevent positive steps in the economic field. I think we should take it as read that neither Americans nor Canadians need to, nor want to, sacrifice the form of government which they now enjoy.

I think also that too sweeping an approach to trade relations between Canada and the United States could be harmful. Spokesmen for my industry have been on record several times to the effect that a continental pattern of petroleum utilization is desirable. I think most of us would say the same as far as natural gas is concerned. But petroleum is one industry speaking in regard to its own problems. To reason from this that a continental pattern in all commodities is desirable would be a mistake. Moreover, so sweeping a proposal would almost certainly bring opposition from industries where such a pattern was not appropriate.

The question of the eventual economic relationship between Canada and the United States may seem to be beyond the sphere of any individual American corporation carrying on operations in Canada. I mention it here because the issue will undoubtedly be in the air in future and the attitude of individual companies will have some bearing on the outcome. Clearly, it is desirable that the position of individual industries and companies should be carefully considered and even more carefully expressed.

The successful integration of an American-controlled Canadian operation is simply a matter of good management. The basic principles are essentially the same across an international border as they are at home.

In the foreign-owned Canadian company, decentralization of management is a must; in the foreign-owned Canadian company social responsibility in management is a must; but then where, in the final analysis, are such qualities not a must?

*An address by Mr. White before the Canadian-American Business Conference, Boston University, March 22, 1960.

First Boston Corp. Offers Util. Bonds

The First Boston Corporation heading an underwriting group comprising 54 investment firms offered for public sale on March 30 a new issue of $50,000,000 of Niagara Mohawk Power Corp's general mortgage bonds, 4¾% series due April 1, 1990. The bonds are priced at 100.799% and accrued interest to yield 4.70% to maturity. The issue was awarded to the group at competitive sale yesterday on its bids of 100.10999% which named 4¾% coupon.

Net proceeds from the sale of the bonds will be used for the payment of short-term bank loans incurred for construction. The construction program of the company and its subsidiaries is expected to require about $100,000,000 in 1960, of which about $20,000,000 will be for electric production, $57,000,000 for electrical transmission and distribution facilities, $20,000,000 for gas plant and $3,000,000 for general or common plant.

The new bonds will not be redeemable at a lower interest cost until after April 1, 1965. Regular redemption prices for the bonds range from 105.55% to the principal amount and special redemption prices from 100.80% to the principal amount.

Consolidated capitalization of the company outstanding as of Dec. 31, 1960 consisted of $491,322,768 of long-term debt, 1,450,000 shares of preferred stock of $100 par value and 12,316,831 shares of common stock of no par value.

The company's electric service territory with a population of about 3,400,000 includes the cities of Buffalo, Syracuse, Albany, Utica, Schenectady, Niagara Falls & Troy. The company distributes natural gas in areas in central, northern and eastern New York having a population of about 1,600,000. There are two Canadian electric subsidiaries operating in Ontario. In 1959 about 78% of consolidated operating revenues was derived from the sale of electric energy and about 22% from the sale of gas.

The company owns and operates electric generating plants having an aggregate capability of 3,200,900 kw. of which five are steam-electric plants of an aggregate capability of 2,406,000 kw. and 83 are hydro-electric plants of an aggregate capability of 794,900 kw.

Total operating revenues of the company for the calendar year 1959 amounted to $285,323,000 and gross income before income deductions was $47,753,000.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

There are Still Some Things You Can't Do Without a Machine

The other day I was busy at my desk and a very nice fellow who has been calling on our office for several years as a wholesale representative for one of the large mutual funds smiled and waved to me from across the room. He saw I was busy and he didn't come over to my desk. About ten minutes later, when I was rushing up to the order desk with some market orders in my hand, he walked over, put his arm around my shoulder and in a brotherly sort of way began to inquire as to my health. He meant no harm but if he had only realized that I was in the middle of trying to obtain some executions on a fistful of orders I am sure he would not have detained me with some idle chit chat for even two minutes.

I was polite but I didn't hear a thing he said. My mind was so far away from him that I couldn't even recall his name until a half hour later. This man knew better. He was not observant—that's all. You don't stop a man when he acts busy, and is standing before an order desk with his wire man asking him questions and a busy desk and telephone is beckoning his return. I feel no ill will toward this man. He didn't sense the urgency of the demands that were then being made upon my powers of concentration and my time.

Rule Number One—Don't disturb other people when they are busy. Don't talk about anything until the other man is ready to hear you. Don't try to sell unless you first get ATTENTION. Remember that old rule number one in the primer of successful salesmanship—it still holds good.

Motivate and Obtain the Other Person's Interest

There are salesmen who try to sell securities before they know what their prospect or customer desires in an investment. Most of the best salesmen I have known have been careful and deliberate talkers. They listen a lot. They obtain their customer's interest in their proposition because they have learned how to ask people what they desire in an investment. Any salesman who wants to make friends and build a clientele has only to sit down with a prospect and politely ask him to do some talking. What does he want his securities to DO FOR HIM? Does he want more income, more growth of capital, are there any securities he now owns that he would particularly like to check into?

Start a conversation along these lines and you will interest your prospect in the discussion because he is more interested in his own welfare than anything else you may discuss with him. Don't try to obtain any person's agreement to your proposal until you have had a meeting of minds as to his objectives. The prospect who asks questions AND WHO POSES OBJECTIONS is interested in your proposal. It is a signal that he is trying to reach a conclusion as to whether or not he will benefit when he says, "O.K. let's go ahead and do it."

Rule Number Two: Create interest by talking about the things that are of paramount importance to your prospect—his welfare.

Agreement Is a Natural Consequence of Resolution

No matter how logical your proposal may appear to your prospect, unless he has the DESIRE to correct a situation, better himself or obtain advantages that he does not now enjoy, you are not ready to ask for the order. This holds true whether you are talking to a husband and wife in their late forties about a plan to provide for their retirement some fifteen years hence, or some client who has been speculating in the market and wants to try to recoup his losses. You do business because people have problems and you have brought them to their attention and offered a solution. But you must bring them to a point where they wish to do something about these problems. That is where salesmanship enters the picture. When a man says, "Yes," what he is really saying is, "Thanks brother for helping me to make what I hope will be a wise and beneficial decision."

The four principles of successful salesmanship are still as operative as ever; Obtain Attention; Then Interest; Then Desire; Then Action. No machine can sit down with another man who wants to make a decision as well as a salesman who knows human nature and who also knows his business. This is still the world that belongs to the salesman. And what fun would there be in bawling out a machine that put you into a stock at seventy and it promptly dropped to sixty-five? The electronic wizards won't displace the salesman for a long, long while—of that you can be certain.

Emanuel, Deetjen Offers Mayfair

Public offering of 300,000 shares of Mayfair Industries, Inc. common stock at a price of $5 per share was made on March 30 by Emanuel, Deetjen & Co. and associates.

Net proceeds from the sale of the common shares will be used by the company for various corporate purposes, including repayment of loans and the reduction of accounts payable. The balance of the proceeds will be used for general corporate purposes.

Mayfair Industries, Inc., with its principal offices and plant located in Lafayette, Ind., is engaged in producing and selling single-hung aluminum windows for residential use, and other related aluminum products such as horizontal sliding windows of various types, sliding glass doors, screen doors, combination storm-screen doors and minor miscellaneous items such as aluminum thresholds and interior trim. Two new plants, in Frankfort, Ind., and in Tulare, Cal., were placed in operation by the company late in 1959.

For the fiscal year ended Nov. 30, 1959, the company and its subsidiaries had consolidated net sales of $6,495,687 and net income of $154,712, equal to 73 cents per common share. Upon completion of the current financing, outstanding capitalization of the company will consist of 1,000 shares of 8% preferred stock; 300,000 shares of common stock; 200,000 shares class B common stock, and $270,293 of sundry debt.

Forms Stradford Secs.

Solomon Hollander is engaging in a securities business from offices at 799 Broadway, New York City, under the firm name of Stradford Securities Co.

Natural Gas Securities Deserve Better Recognition

Continued from page 6

West, and Northwest. A great need existed for pipelines.

We built our first Tennessee Gas pipeline and started operating it in 1944, to satisfy the war-generated needs for fuel in the Appalachian area. Next year, the war ended. Men and materials soon became available, and the gas industry took off—whoosh—like one of those rockets we are reading so much about these days. It has never stopped.

The establishment of all those pipelines which followed ours out of the Gulf Coast, the great growth of the industry in the 15 years which have followed, were due to several things. Greater financial stability had arrived for the industry. Proration of oil and effective conservation of gas were the order of the day. Banks and investors had greater appreciation of the value of reserves in place, and of long-term contracts with producers at the starting point of the pipeline and with distribution companies at the other end. So we in the industry acquired the ability to bank at reasonable costs. So we grew. As I said earlier in my remarks, the industry tripled.

In my opinion, the gas industry at present, having emerged from the shadow of the Memphis Decision and making progress in solving some of its regulatory problems, is in a situation comparable to that of the electric utilities after the pressures of the TVA and the Public Utility Holding Company Act were relieved.

Better Investment Than Electric Utilities

When I tell you that, in many respects, both the bonds and stocks of gas pipelines and other divisions of the industry have advantages over those of electric utilities, don't be shocked (no pun intended).

Bonds of the gas pipelines, for example, typically get a fast payout from approximately a 5% per annum sinking fund. The buyer of such bonds is continually getting a new look at his money. It keeps coming back to him, and he gets new opportunities to invest it on the best terms available.

I need not add that in an expanding economy, with a fast-growing population, a mounting Gross National Product, and what sometimes seems to be built-in inflation, that is a real advantage.

Let's take a concrete case. In 1951, Tennessee Gas sold $35 million of 3⅛% series first mortgage bonds due 1971. As of Dec. 31, 1959, after eight years, we have retired $12¼ million of those bonds, or about 40%.

If a trust officer had bought those bonds, back eight years ago, he would have roughly 40% of his capital back by now in reinvestable form. Last July, he could have reinvested any of his returned capital in a new bond issue of our company and could have bought a 5¼% interest return for his money. Pipeline bond retirements create a sort of rolling effect on the investor's capital, which is not typical of electric utility bonds.

By way of contrast, let's look at the situation of an investor who bought 3⅛% utility bonds back eight years ago. Either he has to hold them to full maturity—30 or 35 years usually—at the low interest rate, or sell them at a discount, thereby losing part of his original investment, in order to be able to reinvest the remainder on the more advantageous terms now current.

Debt securities at Tennessee Gas, for example, are sold typically with about a 12 or 12½ year average life, which, of course, means that, if a trustee invests in such an issue, under normal operation of sinking funds, he will get his money back at a rate equivalent to getting it back in 12 or 12½ years, instead of the 30 or 35 years for the electric utilities. We also have sold our senior preferred stock with a sinking fund, and sinking funds on electric utility preferred stock are extremely rare.

Gas pipeline companies started on a completely different investment premise from electric utilities. An electric company mortgage typically allows substitution of properties for sinking funds. The effect of the mortgage is for more and more property to be put into the trust estate against which the company can't issue new bonds.

On the other hand, in a gas transmission company, the expenditure for plant is basically treated as a one-time investment. This originated partly from the fear of depletion of reserves, which might lead to a stoppage of gas service some day.

No Need to Fear Resource Exhaustion

Property has been made to earn its own retirement and earn it on a short-life basis. But as I have previously pointed out, our nation's gas reserves—given the economic incentive of price and located by the talent and skill of our exploration teams—have grown at a rate exceeding the use of gas. This fear of exhaustion is a ghost which should no longer haunt the security buyer.

With this in mind, perhaps the following homely illustration—really homely, since it is based on the figurative "homes" of two men we will call Mr. Gas Pipeline and Mr. Electric—will make my point clearer.

Mr. Electric builds his home. He keeps adding rooms. He doesn't pay off any of his bonds. The mortgage holder is satisfied, however, for he keeps getting more house as security for his mortgage, even though the house is getting older.

Mr. Gas Pipeline basically just builds his home, and adds no rooms. He makes regular annual payments on his mortgage. The size of the remaining debt decreases. The property depreciates. But the position of the debt-holder is good—he gets paid off faster than the house depreciates. To repeat, he has money for reinvestment.

His good position results from, among other things, the spread that develops between the net depreciated value of the pipeline property, on the one hand, and the amount of bonds on the other. That spread is at least as great as, and perhaps greater, in the gas transmission business than in the electric utility business.

Under the pressure of low rates of return adhered to by the Federal Power Commission, pipelines have initially been financed at high rates of indebtedness exceeding in many cases 70% of plant. New bonds, under mortgages generally accepted, cannot initially exceed 60% of plant additions, which builds in a good margin of safety as the systems grow. In addition, as this margin grows and as pipeline bonds are retired rapidly, the ratio of mortgage bonds to net gas transmission plant continues to drop. For example, in 1954 the ratio of mortgage bonds to net transmission plant at Tennessee Gas had declined to 58%. Five years later, at the end of 1959, it had dropped still further to 53%. In other words, the ratio improves even after offsetting the original cost by appropriate depreciation charges. I am convinced many are as well off in the pipeline bond business as in the electric utility business.

To keep the record straight, I am sure many share with me the high regard for the electric utility business which it enjoys with investors generally. Its securities have earned this standing by steady long-term performance. But through my close personal dealings with pipeline securities which have amounted to between $1 billion and $1½ billion through the last 15 years, I have become convinced that the gas industry's securities—in the words of the current breakfast food commercial—are "just a little bit better." Better, in that they give the buyer better sinking fund protection, better ability to follow trends in interest and money markets with what I am convinced is every bit of the security that inures to an investment in electric utility.

Now let's examine gas industry equity securities briefly.

It has not been advertised, nor is it generally known, that equity ratios in gas companies have been increasing steadily, as a corollary to the initial financing which starts with a large debt and rapidly works itself into an equity position. This build-up of equity values not only provides ever-growing protection to the debt holder, but also gives great investment stability, coupled with its inherent outstanding growth incentive, to the equity holder himself.

For example, Tennessee had at the end of 1954 only 19% of its capitalization in common stock and surplus. While five years later, at the end of 1959, including convertible second preferred stock, our equity had risen to over 31%. As is known, we are going to market with additional equity securities this month; and it is our intention to strengthen further our equity position to over 35% by the end of 1960.

Rate Base Is Growing

Many gas companies have followed the trend which I have just mentioned as illustrative of the stability which the industry is building into its securities as the industry approaches maturity. Certainly, the great growth in gas reserves which are being developed in the producing areas of the country, the widespread ownership of these reserves by the gas companies themselves, and a continued growth on a basis approaching 8% compounded annually, remove the fear of declining rate base as a reducer of earnings.

Further, the yields which are available on gas company stocks exceed those of electric utilities with the same growth characteristics which—on a performance basis—they most closely parallel. When markets generally become confused over the position of the highly volatile growth stocks, there is no better defense than to look to these equities in the gas business. They are able to show sustained, continued growth, rapidly improving equity ratios, and sound and increasing gas reserve positions supported by matured contracts and by actual ownership.

Certainly in the light of the known reserve picture there is little justification in the gas business for the investment standing of the distributing companies, which cannot increase or even continue their earnings unless they are supported by the pipelines, and the lower appraisal of pipelines themselves. The pipeline firms should enjoy a preferred position with investors over the distributing companies they serve and who serve the ultimate consumer.

In any discussion of pipeline equity securities, the first preferred stocks should not be overlooked. As you know, by fashion they carry a sinking fund and a consistently higher dividend rate, so that in those markets where return is required by the character of the account or the needs of the beneficiary, they are desirable. These stocks, too, are being greatly upgraded by the improving equity relationships and the reduction of prior debt.

During the growth and development of pipeline companies such as Tennessee Gas over the last 15 years, it is interesting to note the acceptance by the investing public of the same range of securities sold or used by other utilities. They include first mortgage bonds; debentures; preferred stock (with sinking fund); convertible preferred stock (which has not usually been used by such utilities); and finally, common stock itself.

While you will be sure I am prejudiced, I know of no better industry that has a combination of (1) compounded growth, and (2) approaching maturity than the gas industry is now enjoying. It remains for us only to achieve stability in a government philosophy, which any industry the size of the gas industry is bound to obtain. When we obtain it, in my opinion, our securities will be fully as well regarded as those of other utility companies.

Certainly many factors, such as the low labor content of our business, would entitle them to be even more seriously considered in these times of high labor costs.

Conclusion

The growth factor is an important one for the investor. In the past 15 years, the industry has had it to probably a greater degree than any other major industry. That is why it has grown to a position as the fifth largest industry in the nation in terms of plant investment.

That growth is still continuing. The industry firmly believes it will double in the next 10 years. It spent $1.8 billion in 1959 for expansion. In 1960 it will spend $1.9 billion or $100 million additional.

The industry is dynamic. We in it are not discouraged by problems, and refuse to lie down and play dead when new challenges arise. The inherent stability of the natural gas business is linked with an equally inherent growth incentive based on public preference and demand.

Gas has fought its way upward to a well deserved position of prominence in the nation's fuel economy. Further progress will be no soft snap, but then neither was that of the past. I look for continued sound, healthy growth—growth both actual and relative, and meaningful for the investor and for the economy—in an exciting decade ahead.

*An address by Mr. Symonds before the 41st Mid-Winter Trust Conference of the American Bankers Association, New York City.

Plainfield Union Water Company Offers Rights

Plainfield Union Water Co. is presently offering to its common stockholders of record March 29, 1960, the right to subscribe at $20 per share for 68,676 shares of additional common stock (without nominal or par value) on the basis of one new share for each 2½ shares of common stock then held; subscription warrants will expire at 3:30 p.m., EST, on April 12, 1960. A group of underwriters headed by W. C. Langley & Co. will purchase any unsubscribed shares and, both during and following the subscription period, may offer shares of common stock.

The New Jersey public utility will put the proceeds of the financing into its construction program.

Spear, Leeds Office

ARDMORE, Pa.—Spear, Leeds & Kellogg has opened a branch office at 105 Coulter Avenue under the direction of James M. Gicker.

New Officials for NASD District 10

The following new officers for 1960 have been elected by District Committee No. 10 of the National Association of Securities Dealers:

Robert W. Fleming

Chairman: Robert W. Fleming, Folger, Nolan, Fleming-W. B. Hibbs & Co., Washington, D. C.

Vice-Chairman: Eugene H. Cassell, C. F. Cassell & Co., Charlottesville, Va.

District No. 10 comprises Maryland, North Carolina, Virginia, and the District of Columbia.

Kratter Corp. Offers Rights

The Kratter Corporation on March 28 offered to holders of its class A and class B common stock rights to subscribe for 1,300,000 shares of new $1.20 cumulative convertible preferred stock at the subscription price of $20 per share, on the basis of one share of new preferred for each three shares of common stock held of record on March 25, 1960. Rights to subscribe, as evidenced by transferable warrants, will expire on April 12, 1960. The offering also carries an over-subscription privilege.

Hirsch & Co. and Lee Higginson Corp. are co-managers of a group of member firms of the National Association of Securities Dealers, Inc. which will solicit subscriptions for the preferred stock on behalf of the company, for which dealers commissions will be paid.

Net proceeds from the financing will be used by the corporation for various corporate purposes, including acquisition of the Americana Hotel, Bal Harbour, Fla. and other properties.

The shares of new preferred stock will be convertible at the option of the holder on and after Sept. 30, 1960 on a share-for-share basis into shares of class A common stock of the company. The preferred stock may also be redeemed, at the option of the company, at a redemption price of $20 per share, plus accrued dividends. The company's class A stock was listed for trading on the American Stock Exchange on March 22, 1960. Rights to purchase the new preferred stock and the preferred stock was admitted to trading on the American Stock Exchange on March 28, 1960.

The corporation, with headquarters at 521 Fifth Avenue, New York, was organized on Feb. 26, 1959 under the laws of the State of Delaware, as a diversified, real estate investment company. The company may also act as a broker, consultant and managing agent in connection with real estate. This nation-wide real estate investment firm was formed by Marvin Kratter, President and Chairman of the Board, and his associates, who had previously been active in the real estate investment field, and its operating activities were started on May 1, 1959.

Among the various properties owned or leased by the corporation, or its subsidiaries, are the Graybar Building and the Lunt Fontain Theatre in New York; Ebbets Field, former home of the

Brooklyn Dodgers, now being razed to make way for one of the largest single apartment dwellings in New York City as part of the State-aided middle-income housing program; Tishman Buildings at 3440-50-60 Wilshire Boulevard, Los Angeles; Western Merchandise Mart in San Francisco; the Fawcett Building, New York; the 26-story Kratter Building on West 34th Street, New York, and the recently acquired Americana Hotel, Bal Harbour, Fla., one of that state's leading convention-resort hotels.

Texas IBA Group Meeting Program

DALLAS, Texas — The Texas Group of the Investment Bankers Association has announced the program for the 25th annual meeting April 10-12 at the Sheraton-Dallas Hotel.

Registration will take place on Sunday, followed by a cocktail party at 6 p.m. at which the Dallas Security Dealers of the Texas Group will be hosts.

General Business session will begin at 10 a.m. April 11. The Hon. R. L. Thornton, Mayor of the City of Dallas, will welcome the group. James J. Lee, W. E. Hutton & Co., President of the Investment Bankers Association of America will address the meeting.

Committee reports will be presented by Wilbur Hess, Hess & Co., Houston (Legislative); Joel Cowdrey, Merrill Lynch, Pierce, Fenner & Smith, Incorporated, Dallas (Education); Lewis Pollok, Eddleman, Pollok & Fosdick, Inc., Houston (Municipal); H. H. Dewar, Dewar, Robertson & Pancoast, San Antonio (State Affairs); B. F. Houston, Dallas Union Securities Co., Dallas (Savings Bond); James Bayless, Rauscher, Pierce & Co., Inc. Houston (Public Relations); C. Pharr Duson, Rotan, Mosle & Company, Houston (Membership).

W. E. Tinsley, Executive Director of the Municipal Advisory Council of Texas, will make a report to the assembly.

Following the report of W. E. Knickerbocker, McClung & Knickerbocker, Houston, Chairman of the Nominating Committee, the annual election of officers will be held.

Edmund H. Harding will be principal speaker at the luncheon to be given in the Sheraton-Dallas. A formal dinner dance will be given the evening of April 11.

April 12 will be devoted to sports. Luncheon will be served at the Cipango Club at 12. Afternoon is free and the closing dinner and dance will be given in the Empire Room of the Statler Hilton Hotel.

Members of the Convention Committee are John H. Rauscher, Jr., Rauscher, Pierce & Co., Inc., Dallas, General Chairman; John B. Clayton III, First National Bank in Dallas, registration; Dick Clark, Jr., Dallas Union Securities Company, golf; Clarence E. Sample, Mercantile National Bank at Dallas, entertainment; Edw. Franklin, Dittmar & Company, Inc., Dallas, Pre-Convention Cocktail Party.

Members of the Ladies Reception Committee will be Mrs. Mary Houston, Mrs. Jerry Smith, Mrs. Margaret Clayton, Mrs. Mary Jo Rauscher and Mrs. Sue Clark.

Kenower, MacArthur Co. Branch in Chicago

CHICAGO, Ill. — Kenower, MacArthur & Co. has opened a branch office at 111 West Monroe Street, under the management of Harry H. Jones, II.

Chicago Analysts to Hear

CHICAGO, Ill. — H. N. Forman, President of the National Propane Corporation, will address the luncheon meeting of the Investment Analysts Society of Chicago being held today at the Midland Hotel.

An Economic Appraisal of The Belgian Congo

Continued from page 13

less capital equipment, the major source of high output. Even in the Congo capital can raise production. For example, from 1950 to 1954 the amount of capital per worker rose from $1,140 to $1,660; during the same period productivity rose 20%. During the stagnant thirties, in contrast, capital per worker actually declined, and, as a result, per worker output dropped below that of the preceding decade.

Two necessary prerequisites for maximum production are good teaching on the job and appropriate incentives. The Congolese, lacking an adequate education, requires much better instruction. Hence the supervisor must not only know the job thoroughly, but, in addition, he must be a teacher —and a patient one. The African respects the white man who is competent, and can see through the superficial quite quickly, and embarrassingly so, too.

Past experience also indicates the need for incentives. Payment by piecework, if practicable, usually is the easiest means of raising output. Most Africans want to increase their money incomes, and will work harder if the direct result is a bigger pay envelope. Where piecework cannot be employed, substitutes must be devised. For example, pitting one against another, thus touching the ego, can produce astounding results. One Leopoldville manufacturer reported outputs comparable with that achieved in the parent factory, thanks to this competitive spirit.

Productivity slumps, however, where adequate goals are lacking. Constant supervision and prodding are necessary, and even then it seems that the low wages still mean high costs per unit produced.

Besides this worry, the new investor is beset with problems totally unknown at home. Tribal jealousies are strong and teamwork is difficult among men drawn from different regions. Many companies even use this antagonism for internal protection; two different tribes will watch each other like hawks, thus minimizing thefts of company property.

It should be noted, of course, that time will reduce the obstacles recounted. Education is reaching more youngsters every day — there are now more than a million-and-a-half in school, and this should pass two-and-a-half million in ten years. Technical instruction is being stressed, so that the company's training task should diminish gradually.

Another factor that adds greatly to Congo costs is the high price of European supervisory labor. To attract a white man the wage must be much more than at home. The employer must often furnish a house, including utilities, and a car. One month's home leave at full pay is usually given for each yearf of work; round trip expenses for the family, as well as for the employee, are paid by the employer, and leave is granted every two or three years, normally. As a result, although the staff may be overwhelmingly African, the European minority may well account for more than half the labor costs. Obviously, the quicker the African is trained to perform a task now done by a white man, the more the employer can reduce operating costs. Given the present disparity of wages, this transfer pays off, even though the trained African is less efficient than his white predecessor.

V
Investment Potentials

A. Inga

Earlier, in the summary of the Congo's investment opportunities, emphasis was placed on the Inga Rapids Project. This complex is to be developed over the next quarter-century, in three stages, the first at a cost of $300 million. The estimated cost of developing the full potential of 25 million kilowatts is in excess of $3 billion.

The major industries expected to establish around the site are, obviously, the large power and water consumers. Most necessary is aluminum, for only that industry would consume enough power to make the hydroelectric installation pay off. One ton of aluminum requires 20,000 kwh., and the Inga goal is 300,000 tons. annually, to rise to 480,000 tons. Local bauxite reserves are estimated at 200 million tons. Belgian, American, Canadian, English, French, German, Italian, and Swiss interests are already interested.

A second large user would be ammonia for fertilizer, nitric acid, and phosphoric acid. The Congo farmer is just beginning to employ artificial fertilizer, and the basic concentrate would be made at Inga.

Wood pulp and paper offer another good potential. Hitherto, the Congo's heterogeneous woods made wood pulp production difficult, but it is believed that this problem has been solved satisfactorily. One aim is an annual output of 10,000 tons to be used for cardboard.

Cement production will also expand, if only to supply the local industrial construction. Other auxiliary industries, like breweries and quarrying, will also be necessary.

Another possibility is the refining of the metals now mined in the East and Southeast (the Kasai and Katanga Provinces)—manganese, zinc, tin, tungsten, tantalum, columbium, beryllium, lithium, and the rare earths. This, however, would probably require association with the only real producer, the Union Minière du Haut-Katanga. Other industries believed feasible are abrasives, sponge iron, ferrosilicon, ferromanganese, silicomanganese, chlorine, caustic soda, isotopes (perhaps the enriching of Uranium 325), and titanium.

Many of these possibilities, of course, are being explored, and the more attractive ones would have to be exploited in cooperation with the appropriate Belgian syndicate. Since, however, these lack sufficient capital, the association would undoubtedly be welcomed.

Neighboring French Competition

But before capital rushes into Inga, it must resolve certain worries. Foremost is the competition of Kouilou, the French power development in the neighboring Republic of the Congo, northeast of the port of Pointe Noire.

Kouilou might be completed a year or two before Inga, although work on both is still only in the preparatory stage now. Its cost of construction is still uncertain, but it should be cheaper than the first stage of Inga. Hence, its power production costs could be as much as 30%-40% less — perhaps 1½ mills per kwh. against an initial Inga charge of 2½ mills. (In the later stages, however, Inga's power costs would fall to half, or 1¼ mills per kwh.)

Kouilou's capacity will be about equal to the first part of Inga—seven billion kwh. annually. Its appeal is being directed to the same industries that Inga hopes to attract—aluminum, iron manganese. The latter two raw materials are available in the nearby Gabon Republic, and Bethlehem Steel plans to exploit the iron ore, U. S. Steel the manganese (each as a member of a Franco-American group).

Moreover, aluminum-producing installations are in prospect in other parts of Africa—already in Edea, Cameroun (formerly the French Cameroons), perhaps in Guinea, as a joint undertaking of Fria (which includes Olin Mathieson) and Bauxites du Midi (a subsidiary of Aluminium Ltd. of Canada). And there is also Volta, in Ghana, now being studied by Kaiser.

Can the aluminum industry build all these? The Belgians and the French believe so. They estimate the annual growth in world consumption at 250,000 tons; Inga and Kouilou together would thus account for three or four years' growth. Moreover, neither can be ready before 1965, by which time the post-World War II population boom will be reaching the adult stage, thus adding enormously to the consumer markets. Hence, given the time horizon of the aluminum industry, this growth curve should encourage more and more fabrication of the white metal in Africa.

B. Agriculture

The current development plan of the Congo is designed to aid agriculture primarily. Rural road-building will be emphasized and every effort will be made to switch the African subsistence farmer to the production of marketable (money) crops. Geographically it is hoped that this will result in greater use of the vast central portion of the Congo, now virgin territory in many sections.

The foreign investor, of course, would be interested only in a plantation-type crop, and for him this would mean rubber, coffee, tea, cocoa, cotton, and palm oil, plus perhaps cattle. Although land-owning is very restricted, it is not too difficult to obtain satisfactory concessions to rent the land, with appropriate protections to the local inhabitants—although this might change with native self-government. Renting, of course, would require a smaller initial investment than would outright purchase.

Congo agriculture is still barely mechanized, so that the degree of skill necessary is not high; the training problem is much less serious than for manufacturing. Help in determining the appropriateness and quality of the soil is given by the government through its various research organizations. Surprisingly much of the Congo soil is relatively infertile, despite the tropical lushness popularly attributed to the area.

Outside stimuli during the next decade should further aid agriculture development. Local industries that process Congo crops will be encouraged. The European Common Market should give a customs advantage to the Congo—relative to South American coffee, Nigerian palm oil, and Ghana's cocoa. Any deterioration in Malaya's internal situation will intensify rubber-growing in the Congo; already some capital from the Far East has transferred for this purpose.

Financially, the one appeal of an agriculture investment is the smaller initial amount that is required as compared with mining or processing, $50,000 is a good-sized plantation. But it takes longer to mature to the point of profitability—from four to five years for robusta coffee up to perhaps eight years for rubber, palm oil, and arabica coffee.

C. The Local Market

As the Congo expands, of course, the internal market will grow, too. But this will be a different market, for it will be one arising primarily from the African's wants, since less than 1% of the population is European. Nor does this mean a market for trinkets and trader's gin — the African is quite a sophisticated buyer, with a strong brand loyalty. This market knowledge, of course, can be obtained only by an on-the-spot study. Even the local Belgian is a tough customer for a newcomer to crack, because of his innate industrial conservatism.

Although there are several industries already catering to the home market, there are still numerous other possibilities. In all cases, the quality must be good, for local companies now produce Lux toilet soap, sneakers, and shortening equal to American and European standards.

Based on import data, there would seem to be a current need for a local canning industry, both meat and fish. Bicycle assembly is another good outlet, for this is still the most popular form of native transport. Electrical motor parts to supply the many small manufacturers would also hold promise. The local consumption of coffee is increasing, and the Congo has plentiful supplies, especially in the North and West. Construction, of course, will boom as the new road program gets into full swing.

Fortunately, too, the local banks are in a position to aid short-term financing. Long-term capital, however, is expected to be supplied by the entrepreneur.

The local manufacturer will require more capital than at home. Delivery time for supplies from abroad is much longer, thus necessitating the carrying of larger inventories. It often takes a month to send a shipment from the port of Matadi 250 miles to Leopoldville by rail! A local repair repartment is necessary, for spare parts replacements cannot be obtained readily. As a result, profit margins per unit tend to be quite high.

VI
Conclusion

Does all this add up to a favorable investment picture? The answer is yes, for there are, as indicated, many lucrative possibilities. Most serious, of course, is the attitude of the government-to-be. Will its current political strivings affect the economic climate? So far there is no evidence of serious antagonism towards business.

Equally important is the opportunity to get in at the beginning. Inga, for example, will stretch over a quarter of a century, and its construction effects will fan out through the entire economy. This will start a cumulative reaction, as local industry expands to meet the booming market. Agricultural development will feed cheap raw materials, while expanding trade will lower per unit transport costs. The know-how that the experienced firm will gain will give it a head start over later entrants, making its growth more certain and widespread. If Africa is the continent of the future, the Belgian Congo may well be the leader in the race.

Martin, Monaghan & Mulhern Inc. Formed

ARDMORE, Pa. — Martin, Monaghan and Mulhern, Inc. has been formed with offices at 9 Rittenhouse Place to engage in a securities business. Officers are John A. Mulhern, President; Edward A. Monaghan, Vice-President and Treasurer; and Richard A. Martin, Secretary. Mr. Martin was formerly in charge of the trading department for White, Weld & Company's Philadelphia office.

Canada Will Not Deviate From Sound Money Policy

Continued from page 3

merely within Canada itself. If, however, industries producing for the domestic market are also suffering from serious and general under-employment — and if this is not due to high costs and inability to compete with imports but is a reflection of a low level of spending within the country—it is apparent that general measures to increase the ability of people and businesses to spend, and to undertake new projects with the aid of borrowed money, may have a quite pronounced beneficial effect. Such measures can in such circumstances improve the rate of activity in industries producing for the domestic market, including of course a wide variety of service industries as well as goods-producing industries.

When Credit Expansion Is Not Helpful

On the other hand, what has not been so widely recognized is that if unemployment is not general but is chiefly apparent in the export industries, or is scattered in particular industries or particular localities for reasons peculiar to those industries or localities, a general increase in money and credit, with or without a general degree of deficit spending by the government, will not necessarily have any useful effect on the particular areas of unemployment in question. Moreover, if at such a time industries producing for the domestic market are for the most part operating at a high level—or even if they are under-employed where the cause is inability to compete with imports—one would expect that a general expansion of the money supply and of credit available through the banking system, or large scale government deficits, would tend to result in increased imports—that is to say in a stimulus to production and employment outside Canada—rather than increased production and employment inside Canada.

For some years there has been no deficiency in total demand for goods and services in Canada. Total spending for goods and services of all kinds, including production of capital facilities as well as consumer goods and services, has in recent years been greater than the amount of goods and services that could be produced in Canada, although productive capacity has increased every year to a greater degree than in most other countries. Total capital expenditures in Canada for new construction and for machinery and equipment, amounted to $8.4 billion in 1959 and in recent years have averaged 26% of Gross National Product, as compared with 18% in the United States, but this large annual increase in Canada's capital facilities, in productive capacity, has not enabled production to close the gap because total spending has increased as fast or faster than production.

Notwithstanding this scale of total spending, there has been unemployment of persons and under-employment of plant and equipment in particular localities and particular lines of industry in Canada, and failure of employment in the aggregate to expand commensurately with the increase in the labor force. At the same time there has been a very large deficit in our international balance of payments, that is, an excess of imports and payments for goods and services of all kinds over our exports and receipts for goods and services of all kinds. Under these conditions the presence of unemployment in particular industries and particular localities shows, not that there has been any deficiency in total demand or in the total rate of spending, or in the availability of money and credit in the aggregate. but that total demand and total spending has been directed, to a greater degree than is desirable in the general interests of the national economy, toward the importation of goods and services produced outside Canada.

Curing the Adverse Trade Balance

In other words, for some years total demand and total spending in Canada have been excessive rather than deficient, and have been misdirected, from the point of view of maintaining balanced economic development and the lowest possible degree of unemployment in Canada. This kind of situation cannot be corrected by further expansion of the supply of money and credit in the aggregate. The chief effect of such an expansion would be either to create inflation—despite the existence of unemployed domestic resources—or to increase the deficit in our international balance of payments. What is required is rather a reduction in total spending, and re-orientation of part of our total spending towards the purchase of efficiently produced goods and services of domestic origin in place of imports, together with whatever increase can be achieved in the efficient production of goods and services for export.

A central bank in any country has, by virtue of its central banking function, only one significant avenue for stimulating economic activity. This is its ability to increase the supply of "central bank money," that is, currency or deposits at the central bank. The way in which such an increase is brought about in Canada is by the central bank purchasing Government of Canada securities in the market.

Persons who sell the securities receive payment in the form of a cheque of the central bank which they normally deposit with their chartered bank. The chartered bank remits the cheque to the Bank of Canada for credit of the chartered bank's account with the Bank of Canada. The chartered bank by this means acquires an increase in its deposit at the Bank of Canada, that is, in its cash reserves, accompanied by a similer increase in its own deposit liabilities. The chartered banks are required to keep reserves of central bank cash equal to 8% of their total deposits, and so over a period of time they are able as a group to increase their total loans and investments, and correspondingly their total debt to their depositors in the form of deposit liabilities, by an amount equal to about 12 times the increase in central bank money created by the central bank. The exact size of this multiplication factor is incidental, and varies from country to country, and the fact that the chartered banks are able to increase their total assets and liabilities by a particular multiple of the increase in central bank money should not be misinterpreted. All other kinds of financial institutions — and for that matter ordinary businesses and individuals — are able to borrow and lend, that is, to increase both their liabilities and their assets, to any degree that their competitive position and financial standing permit and earnings prospects justify. The significant feature in the case of the chartered banks is not that the fractional cash reserve system enables the chartered banks to increase their assents and liabilities, which is something anyone can do, but that it places a legal limit on the amount of their expansion. It is by virtue of this limiting factor that the central bank is able to exercise a restraining influence over the total expansion of credit by these particular institutions, namely the chartered banks who are members of the central reserve system and whose debts to the public, that is, the banks' deposit liabilities, constitute the major part of the money of the public. The central bank is unable to exercise any direct restraining influence over the credit-granting and near-money-creating activities of other financial institutions, which also create deposits, including deposits subject to withdrawal by cheque, and other forms of money or near-money in the hands of their creditors.

Similarly, it is because there is a recognized relationship between the amount of central bank credit and the amount of chartered bank credit that a central bank can under most conditions induce the chartered banks to expand the total amount of their loans and investments when that seems to be desirable in the public interest, or at the very least make unnecessary the pursuit by them of a restrictive credit policy. Whenever the central bank increases the supply of central bank money or credit available, the chartered banks individually find themselves with so-called excess reserves, that is more cash reserves than the law requires them individually to keep in relation to the existing level of chartered bank assets and liabilities. If the cash reserve requirement was previously restraining them from increasing their assets (loans and investments) and liabilities (deposits) as much as they would have wished, the provision of additional reserves removes this restraint and enables them to expand in whatever way they see fit. They might increase their loans; in the absence of suitable opportunities for new loans, they might perhaps hold the excess cash reserves uninvested, but it is more likely the banks would seek to employ their excess cash reserves by buying government securities in the market. Payment by the banks for such securities would increase the liquidity and credit-granting power of the sellers of such securities, who consist of a variety of persons, corporations and institutions throughout the country, and who in turn might undertake expansion of their business or provide loans to others.

The central bank is by the nature of its job required to decide from time to time whether to increase or decrease or hold constant the supply of central bank money (including deposits of the chartered banks with the central bank), and its actions in that regard may not only influence the actions of the chartered banks in the aggregate but may have the additional effect of influencing attitudes toward spending, saving and lending on the part of other financial institutions and business enterprises and individuals throughout the country. Clearly the central bank must have some criterion in adapting its policy to changing circumstances, some objective to which the management of money is directed. This has been laid down by Parliament in the preamble to the Bank of Canada Act, which states that the Bank should endeavour "generally to promote the economic and financial welfare of the nation," and more particularly should seek "to mitigate by its influence fluctuations in the general level of production, trade, prices and employment, so far as may be possible within the scope of monetary action."

The Desirable Objective

A consistently high level of employment with a minimum of fluctuation in the general level of prices is clearly a desirable objective in any modern society, and so is the maintenance of an economic climate favorable to sustained economic growth. We all want to see new productive facilities of the right kind added to the nation's supply of such facilities year after year on as high a scale as can be made possible by the community's aggregate savings each year, that is, by real physical resources released for the production of capital goods and facilities as a result of total consumption being less than total income or production. It is therefore the object of the central bank, so far as it may exercise influence in that direction, to encourage overall economic growth on a sound and sustainable basis, and to facilitate economic development with a view to increasing employment opportunities and eliminating unemployment or reducing it to the lowest possible level.

This does not mean that the central bank should be continuously inflating the money supply, or that credit of any kind should be constantly expanded without limit. Under normal conditions, new capital expenditures should not exceed new savings during the same period, and aggregate borrowings by those who spend more than they earn or produce should not exceed the aggregate new savings of those who save more than they themselves wish to expend on capital projects. To encourage financial institutions to expand their total lending beyond the supply of new savings available would be to create serious inflationary pressures and aggravate balance of payments deficits.

Keeping Money Supply Just Right

The first requirement for sound money, therefore, is that central banks should see that there is a sufficient supply of money to facilitate the extension of credit in the degree justified by real economic considerations, but the second requirement is no less important, namely, that the total supply of money should not be increased beyond that point. What the actual degree of variation in the total supply of money should be from time to time will depend on many considerations, which I shall not develop in detail, but I should perhaps mention two factors of a limiting character. One is that if non-bank financial institutions were growing very rapidly and expanding total lending beyond the supply of real new savings, it would not be necessary or desirable for the central bank to facilitate a corresponding increase in lending by the banking system as well, based on an increase in the money supply. A second general example may be given—at any moment there is a huge volume of temporarily inactive bank money in existence, that is to say, bank deposits which are not used by their owners but remain untouched for months or years at a time. Under some circumstances the owners of such dormant money may decide to spend it or to lend it, that is to say, there may be an increase in the rate of turnover or the velocity of circulation of the existing money supply. This can happen at times on such a scale as to make it unnecessary and undesirable for the total quantity of money to be increased at all, or on occasion it might even become desirable that the total quantity of money should be decreased because with its higher velocity of circulation the existing supply of money was sustaining an excessive rate of money-spending in the aggregate.

We had a very large increase in the quantity of bank money in Canada in 1958, for reasons connected with the management of the public debt and the financing of the large government deficit. During most of that year the chartered banks found ordinary loan demand rather slack, and they bought over $870 million of Government of Canada securities in the market. In 1959, without any further increase in the total stock of money, the chartered banks increased their loans and non-government investments by $800 million to a total of over $8 billion, the increase being very largely financed by chartered bank sales of Government of Canada securities in the market. The total volume of credit of all kinds, long-term as well as short-term, including funds raised by new issues of securities by corporations and by provincial and municipal governments, and by the Federal Government, and including funds raised by foreign borrowing, increased by a very large amount and reached a new record high level. The total volume of credit that will be utilized in 1960 will, it now seems, be even greater, without necessarily having any increase in the stock of money in the sense I have used that phrase.

Does Not Have Specific Credit Controls

This refers only to the aggregate quantity. In its operations the central bank can only affect the aggregate supply of money, and in so far as it can affect the volume of credit here too its influence is only on the aggregate, not on particular elements within the total. When the quantity of central bank money is increased as a result of purchases of securities by the central bank, the central bank does not know in what proportions the various chartered banks will receive an increase in their cash reserves. Likewise, the central bank does not know to what use the chartered banks receiving the additional reserves will put them, or what spending or lending decisions will be made by the corporations or individuals who acquire additional bank deposits. The central bank has no power to regulate or direct the making of loans by any particular lender or class of lenders, or the extension of short-term or long-term credit to a particular industry or a particular firm within the industry, or to businesses or individuals in a particular locality. It is by the voluntary decision of the financial institutions and others who make loans, or by such degree of regulation, if any, as public authorities choose to exert over the making of loans, that the allocation of credit is from time to time determined, not by the normal operations of the central bank which do not influence the allocation of credit, but at most the aggregate quantity of credit.

If the aggregate supply of credit is adequate — even though there may be some kinds of economic activity or some areas of the country which it is felt are not getting as much credit as they could fruitfully use—the central bank should not be expected to increase the total any further. A further increase in the total supply of credit would not ensure that the deficient activities or areas received any more. The increase would naturally gravitate towards the areas and activities which already had shown their greater attractiveness as fields for loans and investments. In any case, the increase in total credit would, in the circumstances described, be inflationary. Indeed, if for any reason or combination of reasons spending is stimulated to a level well in excess of income, the usual result is inflation of prices and costs. In exceptional circumstances such as we have witnessed in Canada in recent years the inflationary consequences and need for adjustment can be avoided in part, or at any rate postponed in part, by having a large import surplus, an inflow of goods and services in excess of exports, financed by borrowing abroad and by foreign investments in Canadian industry and resources. Such a course is obviously not possible on a contin-

uing basis — it is at best an unstable and undependable palliative.

Examines Interest Rate Debate

The subject of interest rates has received a good deal of attention in the course of public discussion of monetary policy. The purchase or sale of government securities in the market by the central bank may have an influence on the general level of interest rates, either directly or through the transactions undertaken by the chartered banks in response to changes in their cash reserves but the influence of central bank operations is only one among many other influences, and it can be overborne by changes in the direction or amount of lending and investing by financial institutions, business corporations and private individuals not affected by central bank action. Of even greater importance are changes in the demand for borrowed money, changes which are often very large and forceful. An increase in demand will tend to put up interest rates, and some increase in the availability of loanable funds may come about in response to that rise in rates. The interest rate applicable to any loan is determined by supply and demand and represents an agreement between borrower and lender.

The prices which borrowers are willing to pay, or find it economic to pay, for borrowed money will obviously depend on many different factors which change from time to time and differ from place to place. Similarly, the view which lenders may take of the compensation which they should receive for lending their money at all, or of the varying degrees of attractiveness or risk which attach to different types of borrowing propositions presented to them, will be constantly changing over time, and will be different from place to place and from industry to industry. This is more true of non-bank lending than of loans by the chartered banks, which tend to be made at a fairly uniform interest rate regardless of the business of the borrower or the locality in which he operates.

The central bank has no bias in favor of a high general level of interest rates, or for that matter in favor of a low general level of interest rates, whatever "high" or "low" may be taken to mean in that connection, and it cannot control or regulate what interest rates shall apply in relation to particular kinds of transactions. Ideally, the general level of interest rates should be such as to encourage new savings each year equal to the level of new capital expenditures, without large inflows of capital from abroad.

From time to time some borrowers have felt that they were entitled to loans at lower interest rates than the going market rates and that banks, or other lenders, or some governmental authority or even the central bank, should provide them with loans at a specially favored rate. To provide loans to one borrower at lower rates than its competitors had to pay in similar circumstances, would be unfair discrimination. To provide loans at less than market rates to any group or groups on a large scale, would have the effect of encouraging borrowing and spending in excess of the level of savings and production in the economy. Moreover, to subsidize borrowing in any way would be to discriminate in favor of borrowers against non-borrowers, that is, against other similar persons, enterprises or bodies which may manage their affairs with less resort to borrowing because in some cases they operate with more frugality, more efficiency or more prudence, and either get along with a lower level of spending or manage to finance their spending out of their earnings or revenues.

Special Dangers in Subsidized Borrowing

Whether any form of economic or social activity is to be subsidized as an activity is, of course, a matter of policy for public discussion and decision by the appropriate authorities. But to subsidize only borrowing, rather than the economic activity itself, to subsidize only borrowing entities within each group whose activity is to be subsidized and not those who get along without borrowing, to provide for those who borrow most a greater subsidy than for those who borrow least, would tend to encourage excessive borrowing, inefficiency and improvidence. Unless other borrowers were by some means correspondingly restrained, it would also increase the total level of borrowing beyond the available supply of new real savings. The use of money and credit in the aggregate must be based on physical reality, and for every man who spends and consumes more than he earns or produces, there must be another who spends and consumes less than he earns or produces, if we are not all to be caught up in an inflationary race.

I need hardly add that there would be special dangers involved in subsidized loans if they were obtained from the central bank. In addition to the disadvantages of subsidized interest rates I have noted, such loans would increase the cash reserves of the chartered banks by a corresponding amount and would in due course lead to an expansion of bank loans and investments and of the money supply by roughly 12 times as much. The use of "high-powered" central bank money to make subsidized loans would be actively inflationary, and would tend to create distortions in financial markets and misallocation of resources even if steps could be taken to offset the direct inflationary impact by other operations on the part of the central bank which would reduce the total volume of money and credit, or prevent it from rising.

Who Should Handle Spot Unemployment?

If I may revert now to the general subject of the central bank's operations in relation to the level of production and employment throughout the economy, I should re-emphasize that a central bank does not know how increases in the total volume of credit will be allocated, and therefore a central bank cannot by increasing the total volume of credit ensure a beneficial effect on the economic activity of any particular or predetermined person, enterprise, government or region. It follows that where unemployment exists for reasons other than a deficiency in the aggregate supply of credit there is no way by which a central bank can operate to reduce that unemployment. A central bank must not be thought of as possessing governmental powers or responsibilities.

It is clear, of course, that governments, even in a free economy, can and do exert an important influence both on the general level of economic activity and on various particular types of activity. Governments can increase or reduce their own spending. They can increase or reduce their own revenues. Decisions as to spending and taxing, or charging for services, will result in increases or decreases in government debt, and borrowing operations can have broad effects on financial conditions and the climate of opinion in financial markets. In addition to controlling their own financial and other operations, governments at all levels can if they wish encourage or discourage various forms of economic activity carried out by private individuals and private business. Decisions on such matters have to take account of many different and perhaps conflicting considerations, and are of necessity influenced by the philosophy or outlook of different groups and of the community as a whole.

Distinguishes Central Bank From Government

It is important to make clear in this connection the distinction between governments and central banks. Governments can regulate the allocation of credit, the distribution of income, the conduct of economic activity and the provision of employment in particular industries or areas, if this is felt to be desirable in the light of all the circumstances. Central banks cannot, by their operations, exert any direct or significant influence on these matters.

Again, governments can encourage or discourage exports and imports, or activity in particular industries which provide exports or which compete with imports. They can control and direct the nature and size of urban development or of the distribution of industry throughout the country, if society wishes this to be done. Governments can in various ways encourage or discourage the growth of savings, or regulate consumer credit, or influence the rate of house building or the direction of private capital development. They can, if the community so desires, ensure that the total volume of spending within the economy is of such a magnitude as to be capable of being financed out of the annual production or income of the country as a whole, without involving the building up of a large foreign debt. All these things people have from time to time seemed to think could be achieved by central bank action, but none of them lie within the power of the central bank, certainly not in any specific action it can take with a view to specific results.

But it is equally to be emphasized that these things are not in any way prevented or limited by the central bank, or by a sound money policy. There is no financial obstacle to the carrying out of any program which is physically possible, if people are willing to make the appropriate arrangements and accept whatever diversion of physical resources and changes in real incomes may be involved in such program. There are, of course, both inflationary and non-inflationary ways of carrying out such programs. Inflation is the worst of all possible ways of taking from one person in order to give to another, and of forcing some people to change their way of living or their productive activity. So far as it can, a central bank should discourage inflationary methods and try to offset inflationary pressures arising from any source. But central banks' policies and operations constitute no obstacle to the carrying out in a non-inflationary way of any economic program that the community as a whole or any subdivision of the community may decide to pursue.

What the central bank can do of a constructive nature is to exert an influence on the general temperature of the financial climate, an influence which if not frustrated by other influences may be quite pervasive and important. The central bank's objective should be to maintain the financial temperatures at a level which will facilitate a high rate of economic activity—real physical activity, not just speculative or monetary activity—and the maximum rate of sustainable economic growth. In order to achieve this, a central bank must strive to maintain stability in the value of the currency, and to create public confidence that it will be maintained. The financial temperature should be such as to encourage the channelling of all the savings which the economy can generate, into capital investments of kinds which will make the maximum contribution to future production and welfare. Equally, the central bank should try to keep the temperature of credit extension from rising to the point where capital spending is stimulated or forced beyond the level that can be supported by real savings, or to such a level that consumer spending is overstimulated and saving discouraged. A general hot-house atmosphere is not conducive to sustainable growth of enduring value. It leads to distorted growth, to the kind of new growth that easily withers. Forcing or attempting to force an unsustainable degree or kind of growth in any industry, or in the economy as a whole, merely lays up problems of adjustment and unemployment and retarded growth for the future. Growth based mainly if not entirely on our own production and saving would be sounder, more sustainable, and in the long run larger.

So far as Canada's central bank is concerned, it is the object of the Bank of Canada to further the goal of sound Canadian growth, and to contribute to the economic and financial welfare of Canada, by maintaining the soundness of our Canadian currency. Sound growth can only be based on sound money.

*An address by Governor Coyne before the Retail Merchant's Association, Saskatoon, Canada, March 22, 1960.

Capital for Electronics Growth

Supplying equity capital to promising, privately-held electronics firms is the subject of the discussion of Robert W. Miller (left) and Louis Lieberbaum (right), general partners of D. H. Blair & Co., 42 Broadway, New York, and Charles E. Salik, President of Electronics Capital Corporation, San Diego. The discussion took place during a reception in honor of ECC given by D. H. Blair at the New York Stock Exchange Luncheon Club. More than 200 Wall Streeters attended. Electronics Capital, whose stock is sold over-the-counter, is a Federal licensee under the Small Business Investment Act of 1958. In eight and one-half months of operation, it has made commitments of about $4½ million to seven firms, Mr. Salik disclosed, and is currently actively considering at least 20 more. He said 450 companies have been reviewed and 100 found to "possess the growth characteristics and qualifications that would justify investigations." Mr. Salik added: "We have only scratched the surface."

F. P. Hunt & Co. Offers Stantex Stk.

Frank P. Hunt & Co., Inc. and First City Securities, Inc., pursuant to a prospectus dated Feb. 24 publicly offered 300,000 shares of common stock (par 25 cents) of the Stantex Corp. at a price of $1 per share. These securities were offered as a speculation.

Of the net proceeds, $50,000 will be used for the purpose of moving to larger and more efficient quarters; $50,000 for expansion of the company's packaging program, to be expended for the purchase of equipment, supplies and sales promotion; and the balance of $148,500 will be added to the general funds of the company.

The Stantex Corp. was incorporated in Pennsylvania on July 27, 1959 for the purpose of succeeding to the business of Stan Textile & Hardware Co., a copartnership formerly conducted by Stanton I. Bernstein and Jack Bernstein, co-partners. Stantex Corp. is now engaged exclusively in the business of the wholesale distribution of sporting goods, fishing tackle and camping goods.

Now Corporation

CLEVELAND, Ohio — Edward N. Siegler & Co., a corporation, has been formed to continue the investment business of the partnership of the same name at 1925 East Ninth Street. Officers are Edward N. Siegler, President; Lawrence N. Siegler, Secretary and Treasurer; and R. C. Siegler, Vice-President.

Now Balanced Investors

ALBANY, N. Y.—The firm name of State Investors Service has been changed to Balanced Investors Service, Inc. Offices are at 90 State Street.

Fennekohl Co., Inc.

Fennekohl & Company, Incorporated is continuing the investment business of B. Fennekohl & Co., 205 East 85th Street, New York City.

Now Ecoplan Co.

RED BANK, N. J.—The firm name of Economic Planning & Development Co., 252 Harvey Avenue has been changed to Ecoplan Co.

Inv. Planning of Michigan

EAST ORANGE, N. J. — Investment Planning Group of Michigan, Inc., is continuing the investment business of Feren & Co. Main office is located at 19 South Harrison Street, East Orange. A branch office has been opened in the Book Tower, Detroit under the direction of E. Marshall Greene.

Abbott, Proctor Partner

KNOXVILLE, Tenn. — Hugh S. Johnston, Manager of Abbott, Proctor & Paine's office at 530 Gay Street will be admitted to partnership in the firm April 1.

Bull & Low Partner

On April 1 Marjorie Low will be admitted to limited partnership in Bull & Low, 54 Pine Street, New York City, members of the New York Stock Exchange.

AS WE SEE IT Continued from page 1

of banking statistics is in turn very nearly synonymous with the obligations of the Federal Government. Careful bankers, naturally, are still concerned about the nature of their assets, and about what is now regarded as "liquidity." They know, of course, that liquidation of some of their holdings of governments would entail a substantial loss—so substantial have been the changes in market prices of these obligations—but the more conservative of them have kept the book value of these obligations at market, and they can feel confident that in any really serious situation, the Federal Reserve would take them at market—or certainly lend to them needed funds. But the great rank and file who talk about inflation do not trouble themselves very much about such considerations as these. They simply watch the price indexes of the Department of Labor, and at most analyze the factors which seem likely to bring changes in these indexes in the foreseeable future.

It was Alice in Wonderland, we believe, who insisted that when she used a word it meant what she wanted it to mean. We need not go that far, however, to concede that the economists of this day and generation—and any other responsible element in the population—are quite entitled to define the word "inflation" as they think best so long as they make it clear what they mean when they use the term. It is quite possible, however, to define the term in such a way as to rob it of much of its significance for the student of current affairs. Defined merely as rising prices, as is fairly generally the habit today, its presence or absence leaves a great deal unsaid about what is today going on.

Let it never be forgotten that there was no rise in prices between 1926 and 1929. In point of fact there was a moderate downward drift during those years. Applying the present day definition to the term, we must consequently say that there was no inflation during the madder half of the 1920s. Whether in actual fact inflation was occurring during those years is obviously a matter of definition of terms. What no one can deny is the plain fact that a great many things were taking place which made the collapse of 1929 and the subsequent great depression all but inevitable. Many sorts of unsound business undertakings were financed largely by means of credit which all too often reached directly or indirectly into the commercial banks of the country.

Ignored Weakness

The phenomena popularly associated with the era took place in the securities markets, of course. But there were many elsewhere, too, notably in the field of urban real estate. The persistent optimism of that day effectively shielded the horribly unsound and unsafe elements in the situation from the view of most observers. World War I had left an aftermath of half concealed bankruptcy in most agricultural regions, and bank failures in almost incredible numbers were occurring in rural areas. Elsewhere substantial sections of the business community were enjoying (?) what was then sometimes termed "profitless prosperity." It would be pointless to argue the question at length as to whether credit abuses were responsible for all this, and hence whether in the older sense of the term inflation existed and flourished in those years. Certain it is that according to present day definitions, inflation (a persistent rise in prices), did not occur. And yet . . . .

We are not, of course, suggesting an early recurrence or repetition of the fiasco of 1929 and the earlier 'Thirties. It would be foolish to suppose any such thing. We are not even predicting an early recession of any sort. So far as we have been able to observe there is good reason to expect satisfactory business in most branches throughout the immediately foreseeable future. The particular sequence of disastrous events of 1929 and the succeeding years appears unlikely now or in the future. Banks are not failing by the thousands, and are not likely to do so. The enormous increase in the volume of outstanding Federal Government obligations, and the extent to which they are now held by the commercial banks, provides a means of escape from failure by virtually all such institutions—to say nothing at all about the deposit insurance which now exists. In a sense, we can safely forget about 1929 and its aftermath.

But—and this is very large but—we have for decades been building up conditions which in the long run are as unsound as were those of the mad 'Twenties. What we have done for the most part, or at least all too often, is to set up machinery by which we hope to escape the penalties of economic wrongdoing—rather than taking steps to avoid the economic sins which have a way of paying their own wages in their own good time. Whether prices now remain stable and whether or not what we are now pleased to call inflation comes upon us—we have no cause for self gratulation or confidence that all is really well with us.

The Burden Really Rests Upon Our Own Shoulders

Continued from page 16

whenever such regulation seemed justified in the judgment of the Federal Reserve Board.

You will, I am sure, recall that the Federal Reserve Board was thoroughly sick of Regulation W when, for the fourth time, it was discontinued. They subsequently had a study made that ran to six volumes of record. The conclusion was that consumer credit should not be regulated as to its qualitative terms but only in quantitative volume. We can count on the Federal Reserve to stick to that position so long as we in the banking world do not lose our perspective, our judgment, and our reason in making unrestricted and excessive consumer credit available against a restricted and inadequate supply of consumer goods and services.

And so, I for one have little fear that the Congress will respond to Senator Bush's bid for Congressional authority for the Federal Reserve to exercise this power . . . at least not in peacetime . . . and I hope there will be no occasion at any other non-peaceful time.

Also Opposes Senator Paul Douglas' Bill

But there is then Senator Paul Douglas' bill — Senate Bill 2755. Its introduction reads like a brief that approves of motherhood and disapproves of sin. But then, in its specific provisions, it defines the approval of motherhood and the rejection of sin as taking the form of protecting an economically illiterate populace against the machinations of all classes of money lenders and goods and services vendors, all of whom are presumed guilty before trial.

We must all concur in Senator Douglas' first-stated objective; namely, to tell the borrower or instalment payment purchaser the detail of just what he is being charged for the extension of the credit involved—otherwise known as "full disclosure." Who can object to that provision?

Thirty states have already adopted such measures. I have so far heard of no prosecutions under those laws, which would mean that in 30 states full disclosure is being practiced. Perhaps the remaining 20 states will in time follow these examples.

But then we're off to the races!

Senator Douglas, himself a former professor of economy—which fact certainly testifies that he is no economic illiterate—goes on to provide protection for the unwary, unsuspecting, but in the Senator's opinion, abused citizens seeking to buy wanted goods or services on the instalment payment plan. His bill provides that the interest charged and all other costs and charges incident to the loan or conditional sales agreement shall be expressed in writing to the borrower or purchaser, by the lender or the vendor, in terms of simple interest on an annual basis.

Hercules has come forward to turn the river of Truth-by-Disclosure through the Augean stables that the barn in which our economy is housed may be kept pure, clean, and free of pollution by the lenders and vendors of America.

We have gotten a long way from the fostering of motherhood and the suppression of sin that the preamble of the bill described as a major objective; namely, disclosure of costs.

We've moved on into the stratosphere, first, as to what is interest, what is the make-up of the other costs and charges; and what relationship there is of credit life insurance, fire, theft, collision, and public liability insurance on automobiles, fire, storm, hail, and earthquake protection for homes, and lawyers' closing costs, court recordings of liens on chattels to the interest charge for the pure hire of the net money involved in an extension of credit.

Says It's too Difficult to Compute

As able an economist as Senator Douglas may be, I will wager that I can "flunk" him on an examination of what the annual simple interest rate would turn out to be on a 20-year FHA Title II loan, when insurance, taxes, and interest charges are mixed up with the discounting of such a loan at 94 or 96 plus a lawyer's closing costs, registry of the deed and some other crept-in charge developed and later added on. I don't believe he would "come out so good" figuring out the true annual simple interest rate on a used car deal that was bank-financed and the new loan took up an unpaid balance of an old loan where credit life, fire, theft, collision, and public damage insurance was cancelled and the newly purchased car properly covered for 30 months, with the cost of those items for 30 months all added to the face of the new note and discounted for the period.

And so, where would the borrower stand if, to secure the loan, he had to swear that he understood this full disclosure of the cost of the loan in terms of simple annual interest?

And where does the prospective lender or vendor stand? Can he properly and correctly translate these many costs and charges plus the real cost of the money into an expressed annual simple interest?

If not, hark to the Senator's reply: "Any person who willfully violates any provisions of this Act or any rule or regulation issued thereunder shall be fined not more than $5,000 or imprisoned not more than one year, or both." (I have in the text underscored the word "shall" for it is congressional instruction to the appointed agency to police the millions of transactions, running into the billions of dollars, to be handled by hundreds of thousands of officers, clerks, and salesmen, not 1% of whom are trained sufficiently in judgment or mathematics to be sure that he has translated correctly these costs into annual simple interest rates.)

The Senator needs an amendment to his bill—an appropriation for larger Federal penitentiaries; for there's not now enough room to house the people whom the Senator says shall be fined or imprisoned, or both. In fact, this bill simply provides that everybody engaged in consumer credit by cash loan or sales on time is liable to go to jail or pay out his own total annual income in fines.

As a matter of self-protection should the bill become law, I looked up "willful" in the dictionary. It says: "Self-determined, intentional; governed by will without yielding to reason; obstinate, stubborn." You take your choice. The courts are yet to pass on the mental capacity of people involved and to say whether incorrect figures are based on stubbornness, obstinacy, or being governed by will without yielding to reason.

This all sounds as if I'm not being serious at this point. And I wonder if one so learned as the Senator from Illinois is being serious either.

Perhaps if he will confess his purpose, he is willfully trying to scare the hell out of the lending and vending fraternity of America, to see just what the impact of this proposed Herculean program will be on consumer banking and the time payment merchandising segment of the economy.

It is obvious that I could continue this presentation and still not exhaust a discussion of the various aspects of this bill.

Summarizes His Views

Let me summarize just to this extent.

The banking fraternity in particular will do well to do some self-searching as to its public relations, its statesmanship and good citizenship in seeking to defeat or ameliorate the terms of this bill, as well as exercise some influence on other consumer lenders and vendors to whom banks in turn extend credit.

As for Senate Bill 2755 itself, we must be in favor of telling the truth to the borrower about his costs or full disclosure. But we can properly and vigorously tell our representatives in Congress that the regulation of credit rates and terms and practices is a matter heretofore reserved to the states; that 30 states have called for full disclosure, to which banking and merchandising have properly conformed. Hence, there is no need or occasion for Congress to invade this area of state supervision.

Too, we must point out to the Congressional committee in its hearings that the concept of the bill is erroneous, impractical, and unfeasible in its application and jeopardizes not only the person and purses of all individuals engaged in the field by the "shall be prosecuted clause," but will result in the refusal of banks and merchants, lenders and vendors to offer credit terms to borrowers and buyers if the Senator's program is to be fulfilled.

The welfare of the national economy will be greatly injured by a sudden halt and restraint in the extension of instalment credit because of the Senator's terms.

Disagrees With Senator Robertson's Findings

And why do I presume to say such a facetious thing about a distinguished Senator? Well, Senator A. Willis Robertson of Virginia, Chairman of the Senate Committee on Banking and Currency, wrote me as follows:

"You can quote me as saying that on the basis of our experience with the Federal control of consumer credit in two war periods, I am much opposed to legislation seeking to impose such controls during peacetime."

Then Senator Robertson goes on to say: "The Senate Bill 2755, introduced by Senator Douglas, does not propose control over consumer credit but only a disclosure of the interest charged when credit is extended."

But Senator Douglas goes far beyond that concept and says that all charges must be considered as interest and expressed in terms of annual simple interest. And the Senator also says: "It is the purpose of this act to assure a full disclosure of such cost with a view to preventing the uninformed use of credit to the detriment of the national economy."

Surely that expressed intention clearly sets forth Senator Douglas' desire to control the use of credit

to the detriment of the national economy.

But as another protection to us possible convicts or personal bankrupts, if we incorrectly express the annual simple interest rates in a loan or financed purchase, Senator Douglas has picked on the Federal Reserve Board to be his policeman under S. 2755.

Pleased With Martin's Opposition

It's a comfort to hear Chairman of the Federal Reserve Board William McChesney Martin express his lack of enthusiasm for the proposed assignment.

In a letter to Senator A. Willis Robertson, he says in part:

"The Board is in full accord with the objective of this bill as stated by Senator Douglas when it was introduced: 'to require lenders and vendors to tell the truth about interest rates and finance charges.' Its purpose appears to be similar to that of statutes requiring full disclosure of the terms of instalment sales that have been enacted in a number of States, including Illinois, California, Massachusetts, and New York. The bill is also consistent with the 'Trade Practice Rules' of the Federal Trade Commission which require disclosure of finance charges in connection with automobile instalment sales.

"It seems clear, however, that the bill is concerned with the regulation of certain trade practices and that, as indicated by Senator Douglas, it is not directed at control of the volume of credit. The principal functions of the Board are in the field of monetary and credit regulation through the banking system. Extension of the Board's duties into the field of fair trade practices as contemplated by this bill would be foreign to the Board's present responsibilities. In addition, whatever agency is charged with administering the bill, certain of the provisions of the bill would require that agency to determine the effectiveness of the enforcement machinery of the Federal Trade Commission and of each State having a similar statute and would thus give rise to serious administrative difficulties.

"Accordingly, the Board strongly endorses the objective of the disclosure requirements of the bill, but believes that it would not be appropriate to vest the Board with responsibility for administering its provisions."

I must end with a quotation that is confirmed by all the experience of consumer banking over the past 50 years in which it has moved from concept to fulfillment. Begun 50 years ago by a single small unit in Norfolk, Va., come April 5, 1960, consumer credit has flowered over the intervening years into a handmaiden of the greatest economy on earth, without which assistance this economy could not have achieved its present level of fulfillment in carrying forward the American dream.

It was a lawyer who is now a distinguished judge, and not just a banker, who gave expression to our experience; and this may comfort Senator Douglas should it eventuate—as I devoutly hope—that his bill is defeated or so amended as to conform to the present 30 states' statutes. He said:

"The most important thing I have learned as a judge is that the heart and soul of America are sound and true and that the intuitive judgment of the ordinary man in the street is, in the aggregate, something infinitely penetrating and reliable."

Where the Burden Lies

And so the burden really rests upon our own shoulders.

Run our banks with courage and restraint, with dedication to the larger public interest, and in conformity with the sound and wise stimulation of the economy through credit extension to provide that consumption shall run in lock step with production and distribution that keeps us all at work earning wages and salaries adequate to the good life that the American dream makes possible when true and dedicated Americans conduct themselves to that end.

We'll fear no crusaders at the Congressional level nor policemen looking over our shoulders at our desks; nor wounded customers who lie bleeding in our lobbies nor the jails and fines that are suggested. Rather, we shall be supported and patronized by an appreciative public to whom we have gladly told the truth.

*An address by Mr. Brushall before the Instalment Credit Conference of the American Bankers Association, Chicago, March 23, 1960.

Caldata, Inc. Stock Sold

Robert Edelstein Co., Inc., of New York City, on March 30 offered and sold 75,000 shares of class A common stock (par 5¢) of Caldata, Inc. at $2.50 per share.

Of the net proceeds, $7,500 will be used for repayment of bank loans; $18,500 for reseach and development; $12,500 for relocation expenses; $9,625 as a reserve for contingencies; $10,000 for sales and promotional expenses; and $80,000 for working capital.

The company was incorporated pursuant to Delaware law on Dec. 16, 1959. It was formed to finance the acquisition and operation of Caldata Corp., a California corporation engaged in the business of offering a specialized service through the operation of IBM tabulating machines and a staff skilled in engineering, print analysis, cataloguing and item identification pursuant to military specifications.

The underwriter states that "the existing tabulating service organizations concentrate their efforts mainly in the accounting and insurance fields. Caldata feels there is a great untapped market for tabulating service in the preparation of military spare parts documentation required by the Armed Services. The Department of Defense recently issued D. O. D. Instruction 3232.7 to the Armed Services. This instruction has forced the different services to revise their respective provisioning specification to incorporate a standard form to be used by contractors in supplying technical information for provisioning purposes by the military. A significant element of the D. O. D. 3232.7 instruction requests that all suppliers submit the required technical documentation in IBM Tabulating card form."

With DeHaven, Townsend

PHILADELPHIA, Pa.—DeHaven & Townsend, Crouter & Bodine, Land Title Building, members of the New York Stock Exchange and other leading Exchanges, announce that Albert Thomas, Jr. has become associated with them as a registered representative.

Forms Robt. Harris Co.

PHILADELPHIA, Pa.—Robert M. Harris & Co., Inc. has been formed with offices at 6 Penn Center Plaza to engage in securities business. Officers are Robert M. Harris, President, and Jules Axelrod, Secretary-Treasurer.

R. L. Long Opens

SHREVEPORT, La. — Robert L. Long is conducting a securities business from offices at 3109 Alexander Street.

W. C. Sawers Opens

LONG BEACH, Calif.—Wm. Cameron Sawers is conducting a securities business from offices at 2236-8 Long Beach Boulevard.

Mid-America Pipeline Issues Publicly Offered

An underwriting group headed jointly by Bear, Stearns & Co. and White, Weld & Co. is offering today (March 31) $20,500,000 of 6½% subordinated debentures, due March 1, 1980 and 1,435,000 shares of no par value common stock of Mid-America Pipeline Co. The offering is being made in units, each consisting of $50 principal amount of debentures and 3½ shares of common stock. Each unit is priced at $73.50.

Of the net proceeds to be received from this financing, sufficient funds will be deposited in trust for payment of interest to March 1, 1961 on $42,000,000 principal amount of 6% first mortgage bonds, a $3,000,000 6% promissory note due 1975 and the debentures. The balance will be applied to the payment of the costs of constructing and placing the company's pipeline system in operation.

Outstanding capitalization of the company after giving effect to this financing and the sale of other securities will consist of — $42,000,000 first mortgage pipe line bonds, 6% series due Nov. 1, 1975; $3,000,000 6% convertible promissory note due Nov. 1, 1975; $20,500,000 of 6½% subordinated debentures, due March 1, 1980; and 1,830,000 shares of no par value common stock out of a total authorized issue of 3,000,000 shares.

The company was incorporated under Delaware law on Oct. 3, 1958. The company proposes to construct and operate a common carrier pipeline for the transportation of propane, butane and natural gasoline from sources in New Mexico, Texas and Oklahoma. The line will deliver butane and natural gasoline to refiners in the McPherson, Kansas area and propane to delivery points in the upper middle west for marketing by shippers or their consignees through two lines extending North from McPherson, one terminating in the Minneapolis-St. Paul area and the other near Madison, Wis. The company expects that the pipeline system will be completed and in operation in December, 1960.

H. L. Wright Co. Formed

H. L. Wright & Co., Inc. has been formed with offices at 2171 Madison Avenue, New York City, to engage in a securities business. Officers are Harry L. Wright, President; and D. M. Wright, Secretary-Treasurer. Mr. Wright was formerly with Eisele & King, Libaire, Stout & Co.

Keiffer Opens Branch

CHARLESTON AFB, S. C.—Max E. R. Keiffer has opened a branch office at 1223 Batson Drive under the management of Richard D. Sleeper.

New Edenfield Branch

MIAMI BEACH, Fla.—Frank L. Edenfield & Co. has opened a branch office at 6962 Collins Avenue under the direction of Nick M. Torelli.

Nomura Branch In Honolulu

HONOLULU, Hawaii — Nomura Securities Co., Ltd., has opened a branch office at 205 Merchant Street, under the direction of Yasushi Takeda.

Now Continental Fund Distributors, Inc.

The firm name of Capital Growth Distributors, Inc., 366 Fifth Avenue, New York City, has been changed to Continental Fund Distributors, Inc.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Kansas Power & Light Company

Kansas Power & Light serves a population of over 750,000 in eastern and central Kansas. Some 259 communities (including Emporia, Topeka and Leavenworth) are served with electricity, 63 with gas and 48 with both. Wholesale electric service is also provided to 24 communities, 18 rural cooperatives and four other large customers.

Kansas, long considered an agricultural State (it still ranks first in wheat production) is now becoming an important industrial area. In the past decade, there was a 146% increase in "value added by manufacturing" and 37% in industrial employment. Moreover, much of this industry is moving into the company's territory; in 1959, 54% of all new industries moving into the State located in the territory served by the company.

The service area includes extensive wheat and livestock raising sections as well as important oil and natural gas fields. Industry is well diversified, including many small manufacturing plants as well as larger customers such as duPont and Goodyear. Industrial activities includes flour milling, chemical, tires, mining, oil refining and gas production, meat packing, aircraft assembly, manufacture of cement, iron and steel, alfalfa dehydration, storage batteries, cellophane, clothing and railway equipment.

Revenues in 1959 were 68% from sales of electricity and 32% from gas (in the past decade the average ratio has been about two-thirds electricity and one-third gas). Electric revenues were 21% residential, 5% rural, 27% commercial, 32% industrial and 15% wholesale and miscellaneous.

The company generates nearly all of its own electricity. Output has increased 124% in the past decade, but due to improved efficiency the cost of fuel increased only 109%. A 125,000 kw addition to the Lawrence Generating Station is scheduled for commercial operation in the near future.

The company's gas supply is purchased from Northern Natural Gas, Cities Service, and various local companies, it comes principally from the Hugoton, Barber County and Spivey-Grabs Fields. Some 46 new gas wells were added during 1959, and negotiations for other new reserves are under way.

The company has enjoyed a good growth record in the past decade. Due to continuing introduction of new industry as well as the expansion of existing industry, electric revenues from this source gained 128%. Residential revenues increased 108% (number of customers gained 27% and annual usage 97%). Commercial electric revenues were up 101% in the ten-year period, and total electric revenues increased 104%. The gain in gas revenues was 112%, do primarily to the development of the area and the new customers added. Conversion to gas space-heating was not much of a factor, as a saturation of the gas heating market is around 98% and has remained at about this level during the decade. Revenues from domestic gas customers increased 61% in the decade, while the number of customers increased 32% greater. Industrial gas revenues made the best showing with an increase of 208%, while commercial were up only 58%.

The company expects electric sales to double over the coming decade. The annual report states: "There is much evidence that the steady, diversified economic expansion within our service area will continue. The favorable business climate, good supply of both labor and resources, and water development within the area should do much to aid this growth. The expanding use of existing utility appliances and equipment and the resultant increased use of the company's services also should be a major factor. Electric space heating and year-around temperature control, for example, are expected to grow rapidly. (Seven schools in the KLP system are presently electrically heated or will have this type of heat by the fall of 1960.) The application of the thermo-electric principle to walls which will afford both heating, cooling and lighting and the use of ultra-sonic sound for cleaning processes, such as dishes and laundry, are just two examples of new uses of electricity under development which hold great promise for the future."

The company's record in the past decade follows:

		Common Stock Record		
Years	Rev. (Mill.)	Earn.	Div.	Approx. Price Range High Low
1959	$54	$2.40	$1.41	34 – 29
1958	50	2.10	1.30	29 – 25
1957	48	2.05	1.30	26 – 22
1956	45	2.01	1.20	25 – 21
1955	40	1.73	1.18	25 – 21
1954	36	1.56	1.12	23 – 19
1953	34	1.32	1.12	21 – 17
1952	32	1.53	1.12	19 – 17
1951	29	1.27	1.12	18 – 16
1950	26	1.67	1.06	19 – 15

Part of the gain in share earnings in 1959 was due to the increase in the credit for interest charged to construction to 18¢ a share compared with 5¢ in the previous year. On the other hand, there was a dilution in earnings resulting from the 10% increase in the number of shares outstanding. Electric revenues made a good showing with a gain of 11.5% while gas revenues were up 5% (one large industrial customer reduced his usage). The company's business was supported by the excellent production of farm products; despite sagging prices, dollar value of the crop was the highest in a decade.

As a result of the sale of common stock last year the equity ratio was raised to 38.5% which compares with only 25.5% in 1950. No permanent financing will be necessary during 1960 although the company may make additional bank loans. It appears likely that the credit for interest on construction may decline somewhat this year due to completion of the Lawrence Generating Station.

Selling recently around 34½ and paying $1.42, Kansas P. & L. yields 4.1% and sells at 14.4 times earnings. The dividend payout is 59%.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

• Aero Industries, Inc. (5/2-6)
March 11 filed 250,000 shares of common stock (par 25 cents). **Price** — $3.30 per share. **Proceeds** — For new equipment, expansion of the business, and general corporate purposes. **Office**—Pottstown, Pa. **Underwriter**—Myron A. Lomasney & Co. of New York City.

Agricultural Research Development, Inc.
Jan. 25 filed 200,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—To purchase land, to construct buildings, and provide necessary equipment and capital to engage in a hog raising enterprise. **Office**—Wiggins, Colo. **Underwriter**—W. Edward Tague Co., Pittsburgh, Pa.

Alabama Power Co. (4/7)
March 4 filed $19,500,000 of first mortgage bonds dated April 1, 1960 and due April 1, 1990. **Proceeds**—For construction, and repayment of short-term bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Lehman Brothers; The First Boston Corp.; Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co.; Equitable Securities Corp., and Drexel & Co. (jointly). **Information Meeting**—Scheduled for April 4, 1960. **Bids**—To be received at the office of the company's service company, Southern Services, Inc., Room 1600, 250 Park Avenue, New York 17, N. Y., before 11 a.m., New York Time, on April 7, 1960.

• Allied Bowling Centers, Inc. (5/2-6)
Dec. 29 filed $750,000 of sinking fund debentures and 300,000 shares of capital stock, to be offered in units of $75 principal amount of debentures and 30 shares of stock. **Price**—$108 per unit. **Proceeds**—For general corporate purposes. **Office**—Arlington, Texas. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas. **Note** — This statement is to be amended.

• All-State Properties, Inc. (4/18-22)
March 17 filed 870,132 shares of capital stock, to be offered for subscription by holders of outstanding shares of such stock. **Price**—To be supplied by amendment. **Proceeds**—To reduce current indebtedness and for future operations. **Office**—Floral Park, L. I., N. Y. **Underwriters**—Bear, Stearns & Co. and Allen & Co., both of New York City.

★ Altamil Corp.
March 24 filed 626,036 outstanding shares of common stock. Of this stock, 254,313 shares are owned by W. H. Brown and 371,723 by Pryor Manufacturing Co. The shares are being registered only for the possible redistribution of this stock. **Office**—El Segundo, Calif.

• Alterman-Big Apple, Inc. (5/2-6)
March 18 filed 403,310 shares of common stock (par $2.50), of wihch 60,000 shares are to be offered for public sale on behalf of the issuing company. Of the remaining 343,310 shares (all outstanding), 168,310 are to be offered by Bankers Securities Corp. and 175,000 by certain other individuals. **Price**—$18 per share. **Proceeds**—To repay indebtedness, for working capital and other corporate purposes. **Office**—933 Lee St., S. W., Atlanta, Ga. **Underwriter**—Van Alstyne, Noel & Co., New York.

American Bowling Enterprises, Inc. (4/11-15)
Feb. 25 filed 100,000 shares of common stock (par $1), and 100,000 class A purchase warrants, to be offered in units of one warrant with each share. The class A warrants give the right to purchase the stock at $7.50 per share for the first six months, at $8.50 per share from the seventh to the 24th month, and at $9 per share from the 25th to the 30th month. **Price**—$7.50 per unit. **Proceeds**—For the construction of new bowling centers. **Office** — Rochester, N. Y. **Underwriter** — Myron A. Lomasney & Co., New York City.

American Frontier Life Insurance Co.
Nov. 30 filed 200,000 shares of capital stock. **Price**—$8 per share. **Proceeds** — To increase capital and surplus. **Office**—1455 Union Ave., Memphis, Tenn. **Underwriter**—Union Securities Investment Co., also of Memphis, which will receive a selling commission of $1.20 per share.

American Land Co.
Dec. 14 filed 300,000 shares of class A preference stock ($15 par) and 300,000 shares of common stock, to be offered in units of one share of preference and one share of common. **Price**—To be supplied by amendment. **Proceeds**—For property acquisition and development. **Office**—49 E. 53rd Street, New York City. **Underwriter**—Hemphill, Noyes & Co.

Continued on page 41

NEW ISSUE CALENDAR

April 1 (Friday)

American Molded Fiberglass Co. ---------- Common
(Michael Fieldman) $300,000

Computer Usage Co., Inc. ---------- Common
(Marron, Sloss & Co., Inc.; Roosevelt & Gourd; L. B. Schwinn & Co.; Donaldson, Luskin & Jenrette, Inc. and First Albany Corp.) $235,000

Control Electronics Co., Inc. ---------- Common
(Milton D. Blauner & Co., Inc.; David Finkle & Co. and Gartman, Rose & Feuer) $495,000

Inland Container Corp. ---------- Common
(Lazard Freres & Co.) 175,000 shares

Johnson Electronics, Inc. ---------- Common
(Security Associates, Inc.) $175,000

St. Regis Paper Co. ---------- Common
(White, Weld & Co. and A. G. Becker & Co.) 306,787 shares

Sutton Leasing Corp. ---------- Common
(T. M. Kirsch Co.) $300,000

April 4 (Monday)

American Telemail Service, Inc. ---------- Common
(Edgar B. Hunt Co.) $1,500,000

Baltimore Paint & Chemical Corp. ---------- Preferred
(P. W. Brooks & Co.) $1,800,000

Baltimore Paint & Chemical Corp. ---------- Bonds
(P. W. Brooks & Co.) $750,000

Baltimore Paint & Chemical Corp. ---------- Debentures
(P. W. Brooks & Co.) $750,000

C. W. S. Waveguide Corp. ---------- Common
(R. F. Dowd & Co., Inc.) $300,000

Circuit Foil Corp. ---------- Common
(Hayden, Stone & Co.) 106,000 shares

Circuitronics, Inc. ---------- Common
(Lloyd, Miller & Co.) $300,000

Dworman Corp. ---------- Common
(Charles Plohn & Co.) $3,000,000

Edgcomb Steel Co. ---------- Common
(Kidder, Peabody & Co. and Schmidt, Roberts & Parke) 150,000 shares

Forest Hills Country Club Ltd. ---------- Common
(Jerome Robbins & Co.) $300,000

Goddard, Inc. ---------- Common
(Robert L. Ferman & Co., and Godfrey, Hamilton, Magnus & Co., Inc.) $497,250

Green Dollar Nurseries, Inc. ---------- Common
(V. K. Osborne & Sons, Inc.) $285,000

Harn Corp. ---------- Common
(Arnold Malkan & Co., Inc. and Street & Co., Inc.) $750,000

Head Ski Co., Inc. ---------- Common
(Robert Garrett & Sons) 27,883 shares

Highway Trailer Industries, Inc. ---------- Debentures
(Allen & Co. and Van Alstyne, Noel & Co.) $3,000,000

Hi-Press Air Conditioning Corp. of America ---------- Com.
(Plymouth Securities Corp.) $600,000

Inland Credit Corp. ---------- Class A
(Shearson, Hammill & Co.) 190,000 shares

Interstate Securities Co. ---------- Preference
(Offering to stockholders—underwritten by Harriman Ripley & Co., Inc. and Stern Brothers & Co.) 165,000 shares

Jones & Frederick, Inc. ---------- Common
(A. J. Frederick & Co., Inc.) $300,000

Keystone Electronics Co., Inc. ---------- Common
(J. A. Winston & Co., Inc. and Netherlands Securities, Inc.) $600,000

Lawn Electronics Co., Inc. ---------- Common
(Prudential Securities Corp.) $105,000

Megadyne Electronics, Inc. ---------- Common
(Glenn Arthur Co., Inc.) $300,000

Missile Components Corp. ---------- Common
(Mortimer B. Burnside & Co., Inc.) $180,000

Mobilife Corp. ---------- Common
(Plymouth Bond & Share Corp.) $1,000,000

National Lawn Service Corp. ---------- Common
(Fund Planning Inc.) $300,000

Nu-Era Corp. ---------- Common
(Mortimer B. Burnside & Co., Inc.) $1,031,250

Phillips Developments, Inc. ---------- Common
(Allen & Co.; Bear, Stearns & Co. and Sutro Bros. & Co.) 400,000 shares

Seaboard Plywood & Lumber Corp. ---------- Debentures
(Peter Morgan & Co.) $300,000

Seaboard Plywood & Lumber Corp. ---------- Common
(Peter Morgan & Co.) 30,000 shares

Seneca Gas & Oil Corp. ---------- Common
(Edgar B. Hunt Co.) $300,000

Sunair Electronics, Inc. ---------- Common
(Frank Karasik & Co., Inc.) $600,000

Tayco Developments, Inc. ---------- Common
(Offering to stockholders—underwritten by C. E. Stoltz & Co.) $154,962.50

Taylor Devices, Inc. ---------- Common
(Offering to stockholders—underwritten by C. E. Stoltz & Co.) $537,788.75

Tenax, Inc. ---------- Common
(Myron A. Lomasney) $600,000

Thermal-Aire of America, Inc. ---------- Common
(Pearson, Murphy & Co., Inc.) $300,000

Transworld Equipment Corp. ---------- Common
(Michael Fieldman) $279,664

Universal-Cyclops Steel Corp. ---------- Common
(A. G. Becker & Co., Inc.) 200,000 shares

Universal Transistor Products Corp. ---------- Common
(Michael G. Kletz & Co., Inc. and Amos Treat & Co., Inc.) $300,000

Wallson Associates, Inc. ---------- Common
(Russell & Saxe and First Broad Street Corp.) $300,000

Western Utilities Corp. ---------- Common
(Dean Witter & Co.) 125,000 shares

April 5 (Tuesday)

Automation Systems, Inc. ---------- Common
(B. Fennekohl & Co., Inc.) $150,000

Carolina Power & Light Co. ---------- Bonds
(Bids 11 a.m. EST) $25,000,000

Great Southwest Corp. ---------- Common
(Glore, Forgan & Co.) 514,293 shares

Liberty Loan Corp. ---------- Preference
(Riter & Co.; Edward D. Jones & Co. and Bache & Co.) 120,000 shares

Northern Pacific RR. ---------- Equip. Trust Ctfs.
(Bids 12 noon EST) $6,495,000

Nova Scotia (Province of) Canada ---------- Debentures
(Halsey, Stuart & Co., Inc. and Royal Securities Corp., Ltd.) $10,000,000

Precision Transformer Corp. ---------- Debentures
(John R. Boland & Co., Inc.) $700,000

Precision Transformer Corp. ---------- Common
(John R. Boland & Co., Inc.) 150,000 shares

San Diego Imperial Corp. ---------- Debentures
(White, Weld & Co. and J. A. Hogle & Co.) $5,000,000

San Diego Imperial Corp. ---------- Common
(White, Weld & Co. and J. A. Hogle & Co.) 728,531 shares

Southwestern Investment Co. ---------- Common
(White, Weld & Co.; Schneider, Bernet & Hickman, Inc. and The First Trust Co. of Lincoln) 75,000 shares

Southwestern Investment Co. ---------- Notes
(White, Weld & Co.; Schneider, Bernet & Hickman, Inc. and The First Trust Co. of Lincoln) $13,000,000

Waters Manufacturing, Inc. ---------- Common
(Stroud & Co., Inc.) $300,000

April 6 (Wednesday)

California-Pacific Utilities Co. ---------- Common
(Eastman Dillon, Union Securities & Co.) 87,307 shares

Commonwealth Edison Co. ---------- Bonds
(Bids 9:30 a.m. Chicago Time) $30,000,000

April 7 (Thursday)

Alabama Power Co. ---------- Bonds
(Bids 11 a.m. EST) $19,500,000

Hill's Supermarkets, Inc. ---------- Common
(Kidder, Peabody & Co.) 100,000 shares

April 8 (Friday)

Haloid Xerox, Inc. ---------- Common
(The First Boston Corp.—offering to stockholders) 333,213 shares

Menu-Matics, Inc. ---------- Common
(Pleasant Securities Co.) $285,000

Southern Nevada Telephone Co. ---------- Preferred
(Dean Witter & Co.) 100,000 shares

April 11 (Monday)

American Bowling Enterprises, Inc. ---------- Common
(Myron A. Lomasney & Co.) 100,000 shares

American Bowling Enterprises, Inc. ---------- Warrants
(Myron A. Lomasney & Co.) 100,000 warrants

Avis, Inc. ---------- Common
(W. E. Hutton & Co.) 20,000 shares

Avis, Inc. ---------- Debentures
(W. E. Hutton & Co.) $5,000,000

Captains Club, Inc. ---------- Common
(G. Everett Parks & Co., Inc. and Sulco Securities, Inc.) $1,000,000

Century Properties ---------- Common
(Daniel Reeves & Co.) 150,000 shares

Chock Full O'Nuts Corp. ---------- Common
(F. Eberstadt & Co.) 126,000 shares

Electronic Assistance Corp. ---------- Common
(Amos Treat & Co., Inc.) 152,698 shares

General Development Corp. ---------- Debentures
(Goldman, Sachs & Co.) $12,555,600

Howe Plastics & Chemical Companies, Inc. ---------- Com.
(Hilton Securities, Inc.) $100,000

Kahr Bearing Corp. ---------- Common
(Morris Cohon & Co.) $300,000

Monarch Tile Manufacturing, Inc. ---------- Common
(Rauscher, Pierce & Co., Inc.) 58,337 shares

NAFI Corp. ---------- Capital
(Shields & Co.) 200,000 shares

National Fuel Gas Co. ---------- Debentures
(Bids 11:30 a.m. EST) $18,000,000

Nesbitt (John J.), Inc. ---------- Common
(Hornblower & Weeks) 120,000 shares

Pacemaker Boat Trailer Co., Inc. ---------- Common
(Jacey Securities Co. and First City Securities, Inc.) $300,000

Radiant Lamp Corp. ---------- Class A
(Amos Treat & Co., Inc.) $600,000

Rap-In-Wax Co. ---------- Common
(Dean Witter & Co.) 107,290 shares

Renner, Inc. ---------- Common
(Stroud & Co., Inc.) $300,000

Spring Street Capital Co. ---------- Common
(William R. Staats & Co.) 3,000 shares

Supronics Corp. ---------- Common
(Standard Securities Corp.; Herzig, Farber & McKenna and Irving Weiss & Co.) $720,000

Teletray Electronic Systems, Inc. ---------- Common
(A. T. Brod & Co.) $450,000

Tool Research & Engineering Corp. ---------- Common
(Shields & Co.) 350,000 shares

Wells Industries Corp. ---------- Common
(A. T. Brod & Co.) 300,000 shares

Whitmoyer Laboratories, Inc. ---------- Common
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $510,000

Whitmoyer Laboratories, Inc. ---------- Debentures
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $500,000

April 12 (Tuesday)

American Life Fund, Inc. ---------- Capital
(The First Boston Corp.) $25,000,000

Glass Magic Boats, Inc. ---------- Common
(R. A. Holman & Co., Inc.) 68,000 shares

Glass Magic Boats, Inc. ---------- Debentures
(R. A. Holman & Co., Inc.) $51,000

Mountain States Telephone & Telegraph Co. ---------- Debentures
(Bids 11:00 a.m. EST) $40,000,000

Pierce & Stevens Chemical Corp. ---------- Common
(Doolittle & Co.) 175,000 shares

Standard Motor Products, Inc. ---------- Capital
(Eastman Dillon, Union Securities & Co.) 296,460 shares

West Penn Electric Co. ---------- Common
(Carl M. Loeb, Rhoades & Co.; The First Boston Corp.; Lehman Brothers; Goldman Sachs & Co.) $10,000,000
(Bids 3:45 p.m. EST)

April 13 (Wednesday)

Iowa-Illinois Gas & Electric Co. ---------- Bonds
(Bids 10:30 a.m. CST) $15,000,000

Southwest Forest Industries, Inc. ---------- Debentures
(White, Weld & Co.) $13,500,000

U. S. Plywood Corp. ---------- Debentures
(Eastman Dillon, Union Securities & Co.) $25,000,000

April 14 (Thursday)

Orange & Rockland Utilities, Inc._____Preferred
(Offering to stockholders—underwritten by The First Boston Corp.) $3,916,500

April 15 (Friday)

Aviation Employees Corp._____Common
(G. J. Mitchell Jr. Co. and Ralph B. Leonard & Sons, Inc.) $5,000,000

Carolina Pacific Plywood, Inc._____Capital
(Peter Morgan & Co.) 100,000 shares

Sire Plan of Normandy Isle, Inc._____Debentures
(Sire Plan Portfolios, Inc.) $225,000

Sire Plan of Normandy Isle, Inc._____Preferred
(Sire Plan Portfolios, Inc.) 4,500 shares

Thermal Industries of Florida, Inc._____Common
(Peter Morgan & Co.) $720,000

April 18 (Monday)

All-State Properties, Inc._____Capital
(Offering to stockholders—underwritten by Bear, Stearns & Co. and Allen & Co.) 870,132 shares

Applied Electronics Corp. of N. J._____Class A
(S. D. Fuller & Co.) 200,000 shares

Burnell & Co._____Common
(Milton D. Blauner & Co.) $600,000

General Aeromation, Inc._____Common
(Westheimer & Co.) $253,350

I C Inc._____Common
(Purvis & Co. and Amos C. Sudler & Co.) $1,500,000

Melville Shoe Corp._____Debentures
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) $12,000,000

Metal Goods Corp._____Common
(G. H. Walker & Co.) 100,000 shares

Mills Factors Corp._____Common
(Lee Higginson Corp. and C. E. Unterberg, Towbin Co.) 201,200-270,000 shares

Nuclear Materials & Equipment Corp._____Common
(Moore, Leonard & Lynch) 45,000 shares

Realty Equities Corp._____Common
(Sutro Bros. & Co.) $787,500

Straza Industries_____Capital
(J. A. Hogle & Co.) 230,000 shares

Tri-Point Plastics, Inc._____Common
(Amos Treat & Co., Inc. and Martinelli, Hindley & Co., Inc.) $300,000

United Components, Inc._____Common
(Darius, Inc.) 110,000 shares

April 20 (Wednesday)

Microdot Inc._____Capital
(White, Weld & Co.) 204,000 shares

Middle South Utilities, Inc._____Common
(Bids 12 noon DST) 650,000 shares

Puget Sound Power & Light Co._____Bonds
(Bids 12 noon EST) $20,000,000

Rajac Self-Service, Inc._____Common
(Walter R. Blaha & Co., Inc.) $300,000

Transcontinental Gas Pipe Line Corp._____Bonds
(White, Weld & Co. and Stone & Webster Securities Corp.) $35,000,000

Transcontinental Gas Pipe Line Corp._____Common
(White, Weld & Co. and Stone & Webster Securities Corp.) 800,000 shares

Union Financial Corp._____Common
(White, Weld & Co.; The Ohio Co. and Sanders & Co.) 325,000 shares

April 25 (Monday)

Big Laurel, Inc._____Common
(Pearson, Murphy & Co., Inc. and Mackay & Co.) 400,000 shares

Big Laurel, Inc._____Preferred
(Pearson, Murphy & Co., Inc. and Mackay & Co.) 400,000 shares

Capital Airlines, Inc._____Common
(Lehman Brothers and Smith, Barney & Co.) 909,659 shares

Deluxe Aluminum Products, Inc._____Common
(No underwriting) $350,000

Deluxe Aluminum Products, Inc._____Debentures
(No underwriting) $330,000

Dynex, Inc._____Common
(Myron A. Lomasney & Co.) 54,000 shares

Figurette, Ltd._____Common
(Myron A. Lomasney & Co.) $600,000

Greater Washington Industrial Investments, Inc._____Common
(Johnston, Lemon & Co. and Auchincloss, Parker & Redpath) $3,000,000

Hamilton Management Corp._____Common
(Kidder, Peabody & Co.) 320,000 shares

Metropolitan Broadcasting Corp._____Debentures
(Kuhn, Loeb & Co. and Carl M. Loeb, Rhoades & Co.) $6,000,000

Precision Circuits, Inc._____Common
(Myron A. Lomasney & Co.) 37,500 shares

Precision Circuits, Inc._____Debentures
(Myron A. Lomasney & Co.) $250,000

Superior Electric Co._____Common
(Lee Higginson Corp.) 150,000 shares

Telectro Industries Corp._____Debentures
(Milton D. Blauner & Co., Inc.) $1,000,000

April 26 (Tuesday)

Metropolitan Edison Co._____Bonds
(Bids 11 a.m. EST) $15,000,000

April 28 (Thursday)

Cincinnati Gas & Electric Co._____Bonds
(Bids 11:00 a.m. EST) $30,000,000

April 29 (Friday)

Weldotron Corp._____Common
(Arnold Malkan & Co., Inc. and Street & Co., Inc.) $199,998

May 2 (Tuesday)

Aero Industries, Inc._____Common
(Myron A. Lomasney & Co.) $825,000

Allied Bowling Centers, Inc._____Common
(Rauscher, Pierce & Co., Inc.) 300,000 shares

Allied Bowling Centers, Inc._____Debentures
(Rauscher, Pierce & Co., Inc.) $750,000

Alterman-Big Apple, Inc._____Common
(Van Alstyne, Noel & Co.) $7,259,580

Hydra-Power Corp._____Debentures
(Aetna Securities Corp. and D. Gleich Co.) $600,000

Pacific Panel Co._____Common
(Frank Karasik & Co., Inc.) $450,000

Ritter Finance Co., Inc._____Debentures
(Stroud & Co., Inc.) $1,500,000

May 3 (Tuesday)

Dial Finance Co._____Common
(White, Weld & Co., Inc.) 300,000 shares

New Jersey Aluminum Extrusion Co, Inc._____Capital
(Laird & Co. Corp.) 110,000 shares

May 5 (Thursday)

Columbia Gas System, Inc._____Common
(Bids to be invited) 1,400,000 shares

May 9 (Monday)

Ets-Hokin & Galvin_____Common
(Van Alstyne, Noel & Co.) $1,325,000

Pennsylvania Electric Co._____Bonds
(Bids 12 noon EST) $12,000,000

Squan Marina, Inc._____Common
(B. Fennekohl & Co.) $300,000

May 10 (Tuesday)

California Electric Power Co._____Bonds
(Bids 9 a.m. PST) $12,000,000

Chemical Packaging Co., Inc._____Common
(Mainland Securities Corp. and Jeffrey-Robert Corp.) $287,500

Goelet Corp._____Debentures
(Ross, Lyon & Co., Inc. and Globus, Inc.) $700,000

Goelet Corp._____Common
(Ross, Lyon & Co., Inc. and Globus, Inc.) 70,000 shares

Goelet Corp._____Warrants
(Ross, Lyon & Co., Inc. and Globus, Inc.) 35,000

Wisconsin Telephone Co._____Debentures
(Bids to be invited) $20,000,000

May 17 (Tuesday)

Milwaukee Gas Light Co._____Bonds
(Bids 11 a.m. EDT) $22,000,000

May 18 (Wednesday)

General Atronics Corp._____Common
(Harrison & Co.) $544,810

May 24 (Tuesday)

Jersey Central Power & Light Co._____Bonds
(Bids 11:00 a.m. N. Y. time) $7,000,000

May 27 (Friday)

North Central Co._____Common
(No underwriting) 420,945 shares

June 2 (Thursday)

Southern Electric Generating Co._____Bonds
(Bids to be invited) $40,000,000

June 7 (Tuesday)

Northwestern Bell Telephone Co._____Debentures
(Bids to be invited) $45,000,000

Washington Gas Light Co._____Bonds
(Bids 11:30 a.m. EDT) $12,000,000

July 1 (Friday)

Tennessee Valley Authority_____Bonds
(Bids to be invited) $50,000,000

July 7 (Thursday)

Gulf Power Co._____Preferred
(Bids to be invited) $5,000,000

Gulf Power Co._____Bonds
(Bids to be invited) $5,000,000

July 19 (Tuesday)

New Jersey Power & Light Co._____Bonds
(Bids to be invited) $6,000,000

August 9 (Tuesday)

Southwestern Bell Telephone Co._____Debentures
(Bids to be invited) $100,000,000

Yale Express System, Inc._____Class A
(Michael G. Kletz & Co., Inc.) $1,650,000

September 13 (Tuesday)

Virginia Electric & Power Co._____Bonds
(Bids to be invited) $25,000,000

November 3 (Thursday)

Georgia Power Co._____Bonds
(Bids to be invited) $12,000,000

Continued from page 40

● American Life Fund, Inc. (4/12)
Feb. 17 filed 1,250,000 shares of capital stock (par $1). **Price**—$20 per share. **Proceeds**—For investment. **Investment-Advisor**—Insurance Securities Inc., Oakland, Calif. **Underwriter**—The First Boston Corp., New York.

● American Molded Fiberglass Co. (4/1)
Jan. 29 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—85 Fifth Ave., Paterson, N. J. **Underwriter** — Michael Fieldman, 82 Beaver St., New York, N. Y.

American Telemail Service, Inc. (4/4-8)
Dec. 8 filed 375,000 shares of common stock. **Price**—$4.00 per share. **Proceeds**—For establishing airmail facilities at airports. **Office**—518 Felt Bldg., Salt Lake City, Utah. **Underwriter**—Edgar B. Hunt Co., New York City.

Applied Electronics Corp. of N. J. (4/18-22)
March 11 filed 200,000 shares of class A stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds**—$45,000 is to be used for the purchase of stock of Diversified Industries Corp.; $33,000 for repayment of indebtedness owing to management officials; $150,000 for the establishment of laboratory and sales facilities in Dallas and sales and service facilities in Los Angeles; $200,000 for research and development; and the balance for working capital. **Office**—22 Center St., Metuchen, N. J. **Underwriter**—S. D. Fuller & Co., New York.

★ Ashland Oil & Refining Co.
March 25 filed 300,000 shares of common stock, which is the maximum number of shares issuable under the company's Key Personnel Restricted Stock Option Plan. Of these shares, options to purchase 146,750 were granted on Feb. 12, 1960, to certain officers and key personnel of the company and its subsidiaries. The remaining 153,250 shares may be issued under the plan from time to time. **Office**—1409 Winchester Ave., Ashland, Ky.

★ Audion-Emenee Corp.
March 29 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—New York City. **Underwriters**—Pitsell, Schroeder & Co., Inc., and Bertner Bros., both of New York City.

Automation Systems, Inc. (4/5)
Feb. 12 (letter of notification) 150,000 shares of common stock (par 25 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—150-34 12th Avenue, Whitestone 57, N. Y. **Underwriter**—B. Fennekohl & Co., Inc., New York, N. Y.

● Aviation Employees Corp. (4/15)
Feb. 8 filed 2,500,000 shares of common stock. **Price**—$2 per share. **Proceeds**—Together with other funds, will be invested in the shares of the company's three subsidiaries; for general corporate purposes; and the remaining balance will be used from time to time for the purchase of all or a substantial interest in or the formation of one or more other companies engaged in the business of insurance or finance or to further supplement the funds of the three subsidiaries. **Office**—930 Tower Bldg., Washington, D. C. **Underwriters**—G. J. Mitchell Jr. Co., Washington, D. C.; and Ralph B. Leonard & Sons, Inc., of New York City.

● Avis, Inc. (4/11-15)
March 1 filed $5,000,000 of subordinated convertible debentures, due April 1, 1970, and 200,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds** — The company anticipates that a portion will be used for advances to or investments in one or more of its subsidiaries for their general business purposes. In addition the company may also apply a portion of the proceeds to the acquisition of additional businesses and to the prepayment of part of its outstanding long-term debt and to the temporary reduction of outstanding borrowings under a 6% revolving credit loan. **Office**—18 Irvington Street, Boston, Mass. **Underwriter**—W. E. Hutton & Co., New York.

★ B & B Stable, Inc.
March 18 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To purchase horses. **Office**—500 Walker Bldg., Washington, D. C. **Underwriter**—None.

● Baltimore Paint & Chemical Corp. (4/4-8)
Jan. 22 filed (a) $750,000 of sinking fund debentures, 6½ series, due 1975 with eight-year warrants for the purchase of 22,500 common shares at the rate of 30 shares for each $1,000 of debentures; (b) 90,000 shares of 6½% cumulative convertible first preferred stock (par $20) and (c) $750,000 of 6¼% first mortgage bonds, due 1972, sold to New York Life Insurance Co., along with 12-year warrants granted said insurance company to purchase 15,000 shares of the issuer's common at a price to be specified. **Prices**—For the debentures, at par; for the preferred, $20 per share. **Proceeds**—For general corporate purposes including repayment of loan, purchase of land, construction, purchase of machinery and equipment, and for working capital. **Office**—2325 Annapolis Avenue, Baltimore, Md. **Underwriter**—P. W. Brooks & Co., New York City.

Beacon Life Insurance Co.
March 21 filed 240,000 shares of common stock. **Price**—$5 per share. **Proceeds**—To be used by the company in the conduct of its insurance business. **Office**—601 Garrett Building, Baltimore, Md. **Underwriter**—G. J. Mitchell Jr., Co., of Washington, D. C.

Beltone Recording Corp.
Feb. 29 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—4 W. 31st Street, New York 1, N. Y. **Underwriter**—A. J. Gabriel Co., Inc., New York, N. Y.

● Big Laurel, Inc. (4/25-29)
March 22 filed 400,000 shares of 7% cumulative preferred stock (par $2.80) and 400,000 shares of common stock (par 10 cents), to be offered in units of one share of preferred and one share of common. **Price**—$3 per unit. **Proceeds**—To develop a resort community and for working capital. **Office**—Bryson City, N. C. **Underwriters**—Pearson, Murphy & Co., Inc., New York City, and Mackay & Co., Reading Pa.

★ Birtcher Corp.
March 29 filed $500,000 of 6% convertible subordinated debentures, due April 30, 1975. **Price**—At par. **Proceeds**—To pay bank loans incurred to augment working capital. **Office** — Los Angeles, Calif. **Underwriter** — Quincy Cass Associates, Los Angeles, Calif.

● 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

Continued on page 42

Continued from page 41

Street, El Paso, Texas. **Underwriters**—First Southwest Co., Dallas, Texas, and Harold S. Stewart & Co., El Paso, Texas. **Note** — This statement was withdrawn on March 23.

● 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. **Note**—This statement was withdrawn on March 23.

★ Bowers Battery & Spark Plug Co.
March 29 filed 280,000 shares of common stock, of which 250,000 shares will be offered for public sale at $6 per share and 30,000 shares will be offered to selected employees at $5.40 per share. **Proceeds**—Between $200,000 and $300,000 is expected to be expended before 1961 for starting up costs, including initial rents of the new plant in the southeastern portion of the United States which it hopes to obtain and open before the end of the year; an additional $250,000 is expected to be expended either by the company or through its subsidiaries for the improvement of certain of its manufacturing facilities, such as additional mechanization and material control handling and for experimental work in connection with beryllium; and the balance of the proceeds will be added to the company's general funds. **Office** — Reading, Pa. Underwriter—Dempsey-Tegeler & Co., St. Louis and New York.

● Burnell & Co. (4/18-22)
Feb. 15 filed 200,000 shares of common stock. **Price**—$3 per share. **Proceeds**—To repay bank loan; for manufacture of magnetic amplifiers; for establishment of a new crystal filter division; for the purchase of new automatic winding and testing and production equipment; and for working capital. **Office**—10 Pelham Parkway, Pelham Manor, N. Y. **Underwriter** — Milton D. Blauner & Co., New York.

C. W. S. Waveguide Corp. (4/4-8)
March 9 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—301 W. Hoffman Ave., Lindenhurst, N. Y. **Underwriter**—R. F. Dowd & Co., Inc., 39 Broadway, New York 6, N. Y.

● California-Pacific Utilities Co. (4/6)
March 7 filed 87,307 shares of common stock. Of the shares to be sold, 40,000 will be offered for the account of the company, and the remaining 47,307 are presently outstanding shares and will be sold for the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To finance a portion of the company's construction program. **Office**—405 Montgomery Street, San Francisco, Calif. **Underwriter**—Eastman Dillon, Union Securities Co., New York City.

Capital Airlines, Inc. (4/25-5/6)
Jan. 26 filed 909,659 shares of common stock on the basis of one additional share for each share held, with rights to expire 14 days after offering date. **Proceeds** — To broaden equity base. **Office** — Washington National Airport, Washington 1, D. C. **Underwriters** — Lehman Brothers and Smith, Barney & Co., New York, N. Y.

● Captains Club, Inc. (4/11)
Jan. 22 filed 500,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For retirement of $52,860 of 6% notes and the balance for operating funds and working capital. **Office**—381 Fifth Avenue, New York City. **Underwriters**—G. Everett Parks & Co., Inc., and Sulco Securities, Inc., both of 52 Broadway, New York City.

Carolina Pacific Plywood, Inc., Medford, Ore. (4/15)
Feb. 29 filed 100,000 shares of capital stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To increase the company's working capital and to aid in financing log inventories at peak periods. **Underwriter**—Peter Morgan & Co., New York.

Carolina Power & Light Co. (4/5)
March 4 filed $25,000,000 of first mortgage bonds, series due 1990. **Proceeds**—To be used to (1) repay temporary bank loans of $18,500,000 used in connection with the company's construction program and (2) for the construction of additional facilities. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); W. C Langley & Co. and The First Boston Corp. (jointly); Kuhn, Loeb & Co. and Equitable Securities Corp. (jointly); Lehman Brothers; Blyth & Co., Inc. **Bids**—Expected to be received on April 5 at 11:00 a.m. **Information Meeting**—Scheduled for April 1 at 11:00 a.m.

★ Caterpillar Tractor Co.
March 28 filed 48,920 shares of common stock, to be offered pursuant to the company's 1959 Stock Option Plan. **Office**—East Peoria, Ill.

Century Properties (4/11-15)
Jan. 25 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For repayment of unsecured bank loans; for payment of the balance of a down payment on the purchase price of property in Ventura, Calif.; to pay the balance of construction costs on a building in Torrance, Calif. and for working capital. **Office**—1738 S. La Cienga Boulevard, Los Angeles, Calif. **Underwriter**—Daniel Reeves & Co., Beverly Hills, Calif.

● Chemical Packaging Co., Inc. (5/10)
March 16 (letter of notification) 115,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds** — For general corporate purposes. **Office** — 755 Utica Avenue, Brooklyn, N. Y. **Underwriters**—Mainland Securities Corp., 156 N. Franklin Street, Hempstead, N. Y. and Jeffrey-Robert Corp., 382 S. Oyster Bay Road, Hicksville, L. I., N. Y.

Chock Full O'Nuts Corp. (4/11-15)
March 15 filed 126,000 outstanding shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — To Columbia University, the selling stockholder, who was the recipient of this block as a gift from William Black, founder and president of Chock Full O'Nuts. **Underwriter** — F. Eberstadt & Co., New York.

● Cincinnati Gas & Electric Co. (4/28)
March 22 filed $30,000,000 of first mortgage bonds due May 1, 1990. **Proceeds**—To be used to finance a portion of the company's construction program, to repay $4,000,000 of bank notes, and for other corporate purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Morgan Stanley & Co. and W. E. Hutton & Co. (jointly); Blyth & Co., Inc. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. and Lehman Brothers (jointly); Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on April 28, up to 11:00 a.m. (EST) at the Irving Trust Co., One Wall Street, New York City.

Circuit Foil Corp. (4/4)
March 1 filed 106,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 6,000 are outstanding and will be sold for the account of the holder thereof. **Price**—To be supplied by amendment. **Proceeds**—For purchase, construction and installation of new machines; for the initial financing of a new copper foil plant; and for working capital. **Office**—East Park Street, Bordentown, N. J. **Underwriter**—Hayden, Stone & Co., New York.

Circuitronics, Inc. (4/4-8)
Feb. 9 (letter of notification) 75,000 shares of class A common stock (par one cent). **Price**—$4 per share. **Proceeds**—For general corporate purposes. **Office**—121 Varick Street, New York, N. Y. **Underwriter**—Lloyd, Miller & Co., 2605 Connecticut Avenue, N. W., Washington, D. C. **Note**—This statement has been rewritten and resubmitted in accordance with an SEC request.

★ Cleveland Electric Illuminating Co.
March 24 filed 100,000 shares of common stock, to be offered to eligible employees under the company's Employee Thrift Plan. **Office**—55 Public Square, Cleveland, Ohio.

● Colanco, Inc.
Jan. 19 (letter of notification) 300,000 shares of preferred (no par), seven cents per share dividend paying after March 1, 1962, non-cumulative, non-voting stock. **Price**—$1 per share. **Proceeds**—To purchase land and for development and working capital. **Office**—3395 S. Bannock Street, Englewood, Colo. **Underwriter**—Diversified Securities, Inc., Englewood, Colo. **Note**—This statement is being amended. **Offering**—Imminent.

★ Columbia Gas System, Inc. (5/5)
March 25 filed 1,400,000 shares of common stock. **Proceeds**—Together with other available funds, including funds generated from operations during 1960 and funds to be obtained from additional financing in 1960, will be used to satisfy the demands in 1960 upon such general funds, including particularly the 1960 construction program of Columbia Gas subsidiaries. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly); Morgan Stanley & Co., Lehman Brothers, Eastman Dillon, Union Securities & Co. and Goldman, Sachs & Co. (jointly). **Bids**—To be received on May 5.

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 units 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.

Commonwealth Edison Co. (4/6)
March 10 filed $30,000,000 of series U first mortgage bonds, dated March 1, 1960 and due March 1, 1990. **Proceeds** — To be added to working capital for ultimate application toward the cost of gross additions to the electric utility properties of the company and its subsidiaries. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Morgan Stanley & Co. **Bids**—To be delivered at Room 1820, 72 West Adams St., Chicago 90, Ill., at or before 9:30 a.m. Chicago Time, on April 6, 1960, subject to the right of the company to postpone the time of submission of bids for a period not exceeding 30 days in the aggregate.

★ Compagnie Financiere de Suez, of France
March 28 filed depositary receipts for 50,000 bearer receipts. **Depositary**—Morgan Guaranty Trust Co. of New York.

● Computer Usage Co., Inc. (4/1)
Dec. 29 (letter of notification) 47,000 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office**—100 W. 10th Street, Wilmington, Del. **Underwriters** — Marron, Sloss & Co., Inc. (handling the books), and Roosevelt & Gourd, New York, N. Y.; L. B. Schwinn & Co., Cleveland, Ohio; Donaldson, Luskin & Jenrette, Inc., New York, N. Y. and First Albany Corp., Albany, N. Y.

Consolidated Oil & Gas, Inc., Denver, Colo.
Feb. 24 filed 140,748 shares of common stock and warrants for the purchase of 422,234 shares of common stock. The company proposes to offer its common stockholders of record March 25, 1960, the right to subscribe for one common share and warrants for the purchase of three common shares for each 10 common shares then held. The registration statement also included an additional 205,277 of outstanding shares which may be offered for sale by the present holders thereof, and 100,000 shares to be offered by the company for certain properties. **Price**—For rights offering, to be supplied by amendment. **Proceeds**—For reduction of current indebtedness; for drilling and completion, if warranted, of development wells; to rework, deepen and complete, if warranted, exploratory wells, and the balance of general corporate purposes. **Underwriter**—None.

Consolidated Realty Investment Corp.
March 11 filed 2,000,000 shares of common stock. **Price**—$1 per share. **Proceeds**—Of the proceeds, $1,226,500 will be used for the acquisition of properties, $300,000 as a reserve for development expense, and the balance for working capital and other corporate purposes. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp.

★ Constellation Life Insurance Co.
March 29 filed 1,250,000 shares of common stock, of which 350,000 shares will be reserved for stock options, 150,000 shares will be offered to holders of the outstanding common on a "first-come-first-served" basis at $3.25 per share, and 850,000 shares will be publicly offered. **Price**—$3.50 per share. **Proceeds**—To general funds. **Office** — Norfolk, Va. **Underwriter** — Willis, Kenny & Ayres, Inc., Richmond, Va.

Continental Electric Co.
Feb. 11 filed 260,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To retire outstanding bank loans, for expansion and development of new products, and for working capital. **Office** — 715 Hamilton St., Geneva, Ill. **Underwriter**—Old Colony Investment Co., Stoneham, Mass.

● Control Electronics Co., Inc. (4/1)
Dec. 23 filed 165,000 shares of common stock (par $3), subsequently reduced to 150,000 shares (par 10 cents). **Price**—$3 per share. **Proceeds**—To repay $80,000 of bank loans; $50,000 to replace working capital expended for equipment and machinery; $50,000 to increase sales efforts, including the organization of sales offices on the West Coast and in the Chicago areas; and $50,000 to further development of delay lines, filters and microwave devices. The balance of the proceeds will be added to working capital. **Office**—10 Stepar Place, Huntington Station, N. Y. **Underwriters**—Milton D. Blauner & Co., Inc., David Finkle & Co. and Gartman, Rose & Feuer, all of New York.

Cosnat Record Distributing Corp.
Feb. 29 (letter of notification) 75,000 shares of class A common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes. **Office**—315 W. 47th Street, New York, N. Y. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York, N. Y. **Offering**—Expected sometime in April.

★ Crawford Corp.
March 28 filed 200,000 shares of common stock, of which 100,000 shares are to be offered for public sale for the account of the issuing company and the balance, being outstanding stock, by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To be initially added to working capital and used for general corporate purposes, including but not limited to the reduction of short-term bank loans ($5,921,872 outstanding at Dec. 31, 1959, including $5,199,800 of bank loans made directly to an unconsolidated subsidiary). It is contemplated that the additional funds will be used to acquire land for development or resale to dealers, construction loans to builder-dealers, expansion of the company's market area, and the possible manufacture and erection, in cooperation with builders, of "shell" house packages for completion by the home owner on a "do-it-yourself" basis. **Office**—7111 Florida Boulevard, Baton Rouge, La. **Underwriter**—A. G. Becker & Co., Inc., of Chicago and New York.

★ Custom Craft Marine Co., Inc.
March 28 (letter of notification) 85,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—1700 Niagara Street, Buffalo, N. Y. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y.

(Robert K.) Cutter Co.
March 14 filed 89,910 shares of class A and 3,280 shares of class B common stock. According to the prospectus, Cutter Laboratories, a California company, in May 1960 will be merged with and into Robert K. Cutter Co., a Delaware company, and the name of which will be changed to Cutter Laboratories, Inc. Under the merger agreement, the latter will assume the Cutter Laboratories Stock Purchase Plan and Selected Employees' Stock Option Plan, which will then relate to shares of the class A and class B common stocks of Cutter Laboratories, Inc., now sought to be registered. **Office**—Fourth and Parker Sts., Berkeley, Calif.

★ Dade Metal Fabrications, Inc.
March 22 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To purchase land and erect a plant, additional tools, machinery and equipment, and for other working materials. **Office**—4798 Tenth Lane, Hialeah, Fla. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y.

★ Dalto Corp.
March 29 filed 134,739 shares of common stock, to be offered for subscription by holders of such stock of record May 2 at the rate of one new share for each two shares then held. **Price**—To be supplied by amend-

ment. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. H. **Underwriter**—None.

★ Dayton Rubber Co.
March 29 filed 38,604 shares of common stock, to be offered in exchange for the outstanding common stock of Metal Hose & Tubing Co. at the rate of one share of Metal Hose for three shares of Dayton Rubber. **Office**—Dayton, Ohio.

● Deltown Foods, Inc.
March 22 filed 115,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—Yonkers, N. Y. **Underwriter**—A. G. Becker & Co., Inc., New York City.

● Deluxe Aluminum Products, Inc. (4/25-29)
Oct. 15 filed $330,000 of convertible debentures, and 70,000 shares of common stock. **Price**—For the debentures, 100% of principal amount; for the stock, $5 per share. **Proceeds**—From 10,000 shares of the common stock, to the present holders thereof; from the rest of the offering, to the company to be used for expansion and as working capital. **Office**—6810 S. W. 81st St., Miami, Fla. **Underwriter**— R. A. Holman & Co., Inc.

★ Development Credit Corp. of Maryland
March 29 filed 2,000,000 shares of common stock. **Price**—$1.10 per share. **Proceeds** — For general corporate purposes. **Underwriter**—None.

★ Dial Finance Co. (5/3)
March 25 filed 300,000 shares of common stock (no par), including 150,000 shares which are outstanding and will be offered for public sale by the holders thereof, and the remaining 150,000 will be offered for the company's account. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general funds and will be used initially to reduce short term debt. **Office**—207 Ninth St., Des Moines, Iowa. **Underwriter**—White, Weld & Co., Inc., New York.

★ Disc, Inc.
March 29 filed 2,221,017 shares of class A common stock. About 1,736,943 shares are to be exchanged for the capital interests in certain promissory notes, mortgages, real estate, and joint ventures, with the balance to be sold for the account of the present holders thereof. **Price**—To be supplied by amendment. **Office**—Washington, D. C. **Underwriter**—None.

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. **Offering**—Postponed.

★ Duraloy Co.
March 23 filed 117,532 shares of common stock. Of these shares 92,000 shares have been sold in a private transaction to six individuals for an aggregate $437,000. The remaining 25,532 shares are to be issued in exchange for all of the outstanding capital stock of the Walmil Co., Detroit, Mich.

Dworman Corp. (4/4-8)
Jan. 15 filed 300,000 shares of common stock. **Price**—$10 per share. **Proceeds**—For general corporate purposes. **Office**—400 Park Avenue, New York City. **Underwriter**—Charles Plohn & Co., New York City.

● Dynex, Inc. (4/25-29)
March 15 filed 54,000 common shares (25 cents par) and warrants for an additional 5,000 shares of this stock. The company proposes to make a public offering of 30,000 shares. Of the additional 24,000 shares, 20,000 are being issued in escrow for the account of, and may be resold by, the holders of capital stock and certain creditors of Matronics, Inc., after July 22, 1960 at the then prevailing market price; and 4,000 shares for the account of the holders of the common stock and a creditor of Optics Manufacturing Corp. The 5,000 warrants are being issued to stockholders and certain creditors of Matronics, Inc. **Price**—To be supplied by amendment. **Proceeds**—To finance the activities of the two newly-acquired concerns, to finance the starting of inventories and advertising incident to new products, to purchase additional equipment and inventory for the manufacture and production of contracts for other concerns, and to expand the scope of the company's business. **Office**—123 Eileen Way, Syosset, 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.

● Edgcomb Steel Co. (4/4-8)
Feb. 18 filed 150,000 outstanding shares of common stock ($5 par). **Price** — To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—D St. below Erie Ave., Philadelphia, Pa. **Underwriters** — Kidder, Peabody & Co. of New York and Philadelphia; and Schmidt, Robert & Parke, of Philadelphia.

★ Electrada Corp.
March 29 filed 400,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For acquisitions, debt reduction, and other corporate purpose. **Office**—Los Angeles, Calif. **Underwriter**—None.

● Electronic Assistance Corp. (4/11-15)
March 17 filed 122,500 shares of common stock (par 10 cents), of which 72,500 shares are to be offered for public sale for the account of the company and the remaining 50,000 shares, now outstanding, by Robert Edwards, company president. **Price**—To be supplied by amendment. **Proceeds**—$20,000 will be used to further equip its engineering department and office, $60,000 for research and development, and $20,000 for advertising and promotion. The balance of the proceeds of approximately $594,750 will be added to working capital. **Office**—20 Bridge Ave., Red Bank, N. J. **Underwriter**—Amos Treat & Co., Inc., New York.

Electronic's Inc.
Feb. 1 (letter of notification) $100,000 of 7% subordinated debentures due April 1, 1970 and 20,000 shares of common stock (par 20 cents) to be offered in units, each consisting of $1,000 debenture and 200 shares of common stock. **Price**—$1,300 per unit. **Proceeds**—For payment of an outstanding mortgage note and working capital. **Address** — East Highway 50, Vermillion, S. D. **Underwriter** — Woodard-Elwood & Co., Minneapolis, Minn.

★ Emerson Radio & Phonograph Corp.
March 25 filed 107,434 shares of capital stock, to be offered under and pursuant to the company's Key Employees Restricted Stock Option Plan. **Office**—14th and Coles St., Jersey City, N. J.

Employers Reinsurance Corp.
Feb. 8 filed 100,000 shares of capital stock (par $5) being offered for subscription by its stockholders of record March 16 at the rate of one new share for each six shares held, with rights to expire 3:00 p.m. (CST) April 5. **Price**—$45 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—Stern Brothers & Co., Kansas City, Mo.

★ Englehard Industries, Inc.
March 30 filed 400,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — $2,000,000 to reduce outstanding amount of term notes, and the balance to reduce outstanding short-term indebtedness and increase working capital. **Office**—Newark, N. J. **Underwriters** — Dillon, Read & Co. Inc., and Lazard Freres & Co., both of New York City.

★ Equity Fund, Inc.
March 23 filed 300,000 shares of common stock. **Price**—At market. **Proceeds**—For investment. **Office**—Exchange Bldg., Seattle, Wash.

★ Ets-Hokin & Galvan, Inc. (5/9)
March 28 filed 250,000 shares of common stock. **Price**—$5.30 per share. **Proceeds**—To be added to the company's working capital and will be used principally to reduce some $1,000,000 of its accounts payable. The balance will be used to reduce notes payable to the Bank of America National Trust & Savings Association. **Office**—551 Mission St., San Francisco, Calif. **Underwriter**—Van Alstyne, Noel & Co., New York.

★ Faith, Inc.
March 17 (letter of notification) not to exceed 2,000 shares of common stock. **Price**—At par ($25 per share). **Proceeds**—For a down payment on real estate and working capital. **Office**—2062 N. 14th St., Arlington 1, Va. **Underwriter**—None.

★ Farmers' Educational & Cooperative Union of America
March 29 filed $2,500,000 of registered debentures, series D, maturing from 1969 to 1980. **Price**—To be offered in units of $100. **Proceeds**—To pay notes maturing before Dec. 31, 1963, with $1,107,000 to be contributed to surplus or loaned to subsidiaries. **Office**—Denver, Colo. **Underwriter**—None.

★ Farrington Manufacturing Co.
March 25 filed $6,000,000 of subordinated convertible debentures due 1970. **Price**—To be supplied by amendment. **Proceeds**—$2,000,000 to be applied to the payment of bank loans; $2,800,000 to the scanner program in 1960, including (a) $1,000,000 for expenditures by Farrington Electronics, Inc., a newly-formed date processing subsidiary, for inventory, 250,000 to purchase and test equipment for producting scanners and $250,000 as working capital; and (b) $1,300,000 for research and development. **Office**—77 A St., Needham, Mass. **Underwriters**—Cyrus J. Lawrence & Sons, New York City; and Brawley, Cathers & Co., Toronto, Ontario, Canada.

★ Federal Truck Lines, Inc.
March 22 (letter of notification) 12,000 shares of 6% cumulative preferred stock. **Price**—At par ($8 per share). **Proceeds**—For working capital. **Office**—2425 S. Wood St., Chicago, Ill. **Underwriter**—None.

● Figurette, Ltd. (4/25-29)
March 3 filed 100,000 shares of class A common stock, (par 50 cents) **Price**—$6 per share. **Proceeds**—For general corporate purposes. **Office**—514 N. E. 79th Street, Miami, Fla. **Underwriter**—Myron A. Lomasney & Co., New York.

★ Financial Associates, Inc.
March 25 (letter of notification) $250,000 of 10% subordinated debentures. **Price**—At 100%. **Proceeds**—For general corporate purposes. **Office**—11 Commerce Street, Newark, N. J. **Underwriter**—None.

★ First National Realty & Construction Corp.
March 28 filed 150,000 shares of cumulative preferred stock first series, $7 par, 150,000 shares of common stock, and 150,000 shares of common stock purchase warrants, series B. It is proposed that these securities will be offered in units, each unit consisting of one share of preferred, one share of common, and one warrant. **Price**—To be supplied by amendment. **Proceeds** — $182,000 will be used to repay loans made by an officer and director of the company and a corporation controlled by him to provide funds for apartment house construction; about $500,000 will be used for the repayment of a portion of bank notes; and the balance will be added to working capital for use in the acquisition of new properties and for the company's construction program. **Office**—630 Third Avenue, New York. **Underwriter**—H. Hentz & Co., New York.

● Forest Hills Country Club Ltd. (4/4-8)
Jan. 29 filed 75,000 shares of common stock (par 10¢). **Price**—$4 per share. **Proceeds**—To build a country club in Forest Hills, L. I., N. Y. **Office**—179—45 Brinckerhoff Ave., Jamaica 33, L. I., N. Y. **Underwriter**—Jerome Robbins & Co., 82 Wall St., New York City.

★ Free States Saaiplaas Gold Mining Co. Ltd.
March 25 filed 80,000 ordinary registered shares. **Location** — Union of South Africa. **Depositary** — Morgan Guaranty Trust Co. of New York.

★ Gem International, Inc.
March 29 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — $125,000 to open, furnish and equip the new Wichita store being built for the company by others; $75,000 to open, furnish and equip the second store in St. Louis, similarly being built by others; $128,600 to purchase the assets of Embee, Inc., and Garrol, Inc., who now hold the basic lease on the premises used by the Kansas City operating company and who sublease the premises to that company; $208,000 for advance to the Honolulu subsidiary to enable it to purchase the assets of Honden, Ltd., Honla Ltd., and Dacat, Ltd., which now hold the basic leases on the store building; $105,000 for advance to Gem Stores, Inc., and Gem of St. Louis, Inc., to enable those corporations to repay loans; and the balance for general corporate purposes and as needed to expand existing facilities and to establish new locations. **Office**—418 Empire Building, Denver, Colo. **Underwriters** — Bosworth Sullivan & Co., Inc., Denver, Colo.; and Scherck, Richter Co., St. Louis, Mo.

General Aeromation, Inc. (4/18)
March 3 (letter of notification) 84,450 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—For construction of additional vehicles, a demonstration and automation test center and working capital. **Office** — 6011 Montgomery Road, Cincinnati, Ohio. **Underwriter**—Westheimer & Co., Cincinnati, Ohio.

● General Atronics Corp. (5/18-22)
March 18 filed 155,660 shares of common stock. **Price**—$3.50 per share. **Proceeds**—$60,000 for additional laboratory and production equipment, $80,000 for additional developmental engineering and sales promotion of materials handling equipment, $80,000 for investment in Atronic Learnings Systems, Inc., $93,000 for repayment of bank loans, and $157,859 for working capital. **Office** — Bala-Cynwyd, Pa. **Underwriter** — Harrison & Co., Philadelphia, Pa.

★ General Casting Corp.
March 25 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—1000 N. Division Street, Peekskill, N. Y. **Underwriters**—Bertner Bros. and Earl Edden Co., New York, N. Y.

General Development Corp. (4/11-15)
March 2 filed $12,555,600 of convertible subordinated debentures, due May 1, 1975, to be offered for subscription by holders of the outstanding common in the ratio of $100 principal amount of debentures for each 50 shares of common held with rights to expire 16 days from date of offering. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—2828 S. W. 22nd Street, Miami, Fla. **Underwriter**—Goldman, Sachs & Co., New York City, will head a group which will purchase any unsubscribed debentures.

★ General Shale Products Corp.
March 29 filed 220,605 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Johnson City, Tenn. **Underwriter** — Equitable Securities Corp., Nashville, Tenn.

● Glass Magic Boats, Inc. (4/12)
Dec. 30 (letter of notification) $51,000 of six-year 6½% convertible debentures to be offered in denominations of $51 each. Debentures are convertible into common stock at $1.50 per share. Also, 68,000 shares of common stock (par 10 cents) to be offered in units of one $51 debenture and 68 shares of common stock. **Price**—Of debentures, at par; of stock, $102 per unit. **Proceeds**—To pay off current accounts payable; purchase of raw materials and for expansion. **Office** — 2730 Ludelle Street, Fort Worth, Texas. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y. **Note**—The name has been changed from Glass Magic, Inc.

● Goddard, Inc. (4/4-8)
Jan. 29 filed 153,000 shares of common stock. **Price**—$3.25 per share. **Proceeds**—For use by subsidiaries for reduction of indebtedness and general corporate purposes. **Office**—1309 North Dixie Highway, West Palm Beach, Fla. **Underwriters** — Robert L. Ferman & Co., Miami, Fla. and Godfrey, Hamilton, Magnus & Co., Inc., New York City.

Goelet Corp. (5/10)
March 1 filed $700,000 of 8% subordinated Installment debentures, due in March, 1970, 70,000 shares of common stock (10 cents par) and 35,000 common stock purchase warrants (exercisable at $4.30 per share until May 15, 1965), to be offered in units consisting of $100 of debentures, 10 common shares, and five warrants. **Price**—$143 per unit. **Proceeds**—To be applied toward the

Continued on page 44

Continued from page 43

company's general business activities. **Office**—292 Madison Avenue, New York. **Underwriters**—Ross, Lyon & Co., Inc. and Globus, Inc., both of New York.

★ Gorton's of Gloucester, Inc.
March 22 (letter of notification) 10,100 shares of common stock (no par). **Price**—At-the-market, estimated at $24½ per share. **Proceeds**—To go to selling stockholders. **Office**—327 Main St., Gloucester, Mass. **Underwriter**—Kidder, Peabody & Co., Inc., Boston, Mass.

★ Grant (W. T.) Co.
March 25 filed 40,000 shares of common stock, to be offered pursuant to the company's "Employees Stock Purchase Plan." **Office**—1441 Broadway, New York.

Great Southwest Corp. (4/5)
Dec. 10 filed $11,500,000 of cumulative income debentures, due Jan. 1, 1975, and 575,000 shares of common stock (par $1). Via a prospectus dated March 16, the entire offering has been reduced to 514,293 shares of common stock, of which 457,150 shares will be publicly offered and 57,143 shares will be exchanged for the issuer's 6% debentures. **Price** — To be supplied by amendment. **Proceeds** — For debt reduction and the building of a recreation park. **Office**—3417 Gillespie Street, Dallas 19, Texas. **Underwriter**—Glore, Forgan & Co., New York City.

● Greater Washington Industrial Investments, Inc. (4/25-28)
March 21 filed 300,000 shares of common stock. **Price**—$10 per share. **Proceeds**—To be added to other general funds of the company, and will be used to finance the company's principal small business investment company activities of providing equity capital, long-term funds, and management services to scientific and industrial small business concerns in the greater Washington area. Office—1625 Eye Street, N. W. Washington, D. C. **Underwriters**—Johnston Lemon & Co. and Auchincloss, Parker & Redpath, both of Washington, D. C.

Green Dollar Nurseries, Inc. (4/4-8)
Feb. 17 (letter of notification) 300,000 shares of common stock (par 50 cents), subsequently reduced to 285,000 shares (par $1). **Price** — $1 per share. **Proceeds** — For equipment and furnishings, leasehold of improvements, inventory and general working capital. **Office**—11801 Harbor Boulevard, Garden Grove, Calif. **Underwriter**—V. K. Osborne & Sons, Inc., Beverly Hills, Calif.

Gulf States Life Insurance Co.
Feb. 26 filed 1,000,000 shares of common stock, to be offered for subscription by common stockholders of record April 1, 1960, at the rate of two shares for each share then held with rights to expire on April 11. **Price**—To be supplied by amendment. **Proceeds**—To repay debt of $450,000 owed to Foundation Investment Corp. and additional working capital. **Office**—First Avenue and 18th Street, Birmingham, Ala. **Underwriters** — Southern Underwriters, Inc., also of Birmingham.

★ Harburton Financial Corp.
March 21 (letter of notification) 298,500 shares of class A common stock—non voting (par one cent). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—56 Beaver Street, New York 4, N. Y. **Underwriter**—Simmons, Rubin & Co., Inc., New York, N. Y.

Haloid Xerox, Inc. (4/8)
March 11 filed 333,213 shares of common stock (par $1.25), to be offered for subscription by the company to its common stockholders at the rate of one new share for each 10 shares held; rights to expire on April 25. **Price**—To be supplied by amendment. **Proceeds** — To retire some $4,000,000 of bank note indebtedness incurred to replenish working capital which has been reduced primarily by expenditures for tooling and development engineering in connection with the Xerox 914 Office Copier, and for inventories of equipment for leasing. The balance of the proceeds will be added to the company's general funds and will be used primarily for increased inventories of xerographic equipment for leasing, principally for the new copier. **Office** — 6 Haloid St., Rochester, N. Y. **Underwriter** — The First Boston Corp., New York.

● Haloid Xerox, Inc.
March 18 filed 132,962 shares of $1.25 par common stock. Under a January 1956 agreement with The Battelle Development Corp., Columbus, Ohio. Haloid Zerox on April 1, 1960 will issue 15,306 shares of Battelle Development and is obligated to issue during the period April 1, 1966 up to an additional 117,656 shares. Upon receipt of the shares, Battelle Development will transfer 40% thereof to Chester F. Carlson, of Rochester, N. Y. who has indicated he might then transfer some or all the shares to others. **Office** — 6 Haloid St., Rochester, N. Y. **Note**—This is not a public offering.

● Hamilton Management Corp. (4/25-29)
March 21 filed 320,000 shares of class A common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—777 Grant Street, Denver, Colo. **Underwriter**—Kidder, Peabody & Co., New York.

● Harn Corp., Cleveland, Ohio (4/4-8)
Feb. 23 filed 187,500 shares of common stock. **Price**—$4 per share. **Proceeds**—To pay bank debts and for working capital. **Underwriter**—Arnold Malkan & Co., Inc., and Street & Company, Inc., both of New York City.

● Head Ski Co., Inc. (4/4-8)
Feb. 24 (letter of notification) 27,883 shares of common stock (par $1.50), of which 9,883 shares are to be offered by stockholders. **Price**—To be supplied by amendment. **Proceeds** — For working capital. **Office** — 15 W. Aylesbury Road, Timonium, Baltimore County, Md. **Underwriter**—Robert Garrett & Sons, Baltimore, Md.

★ Henry's Drive-In, Inc.
March 23 (letter of notification) 100,000 shares of common stock (no par). **Price**—$2.50 per share. **Proceeds**—To purchase new sites and build drive-in restaurants for sale or lease to operators for expansion of locations. **Office**—3430 N. Harlem Avenue, Chicago, Ill. **Underwriter**—Westheimer & Co., 326 Walnut Street, Cincinnati, Ohio.

● Highway Trailer Industries, Inc. (4/4-8)
Jan. 29 filed $3,000,000 convertible subordinated debentures, due August, 1975. **Price**—At par. **Proceeds**—For expansion purposes and the discharge of debts. **Office**—250 Park Ave., New York City. **Underwriters**—Allen & Co., and Van Alstyne, Noel & Co., both of New York City.

● Hill's Supermarkets, Inc. (4/7)
Feb. 25 filed 100,000 shares of class A stock. **Price**—To be supplied by amendment. **Proceeds**—$700,000 to purchase fixtures, equipment and inventory for new supermarkets, and the balance will be available for further expansion and working capital. **Office**—55 Motor Avenue, Farmingdale, Long Island, New York. **Underwriter**—Kidder, Peabody & Co., New York City.

● Hi-Press Air Conditioning Corp. of America (4/4-8)
Dec. 29 filed 200,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—405 Lexington Ave., New York City. **Underwriter**—Plymouth Securities Corp., New York City.

★ Holt, Rinehart & Winston Inc.
March 29 filed 331,740 outstanding shares of its common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—New York City. **Underwriters**—Goldman, Sachs & Co., Allen & Co. and Shearson, Hammill & Co., all of New York.

● Howe Plastics & Chemical Companies, Inc. (4/11-15)
Dec. 14 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—125 E. 50th Street, New York, N. Y. **Underwriter**—Hilton Securities, Inc., 580 Fifth Avenue, New York, N. Y.

● Hydra-Power Corp. (5/2-6)
March 21 filed $600,000 of 6½% subordinated debentures, due 1970, with warrants to purchase 150 common shares for each $1,000 debenture. **Price**—100% of principal amount. **Proceeds**—$175,000 will be applied to the purchase of capital equipment, raw material and to finance work-in-process and finished products for Power-tronics Systems, Inc., a subsidiary engaged in research and development of a new line of products such as voltage regulators and regulated power companies; $225,000 to be used for similar purposes with respect to the operations of Electro-Powerpacs, Inc., a subsidiary engaged in the design and production of photographic and emergency lighting equipment; $100,000 for reduction of a portion of a $200,000 bank loan; and the balance for general corporate purposes. **Office**—10 Pine Court, New Rochelle, N. Y. **Underwriters**—Aetna Securities Corp. and D. Gleich Co., both of New York.

● I C Inc. (4/18-22)
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.

★ Illinois Bell Telephone Co.
March 24 directors authorized plans for a $61,000,000 issue of new common shares. The stockholders will have subscription rights on the basis of one new share for each 10 held at the time of issue. **Proceeds**—To help finance the company's construction program. **Offering**—Expected in June.

● Inland Container Corp. (4/1)
March 2 filed 175,000 shares of class A common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—$2,500,000 to pay a note, and the balance for general corporate purposes. **Office**—Indianapolis, Ind. **Underwriter**—Lazard Freres & Co., New York.

● Inland Credit Corp. (4/4)
Feb. 12 filed 190,000 shares of class A stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For acquisition of outstanding accounts of Ardisco (affiliate); and the balance for additional working capital. **Office**—11 West 42nd Street, New York 36, N. Y. **Underwriter**—Shearson, Hammill & Co., New York.

● Insular Finance Corp. (formerly General Finance Corp.)
Feb. 1 (letter of notification) 150,000 shares of common stock (no par). **Price** — $2 per share. **Proceeds** — For working capital. **Office**—Avenida Condado 609, Santurce, Puerto Rico. **Underwriter**—Caribbean Securities Co., Inc., Santurce, Puerto Rico. **Offering** — Expected shortly.

International Aspirin Corporation
Dec. 7 filed 600,000 shares of common stock. **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—1215 Denver U. S. National Center, Denver, Colo. **Underwriter** — Speculative Securities Corp., 915 Washington Street, Wilmington, Del., on a "best efforts" basis.

● Interstate Securities Co. (4/4-8)
Feb. 23 filed 165,000 shares of cumulative preference stock, convertible ($20 par), to be offered for subscription by common stockholders on the basis of one new share of preference stock for each four shares held, with rights to expire 15 days from date of offering. **Price**—To be supplied by amendment. **Proceeds**—For reduction of short-term notes. **Office**—3430 Broadway, Kansas City, Mo. **Underwriters**—Harriman Ripley & Co., Inc., New York; and Stern Brothers & Co., Kansas City, Mo.

Investors Funding Corp. of New York
Feb. 12 filed six series of 10% subordinated debentures aggregating $1,800,000 in principal amount, with attached warrants for the purchase of an aggregate of 31,500 shares of common stock at $10 per share. **Price**—Debentures (with warrants) at 100% of principal amount. **Proceeds**—To be added to the company's general funds and working capital and will be used primarily for the purchase or improvement of parcels of real estate. **Underwriter**—None.

★ Ionics, Inc.
March 29 filed 75,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—A major portion of the net proceeds of the sale of additional stock will be added to working capital to be applied toward financing an increasing volume of business and intensified sales efforts, and toward expanding and broadening research and development, including activities in the fuel cell field. The company expects to move to larger quarters near Waltham, Mass., and it estimates that requirements for new equipment and other costs, including moving expenses, will amount to at least $300,000. A portion of the proceeds of the stock sale may be applied to the cost of constructing the new building, but the company does not anticipate that in excess of $400,000 of the net proceeds of this offering will be used on a permanent basis for such purpose. **Office**—152 Sixth Street, Cambridge, Mass. **Underwriters**—Lee Higginson Corp.; Shields & Co., and C. E. Unterberg, Towbin Co., all of New York.

Iowa-Illinois Gas & Electric Co. (4/13)
March 14 filed $15,000,000 of first mortgage bonds, series due April 15, 1990. **Proceeds**—To retire $3,000,000 of bank loans incurred to finance construction costs and for additional construction expenditures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; The First Boston Corp.; White, Weld & Co. and Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co. (jointly); Lehman Brothers and Glore, Forgan & Co. (jointly); Equitable Securities Corp.; Blyth & Co., Inc. **Bids**—Expected to be received on April 13 up to 10:30 a.m. (CST) at First National Bank of Chicago, 33 South Clark Street, Chicago, Ill.

★ Jersey Central Power & Light Co. (5/24)
March 24 filed $10,000,000 of first mortgage bonds due 1990. **Proceeds**—$5,800,000 will be applied to the payment of a like amount of outstanding notes and the balance to 1960 construction expenditures (or reimbursement of the company's treasury thereof). **Underwriter** — To be determined by competitive bidding. Probable bidders: Eastman Dillon, Union Securities & Co. (managing the books), Salomon Bros. & Hutzler and Merrill Lynch, Pierce, Fenner & Smith (jointly); Stone & Webster Securities Corp.; W. C. Langley & Co.; F. S. Moseley & Co.; Reynolds & Co.; Shearson, Hammill & Co.; Dean Witter & Co.; The First Boston Corp.; Wood, Struthers & Co.; Bioren & Co.; DeHaven & Townsend, Crouter & Bodine; Greene, Ellis & Anderson and Steele & Co. (jointly). **Bids**—Expected to be received up to 11:00 a. m. (New York Time) on May 24.

● Johnson Electronics, Inc. (4/1)
March 11 (letter of notification) 50,000 shares of common stock (par $1). **Price**—$3.50 per share. **Proceeds**—For research, development, building and working capital. **Address** — P. O. Box 1675, Casselberry, Fla. **Underwriter**—Security Associates, Inc. of Winter Park, Fla.

● Jones & Frederick, Inc. (4/4-8)
Feb. 23 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For a down payment on property, advertising, furniture and working capital. **Office**—401 Miracle Mile, Coral Gables, Fla. **Underwriter**—A. J. Frederick & Co., Inc., New York, N. Y. **Note**—Underwriter is unrelated to issuer.

● Kahr Bearing Corp. (4/11)
March 10 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—812 S. Flower St., Burbank, Calif. **Underwriter**—Morris Cohon & Co., New York, N. Y.

Keystone Electronics Co., Inc. (4/4-8)
Feb. 12 filed 200,000 shares of common stock. Of this stock, 133,334 shares are to be offered for public sale for the account of the company and 66,666, being outstanding stock, by the holders thereof. **Price** — $3 per share. **Proceeds**—For additional equipment and inventory; for research and development; and the balance for working capital. **Office**—65 Seventh Ave., Newark, N. J. **Underwriters**—J. A. Winston & Co., Inc. and Netherlands Securities, Inc., both of New York.

★ Kingbird Products, Inc.
March 15 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To increase inventory and for working capital. **Office**—836 W. Front St., Covina, Calif. **Underwriter**—Keon & Co., Los Angeles, Calif.

● Kratter Corp.
Feb. 15 filed 1,300,000 shares of $1.20 cumulative convertible preferred stock (par $1) convertible at the option of the holder on or after Sept. 30, 1960, being offered for subscription at $20 per share by holders of outstanding class A and class B common at the rate of one share of preferred for each three common shares held of record March 25, 1960, with rights to expire April 12, 1960. Shares not purchased by stockholders may be offered for public sale or in exchange for properties. The registration statement also includes 130,000 preferred shares and 130,000 class A common shares

which may be acquired by the company in stabilizing transactions during the offering of the preferred, and an indeterminate number of rights which may be so acquired, which securities would thereafter be resold by the company from time to time on the American Stock Exchange. **Proceeds**—$8,000,000 to acquire the Americana Hotel, Bal Harbour, Fla., and in the amount of $3,000,000 for repayment of unsecured bank loans. The company also intends to use $2,587,500 for the exercise of a right of a subsidiary to acquire the interests of certain ventures in and to leases and mortgage pertaining to the Kratter Building, and 112-122 W. 34th Street, in New York; $2,500,000 for the development of its Ebbets Field housing project in Brooklyn; and $800,000 for the prepayment of certain mortgages. Any excess will be added to the general funds of the company to be used from time to time for general corporate purposes. **Office**—521 Fifth Avenue, New York City. **Underwriters**—Hirsch & Co. and Lee Higginson Corp.

● Lawn Electronics Co., Inc. (4/4-8)
Nov. 25 (letter of notification) 70,000 shares of common stock (par one cent). **Price**—$1.50 per share. **Proceeds**—For general corporate purposes. **Office** — Woodward Road, Englishtown, N. J. **Underwriter**—Prudential Securities Corp., Staten Island, N. Y.

Lefcourt Realty Corp.
Jan. 29 filed $2,000,000 of six year 6% subordinated debentures, due Jan. 15, 1966, with warrants to purchase 300,000 shares of common stock at $5 per share. **Price**—At-the-market, on or after July 30, 1960. **Proceeds**—For payment of a $750,000 bank loan and general corporate purposes. **Office**—375 Park Ave., New York City. **Underwriter**—None.

Liberty Loan Corp. (4/5)
March 4 filed 120,000 shares of 5¾% convertible preference stock, 1960 series. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—634 N. Grand Ave., St. Louis, Mo. **Underwriters**—Riter & Co., New York; Edward D. Jones & Co., St. Louis, Mo.; and Bache & Co., New York.

★ Lincoln American Life Insurance Co.
March 23 (letter of notification) not to exceed 111,095 shares of common stock (par $1) to be offered for subscription by stockholders of record Feb. 29, 1960 on the basis of one share of stock for each 10 full shares held. **Price**—$2.50 per share. **Proceeds**—To increase surplus and capital accounts. **Office**—1388 Madison Avenue, Memphis, Tenn. **Underwriter**—None.

★ Litercraft Industries, Ltd.
March 29 filed $750,000 of 6¼% subordinated sinking fund debentures and due 1980 an undetermined number of common shares, to be offered in units. **Price**—Debentures at par; common to be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Passaic, N. J. **Underwriter**—P. W. Brooks & Co., New York.

★ Lite-Vent Industries, Inc.
March 25 filed 100,000 shares of common stock. **Price**—$5.20 per share. **Proceeds**—To be added to the company's general funds, of which $200,000 will be used for repayment of indebtedness, $45,000 to acquire additional roll forming machinery and equipment, $74,000 to repay advances by two officers, and the balance for working capital and other corporate purposes. **Office**—14637 Meyers Road, Detroit, Mich. **Underwriter**—Peter Morgan & Co., New York City.

Litho-Web, Inc.
March 7 (letter of notification) 130,000 shares of common stock (par 50 cents). **Price**—$1 per share. **Proceeds**—To purchase machinery and equipment and for working capital. **Address**—P. O. Box 168, Leaksville, N. C. **Underwriter**—Smith, Clanton & Co., Greensboro, N. C.

★ Little Dude Trailer Co., Inc.
March 18 (letter of notification) 150,000 shares of common stock (par 20 cents). **Price**—$1.10 per share. **Proceeds**—For working capital. **Office**—802 Northeast 29th St., Fort Worth, Texas. **Underwriter**—Parker, Ford & Co., Inc., Fort Worth, Texas.

★ Lockheed Aircraft Corp.
March 24 filed 5,870 shares of capital stock, to be issued under a stock option plan for former officers and key employees of Stavid Engineering, Inc., whose assets were acquired by a subsidiary of Lockheed in Sept. 1959. **Office**—2555 North Hollywood Way, Burbank, Calif.

★ Long Island Plastics Corp.
March 23 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—93 Marine Street, Farmingdale, N. Y. **Underwriter**—None.

★ Lorain Telephone Co.
March 18 (letter of notification) 1,470 shares of common stock (no par) to be offered for subscription by stockholders on a pro-rata basis at the rate of one new share for each 84.30476 shares held as of March 16, 1960. **Price**—$34 per share. **Proceeds**—For working capital. **Office**—2-3 W. Ninth St., Lorain, Ohio. **Underwriter**—None.

Loveless Properties, Inc.
Jan. 20 (letter of notification) 75,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—To pay bills, for acquisition of Lacey Shopping Center, and for working capital. **Office**—603 Central Bldg., Seattle 4, Wash. **Underwriter** — Andersen, Randolph & Co., Inc., Salt Lake City, Utah.

Magnasyc Corp.
Feb. 26 filed 200,000 shares of capital stock. **Price** — $5 per share. **Proceeds**—To repay interim loans up to $100,000 to Taylor & Co.; $100,000 for expansion of laboratory facilities and personnel for research and development; $100,000 to increase plant production facilities; $116,000 for tooling and production of proprietary items; $110,000 for increase of inventory; $75,000 for research and development; and $2,000 for documentary stamps; $110,000 will be added to working capital; and the remaining $88,400 is unallocated. **Office**—5546 Satsuma Ave., North Hollywood, Calif. **Underwriter**—Taylor and Company, Beverly Hills, Calif.

★ Magnin (Joseph) Co., Inc.
March 25 filed $1,250,000 of 15-year convertible subordinated debentures and 78,000 shares of common stock. The debentures and 35,000 common shares are to be offered for public sale by the issuing company and the remaining 43,000 common shares by the present stockholders thereof. **Price**—To be supplied by amendment. **Proceeds**—For the purchase of the Blum's interest in Specialty Shops, Inc., and the balance for general corporate purposes. **Office**—Stockton and O'Farrell Sts., San Francisco, Calif. **Underwriter**—F. S. Smithers & Co., New York City and San Francisco.

★ Majestic Specialties, Inc.
March 25 filed 150,000 outstanding shares of common stock, to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—2530 Superior Ave., Cleveland, Ohio. **Underwriter**—Hayden, Stone & Co., New York.

★ Major Pool Corp.
March 21 (letter of notification) 117,000 shares of common stock. **Price**—$2.50 per share. **Proceeds**—For general corporate purposes. **Office**—South Kearny, N. J. **Underwriter**—Hill, Thompson & Co., Inc., New York.

★ Marquette Corp.
March 28 filed 461,431 shares of common stock, of which 391,431 shares will be offered for public sale. The shares to be offered for public sale include 275,031 shares to be offered for the account of the company and 116,400 which are outstanding and will be offered for the account of holders thereof. The remaining 70,000 shares are to be reserved for issuance under a new stock option plan. **Price** — For public offering, to be supplied by amendment. **Proceeds**—$400,000 will be expended for the acquisition of land, construction of a new plant, and installation of machinery and equiment for the enlargement of the company's welding electrode manufacturing capacity; an additional $100,000 will be used to retire notes payable to officers; and the balance will be added to working capital and approximately $1,000,000 may be used to reduce temporarily present bank borrowings. **Office**—307 East Hennepin Avenue, Minneapolis, Minn. **Underwriters**—Carl M. Loeb, Rhoades & Co., New York; and Piper, Jaffray & Hopwood, Minneapolis, Minn.

★ Maryland Credit Finance Corp.
March 29 filed 28,250 common shares, of which 25,000 shares are being sold for the account of the issuing company, and 3,250 shares are being offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For working capital and the reduction of short-term indebtedness. **Office**—Easton, Md. **Underwriter**—Alex Brown & Sons, Baltimore, Md.

★ Mays (J. W.), Inc.
March 29 filed 317,500 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholder. **Office**—Brooklyn, N. Y. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City.

Medicard, Inc.
March 9 (letter of notification) 300,000 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds**—For reserve for medical loans and operating capital. **Office**—508 Security Bldg., Denver, Colo. **Underwriter**—Equity Investment Corp., same address.

● Megadyne Electronics, Inc. (4/4)
Jan. 7 (letter of notification) 300,000 shares of common stock (par 10 cents), subsequently reduced to 269,000 shares. **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office** — 100 W. 10th Street, Wilmington, Del. **Underwriter**—Glen Arthur Co., Inc., New York, N. Y.

● Melville Shoe Corp. (4/18-22)
March 15 filed $12,000,000 of 20-year debentures, due April 15, 1980. **Price**—To be supplied by amendment. **Proceeds**—For repayment of bank loans, increased working capital, and general corporate purposes. **Office**—New York City. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

★ Menu-Matics, Inc. (4/8)
March 17 (letter of notification) 285,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For additional production equipment, inventory, and for publicity, research, marketing, and additional working capital. **Office**—176 Oak St., Newton, Mass. **Underwriter**—Pleasant Securities Co., 117 Liberty St., New York, N. Y.

★ Metalcraft Inc.
March 28 (letter of notification) 85,700 shares of common stock (par 10 cents). **Price**—$3.50 per share. **Proceeds**—For general corporate purposes. **Office**—8608-130th Street, Richmond Hill 18, N. Y. **Underwriters**—First Broad Street Corp.; Russell & Saxe; V. S. Wickett & Co., Inc. and Street & Co., New York, N. Y.

● Metal Goods Corp. (4/18-22)
March 18 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To be used for expansion of warehouse facilities at St. Louis and Dallas and for other corporate purposes including the financing of additional inventories and receivables. **Office** — 8800 Page Blvd., St. Louis, Mo. **Underwriter**—G. H. Walker & Co., St. Louis, Mo.

Metropolitan Broadcasting Corp. (4/25-29)
March 10 filed $6,000,000 of convertible subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—For repayment of a temporary bank loan and interest thereon, and for working capital. **Office**—205 East 67th St., New York City. **Underwriters**—Kuhn, Loeb & Co. and Carl M. Loeb, Rhoades & Co., both of New York.

Metropolitan Edison Co. (4/26)
Feb. 29 filed $15,000,00 of first mortgage bonds, due 1990. **Proceeds**—For 1960 construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co., Blyth & Co., Inc.; Kidder, Peabody & Co. and Drexel & Co. (jointly). **Bids** — Expected to be receved up to 11 a.m. on April 26.

Miami Tile & Terrazzo, Inc.
March 11 filed 125,000 shares of common stock. **Price**—$4 per share. **Proceeds**—$150,000 as reduction of temporary bank loans, $140,000 in reduction of accounts payable, $65,000 to repay notes and loans payable to Barney B. and Nathan S. Lee, and the balance for general corporate purposes. **Office**—6454 N. E. 4th Ave., Miami, Fla. **Underwriter** — Plymouth Bond & Share Corp., Miami. Fla.

● Microdot Inc. (4/20)
March 11 filed 204,000 shares of capital stock (no par) of which 60,000 shares will be offered for public sale by the issuing company, and 144,000 shares are presently outstanding and will be offered for sale by the holder thereof. **Price**—To be supplied by amendment. **Proceeds**—To retire bank loans incurred for working capital purposes in the amount of $406,000; to pay in full promissory notes held by Trustees under the will of M. H. Lewis in the amount of $78,732, and (together with a portion of the proceeds from a bank loan) for the purchase of machinery and equipment costing $200,000, for property additions and improvements, and for working capital. **Office** — 220 Pasadena Ave., South Pasadena, Calif. **Underwriter**—White, Weld & Co., Inc., Los Angeles and New York.

Middle South Utilities, Inc. (4/20)
March 11 filed 650,000 shares of common stock (par $10). **Proceeds**—From the estimated proceeds of $16,000,000 the company proposes to invest $7,500,000 in additional stock of its subsidiary, Arkansas Power & Light Co.; $6,000,000 will be used to repay in full a promissory note due in January, 1961; and the remaining proceeds will be held in the company's treasury for further investments in system operating companies and for other corporate purposes. **Office**—2 Broadway, New York. **Underwriter**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Blyth & Co., Inc.; Lehman Brothers; The First Boston Corp., Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly). **Bids**—Expected to be received by the company, at its Board Room, 28th Floor, 2 Broadway, New York 4, N. Y., up to 12 o'clock noon, DST, on April 20, 1960 or on such later date as may be fixed by the company.

Mills Factors Corp. (4/18-22)
March 8 filed for not less than 201,200 shares and not more than 270,000 shares of common stock ($2.50 par). **Price**—To be supplied by amendment. **Proceeds** — To purchase outstanding stock and for the general fund. **Office**—New York City. **Underwriters**—Lee Higginson Corp. and C. E. Unterberg, Towbin Co., both of New York City.

★ Milwaukee Gas Light Co. (5/17)
March 25 filed $22,000,000 of first mortgage bonds, series due 1985. **Proceeds**—Together with $4,000,008 to be received from the sale of additional common stock to American Natural Gas Co. (parent) and treasury funds, will be used to pay off $11,115,000 of bank borrowings for construction purposes and to provide additional funds for current construction expenditures or reimburse the company's treasury therefor. **Office** — 626 East Wisconsin Ave., Milwaukee, Wis. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Kidder, Peabody & Co.; Kuhn, Loeb & Co. and Blyth & Co., Inc. (jointly). **Bids**—Tentatively to be received on May 17.

● Missile Components Corp. (4/4-8)
Jan. 18 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—2300 Shames Drive, Westbury, N. Y. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York, N. Y.

● Missile Electronics, Inc.
Feb. 5 filed 214,500 shares of common stock, of which 200,000 shares will be sold for the company's account and the remaining 14,500 shares will be offered for the account of certain selling stockholders. **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—89 West 3rd St., New York City. **Underwriter**—Pleasant Securities Co. of Newark, N. J. **Note**—This offering will be delayed.

Mobilife Corp. (4/4-8)
Jan. 18 filed 250,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds**—For debt reduction and working capital. **Office**—Sarasota, Fla. **Underwriter**—Plymouth Bond & Share Corp., Miami, Fla.

● Monarch Tile Manufacturing, Inc. (4/11-15)
March 22 filed 58,337 shares of common stock (par $5) of which 30,000 shares are to be offered for public sale in behalf of the issuing company, and the remaining 28,337 shares are to be offered for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds** — For repayment of bank loans and for general corporate purposes. **Office**—Oakes Street at Avenue B, San Angelo, Texas. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas, Texas.

Continued on page 46

Continued from page 45

Mountain States Telephone & Telegraph Co. (4/12)
March 18 filed $40,000,000 of 40-year debentures due April 1, 2000. **Proceeds**—To be applied toward repayment of advances from American Telephone & Telegraph Co., parent, which are expected to approximate $91,000,000 at the time the proceeds are received. **Office**—931 Fourteenth St., Denver, Colo. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; The First Boston Corp.; Morgan Stanley & Co. **Bids**—Expected to be received on April 12 up to 11:00 a. m. (EST) at room 350, 195 Broadway, New York City.

Mutual Employees Trademart, Inc.
Feb. 25 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—To repay current liabilities and other debts and for working capital. **Office**—1055 Hialeah, Fla. **Underwriter**—Frank Edenfield & Co., Miami, Fla.

NAFI Corp. (4/11-15)
March 14 filed 200,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To repay bank loan incurred in connection with acquisition of Chris-Craft Corp. and the balance to be added to the company's general funds. **Office**—527 23rd Ave., Oakland, Calif. **Underwriter**—Shields & Co., New York.

★ **Nalley's, Inc.**
March 25 filed $1,000,000 of convertible subordinated debentures due April 1, 1975. **Price**—To be supplied by amendment. **Proceeds**—$300,000 will be used for the reduction of notes payable to banks and $150,000 will be invested in subsidiaries, either as additional equity or in the form of advances, and the balance of the proceeds will be used to augment the company's working capital position. **Office**—3410 South Lawrence St., Tacoma, Wash. **Underwriter**—Dean Witter & Co., San Francisco.

National Fuel Gas Corp. (4/11)
March 2 filed $18,000,000 of sinking fund debentures, due 1985. **Proceeds**—Net proceeds of the sale of the debentures will be used in part to prepay $10,800,000 of bank loans, and the balance will be loaned to subsidiaries and used by them to finance in part their 1960 construction program. **Office**—30 Rockefeller Plaza, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Eastman Dillon, Union Securities & Co.; Stone & Webster Securities Corp.; The First Boston Corp. **Bids**—Expected to be received on April 11 up to 11:30 a.m. (EST). **Information Meeting**—April 7 at 11:00 a.m.

● **National Lawnservice Corp. (4/4-8)**
Jan. 11 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—410 Livingston Avenue, North Babylon, N. Y. **Underwriter**—Fund Planning Inc., New York, N. Y.

★ **National Securities, Inc.**
March 28 filed $1,137,910 of 8% 20-year subordinated capital debentures and 137,991 shares of preferred stock (par $5). These securities are to be offered on an exchange basis only to stockholders of National Life & Casualty Insurance Co. and to stockholders and convertible debenture holders of Arizona Public Finance Co., at an exchange price of $10 per share of preferred and in minimum units of $10 of debentures and for the specified securities of National Life and Arizona Public at their Dec. 31, 1959, book values. **Office**—2300 North Central Avenue, Phoenix, Ariz.

(John J.) Nesbitt, Inc. (4/11-22)
March 7 filed 120,000 shares of common stock, of which 40,000 shares will be sold for the company's account while 80,000 shares will be sold for the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For increase of working capital. **Office** — State Road & Rhawn St., Philadelphia, Pa. **Underwriter**—Hornblower & Weeks, New York.

Newark Electronics Corp.
March 17 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's working capital. **Office**—223 West Madison St., Chicago, Ill. **Underwriter**—H. M. Byllesby & Co., Inc., Chicago, Ill.

New Jersey Aluminum Extrusion Co., Inc. (5/3)
March 10 filed 110,000 shares of class A capital stock, of which 50,000 shares will be issued by the company and 60,000 shares are outstanding and will be offered by the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and be available for general corporate purposes. **Office**—New Brunswick, N. J. **Underwriter**—Laird & Company Corp., New York and Wilmington, Del.

● **North Central Co. (5/27)**
March 11 filed 420,945 shares of common stock (par $1). The company proposes to offer 142,860 shares for cash sale at $7 per share. Additional shares (amount unspecified) are to be offered in exchange for outstanding shares of North Central Life Insurance Co., of St. Paul. The rate of exchange is to be supplied by amendment. **Proceeds**—To be added to the general funds of the company. **Office**—335 Minnesota St., St. Paul, Minn. **Underwriter**—None.

Nova Scotia (Province of) (Canada) (4/5)
March 15 filed $10,000,000 of 20-year sinking fund debentures, dated April 1, 1960 and due April 1, 1980. The new debentures will have the benefit of a sinking fund, beginning in 1962, which is calculated to retire 94.5% of the debentures prior to maturity. Other than through the sinking fund, the debentures will not be redeemable prior to April 1, 1970. **Price**—To be supplied by amendment. **Proceeds**—To the refunding of Provincial debentures; the balance will be advanced to the Nova Scotia Power Commission to be applied to the repayment of bank borrowings incurred in connection with its construction program. **Underwriters**—Halsey, Stuart & Co. Inc., New York, and Royal Securities Corp. Ltd., Montreal, Quebec, Can.

Nuclear Materials & Equipment Corp. (4/18-25)
March 2 filed 45,000 shares of common stock (no par) of which 4,980 are to be offered to warrant holders and the remainder is to be offered publicly. **Price**—To be supplied by amendment. **Proceeds**—For equipment and expansion. **Office** — Apollo, Pa. **Underwriter** — Moore, Leonard & Lynch, Pittsburgh, Pa., and New York City.

● **Nu-Era Corp. (4/4-8)**
Nov. 30 filed 275,000 shares of common stock, of which 200,000 are to be publicly offered. **Price**—$3.75 per share. **Proceeds**—To reduce indebtedness and increase inventories of gears and mufflers. **Office** — 342 South St., Rochester, Michigan. **Underwriter**—Mortimer B. Burnside & Co., Inc., on an "all or nothing best efforts" basis. The underwriter will receive $15,000 for expenses, a $.75 per share selling commission on the 200,000 shares comprising the public offering, and the privilege of purchasing 37,500 shares of the common stock at $.10 per share. The 37,500 shares thus far unaccounted for are to be sold to John L. Appelbaum at $.10 per share in consideration of certain services rendered.

★ **OK Rubber, Inc.**
March 29 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—Together with the proceeds of a $1,100,000 insurance company loan and $700,000 realized from the sale of installment notes to its wholly-owned subsidiary finance company, OK Acceptance Corp., will be used to reduce bank loans in the amount of $1,300,000; to repay other indebtedness in the amount of $228,600; and the balance of approximately $800,000 will be added to working capital. **Office**—551 Rio Grande Avenue, Littleton, Colo. **Underwriter**—Bosworth, Sullivan & Co., Inc., Denver, Colo.

● **Orange & Rockland Utilities, Inc. (4/14)**
March 17 filed 39,165 shares of convertible cumulative preferred stock, series E (par $100), to be offered for subscription by holders of its outstanding common stock of record April 14, 1960, at the rate of one share of preferred for each 50 shares of common then held; rights expire at 5:00 p.m. (EDST) on May 2. **Price**—$100 per share. **Proceeds**—To be applied to the reduction of bank notes (the proceeds of which were used for construction) and the balance will be used for further construction. **Office**—10 North Broadway, Nyack, N. Y. **Underwriter**—The First Boston Corp., New York

★ **Otarion Listener Corp.**
March 28 filed 141,750 shares of common stock. **Price**—$4 per share. **Proceeds**—The company will apply $150,000 to repay existing short-term obligations to banks; $60,000 in payment for the net assets and name of Taconic Factors, Inc. ,the stock of which is presently owned by Leland E. Rosemond, President and Board Chairman of Otarion; $100,000 for dealer and consumer advertising of the company's new model hearing aids; $40,000 for the establishment of production and sales facilities of a low-cost hearing aid in the European common market; $35,000 for research and development of subminiature products; and the balance of approximately $100,000 to be added initially to working capital and used for general corporate purposes, including financing of finished and semi-finished inventory. **Office**—Scarborough Park, Ossining, N. Y. Underwriter—D. A. Lomasney & Co., New York.

● **Pacemaker Boat Trailer Co., Inc. (4/11-15)**
Feb. 29 (letter of notification) 300,000 shares of common stcok (par 10 cents). **Price**—$1 per share. **Proceeds**—For purchase of equipment, raw materials and working caiptal. **Office**—622 E. Glenolden Ave., Glenolden, Pa. **Underwriters**—Jacey Securities Co., and First City Securities, Inc., New York, N. Y.

● **Pacific Panel Co. (5/2-6)**
Feb. 8 filed 100,000 shares of class A common stock. **Price**—$4.50 per share. **Proceeds**—For reduction of indebtedness; for working capital; for establishment of three additional stores; and to provide additional working capital for a new subsidiary. **Office**—1212 West 26th St., Vancouver, Wash. **Underwriter**—Frank Karasik & Co., Inc. **Note**—This statement is to be amended.

★ **Pacific Vegetable Oil Corp.**
March 24 filed $2,500,000 of convertible subordinated debentures due April 1975. **Price**—To be supplied by amendment. **Proceeds**—$600,000 will be used to retire a like amount of 6¼% promissory notes; $431,250 to pay the balance of the negotiated price for the minority interest of Utah Construction & Mining Co. in Stockton Elevators, a subsidiary; and the balance for working capital. **Office**—62 Townsend St., San Francisco, Calif. **Underwriters**—Dean Witter & Co., San Francisco and New York, and Hooker & Fay, Inc., of San Francisco, Calif.

★ **Patrick County Canning Co., Inc.**
March 25 filed 140,000 shares of common stock. **Price**—$3 per share. **Proceeds**—About $162,000 will be applied to the payment of certain indebtedness; $25,000 for additional machinery and equipment; and $118,752 for working capital, promotion and advertising. **Office**—52 Broadway, New York. **Underwriter** — G. Everett Parks & Co., Inc., New York.

★ **Pendleton Tool Industries, Inc.**
March 25 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To retire a 5% note given to the V-T Co. in partial payment of its business and certain of its assets, and the remainder of the net proceeds will be added to working capital. **Office**—2209 Santa Fe Ave., Los Angeles, Calif. **Underwriters**—Kidder, Peabody & Co., New York; and McDonald & Co., Cleveland, Ohio.

● **Pennsylvania Electric Co. (5/9)**
March 10 filed $12,000,000 of first mortgage bonds, due May 1, 1990. **Proceeds**—To be applied to the company's 1960 construction program, or to partially reimburse its treasury for previous expenditures for that purpose. **Office**—222 Levergood St., Johnstown, Pa. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., Eastman Dillon, Union Securities & Co., Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly); The First Boston Corp.; Harriman Ripley & Co. Inc. and Blyth & Co., Inc. (jointly); Equitable Securities Corp. **Bids**—Expected May 9 at 12 noon New York time at the offices of General Public Utilities Corp., 67 Broad St., New York City. **Information Meeting**—Scheduled for May 6 between 10:00 a.m. and 12 noon.

● **Phillips Developments, Inc. (4/4-8)**
Dec. 21 filed 400,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For property development, possible acquisitions, and working capital. **Office** — 1111 West Foothill Blvd., Azusa, Calif. **Underwriters**—Allen & Co., Bear, Stearns & Co., and Sutro Bros. & Co., all of New York City.

● **Pidgeon (Walter) Steel Products, Inc. (4/4-8)**
Feb. 9 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For tooling and machinery of manufacturing plant, inventory, advertising and working capital. **Office** — 10 Union Avenue, Bala-Cynwyd, Pa. **Underwriter**—Hett, Kahn & Infante, Inc., Rockville Centre, N. Y., has withdrawn as underwriter. New underwriter is Mainland Securities Corp., Hempstead, N. Y. **Note**—This statement is to be amended.

Pierce & Stevens Chemical Corp. (4/12-15)
March 9 filed 175,000 shares of outstanding common stock (par $2). **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office** — Buffalo, N. Y. **Underwriter**—Doolittle & Co., Buffalo 2, N. Y.

● **Plainfield-Union Water Co.**
Feb. 19 filed 68,676 shares of common stock (no par), being offered for subscription by common stockholders of record March 29, 1960, at the rate of one new share for each 2½ shares then held; rights expire April 12 at 3:30 p.m. (EST). **Price**—$20 per share. **Proceeds**—For construction program. **Office**—120 West Seventh Street, Plainfield, N. J. **Underwriter**—W. C. Langley & Co., New York.

Plastic & Fibers, Inc.
Jan. 18 (letter of notification) 85,714 shares of common stock (par 40 cents). **Price**—$3.50 per share. **Proceeds**—For general corporate purposes. **Office** — Whitehead Ave., South River, N. J. **Underwriter**—Arnold Malkan & Co., Inc., New York, N. Y.

● **Precision Circuits, Inc. (4/25-29)**
March 7 filed $250,000 of convertible subordinated debentures, due April 1, 1970, and 37,500 shares of common stock (par 20 cents) to be offered in units consisting of one $100 debenture and 15 common shares. **Price**—$150 per unit. **Proceeds**—For equipping of new facilities, and for general corporate purposes. **Office**—705 South Fulton Avenue, Mount Vernon, N. Y. **Underwriter**—Myron A. Lomasney & Co., New York.

● **Precision Transformer Corp., Chicago (4/5)**
Dec. 29 filed $700,000 of 6½% subordinated convertible debentures, due 1970, with attached warrants to purchase 28,000 common shares; and warrants for the purchase of 125,000 common shares, which may be issued to company-connected people; and 150,000 common shares. **Prices**—For the debentures, par; for the common, the price will be supplied by amendment. **Proceeds** — For debt reduction, plant construction, and equipment. **Underwriter**—John R. Boland & Co., Inc., New York City, who will work on a "best efforts" basis and receive a commission of $120 per $1,000 debentures sold.

★ **Premier Industrial Corp.**
March 28 filed 212,500 outstanding shares of common stock, of which 200,000 shares will be offered for public sale and 12,500 shares to employees of the company by the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—4415 Euclid Avenue, Cleveland, Ohio. **Underwriter**—A. G. Becker & Co. Inc., New York and Chicago.

● **Public Service Co. of New Mexico**
March 2 filed 102,231 shares of common stock (par $5) of which 97,231 shares being offered for subscription by holders of the company's outstanding common stock at the rate of one new share for each 20 shares held of record March 31 with rights to expire on April 20. The remaining 5,000 shares will be offered to employees of the company. **Price** — $28.25 per share. **Proceeds**—Together with bank borrowings, will be applied toward the company's 1960 construction program, for other corporate purposes including the repayment of a short-term bank loan in the amount of $2,000,000, and working capital. **Office**—819 Simms Building, Albuquerque, N. Mex. **Underwriter**—Allen & Co., New York.

● **Puget Sound Power & Light Co. (4/20)**
March 15 filed $20,000,000 of first mortgage bonds due Apr. 1, 1990. **Proceeds**—To be applied to the payment of a $15,000,000 3% promissory note due May 1, 1960, and the balance to the payment of outstanding bank loans incurred for construction purposes, which loans are expected to aggregate $10,500,000 at the time of the bond sale. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc. and Lehman Brothers (jointly); Stone & Webster Securities

Corp., Smith, Barney & Co. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—Expected to be received on April 20 at 12 noon at 90 Broad St., 19th floor, New York City. **Information Meeting**—Scheduled for April 14 at 11 a.m.

★ **Rabin Co.**
March 21 (letter of notification) 80,000 shares of common stock (no par). **Price**—$3.25 per share. **Proceeds**—To pay unsecured notes, to purchase machinery and equiment, and for working capital. **Office** — 700 N. Sepulveda Blvd., El Segundo, Calif. **Underwriter**—H. Hentz & Co., New York, N. Y.

● **Radiant Lamp Corp. (4/11)**
Feb. 10 filed 120,000 shares of class A stock. **Price**—$5 per share. **Proceeds** — To repay a bank loan, and for working capital. **Office**—300 Jelliff Ave., Newark, N. J. **Underwriter**—Amos Treat & Co., Inc., New York.

● **Rajac Self-Service, Inc. (4/20)**
March 18 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—11 E. Second Street, Mt. Vernon, N. Y. **Underwriter**—Walter R. Blaha & Co., Inc., Long Island City, N. Y.

Rap-In-Wax Co. (4/11-15)
March 18 filed 107,290 shares of common stock ($1 par), of which 70,000 shares are to be offered for public sale by the issuing company. The remaining 37,290 shares are now outstanding and are to be offered by the present holders thereof. **Price** — To be supplied by amendment. **Proceeds**—For additional working capital. **Office** — 150-26th Ave., S. E., Minneapolis 14, Minn. **Underwriter**—Dean Witter & Co., New York and Minneapolis.

★ **Raymond Corp.**
March 22 (letter of notification) 15,000 shares of common stock (par $5). **Price** — $20 per share. **Proceeds** — For general corporate purposes. **Office** — Village of Greene, County of Chenango, of New York. **Underwriter**—George D. B. Bonbright & Co., Rochester, New York.

● **Realty Equities Corp. (4/18-22)**
Feb. 2 filed 150,000 shares of common stock. **Price**—$5.25 per share. **Proceeds**—For general corporate purposes. **Office**—New York City. **Underwriter**—Sutro Bros. & Co., also of New York City. **Offering**—Expected in early April.

★ **Reliance Manufacturing Co.**
March 28 filed 150,000 shares of common stock, of which 40,000 shares are to be offered for public sale for the account of the company. The remaining 110,000 shares are now outstanding and are to be offered for sale by the present holder thereof. **Price**—To be supplied by amendment. **Proceeds**—For repayment of short-term bank debt. **Office**—350 Fifth Ave., N. Y. **Underwriter**—Glore, Forgan & Co., New York.

● **Renner, Inc. (4/11-15)**
March 11 (letter of notification) 75,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds**—For working capital. **Office** — 1530 Lombard St., Philadelphia, Pa. **Underwriter** — Stroud & Co., Inc., Philadelphia, Pa.

● **Ritter Finance Co., Inc. (5/2-13)**
March 16 filed $1,500,000 of 6½% debentures due May 1, 1975 and warrants for the purchase of 75,000 class B common shares up to April 30, 1970. It is proposed to offer these securities of public sale in units, each consisting of one $1,000 debenture and a warrant for 50 class B shares. **Price**—$1,000 per unit. **Proceeds**—To be added to the company's general funds and used initially to reduce bank loans. **Office**—Church Road and Greenwood Ave., Wyncote, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia, Pa.

● **St. Regis Paper Co. (4/1)**
Feb. 26 filed 306,787 shares of its common stock, to be offered in exchange for the outstanding shares of common stock of The Creamery Package Manufacturing Co. on the basis of 1.02 shares of St. Regis for each share of Creamery. **Office**—150 E. 42nd St., New York City. **Dealer-Managers**—White, Weld & Co., and A. G. Becker & Co., both of New York.

★ **St. Regis Paper Co.**
March 23 filed 294,042 shares of common stock. The company proposes to offer this stock in exchange for the outstanding shares of common stock of Howard Paper Mills, Inc. on the basis of 0.42 of one share of St. Regis for one share of Howard. The exchange offer will be declared effective if 95% of the Howard stock is deposited for exchange (and may be declared effective if not less than 80% is deposited). **Office**—150 East 42nd St., New York.

San Diego Imperial Corp. (4/5-6)
Feb. 24 filed $5,000,000 of subordinated convertible debentures, due Apr. 1, 1975, and 728,531 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For the account of selling stockholders, 128,531 shares, and for the company, 600,000 shares, to reduce indebtedness and for investment. **Office**—San Diego, Calif. **Underwriters**—White, Weld & Co., New York City, and J. A. Hogle & Co., Salt Lake City, Utah.

● **Savannah Electric & Power Co.**
The company is offering 87,950 shares of common stock (par $5), to its stockholders on the basis of one new share for each 13 shares held of record on March 29, 1960. The offer will expire on April 18. **Price**—$24.50 per share. **Proceeds**—To repay a portion of bank loans made for construction purposes. **Office**—27 West Bay St., Savanah, Ga. **Underwriters**—The First Boston Corp. and Stone & Webster Securities Corp., both of New York.

★ **Scott Aviation Corp.**
March 29 filed 169,680 shares of common stock, of which 62,000 shares are to be offered for public sale by the issuing company and 107,630 shares, being outstanding stock, by the holders thereof, 8,000 shares are to be reserved for allotment to directors, officers and employees of the company. **Price** — To be supplied by amendment. **Proceeds**—To pay off $300,000 of bank indebtedness and for general working capital purposes. **Office**—225 Erie St., Lancaster, N. Y. **Underwriter**—The First Cleveland Corp., Cleveland, Ohio.

Seaboard Plywood & Lumber Corp. (4/4)
Feb. 25 filed $300,000 of 6½% subordinated convertible debentures, due April 1, 1970, and 30,000 shares of common stock, to be offered in units, each unit consists of $500 principal amount of debentures and 50 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To retire a term bank loan, and for working capital. **Office**—17 Bridge St., Watertown, Mass. **Underwriter**—Peter Morgan & Co., New York.

Seneca Gas & Oil Corp. (4/4)
Dec. 24 filed 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For drilling. **Office**—Erie, Pa. **Underwriter**—Edgar B. Hunt Co., New York City.

★ **Service Instrument Corp.**
March 23 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds** — For general corporate purposes. **Office** — 693 Broadway, New York, N. Y. **Underwriter** — Pearson, Murphy & Co., Inc., New York, N. Y.

★ **Sierra Electric Corp.**
March 29 filed 100,000 shares of common stock, of which 80,000 shares are to be sold for the account of the issuing company and 20,000 shares are to be sold for the account of the present holder thereof. **Price**—$9 per share. **Proceeds**—To reduce bank loans and for working capital. **Office**—Gardena, Calif. **Underwriter**—Marron, Sloss & Co., Inc., New York City.

Sierra Pacific Power Co.
Feb. 23 filed 49,714 shares of common stock (par $7.50) being offered for subscription by holders of the outstanding common of record March 14 on the basis of one new share for each 15 then held, rights to expire on April 4. **Price**—$33.50 per share. **Proceeds** — To be applied to payment of loans. **Office**—Reno, Nev. **Agent**—Stone & Webster Service Corp., 49 Federal St., Boston, Mass.

Sire Plan of Normandy Isle, Inc. (4/15)
March 9 filed $225,000 of 10-year 7% debentures and 4,500 shares of $3.50 cumulative, non-callable, participating preferred stock (par $5), to be offered in units, each unit consisting of one $50 debenture and one preferred share. **Price**—$100 per unit. **Proceeds** — To finance acquisition. **Office**—Ingraham Bldg., Miami, Fla. **Underwriter**—Sire Plan Portfolios, Inc., New York.

★ **Smilen Food Stores, Inc.**
March 25 filed in association with Heritage Industrial Corp. 100,000 shares of Smilen common and 100,000 shares of Heritage. It is proposed to offer these securities for public sale in units, each unit consisting of one share of Smilen and one share of Heritage stock. **Price**—To be supplied by amendment. **Proceeds**—Smilen will use $95,000 of its share of the proceeds for remaining payments under a contract for purchase of two supermarkets and commissary from Windmill Food Stores, Inc.; $300,000 for inventory and supplies for the opening of three new supermarkets; $300,000 to repay bank loans; and the balance for general corporate purposes. Heritage will use its share of the stock as follows: $175,000 for construction and equipping of a supermarket in Franklin Square, L. I., to be leased to Smilen; $500,000 to purchase fixtures and equipment to be leased to Smilen for use in the three supermarkets to be constructed for Smilen by others; $25,000 to pay an indebtedness due Smilen; and the balance for general corporate purposes. **Office** — 47-02 Metropolitan Ave., Brooklyn, N. Y. **Underwriter**—Federman, Stonehill & Company.

★ **Southeastern Security Insurance Co.**
March 25 filed 2,133,333 shares of common stock, of which 1,633,333 shares are to be publicly offered; $500,000 of these shares are reserved for the granting of restricted stock options to management officials and employees. **Price** — $3 per share for public offering. **Proceeds**—To increase capital and surplus. **Office**—707 Market St., Knoxville, Tenn. **Underwriter**—Lucien L. Bailey & Co., Knoxville, Tenn.

● **Southern Nevada Telephone Co. (4/8)**
March 16 filed 100,000 shares of $25 par cumulative convertible preferred stock. **Price**—To be supplied by amendment. **Proceeds** — To retire some $2,000,000 of bank loans and to finance in part the company's continuing construction program. **Office**—125 Las Vegas Blvd. South, Las Vegas, Nev. **Underwriter**—Dean Witter & Co. of San Francisco and New York.

Southwest Forest Industries, Inc. (4/13)
Jan. 29 filed not to exceed an aggregate of $13,500,000 of subordinated income debentures, due 1985, and common stock, to be offered in units of such debentures and such common stock. **Price**—To be supplied by amendment. **Proceeds**—For working capital and the construtcion of new plant. **Office** — 444 First National Bank Building, Phoenix, Ariz. **Underwriter**—White, Weld & Co., New York City.

★ **Southwest Indemnity & Life Insurance Co.**
March 29 filed 238,590 shares of common stock. The company proposes to offer this stock for subscription by common stockholders of record May 1, 1960, at the rate of one new share for each 2½ shares then held. Unsubscribed shares will be offered to certain persons, some of whom are directors and stockholders of the company, together with stock purchase warrants for 23,859 shares, for purchase for investment. **Price**—To be supplied by amendment. **Proceeds**—To be used for the company's general insurance business, thus enabling the company to acquire additional reinsurance agreements with other insurance companies, service such agreements and meet legal reserve requirements with respect to additional insurance in force thus acquired. **Office**—2013 Cedar Springs, Dallas, Tex. **Underwriter**—None.

Southwestern Investment Co. (4/5-6)
March 10 filed $10,000,000 of senior notes due March 1, 1975, $3,000,000 of capital notes, due March 1, 1975 (with attached warrants for the purchase of 75,000 common shares), and the 75,000 shares (par $2.50) issuable upon exercise of the warrants. With each $1,000 of capital notes the purchaser will receive warrants exercisable on or after Sept. 1, 1960 and before Sept. 1, 1990, to purchase 25 common shares. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and will be available for general corporate purposes. **Office**—205 E. 10th St., Amarillo, Tex. **Underwriters**—White, Weld & Co., New York; Schneider, Bernet & Hickman, Inc., Dallas, Tex.; and The First Trust Co. of Lincoln, Lincoln, Neb.

★ **Southwestern Oil Producers, Inc.**
March 23 filed 700,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas.

Spring Street Capital Co. (4/11-15)
March 1 filed 3,000 shares of common stock (par $100) to be offered in units of five shares at $1,000 per share. **Proceeds**—For loans to and the purchase of securities of certain business concerns. It may also use a portion of the proceeds to pay the costs and expenditures incidental to its operatons until such time as it has an income from its loans and investments. **Office**—650 South Spring St., Los Angeles, Calif. **Underwriter**—William R. Staats & Co., Los Angeles, Calif.

● **Squan Marina, Inc. (5/9-13)**
March 18 (letter of notification) 150,000 shares of class A common stock (par $1). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Address**—Route 70 & Upper Manasquan River Bridge, Brielle, N. J. **Underwriter**—B. Fennekohl & Co., New York, N. Y.

Standard Motor Products, Inc. (4/12)
March 7 filed 296,460 shares of class A capital stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Long Island City, N. Y. **Underwriter**—Eastman Dillon, Union Securities & Co., New York.

Straza Industries (4/18-22)
March 14 filed 230,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes and working capital. **Office**—790 Greenfield Drive, El Cajon, Calif. **Underwriter**—J. A. Hogle & Co., of Salt Lake City and New York.

Sun Rubber Co.
Feb. 26 filed $1,000,000 of 6% subordinated debentures due April 1, 1975, and 100,000 shares of common stock (no par), to be offered in units of $100 of debentures and 10 shares of common stock. **Price**—$100 per unit. **Proceeds**—To be used in reorganization. **Office**—366 Fairview Ave., Barberton, Ohio. **Underwriter**—McDonald & Co., Cleveland, Ohio.

● **Sunair Electronics, Inc. (4/4-8)**
Dec. 28 filed 200,000 shares of common stock (par $.10). **Price**—$3.00 per share. **Proceeds**—For new equipment, construction, and working capital. **Office** — Broward County International Airport, Ft. Lauderdale, Fla. **Underwriter**—Frank Karasik & Co., Inc., of New York City.

● **Superior Electric Co. (4/25-29)**
March 17 filed 150,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For construction. **Office**—Bristol, Conn. **Underwriter**—Lee, Higginson Corp., New York City.

● **Supronics Corp. (4/11-15)**
Jan. 29 filed 120,000 shares of common stock (par 25 cents). **Price**—$6 per share. **Proceeds**—$50,000 to reduce short-term bank loans, and the balance to be used for general corporate purposes, including expanding the business. **Office**—224 Washington Street, Perth Amboy, N. J. **Underwriters**—Amos Treat & Co. and Standard Securities Corp. of New York City, and Bruno-Lenchner, Inc., Pittsburgh, Pa. **Offering**—Expected in April.

Sutton Leasing Corp. (4/1)
Feb. 9 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—9 Rockefeller Plaza, New York 20, N. Y. **Underwriter**—T. M. Kirsch Co., New York, N. Y.

● **Tayco Developments, Inc. (4/4-8)**
Dec. 23 filed 5,390 shares of common stock to be offered for subscription by common stockholders at the rate of ten-seventy-fifths of a share for each share held. **Price**—$28.75 per share, with rights to expire 14 days from offering date. **Proceeds** — For capital and to secure additional patents on present inventions, and to continue and expand research and development work in the field of liquid compressibility devices and other areas. **Office**—188 Webster St., North Tonawanda, N. Y. **Underwriter**—C. E. Stoltz & Co., New York.

● **Taylor Devices, Inc. (4/4-8)**
Dec. 23 filed 18,705 shares of common stock to be offered for subscription by common stockholders on the basis of six-tenths of one share for each share held. **Price**—$28.75 per share, with rights to expire 14 days from offering date. **Proceeds** — To repay a short-term loan, for additional working capital, and to establish expanded executive sales and manufacturing personnel and to continue research and development, and the balance to lease or purchase additional factory and office

Continued on page 48

Continued from page 47

space. **Office**—188 Webster St., North Tonawanda, N. Y. **Underwriter**—C. E. Stoltz & Co., New York.

● Telectro Industries Corp. (4/25)
March 21 filed $1,000,000 of 6½% convertible subordinate debentures due 1970. **Price**—100% of principal amount. **Proceeds**—To be used to eliminate an outstanding bank loan of $700,000 and to provide additional working capital, to be used in part to reduce outstanding accounts payable. **Office**—35-16 37th Street, Long Island City, N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., N. Y. C.

Teletray Electronics Systems, Inc. (4/11-15)
Jan. 27 filed 150,000 shares of class A common stock. **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—880 Bonifant Street, Silver Spring, Md. **Underwriter**—A. T. Brod & Co., New York City.

★ Tempromatic Corp.
March 23 (letter of notification) 130,000 shares of common stock (par $1). **Price**—$2.30 per share. **Proceeds**—To purchase additional equipment and machinery, inventories and for working capital. **Address**—Highway 92, De Land, Fla. **Underwriter**—None.

● Tenax, Inc. (4/4)
Feb. 16 filed 150,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For expansion of issuer's freezer and food sale business. **Office**—375 Park Avenue, New York City. **Underwriter**—Myron A. Lomasney, New York City.

● Thermal-Aire of America, Inc. (4/4-8)
March 16 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—For engineering, design, advertising and working capital. **Office**—1060 Broad St., Newark 2, N. J. **Underwriter**—Pearson, Murphy & Co., Inc., New York, N. Y.

Thermal Industries of Florida, Inc. (4/15)
Feb. 26 filed 120,000 shares of common stock (par $1). **Price**—$6 per share. **Proceeds**—To be added to the company's general reserves. **Office**—Miami, Fla. **Underwriter**—Peter Morgan & Co., New York.

Tool Research & Engineering Corp. (4/11-15)
Feb. 24 filed 350,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To pay the cash portion of recent acquisitions, and for working capital. **Office** — Compton Calif. **Underwriter** — Shields & Co., New York.

Transcontinental Gas Pipe Line Corp. (4/20)
March 14 filed $35,000,000 of first mortgage bonds due 1980 and 800,000 shares of common stock (par 50 cents). **Prices**—To be supplied by amendment. **Proceeds**—To refund debt incurred for construction. **Office**—3100 Travis St., Houston, Tex. **Underwriters**—White, Weld & Co. and Stone & Webster Securities Corp., both of New York.

★ Trans Tech Systems, Inc.
March 29 filed 65,000 shares of common stock (par one cent). **Price**—$10 per share. **Proceeds**—For general corporate purposes. **Office** — 5505 Wilshire Blvd., Los Angeles 48, Calif. **Underwriter**—Myron A. Lomasney & Co., New York.

● Transworld Equipment Corp. (4/4-8)
Jan. 25 (letter of notification) 139,832 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—119 W. 26th Street, New York 1, N. Y. **Underwriter**—Michael Fieldman, 82 Beaver Street, New York City.

● Tri-Point Plastics, Inc. (4/18-22)
March 15 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—175 I. U. Willets Road, Albertson, L. I., N. Y. **Underwriters**—Amos Treat & Co., Inc. and Martinelli, Hindley & Co., Inc., New York, N. Y.

★ Union Carbide Corp.
March 24 filed $31,000,000 of Interests of Participations in the company's Saving Plan for Employees, together with 50,000 shares of capital stock which may be acquired pursuant thereto. **Office**—30 East 42nd Street., New York.

Union Financial Corp. (4/20)
March 11 filed 325,000 shares of common stock ($1 par). **Price**—To be supplied by amendment. **Proceeds**—Together with bank loan, will be used to repay a $6,075,000 balance on an outstanding bank loan, and the balance will be added to working capital. **Office**—232 Superior Ave., Cleveland, Ohio. **Underwriters**—White, Weld & Co. Inc., Chicago and New York; The Ohio Company, Columbus, Ohio; and Sanders & Co., Dallas, Texas.

United Components, Inc. (4/18-22)
March 2 filed 110,000 shares of common stock, of which 10,000 shares are to be offered to Sheldon Leighton, a director, at $2.50 per share and the remainder is to be publicly offered. **Price**—To be supplied by amendment. **Proceeds** — For new equipment, advertising, and other general corporate purposes. **Office**—Orange, N. J. **Underwriter**—Darius, Inc., New York City.

★ United Financial Corp. of California
March 30 filed $6,000,000 of convertible subordinated debentures, due 1975, and 120,000 shares of capital stock, to be offered in units of $100 of debentures and two capital shares. **Price**—To be supplied by amendment. **Underwriter**—Lehman Brothers, New York City.

★ United States Boat Corp.
March 28 filed 350,000 shares of common stock to be publicly offered. **Price**—$2 per share. **Proceeds**—$221,826 will be applied to the repayment of loans to United States Pool Corp. which were used for general corporate purposes, and the balance will be utilized for working capital, including a later repayment of $45,000 to U. S. Pool Corp. **Office** — 27 Haynes Avenue, Newark, N. J. **Underwriter**—Richard Bruce & Co., Inc., New York.

U. S. Plywood Corp. (4/13)
March 7 filed $25,000,000 of sinking fund debentures due 1985. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for general corporate purposes. **Underwriter**—Eastman, Dillon, Union Securities & Co., New York. **Office**—55 W. 44th Street, New York City.

★ University Associates
March 29 filed $735,000 of limited partnership interests, to be offered in units. **Price**—$5,000 per unit. **Office**—Philadelphia, Pa.

Universal-Cyclops Steel Corp., Bridgeville, Pa. (4/4-8)
March 1 filed 200,000 shares of common capital stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's current funds. **Underwriter**—A. G. Becker & Co., Inc., New York and Chicago.

● Universal Fabricators, Inc.
Feb. 29 (letter of notification) 60,000 shares of common stock (par $1). **Price** — $5 per share. **Proceeds** — For general corporate purposes. **Office**—1827 Boone Avenue, Bronx 10, N. Y. **Underwriter**—S. Schramm & Co., Inc., New York, N. Y., has withdrawn as underwriter.

★ Universal Marion Corp.
March 29 filed 31,361 shares of 4½% cumulative preferred stock ($100 par). **Price**—To be offered for sale in the over-the-counter market, or otherwise by public or private sale at $95 per share, or such lesser price or prices which may be obtained. **Proceeds**—To selling stockholders. **Office**—602 Florida Bldg., Jacksonville, Fla. **Underwriter**—None.

● Universal Transistor Products Corp. (4/4)
Dec. 18 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For general corporate purposes. **Office** — 36 Sylvester Street, Westbury, L. I., N. Y. **Underwriters**—Michael G. Kletz & Co., Inc. and Amos Treat & Co., Inc., New York, N. Y.

★ Uris Buildings Corp.
March 29 filed $20,000,000 of sinking fund debentures (with attached warrants to purchase 800,000 common shares) and 400,000 shares of common stock. The offering will be made only in units, each unit consisting of (a) $100 principal amount of debentures with an attached warrant to purchase four shares of common stock (b) two shares of common stock. **Price**—To be supplied by amendment. **Underwriter**—Kuhn, Loeb & Co., New York.

Wallson Associates, Inc. (4/4-8)
Feb. 26 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To discharge indebtedness, for development of additional proprietary products for the semi-conductor electronics industry, and for general corporate purposes. **Office**—912 Westfield Ave., Elizabeth, N. J. **Underwriters**—Russell & Saxe, and First Broad Street Corp., New York.

● Waters Manufacturing, Inc. (4/5)
Jan. 29 (letter of notification) 60,000 shares of common stock (par $1) of which 20,000 shares are to be offered by Robert A. Waters, President and the balance by the company. **Price**—$5 per share. **Proceeds**—For working capital. **Office**—533 Boston Post Road, Wayland, Mass. **Underwriter**—Stroud & Co., Inc., Philadelphia, Pa.

★ Weldotron Corp. (4/29)
March 23 (letter of notification) 66,666 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—841 Frelinghuysen Ave., Newark 12, N. J. **Underwriters**—Arnold Malkan & Co., Inc. and Street & Co., Inc., New York, N. Y.

Wells Industries Corp. (4/11-15)
Jan. 29 filed 300,000 shares of common stock and warrants for the purchase of an additional 100,000 shares. **Price** — To be supplied by amendment. **Proceeds** — $350,876 will be used to retire certain debts, with the remainder to be used for construction, equipment, and working capital. **Office**—6505 Wilshire Boulevard, Los Angeles, Calif. **Underwriter**—A. T. Brod & Co., New York City.

West Penn Electric Co. (4/12)
March 4 filed 300,000 shares of common stock. **Proceeds**—To purchase about $5,000,000 of additional common stock from the Monangahela Power Co., to retire West Penn Traction Co. bonds maturing June 1, and for general corporate purposes. **Underwriters** — To be determined by competitive bidding. Probable bidders: Carl M. Loeb, Rhoades & Co., W. C. Langley & Co., and Lehman Brothers. **Bids**—Expected to be received on April 12, up to 3:45 p.m. (EST).

★ West Virginia Pulp & Paper Co.
March 29 filed 250,000 shares of common stock to be offered pursuant to the company's Stock Option Plan. **Office**—New York City.

● Western Airlines, Inc.
March 1 filed 200,000 shares of capital stock (par $1), to be offered for subscription by holders of outstanding shares of such stock of record March 30; rights to expire on April 18. **Price**—$23.00 per share. **Proceeds**—For general corporate purposes. **Office**—Los Angeles, Calif. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City.

Western Utilities Corp. (4/4-8)
March 1 filed 125,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To repay recent bank borrowings aggregating $800,000 and the balance will be used to provide additional working capital. **Office** — 300 Montgomery St., San Francisco, Calif. **Underwriter**—Dean Witter & Co., San Francisco and New York.

Whitmoyer Laboratories, Inc. (4/11-15)
Jan. 28 filed 85,000 shares of common stock and $500,000 of 6% subordinated debentures, due 1977, with warrants for the purchase of 10,000 additional common shares at $5 per share. **Price** — For the debentures, 100% of principal amount; for the 85,000 common shares, $6 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness, sales promotion, and equipment. **Office**—Myerstown, Pa. **Underwriter**—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia, Pa.

● Willer Color Television System, Inc.
Jan. 29 (letter of notification) 86,403 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Investment Brokers of N. J., Inc., 844 Broad Street, Newark, N. J., has withdrawn as underwriter. New underwriter is Equity Securities Co., 11 Broadway, New York City.

★ Wolverine Shoe & Tanning Corp.
March 28 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For additional working capital. **Office**—Rockford, Mich. **Underwriter**—A. G. Becker & Co., Chicago, Ill. and New York.

★ Wood (T. H.) Co., Inc.
March 23 (letter of notification) 126,000 shares of common stock (par $1). **Price**—$1.75 per share. **Proceeds**—To purchase another hardware business. **Address** — c/o E. Morris Jack, Litchfield, Conn. **Underwriter** — None.

★ Yale Express System, Inc. (8/9)
March 25 filed 300,000 shares of class A stock, of which 150,000 shares are to be offered for public sale by the issuing company and the balance by the company's board chairman. **Price**—$5.50 per share. **Proceeds**—$400,000 to restore working capital expended to acquire American Freight Forwarding Corp. and for expansion of the freight forwarder operation; $150,000 to restore funds advanced in connection with the terminal recently constructed in North Bergen, N. J.; and the balance for expansion and improvement. **Office**—460 12th Ave., New York. **Underwriter**—Michael G. Kletz & Co., Inc., New York.

★ Zero Manufacturing Co.
March 28 filed 200,000 shares of common stock, of which 125,000 shares are being issued and sold by the company and 75,000 shares are being sold by certain stockholders. **Proceeds**—$250,000 will be used for the construction of a new 33,600 square foot industrial building in Burbank, Calif., $250,000 for the purchase and installation of new machinery and equipment; $150,000 for further research and development in the modular container field; and the balance will be added to working capital. **Office**—1121 Chestnut St., Burbank, Calif. **Underwriter**—Shields & Co., New York.

Prospective Offerings

American Cement Co.
March 14 it was announced that the company will issue up to a maximum of 422,030 common shares, which are to be used in connection with the recent acquisitions by the issuer of M. F. Hickey & Co. Inc. of New York City and Graham Brothers, Inc., of Los Angeles.

American Fletcher National Bank & Trust Co.
March 17 the bank held a special meeting to authorize 226,604 additional shares of its capital stock (par $10) which are being offered to holders of record March 16 at the rate of one new share for each three owned; rights will expire April 4, (CDT). **Price**—$38.50 per share. **Proceeds**—To increase capital and surplus. **Office**—Indianapolis, Ind. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., Paine, Webber, Jackson & Curtis, and the First Boston Corp., all of New York; Citv Securities Corp., Collett & Co., Inc. and Indianapolis Bond & Share Corp. all of Indianapolis, Ind.

● Arco Electronics
March 2 it was reported that in early April this company is expected to file approximately $500,000 of common stock. **Underwriter**—Michael G. Kletz & Co., of New York City.

Baltimore Gas & Electric Co.
March 3 it was announced by J. Theodore Wolfe, President, that the company plans record construction expenditures of $50,000,000 during 1960, probably financed through the sale of first mortgage bonds. **Offering**—Expected during the first half of 1960.

● Bank of California
March 29 this bank authorized the sale of 256,930 additional shares of capital stock (par $10), being offered to shareholders of record March 29 at the rate of one new share for each five shares then held; rights expire April 19 at 3:00 p.m. (PST). **Price**—$40 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—Blyth & Co., Inc., San Francisco, Calif.

California Electric Power Co. (5/10)
March 4 it was announced that the company plans to issue and sell $12,000,000 of first mortgage bonds. **Proceeds**—To apply the major portion of the proceeds from the sale to repayment of bank loans, which are expected to amount to about $10,000,000 at the time of financing, the balance of the proceeds will be applied to the company's construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co. **Bids**—Expected to be received up to 9 a.m. (PST) on Tuesday, May 10, in the offices of O'Melveny & Myers, Room 900, 433 South Spring Street, Los Angeles 13, Calif.

● Columbia Gas System, Inc.
March 11 it was announced that further debt financing is planned for later in the year. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith, Inc., and White, Weld & Co. (jointly); Morgan Stanley & Co.; Lehman Brothers., Eastman Dillon, Union Securities & Co., and Goldman, Sachs & Co. (jointly).

● Commercial Bank of North America
March 21 stockholders approved 42,023 capital shares (par $5), being offered on the basis of one new share for each 12 shares held of record March 29; rights to expire on April 14 at 3:00 p.m. (EST). **Price**—$24 per share. **Proceeds**—To increase capital and surplus. **Underwriters**—Lee Higginson Corp., Francis I. duPont & Co., E. F. Hutton & Co. and Allen & Co., all of New York.

Consumers Power Co.
March 2 it was reported that this company is planning to raise new funds probably from the sale of first mortgage bonds and debentures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; White, Weld & Co. and Shields & Co. (jointly); First Boston Corp. and Harriman Ripley & Co. (jointly).

● Deckert Dynamics, Inc.
March 16 it was announced that 100,000 shares of common stock are expected to be filed in early May. **Proceeds**—For general corporate purposes. **Office**—Palmyra, Pa. **Underwriter**—Plymouth Securities Corp., New York City.

Electrada Corp.
Feb. 3 it was reported that this company is planning financing sometime in the Spring. **Office** — Beverly Hills, Calif. **Underwriter**—Bache & Co. of New York City and Beverly Hills, Calif.

★ Equitable Gas Co.
March 16 stockholders approved a proposal to increase the company's number of authorized preferred shares to 300,000 from 100,000 and to issue a new non-convertible preferred series. **Proceeds**—To be used to repay approximately $5,000,000 in short-term bank loans and to help finance 1960 construction. **Office** — Boulevard of the Allies, Pittsburgh, Pa.

Florida Power Corp.
March 10 it was reported that $25,000,000 of first mortgage bonds will be sold by this utility, possibly in the fourth quarter of this year. **Proceeds** — For new construction and repayment of bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); First Boston Corp.; Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co. (jointly); Lehman Brothers and Blyth & Co. (jointly).

Florida Power & Light Co.
March 15 it was reported that the company will need about $25,000,000 of new money. The nature of the securities to be issued has not as yet been determined.

★ Ford Motor Credit Co.
March 28 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur later this year. **Office**—Detroit, Mich.

Forest City Investment Co.
March 16 it was reported that a stock offering is planned. **Underwriter**—Bache & Co., New York.

Georgia Power Co. (11/3)
Dec. 9 it was announced that the company plans registration of $12,000,000 of 30-year first mortgage bonds with the SEC. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly); Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); The First Boston Corp. **Registration**—Scheduled for Sept. 26. **Bids**—Expected to be received on Nov. 3. **Information Meeting**—Scheduled for Oct. 31.

Gulf Power Co. (7/7)
Dec. 9 it was announced that the company plans registration with the SEC of $5,000,000 first mortgage 30-year bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler, and Drexel & Co. (jointly); Eastman Dillon, Union Securities & Co. **Information Meeting**—Scheduled for July 5, 1960. **Bids**—Expected to be received on July 7. **Registration** — Scheduled for June 3.

Gulf Power Co. (7/7)
Dec. 9 it was announced that the company plans registration of 50,000 shares of preferred stock (par $100). **Underwriter**—To be determined by competitive bidding. Probable bidders: Harriman Ripley & Co.; Eastman Dillon, Union Securities & Co., and Salomon Bros. & Hutzler (jointly); Equitable Securities Corp.; Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Information Meeting**—Scheduled for July 5, 1960. **Bids**—Expected to be received on July 7. **Registration**—Scheduled for June 3.

Harvey Aluminum Co., Torrance, Calif.
It was reported late last year that this firm—the old Harvey Machine Co.—is planning its initial public financing for the Spring. **Underwriters**—Kuhn, Loeb & Co. (managing) and Tucker, Anthony & R. L. Day, both of New York City.

Hayes Aircraft Corp.
Feb. 12 it was reported that an issue of convertible debentures is being discussed and may occur in the next few months. **Office**—Birmingham, Ala. **Possible Underwriter**—Sterne, Agee & Leach, Birmingham, Ala.

Henderson Portion Pack, Inc.
March 16 it was reported that this company is considering some financing. **Underwriter**—Burnham & Co., New York.

Houston Lighting & Power Co.
March 22 it was announced in the company's annual report that it anticipates approximately $35 million in new money will be required in 1960 to support the year's construction program, and to repay outstanding bank loans. Studies to determine the nature and timing of the issuance of additional securities are presently under way. Last August's offering of $25,000,000 of 4⅞% first mortgage bonds was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler. **Office** — Electric Building, Houston, Texas.

★ Idaho Power Co.
March 30 it was reported that the company plans to issue and sell $15,000,000 of 1st mortgage bonds due 1990. **Proceeds**—For capital expenditures, etc. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., Lazard Freres & Co. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp.

Ionics, Inc.
March 16 it was reported that the company is planning to register 75,000 shares of common stock. **Proceeds**—For general corporate purposes. **Underwriter**—Lee Higginson Corp., New York. **Registration**—Imminent.

Iowa Electric Light & Power Co.
March 11 President Sutherland Dows stated that bonds would be sold in order to supplement money to be obtained from temporary bank loans, to acquire the $10,000,000 required to finance 1960 construction. **Office**—Cedar Rapids, Iowa.

● Kenrich Petrochemicals, Inc.
Jan. 20 it was reported that registration is expected of $175,000 of convertible debentures and 55,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For the expansion of maufacturing facilities. **Office**—Maspeth, Queens, L. I., N. Y. **Underwriter**—First Philadelphia Corp., 40 Exchange Place, New York City. **Registration**—Imminent.

Michigan Wisconsin Pipeline Co.
March 11 it was reported that this company plans to sell approximately $30,000,000 of pipeline bonds sometime in May. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc. and Blyth & Co.

Mohawk Insurance Co.
March 16 it was announced that the company expects to register its first public offering in a few weeks. The offering will consist of 76,000 common shares. **Proceeds**—For expansion. **Office** — 198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co., Inc., 39 Broadway, New York City.

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 Jersey Power & Light Company (7/19)
Feb. 17 it was reported that this utility is planning the sale of $5,000,000 of first mortgage bonds, due in 1990. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., Lehman Brothers and Salomon Bros. & Hutzler (jointly); Equitable Securities Corp.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on July 19.

● Northern Pacific RR. (4/5)
March 16 it was reported that the railroad plans the sale of $6,495,000 of equipment trust certificates on April 5 up to 12 noon EST. Probable bidders: Halsey, Stuart & Co. Inc.; and Salomon Bros & Hutzler.

★ Northwestern Bell Telephone Co. (6/7)
March 24 directors authorized the sale of a $45,000,000 debenture issue dated June 1, 1960, with maturity in not more than 40 years. **Proceeds**—The funds are needed to meet strong demand for service and to put into effect such service improvements as direct customer dialing of long distant calls. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; The First Boston Corp.; Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co. **Bids**—Expected to be opened on or about June 7.

★ Norwalk Co.
March 30 it was reported that the company plans to file an undetermined amount of common stock around the end of April. **Proceeds**—For expansion of business and general corporate purposes. **Office** — Norwalk, Conn. **Underwriter**—Myron A. Lomasney & Co., New York.

★ Rochester Gas & Electric Corp.
March 1 it was stated in the company's annual report that the company has filed an application with the New York State Public Service Commission for the right to issue $10,000,000 of new preferred stock. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

(Jos.) Schlitz & Co.
March 11 it was reported that a secondary offering might be made this summer. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Harriman Ripley & Co. Inc., both of New York City.

● South Carolina Electric & Gas Co.
March 25, S. C. McMeekin, President, informed this paper of plans to sell an undetermined principal amount of bonds, the timing of which will be subject to market conditions. **Proceeds**—To repay bank loans incurred for current construction program. Previous issues have been placed privately.

● Southern California Edison Co.
March 15 it was stated in the company's annual report that besides the $30,000,000 issue of series L mortgage bonds sold to underwriters in January, 1960, an additional $51,000,000 will be needed to complete its estimated $120,000,000 construction program for 1960. This financing is dependent upon market condition, and will probably be some type of debt security.

Southern Electric Generating Co. (6/2)
Dec. 9 it was announced that this company plans registration with the SEC of $40,000,000 of 30-year first mortgage bonds. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., and Blyth & Co., Inc. (jointly); Morgan Stanley & Co.; White, Weld & Co. and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co.; Equitable Securities Corp., and Drexel & Co. (jointly); The First Boston Corp. **Information Meeting**—Scheduled for May 31, 1960. **Bids**—Expected to be received on June 2. **Registration**—Scheduled for April 29.

Southern Union Gas Co.
Feb. 5 it was reported that $11,000,000 in new financing is planned for the late Spring of this year, of an undetermined type. **Underwriters** — A. C. Allyn & Co., and Snow, Sweeney & Co., both of New York City.

★ Southwestern Bell Telephone Co. (8/9)
March 28 directors of this company recommended a $100,000,000 debenture issue, subject to approval by regulatory authorities. **Proceeds**—To finance an expansion and improvement program over the next five years. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected to be received on or about Aug. 9.

Tennessee Valley Authority (7/1)
Jan. 20 announced that, pursuant to August, 1959, authorization from Congress to have $750,000,000 of revenue bonds outstanding at any one time, it plans its first public offering, expected to be about $50,000,000, for July 1, 1960. Probable bidders: First Boston Corp. (managing), Salomon Bros. & Hutzler; Eastman Dillon, Union Securities & Co., and Lazard Freres & Co. Power Financing Officer: G. O. Wessenauer.

Texas Eastern Transmission Co.
March 2 it was reported that this company plans the sale of senior securities in the amount of approximately $30,000,000, sometime in the second quarter of the year. **Underwriter**—Dillon, Read & Co., New York City.

Utah Power & Light Co.
Feb. 3 it was reported that toward the end of this year there is expected to be some financing by this company of about $25 million of bonds and common stock. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. and First Boston Corp. (jointly); White, Weld & Co.; Stone & Webster Securities Corp. (jointly); Salomon Bros. & Hutzler; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co. and Smith Barney & Co. (jointly); Lehman Bros.; Bear, Stearns & Co.

Valley National Bank
March 15 it was reported that the bank is offering shareholders rights to purchase 139,988 additional common shares on the basis of one new share for each 15 shares held of record March 11; rights expire April 8. **Price**—$43 per share. **Proceeds** — For expansion. **Office** — Phoenix, Ariz. **Underwriters**—William R. Staats & Co. of Los Angeles, Calif. (managing the books), and Blyth & Co. of New York City (jointly).

Virginia Electric & Power Co. (9/13)
Feb. 5 it was reported that approximately $25,000,000 first mortgage bonds will be offered for sale. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; White, Weld & Co.; Eastman Dillon, Union Securities & Co.; Stone & Webster Securities Corp. **Bids**—Expected to be received on Sept. 13.

★ Washington Gas Light Co. (6/7)
March 30 it was reported that the company plans to issue and sell $12,000,000 of refunding mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders; Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Equitable Securities Corp. **Information Meeting** — Scheduled for June 3 in New York at 11 a. m. **Bids**—Expected to be received up to 11:30 a. m. on June 7.

Wisconsin Telephone Co. (5/10)
March 2 it was reported that this company plans the sale of $20,000,000 of debentures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. **Bids**—Expected to be received on May 10.

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)	April 2	§88.7	*91.1	92.8	93.2
Equivalent to—					
Steel ingots and castings (net tons)	April 2	§2,527,000	*2,597,000	2,645,000	2,638,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Mar. 18	7,116,010	7,049,060	7,311,610	7,203,270
Crude runs to stills—daily average (bbls.)	Mar. 18	¶7,857,000	7,782,000	8,081,000	8,082,000
Gasoline output (bbls.)	Mar. 18	27,712,000	27,642,000	28,518,000	28,592,000
Kerosene output (bbls.)	Mar. 18	2,511,000	2,476,000	2,099,000	1,902,000
Distillate fuel oil output (bbls.)	Mar. 18	12,874,000	12,149,000	12,619,000	14,507,000
Residual fuel oil output (bbls.)	Mar. 18	7,025,000	7,477,000	6,785,000	7,239,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Mar. 18	224,464,000	221,125,000	212,942,000	212,139,000
Kerosene (bbls.) at	Mar. 18	18,734,000	20,536,000	22,987,000	18,333,000
Distillate fuel oil (bbls.) at	Mar. 18	82,442,000	91,176,000	112,597,000	77,194,000
Residual fuel oil (bbls.) at	Mar. 18	40,991,000	43,227,000	46,421,000	55,082,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Mar. 19	581,477	560,230	571,625	603,885
Revenue freight received from connections (no. of cars)	Mar. 19	552,600	542,659	541,174	567,142
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Mar. 24	$453,500,000	$374,100,000	$307,800,000	$355,400,000
Private construction	Mar. 24	240,100,000	180,900,000	202,200,000	179,900,000
Public construction	Mar. 24	213,400,000	193,200,000	105,600,000	175,500,000
State and municipal	Mar. 24	175,100,000	100,200,000	90,100,000	135,000,000
Federal	Mar. 24	38,300,000	93,000,000	15,500,000	40,500,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Mar. 19	8,720,000	*7,855,000	7,400,000	8,139,000
Pennsylvania anthracite (tons)	Mar. 19	388,000	380,000	389,000	361,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Mar. 19	129	*115	107	137
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Mar. 26	13,951,000	14,109,000	14,092,000	12,709,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Mar. 24	286	302	277	297
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Mar. 22	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Mar. 22	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	Mar. 22	$33.33	$33.50	$37.17	$40.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Mar. 23	32.600c	32.600c	32.675c	31.500c
Export refinery at	Mar. 23	30.650c	30.175c	30.725c	29.750c
Lead (New York) at	Mar. 23	12.000c	12.000c	12.000c	11.500c
Lead (St. Louis) at	Mar. 23	11.800c	11.800c	11.800c	11.300c
Zinc (delivered) at	Mar. 23	13.500c	13.500c	13.500c	11.500c
Zinc (East St. Louis) at	Mar. 23	13.000c	13.000c	13.000c	11.000c
Aluminum (primary pig. 99.5%) at	Mar. 23	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	Mar. 23	99.750c	100.500c	101.500c	102.750c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Mar. 29	84.63	85.73	82.81	85.59
Average corporate	Mar. 29	85.59	85.07	84.04	90.06
Aaa	Mar. 29	89.64	89.37	88.27	93.82
Aa	Mar. 29	87.99	87.45	86.51	92.20
A	Mar. 29	84.55	84.43	83.40	90.06
Baa	Mar. 29	80.08	79.49	78.55	84.55
Railroad Group	Mar. 29	82.90	82.52	82.03	88.54
Public Utilities Group	Mar. 29	85.98	85.33	84.04	89.78
Industrials Group	Mar. 29	87.59	87.45	86.11	91.91
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Mar. 29	4.08	3.96	4.28	3.90
Average corporate	Mar. 29	4.74	4.78	4.86	4.41
Aaa	Mar. 29	4.44	4.46	4.54	4.15
Aa	Mar. 29	4.56	4.60	4.67	4.26
A	Mar. 29	4.82	4.83	4.91	4.41
Baa	Mar. 29	5.18	5.23	5.31	4.82
Railroad Group	Mar. 29	4.95	4.98	5.02	4.52
Public Utilities Group	Mar. 29	4.71	4.76	4.86	4.43
Industrials Group	Mar. 29	4.59	4.60	4.70	4.28
MOODY'S COMMODITY INDEX	Mar. 29	380.7	375.8	370.0	389.8
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Mar. 19	302,307	292,018	298,087	279,776
Production (tons)	Mar. 19	320,721	319,033	329,793	306,218
Percentage of activity	Mar. 19	94	94	96	94
Unfilled orders (tons) at end of period	Mar. 19	441,526	459,954	440,962	444,024
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Mar. 25	110.72	110.66	111.12	110.76
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Mar. 4	2,529,710	1,920,990	2,003,090	3,242,110
Short sales	Mar. 4	381,580	377,070	341,580	628,060
Other sales	Mar. 4	2,126,710	1,569,900	1,812,410	2,584,620
Total sales	Mar. 4	2,508,290	1,946,970	2,153,990	3,212,680
Other transactions initiated off the floor—					
Total purchases	Mar. 4	395,680	358,800	283,250	555,610
Short sales	Mar. 4	49,900	41,200	84,700	44,900
Other sales	Mar. 4	443,240	365,470	284,420	492,050
Total sales	Mar. 4	493,140	406,670	369,120	536,950
Other transactions initiated on the floor—					
Total purchases	Mar. 4	730,305	646,780	724,455	894,279
Short sales	Mar. 4	102,810	100,750	153,560	135,130
Other sales	Mar. 4	697,230	545,118	723,323	924,700
Total sales	Mar. 4	800,040	645,868	876,883	1,059,830
Total round-lot transactions for account of members—					
Total purchases	Mar. 4	3,655,695	2,926,570	3,010,795	4,691,999
Short sales	Mar. 4	534,290	519,020	579,840	808,090
Other sales	Mar. 4	3,267,180	2,480,488	2,820,153	4,001,370
Total sales	Mar. 4	3,801,470	2,999,508	3,399,993	4,809,460
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	Mar. 4	2,000,156	1,569,262	2,037,091	2,313,987
Dollar value	Mar. 4	$97,087,182	$77,680,054	$98,302,082	$118,922,621
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Mar. 4	1,648,132	1,232,207	1,347,468	2,117,527
Customers' short sales	Mar. 4	17,396	10,610	15,553	9,755
Customers' other sales	Mar. 4	1,630,736	1,221,597	1,331,915	2,107,772
Dollar value	Mar. 4	$79,320,887	$57,503,598	$65,384,666	$108,954,498
Round-lot sales by dealers—					
Number of shares—Total sales	Mar. 4	419,270	265,300	295,720	562,140
Short sales	Mar. 4	------	------	------	------
Other sales	Mar. 4	419,270	265,300	295,720	562,140
Round-lot purchases by dealers— Number of shares	Mar. 4	716,730	622,000	891,630	784,900
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	Mar. 4	735,370	666,320	753,950	903,300
Other sales	Mar. 4	16,091,000	12,302,190	13,651,930	20,969,810
Total sales	Mar. 4	16,826,370	12,968,510	14,405,880	21,873,110
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Mar. 22	120.1	120.0	119.3	119.3
Farm products	Mar. 22	90.9	*90.3	87.3	90.3
Processed foods	Mar. 22	107.2	*107.1	105.9	107.0
Meats	Mar. 22	96.8	96.4	92.4	98.6
All commodities other than farm and foods	Mar. 22	128.7	128.7	128.6	127.8

*Revised figure. ¶Includes 921,000 barrels of foreign crude runs. §Based on new annual capacity of 148,570,970 tons as of Jan. 1, 1960 as against Jan. 1, 1959 basis of 147,633,670 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
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of Feb. 29:			
Imports	$350,346,000	$340,517,000	$274,669,000
Exports	336,485,000	336,723,000	338,711,000
Domestic shipments	9,120,000	35,104,000	12,576,000
Domestic warehouse credits	122,070,000	122,954,000	170,631,000
Dollar exchange	192,574,000	149,381,000	111,870,000
Based on goods stored and shipped between foreign countries	229,105,000	244,723,000	252,412,000
Total	$1,239,700,000	$1,229,402,000	$1,160,869,000
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—215 CITIES—Month of February:			
New England	$21,978,368	$19,055,961	$19,820,423
Middle Atlantic	76,480,495	89,404,779	108,646,030
South Atlantic	39,604,291	38,899,402	62,865,513
East Central	74,344,911	70,396,628	56,533,378
South Central	90,851,161	77,829,654	82,225,441
West Central	19,941,676	17,882,380	27,125,336
Mountain	23,555,980	21,147,689	20,334,354
Pacific	124,424,146	93,947,808	111,919,131
Total United States	$471,181,028	$428,564,301	$489,469,606
New York City	54,939,225	66,910,118	85,789,462
Outside New York City	416,241,803	361,654,183	403,680,144
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of February:			
Manufacturing number	196	210	*207
Wholesale number	111	98	104
Retail number	609	587	582
Construction number	195	193	164
Commercial service number	103	93	104
Total number	1,214	1,181	1,161
Manufacturers' liabilities	$21,527,000	$16,324,000	$17,444,000
Wholesale liabilities	9,460,000	6,274,000	7,363,000
Retail liabilities	16,687,000	15,951,000	22,327,000
Construction liabilities	10,770,000	11,993,000	6,911,000
Commercial service liabilities	2,501,000	3,129,000	4,547,000
Total liabilities	$60,945,000	$53,671,000	$58,592,000
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of February	14,669	18,189	15,731
CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS — U. S. DEPT. OF COMMERCE—Month of Feb. (000's omitted)	$420,000	$961,600	$387,100
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK— As of Feb. 29 (000's omitted)	$718,000	$664,000	$897,000
COTTON GINNING (DEPT. OF COMMERCE): To March 15 (running bales)	14,506,638	------	11,435,323
COTTON SPINNING (DEPT. OF COMMERCE):			
Spinning spindles in place on Feb. 27	20,072,000	20,065,000	20,388,000
Spinning spindles active on Feb. 27	17,665,000	17,678,000	17,642,000
Active spindle hours (000's omitted) Feb. 27	9,131,000	9,144,000	8,743,000
Active spindle hrs. for spindles in place Feb.	456.6	457.2	437.2
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE — U. S. DEPT. OF LABOR—Month of February:			
Weekly earnings—			
All manufacturing	$90.97	*$92.29	$88.00
Durable goods	99.23	*100.86	95.11
Nondurable goods	79.95	*80.77	78.01
Hours—			
All manufacturing	39.9	*40.3	40.0
Durable goods	40.5	*41.0	40.3
Nondurable goods	39.0	*39.4	39.4
Hourly earnings—			
All manufacturing	$2.28	$2.29	$2.20
Durable goods	2.45	*2.46	2.36
Nondurable goods	2.05	2.05	1.98
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—1947-49=100—Month of Feb.:			
Seasonally adjusted	110	*111	102
Unadjusted	112	111	103
NEW CAPITAL ISSUES IN GREAT BRITAIN MIDLAND BANK LTD.—Month of February	£42,252,000	£35,970,000	£46,336,000
PROSPECTIVE PLANTING FOR 1960 — U. S. CROP REPORTING BOARD — ACREAGES IN THOUSANDS—As of March 1:			
Corn, all	85,759	------	85,530
All spring wheat	12,817	------	13,431
Durum	1,726	------	1,283
Other spring	11,091	------	12,148
Oats	34,273	------	36,141
Barley	16,386	------	16,990
Flaxseed	3,469	------	3,482
Rice	1,611	------	1,607
Sorghums for all purposes	19,800	------	19,886
Potatoes:			
Winter	21	------	27
Early Spring	28	------	26
Late Spring	146	------	139
Early Summer	117	------	115
Late Summer and Fall	1,125	------	1,110
Total	1,438	------	1,416
Sweetpotatoes	242	------	286
Tobacco	1,156	------	1,154
Beans, dry edible	1,536	------	1,557
Peas, dry field	316	------	318
Soybeans	24,667	------	23,178
Peanuts	1,613	------	1,653
Hay	69,088	------	69,404
Sugar beets	981	------	946
SELECTED INCOME ITEMS OF U. S. CLASS I RYS. (Interstate Commerce Commission)—Month of December:			
Net railway operating income	$77,079,399	$56,366,054	$77,309,671
Other income	60,895,798	25,121,239	60,935,381
Total income	137,975,197	81,487,293	138,245,052
Miscellaneous deductions from income	8,861,993	5,119,781	10,904,982
Income available for fixed charges	129,113,204	76,367,512	127,340,070
Income after fixed charges	99,016,708	44,866,430	95,807,517
Other deductions	4,192,441	4,213,957	7,709,550
Net income	94,824,267	40,652,473	88,097,967
Depreciation (way & structure & equipment)	52,058,994	51,699,944	50,634,888
Federal income taxes	23,521,433	13,221,464	22,606,837
Dividend appropriations:			
On common stock	22,293,333	75,973,373	64,543,829
On preferred stock	3,278,490	6,989,307	681,360
Ratio of income to fixed charges	4.29	2.42	4.04
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of February:			
Net sales	------	------	------
Net purchases	$16,464,300	$17,549,300	$22,992,650

STATE OF TRADE AND INDUSTRY

Continued from page 5

the prior 1960 high. The current level was 3.6% below the $6.19 of the corresponding date a year ago.

Higher in wholesale cost this week were flour, wheat, beef, hams, bellies, lard, cocoa, eggs and potatoes. Lower in price were oats, barley, raisins, steers and hogs.

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

Business Failures Down for Week Ended March 24

Commercial and industrial failures declined to 286 in the week ended March 24 from 302 in the preceding week, reported Dun & Bradstreet, Inc. This downturn pushed casualties slightly below the 297 occurring last year and considerably below the 327 in the comparable week of 1958. Also, 18% fewer businesses failed than in pre-war 1939 when 350 were recorded.

Casualties with liabilities of $5,000 or more fell to 255 from 269 in the previous week and 265 a year ago. A dip also appeared among small failures, those involving liabilities under $5,000, which were off to 31 from 33 a week earlier and 32 last year. Twenty-eight of the failing concerns suffered liabilities in excess of $100,000 as compared with 29 in the preceding week.

The toll among retailers dropped to 123 from 142, among construction contractors, to 44 from 53, and among commercial services to 22 from 31. Contrasting increases prevailed in manufacturing, where casualties climbed to 63 from 47, and in wholesaling, up slightly to 34 from 29. Mortality exceeded 1959 levels in these two lines and also in construction. Only retail trade and services had lower failures than a year ago.

Five regions reported declines during the week. The most noticeable downturn took place in the South Atlantic States, off to 25 from 40, while the toll in the Pacific States dipped to 57 from 69. Among the four regions with week-to-week increases, the Middle Atlantic States reported a rise to 105 from 93 and the East North Central States to 57 from 49. Geographic trends from last year were mixed; five regions had lower mortality while four had heavier casualties than in the similar week of 1959.

Wholesale Commodity Price Index Up Appreciably from Prior Week

There was an appreciable rise in the general commodity price level this week, as higher prices on wheat, corn, hogs, steers, hides and cotton offset declines on lambs, flour and rubber. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 274.85 (1930-32=100) on March 28, compared with 273.17 a week earlier, and 279.66 a year ago.

Increased trading by both domestic and export buyers helped most grain prices move up substantially this week. Lighter offerings and increased buying by flour mills resulted in a marked rise in wheat prices during the week. Strengthened by reduced supplies and greater volume, rye prices matched those of a week earlier.

A noticeable increase occurred in corn prices, reflecting more active trading and lighter receipts in some markets. Oats prices were steady, while transactions expanded and supplies dipped somewhat. Soybean prices remained at prior week levels, as trading was steady and offerings were down slightly.

Flour prices were down moderately this week, as slower domestic buying offset gains in export trading. Sizable export business in flour was done with the United Arab Republic, Holland and Cuba and negotiations were pending for commitments to Vietnam.

Rice prices were steady this week, reflecting strong buying and limited supplies. Good export business was reported with Venezuela, Peru and Ceylon. Although sugar trading slackened noticeably at the end of the week, prices finished unchanged from a week earlier.

Coffee trading was sluggish during most of the week, and prices remained at prior week levels. There was a fractional decrease in cocoa prices as purchases declined from a week earlier.

Wholesalers reported a marked rise in hog prices as transactions rose appreciably at the end of the week. A fractional rise occurred in steer prices, and purchases matched those of a week earlier. Trading in lambs sagged and prices were down fractionally.

Although trading on the New York Cotton Exchange was sluggish this week, prices were up fractionally. United States exports of cotton in the week ended last Tuesday were estimated at 195,000 bales, compared with 182,000 a week earlier and 66,000 in the similar period a year ago. For the current season through March 22, exports came to about 4,352,000 bales, compared with 1,843,000 in the comparable 1959 period.

Retail Trade Shows Decline From 1959 Week

With the improvement in the weather in some areas, Easter shopping moved up noticeably this week, but total retail trade was down moderately from the similar week a year ago, which was the 1959 Palm Sunday week. Year-to-year declines in household goods were less noticeable than in apparel. Scattered reports indicated that sales of new passenger cars expanded moderately from a week earlier, and volume was up appreciably from last year.

The total dollar volume of retail trade in the week ended March 23 was 1 to 5% below a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. The regional estimates varied from the comparable 1959 levels by the following percentages: West South Central and Pacific Coast +1 to —3; New England, Middle Atlantic, and Mountain 0 to —4; East North Central —1 to —5; East South Central —3 to —7; West North Central —5 to —9; South Atlantic —6 to —10.

There was a noticeable rise from the prior week in purchases of women's apparel, with the most appreciable gains in sportswear and spring dresses. More moderate increases occurred in coats, suits, and fashion accessories. However, over-all volume in women's apparel was noticeably below the strong 1959 week. Increased buying of men's suits and furnishings boosted total sales of men's apparel considerably over the prior week, but purchases were down substantially from last year.

There was a substantial rise this week in fill-in orders for women's spring apparel, especially cotton dresses, coats, suits, and sportswear. Wholesalers reported a slight increase in the buying of fashion accessories. A marked rise also occurred in purchases of girls' spring merchandise, with interest centered primarily on coats. Volume in men's spring apparel remained close to the prior week; best-sellers were suits and furnishings. Over-all bookings at wholesale in men's and women's apparel somewhat exceeded those of last year.

Transactions in woolens and worsteds in Boston and Philadelphia markets edged up during the week, while bookings in carpet wool were sluggish. Except for some scattered orders for sheetings and sateens, trading in cotton gray goods lagged. Volume in industrial fabrics and man-made fibers matched that of a week earlier. New England dyeing and finishing plants reported little change in incoming orders.

Nationwide Department Store Sales Down 6% for March 19 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended March 19, 1960, decreased 6% below the like period last year. In the preceding week, for March 12, a decrease of 7% was reported. For the four weeks ended March 19 a 9% decrease was registered over the same period in 1958.

According to the Federal Reserve System department store sales in New York City for the week ended March 19, decreased 3% over the like period last year. In the preceding week ended March 12, sales increased 1% over the like period last year. For the four weeks ending March 19 a 7% decrease was reported over the 1959 period, and from Jan. 1 to March 19 a 1% increase was recorded.

Loeb, Rhoades Heads Gen. Inst. Stock Offering

Public offering of 200,000 shares of common stock of General Instrument Corp., manufacturer of electronic components and equipments, is being made today (March 31) by an underwriting group headed by Carl M. Loeb, Rhoades & Co. The stock is priced at $27.25 per share.

General Instrument will use $3,000,000 of the net proceeds from the sale of the shares to repay all outstanding bank borrowings, and add the balance of the proceeds to working capital.

Upon issuance of the shares offered today, capitalization of the company and subsidiaries will consist of $1,393,600 promissory notes; $421,263 mortgages payable; and 1,730,973 outstanding shares of common stock listed on the New York Stock Exchange.

General Instrument, together with its subsidiaries, is a broadly diversified manufacturer of electronics components and equipments for entertainment, military and industrial applications. Semiconductors currently are the most important source of its net income and its semi-conductor customers include practically every major producer of electronic systems and equipments in the United States. Other products range all the way from tuners, deflection systems and I. F. transformers for the radio-TV industry to radar, identification-friend-or-foe, and beaconry devices and equipments for the military.

Sales during the nine months ended Nov. 30, 1959 amounted to $41,277,875 compared with $34,161,392 in the corresponding period of the preceding year. Net income after Federal taxes in the respective years was $1,378,236 and $960,717, equal to 90 cents a share and 70 cents a share on the common stock outstanding at the close of the respective years. In the nine months ended Nov. 30, 1959 military and industrial products accounted for approximately 50% of sales.

Principal manufacturing plants of the company and subsidiaries are located in Newark, N. J.; Chicopee, Mass.; Joliet, Ill.; Beckley, W. Va.; Brooklyn, N. Y.; Tazewell, Va.; Woodbury, Conn.; Westbury, Long Island; and Waterloo and Mt. Forest, Ontario, Canada.

The Security I Like Best

Continued from page 2

Fly a Beechcraft," and in over 25 years of steady progress they are rapidly contributing their part to shrinking the globe. Today, Beechcraft's air fleet includes seven outstanding airplanes ranging from $20,000 to about $120,000. All are designed to serve the needs of the corporate user or independent businessman to whom private air transportation is a profit making, time-saving way of travel. However, Beech is also quite well diversified. 1959 sales were summarized as follows:

For military use	$51,622,176
Business & Commerc'l	37,914,444
Total	$89,536,620

As Beech is forecasting military sales of approximately $52,000,000 for the fiscal year 1960, let's see what that consists of:

This business is well diversified and includes missile target aircraft, production of the L-23F airplane for the FAA and United States Army, sub-contracts for jet aircraft parts for McDonnell, Convair and Republic — as well as parts for Lockheed's Polaris missile. In addition to the foregoing, Beech is also expanding its aerospace facilities at Boulder, Colo. for highly specialized scientific research, development and test programs involving rocket and missile components. Thermal testing of space vehicle boost-stage fuel systems will start soon in this new transient heat laboratory.

Of course, no company shows such excellent progress without good management direction and Beech is no exception. It is my observation that they now have the finest management in their history — headed by their very capable President, Mrs. Olive Ann Beech.

At the annual meeting, held Jan. 21, 1960 the officers and directors announced that their 1960 first fiscal quarter showed that sales were up 49% over the same period in 1959 and earnings were up 63%. They also forecast that sales for the year 1960 are now estimated to be in excess of $100,000,000—or about an 11% increase over the last year. Predicated on these sales, they estimate that net earnings in 1960 should be approximately $5.75 per share.

The company's financial condition is good. Working capital increased substantially in 1959 to a new high of $22,811,175. This had doubled in the last three years.

Dividends have been paid without interruption since 1948. In the past five years they have increased each year. They are presently paying 40 cents a share quarterly, or an annual rate of $1.60 per share. The stock has ranged from a low of 28½ to a high of 71 in 1959-60. As I write this article, the stock is selling at 66. There are 883,021 shares now outstanding.

To the investor wanting to participate in a growth industry by buying the shares of an outstanding company, I would suggest taking a good look at Beech Aircraft Corp. The stock is listed on the New York Stock Exchange.

Alessandrini in N. Y. C.

Alessandrini & Co. Inc. has been formed with offices at 11 Broadway, New York City, to engage in a securities business. Officers are Paul P. Alessandrini, President; Romano Alessandrini, Vice-President, and L. T. Davitian, Secretary-Treasurer. Paul P. Alessandrini was formerly with Francis I. du Pont & Co., Purcell & Co. and Goodbody & Co.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—There is quite a story with far-reaching ramifications fermenting at the Department of Agriculture.

Although the proposal is upon the table at the Department with nothing to hide, it has attracted only restricted attention thus far. With the heat on from Farm Belt Congressmen, the plan eventually will make the front pages.

The Department of Agriculture has under advisement a plan to release for experimental purposes 30,000,000 bushels of surplus corn over a six-month period for the production of industrial alcohol and related products.

The Department is not going off half-cocked on the proposal. The Commodity Credit Corporation which has jurisdiction over the surplus corn has been conducting some penetrating sessions on the plan.

If the Department decides to release this mountain of corn, it is going to have a thumping economic impact on the alcohol market. As a matter of fact, the impact will be felt all the way to Cuba which produces annually more than 300,000,000 gallons of blackstrap molasses for industrial alcohol purposes.

Early Decision by CCC

The Commodity Credit Corporation is expected to make its decision, as to whether to release the corn, by April 11. The Distilled Spirits Institute, the Brewers Foundation, petrochemical industries, and other groups are opposed to the proposed program. However, with pressure from Senators and Representatives from the Corn Belt, and with corn storage costs tremendous, the socalled "experimental plan" probably will go through.

Of course there is nothing really experimental about converting corn into alcohol. Converting the grain into corn whiskey has been going on for centuries.

The Department of Agriculture plans, through the CCC, to make available for sale through competitive offers the many millions of bushels of corn of No. 3 grade or better for conversions by fermentation into acetone-butanol-ethanol and by-products, and for conversion by fermentation into ethanol and by-products.

The Department's spokesmen have said they did not believe there would be an "undue disruptive effect" on any CCC price support program. Furthermore, they feel that it might be a pretty good idea to explore the economic impact of the utilization of corn into industrial alcohol.

Publicker Industries, Inc., of Philadelphia, is one of the major backers of the proposal. However, other major distillers over the country are strongly opposed to the plan.

Incidentally, Publicker recently bought one-third of Cuba's 300,000,000 gallons of blackstrap molasses for 7 cents a gallon. Therefore, it is a question now of how much corn the company would buy in view of the favorable molasses purchase.

Market Disruption Foreseen

It is estimated that 30,000,000 bushels of corn would produce 75,000,000 wine gallons of 190-proof alcohol. For the past several years, industrial alcohol production has been running at the rate of 130,000,000 gallons of 190-proof semi-annually.

As a result it would seem that opponents of the plan are correct in their assumption that the dumping of an additional 75,000,000 gallons on the market along with the 130,000,000 regularly produced would very definitely disrupt the market.

The producers of synthetic alcohol from petroleum products would be affected. They make 87% of all industrial alcohol. These producers include Shell, Gulf, Phillips, Standard Oil, Texaco and several other large producers in the chemical field such as Union Carbide, Carbide and Chemical, and National Distillers.

Not only are the major petroleum companies opposed to the far-reaching proposal, but some of the foremost distillers in the Nation, as well as producers of feed products, have registered their opposition to the proposal.

Alcohol is currently selling at about 47 cents per wine gallon of 190-proof, f.o.b. producing plant. This means that the surplus corn will have to be bought at bargain prices if distillery of alcohol from corn is to be made competitive.

Terms Program Unsound

The chairman of the Senate Agriculture Committee, Senator Allen J. Ellender, has advised the Agriculture Department that there is no question in his mind that the proposed program is unsound.

The Distilled Spirits Institute, the trade organization of the distillers, in its opposition filed with the Commodity Credit Corporation, said in part: " . . . The fact that only one or two companies of some 100 or more distilling and chemical companies of the country would benefit, could be spelled out by misinformed or irresponsible journalists in a fashion that would reflect on and be an embarrassment to the Department, to the Administration and a great disservice to the whole support program.

"We would not venture this latter word of caution if it were not our experience that the Department of Agriculture has been administered with a degree of fairness that is in the finest tradition of public service."

There have been reports that a price of 60 cents a bushel has been mentioned as a proposed bid figure for the 30,000,000 bushels of corn for alcohol production. The present loan rate for storeable corn is $1.06 a bushel. Thus the commodity Credit Corporation, if it sold for 60 cents a bushel, would stand a direct loss of $13,800,000.

Of course, the big impact would come in the industrial alcohol industry, and the feed lots across the country.

Only 2% of Surplus Corn

While 30,000,000 bushels of corn sounds like a lot of corn, and it is, the fact is it is only a small amount of the total surplus of corn in the stocks of the Commodity Credit Corporation.

Senator Ellender declares it is only 2% of the surplus corn. Thus, he insists that the execution of the program would not result in any significant reduction in the stocks of the Commodity Credit Corporation.

The records show that about 44,000,000 bushels of corn are being fermented each year into alcohol. Ninety-eight per cent of this is used in the manufacture of beverage alcohol, and 2% in the manufacture of industrial alcohol for very special application.

There have been numerous reports issued on the economics of producing alcohol from grain. Some reports have been published by the Agriculture Department. The recent socalled Welsh Committee report indicated that alcohol could not be economically made from grain without government subsidy.

The truth is that while some members of Congress are calling on Secretary of Agriculture Ezra Taft Benson to abandon the socalled experimental program, members of Congress from the Corn Belt are insisting that the Cabinet officer carry out the plan.

Whatever action is taken on the plan the Secretary of Agriculture and the CCC are going to "leap out of the frying pan into the fire." The reason is: there is just too much corn on hand. Why? Our farmers are producing three times as much corn on an acre as they did a long time ago. Through research our agriculturist scientists showed them how to do it.

[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.]

"Very funny! Did I grab a bunch of ticker tape off your office floor!"

COMING EVENTS

IN INVESTMENT FIELD

April 8, 1960 (New York City)
New York Security Dealers Association 34th annual dinner in the Grand Ballroom of the Hotel Biltmore.

April 8, 1960 (Toronto, Canada)
Toronto Bond Traders Association 28th annual dinner at the King Edward Hotel.

April 10-11-12, 1960 (Dallas, Tex.)
Texas Group of Investment Bankers Association of America 25th annual meeting at the Sheraton Dallas.

April 10-15, 1960 (Philadelphia, Pa.)
Institute of Investment Banking, Wharton School of Finance & Commerce, University of Pennsylvania.

April 19-20, 1960 (Philadelphia, Pennsylvania.)
Eastern Pennsylvania Group of Investment Bankers Association meeting.

April 27, 1960 (Boston, Mass.)
New England Group of Investment Bankers Association meeting.

April 28-29, 1960 (St. Louis, Mo.)
St. Louis Municipal Dealers Group Spring Party: Luncheon at Missouri Athletic Club, cocktail party and banquet at Park Plaza Hotel April 28; Field Day at Glen Echo Country Club, April 29.

April 29, 1960 (New York City)
Security Traders Association of New York annual dinner at the Waldorf Astoria.

May 9-10, 1960 (Atlanta, Ga.)
Association of Stock Exchange Firms meeting of Board of Governors at Hotel Atlanta Biltmore.

May 11-14, 1960 (White Sulphur Springs, W. Va.)
Meeting of the Board of Governors of the Investment Bankers Association.

May 17-18, 1960 (Omaha, Neb.)
Nebraska Investment Bankers Association annual Field Day.

May 19-20, 1960 (Nashville, Tenn.)
Nashville Security Traders Association Spring Party; cocktails and dinner May 19 at Hillwood Country Club; outing May 20 at Bellemeade Country Club.

May 20, 1960 (Baltimore, Md.)
Baltimore Security Traders Association annual spring outing at Maryland Country Club.

May 20, 1960 (Rolling Rock, Pa.)
Western Pennsylvania Group of Investment Bankers Association Meeting.

May 28, 1960 (Dallas, Texas)
Dallas Security Dealers Association annual spring party at the Northwood Club.

June 2-5, 1960 (Ponte Vedra, Fla.)
Southern Group of Investment Bankers Association meeting.