The Over-the-Counter Market Fills the Needs of All Investors

By Dr. Ira U. Coblitch, Enterprise Economist

Review of the Over-the-Counter Market features a tabulation of stocks that have consecutively and continuously paid cash dividends from five to 176 years. The surprisingly still underpublicized, vastly diversified and biggest market in the world, containing many of today's blue chips and tomorrow's possible ones, along with the significant activities therein, are admirably described. Paper succinctly distinguishes the differences between the listed and Over-the-Counter Market.

We are pleased to report that the vast Over-the-Counter Market is, with each passing day, becoming better understood and more fully appreciated by all categories of investors—from odd lot buyers to the institutional variety. And we are just a little baffled that a virtually continuous public relations job has been necessary to enlighten the public on the function, and indispensable nature of, this undulating sea of securities. When Motorola or Texas Instruments jumps 5 points in a day, the entire financial press mentions the fact. Yet, if Christiana Securities goes up 400 points, or a billion in government bonds changes hands on the same day, no one hears about it. Thus, a problem of the Over-the-Counter Market has always been under-publicity, simply because purchases and sales made there are not officially or publicly recorded; and such exciting details as volume of transaction and daily price range are simply not available.

But mere absence of publicity in the case of individual or total transactions, should not cloud the facts that: (1) Over-the-Counter is far and away our largest market; (2) it is the marketing and trading habitat of over 95% of our Government securities; (3) it is the distributing and trading arena practically all of our political subdivisions — states, cities, counties, districts and public authorities; (4) it is the only place wherein some 40,000 stock issues can be bought, sold or quoted; (5) the daily volume of transactions Over-the-Counter dwarfs the combined total sales on all of our exchanges. All this is not to speak sightingly of our main and regional stock exchanges but merely to place them in perspective as to their vital and complementary roles and joint providers of what investors everywhere have ever sought — marketability.

Companies go "Public" Via This Market

Today the single word "market" has become one of the most important in our entire economic lexicon. We talk about the market for motor cars, the foreign market, the book market; we bring a new soap powder, cigarette or lip-stick "on the market" and we don't offer our house for sale, we put it "on the market."

In recent years, and quite related to our topic, something new has been coming on the market in expansion or some private business. It used to be that a private business corporation, person. (Continued on page 36)
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Elgin National Watch Company
In the last few years, the mass distribution revolution common to consumer industries has reached the watch business. Buyers have switched from the pre-owned or a pre-owned watch, expected to last a lifetime, to the economy or “pin location” or new market watch which can be thrown away and replaced for about $10 to $15.

The puravil with the buyer concentration in a functional market, sales of $100 watches have plummeted, while sales of watches from the $30 to $75 have steadily declined. Naturally, the result has been trouble for the jewel watch manufacturers, and in particular, Elgin. But amid the cut-throat competition of the watch industry, the company has been building a reputation for its new watch and this year should produce evidence of its success.

Elgin’s new sales concept, aimed at reducing its dependence on pre-owned and the low-priced watch operations, has been bitterly criticized, while the company has sold to the major mail order houses for years, it would appear that the image of Elgin’s products is axi- cial. In this year, the new watch lines have been carried in all the major mail order houses and wholesalers are increasing.

Elgin is making a special pitch to the teen-agers. They do not own watches, advertising on the Dick Clark TV Show, for example. While practically all teenage watches are gifts, survey show that a large portion of the cases the recipient participates in this selection. While formerly a teenager might specify an Elgin, but receive a less expensive watch, the new one fulfills the needs of this age group entirely.

In effect, this represents a lump sum addition to former market areas. In that the teenage age is still a candidate for a finer watch at a reasonable price.

While the new watch line and marketing concepts are the key to Elgin’s return to profitable operations, they are, in essence, the symptom of the changes in a strip down and tightening of the company. It is fashionable to ex¬pect the complete nervous system in order to produce resilient com¬ pany. Such, actually, is the case at Elgin, with the exception of one division manager and the president, James G. Shere¬ man, President since 1945, who has henceforth been busy making marks for the reorganization. Otherwise, the top management group, both staff and personnel, are on their jobs within the last year and a half.

Responsibilities have been real¬ ized with a certain amount of de¬ cision, the Division Managers now have full operational author¬ ity, the head office maintaining a primary advisory and control. Control is perhaps a key word in our approach. We feel that the management has a much better grasp of occurrences within the company than in the past. In¬ stallation of the per cent system of control has led to a saving of overhead expense by as much as 10% in the division watch line.

We regard the company’s policy of either making or importing movements, whichever is cheaper, as very significant. In the past, a great deal of effort was expended in Washington in trying to raise the tariff. In the meantime, it developed that the real competition was the pin, not the jewel, watch market. A major part of the Bradford Steel watch line is manufactured in Elgin, while the Bradford product is made in a new watch movement is imported. Last fall, a subsidiary was acquired in Elgin, which will lower the cost of the pin movement.

The measures taken to rebuff, in part, contribute to the recent poor results. In 1937, the company in addition to its operating losses of about $45,000, or $5 a share, in revision for realization, inventory losses, liquidation of inventories, Nineteen-$five--eight operating losses of a $1.7 million, or $2.5 a share. The losses are necessary to estimate in terms of inherent earning power, which may approximate $5 a share in fiscal 1938.

A sale down loan is not available, but with watch orders up 20% in the first year of the new line, and the management expectation that they expect 50% of the orders for watch products introduced within the last two years, but sales estimate of 25%, 30% of the dollar sales, appears reasonable.

Inspection of the last year’s record shows the higher priced watch business, in reasonably healthy years, producing annual sales taxes, of about 9 to 10% of sales. The lower priced watch lines adversely affect unit profit margins, as a group. This is the reason for the introduction of the new line. In this year, it is expected that there will be a rise of 2 to 3% on the retail sales estimate of 25%, 30% of the dollar sales, appears reasonable.
in the American business world. It was the epoch of faith, the epoch of ironclad belief, the epoch of irredeemable complacency, the epoch of darkness, it was the epoch of despair.

The test of time was the test of wisdom, it was the index of merit. How it was that the Wall Street bond was not Main Street. The stock ticker was a barometer of its own bubble-wielding feelings. It received a perfectly rejective reaction on stocks. It did not pretend to be the entire production, development and mood of 180 million Americans. It could be that the market, merely getting back to normal after a 10-week end of inflationary boom-talk, was today's well-informed businessman's stock ticker at the growth of a Wall Street bear.

Today's well-informed businessman is watching the Big Board, he is even more detached, even more of the worthy national economic indicators. Many of these are collected by the unbiased statisticians and economists of the Commerce Department—taking the economy pulse of the entire nation.

These objective surveys are a better indicator of Wall Street blues, winter worries, and the home-brewed pessimism of certain self-seeking politicians.

The over-all reading clearly indicates one variable health of the American economy. We are not rushing into a frozen inventory crash through fear of impending inflation. We are not shooting up in the roller coaster of boom-and-bust, abruptly plunging down into a bust. That would not be good.

Instead, the indicators show that we are running along at a much more reasonable and reasonable rate of growth for the year as a whole.

Where Do We Stand Now?

Let's start our economic check-up with the President. He is very much in the news since President Eisenhower launched a national campaign to sell more goods overseas. An advertisement that in the economy is the continuing deficit in our balance of international payments. The export drive is designed in part to help correct this situation.

The value of exports has climbed from $16.3 billion last year to an annual rate of $18 billion so far this year. The drive should help keep up the pace. Sales abroad would reward ourselves and make jobs at home.

The initiation of residential housing is a major area where there has been some decline since the middle of last year. A consequent sag in home finances in this particular sector, of course, has led to a lot more local efforts. This too has meant a let-up in financial pressures in the mortgage field and has been subject of a variety of intervention.

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Published Twice Weekly

THE OVER-COUNTER MARKET'S INVESTMENT OPPORTUNITIES

ARTICLE for the over-counter market. "The Over-Counter Market is a Field for the Need of All Investors," discusses the investment opportunities inherent in securities available only in the Over-counter Market as exemplified in the tabulations showing the names of banks and agencies, which have paid consecutive cash dividends for 10 to 15 years (Table II, page 21) as well as those in the 5-to-10-year category (Table I, page 44).

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The Truth Gap

By Hon. Frederick H. Mueller, Secretary of Commerce

Washington, D. C.

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us."

Frederick H. Mueller

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Economic activity appears to have moved sharply forward in the early part of the year. The figures for the first quarter suggest that the recovery phase ended in December 1958 and that growth has continued in the current quarter. The seasonally adjusted index of industrial production rose to 100.9 in March, up from 99.7 in March 1958. The increase reflects gains in the manufacturing and mining sectors, while the service-producing industries showed little change. The pattern of growth suggests that the recovery is still in its early stages, and there may be some further growth over the next few months. However, the trend is likely to slow down as the year progresses.

The State of TRADE and INDUSTRY

The fastest growth was in the manufacturing sector, where output increased by 2.5% in the first quarter. This was the fourth consecutive quarter of growth, and it is likely that this trend will continue over the next few months. The growth in manufacturing is largely due to increased demand for consumer goods, as well as new orders for capital goods.

The retail trade sector also showed strong growth in the first quarter, with sales increasing by 3.2%. This is the third consecutive quarter of growth, and it is likely that this trend will continue over the next few months. The growth in retail trade is largely due to increased consumer spending, as well as new orders for capital goods.

The construction sector showed strong growth in the first quarter, with new starts increasing by 5.4%. This is the fourth consecutive quarter of growth, and it is likely that this trend will continue over the next few months. The growth in construction is largely due to increased demand for housing, as well as new orders for capital goods.

The transportation sector showed strong growth in the first quarter, with traffic volumes increasing by 4.5%. This is the third consecutive quarter of growth, and it is likely that this trend will continue over the next few months. The growth in transportation is largely due to increased demand for goods, as well as new orders for capital goods.

The service-producing industries showed little change in the first quarter, with output remaining stable. This is likely due to continued strong demand for services, as well as new orders for capital goods.

The overall growth in the economy is likely to slow down as the year progresses, as the recovery phase ends and growth begins to decline. However, the trend is likely to remain strong for the next few months, and the economy is likely to continue to grow at a healthy rate.
How Sick Is Our Dollar?

By R. I. Novell, Vice-President and Economist, The Equitable Life Assurance Society of the U. S., New York City

Mr. Novell assays the claims made supporting the charge that our dollar is sick, and we face a run on our gold and a recurrence of devaluation. His piece is an answer "yes." This conclusion is contingent upon the pursuit of several measures, which he discusses, necessary to keep our currency strong and sound.

In recent months there has been a rash of commentary asserting that the United States dollar is a sick and ailing currency. These commentators usually predict that some time during the next several years a run will develop on United States gold reserves, which will force our government authorities to devalue, thereby leading eventually to a further substantial devaluation of the dollar. The argument runs as follows. When business slows down, at the onset of the next recession, the Federal Reserve System is expected to cause interest rates to decline so as to stimulate new investment and hence boost business recovery. But the low interest rates are expected then to attract foreigners to transfer their dollar holdings to other countries where the interest yields are more favorable. To prevent this from happening, United States authorities will either restrict gold exports, devalue the dollar, or do both. This argument is the judgment that the American public does not now and will not in the future have the political maturity to accept the sound measures necessary to protect the good health of their dollar. The writers, bearing this in mind, usually conclude by recommending the purchase of gold mining stocks as a hedge against devaluation.

Now I agree that our nation does face now and will face in the future the political problems that will require firm corrective action. But I reject emphatically the conclusion that our dollar is sick and ailing and that we are unable or unwilling to act soundly to protect it.

The outlook is much less pessimistic than the writers believe. They do not see the dire threats that might happen to the dollar rather than emphasizing the constructive measures needed that could and should be taken to keep it sound.

I am much more optimistic. I believe that one can be both sound and healthy and that we can make the necessary adjustments without further devaluation. And I believe that the course of required action is well charted and adequately defined.

Looks at Balance of Payments

The international threat to the dollar arises from the balance of payments position. For ten years the United States has been running a deficit in its balance of payments. This simply means that our payments to the rest of the world have exceeded our receipts from the rest of the world. The difference has been made up by foreign acquisition of dollar claims and by a net outflow of gold from the United States. The dollar claims consist mainly of deposits in United States banks and investments in short-term government securities.

For eight of the past ten years we imported relatively more than one billion a year. This was so in relation to our total sale and total volume of trade that it was generally ignored. Concern began developing in 1958 when the deficit of $3 billion mark and became more serious in 1959 when it topped $4 billion. Adverse balance on current account obviously cannot continue without serious consequences to our economy.

Our gold reserves reached a high in 1957 of approximately $24.5 billion. They have since fallen below $20 billion. But even at this lower level they still represent about 50% of the total world supply of monetary gold. In the last two years, 1958-1959, the loss of gold amounted to more than $3 billion. Foreign dollar claims have been increasing steadily for ten years and now stand at a level of approximately $35 billion, just less than the value of our gold stock. Theoretically, these dollar claims could all be converted to gold with little burden on our total reserves.

Some say the propaganda of these writers would have us believe. They do not see the dire threats that might happen to the dollar rather than emphasizing the constructive measures needed that could and should be taken to keep it sound.

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With the first quarter of 1960 now history, and since one of its financial aspects was generally anticipated, particularly in the sphere of tax exempt financing, it seems pertinent to comment on the situation briefly. Heavy new issue volume and higher rates were considered inevitable for most of 1960 and likely to challenge financial writers at the turn of the new year. Neither of these predictions has been accurate. This general outlook was, of course, derived from a complex of economic factors that is of less interest here than the expectations about the state and municipal bond market.

It is assumed that U. S. Treasury bonds are the primary conduit of market development, and that long-term Treasury bond issues are vital to the betterment of the bond market. Contrary to early expectations, these in the main have not been developed, due generally to the less dynamic predications of the national economy and the consequent easier money situation. It has now become more apparent that as the banking system becomes more sensitively responsive to monetary and economic circumstances, any small addition to the credit supply develops an almost concurrent demand for bonds financing bank requirements.

There are relatively few long-term Treasury bond issues outstanding. Their market is thin and has responded to the situation dramatically.

Municipal Financing Down 25% From Year Ago Level

Although 1960 was expected to break all records in the issuance of state, local government, and corporate bonds, the first quarter of 1960 has not supplied its expected share. Thus far new issues are close to 25% below the volume of a year ago which was not a good breaking period:Looking forward to 1960, there was an extremely profitable period for most bond dealers. Yields on high-grade, tax exempt, corporate and municipal bonds were high enough to cover the cost of dealing. There was little market resistance to new issues in the period of heavy volume.

This year's performance has been less profitable to dealers generally despite the market's abrupt rise. Lack of new issue volume is one important cause of this. Other factors include a less broad investor interest, an underlying suspicion of the market's permanent price level on the part of dealers, and an inability to relate the complex economic situation that has prevailed for security prices.

Sales Progress of Recent Marketing

In the course of the last week there have been many interesting, albeit short-living, offerings. A week ago, Austin, Texas sold $6,500,000 Revenue (1-20 years) at 3%. Fenn & Co.-C. J. Devine & Co.-White, Weld & Co. Group. Although investor response was poor, the offering and the full issue of this resistance has been feeling during the past three or four months. The market situation has been characterized by a relatively stable rate of change during the next few months.

Price Level Up Four Points

With this relatively abnormally serious of new tax exempt issues, the year-end bear market trend has been reversed. The Commercial and Financial Chronicle's yield index for April 6, 1960 is 3.83%, up 3.68% on Jan. 6, 1960 to 3.40%. The report represents an average price for 20-year high grade municipal bonds of close to four points. The market is anticipated to rally, bringing buyers back to the marketplace and, although such a trend is evident in the early part of the schedule, there is as yet little indication of a near term crowded schedule. Accordingly, the projected yield to reach lower prices is as yet not deterrent to the dealer to purchase these new issues regardless of their specific demand.

Lowr Profts

Last year's first quarter, crowded with heavy financing, both sealed bid and negotiated, realized an extremely profitable period for most bond dealers. Yields of 3.5% were generally common and many bankers and institutions were heavy buyers of tax exempt securities because of tax policy and other reasons. There was little market resistance to new issues in this period of heavy volume.

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Attractive Money Stocks

By Dr. Ira U. Colledge, Enterprise Economist

A swift survey of three interesting finance companies with bright prospects for 1960.

Finance companies have a very attractive business. They are merchants of money. They buy, wholesale and sell it retail. Their bank balances represent an inventory wonderfully insulated against loss or shrinkage and their installment paper has historically been of such quality and solvency that its market value has a factor of no serious consequence. The interest rate is the price of money—the interest rate it gets, of course, is the spread over the price the they pay (in bonds and stocks) and the prices they charge. However, rates to installment buyers are (and must be) on a line with basic interest costs; and if the price of mortgage credit companies (as it is doing now) interest pays the lenders as their customers continue to pay, on contracts with many months to run, at higher rates contracted earlier.

Further, the economic climate and conditions of our time favor the finance companies. Roughly speaking, the company has bought on time and installed purchase of industrial and commercial growth has been and is expected to be the trend. Everything from lawn mowers and building materials to bowling alleys to bull-dozers can be bought as the British say, "on tick." Call it a tax cut beautiful and the constant of business is to a million or to millions.

Of special interest to investors is the rate of growth in earnings, dividends and book value of representative finance companies. The leaders have qualified growth stocks, while their cash and various and yields have been substantially higher than the general run of so-called growth stocks. Dividends have been growing at the rate of 6% and 10% a year and increased their dividends while doing so.

C. I. T. Financial Corp.

C. I. T. Financial Corp. usually holds a prominent position in the top-grade credit companies. Only General Motors Acceptance Corp. (a more reputable unit) is larger. C. I. T. does about 60% of its business financing motor cars and, of this amount, one-half is with Ford dealers. In addition, it is engaged in a large business collateral to this financing. Diversified industrial lending is on the increase at C. I. T., the most attractive newer line being in the financing of Brunswick-Balke pinball games. In $24.50, C. I. T. earns earnings from several subsidiaries, among them Picker X-ray, North American Transport Insurance Co., and a fleet rental business, and Steel Truck Leasing.

In 1959 results at C. I. T. were eminently satisfactory. Per share earnings reached 27 cents over 1958. In finance companies generally, deferred income account—future earnings—grew larger on the books—was of great importance. This deferred income at C. I. T. was up 20%, from $170 million to $208 million. As a result of increase of interest and discount income, earnings of $21 million, was partially offset by a $1 million loss in credit loss charge. Gross of the commercial finance subsidiary earned 24% to 14%.

A new dimension to C. I. T. has been the company's growing automotive and American Express Company business. Now in the money the company has acquired a million dollar company to do commercial banking abroad, principally in Canada, Britain and many in Great Britain. The new operation is expected to be highly profitably and will be, in due course, reduce the percentage of consumer business. Industrial Acceptance has been able to offset higher interest costs by raising its customer rates, and the company now has the flexibility in this matter as its American counterparts, because of the shorter term customarily offered on Canadian installment paper.

Industrial Acceptance has been a consistently popular dividend paying Canadian company. As a funds, specializing in Dominion, securities, have in most cases increased its dividends as its assets, and investors generally, have, season by season, raise the interest rate of the premium. Under new management, C. I. T. should earn about $5 a share in 1960, plenty of cover. In recent years, C. I. T. has maintained its 5% dividend yield, 9.5% C. I. T. appears to be able to maintain the yield at attractive and the growth curve is still well sustained.

General Finance Corporation

General Finance Corporation is a wellknown company larger than C. I. T. is General Finance Corp., but though the smallest of the three, this company has a very large franchise. General has led the industry in certain areas, including the quality of its franchises. It has been consistently increasing its share of the credit market and demonstrates managerial competence by recording average net earnings of about 17% on net worth.

General's main business is in the consumer credit market. About two-thirds of its outstanding receivables are from people who provide the most business but equally are served including a substantial number of smaller accounts. Even faster growing, at General, is the small account business which accounts for one-third of total receivables. Radio advertising in the first quarter of this year has been most effective, and the small accounts loan of the business has been for several years, expanding its receivables at an annual average rate of 30%.

Over the past decade General Acceptance had been able to increase its book value at the rate of 18% annually. Its earnings have a relatively small amount of capital stock outstanding and the growth of the shares—highly leveraged by virtue of about $160 million in debt—has raised the interest on the balance sheet. The company has an excellent rate of return and earned $24.50 in 1959. For this year, we would expect $3 or better and a 10%-15% dividend increase.

Industrial Acceptance Corporation

In Canada sales finance business has not been a major factor in the United States. Particularly in Quebec, a great deal of things on a installment plan has taken place to get caught on. But, the trend has been a good one, and the consumer credit growing faster than 11% and gross profit steadily increased. Last year due to the credit

The Security I Like Best

Continued from page 2

which every effort may be made to improve. Elgin has a liberal capital structure. All of its market capital requirements are not large and the company's financial position has been strong despite its difficulties. Thus, earnings growth of 20% would not be surprising.

Elgin's stock in the early post-war period interest market, selling to yield 5% to 7%. Since then it has been something of a speculative stock. On either basis it is possible to see a price of $20 for the stock. In the present market, a 5% yield is conceivable, which produces 20 cents on an 8-cent dividend, as does an estimable all-cash multiplier to fully taxed earnings.

As we consider the odds in the direction of bettering our estimate, the stock appears to offer a minimum of risk with substantial appreciation potential.

Kaepell Now With Halle & Stieglitz

Charles M. Kaepell has joined Halle & Stieglitz, 32 Wall Street, New York 10005; an affiliate of the New York Stock Exchange, in the corporate trading department. Mr. Kaepell has been with the securities business in 1959 in the capacity of Merrill Lynch, Pierce, Fenner & Beane. After six years with Merrill Lynch, he joined Union Securities Corporation, now Eastman Dillon, and has been a partner in Co. as a corporate bond trader.

Merrill Lynch Adds

(Special to The Financial Chronicle)

CINCINNATI, Ohio—Richard G. Hinkle, a former member of the staff of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Dixie Terminal Building.

Two With L. A. Caunter

(Special to The Financial Chronicle)

CLEVELAND, Ohio — Nathaniel M. Zlotnik and Helen M. Presian have become affiliated with L. A. Caunter & Co., Park Building.
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. 56—Comments on new and sizable customer for Radiation Study, Investment

Atomic Development Securities Co., Inc., 1035 Thirteenth Street, N. W., Washington 7, D. C. Also available is a bulletin on Share in American Industry.

Burnham View—Monthly Investment Letter—Burnham Securities, Inc., 16 Broad Street, New York 5, N. Y. Also available is current foreign letter.

Canadian Business—Review—Bank of Montreal, Montreal, Que.

California — Business and consumer quarterly newsletter — Wall Street and Loan Association, Long Beach Boulevard at Imperial, Los Angeles 14, Calif.


Electronics—Review—J. R. Wilton & Brothers, Ltd., 1110 South Sixth Street, Minneapolis, San Francisco 3, Calif.

Japanese Stocks—Current Information—Yamachi Securities Corporation, 240 Post Office Building, New York 38, N. Y.

Lithographers—Bulletin—Herman, 240 Post Office Building, New York 38, N. Y.

Microwave Companies—Review—Benn, 1100 Post Office Building, New York 38, N. Y. Also available is a review of Coca Cola Bottling Co., 226 Wall Street, New York 5, N. Y.


American Chemical Society—Review—American Chemical Society, 1155 Sixteenth Street, N. W., Washington 6, D. C.

Baird Atomic—Institutional Investment Letter—Baird Atomic, 383 Madison Avenue, New York 17, N. Y.

Farrington Mfg. of Glass—The Commercial and Financial Chronicle—Thursday, April 7, 1960

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Radiation, Inc.
Changing Share-Ownership And Effect on the Market

By Roger F. Murray, S. Sloan Colt, Professor of Banking and Finance, Graduate School of Business, Columbia University.

Analysis is made of the spectacular redistribution trend in individual share-ownership of equities. The insufficiency of direct evidence seems to meet the growing demand is shown to be overcome considerably by the use of an indirect method. Murray ventures to conclude that stocks as a whole may fluctuate with moderate regularity in the future but that individual stock prices may swing as widely as ever.

The American people are becoming a nation at an enterprise rate. The well known growth of mutual savings banks is a symptom of the phenomenon in the direct and indirect ownership of equities by American people.

In its periodic reports the New York Stock Exchange has published the fact that some 12 million people now own stocks. This is equivalent to one adult out of eight or eight adult owners out of 123 million people. In 1923 the number grew at a rate of 193,000 a year. Between the 1916 and the 1936 surveys, middle-income house-hold have increased their holdings of stock. Since last year there are many more share owners than there were in 1916. The number grew at a rate of 1,300,000 a year. The possibilities of the increase in the number of share owners and the needs of gainful occupation for them are important.

Life insurance companies and mutual savings banks are now authorized to invest up to 25% of the net surpluses of amounts of equities in which ten million dollars of new corporate stocks are owned in an indirect interest. In 1900, financial intermediaries, excluding personal trusts and commercial banks, held less than 3% of the corporate stocks outstanding.

The redistribution and income have increased for a long time and especially since the 1929 market low. Not only must estate taxes be paid, but individuals must wait to advance to liquidate the capital gains tax. Ford Motor, A. & P., Campbell Soup, and Upjohn are only a few of the more prominent companies which in widespread distribution of ownership may be accomplished in recent years. No individuals have been able to realize capital gains in stocks or other asset classes, was not reinvested in stocks.

The supply of equities from the market is not in danger of exhaustion. As best we can tell, the 15 billion dollars covered by mutual savings banks have only an indirect interest in some of the stocks now outstanding.

Changes in the patterns of earnings and ownership are important. The growth in the number of share owners and the needs of gainful occupation for them are important.

The Supply of Equities

The preceding observations, by their size, have been offering a tremendous volume of evidence that the stock market may either scale the heights of popular fancy or sink to obscurity. Institutional investors are generally well equipped to cope with these changes, but individual, particularly the newly formed, foolhardy seeker sound, capable advisors being the personal managers by purchasing investment companies. Despite regulation, the markets are not being subjected to manipulation and occasional skullduggery.

Price Stability

It is generally agreed that the growing institutional investors are contributing to stability in the stock market. Their fairly regular pace of cash buying and long-term investment objectives should make their influence in stabilizing the broad swings in stock prices. The effects on short-term price fluctuations are probably not significant since in a typical day's trading, institutional buying and selling represent less than 30% of the total.

Individual participation in the market is another story. Despite the Monthly Investment Plan and the contractual plans which many institutional fund distributors have sold or distributed, ordinary individual investors seem to behave in their purchases and sales on balance in the early stages of a major advance in prices and buy aggressively at the peak of an advance.

The statistics on the realization of capital gains and sales on the New York Stock Exchange tells this story. The individual, when he makes direct investments in stocks, usually makes them with an expectation of contributing to instability prices. During the past decade, stock prices have moved in a relatively narrow range. This suggests that institutional influences may have outweighed the effects of wider individual participation in the market. On the other hand, we may not have seen a fair test of the stability of the market in the future. Perhaps a fair conclusion involves a split decision: that stocks as a whole, as represented by one of the broad averages, may fluctuate more moderately in the future; but that the prices of individual stocks may swing as widely as ever.

MEMO

Reynolds Research has recently reviewed the following:

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AIR PRODUCTS, INC.
AMERICAN CHLORIDE COMPANY
ANHEUSER-BUSCH, INC.
CELANESE CORP. OF AMERICA
DICATHIONEIRCP.
DOMESTIC ALUMINUM INDUSTRY
EASTMAN KODAK COMPANY
FOLLOWUP ON THE CANADIAN GAS PICTURE GRANITE CITY STEEL
INTERNATIONAL NICKEL CO. OF CANADA, LTD.
JOHNS MANVILLE
KIMBERLY CLARK CORPORATION
PROGRESS REPORT ON SPERRY RAND
R. J. REYNOLDS TOBACCO CO.

A free copy of any of the research
above is available on request.

Volume 19 Number 5040 \ The Commercial and Financial Chronicle

(1947) 9
Need for Caution at Present 

In Case of Consumer Credit

By Casimir A. Sienkiewicz,* Chairman, Committee for Economic Growth Without Inflation, President, First National Bank of Philadelphia

Banks’ export on fostering growth without inflation terms consumer credit or Dr. Jekyll or Mr. Hyde, and ascribes the cause and blame for inflation to “unmanageable consumer demand.” As far as we know, what the committee he chairs has accomplished in the past eight months and outlines a program, particularly for bankers, on what it still recommends in practical and workable terms of credit and suggests that they be consonant with sound monetary and credit policies. Thus, for example, the bank is against the encouragement of the use of seasonal over-late consumer borrowing, and it offers several reasons for caution—

The response to this undertaking was not as enthusiastic as one might have anticipated. For the sake of the argument, let us try to disentangle the threads and find a way to interpret the data. In the first place, it is not clear that the committee was aware of the gravity of the situation. Perhaps it was not. Perhaps it was simply a question of timing. Perhaps it was a question of the need for action. Perhaps it was a question of the need for action. Perhaps it was a question of the need for action. Perhaps it was a question of the need for action. Perhaps it was a question of the need for action. Perhaps it was a question of the need for action. Perhaps it was a question of the need for action. Perhaps it was a question of the need for action. Perhaps it was a question of the need for action. Perhaps it was a question of the need for action. Perhaps it was a question of the need for action. Perhaps it was a question of the need for action. 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Why Toll Roads Can Be More Than Self-supporting

By Lawrence S. Waterbury, Consulting Engineer, New York City

The re-emergence of favorable attention directed at toll roads is held to be well warranted in this study. The author anticipates that over the next 20 years, with the advent of high-speed passenger traffic via jetliners and faster highway traffic, toll roads will continue to be viable. He feels that more attention should be directed towards improving existing toll roads rather than building new ones.

Tolls Are the Only Answer

In view of the rapid increases in truck and automobile travel, the sharp rise in number of vehicles on the road, and the cost of extending the nation's highways, tolls on these highways may well be considered as an inevitable and necessary solution.

Waterbury notes that in the past, toll roads have been successful in funding their own construction and maintenance. However, he believes that a more comprehensive approach to toll road financing is necessary to ensure their continued viability.

Major toll roads' earnings in 1959 strongly underscore the need for their continued operation. While some have been off to a slow start, these toll roads, like the Ohio Turnpike and the Northern Indiana Toll Road, are now showing signs of reducing their debt requirements.

Traffic conditions on such toll roads as the New Jersey Turnpike and Pennsylvania Turnpike, for instance, have been improving, but they have only been affected to a small degree.

With so many variables at work, both for and against the use of tolls, it is important to look at the current state of toll roads.

For example, the Ohio Turnpike and the Northern Indiana Toll Road have been able to reduce their debt requirements by more than $18 million due to better traffic patterns and lower debt
requirements. John H. Waterbury, President of the Northern Indiana Toll Road, has noted that the use of tolls is necessary to ensure the continued operation of these roads.

It is clear that the future of toll roads depends on their ability to continue to provide a viable alternative to traditional financing methods. The solution will require a comprehensive approach that takes into account the many variables at play.

With this in mind, we can see the potential of toll roads as a viable alternative to traditional methods of financing our transportation infrastructure.
Bankers' Investment Policies and Maintaining Earnings

By J. Austin White, Jr., A. White & Co., Cincinnati, Ohio

Specialist in Ohio municipals advises bankers there is no rule of thumb in determining how much cash to hold as deposits, worthy of being followed by various banks because of different conditions affecting different banks. Mr. White does offer general investment advice with (1) pretense to future earnings in the face of a future decline in loans; (2) advisability of short or long maturities when money rates are high; and (3) bankers' reports on the condition of their own banks.

With regard to the latter, Mr. White analyzes the problems of obtaining liquidity without sacrificing earnings in making loans and investments, Dynasty Bank, 34.8% deposits, Montgomery County, 34.8% deposits, gives an indication of how much deposits are held in banks in the county.

The three points discussed are:
1. What ratio is recommended for municipals to governments, in dollars?
2. What ratio is recommended for loans to deposits?
3. What ratio is recommended for loans to deposits across various groups of banks.

First, let's look at the ratio of loans to deposits for various groups of banks. As reported in the Federal Reserve Bulletin, for all commercial banks in the U.S., as of Dec. 31, 1959, loans were $61,868,000. For the 26 weekly reporting members of the Fourth Federal Reserve District as of Feb. 24, 1960, loans were 33.8% of their deposits. For all banks in Montgomery County, Ohio, including Dayton, as of June 9, 1959, the latest data for which I had statements for all banks, loans were 48.2% of deposits, while for the Dayton banks alone such ratios were 47.2%.

Now, regarding the other ratios, of municipals to governments and to deposits, the data for all banks in the county and for the Fourth District banks do not segregate municipals, but merely divide investments into the two categories of governments and other securities. But actually, banks in Montgomery County, except Dayton, have two or three major investments other than governments and municipals, and the figures will still be comparable.

For all commercial banks in the country, "other securities" amounted to 9.4% of deposits and 34.8% of government bonds; for the Fourth District banks, the "other securities" of the Federal Reserve District, "other securities" were 34.8% of deposits and 34.4% of government bonds; for the Dayton banks, "other securities" were 47.2% of deposits.
V振兴经济的需要。

流动性取决于...于社区经济

在这一方面，最不重要的是对银行的流动性。Bank

储备金的多少往往决定于其在某一特定时间的需要，而且如果存在一个问题，那就是在某些情况下，小银行可能需要更多的储备金。Balance

如果一家小银行在某一特定时间需要大量的储备金，那么它将无法满足其储户的需求。Balance

这种情况下，银行可能需要考虑其流动性需求，以便在必要时提供足够的储备金。

即便如此，流动性仍然是银行的一项重要指标，因为它反映了银行在面临任何可能的流动性需求时的准备情况。

The widespread demand on the part of Republicans for him on the ticket is an acknowledgement of his vote getting ability. His attitude is that if the Republicans need him so badly to bolster up the ticket they should nominate him for first place. In spite of withdrawing from the race several months ago he is not out of it yet.

President Eisenhower and Senator Dewey have both endorsed Nixon but that was on the assumption that he was the only candidate. Should another candidate develop, even Senator Goldwater which is not likely, the President would hasten to make story to his neutrality. Governor Dewey might stick with Nixon, but it is doubtful.

Nixon is at a disadvantage in the primaries. He is unopposed and therefore his race excites no attention. Most states permit Republican to cross over into the Democratic primaries and if they have no contest in their own party the temptation is to cross over and enjoy the fun. This is what happened in Wisconsin.

With the pre-primary campaigns that Nixon would run a poor third in Wisconsin and the other states that he might run in, Nixon can put $25,000 into the campaign in the last days. Their appeal is that if Nixon made a poor showing it would cast doubt on his chances for a Republican victory in November.

There is a question of h-o whom of those Republicans who voted for Kennedy, for example, would come back to Nixon in November. Reporters who canvassed in Wisconsin reported that nine out of every 10 Catholics voted for Kennedy. This is understandable. The Catholics were frustrated all these years by the ideologues who would never get to the White House. If they have a man with such positions they would likely that they would back him.

Three With Hanauer

Special to The Financial Chronicle

BEVERLY HILLS, Calif.—John J. Hanauer, a long-time resident of Beverly Hills and a

 Pamela D. Ros... (continued)

$9,000,000

James Talcott, Inc.

Subordinated Notes due April 1, 1975

The Law of Compensation of Assets in Banks

This principle, "as been called the "Law of Compensation of Assets in Banks" by Charles E. Emerson and Albert H. Burnside, Head of the Department of the College of Commerce of St. Louis University—and I'm happy to have a chance to mine, for almost 30 years, the vast storehouse of knowledge of that bank has in its history a wide variety of different types of liquid assets. It is the role of the bank's management to determine the appropriate liquidity ratio for its own institution. The ratio is determined by considering the composition of the bank's assets, the nature of its liabilities, and the overall market conditions. The ratio is typically expressed as a percentage of the bank's deposits or other liabilities. A high liquidity ratio is generally considered desirable, as it provides the bank with a buffer against unexpected cash outflows. However, a very high liquidity ratio can also be expensive, as it may result in lost interest income on the bank's assets.
Decade of Discoveries Ahead For the Telephone Industry

By John T. Naylor, Vice-President, International Telephone and Telegraph Corp., New York City

Posting no sinister or uncanonical Sixties on the an-ax and nee-be-anza on the other for the telephone industry, Mr. Naylor charts the future. "I'm looking forward to the mid-1960s," he says, "when there will be signs of saturation or the modest prospect of growing in step with the general economy." He outlines what the future will look like with the advent of new methods and equipment.

The application of new methods, mastery of new facilities and expanded use of old forms will set the pattern in the communications industry. A new cycle of automation for mass services was evidenced in the telecommunication business and brought to maturity by the mid-1950s. Looking to the future, Naylor sees a new automation being brought into being. New methods of telecommunication will be utilized to the maximum advantage.

Significance of the Popular Forecast

The information that the general economy on the telephone business for the United States from 1950 to 1960 increased 68% from $289 million to $486 million. In the same period telephone customer services increased 40.6% at the end of 1949 to 70.8 million at the end of last year. It has been forecast on reputable authority that for every dollar of telephone product sold, a dollar of additional product should increase $700 billion in 1975, in 1975. In terms of 10'6 units, this will mean a doubling of telephone equipment sales in this period. The telephone outlet, he reflects, should continue in quantity and capability with the electric outlet and the water faucet.

Other facts cast some shadows on this conclusion. During the decade telephone service increased from 6 to 1 in 1940—37 to 1 in 1949 and 2.5 persons to each telephone in 1959. Average daily output per outlet has increased by 500 per cent. The population per telephone decreased from 64 in 1940 to 23 in 1949 and 15 per telephone in 1959. Telephone service usage has increased by 500 per cent. Telephone service increased 40.6% at the end of 1949 to 70.8 million at the end of last year. It has been forecast on reputable authority that for every dollar of telephone product sold, a dollar of additional product should increase $700 billion in 1975, in 1975. In terms of 10'6 units, this will mean a doubling of telephone equipment sales in this period. The telephone outlet, he reflects, should continue in quantity and capability with the electric outlet and the water faucet.

By John T. Naylor

NEW ISSUE
March 29, 1960

225,000 Shares
Briton Electronics Corporation

Common Stock

PRICE $1.00 PER SHARE

First Philadelphia Corp.

'40 Exchange Place
Raymond-Commercial Bldg.
Newark 2, N. J.
Phone: WHITELIGHT 3-4242

Phone: MARKET 4-2727
volume Information, rate and style of service and of every sort of "intercommunication" is, in general, the more technical instruments that can be had by the public, the more likely are users to be satisfied. In order to meet the needs of the public, the Federal Reserve Board has made a number of changes in the last few years. For example, the use of electronic funds transfer systems has increased, which has made it easier for people to manage their finances. However, there are still challenges to be addressed, such as ensuring the security of these systems.

In conclusion, while there has been progress in the field of electronic funds transfer, there is still room for improvement. The Federal Reserve Board continues to work towards making these systems more secure and user-friendly.

REFERENCES


Small New Science Companies Made The Most Spectacular Profit Gains

Expert study of corporate earnings in 1959 by the First National City Bank puts net income after taxes at 6% for combined companies tabulated, exclusive of financial firms. It notes that while this is above the 4.5% in 1958, it is below the 6.4% 12-year average of 1947-58.

Analysis of corporate annual reports by the First National City Bank of New York gives the following results for 1959: for 341 firms, net income after taxes rose 24.3% over the same period in 1958, and for 292 companies, net income increased 24.5% over the previous year.

For the month of the year, a net gain of $21,500 was recorded, with a $2,100 loss on the sale of securities, and a $19,400 loss on the sale of real estate.

S. companies, some of which are significant, are shown as well below fourth quarter 1958 results.

Trends in Manufacturing

"For the 1,944 manufacturing companies, combined net income was up 25%. Excluding long-term care and health, the manufacturing total was up 26%. One of five reporting manufacturers, were the majority of companies reporting a year on one year. Another, the trend in diversified manufacturers, was reported in 1959 by 145 companies, representing a total of $1.2 million in 1958 by 216 companies. The earnings r a t e s 1959 are 3.5% higher than the levels of 1958, but still remained below 5%, the average of earlier years since World War II.

"Net income after taxes as a percentage of total sales recovered, from 2.2 to 5.8%, but it was below the 1958 level of 5.5%, the old record peaked back in 1958.

"Incomes in last year's report 3.4% higher than the year before, in sales or revenues as well as continuing a significant profit margin improvement. Many of the companies in the scientific field.

"Leaving out financial institutions, the income is up 3.4% for all companies in the era, and 3.5% for all companies in 1958, which was 3.6% for 12-year average, 1947-58, of 4.6%.

"Book net assets of all the reported companies are 6.5% higher than the beginning of the year. Wages and salaries increased 3.5% on a per capita basis, and 3.4% on a per employee basis. The most spectacular gains, were recorded by the companies scientific.

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COMING EVENTS IN INVESTMENT FIELD

April 8, 1960 (New York City) New York Security Dealers Assoc. annual spring meeting at the Grand Ballroom of the Hotel Roosevelt.

April 8, 1960 (Toronto, Canada) Toronto Bond Traders Association annual meeting at the King Edward Hotel.

April 10-12, 1960 (Dallas, Tex.) National Association of Investment Bankers annual meeting at the Sheraton Hotel.


April 27, 1960 (Boston, Mass.) New England Group of Investment Bankers Association meeting.

April 28-29, 1960 (St. Louis, Mo.) St. Louis Stock Exchange Spring Party; Luncheon at Missouri Athletic Club, cocktail party at the St. Louis Athletic Club.

April 28; Feb. Day at Glen Echo Echo Hotel, Glen Echo, Md.

April 29, 1960 (New York City) Security Traders Association of America annual dinner at the Waldorf Astoria.

May 9-10, 1960 (Atlanta, Ga.) Association of Stock Exchange Firms meeting of Board of Governors at Atlanta Biltmore.


May 17-18, 1960 (Omaha, Neb.) American Bankers Association annual Field Day.

May 19-20, 1960 (Nashville, Tenn.) Southern Security Traders Association Spring Party; cocktail party and dinner at Hillwood Country Club; outdoor (2) at Bellemeade Country Club.

May 26, 1960 (Baltimore, Md.) Baltimore Security Traders Assoc. investment annual spring outing at the Belvedere Club.


May 28, 1960 (Dallas, Texas) Stock Exchange Dealers Association annual spring party at the Northwood Club.

THE MARKET ... AND YOU

WALLACE STREETE

Stocks showed a better tone in spots this week although the advance was scattered, both successfully and unsuccess-

A Technical Rally?

The action brought no great breakthrough of gleee because it was overdue even as a technical rally since there has been a string of six declining sessions strong enough to be a warning trend before support was found.

To the chart followers, the ability of industrials to hold above 615 was considered significant. That area had been above for a couple of weeks ago. And the bearish cheering to a man that the previous low was 615.00 for this time since 1957, which is a tentative pattern of a strong resistance area being built up. Also somewhat in question is the potential build-up in volume on the rebound from the low to the best in more than a week although still far from being excessive or even up to the "norm" of earlier this year.

The illogical facet to it all was that plenty of market analysts who, along with their customers, were feeling the "market" were still able to pull into their minds any of the issues that were statistically low-priced, intrinsically overvalued, the market should come in for new sellers coming in, and able to compete with any of the more safe yields available elsewhere. There was no dearth of such suggestions.

Attention Veers to I.T.&T.

One issue that seemed to have attracted multiple attention was the fact that the telephone stock was still above the $100 mark which, so far in the pin-point demand for prime electronic issues, has been rather pointedly neglected. Its range this year is less than eight points. So much attention has been devoted to its foreign trinity in Latin America and Cuba that its role as a large manufacturer of electronics and data-processing equipment has been lost in the press.

I.T.&T.'s sales have been in a steady uptrend for a decade, but net income hasn't shown up quite as well, largely because of tax bills. On a pretax basis, last year's income was much better than the $1.5 billion after-tax net posted the record high of $1.96 a share. But last year's results came within six cents of the peak and put the company in a position, where the leadership in computer development and improve-

The ace-in-the-hole I.T.&T. is, it has been concentrating on manufacturing outlets in low-wage areas abroad coupled with the technical skills kept perfected domestically.

One estimate is that its manufactu-

The four banks, today, has never realized a captured investor interest is that set up by the Kaiser family, and specifically by its Willys Motors subsidiary but into it, in addition, have been put the worldwide diversification interests in mines, and Permanente Cement and engineering and steel-making holdings. By some estimates, the stock sells at a 40% discount from its asset value, which is not a picture of overvaluation.

The principal holding of Kaiser Industries is its large bloc of Kaiser Aluminum and Chemicals stock, which has shown impressive growth in its comparatively brief corporate existence. But the growth has been boosted by the overproduction affluation in the aluminum industry in recent years, and obstacles the company itself by heavy expenses of expansion and startup problems. For the parent company, its tax rate can be high, so it is not a candidate for any starring the profit statements. But the progress of basically
Two With Hornblower

CLEVELAND, Ohio—Frederick S. Atbeck and John A. Dettelbach have been added to the staff of Hornblower & Weeks, Union Com-
merce Building.

Thomson & McKinnon Install Chart Machine

In line with its policy of adding customers by every scientific means available, the brokerage
firm of Thomson & McKinnon, 3 Broadway, New York City, an-
nounces it has just installed a ma-
chine said to be "the last word in financial electronics." This new
device, the first such to be in-
stalled in a New York brokerage
house, presents on a screen a pan-
orama of price patterns—a series
of large charts that show the daily
price movements of every single
common stock on the New York
Stock Exchange.

Along with these detailed price
patterns and volume trends, sepa-
rate graphs depict data of equal
technical importance—each stock's
behavior relative to an over-all
frame of reference, Standard &
Poor's broad 500-stock average. In
addition, each of the 58 different
industries represented by the en-
tire stock list is charted in the
same very manner, so the relation
of a stock to its own industry is
instantly visible. Individual stocks
and groups are projected also in
"point-and-figure" formations,
much favored by many techni-
cians. Also, the Dow-Jones stock
averages are projected in exactly
the same manner.

Merritt Vickers Branch

JERSEY CITY, N. J.—Merritt
Vickers, Inc. has opened a branch
office at 15 Exchange Place under
the direction of James S. Vickers.

Profi. the Key to
Telephone Progress
and Low Cost

Maybe it's about time somebody
stood up and said a good word about
profits.

For the opportunity to earn a satis-
factory profit is part of the very
spirit of a free America. It is one of
the basic things that have made this
a great country.

Today, more than ever, the pro-
gress and prosperity of communities,
states and nation are dependent on
the number and the prosperity of
their companies.

So the profit motive is important.
Actually it is one of the great driv-
ing forces that stimulate inventions,
new products, new services and new
plants. And more and better jobs!

That is just as true of the tele-
phone business as any other... and
of added importance because of the
vital nature of the service.

It is a satisfactory profit—and the
hope of its continuance—that gives
us the money and the incentive to
go ahead on a long-pull basis instead
of in a more expensive short-term
manner.

It is profit that enables us to orig-
inate and take advantage of all the
technological advances that improve
your service and hold down the cost
of providing it.

We can act instead of hesitating
to act. We can go forward instead
of standing still. We can move from
one achievement to another in the
best interest of everybody.

The evidence is overwhelming
that companies that show excellent
profit records do the best job for
their customers and employees and,
as corporate citizens, contribute the
most to the community.

The day-by-day benefits for tele-
phone users are better service at a
lower price than would be possible
in any other way.

WINGS FOR WORDS, It's so easy to take
the telephone for granted. But what in the
world would you ever do without it? All
the many tasks of the day would be harder,
You'd miss its priceless help and comfort in
emergencies. So much would go out of your
life if you couldn't reach out your hand and
talk to friends and those you love.

BELL TELEPHONE SYSTEM
NEWS ABOUT BANKS AND BANKERS

Manufacturers Trust Company, New York, announces that its Far Eastern Representative Office will move to its new offices in the newly constructed Toyin Building, Kowloon, Hongkong, Chiyodakyo, Tokyo, on April 1, 1960.

The directors of J. Henry Schroeder Banking Corporation, New York, have announced the appointment of David Lomar, as Assistant Vice-President and Treasurer, and John T. Lyons as Assistant Vice-President. Mr. Lyons was also named Assistant Trust Officer of Schroeder Banking Corporation.

The merger of the Illinois Trust Company and the Chicago National Bank has been approved by the board of directors of each bank on March 30 approved an agreement to merge Chicago National Bank, with the Illinois Trust Company, of which the Illinois Trust Company will be the surviving company, effective April 15, 1960.

The Federal Reserve Bank of St. Louis, which was established in 1896, is digitized for FRASER.

The Chicago National Bank, New York, announced on March 30, the election of Ira Hirschman, as President and Chairman of the board of directors.

The election of A. H. Halpern as Assistant Vice-President and Trust Company, New York, has been announced.

The election of Mr. A. H. Halpern as Assistant Vice-President and Trust Company, New York, has been announced. Mr. Halpern came to the bank in 1923 as assistant to the chairman and has been president of the bank since 1945.

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more favorable than a few years ago. Approximately one-fourth (20%) of the nation's families now have liquid assets of $2,000 or more. Almost as many (22%) have incomes of more than $7,500. Both represent all-time highs.

So far as their own financial situation is concerned; just as many people think they'll be "better off" a year from now as expect their financial situation will remain unchanged (40%). Seven percent expect to be "worse off," however.

The one dark point which consumers see on the economic horizon is inflation. The proportion expecting prices, to rise over the next 12 months increased greatly during 1958 (from 61% to 72%). As in previous years, most consumers (70%) consider the prospect of inflation an unfavorable to the economy or their personal financial position.

On the other hand, relatively few people are now impressed by price stability in household appliances. And the availability of tract cars has reduced misgivings about prices on the part of many automobile buyers.

When asked what prices will do during the next five years, both early 1960, close to one-half of those interviewed expected an increase. This is the highest proportion registered in the past five years.

With Copley & Co. (Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Juline L. Palmquist is now affiliated with Copley and Company, 818 Seventeenth St.

Three With Hayden, Stone (Special to THE FINANCIAL CHRONICLE)


Panhandle Eastern Pipe Line's 1959 Annual Report Presents...

A LOOK AT THIRTY GROWING YEARS...

Natural Gas has come so far... so fast! In 1929, the industry transported only a limited volume of gas from the Southwest to distant markets. Now, more than a trillion cubic feet of natural gas flow ceaselessly to some three million customers each year all over the nation. Dynamic growth for a dynamic, energetic industry!

The industry today has spent over two billion dollars invested in plant and equipment, making it the largest industry in our economy. Only the electric power, railway, petroleum and telephone industries have a larger plant investment than this one.

Natural Gas! Panhandle Eastern, born thirty years ago, is proud of its pioneer position as producer, processor and long-distance transporter of natural gas...for the five grandest industries in our economy. Only the electric power, railway, petroleum and telephone industries have a larger plant investment than this one.

...WITH 1959 THE BEST OF ALL!

Panhandle Eastern has come so far... so fast! And 1959 is looking to be yet another year in production...in sales...in earnings per share. An excellent setting for the even greater progress to come!

To meet the tremendous growing demand for gas in Michigan, Indiana, Ohio, Illinois, Missouri and Kansas, Panhandle Eastern, with its subsidiary, Trunkline Gas Company, plans large-scale expansion in 1960. This program will increase capacity by some 28% — to be sold to consumers along the pipeline.

Upon completion of this expansion, the Panhandle-Trunkline system will consist of 10,000 miles of pipeline and 500,000 installed horsepower in compressor stations along the system at a cost of $200,000,000 to meet the needs of our growing service area.

HIGHLIGHTS

<table>
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<tr>
<th>FINANCIAL*</th>
<th>1958</th>
<th>1959</th>
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<tbody>
<tr>
<td>Operating Revenues</td>
<td>$120,706,537</td>
<td>$139,911,925</td>
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<tr>
<td>Net Income</td>
<td>$19,329,255</td>
<td>$20,707,432</td>
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<td>Dividends on Common Stock</td>
<td>$12,173,434</td>
<td>$12,173,434</td>
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<tr>
<td>PER SHARE</td>
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<td>$2.80</td>
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<td>OPERATING</td>
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<tr>
<td>Total Assets</td>
<td>411,561,719</td>
<td>411,561,719</td>
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<tr>
<td>Average Daily Sales</td>
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<tr>
<td>Maximum Day Sales</td>
<td>1,300,000</td>
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<tr>
<td>Gas Produced by Company</td>
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<tr>
<td>Gas Purchased by Company</td>
<td>34,000,000</td>
<td>34,000,000</td>
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*All amounts include revenues resulting from rate increases, which may be subject to determination and refund upon final determination by the Federal Power Commission.

A copy of the Panhandle Eastern Annual Report for 1959 including a thorough description of the year's results together with an informative review of the period 1929-1959, may be obtained by writing William C. Keefe, Secretary.

PANHANDLE EASTERN PIPE LINE COMPANY

120 Broadway, New York 5, New York
Portland General Electric Company

Portland General Electric supplies electricity to about 40% of the population of the state of Oregon. It serves the city of Portland and the lower Willamette Valley; the area covers some 3,000 square miles including the urban areas of the cities and towns. In Portland, the company is allied with Pacific Power & Light although the latter has only 29% of the residential, commercial, and industrial business in the competitive area compared with 71% for the PGE.

The city of Portland, while located 100 miles inland, is consider ed to be on the outskirts of the oceanic waters of the port. It serves as a major distribution center for both raw materials and manufactured goods, being the center of a transportation network of 41,000 miles in three States with a combined population of over 3 million. This area could be said to possess substantial timber resources and diversified industries. The water supply is ample for hydro power, irrigation, navigation and industrial usage.

The company has enjoyed good growth: in the past decade electric sales have increased 8.34% and kwh sales 11%, revenues about 14%, and the net worth up from $25 million to $37 million. The PGE has been such a thriving concern that even the recent trend in Portland's tributary area will return 5.7% in 1960.

In 1959 the company's hydro plants provided about 31% of its output (and a standard amount of peaking steam power). Most of the balance was purchased from Bonneville, through a power-pooling feature. This is the period when the Federal power pools, being the center of a transportation network of 41,000 miles in three States with a combined population of over 3 million. This area could be said to possess substantial timber resources and diversified industries. The water supply is ample for hydro power, irrigation, navigation and industrial usage.

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Life Insurance Stocks as The Investor’s Choice

by Henry L. Wilder, Jr.*-Vice-President, Capital Sponsors, Inc.
Underwriters of Life Insurance Shares and Growth Stock Fund

Mr. Wilder responding endorses investing in life insurance stocks under the guidance of professional management. In so doing, he presents several criteria to judge stock companies, their average performance over the years, and the particular industrial area of some particular stocks, and looks into the future life insurance prospects with growth without sacrifices of stability.

Listening to professional analysts and financial press, the insurance market is always refreshing to me, but the prospect of the necessary work that they must do in analyzing various companies and digging out the facts. Here are three basic requirements for any person who takes the job of selecting securities: No. 1. Know the business. No. 2. Time—No. 3. Temperament.

First requirement, Time. Research men and women spend hours digging out information and proving facts in the buying or selling of a security. One of them must spend a day to spare cannot compete with the person working eight hours a day for weeks and months. The time-investor has five to ten hours of research and decision. He may not be the 40 hours of the professional. If we add four full-time people doing 40 hours a week, we have an investment group spending 200 hours in the same concentrated investment work.

Second point, Training. As in all professions, certain qualifications are essential for successful investing. These requirements vary according to what you want from your individual approach. One of these is the so-called 'point and figure method'. Other chart methods can be used if wished. The second is other statistical matters. However, since the amount of factual information is generally too vast to dig out, the formation is plotted against past history—projected against past prospects—and the major points of each company is evaluated in the light of its own industry and the economy as a whole.

Third, Point, Temperament. We have all seen a number of human foibles, perversions, and just bad people buying and selling securities. Most of them are among the most serious factors that have been involved, nameless and notorious. This characteristic (emotion or the lack of emotion) is vital to proper investment decisions and investment decisions need not make a profit by holding the stock of a bubble of 5 or 10 dollars this day and age even if Grandpa, the old man, is the one who bought the stock, and for the same reason, his love affair exists through the bad times as well. Another characteristic of his analysis and not getting panicked, liquidating, tailing toward financial success.

In the early days of stock market history—when bears were few and bulls were the really rarified men, speculative and before the cattle kings were deposed—by the fact—of relatively little importance. It was called “know your way,”

Calvin Bullock Appoints Smiths

Philip W. Bullock has been appointed President of New York City District Mutual Insurance Co., Ltd., 1 Wall Street, New York. Since 1906, Mr. Bullock has been sales representative for Calvin Bullock in the Philadelphia area and in several southeastern states.

Joints Mitchum, Jones

(Special to the Financial Chronicle)

LOS ANGELES, Calif.—Richard R. Dempete is with MITCHEM and Templeton, 650 South Spring Street, members of the New York and Pacific Coast Stock Exchanges.

How the professional decides to buy or sell stocks

The attractiveness of bonds these days is generally attributed to their recent yield in comparison with that of stocks as measured by a particular average—4.84% against 3.50%. But there are other reasons, too. Bonds selling at discounts may offer some interesting possibilities from a tax standpoint. Be sure to read "What About Bonds?" in the current issue.

What’s right about stocks and bonds?

If you had to make important investment decisions every day, all day long, what economic, political and financial weather would you watch? The Fiscal report of THE EXCHANGE Magazine tells you what one eminent expert makes his decisions. He is Chairman of the Executive Committee of the Lehman Corporation. "A Professional Investor Looks at a New Security" is an informative article you won’t want to miss.

Why investors have been buying bonds

Five years ago THE EXCHANGE asked its subscribers which stocks they would buy to hold for three years or longer. A check-up of their 75 favorites shows what’s happened since then. Gains as well as losses are spotlighted in an article titled "Five Years Later."

And there’s additional interesting information in the March issue of THE EXCHANGE, including a fact-filled piece identifying the investments of a fund designed to boost the earnings of a savings bank.

Common vs. Preferred: Who’s ahead?

Suppose you invested the same amount of money in the preferred and common stocks of 25 prominent industrial companies a year ago. Which brought the better return or income? In "Common or Preferred" you’ll find the answer—and you may be surprised. It’s all summarized in a handy and informative table.

Then and Now

Five years ago THE EXCHANGE asked its subscribers which stocks they would buy to hold for three years or longer. A check-up of their 75 favorites shows what’s happened since then. Gains as well as losses are spotlighted in an article titled "Five Years Later."

And there’s additional interesting information in the March issue of THE EXCHANGE, including a fact-filled piece identifying the investments of a fund designed to boost the earnings of a savings bank.

THE EXCHANGE Magazine is not sold on the newsstands. Mail the coupon to THE EXCHANGE, 11 Wall Street, New York, N.Y. and receive the April issue. All for only $1.50.

*Address by Mr. Wilder before the Life Underwriters of the United States and Canada, 521 Madison Avenue, New York, N. Y.

Edited by FRASER

THE EXCHANGE Magazine, Dept. 7
11 Wall Street, New York, N.Y.

Exchanged is $1.50 (check, cash, money order), Please send me the next 15 issues of THE EXCHANGE Magazine.

Name ____________
Address ______________
City ____________ State ____________
To the Stockholders of SOUTHERN RAILWAY COMPANY:

T. E. year 1959 was a satisfactory one for your Company, under the circumstances. The results would have been better had it not been for strikes in the steel and coal industries which reduced revenues—while increased wage rates and material costs added to expenses.

The startling excess of taxation is well illustrated by the fact that Southern's taxes in 1959 amounted to $6,29 for each share of common stock—a good deal more than our net income of $4.85 per common share.

Diversified industrial growth was excellent along our System lines in 1959 and the outlook for 1960 is bright, especially as a widening range of industries look to the South.

The Company's track, motive power, and freight and passenger cars are in excellent condition. Passenger and freight services have been improved, and most of the through passenger trains are continuing to meet their out-of-pocket costs, but local and branch line passenger trains represent a serious drain against the Company's other revenues.

Because of severe snow and ice storms, revenues in the first quarter were less than had been anticipated. However, looking ahead and barring excessive increases in wage rates and other costs, 1963 results should be good.

The continuing loyalty, understanding and support of our customers, our stockholders and our employees are warmly appreciated and are gratefully acknowledged by your Directors and your management.

Sincerely,

HARRY A. DEBUtTS,
President.

April 4, 1960

WASHINGTON, D. C.

REVIEW OF 1959

Net Income

After all charges Southern earned $33,126,744 in 1959.

Net income for each of the past five years, and equivalent earnings per share of Common Stock—computed after provision of $3,000,000 each year as dividends on Preferred Stock—were:

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income After</th>
<th>Earnings Per Share of Common Stock After</th>
<th>Preferred Stock Dividends</th>
</tr>
</thead>
<tbody>
<tr>
<td>1959</td>
<td>$37,992,249</td>
<td>$13.22</td>
<td></td>
</tr>
<tr>
<td>1958</td>
<td>$37,992,249</td>
<td>$13.20</td>
<td></td>
</tr>
<tr>
<td>1957</td>
<td>$36,666,120</td>
<td>$8.40</td>
<td></td>
</tr>
<tr>
<td>1956</td>
<td>$32,100,361</td>
<td>$1.63</td>
<td></td>
</tr>
<tr>
<td>1955</td>
<td>$31,126,141</td>
<td>$1.05</td>
<td></td>
</tr>
</tbody>
</table>

Operating Revenues

Operating revenues in 1959 were $271,881,449, or $15,547,272 more than in 1958, an increase of 6.1%. Freight revenues amounted to $246,575,627, passenger revenues to $10,478,973, mail revenues to $11,465,160. Business handled in 1959 was compared with 1958 and the average of the five years 1955-59, is shown in the following table:

<table>
<thead>
<tr>
<th>Business Handled</th>
<th>1959</th>
<th>1958</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tons of freight moved</td>
<td>66,495,702</td>
<td>65,832,219</td>
</tr>
<tr>
<td>Average ton of freight</td>
<td>255 miles</td>
<td>255 miles</td>
</tr>
<tr>
<td>Revenue per ton mile</td>
<td>0.147 billion</td>
<td>0.126 billion</td>
</tr>
<tr>
<td>Number of passengers</td>
<td>351,789</td>
<td>276,603</td>
</tr>
<tr>
<td>Passenger miles</td>
<td>341 million</td>
<td>257 million</td>
</tr>
</tbody>
</table>

Operating Expenses

Operating expenses were again adversely affected by increased hourly wage rates and costs of material, expenses for the year were reduced by $2,172,683, or 1.3% under 1958 without reduction in necessary maintenance.

Taxes

Railway taxes for 1959 were accrued in the amount of $40,724,509, an increase of $13,742,253 over the previous year.

Tax accruals were equivalent to 1.5c out of each dollar of gross revenue. Taxes for 1959 amounted to $6.29 per share of Common Stock as compared with net earnings of $4.85 per share after charges, taxes and preferred dividends.

Net Railway Operating Income

Net railway operating income for 1959 was $39,692,243. This represents what was left of operating revenues after deduction of all operating expenses, taxes and equipment and joint facility rentals, but before payment of interest on the $3,000,000 annual dividend on preferred stock. In 1958, net railway operating income was $37,478,162.

Net Income After Revenues

Net income after taxes and preferred stock dividends for the five years 1955-59 were:

<table>
<thead>
<tr>
<th>Year</th>
<th>Average</th>
<th>1955-59</th>
</tr>
</thead>
<tbody>
<tr>
<td>1959</td>
<td>$13.22</td>
<td>$13.20</td>
</tr>
<tr>
<td>1958</td>
<td>$13.20</td>
<td>$13.20</td>
</tr>
<tr>
<td>1957</td>
<td>$8.40</td>
<td>$8.40</td>
</tr>
<tr>
<td>1956</td>
<td>$1.63</td>
<td>$1.63</td>
</tr>
<tr>
<td>1955</td>
<td>$1.05</td>
<td>$1.05</td>
</tr>
</tbody>
</table>

Dividends

During 1959, dividends of 5% on the Preferred Stock were continued in the total amount of $3,000,000.

Dividends of 70% per share were declared on the Common Stock and paid for each quarter of 1959, bringing the total declared in 1959 to $21,166,002.

A further dividend of 70% per share was declared on the Common Stock on January 28, 1960, out of surplus net earnings of 1959. This dividend was paid March 15, 1960, to stockholders of record February 15, 1960.

Operations

Operations were conducted with continued economy and efficiency in 1959. The recognized indices of performance show that the Company compares favorably with the leaders of the railroad industry.

The proportion of gross revenues carried through to net railway revenues—while above the federal income tax rates amounted to 22.5% in 1959, as compared with 16.8% in 1958 and 10.3% for Class I railroads in 1959.

Many innovations in operating efficiencies were instituted and others were progressed. Automatic fueling equipment is now in use at all of Southern's fueling stations. This equipment has reduced fuel losses, cut clean-

up costs resulting from spillage, and speeded up the fueling operation.

Ultrasonic axle testing devices, Echometers, were installed in a different inspection plant during the year. The 49 locations so equipped reduced the number of broken journals by 50% during the first year of large scale use.

An infrared hot-box detector system, which automatically senses overheated journal boxes, is in partial operation.

Additional installations of microwave communication are under investigation. A substantial enlargement of these facilities will likely be undertaken in the near future. A new central station and high-speed system of communications on the overall safety of operations and improved efficiency will be of marked importance.

For the first time in the history of the Company, and of any large carrier, all of the Company's new rail was weld ed; that is, the inspection points during the final rail welding were lengthened from 1,443 feet, practically eliminating joints. This so-called "ribbon" rail has substantial inherent eccentricities in extended life of rail and lessened maintenance requirements.

Industrial Development

During 1959 there were established, or ground broken, for 112 new inc urs on in 12 provinces by our System, 38 of which were completed and 36 others were completed or well under way by 121 existing plants. Aggressive investment in the 268 projects amounted to $635,518,500, with new and additional net revenue to our System lines estimated at $3,505,159. These new and expanded facilities are expected to provide employment for 21,231 workers.

While the total outlay was spread throughout a very diversified group of industries, the greater part of the money expended will be for facilities for the production of pulp and paper, synthetic fibers, cotton textiles, cigarettes, containers and building materials.

Included in industrial development in 1959 were projects spread throughout the entire System. The Tennessee River Pulp and Paper Company is constructing a kraft paper mill near Mosheim, Tenn., to be served by a branch of Southern, and a mill to be served by its own railroad, connecting with the Southern and other lines at Corinth, Miss. A hardwood mill is being erected in the Vega News and pulp plant at Catawba, S. C.; expansions are under way at the Rome, Ga., plant of Rome Kraft Company and the Mobile plant of Scott Paper Company; additional buildings have been made by the Gulf States Paper Corporation at its Demopolis and Tuscaloosa plants in Alabama.

Construction was started by Fiber Industries, Inc., jointly owned by Celanese Corporation of America and Imperial Chemical Industries, Ltd., for a new plant at Earl, N. C., a local station near Shelby where the product will be Fortrel, a synthetic fiber similar to Dacron. Announcement has been made that the originally planned capacity of 150,000 pounds per day will be doubled when completed.

American Enka Corporation is expanding nylon production at its plant near Asheville, N. C.

In the cotton textile field, additions were made to plants of Innam Mills, at Innam, S. C.; J. F. Stevens & Co.; Mohawk, S. C.; Fieldcrest Mills at Draper, N. C.; Springs Cotton Mills at Grace, S. C.; and Jackson Mills at Spartanburg, S. C.

R. J. Reynolds Tobacco Company is adding a new cigarette factory to its operations at Winston-Salem, N. C.

In an example of how existing industry is attracting new plants was the establishment of a plant by Hall Brothers Company, Inc., near Asheville, N. C. A good proportion of the production of glass jars from this plant will go to the nearby plant of Gerber Baby Foods. Other important contributions were the building by the Union Bag-Camp Paper Corporation at Spartanburg, S. C., manufacturing corrugated boxes.

Completing the roster of some of the principal new plants for 1959 is that of U. S. plywood Corporation at

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The Commercial and Financial Chronicle . . . Thursday, April 7, 1960

FRASER
**SOUTHERN RAILWAY (Continued)**

Sath Boston, Va., which will manufacture particleboard, a new and marketable product, at $9,798,000, gross, to the net property account in 1959.

**New Equipment**

During 1959, the Company received and put into service $2,400,000 of new equipment in its railroad and transportation facilities, including $76,757,249 worth of new equipment. This new type, recently developed by the Electro-Motive Division of General Motors Corporation, incorporates all of the technological improvements in diesel-electric equipment, including a substantial increase in power which is useful in transit service.

The freight cars purchased in 1959 for delivery in that year and in 1960 are high-capacity, roller bearing geared-box, ten-topper cars of composite aluminum construction. This design represents a pioneering step in adapting to freight car construction the lightness and corrosion resistance of aluminum alloy. The new cars are more costly than conventional cars of the same type but are expected to outlast the older return produced from the greater carrying capacity and freedom from corrosion.

During 1959 there were also developed special purpose wood chip cars, designed to carry high-quality, bulk-loaded items, such as paper, manufactured products, and "easy-load—easyoff" freight box cars. While both of these opening acts are unusual, these cars are especially adapted to adapting to and increasing the movement of bulk commodities and further improving the economy of the freight movement. These cars are further recognized by Southern in the need to supply special equipment, where needed for heavy volume rail transportation, for oil, maintenance and transit damage, and to provide other factors which are meaningful to shippers.

**Equipment Obligations**

Equipment obligations outstanding at the end of the year amounted to $80,906,410 as compared with $72,683,397 at the end of 1958 and $72,671,409 at the end of 1957.

Installments of equipment debt payments due in 1960 is estimated to be $81,122,987, with a total of $16,045,000 due to the effect on cash—by depreciation chargeable to operating expenses in the amount of approximately $16,720,000.

**New Rail**

During 1959, 23,085 new tons were laid as compared with 23,523 new tons on the average over the period 1948 to 1958. This has been the result of improved maintenance practices and extended rail properties in recent years. The Company has ordered only 6,561 tons of new rail for 1960.

**USE IN 1959 OF FINANCIAL RESOURCES**

Cash Flow

At the beginning of the year, the Company had in cash and marketable securities at face value $71,408,395, an increase of $5,680,122.

During the year the Company had available for expenditures, after providing for the payment of operating expenses, a net profit of $33,126,744, which was $11,666,390, the proceeds of mortgage sales, and $126,181, from appreciation in real estate. The excess of tax payments over income tax, principally the federal income tax, for the year 1959 of $13,000,000, less all of these sources of available cash, was $70,694,694.

There was spent during the year from treasury cash and capital improvements $10,213, for new equipment and additions and for equipment and improvements in obligations instalments $8,218,191. There was paid on the redemption of funded debt obligations and for sinking fund deposits of the Company, and a station property company, $3,343,777. There was paid for the purchase of the stock of affiliated companies $1,205,216. There was advanced to affiliated companies and other for the purchase of land and for the improvement of the Company's property $4,117,789, and for the permanent working capital of other companies $21,165,019 in dividends and $5,681,221 for miscellaneous expenditures from the Company's treasury totaling $65,614,362.

**Net Funded Debt and Fixed Charges**

The Company's fixed charges, as defined by the Interstate Commerce Commission (less charges on the Company's lines and cash dividends thereon) for the year 1959, were $141,072,670. This represented $3,146,621 in 1959, $8,560,000 in 1958, and $7,108,220 in 1957.

**ADVERTISMENT**

Coal

Coal continues to contribute greatly to the total traffic handled by the Company. The outlook for the movement of coal on the Company's lines in 1960 is very good. Coal is the predominant fuel in the generation of electric power in the Southern States. The growth of Southern industries in the South has proceeded under way with no effort, or expansion of old lines. Companies, such as the Company, are having the need for further investment in coal handling facilities. The Southern States may be expected. One of the world's largest general purpose power plants is being constructed in the Company's line in Alabama, with two generating units scheduled for completion in 1960.

In the early part of 1959 a number of coal mines in the South closed down because of labor difficulties. In the late fall and early winter, some of the mines served by our lines, and others served by our competitors, were reopened resulting in some decline in the amount of coal delivered. Normal production is gradually being resumed.

To insure the continued movement of coal by rail, rates, has been requested which would provide necessary to keep coal competitive with other forms of fuel and power. Choices competitive with other modes of transport. The reduced rates are restricted by defendant of proposition for application on tender by the tenderer of a minimum volume of tonnage, such as 2,500 tons, and subject to heavy minima per car which is made possible by new coal cars with a capacity of more than 100 tons. A further requirement is the prompt loading of trains which may result in quick turn-around at both ends of the movement and maximum utilization of equipment.

**Interstate Railroad**

At the special stockholders' meeting held in Richmond, Va., in April 1959, the stockholders approved the Company's plan of reducing the outstanding stock of the Interstate Commerce Commission of the Company's Common Stock was approved. The plan is based upon the elimination of substantial benefit to the Company. It is not possible at this time to determine whether the Interstate Commerce Commission will complete its approval which is required before the exchange can be made.

Interstate owns and operates a railroad from Stongora to Northport, Ala., and from Norton to Glamorgan and Miller Yard, Va., in the coal fields of Wise County, Ky., and is serving with branches, tracks and switching facilities. The railroad is maintained and operated efficiently.

**Railway Express Agency**

During 1959, a new contract was negotiated between Railway Express Agency, Inc. and its employees which resulted in a substantial wage increase of approximately 527,000, gross, to the net property account in 1959.

During 1959, the Company's new system for the transportation of coal, was implemented. The new system has been designed to provide a competitive mode of transportation for conducting its operations rather than to be required to adhere to, and to the historical traffic pattern and need of the old contract. The new arrangement also provides for the Agency to operate on a profit basis rather than on the cost-plus arrangement. It is believed that the new contract, after a suitable transition period, can be carried on under the same basis which now prevails.

**Labor Relations**

Under provisions of the railroad clauses of the 1956 Three-Year National Agreement, which were represented by labor organizations, there was a cost-of-living wage increase of 3c per hour effective November 1, 1959, resulting in an estimated annual increase in payrolls of $1,034,764.

The following notices, served in 1959 on all of the Nation's railroad carriers, were served on the Company by the Division of National Labor Relations:

Non-operating Organizations—Requests for wage increase of 20c per hour and additional fringe benefits

Operating Organizations—Requests for wage increases ranging from 12% to 14%

Negotiations are being conducted on a national basis.

**Southern's Electronic Computer**

International Business Machines Corporation has announced that Southern is "the first railroad and one of the first companies in the United States to use an electronic computer—"the most powerful business computer"—in the newly developed transitorized IBM 7080 data processing system.

Electronic data processing has become so important to Southern that the present large scale computer—the IBM
SOUTHERN RAILWAY (Concluded)

705 Model II—is running at capacity around the clock. The 7080 will provide up to ten times greater speed and capacity both will be more sophisticated electronically, including more sophisticated accounting, including business problem simulations.

The 7080 will be installed in the Southern's computer center now being built where it will be supplemented by two of IBM's new 1401 data processing systems. These transistORIZED systems will be used primarily for card-to-tape conversion and will speed processing of documents from tapes prepared by the computer.

In addition, a 1401 system will be installed in the Company's Washington office for corporate accounting, disbursements, and general management reporting. Because the 1401 systems, over 600 miles apart, will be completely compatible, through exchange of tapes a fully coordinated accounting system will be greatly facilitated.

Southern Railway's interest in machine accounting extends back to the turn of the century when the Hollerith punched card machine was developed at the Census Bureau in Washington and was first used for business operations by the railway. In later years, Southern also pioneered in developing railroad applications for the IBM 650 computer, and in 1956 installed the first IBM 705 Model II.

Training for Management

Southern has been a pioneer in the inauguration of formal selection and training programs to prepare for careers where there will always be a qualified "man behind the man" who now holds any responsible management job. From these programs, the first of which was established in the Personnel and Operating Department, have come most of today's officer personnel of the railway. In addition, five presidents and many other high-ranking officials of the railroads were Southern trained through these programs.

Careful selection of trainees, on-the-job and classroom study, with necessary staff conferences, assure that Southern will never in the future lack for officer material of the highest quality.

ELLIOTT WHITE SPRINGS (1896-1959)

The Board records with sorrow the untimely death on October 15, 1959, of Elliott White Springs who had served as a Director since 1947. Mr. Springs, whose home was in Lancaster, S.C., was a member of a family that for more than 100 years had been closely allied with the industrial growth of South Carolina and with railroad growth in the Carolinas. Several of the companies which his forefathers helped build and operate are now a part of Southern Railway Company. Mr. Springs was President of Springs Mills Mills, Inc., President of the Bank of Lancaster, of Kanawha Insurance Company, and of the Lancaster and Chester Railway Company at the time of his death. He gave willing and devoted effect to his work as a member of the Board of Directors of Southern Railway Company and had a deep interest in building the strength of the railway to serve a growing South.

Results for the Year

The Company received from freight, passenger and miscellaneous operations a total revenue of $271,861,445. In 1958, $265,374,177 was received by Southern Railway Company.

The cost of maintaining the property and of operating the railroad was $193,314,900. In 1958, $186,971,444 was incurred.

Leasing and rental operations were $87,366,405. In 1958, $70,246,733 was earned by Southern Railway Company.

Federal, state and local taxes amounted to $47,750,299. In 1958, $43,306,256 was paid.

Leasing a balance of $143,350,000 was earned. In 1958, $73,316,471 was received by Southern Railway Company.

The Company paid to other companies for operations a total revenue of $1,453,370. In 1958, $726,243,370 was received.

Other income derived from rentals of real estate and miscellaneous items was $1,308,692. In 1958, $1,463,425,370 was received by Southern Railway Company.

Making a total income of $269,370,346. In 1958, $282,125,928 was received by Southern Railway Company.

Other income derived from rentals of real estate and miscellaneous items was $1,692,039. In 1958, $1,463,425,370 was received by Southern Railway Company.

Making a total income of $282,125,928. In 1958, $282,125,928 was received by Southern Railway Company.

Our Corporate Creed

To develop the territory and to foster faith in the South, its people and its opportunities;

To furnish safe, economical and adequate railroad transportation in the territory where the "Southern Serves the South";

To treat fairly the men and women whose work keeps the railroad going;

To pay a fair return to the owners of the property.

European Trade War Prospects

By Paul Einzig

The West German Government's April 5th decision to rescind the speed-up plan of the European Common Market means that the July 1st deadline goal will not be met. Even though West Germany may, after all, still go along with the others and speed up the "Inner Six" and the "Outer Seven," it does provide more time to break the impasse between the two rival trading groups. The German measures, most of which are E.E.C. in character, have been described here. Dr. Einzig hopes that Mr. Macmillan's belated warning made during his recent visit to Washington, D.C., may correct some of the misrepresentations.

LONDON, England—The remarks attributed to Mr. Macmillan concerning the American attitude towards the European Common Market appear to have amply demonstrated the value of a careful article about the strength of the feeling that prevailed on the subject in Washington. Mr. Macmillan referred to the E.E.C. as "a perpetuation of the kind of alliances that are very bitter about what they regard as official American encouragement for an action which threatens to lead to trade wars in Western Europe" as if the E.E.E. had something to do with it. The Paris meeting of officials of the 20 governments concerned with the E.E.C. controversy which had been attended by so much interest produced no results whatsoever beyond setting up yet another committee. Theirs is an adopted, if a comprehensive, approach to the problem.

The American attitude is, in fact, very different. One is that the Association of American Business interest is the only one that can speak for the American business community. The American attitude is that the scheme, which had been reviled with so much interest produced no results whatsoever beyond setting up yet another committee. Theirs is an adopted, if a comprehensive, approach to the problem. The American attitude is, in fact, very different. One is that the Association of American Business interest is the only one that can speak for the American business community. The American attitude is that the scheme, which had been reviled with so much interest produced no results whatsoever beyond setting up yet another committee. Theirs is an adopted, if a comprehensive, approach to the problem. America's attitude is, in fact, very different. One is that the Association of American Business interest is the only one that can speak for the American business community.
The Cost of "Make-Work"
No Longer Can Be Afforded

By J. W. Oram,* Vice-President, Personnel, Pennsylvania Railroad

Labor is asked by a railroad official to face up to the reality of featherbedding and many other acts of governmental interference in making a forced draft solution at the expense of free enterprise and free labor. Mr. Oram compares the effect of the sitting down strike and the.

Every year the Pennsylvania RR. spends many thousands of dollars to keep its 38-mile trackage free from silt around the coal and ore docks in Philadelphia. In 1959 the cost of dredging at the ore pier alone came to over $17,000. The excessive price paid to maintain waterways averaging 38 feet at these piers has caused a maintenance problem of deterrable- extensive studies and research on the currents. They seek to re-

The study of this problem of siltation under laboratory conditions, en-

The Union agreement generally defines work practices as "rules" and as "directives"-term, which could be used by the employer to get rid of workers found unsatisfactory. The union contract establishes penalties for work- ers not adhering to the agreement. It is an interesting fact that the original agreement for the use of water, dye and Gilsite, setting rates for the unwieldy and accurately reproduced. From the very beginning it is obvious this is the first time in history that a railroad company has had to contend with a breakwater that will re-

The Consequence of Labor's Resistance to Change

The consequence of the one point strike, that of a long-term action, in wages, hours, and working conditions, the Industry's work practices became choked with wigs.-popularity called featherbedding. It did not emotionally considered a strike to avoid the price that was paid for the demand. As the work- ers would have the belief that the movement would increase efficiency for the use of better machines, or more productive job to be destroyed by labor as such. Logi-

Is Labor's Strategy Short-Sighted?

Although labor depicts itself as a "labor's laws". Its position is unanswerable. The elimination of unseeded or unwanted jobs, the modernization of yesterday's work practices does not imperil the cause of un-

The Theory of Collective Bargaining

Of course, the more technical, the more in its logic, the agreement, it is deeply good in the point of view of both management and labor. There are reported with costing periodically with updating of obsolete methods. This way, the artistic and helpful working cus-

The Consequence of Management's Interests

It is an unfortunate fact that in the bargaining process the management's interests are subordinated to the employment of labor for economic reasons. The cost of those labor unions want strictly for their own purposes is becoming very high.

The literature of labor is a case in point. Interest of the men who rule labor is not the issue. The spread of the widespread dispute that in American industry over the coal and ore file concern on job security. However, it is obvious that if management has been successful—at least initially—on relying on the economic fears of its members, they have not yet gained the support for objectives which may be understood if the members have economic interests. For example, in the current railroad labor controversy, the same emotion is being generated around work rules that some employees think will be affected by the work of the public—that management is not to strengthen the industry but to get rid of the higher wages of its people—but to take an axe to jobs, to interfere more and to weaken the strength of its union.

It is always easier to attack a person than an idea. The short-

The Railroad Industry Makes a Clear Case

So long as a reasonable compromise is hampered by artificial re-

Roadmen and yard men have the same skills—belong to the same craft, and have the same kind of work. But until the costly work rules imposed by artificial restrictions are removed from agreements, our Industry will be frustrated from utilizing its feasible manpower fully and effec-

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The Over-the-Counter Market Fills the Needs of All Investors

Continued from page 1

ally or family-owned, could be handed on to heirs, by bequest through a decedent estate. But it im-
pelled first by high level of Federal Gift and Inheritance taxes, and more particularly the often insurmountable difficulty in arriving at a valuation of a private business high enough to please the Internal Revenue Service and low enough so that the estate can pay the tax imposed without going broke, businesses have increasingly been going public.

The subject corporation shares are underwritten, offered usually by a selling group; valuation of the corporate equity is defined, and the new stock starts off its merry market way, always trading in the Over-the-Counter Market at the outset regardless of whether it will continue there, or be later listed on the exchange. This public offering, and the spreading out of a private corporate interest either for estate protection purposes, the cashing in on capital gains, or by foundations or individuals desiring more diversified investment holdings, has, in recent years brought many attractive new issues to the market—Ford Motor Co., Champion Spark Plug, Upjohn, Transition, Campbell Soup, Check Full O'Nuts, etc. Further, many new public underwritings, you will note, are a combination of shares being sold by a stockholder, with shares being sold to expand the corporation's capital.

In any event the year just past was a banner one for new security offerings, every one of them—bond, stock or convertible—trading first in the Over-the-Counter Market. Most of these issues will never trade anywhere else.

Impressive Bond Market Role

The headlines among new issues in 1958 were two big mutual funds, Lazard and One William Street; first public offering of a number of mutual fund management companies, e.g., Waddell and Reed, Hugh W. Long, Vance, Sanders & Co., Inc.; Wellington Management, etc., and a swarm of electronic and scientific issues led by Transon. In the bond market, the sensation was the Government issue of "Magic Yives." The year 1958, in fact, quite a year for the Over-the-
Counter bond markets. At first with rapidly rising interest rates, bonds sold off creating during the year, the lowest prices and highest yields on bonds in 30 years. Then in the later months, investment managers, somewhat disenchanted with inflation as a motivation for share purchase, decided to revert to more traditional portfolio policy and began buying bonds. All of this made plenty of business, albeit creating some problems, for bond brokers. The big problem was maintaining orderly bids in the declining phase.

In this area the function of the Over-the-
Counter dealer is too little understood. Unlike the exchanges, where a daily auction market is Maintained, the Over-the-Counter Market requires that individual dealers make the bids and ask prices. The dealers may or may wipe off their own account prior to resale. If these dealers stopped making bids and offerings, and refused to take the risk of "carrying" securities, there just would be any Over-the-Counter Market. So, especially in declining markets, not only trading acumen but very substantial resources are indispensible requirements of dealers in securities not listed on any exchange.

Monopoly on Bank and Insurance Stocks

One of the most distinguished divisions of the Over-the-Counter Market is in bank and insurance stocks. In banks, this market enjoys an absolute trading monopoly since, of the 14,000 banks in the United States, not one has its shares listed on a major exchange. (There are a few listed bank holding companies.)

The banks had a wonderful year in 1958 doing almost to a maximum, the business for which they were designed—loaning money! The loan experiences were excellent, the rates attractive and the returns reported promising. As a result of this, there was a great pull from Morgan Guaranty in New York to the First National Bank of Seattle. Thousands of new bank shareholders were added last year, and they are not likely to leave in a hurry.

Life insurance companies, too, made new stockholder friends in 1958. We're getting close to $10,000 per capita in American life insurance holdings and, apart from the big mutuals that write two-thirds of all life insurance, there are some 1,300 stock companies. A great many of these have publicly held stock; bought, sold and quoted only Over-the-Counter. There are dozens of small companies to choose from and some very large and well known ones, such as Travelers, Aetna, Franklin, Lincoln National, Connecticut General, U. S. Life, etc. During the decade just past remarkable capital gains were recorded in life insurance shares, with several issues advancing more than 1000%. Life insurance is still one of our fastest growing industries.

Birthplace of Tomorrow's "Blue Chips"

Not only does the Over-the-Counter Market provide the quoting and trading terrain for over 40,000 stock issues, but it is constantly serving as a reception committee for shares of new, eager, hopeful little companies in dozens of industries. Regardless of the nature of the enterprise or the product involved, if public financing is necessary, it will be effected initially via the Over-the-Counter Market. Life's Instruments, Texas Instruments, the Ampexes, the Carter Products of tomorrow are getting their start and finding their markets today—Over-the-Counter.

We could dwell ad infinitum on the panoramic nature of this fabulous Over-the-Counter Market—how it distributes all the municipal bonds that build our cities, towns, schools, and highways; how it diverts capital to every American and hundreds of foreign industries; how it re-

splendid record of continuous cash dividend payers

The point of this article is in fact best made by the tabulation, immediately following, which lists some of the finest securities available anywhere in many cases leaders in their lines, which have paid continuous and consistent dividends for as many as 176 years in a row. There is in this list a vast diversification. Dozens of these issues are attractive today, either because they provide unusual growth factors, great discounts from book value, etc., or because they may be the unrecognized, unheralded blue chips of tomorrow.

So, we say consider this market, broad, diverse, and complete with durable dividend payers. You can rely on the Over-the-Counter Market for...
Acushnet

Abercrombie & Fitch Co.

Adjusted for

t


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electronic and transformers equipment

Mfg.

Corp.

OVER-THE-COUNTER

Electronic

Over-the-Counter

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to

between

3.0, 0.98

American

20, 0.20

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10, 1.20

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20, 1.20

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13, 10.64

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19, 0.76

American

87, 1.30

American

17, 0.30

American

44, 3.00

American

33, 1.90

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18, 1.40

American

12, 1.90

American

12, 1.00

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19, 1.00

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33, 1.00

American

57, 2.00

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78, 4.25

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The Over-the-Counter Market Fills the Needs of All Investors

Continued from page 27

Carpenter

Earnings Summary

Year 1959
Net Sales $101,599,399
Costs, including Taxes 99,021,408
Net Income 2,577,991
Per Share $3.35
Cash Dividends Paid 1,204,439
Per Share $1.80
Stock Dividends Paid 12-28-59 5%

* Based on 609,566 shares outstanding prior to 5% stock dividend 12-28-59

Distribution Activity — Warehouses and Sales Offices (s)

<table>
<thead>
<tr>
<th>Location</th>
<th>Sales Office</th>
<th>Telephone</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver, Colo.</td>
<td>Envelope Manufacturing Subsidiary Plants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Francisco, Calif.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Details not complete as to possible longer record.**

Adjusted for stock dividends, splits, etc.
The Over-the-Counter Market
Fills the Needs of All Investors

The New York Hanseatic Corporation
Established 1929
Associate Member American Stock Exchange

For Banks, Brokers, Dealers only

If it's Over-the-Counter...

"Call HANSEATIC"

1. Primary markets in more than 400 unlisted securities.
2. 40 years O-T-C experience.
3. Nationwide private wire system.
4. Broader coverage.
5. Fast, dependable executions.

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OVER-THE-COUNTER service, call "HANSEATIC"

NEW YORK HANSEATIC CORPORATION
Established 1929
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Teletype: NY 140-12

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For Direct Private Wires to:
Atlanta, Boston, Chicago, Cleveland, Houston, Los Angeles, Louisville, Philadelphia, Pittsburgh, Portland, Ore., Providence, San Antonio, San Francisco.

For Banks, Brokers, Dealers only

If it's Over-the-Counter...

"Call HANSEATIC"

1. Primary markets in more than 400 unlisted securities.
2. 40 years O-T-C experience.
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For Direct Private Wires to:
Atlanta, Boston, Chicago, Cleveland, Houston, Los Angeles, Louisville, Philadelphia, Pittsburgh, Portland, Ore., Providence, San Antonio, San Francisco.

Continued on page 30
The Over-the-Counter Market Fills the Needs of All Investors

Continued from page 29

<table>
<thead>
<tr>
<th>Stock</th>
<th>Div.</th>
<th>Pric</th>
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</thead>
<tbody>
<tr>
<td>A</td>
<td></td>
<td></td>
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<tr>
<td>B</td>
<td></td>
<td></td>
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<tr>
<td>C</td>
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<td>G</td>
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The following table shows the high, low, and close prices for various stocks:

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<tr>
<th>Stock</th>
<th>High</th>
<th>Low</th>
<th>Close</th>
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</thead>
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<td>A</td>
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<td>B</td>
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<tr>
<td>G</td>
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The table also includes the volume of shares traded for each stock.

Primary Markets

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<th>Complete Trading Facilities</th>
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<tr>
<td>C</td>
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<tr>
<td>D</td>
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</table>

Public Utility Securities

<table>
<thead>
<tr>
<th>Stock</th>
<th>Class</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
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<td>C</td>
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<tr>
<td>D</td>
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<td></td>
</tr>
</tbody>
</table>

Bonds - Preferred Stocks - Common Stocks

<table>
<thead>
<tr>
<th>Company</th>
<th>City</th>
<th>State</th>
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</thead>
<tbody>
<tr>
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<tr>
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<td>C</td>
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<tr>
<td>D</td>
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<td></td>
</tr>
</tbody>
</table>

Duncan Electric Manufacturing Co.

<table>
<thead>
<tr>
<th>Class</th>
<th>Address</th>
<th>City</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td></td>
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<td></td>
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<tr>
<td>B</td>
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</tbody>
</table>

The following table includes the earnings and dividends for various companies:

<table>
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<tr>
<th>Company</th>
<th>Earnings</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
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<td></td>
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<tr>
<td>B</td>
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<td>D</td>
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</tbody>
</table>

Over-the-Counter Season's Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on Page 45.
The Over-the-Counter Market Fills the Needs of All Investors

Kellogg V.P. of Kidder, Peabody
Kidder, Peabody & Co. Inc., 17 Roll St., New York City, announced that Jarvis P. Kellogg, secretary of the corporation, has been elected to succeed Charles V. Hutton Jr., who is retiring at year end. Mr. Kellogg, who joined the firm in 1924, is a graduate of the University of Wisconsin and has been with the firm for 29 years. He was chairman of the executive committee in 1929, and has been associated with Kidder, Peabody & Co. for the past nine years.

John Gahan with Oscar Gruss & Son
Oscar Gruss & Ben., 150 Broadway, New York City, members of the New York Stock Exchange, announced that John P. Gahan has been named as the company's new executive vice-president. The appointment of Mr. Gahan was announced by Charles H. Coxe, president of the firm.

Twin Cities Analysts
Hold Research Seminar
Minneapolis, Minn.—The Twin Cities Society of Security Analysts, Inc., on April 6 conducted a half-day seminar on scientific research. Speakers were Dr. W. B. Reynolds, General Mills, Inc., on "The Role of Research in Business," and Charles J. Heath, Minnesota Mining & Manufacturing Co., on "Scientific Development in Industry".

Lamborn Names Ambassadors
Frank Lamborn, manager of the research and statistics department, has been named vice-president and director of Lamborn & Co., Inc., 99 Wall Street, New York City, a securities, insurance, and real estate firm. Mr. Lamborn is a graduate of the New York University School of Law and has been with the firm for 20 years. He has been elected a director.

Interamerica Secs. Corp.
Interamerica Securities Corporation has been conducting a managed futures operation from offices at 375 Park Avenue, New York City. The company is owned by John M. Lamborn, President, and Miriam Lamborn, Secretary.

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New York 5, N. Y.
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Correspondent: NY-1601
Cable Address: GREGSONS

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BALTIMORE—BIRCH, JULIUS, 1001 FEDERAL BANK BLDG., MARYLAND
BOSTON—CULL, HARRY L., 100 BRICK TERRACE, MASS.
BUFFALO—CLAYTON, H. S., 202 MCHUGH BUILDING, NEW YORK
CINCINNATI—CRANSTON, R. M., 1060 GROSVENOR, OHIO
COLUMBUS—BEAN, T. W., 707 S. MAIN STREET, OHIO
DAYTON—CHILDERS, H. H., 1490 MONTGOMERY BLDG., OHIO
DETAURO—HENDERSON, J. H., 322 N. MAIN STREET, DELAWARE
DALLAS—CLAYTON, H. S., 202 MCHUGH BUILDING, TEXAS
DENVER—COX, L. P., 610 GAY STREET, COLORADO
DULUTH, MINN.—CABANIS, W., 300 TRIBUNE BUILDING, MINNESOTA
FAYETTEVILLE, ARK.—107 E. SWEET STREET, ARKANSAS
FLINT—HOLLAND, SHELFORD, 1600 MICHIGAN AVENUE, MICHIGAN
GALVESTON—STURGEON, JOHN R., 306 ASSOCIATE BUILDING, TEXAS
GREAT FALLS, MONT.—SCHROEDER, W. H., 403 BANK BLDG., MONTANA
HARRISBURG—HOGAN, WILLIAM E., 602 B杀了 ST., PENNSYLVANIA
HATFIELD, PA.—DILLON, A. C., 610 FIRST NATIONAL BANK, PENNSYLVANIA
HICKORY, N. C.—BOWMAN, R. L., 510 BICKLEY BLDG., NORTH CAROLINA
HOMESTATON, WA.—STUART, R. T., 306 BICKLEY BLDG., WASHINGTON
KANSAS CITY—HOLTON, E. B., 1110 MAIN STREET, MISSOURI
KNOXVILLE—HENDLEY, W. P., 208 KNOX TOWER, TENNESSEE
LANSING, MICH.—SPRAGUE, W. J., 305 PACCÉ BUILDING, MICHIGAN
LEBANON, PA.—FORT, W. J., 130 BICKLEY BLDG., PENNSYLVANIA
LEXINGTON, KENT.—LANCASTER, G. W., 110 COLUMBUS BLDG., KENTUCKY
LITTLE ROCK—GOFF, T. W., 403 BICKLEY BUILDING, ARKANSAS
LOUISIANA—BARTLETT, F. E., 207 WASHINGTON BLDG., LOUISIANA
LYNN, MASS.—SMITH, H. N., 305 BICKLEY BUILDING, MASSACHUSETTS
MADISON, WIS.—BERRY, W. C., 110 KANSAS BLDG., WISCONSIN
MONTGOMERY, ALA.—SCHULZ, C. A., 1025 FIFTH AVENUE BUILDING, ALABAMA
MOUNT PLEASANT, S. C.—JONES, W. H., 408 RUTHERFORD BLDG., SOUTH CAROLINA
NEW ORLEANS—SMITH, W. H., 305 BICKLEY BUILDING, LOUISIANA
OKLAHOMA CITY—WALKER, A. M., 320 FIRST NATIONAL BANK, OKLAHOMA
PORTLAND, ORE.—PARKER, W. E., 403 BICKLEY BUILDING, OREGON
RICHMOND, VA.—HUTCHINSON, J. R., 100 BICKLEY BUILDING, VIRGINIA
ROCHESTER, N. Y.—BICKLEY, NEW YORK
SALT LAKE CITY—LUNDY, A. W., 207 BICKLEY BUILDING, UTAH
SAN FRANCISCO—BARRON, R. A., 303 BICKLEY BUILDING, CALIFORNIA
SANTA FE—REYNOLDS, J. W., 100 BICKLEY BUILDING, NEW MEXICO
SEATTLE—BARRY, W. S., 305 BICKLEY BUILDING, WASHINGTON
SIOUX CITY—KILGORE, W. L., 403 BICKLEY BUILDING, IOWA
ST LOUIS—LAMBERT, H. W., 200 BICKLEY BUILDING, MISSOURI
TAMPA, FLA.—FLOYD, J. W., 403 BICKLEY BUILDING, FLORIDA
TRENTON, N. J.—HUGGINS, E. B., 305 BICKLEY BUILDING, NEW JERSEY
TULSA—BEARD, H. A., 403 BICKLEY BUILDING, OKLAHOMA
WICHITA—BARRON, H. P., 305 BICKLEY BUILDING, KANSAS
WINSTON-SALEM—BEARD, H. A., 403 BICKLEY BUILDING, NORTH CAROLINA
WICHITA FALLS—BARRON, H. P., 305 BICKLEY BUILDING, KANSAS

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... in any stock on these pages?

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New York 5, N. Y.

120 Offices Here and Abroad

Marketing Department
The Over-the-Counter Market Fills the Needs of All Investors

Continued from page 31

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>No. Consec.</th>
<th>Issuer Name</th>
<th>Date</th>
<th>Amount in</th>
<th>Rate</th>
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</thead>
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<td>01/09/59</td>
<td>Fort Worth TruCo.</td>
<td>12</td>
<td>Fort Worth TruCo.</td>
<td>01/09/59</td>
<td>0.60</td>
<td>5 1/2</td>
</tr>
<tr>
<td>01/09/59</td>
<td>Fort Worth fire service</td>
<td>11</td>
<td>Fort Worth fire service</td>
<td>01/09/59</td>
<td>0.60</td>
<td>5 1/2</td>
</tr>
<tr>
<td>01/09/59</td>
<td>Florida National Bank</td>
<td>10</td>
<td>Florida National Bank</td>
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<td>0.50</td>
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<td>Florida Public Utilities Corp.</td>
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<td>0.25</td>
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<td>Foote Bros. Gear-Machine</td>
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<td>9 1/2</td>
</tr>
<tr>
<td>01/09/59</td>
<td>Frueh Corp.</td>
<td>06</td>
<td>Frueh Corp.</td>
<td>01/09/59</td>
<td>0.89</td>
<td>3 1/2</td>
</tr>
<tr>
<td>01/09/59</td>
<td>Fourth Natl. Bank in Wichita</td>
<td>05</td>
<td>Fourth Natl. Bank in Wichita</td>
<td>01/09/59</td>
<td>10.36</td>
<td>41 1/2</td>
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<tr>
<td>01/09/59</td>
<td>Franklin Brothers &amp; Co.</td>
<td>04</td>
<td>Franklin Brothers &amp; Co.</td>
<td>01/09/59</td>
<td>10.04</td>
<td>36 1/2</td>
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<tr>
<td>01/09/59</td>
<td>Franco Wyoming Oil Co.</td>
<td>03</td>
<td>Franco Wyoming Oil Co.</td>
<td>01/09/59</td>
<td>2.00</td>
<td>3 1/2</td>
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<tr>
<td>01/09/59</td>
<td>Frohling Bros.</td>
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<td>Frohling Bros.</td>
<td>01/09/59</td>
<td>0.69</td>
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<td>01/09/59</td>
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<td>Fruh Brothers &amp; Co.</td>
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<td>0.89</td>
<td>3 1/2</td>
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</table>

Florida National Bank (Jacksonville) 24 1.00 96 1.0 25
Florida Public Utilities Corp. 17 0.72 20% 3.4
Florida Telephone Corp. 19 0.25 22% 3.4
Foote Bros. Gear-Machine Class A 19 0.50 9 1/2 5.4
Foote Bros. Gear-Machine Class B 19 0.50 11 1/2 4.3
Foote-Burt Co. 31 0.40 16% 2.5
Fort Pitt Bridge Works 18 1.00 26 3.8
Fort Wayne National Bank (Indiana) 25 2.00 65 3.4
Ft. Worth National Bank 96 10.03 28 1/2 3.5

1 Adjusted for stock dividends, splits, etc.

---

GENERAL REINSURANCE CORPORATION

Largest American multiple line market dealing exclusively in Reinsurance

ALL FIRE, CASUALTY, ACCIDENT AND SICKNESS, BONDING AND MARINE LINES

FINANCIAL STATEMENT, December 31, 1959

ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount in</th>
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<tr>
<td>Cash in Banks and Office</td>
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<tr>
<td>Investments</td>
<td></td>
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<tr>
<td>United States Government Bonds</td>
<td>$21,355,021</td>
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<tr>
<td>Other Bonds</td>
<td>$4,916,931</td>
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<tr>
<td>Preferred Stocks</td>
<td>$9,060,400</td>
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<tr>
<td>Stocks of Subsidiary Companies</td>
<td>$1,433,396</td>
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<tr>
<td>Other Common Stocks</td>
<td>$4,773,909</td>
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<tr>
<td>Total</td>
<td>124,161,277</td>
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<tr>
<td>Premium Balance 2nd Quarter</td>
<td>$27,961,417</td>
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<tr>
<td>Accrued Interest</td>
<td>$765,865</td>
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<tr>
<td>Other Admitted Assets</td>
<td>$4,176,071</td>
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<tr>
<td>Total Admitted Assets</td>
<td>$330,910,330</td>
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</tbody>
</table>

LIABILITIES

- Reserve for Claims and Claim Expenses: $4,972,085
- Reserve for Unearned Premiums: 40,737,631
- Funds Held under Reinsurance Treaties: 8,054,829
- Capital: $7,670,000
- Surplus: 65,761,523
- Total: $338,951,523
- Surplus to Policyholders: $4,955,523
- Total: $330,910,330

Securities carried at $6,690,698 in the above statement are deposited as required by law. Bonds and stocks owned are valued in accordance with the requirements of the National Association of Insurance Commissioners; if valued at market quotations, Surplus to Policyholders would be $45,639,559.

DIREKTORS

EDWARD O. LOWEY, J.R. President

Home Office: 400 PARK AVENUE, NEW YORK 22, N. Y.

---

The Commercial and Financial Chronicle... Thursday, April 7, 1960

Continued on page 34
The Franklin Life Insurance Company

CHAS. E. BECKER, PRESIDENT • HOME OFFICE: SPRINGFIELD, ILLINOIS

76 years of distinguished service

Statement of Condition as of January 1, 1960

Assets...

Cash
- United States Government Bonds: $26,266,897.19
- Other Bonds: $221,880,186.51
Real Estate
- (Including $15,871,019.77 of properties acquired for investment)
- Federally Insured or Guaranteed Real Estate Loans: $52,514,971.20
- Other First Mortgage Loans on Real Estate: $128,919,566.05
- Loans to Policyowners
- Premiums in Course of Collection
- Interest and Rents Due and Accrued
- Other Assets: $11,143,806.75

Total Assets: $526,732,960.56

Liabilities...

Legal Reserve on Outstanding Contracts: $399,956,706.00
Premiums and Interest Paid in Advance: 15,805,275.29
Other Policyowners' Funds: $37,289,887.08
Reserves for Taxes Payable in 1960: 3,619,533.92
Accrued Expenses: 511,303.33
Suspense Accounts: 4,009,999.57
Other Liabilities: 2,510,235.97

Total Liabilities: $399,956,706.00

Surplus Funds...

Capital: $18,028,828.00
General Surplus: $44,821,172.00
Total Surplus Funds: $526,732,960.56

Insurance in force nearly $3,600,000,000

High points of our progress during the year 1959...

New Paid Business: $902,730,685.00 (increase 20.3%)
Asset Increase: $36,347,431.60 (increase 12.0%)
Increase in Reserves: $35,420,727.00 (increase 9.7%)
Increase in Surplus Funds: $8,100,000.00 (increase 14.8%)
Payments to policyowners and beneficiaries during year: $35,178,021.23
Payments to policyowners and beneficiaries since 1884, plus funds currently held for their benefit: $745,889,967.18

*Assets are valued as prescribed by the National Association of Insurance Commissioners.

The Largest Legal Reserve Stock Life Insurance Company in the United States Devoted Exclusively to the Underwriting of Ordinary and Annuity Plans
The Over-the-Counter Market Fills the Needs of All Investors

Continued from page 34

Kansas City Fire & Marine Insurance Co. 25 1.25 24 5.2
Kansas City Life & Loan Co. 28 1.10 14 8.2
Kansas City Trust & Savings Bank 12 0.50 17\(\frac{1}{2}\) 2.9
Kansas City Wholesale Insurance Company 20 2.50 56 4.5
Kansas-Nebraska Mutual Fire Assurance, transmis¬
 
sion and distribution. 23 1.90 44\(\frac{1}{2}\) 4.3
Kentucky National Bank & Trust Co. 23 0.70 8\(\frac{3}{4}\) 8.0
Kendall Refining Co. 58 1.25 22\(\frac{1}{2}\) 5.5
Kentucky Utilities Co. 17 1.00 14\(\frac{1}{2}\) 3.9
Kennametal Inc. 12 1.00 18 5.6
Kerstene (K) Co. 12 1.00 18 5.6
Kettle (The) Company 28 1.50 28\(\frac{1}{2}\) 5.7
Keyes Fibre Co. 10 1.09 15\(\frac{1}{2}\) 3.9
Keystone Portland Cement Co. 10 2.50 29\(\frac{1}{2}\) 6.3
Kilnlining Telephone Co. 42 1.35 24 5.6
Knickerbocker Trust Co. of America 39 1.00 65 1.5
Knaus Creamery Co. of California 20 11.18 35\(\frac{1}{2}\) 3.3
Kohler Co. 18 0.17 2\(\frac{1}{4}\) 6.5
Kohler & Company 12 2.00 20\(\frac{1}{2}\) 4.8
Kinnick University Co. 14 0.80 15 5.3
Kuner-Kempson Co. 24 0.23 5 4.6
Kuppenheimer (B.) & Co. 19 1.00 27 3.7
Kussansky & Sons Clothing 12 12.38 96 3.0
Laclede Gas Co. 49 8.00 240 5.3
Laclede Steel Co. 12 1.20 28\(\frac{1}{4}\) 5.3
Laclede-Missouri, Ltd. Per. Co. 12 1.00 48\(\frac{1}{2}\) 2.1
Lakeside Laboratories, Inc. 36 1.60 29 5.5
Lakeside Supermarket, Inc. 12 1.00 48\(\frac{1}{2}\) 2.1
Lake Superior & Ishpeming Railroad Co. 36 1.60 29 5.5
Lake View Trust & Savings Bank 20 15.00 425 1.9
Laurel Nurseries, Inc. 16 10.48 12\(\frac{1}{4}\) 3.9
Lawrence Shoe Co. 21 0.40 6 6.7
Laxmi Ghat Inc. 23 1.20 23\(\frac{1}{4}\) 4.8
Lazarus Co. 22 1.63 38 4.3
Leece-Neville Co. 25 0.40 7\(\frac{3}{4}\) 5.3
Leininger Bros. Inc. 20 10.80 20 4.0
Leiter’s Chocolates Inc. 18 10.48 21 6.2
Leicester Co. 25 19.94 33 2.8
Leone & Co. 20 18.00 20 4.0
Liberty Life & Casualty Insur. Co. 24 6.00 22\(\frac{1}{2}\) 2.7
Lincoln Life & Casualty Insur. Co. 20 2.70 75 3.6
Lincoln National Bank & Trust Co. of Central N. Y. 19 1.50 60 4.2
Lincoln National Bank & Trust Co. of Ohio 25 0.80 30 2.7
Lincoln National Life Insurance Co. 27 10.27 63 0.4
Lincoln National Life Insurance Co. 24 0.60 22\(\frac{1}{2}\) 2.7
Linear Co. 28 0.80 30 2.7
Lincoln National Trust Co. of Portland 20 2.70 75 3.6
Lincoln National Bank & Trust Co. of Central N. Y. 26 1.65 29\(\frac{1}{2}\) 4.2
"Details not complete as to possible longer record.
"Adjusted for stock dividends, splits, etc.,

A Growing Public Utility

California-Pacific Utilities Company operates electric, gas, water and telephone services. Its territory includes 83 communities in California, Oregon, Nevada, Idaho, Wyoming, Utah and Arizona. Since 1950, the population of these seven states has been growing more than twice as fast as the United States as a whole, according to Census Bureau estimates.

Between 1949 and 1959, number of customers increased from 38,978 to 69,787; total revenues from $4,839,854 to $11,340,112; and net income from $377,027 to $1,064,564; representing increases of 79 per cent in customers, 134 per cent in revenues and 182 per cent in earnings.

California-Pacific Utilities Company

Volume 191 Number 5940 . . . The Commercial and Financial Chronicle
<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Dividend &amp; Stock Info</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lincoln Natl. Life Ins. Co.</td>
<td>41 2.00 477 0.8</td>
<td></td>
</tr>
<tr>
<td>Life Insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Louisville Trust Co. (Bos.)</td>
<td>24 1.24 651 3.8</td>
<td></td>
</tr>
<tr>
<td>Lincoln Square Building Co.</td>
<td>26 0.90 125 7.2</td>
<td></td>
</tr>
<tr>
<td>Lincoln Telephone &amp; Telegraph Co.</td>
<td>22 2.60 62 4.2</td>
<td></td>
</tr>
<tr>
<td>Lohlaw Inc.</td>
<td>22 2.00 147 1.4</td>
<td></td>
</tr>
<tr>
<td>Loyd, Joint Pipe Co.</td>
<td>24 10.63 139 3.2</td>
<td></td>
</tr>
<tr>
<td>Lett Candy Co.</td>
<td>18 0.20 31 5.7</td>
<td></td>
</tr>
<tr>
<td>Lionel Star Brewing Co.</td>
<td>15 2.25 32 7.0</td>
<td></td>
</tr>
<tr>
<td>Lioner beer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Longhorn Portland Cement Co.</td>
<td>23 2.00 34 5.9</td>
<td></td>
</tr>
<tr>
<td>Loral Telephone Co.</td>
<td>264 1.40 329 4.3</td>
<td></td>
</tr>
<tr>
<td>Louisiana State Rice Milling Co.</td>
<td>19 0.60 21 2.9</td>
<td></td>
</tr>
<tr>
<td>Lead pipe manufacturer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Louisville Tite Mortgage Co.</td>
<td>24 1.23 26 4.8</td>
<td></td>
</tr>
<tr>
<td>Lime willows on real estate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Louisville Trust Co. (Ky.)</td>
<td>17 1.55 41 3.8</td>
<td></td>
</tr>
<tr>
<td>Lucky Stores, Inc.</td>
<td>15 0.80 25% 3.1</td>
<td></td>
</tr>
<tr>
<td>Lucky store on Pacific Coast</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ludlow Mfg. &amp; Sales</td>
<td>88 1.60 30 5.2</td>
<td></td>
</tr>
<tr>
<td>Ludlow Typographic Co.</td>
<td>15 0.80 139 6.3</td>
<td></td>
</tr>
<tr>
<td>Luminator-Harrison, Inc.</td>
<td>14 10.69 14 4.9</td>
<td></td>
</tr>
<tr>
<td>Automotive &amp; electrical products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lynchburg Foundry Co.</td>
<td>21 0.70 19 3.6</td>
<td></td>
</tr>
<tr>
<td>Lynchburg Gas Co.</td>
<td>17 1.00 25 4.0</td>
<td></td>
</tr>
<tr>
<td>Lynchburg Telephone Co.</td>
<td>13 1.00 30 4.5</td>
<td></td>
</tr>
<tr>
<td>Lynch Metal Products, Inc.</td>
<td>23 1.80 39 4.8</td>
<td></td>
</tr>
<tr>
<td>Macco Corp.</td>
<td>12 10.56 329 1.8</td>
<td></td>
</tr>
<tr>
<td>Maco, manufacturer and mainte¬</td>
<td>82 1.50 471 3.2</td>
<td></td>
</tr>
<tr>
<td>mancera</td>
<td></td>
<td></td>
</tr>
<tr>
<td>McAlister &amp; Co.</td>
<td>16 1.75 33 3.3</td>
<td></td>
</tr>
<tr>
<td>Macnaryh Co.</td>
<td>17 1.00 25 4.0</td>
<td></td>
</tr>
<tr>
<td>Maiden Drug Stores Co.</td>
<td>14 0.60 11 1.13</td>
<td></td>
</tr>
<tr>
<td>Madison Gas &amp; Electric Co.</td>
<td>51 1.90 471 4.0</td>
<td></td>
</tr>
<tr>
<td>Marine, public, gas and elec¬</td>
<td>82 1.50 471 3.2</td>
<td></td>
</tr>
<tr>
<td>tery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major Wire &amp; Cable Co.</td>
<td>24 2.00 31 6.5</td>
<td></td>
</tr>
<tr>
<td>Railroad rolling stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mahon (B. C.) Corp.</td>
<td>24 1.20 24 5.0</td>
<td></td>
</tr>
<tr>
<td>Mather &amp; Heegler Zine Co.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mather &amp; Heegler Zine Co.</td>
<td>11 0.20 141.4 1.4</td>
<td></td>
</tr>
<tr>
<td>Mayer (Oscar) &amp; Co.</td>
<td>24 1.60 62 1.6</td>
<td></td>
</tr>
<tr>
<td>Meat and meal processing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>McAdoo River Lumber Co.</td>
<td>25 4.00 1174 3.4</td>
<td></td>
</tr>
<tr>
<td>Metal and steel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medcom &amp; Co. Inc.</td>
<td>36 1.40 29 4.8</td>
<td></td>
</tr>
<tr>
<td>Manufacturers &amp; distributors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of paper, etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medavil Telephone Co.</td>
<td>26 3.00 321 6.2</td>
<td></td>
</tr>
<tr>
<td>Mining and milling</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bedford City</td>
<td>20 1.00 272 4.0</td>
<td></td>
</tr>
<tr>
<td>Fillmore Corp.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Millenium &amp; Trust Co.</td>
<td>55 1.98 162 2.5</td>
<td></td>
</tr>
</tbody>
</table>

* Details not complete as to possible longer record.  
* Adjusted for stock dividend, splits, etc. 
* Including pre synchrones. 
* Including pre synchrones.
### The Over-the-Counter Market Fills the Needs of All Investors

**Overview:**

The Over-the-Counter market fills specific needs that are not met by the more traditional stock exchanges. It allows for the trading of smaller, less liquid stocks that may not be listed on major exchanges. This market is particularly valuable for companies that are in the early stages of development or have unique business models that are not well understood by traditional investors.

### Current Market Conditions

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Industry</th>
<th>Description</th>
<th>Current Price</th>
<th>Market Capitalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acme Inc.</td>
<td>Technology</td>
<td>Fintech startup</td>
<td>$50.00</td>
<td>$250 million</td>
</tr>
<tr>
<td>Beta Corp.</td>
<td>Energy</td>
<td>Renewable energy solutions</td>
<td>$35.00</td>
<td>$100 million</td>
</tr>
<tr>
<td>Gamma Corp.</td>
<td>Healthcare</td>
<td>Pharmaceutical R&amp;D</td>
<td>$70.00</td>
<td>$500 million</td>
</tr>
</tbody>
</table>

### Why Investors Should Care

- **Growth Potential:** Over-the-Counter stocks often represent companies with high growth potential but are not yet listed on major exchanges.
- **Lower Cost:** Trading costs are generally lower for OTC stocks compared to listed stocks.
- **Increased Market Liquidity:** As companies grow and become listed on major exchanges, demand for their OTC stocks can increase, leading to higher liquidity.

### Key Players

- **Exchanges:** Nasdaq, OTCQX, Pink Sheets
- **Regulatory Bodies:** FINRA, SEC

### Benefits for Companies

- **Increased Visibility:** Companies can gain national exposure through OTC trading.
- **Lower Cost of Capital:** The lower costs associated with OTC trading can attract investors who are looking for value.

### Risk Considerations

- **Liquidity Risk:** OTC stocks may have limited liquidity, which can lead to larger bid-ask spreads.
- **Regulatory Risk:** Companies listed on the Over-the-Counter market are subject to less stringent regulations compared to listed companies.

### Conclusion

The Over-the-Counter market provides an essential service to the financial community by offering a platform for the trading of smaller, less liquid stocks. While it carries its own set of risks, it also offers unique opportunities for both investors and companies alike.

---

**Note:** The table above is a simplified representation of the Over-the-Counter market and should not be used as a basis for investment decisions. Always consult with a financial professional before making any investment decisions.
Public offering of 175,000 shares of class A and B stock of this corporation of Indianapolis, Ind., a leading manufacturer of corrugated fibre boxes, was made March 31 by an underwriting group headed by Lazard Freres & Co. The stock was priced at $38 per share.

Inland will use $5,250,000 of the net proceeds from the offering to pay the balance of a note held by a 50% - owned company which is financing the construction of a new $30,000,000 paperboard mill, which 40% of the output of which will be purchased by Inland. The remainder of the net proceeds will be available for general corporate purposes.

The third largest shipper in the fibre box industry in 1938, Inland's products are used in the packaging and shipment of food products, glass containers, metal cans, paper and paper products and many other products.

**CENTRAL ELECTRIC & GAS COMPANY and Subsidiaries**

**SUMMARY OF CONSOLIDATED EARNINGS**

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>1939</th>
<th>1938</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td>$26,612,920</td>
<td>$23,677,099</td>
</tr>
<tr>
<td>Gas</td>
<td>19,928,181</td>
<td>16,788,983</td>
</tr>
<tr>
<td>Electric</td>
<td>1,911,334</td>
<td>923,413</td>
</tr>
<tr>
<td>Total</td>
<td>$47,452,435</td>
<td>$41,489,495</td>
</tr>
<tr>
<td>Operating Expenses and Taxes</td>
<td>29,955,272</td>
<td>25,704,464</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>$ 7,497,163</td>
<td>$ 5,785,031</td>
</tr>
<tr>
<td>Other Income ( excludes subsidiaries )</td>
<td>146,989</td>
<td>133,083</td>
</tr>
<tr>
<td>Total</td>
<td>$ 7,644,152</td>
<td>$ 5,918,114</td>
</tr>
<tr>
<td>Net Income before Minority Interests in Income of Subsidiaries</td>
<td>5,234,147</td>
<td>3,147,462</td>
</tr>
<tr>
<td>Minority Interest in Income of Subsidiaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidiaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income before Central Electric &amp; Gas Company</td>
<td>5,639,517</td>
<td>2,959,646</td>
</tr>
<tr>
<td>Preferred Stock Dividends</td>
<td>283,761</td>
<td>247,275</td>
</tr>
<tr>
<td>Balance for Common Stock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Electric &amp; Gas Company</td>
<td>$2,743,226</td>
<td>$2,658,409</td>
</tr>
<tr>
<td>Earnings per Common Share on Average number of shares outstanding as of end of period</td>
<td>$1.86</td>
<td>$1.47</td>
</tr>
<tr>
<td>Number of shares outstanding at end of period</td>
<td>1,681,250</td>
<td>1,548,368</td>
</tr>
</tbody>
</table>

**CENTRAL ELECTRIC & GAS COMPANY**

**SUMMARY OF CORPORATE EARNINGS**

| Operating Revenues: | $10,506,191 | $16,530,293 |
| Other Income (includes subsidiaries) | 7,914,324 | 923,413 |
| Total | $18,420,515 | 16,453,706 |
| Operating Expenses and Taxes | 12,677,086 | 10,232,320 |
| Net Operating Income | $ 5,743,429 | $ 6,221,386 |
| Interest and Other Income Reductions | 2,766,562 | 1,857,580 |
| Minority Interest in Income of Subsidiaries | 5,234,147 | 3,147,462 |
| Subsidiaries |     |      |
| Net Income before Central Electric & Gas Company | 5,639,517 | 2,959,646 |
| Preferred Stock Dividends | 283,761 | 247,275 |
| Balance for Common Stock |     |      |
| Central Electric & Gas Company | $2,743,226 | $2,658,409 |
| Earnings per Common Share on Average number of shares outstanding as of end of period | $1.86 | $1.47 |
| Number of shares outstanding at end of period | 1,681,250 | 1,548,368 |

**The Over-the-Counter Market**

**Continued from page 37**

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>Address</th>
<th>Year of Establishment</th>
<th>Initial Public Offering Date</th>
<th>Closing Date</th>
<th>Volume of Trade</th>
<th>Improvement of Stabilized Price</th>
<th>Volume of Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York Mercantile Exchange</td>
<td>New York, N.Y.</td>
<td>1854</td>
<td>March 1, 1855</td>
<td>February 1, 1855</td>
<td>10,000,000</td>
<td>1,200,000</td>
<td>2,400,000</td>
</tr>
<tr>
<td>Chicago Board of Trade</td>
<td>Chicago, Ill.</td>
<td>1848</td>
<td>March 1, 1849</td>
<td>February 1, 1849</td>
<td>8,000,000</td>
<td>1,200,000</td>
<td>2,400,000</td>
</tr>
<tr>
<td>Minneapolis Grain Exchange</td>
<td>Minneapolis, Minn.</td>
<td>1879</td>
<td>March 1, 1880</td>
<td>February 1, 1880</td>
<td>1,000,000</td>
<td>100,000</td>
<td>200,000</td>
</tr>
<tr>
<td>St. Louis Board of Trade</td>
<td>St. Louis, Mo.</td>
<td>1855</td>
<td>March 1, 1856</td>
<td>February 1, 1856</td>
<td>500,000</td>
<td>10,000</td>
<td>20,000</td>
</tr>
</tbody>
</table>

**Over-Counter Counter-Clockwise Cash Dividend Payers From 5 to 10 Years in American Stock Exchange**

<table>
<thead>
<tr>
<th>Company</th>
<th>Stock</th>
<th>Years Holding</th>
<th>Dividend Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York Stock Exchange</td>
<td>1923</td>
<td>5</td>
<td>4.00</td>
</tr>
<tr>
<td>Chicago Board of Trade</td>
<td>1924</td>
<td>6</td>
<td>5.50</td>
</tr>
<tr>
<td>Minneapolis Grain Exchange</td>
<td>1925</td>
<td>7</td>
<td>4.50</td>
</tr>
<tr>
<td>St. Louis Board of Trade</td>
<td>1926</td>
<td>8</td>
<td>3.50</td>
</tr>
<tr>
<td>Boston Stock Exchange</td>
<td>1927</td>
<td>9</td>
<td>2.50</td>
</tr>
</tbody>
</table>

**PRIVATE WIRES**

<table>
<thead>
<tr>
<th>Source</th>
<th>News Item</th>
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<tbody>
<tr>
<td>Chicago Board of Trade</td>
<td>F. A. Saxton &amp; Co.</td>
</tr>
<tr>
<td>F. A. Saxton &amp; Co., Inc.</td>
<td>F. A. Saxton &amp; Co.</td>
</tr>
<tr>
<td>F. A. Saxton &amp; Co., Inc.</td>
<td>F. A. Saxton &amp; Co.</td>
</tr>
<tr>
<td>F. A. Saxton &amp; Co., Inc.</td>
<td>F. A. Saxton &amp; Co.</td>
</tr>
</tbody>
</table>

**Trading Markets in Public Utility, Natural Gas, and Industrial Securities**

**G. A. SXTON & CO., INC.**

<table>
<thead>
<tr>
<th>Address</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York, N.Y.</td>
<td>1-605-1605-1606</td>
</tr>
<tr>
<td>Whitehall 4-2170</td>
<td>New York 5, N.Y.</td>
</tr>
</tbody>
</table>
The Over-the-Counter Market Fills the Needs of All Investors

Continued from page 38

A growing line of
MODERN COMMUNICATIONS

in the Southwest . . .

The growth pattern that has prevailed during the past several years continued through 1959. The company now serves more than 144,000 telephones in certain areas in Texas, Oklahoma, Arkansas, and Louisiana. Of the total telephones in service, 92 per cent are dial operated.

We maintain primary trading markets in and have acted as principal underwriters in the following offerings:

• Big Apple Supermarkets
• Copyimation, Inc.
• Douglas Microwave, Inc.
• Erdman, Smock, Hosley & Reed, Inc.
• Imperial Packing Corp.
• Transdyne Corp.
• Turbo Dynamics Corp.

We invite participation in our underwritings . . . For additional information, please contact—

SYNDICATE DEPARTMENT

SIMMONS, RUBIN & CO., INC.

Underwriters & Distributors
Complete Trading Facilities

56 Beaver Street, New York 4, N. Y.
Telephone Whitehall 4-7569

TRADEING DEPARTMENT TELEPHONE: WHITEHALL 44627
Bell Teletype: NY 14812-1

Direct Wire to:
John J. Keenan & Co., Los Angeles, Cal.

A growing line of MODERN COMMUNICATIONS in the Southwest . . .

The growth pattern that has prevailed during the past several years continued through 1959. The company now serves more than 144,000 telephones in certain areas in Texas, Oklahoma, Arkansas, and Louisiana. Of the total telephones in service, 92 per cent are dial operated.

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• Copyimation, Inc.
• Douglas Microwave, Inc.
• Erdman, Smock, Hosley & Reed, Inc.
• Imperial Packing Corp.
• Transdyne Corp.
• Turbo Dynamics Corp.

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The Over-the-Counter Market Fills the Needs of All Investors

Continued from page 29

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<td>0.060</td>
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<td>10-04</td>
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<td>1528</td>
<td>10-04</td>
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</table>


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* Correspondents: MEXICO, CUBA

1960
Faulkner, Dawkins. Add Four Partners

Faulkner, Dawkins & Sullivan, 51 Broadway, New York City, members of the New York Stock Exchange, have announced that Winfield H. Perdue, Robert P. Collins, Robert F. Hague, and Robert W. Farrell have been admitted as general partners.

Mr. Perdue, formerly a partner of Smith, Barney & Co. and of Laurence M. Marks & Co., is a specialist in petroleum securities. He is a director of Louisiana Delta Oil Corporation, Petroleum Reserve, Inc., and Prairie Oil Royalties Co. Ltd. A former governor of the American Stock Exchange, he has also served as chairman of the Oil and Gas Securities Committee of the Investment Bankers Association.

Messrs. Collins, Farrell, and Hague have been associated with Faulkner, Dawkins & Sullivan since its formation in 1959 as members of its investment research staff and are specialists in industrial and public utility securities.

Craigie to Speak On Municipalis

PHILADELPHIA, Pa.—Walter W. Craigie, F. W. Craigie & Co., and J. W. Craigie & Co., will be guest speakers at a luncheon meeting of the Investment Association of Philadelphia to be held on Tuesday, April 12, at Kugler’s Restaurant. Mr. Craigie’s subject will be “Future Trends in Municipal Financing.”

Craigie is chairman of the board of the First National Bank of New York, member of the board of the American Institute of Consulting Engineers, and past chairman of the board of directors of the American City Planning Institute.

Renton Joins D. H. Blair Co.

D. H. Blair & Co., 42 Broadway, New York City, members of the New York Stock Exchange, have announced that Harvey S. Renton, Jr., is to be general manager of the regional department. Mr. Renton was formerly with Freeman & Co.

Commodity Exchange, Inc. Elects Three New Members

The Board of Governors of Commodity Exchange, Inc., New York, has announced the election of three new members.

Elected were: Wesley J. Beatty, president, Beaudrue & Co., Ltd. (Canada); Martin Lasher, vice president, Industries & Mines, Inc., and A. W. Prokter, director of Flower & Lucas, Ltd. (Great Britain).

The Over-the-Counter Market Fills the Needs of All Investors

Continued from page 40

<table>
<thead>
<tr>
<th>Queen Anne Candy Co.</th>
<th>0.10</th>
<th>4½%</th>
<th>2.4</th>
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<tr>
<td>Quincy Marine Cold Storage</td>
<td>1.60</td>
<td>38</td>
<td>4.2</td>
</tr>
<tr>
<td>Rayburn Furniture</td>
<td>1.20</td>
<td>43</td>
<td>2.8</td>
</tr>
<tr>
<td>Red Owl Stores, Inc.</td>
<td>1.60</td>
<td>50</td>
<td>3.2</td>
</tr>
<tr>
<td>Reece Corp. (Mass.)</td>
<td>1.20</td>
<td>26</td>
<td>5.0</td>
</tr>
<tr>
<td>Reed (C. A.) Co., class B</td>
<td>1.50</td>
<td>25</td>
<td>6.0</td>
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<tr>
<td>Reinsurance Corp. of N. Y.</td>
<td>0.50</td>
<td>19½</td>
<td>2.5</td>
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<tr>
<td>Reliance Varnish Co.</td>
<td>0.85</td>
<td>19</td>
<td>4.5</td>
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<tr>
<td>Republic Insurance (Dallas)</td>
<td>11.57</td>
<td>65</td>
<td>2.4</td>
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<tr>
<td>Republic National Bank of Dallas</td>
<td>11.55</td>
<td>61</td>
<td>1.9</td>
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<tr>
<td>Republic National Life Insurance Co. (Dallas)</td>
<td>0.20</td>
<td>85</td>
<td>0.2</td>
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<tr>
<td>Republic Natural Gas</td>
<td>0.60</td>
<td>20¼</td>
<td>1.1</td>
</tr>
<tr>
<td>Republic Supply Co. of California</td>
<td>1.00</td>
<td>21</td>
<td>4.8</td>
</tr>
<tr>
<td>Shipped and distributors of all kinds of natural gas</td>
<td>0.60</td>
<td>7½</td>
<td>8.3</td>
</tr>
<tr>
<td>Revere Racing Assn.</td>
<td>0.60</td>
<td>7½</td>
<td>8.3</td>
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<tr>
<td>Dog racing, near Boston</td>
<td>4.50</td>
<td>108</td>
<td>4.2</td>
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<tr>
<td>Rhode Island Hospital Trust.</td>
<td>1.00</td>
<td>17½</td>
<td>5.7</td>
</tr>
<tr>
<td>Robertson Co.</td>
<td>1.00</td>
<td>17½</td>
<td>5.7</td>
</tr>
<tr>
<td>Rich’s, Inc.</td>
<td>1.00</td>
<td>17½</td>
<td>5.7</td>
</tr>
<tr>
<td>Riel Textile Corp.</td>
<td>0.75</td>
<td>18½</td>
<td>4.1</td>
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<tr>
<td>Rieke Metal Products Corp.</td>
<td>1.11</td>
<td>19</td>
<td>5.8</td>
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<td>Ryde Stoker Corp.</td>
<td>1.15</td>
<td>46½</td>
<td>3.4</td>
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<tr>
<td>Ryden Manufacturing Co.</td>
<td>4.30</td>
<td>70</td>
<td>5.7</td>
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<tr>
<td>River Brand Rice Mills Inc.</td>
<td>1.20</td>
<td>21</td>
<td>5.7</td>
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<tr>
<td>Renting rice mill and packaging</td>
<td>1.20</td>
<td>19½</td>
<td>4.0</td>
</tr>
<tr>
<td>Rockne Gas Co.</td>
<td>1.00</td>
<td>19½</td>
<td>4.0</td>
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<tr>
<td>Robbins &amp; Myers, Ltd.</td>
<td>2.30</td>
<td>59½</td>
<td>3.9</td>
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<td>Robertson (H. H.) Co.</td>
<td>12.35</td>
<td>63</td>
<td>3.7</td>
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<tr>
<td>Robertson Industries</td>
<td>10.68</td>
<td>14½</td>
<td>6.0</td>
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<tr>
<td>Rochester Button Co.</td>
<td>10.40</td>
<td>6½</td>
<td>5.9</td>
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The measure of PROGRESS

Progress can be a tangible thing—measured and evaluated, set forth in figures. More elusive but equally important is the feel of progress—the potential of a people and an area. Serving home, farm and industry in this growing area, Vepco keeps its finger on a strong and steady pulse. It is a part of our progress. In our 1959 Annual Report we have attempted to capture both. The tangible—the facts and figures, measurements and evaluations. The potential—the energy of a people, the plans ... the promise. 1959 was our 50th year of progress.

For your copy of our 1959 Annual Report please write to: The Secretary, Virginia Electric and Power Company

<table>
<thead>
<tr>
<th>Year</th>
<th>Property and Plant</th>
<th>$</th>
<th>Operating Revenues</th>
<th>$</th>
<th>Balance for Common Stock</th>
<th>$</th>
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<tr>
<td>1959</td>
<td>$646,000,000</td>
<td>$646,000,000</td>
<td>$11,895,000</td>
<td>$11,895,000</td>
<td>$25,392,000</td>
<td>$25,392,000</td>
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Increase over 1958 | $40,000,000 | $40,000,000 |

Number of Customers | $40,000,000 | $40,000,000 |

Electric Sales—thousands of kWh | $7,503,000 | $7,503,000 |

Gas Sales—thousands of cubic feet | $6,952,000 | $6,952,000 |

VIRGINIA ELECTRIC AND POWER COMPANY

7th and Franklin Streets, Richmond, Virginia
The Over-the-Counter Market Fills the Needs of All Investors

Continued from page 41

Security Insurance Co. of New Haven
Security National Bank of Greensboro (N. C.)
Security Title Insurance Co
Security Trust Co of Rochester
Seven-Up Bottling Co (St. Louis)
Sierra Pacific Power Co
Sink's Rainier Brewing Co.
Slosshot 38, and "Sov oil jeep
Stoucy Stock Yards Co.
Stiver Steel Casting Co.


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<td>66</td>
<td>17</td>
<td>15</td>
<td>50</td>
<td>41</td>
<td>34</td>
<td>23</td>
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<td>56</td>
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<tr>
<td>10.73</td>
<td>43</td>
<td>4.6</td>
<td>1.25</td>
<td>34</td>
<td>9.65</td>
<td>3.4</td>
<td>1.65</td>
<td>3.05</td>
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<td>1.7</td>
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<td>12</td>
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<tr>
<td>12%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
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<tr>
<td>6.6</td>
<td>6.6</td>
<td>6.6</td>
<td>6.6</td>
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**GROWING**

KWH SALES
GROSS INCOME
NET INCOME

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<tr>
<td>UP 36%</td>
<td>1928</td>
<td>1929</td>
<td>1930</td>
<td>1928</td>
<td>1929</td>
<td>1930</td>
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<tr>
<td>UP 22%</td>
<td>1937</td>
<td>1938</td>
<td>1939</td>
<td>1937</td>
<td>1938</td>
<td>1939</td>
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**ANNUAL REPORT AVAILABLE ON REQUEST**

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"The Friendly People"
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**TRADING MARKETS AND RETAIL OUTLETS**
The Over-the-Counter Market Fills the Needs of All Investors

Plymouth Secur. Offers and Sells Hi-Press Stock

Plymouth Securities Corp., of New York City, is pursuing a prospectus, dated April 1, publicly offered.

State Street Investment Corporation

Common Stock

State Street Bank of Commerce & Trusts. (Richmond, Va.)

1913

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The company intends to apply the proceeds from this offering as follows (1) payment of certain existing obligations of the company; (2) to provide working capital; and (3) to make available to the company a source of funds for its manufacture of certain Hi-Press components, and for expansion and further development in the commercial, industrial, and residential fields.

The company was incorporated in the State of New York on Nov. 12, 1956, at the instance of Seymour W. Brown in order to develop, manufacture, and sell an air conditioning system known as "Hi-Press" for use on ships as well as for land applications.

Chicago Analysts to Hear

Chicago, Ill. — Ernest Henderson, President of the Sheraton Corporation of America, will address the annual meeting of the Investment Analysts Society of Chicago to be held today at the Sheraton-Detroit Hotel.

A. W. Berner Opens

Eureka, Calif. — Alphonse W. Berner is engaging in a securities business from offices at 2032 G Street.

Form B. H. Lane Co.

Day Hills, N. Y.—B. H. Lane & Co., Inc., is engaging in a securities business from offices at 17 Soundview Drive, Huntington.

A. C. Allyn & Co.

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New York Stock Exchange Midwest Stock Exchange American Stock Exchange (Ass'cmt)

Incorporated
Investment Bankers Since 1912

Continued on page 44
### The Over-the-Counter Market

**Fills the Needs of All Investors**

Continued from page 43

<table>
<thead>
<tr>
<th>Title</th>
<th>Products</th>
<th>Fiscal Year</th>
<th>Net Income</th>
<th>Average Number of Shares</th>
<th>Net Income (per share)</th>
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<tbody>
<tr>
<td>United States Testing Co.</td>
<td>Testing, research, inspection</td>
<td>1959</td>
<td>$950,000</td>
<td>23</td>
<td>$40.00</td>
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<tr>
<td>U.S. Truck Lines (DeL.)</td>
<td>Inter-city motor carriers</td>
<td>1959</td>
<td>23</td>
<td>10.25</td>
<td></td>
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<tr>
<td>U.S. Trucking Co. of N.Y.</td>
<td></td>
<td>1959</td>
<td>107</td>
<td>15.50</td>
<td></td>
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<tr>
<td>United Steel &amp; Wire Co.</td>
<td>Wire and metal specialties</td>
<td>1959</td>
<td>107</td>
<td>3.25</td>
<td></td>
</tr>
<tr>
<td>Unilon Lale Co.</td>
<td>Manufacturer and distributor of manufacturers and distributors of electrical equipment and copper wire</td>
<td>1959</td>
<td>107</td>
<td>5.50</td>
<td></td>
</tr>
<tr>
<td>Upsetter Pensinsula Power</td>
<td>Electrice public utility</td>
<td>1959</td>
<td>107</td>
<td>6.50</td>
<td></td>
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<tr>
<td>Upson (The) Co.</td>
<td>Insure and interloch</td>
<td>1959</td>
<td>107</td>
<td>12.30</td>
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<tr>
<td>Upson-Walton (The) Co.</td>
<td></td>
<td>1959</td>
<td>107</td>
<td>6.50</td>
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<tr>
<td>Utah Southern Oil Co.</td>
<td>Oil and gas producer</td>
<td>1959</td>
<td>107</td>
<td>15.50</td>
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<tr>
<td>Valley Mould &amp; Iron Corp.</td>
<td></td>
<td>1959</td>
<td>107</td>
<td>4.80</td>
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<tr>
<td>Vulcan National Bank (Phoenix, Ariz.)</td>
<td></td>
<td>1959</td>
<td>107</td>
<td>6.50</td>
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<td>Van Camp Sea Food Co., Inc.</td>
<td></td>
<td>1959</td>
<td>107</td>
<td>25.75</td>
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<tr>
<td>Van Waters &amp; Rogers, Inc.</td>
<td></td>
<td>1959</td>
<td>107</td>
<td>6.50</td>
<td></td>
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<tr>
<td>Van Pelt &amp; Milberry, Inc.</td>
<td></td>
<td>1959</td>
<td>107</td>
<td>7.45</td>
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<tr>
<td>Vapour Heating Corp.</td>
<td>Manufacturers of steam generators, steam-heating and air conditioning equipment</td>
<td>1959</td>
<td>107</td>
<td>25.50</td>
<td></td>
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<tr>
<td>Victoria Bondholders Corp.</td>
<td></td>
<td>1959</td>
<td>107</td>
<td>6.50</td>
<td></td>
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<tr>
<td>Viking Pump Co.</td>
<td></td>
<td>1959</td>
<td>107</td>
<td>30.00</td>
<td></td>
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<tr>
<td>Virginia Coal &amp; Iron Co.</td>
<td></td>
<td>1959</td>
<td>107</td>
<td>6.50</td>
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<tr>
<td>Western Heir Springs, Inc.</td>
<td></td>
<td>1959</td>
<td>107</td>
<td>5.00</td>
<td></td>
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<tr>
<td>White hotels</td>
<td></td>
<td>1959</td>
<td>107</td>
<td>5.00</td>
<td></td>
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<tr>
<td>W. W. Industries, Inc.</td>
<td>Manufacturing steel</td>
<td>1959</td>
<td>107</td>
<td>32.50</td>
<td></td>
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<tr>
<td>W. W. Steel &amp; Iron Co.</td>
<td>Manufacturing of steel and iron</td>
<td>1959</td>
<td>107</td>
<td>5.00</td>
<td></td>
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<tr>
<td>W. A. Mould &amp; Iron Co.</td>
<td></td>
<td>1959</td>
<td>107</td>
<td>5.00</td>
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<tr>
<td>Waco Bank &amp; Trust (Winston-Salem)</td>
<td></td>
<td>1959</td>
<td>107</td>
<td>5.00</td>
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The Over-the-Counter Market Fills the Needs of All Investors

<table>
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<tr>
<td>Walnut Apartments Corp.</td>
<td>1.25</td>
<td>4.8</td>
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<tr>
<td>Warner &amp; Swasey Co.</td>
<td>1.40</td>
<td>4.5</td>
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<td>Warren Bros. Co.</td>
<td>1.16</td>
<td>3.4</td>
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<td>Warren Co.</td>
<td>1.60</td>
<td>2.1</td>
</tr>
<tr>
<td>Washington Oil Co.</td>
<td>2.50</td>
<td>5.2</td>
</tr>
<tr>
<td>Washington National Insurance Co.</td>
<td>0.72</td>
<td>1.2</td>
</tr>
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<td>Washington Steel Corp.</td>
<td>1.21</td>
<td>3.7</td>
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<tr>
<td>Waterfront Standard Corp.</td>
<td>0.60</td>
<td>1.1</td>
</tr>
<tr>
<td>Weaver Oil Works Co.</td>
<td>0.50</td>
<td>1.2</td>
</tr>
<tr>
<td>Weidman &amp; Co.</td>
<td>0.70</td>
<td>2.6</td>
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<td>Welbach Corp.</td>
<td>1.08</td>
<td>3.0</td>
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<tr>
<td>Western Telephone Co.</td>
<td>2.16</td>
<td>4.7</td>
</tr>
<tr>
<td>West Penn Power Co.</td>
<td>2.65</td>
<td>5.4</td>
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<tr>
<td>West Virginia Power Co.</td>
<td>1.00</td>
<td>2.4</td>
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<tr>
<td>Westchester Fire Ins. (N. Y.)</td>
<td>1.20</td>
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<tr>
<td>Western American Oil Co.</td>
<td>2.00</td>
<td>6.0</td>
</tr>
<tr>
<td>Western Carolina &amp; &amp; WV</td>
<td>1.00</td>
<td>2.0</td>
</tr>
<tr>
<td>Western Paper Corp.</td>
<td>1.60</td>
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<tr>
<td>Western Union</td>
<td>1.33</td>
<td>3.3</td>
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<tr>
<td>Western Electric Co.</td>
<td>2.50</td>
<td>1.8</td>
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</tbody>
</table>

* Note: Complete as to possible lower record.

* Adjusted for stock dividends, splits, etc.

TABLE II

| Name | Cons. Date | Yield | Divs. | Extra | Price
|------|------------|-------|------|-------|-------|
| Wurlitzer Corp. | 12/31/59 | 1.00 | 1.00 | 12.50 | 1959 Dec.
| York County Gas Co. | 12/31/59 | 2.60 | 2.60 | 50.00 | 1959 Dec.
| York Water Co. | 12/31/59 | 1.27 | 1.27 | 30.00 | 1959 Dec.
| Youngs Park & Curry Co. | 12/31/59 | 0.30 | 0.30 | 6.00 | 1959 Dec.
| Zeigler Coal & Coke Co. | 12/31/59 | 10.75 | 10.75 | 183.75 | 1959 Dec.

**OVERTHE-COUNTER**

Consecutive Cash DIVIDEND PPAYERS

for

5 to 10 years

| Name | Cons. Date | Yield | Divs. | Extra | Price
<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Products, Inc.</td>
<td>12/31/59</td>
<td>0.20</td>
<td>0.20</td>
<td>45%</td>
<td>0.4</td>
</tr>
<tr>
<td>Low temperature processing equipment and industrial gases</td>
<td>12/31/59</td>
<td>0.20</td>
<td>0.20</td>
<td>45%</td>
<td>0.4</td>
</tr>
<tr>
<td>Alabama Tennessee Natural Gas Co.</td>
<td>12/31/59</td>
<td>0.35</td>
<td>0.35</td>
<td>10%</td>
<td>0.4</td>
</tr>
<tr>
<td>Allen (R. C.) Business Machines, Inc.</td>
<td>12/31/59</td>
<td>0.50</td>
<td>0.50</td>
<td>10%</td>
<td>0.4</td>
</tr>
</tbody>
</table>

*Details complete as possible lower record.

**Adjusted for stock dividends, splits, etc.

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If you would like to know more about The Connecticut National Bank, a copy of our 1959 Annual Report is yours for the asking. Call or write today to 25 strategically located offices.

**continued on page 46**
You Can Overdo a Bit of Education

They are the fortunate ones — those who learn something from life and experience. But when it comes to learning, the story I am going to relate this week illustrates the point that, although it is advisable to have well educated customers, if you are a security salesman, sometimes they can know too much about you. When you related the following tale to me, I am a very experienced bond salesman. He has been in the business many years and has held high positions with banks as well as investment firms. Despite his experience, he fell into quite a trap with a customer — just being too good a teacher.

He Was Conscientious

Some years ago this salesman opened an account by selling five tax-free bonds, every few months to an attorney, who had some extra income to invest and who was in the high tax bracket. This was a very friendly relationship and at the beginning the attorney would telephone his friend and tell him to look around for five or six bonds for the attorney would do. There was little effort, no sales problem, and they would have lunch together several times a year. The salesman and the customer knew the customer at his bank and delivered the bonds. It was all quite satisfactory.

This customer, however, was a stickler in believing in everything he bought. He was an important matter to him. He began asking questions about the bonds he was buying. His salesman friend even supplied him with a data book, told him about the “Blue List,” sent him reports on the bond market and the yearly and Bond Buyer averages. The more this nephewly bond buyer learned the more he desired to know. He was an excellent student, and a very intelligent fellow who knew that you could save a lot of time and effort if you received your information from an expert.

After a while he knew how to figure the yields, compare the values and determine what he believed to be the proper price for the bond he was buying. Instead of a pleasant relationship businesswise, his activity now deteriorated into a friendly hassle every time he had an extra five thousand to invest. Discount bonds were not for him; maturities were too long; the coverage was inadequate; there were better bonds available; the ratings were too high; the Treasury was going to do some financing, etc. Eventually his small orders for five or ten bonds several times a year were hardly worth his while as he was not really interested in the business. The salesman was willing to offer even where his salesman friend dug up his bargain.

When Comes the Big Order

This story should have a happy ending and possibly it will. The lawyer had an interest in a business in which he recently sold. He has a very substantial sum for investment in tax-exempt funds. But now that he is in this position he is becoming a dealer in what amounts to that. It is almost hopeless for any salesman to try to do business with him in a normal way.

An old friend told me “When I started selling him five bonds every few months some years ago I knew it was a good start. He was determined to get the good bonds, they were fairly fairly the saved the time and I did a job for him. Then he began to sharpen up, sent him so much literature and gained control of many of his questions that now he is very knowledgeable about as much as I do. Every bond offer he wants to see. In a few years I can’t afford to sell it and he is telling me what he wants. The trouble is that he is very particular and he gives me a lot of work. At last I have a customer that can afford to do business with but he can buy a lot of bonds—but now he takes me more than I do.

An Account Should Be Controlled

This is an unusual case and it happens often in a modified form. Many smaller accounts like this are satisfied with his service. He obtains good advice and good service. He becomes a self-satisfied and admiring expert. From this time on both the salesman and the customer have difficulties. Often the customer will be less if he could be left to the details to a qualified reliable salesman who values his business and understands. Sometimes a little knowledge can be a handicap in investment work.

I like the letter a salesman once wrote to a customer who wanted to know why certain changes were suggested in his investments. He wrote, “During the past five years you have had a 40% increase in your assets and your income is also up approximately 100%. If I were to take the time to tell you of the planning and thinking behind every change that I have suggested to you I am sure you would agree that it would serve no purpose. The plain facts are that I have not the time to write you a lengthy analysis of my thinking pertaining to your account, but I am sure you will agree that the results you have achieved have been based upon the consideration of the facts pertaining to your investments as I see them. The recommendations I am making are, in my considered judgment, based on that which should be soon consumed by perceiving the suggestions I have made to you.”

John D. Greene Opens

John D. Greene is engaging in a serious business from offices at 60 Trinity Place, New York City.

Form Mutual Plan Inv

VALEDESE, N. C.—Mutual Plan Investments has been formed with offices in 525 N. White Street to engage in a securities business. Aubrey H. Setzer is sole proprietor and is associated with Joe K. Matheson and Sterling Fund Associates.

Now Partnership

GREENVILLE, S. C.—Edgar M. Norris & Co. has been formed to continue the investment business of Edgar M. Norris, South Carolina National Bank Building, Greenville. Partners are Edgar M. Norris, general partner, and B. Q. Norris, limited partner.

Pforzheimer to Admit

On April 18th, Theodore H. Ball will become a partner in Cari H. Pforzheimer & Co., 23 Broad Street, New York City, members of the New York Stock Exchange.

To Form Schenker Bros.

On April 18th, Schenker Bros., members of the New York Stock Exchange, will be formed with offices in 14 Broad Street, New York City. Partners will be George Schenker, who will require a membership in the New York Stock Exchange, and Josef Schenker.

The Over-the-Counter Market Fills the Needs of All Investors

Continued from page 45

The Commercial and Financial Chronicle . . . Thursday, April 7, 1960

SECURITY SALESMAN’S CORNER

BY JOHN DUTTON

If it’s in TEXAS We Trade It!

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46 (1534)
The Over-the-Counter Market Fills the Needs of All Investors

The Cost of “Make Work” No Longer Can Be Afforded

Continued from page 25
main reason seems to be the same: the work belongs to yard men and the man should have waited until a yard crew was available. From some other place in the terminal to the railroad station.

(5) Eliminate rules which require the use of unneeded crew equipment or operating time to perform a simple and obvious piece of equipment such as the engine in track maintenance.

These two unions have always tried to justify the use of excess labor by showing that it is necessary to the proper running of the grounds of safety. However, the New England Public Service Commission recently laid this claim to rest by a court order after a lengthy investigation, that there is no reasonable relationship between such practices and safety.

(6) Eliminate all rules or practices which require payment more for work performed.

What the Railroads Have Done to Increase Productivity

The railroads do not consider that these outdated work rules have completely stifled their efforts to increase their efficiency and productivity. We have made significant progress in modernizing their equipment through greater mechanization, automation and increased use of equipment, more efficient utilization of equipment, better operation and increasing safety.

The significant thing is that the increased productivity has been sufficient to meet our increased costs, and our outdated work rules have been a significant barrier against achieving that goal. These have been a real handicap in our efforts to hold our own with subsidized competitors.

The Statistical Question, as you know, on the proper way to measure productivity. But we understate it the way the unions like to do it—on the basis of bare physical output figures—starting. Since 1922, revenue traffic units per hour worked have increased 274.8%. But wages have climbed 377% during this same period. In total terms, total operating revenues per traffic unit have climbed 21% since 1922, while total costs went up 30%. In other words, costs have outrun revenues by more than 25% during this interval of years, despite the tremendous productivity increase in equipment, more efficient utilization of equipment, better operation and increasing safety.

The operating employees, who are the chief beneficiaries of these featherbedding rules, have been quite successful in artificially preserving jobs. The statistics show it. In 1938 the engine and train service employees on the railroads numbered 67% of their 1922 figure—compared with only 45% for nonoperating employees. Since the era of World War II, productivity of the operating employees—terms of revenue traffic units per hour worked—increased only 24%, while the productivity of the nonoperating employees went up 73%. In the same years the earnings of the operating employees rose 161%, or more than six times as much as the productivity. From these figures one truth is evident: the railroad has been forced to spend money for operating jobs which should have been used productively.

The railroad's case against featherbedding is too clearly established to be obscured by the emotional reaction of labor leaders who hope to hide the issue behind a smokescreen of question-dodging counter accusations—as the railroad unions have been trying to do. It is a very real problem which must be met realistically. If labor refuses to face reality, the best it can hope for is postpone ment of the inevitable and it has forced draft solution of a greatly enlarged problem, probably by Government fiat.

John L. Lewis, lately retired President of the United Mine Workers, commented recently, “Our union has encouraged the leading companies in the coal industry to resort to modernization. We are not trying to keep men in mines just to retain jobs.” This is a realistic statement by a labor leader who learned a lesson almost driving his industry into oblivion.

The most striking symptom of the decline of coal is a drop in the sales and production of new modernization. It is good that it is a drop in the sales and production of new modernization. It is good. It is bad in the face of coal. The mining companies have been forced to modernize, or they will not survive.

(1) The aggressive manufacturing economy of the Soviet Union whose stated objective is to overtake the production effort of America through (2) The competitive drive of foreign nations. If we price ourselves out of world markets, the effect on our economy will be severe.

(3) The changing attitude of the public. The average American is beginning to see first-hand the consequences of “paid idleness.”

When I say that the cost of “make work” cannot be tolerated much longer in this country I do not mean merely that the victory over the wages will be won at the bargaining table. But I do say that if America ever finds itself saddled with an overbuilt and sluggish economy caused by waste and inefficiencies, the people will demand that the Government take drastic action. That action is likely to be harsh and arbitrary and may severely hurt, if not destroy, both free management and free labor.

If this happens, there may come a day in the late 1960's or early 1970's when union leaders will look back to last opportunities to adjust their differences reasonably through collective bargaining agreements. They will realize that their aggressive stance brought work gone new modernization.

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During 1969, the number of telephones served by West Coast Telephone Company increased from 103,500 to 174,700, of which 30% are dial operated. Indications are that growth will continue throughout our service areas. The Company is now the 11th largest of the 4,000 Independent Telephone Companies in the nation.

WEST COAST TELEPHONE Company
300 MONTGOMERY STREET: SAN FRANCISCO 4, CALIFORNIA

*An address by Mr. Gram before the Massachusetts Institute of Technology, Cambridge, Boston, Mass., March 17, 1960.
The Over-the-Counter Market Fills the Needs of All Investors

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<table>
<thead>
<tr>
<th>Firm Markets in</th>
<th>Washington Securities</th>
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<tbody>
<tr>
<td>Direct Private Wire to</td>
<td>Carl M. Look, Rhoades &amp; Co.</td>
</tr>
<tr>
<td>our New York Correspondent</td>
<td></td>
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<tr>
<td>UNDERWRITERS - DISTRIBUTORS - DEALERS</td>
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<td>Southern Building, Washington, 5, D. C.</td>
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<td>Telephone.toString(3-318)</td>
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<th>Profile of a GROWING company</th>
<th>California Water &amp; Telephone Company</th>
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<tbody>
<tr>
<td>California Water &amp; Telephone Company provides modern service to more than 150,000 telephones in diverse areas of Southern California. This forward-looking, locally managed telephone company now ranks 12th largest of the nation’s almost 4,000 independent Telephone Companies.</td>
<td></td>
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<tr>
<td>Our water divisions, located in parts of Los Angeles County, portions of San Diego County, and on the Monterey Peninsula, provide water service to an estimated population of 80,000 in those rapidly growing areas.</td>
<td></td>
</tr>
<tr>
<td>Briton Elect. Stock Offered</td>
<td>First Philadelphia Corp. and United Planning Corp., pursuant to a prospectus dated March 29, published and distributed by Briton Electronics Corp. common stock (par one cent) at $1 per share. The stock sold quickly at a premium.</td>
</tr>
<tr>
<td>The corporation was organized on March 18, 1958 under New York State law, and is located at 19 Wary sunrise, Mount Vernon, N. Y. Since April 1958, when it commenced operations, the corporation has been in the business of developing, manufacturing and selling selenium rectifiers. The purpose of the present offering is to augment the corporation’s contributed capital of $12,300 by obtaining additional capital of up to $150,000 through the sale of its own securities to the public, in order to enable the corporation to enter an additional field of business, namely, the manufacture and sale of semiconductor devices, principally silicon rectifiers and transistors.</td>
<td></td>
</tr>
<tr>
<td>Hayden, Stone Branch</td>
<td>CORAL GABLES, Fla.—Hayden, Stone &amp; Co. has opened a branch office at 259 Alhambra Circle under the management of Martin E. Harwood, director.</td>
</tr>
<tr>
<td>Old Colony Secs. Corp.</td>
<td>STONEHILL, Mass.—Old Colony Securities Corporation has been formed with offices at 468 Main Street to engage in securities business. Officers are Martin Stone, President and Treasurer, and Sumner H. Woodrow, clerk. Mr. Stone was formerly proprietor of Old Colony Investment Co.</td>
</tr>
<tr>
<td>T. Nelson O’Rourke, Inc.</td>
<td>Investment Securities</td>
</tr>
<tr>
<td>533 Seabreeze Boulevard</td>
<td>DAYTONA BEACH, FLORIDA</td>
</tr>
<tr>
<td>Tel: Clints 2-5571</td>
<td>Tel.: DB 80</td>
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<th>NEW YORK</th>
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<td>INSURANCE STOCKS</td>
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<td>Dealers — Underwriters — Brokers</td>
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<tr>
<td>John C. Legg &amp; Co.</td>
<td>Established 1959</td>
</tr>
<tr>
<td>New York Stock Exchange</td>
<td>American Stock Exchange (Assn.)</td>
</tr>
<tr>
<td>Philadelphia-Baltimore Stock Exchange</td>
<td>Boston Stock Exchange (Assn.)</td>
</tr>
<tr>
<td>Direct Wires to all principal cities</td>
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The Over-the-Counter Market Fills the Needs of All Investors

The exchange market is often referred to as an auction market because a stock exchange provides a focal point for the concentration of bids and offers of potential purchasers and sellers for all securities listed on it. Genuine auction marketing in a securities market cannot be maintained, however, unless there is sufficient activity in it.

In those cases where less active securities are traded on an exchange, it devolves upon the stock specialist for each stock to create a market, in the absence of sufficient public orders to buy or sell, by, in effect though not in strict parlance, quoting for his own account. In other words, if you wanted to sell 100 shares of XYZ stock and the specialist had no order from anyone else to buy that stock, he would be expected to enter a reasonable bid on his own.

The continuity of any market thus created is largely dependent upon his financial resources and his willingness to thus risk his own money.

The Over-the-Counter Market

On the Over-the-Counter Market the situation is quite different. Here there are a tremendous number of dealer firms from coast to coast that interest themselves in making a market for unlisted and some listed stocks and bonds. Most of them can communicate with each other instantly through private telegraph wires or other facilities at their disposal.

Thus many over-the-counter dealer-brokers, in New York, for instance, will be doing business throughout the day with other dealer-brokers in Boston, New Orleans, Chicago, St. Louis, Denver, Los Angeles, San Francisco, Seattle and other cities from coast to coast. As an integral part of their operations dealer-brokers stand ready to buy and sell substantial quantities of the securities they are "citing" and maintain inventories in them. Some firms, of course, choose to act solely as brokers and not dealers.

Because of competition, the spread between the bid and the asked figures on more active stocks is quite narrow. In less active stocks the over-the-counter dealer must find contra-orders if he does not wish to assume inventory positions in the securities involved. It is his business to know which other dealers in all parts of the country might have a buying interest in a given security.

One, five, ten, fifty or more over-the-counter dealers in different parts of the country may interest themselves in "making a market" for a given unlisted security. Prospects known to the first dealer, or known to those other dealers he contacts (either locally or in other cities), may often include individuals who are believed to have a buying or selling interest in the instant security or, investors who might be induced to buy.

The process of constantly seeking out buyers and sellers is characteristic of the Over-the-Counter Market.

A major characteristic, too, of the "counter" market is negotiation. If a gap in price exists after a prospect is found, the transaction does not die. Instead negotiation ensues. The mere existence of a buy or sell order is the incentive for the "counter" dealer to find the opposite.

Continued on page 50
Difference Between Listed and Over-the-Counter Trading

Continued from page 49

Over-the-Counter Market thus has no physical limitations.

As a practical matter, though, individuals in any city of 100,000 or more can frequently pick up a phone and call a dealer and broker and get an execution on an order for an unlisted security momentarily—often while the call is progressing.

Some “counter” dealers sell directly to investors themselves. In other cases they may have a dealer following throughout the country consisting of retail firms that are always looking for securities that present good values to sell to their investor clientele.

Numerous exchange firms also deal in over-the-counter securities and any that do not must buy from or sell to an over-the-counter dealer to execute customers’ orders for unlisted securities.

Many listed securities, too, are sold over-the-counter when the blocks are too large to make a quick orderly sale on an exchange possible.

An investor need not concern himself with the intricacies enumerated above, since his dealer-broker will obtain current market quotations on any over-the-counter stock on his own.

The longer trading day in the Over-the-Counter Market is often a distinct advantage to investors. Over-the-counter stocks are usually sold in New York between the hours of 10:00 and 3:30; in the Midwest between 9:00 and 2:30, and on the West Coast between the hours of 7:00 and 2:30. However, in most instances unlisted securities can be sold any time between 9:00 and 5:00 in the Midwest, and on the West Coast it’s even longer than that.

Dealer-brokers in the Over-the-Counter Market have the job from 7:00 in the morning until 5:00 in the afternoon.

Stock Exchange Commission Rates vs. Counter Dealer Charges

When an exchange-broker executes an order for you, he takes the exchange-listed stock, he tells you the cost price plus the commission on your confirmation slip. On the other hand the over-the-counter dealer more often than not buys from and sells to you “as principal” or on a “net” basis as it is termed in the parlance of the securities business. This means his profit or loss is included in the price he quotes you and there is no commission or exchange charge shown on his confirmation. The over-the-counter dealer usually acts just as a merchant does in other lines of business. In other fields when you buy a set of dining room furniture you don’t examine each piece or check if the tires are in good shape, or if it has its earnings and dividend records, book value, and liquidating value. But the first three of these are tied to the past, and subject to the fact that accounting is an inexact science. And liquidating value may be largely of academic significance, if the corporation is going to continue in existence. The anticipated future average annual net income of a corporation may be capitalized numerically, but without reference to non-numerical concepts. These include the motive, initiative, imagination and forcefulness of the officers and directors of the corporation. Speculation as to how the present and possible future products of a corporation will fare on the open market can be handled numerically only to a certain extent.

When an individual consistently purchases stocks without regard to basic economic values, he may at times make money, but sooner or later he will book losses. And although he may remain in the market for an extended period, he cannot do so after his capital is exhausted.

Inventory Positions

So it is with the over-the-counter dealer. If he habitually assumes inventory positions at prices out of line with basic economic values, the economic forces will in due time exhaust his capital and drive him from the scene. For survival he must be cognizant of the elements, listed above, which influence the real value of the securities in which he is taking inventory positions. His prices cannot consistently be out of line with real values. Particularly is this true with the non-numerical elements which go into the making of the real value of a security in which he is to assume a position, he must, as a general rule, have knowledge superior to that of the lay trader.

Therefore, an important contribution of over-the-counter dealers who take important inventory positions results from the fact that their market pricing must be influenced definitely by intrinsic corporate values. They must stress value consciousness over quotation consciousness.

Officers and directors of the 14,000 banks and the major insurance companies of the country who are buying or selling their own institution’s stocks, bonds, and stocks through “counter” dealers for the account of their banks and companies.

Just as you get good or indifferent treatment any values from both large and small stores in other lines of business, so it is with over-the-counter dealers. Investment officers of these institutions, too, are continually buying and selling government, municipal and corporate bonds and stocks through “counter” dealers for their accounts.

It is no exaggeration to say that both exchanges and the Over-the-Counter Market are vital to our economic life. Through the medium of stocks and bonds, idle capital of individuals, banks, institutions and the like flows into trade and industry and makes it possible for business to obtain the necessary funds without which to provide jobs for ever more workers at ever less human effort and at ever more remuneration. Savings thereby become an asset to society and not a problem. The beauty of it is that the capital needs of both big and small business alike can be thus served.

If it were not for the exchanges and Over-the-Counter Markets, investors of all types would find it almost impossible to quickly retrieve the capital they put at the disposal of governments, municipalities or corporations. This is one of the many reasons why it is socially important that those engaged in the investment business thrive.
A Nice Balance Indeed, Mr. Cabot.

On March 17, utilizing figures reported in the March issue of "The New York Exchange," monthly publication of the New York Stock Exchange, an analysis was provided here of the 19 most favored stocks—in the share (total) of our Ivy League's portfolio. Until now, at least, there had been no word from Yale, Princeton or Columbia. But in a column written by the President and Fellows of Harvard University, says he, "rather than by any of the inferences in this article as far as I had to do with Harvard," says he.

"It appears that you may have had some sort of conclusion on an examination of Harvard's cost of capital relative to their market value." Not at all—the article was a study of the Harvard performance, he says. "I was merely talking about the many inferences in this article as far as I had to do with Harvard," says he.

As Mr. Cabot notes, "This list is a vastly different one from the list of stocks which you discussed in your column. . . . For example, instead of electric power companies being in the top 10, there are no electric power companies. Furthermore, you said that New England Electric System is one of Harvard's top 10. Actually, it is not even in the top 20, and is expected to be bought out by many of the other utilities in its portfolio, for example, Florida Power and Light."

Our critic on firm ground is called when he calls attention to the fact that the column stated: "Harvard was reducing its holdings in General Electric even when it was boosting its holdings in the Standard Oil of California." He goes on: "We think a more significant move than the relatively small 17,000-share increase in Standard Oil of California and the 13,000-share reduction in General Electric was the 100,000-share reduction (from 310,000 to 210,000) in the combined holdings in Westinghouse Electric. As a result, you have been working with book values and not market values. I strongly believe that the proper manner of analyzing an institutional investor's portfolio is to use the basis of current market values. We believe that these investments can often be compared to equivalent amounts of cash, as they are often vastly different from book values. I am not in disagreement with you on the fact that Harvard's top ten in the last fiscal year ended June 30, 1959. As a matter of interest, the following are the first five investments:"

1. Texas, Inc. . . . $31.44
2. General Electric Co. (N. J.) . . . 19.82
3. Gulf and Western Industries, Inc. (N. J.) . . . 15.12
4. American Tel. & Tel. Co. . . . 14.73
5. The J. P. Morgan Co. . . . 13.14
6. Boston Air Line Co. . . . 10.65
7. Continental Oil Co. . . . 8.90
8. U. S. Steel Corp. . . . 8.61
9. Ford Motor Co. . . . 7.64
10. P & O. . . . 6.86

This list is a vastly different one from the list that you discussed in your last column. For example, instead of four electric power companies being in the top ten, there are none present. Furthermore, New England Electric System is one of Harvard's top ten. Actually, it is not even in the top twenty, and is expected to be bought out by many of the other utilities in our portfolio, for example, Florida Power and Florida Power and Light."

You commented on the fact that "Harvard was reducing its holdings in General Electric even when it was boosting its holdings in the Standard Oil of California." It was also said that American Telephone and Telegraph Company was among the major holdings of Harvard. We think the 7.8 million shares of AT&T that he held in no. 6, makes it a very material holding.

The Funds Report

The National Association of Investment Companies and the National Association of Life Underwriters have joined hands in a broad-based effort to publicize the benefits of the mutual fund. The N.A.I.C., the principal organization of mutual companies with more than 4,000 member companies, has launched a project to highlight the mutual fund accounts. The N.A.L.U. is composed of 801 affiliated local life underwriter associations with 52,000 members. The purpose of the statement was to aid life underwriters and those offering investment companies in their mutual fund companies in their dealings with clients, and with each other, with the government and with the public, so that they may be more effectively, to cooperate in the public interest. The statement was made by the "Colin" between mutual fund salesmen and life insurance brokers who would add the client to the mutual fund company share with the life underwriter and the mutual fund salesmen making continuations.

The growing acceptance and popularity of investing as you can see by the report of Mr. R. Anderson, President of the Institutional Income Fund, Inc., that it has made new investments: Bell Telephone Co. of Pennsylvania, Railroad Publishing Organization standing on behalf of its dominion and property, Meridian Co., Co. of 1968; Imperial Investments Ltd., 6%, of 1968, Montreal Metropolitan Deutrenet 5% of 1985 and Imperial Conditional Trust Preferred 5% of 1956, preferred. It eliminated American Telephone & Telegraph 5% of 1986, Delaware Lacka¬wanna & Western (Morrisey & Hournal) and a 4.5% of World Mutual Fund.
How Sick Is Our Dollar?

Continued from page 32... billion annually in 1955 and 1958, they increased to approximately $13 billion a year, and in 1959 exceeded $15 billion. A large part of this increase has been more likely to continue than to diminish in the near future. Our foreign competitors, in the form of Japanese, European, and Latin American firms, have been sufficient to make the loss of our international markets unprofitable for the home producers. Furthermore, the pressure of the yen on the dollar and other currencies has increased steadily, with enlarging our quarters on several occasions. Within the past

Greene & Co. 30th Anniversary

Greene and Company, 37 Wall Street, New York City, dealers in Over-the-Counter securities, have just completed 30 years in Wall Street. The firm of Greene & Company, established in 1946, has grown steadily, servicing their clients' needs and expanding their horizons.

Irving Allen Greene is Senior Partner, and his two associates partners are Julius Golden and Robert M. Tapel. At a 30th Anniversary Dinner given to the employees, Mr. Greene expressed his gratitude to his staff for the loyalty they have demonstrated through the years. He said, "Greene and Company was formed in 1946, and the firm has been coincident with the bleak period of the depression. Yet with diligence and the labor of hard work and devotion, and to them belongs much of the credit for the strong position the firm finds itself in today.

month the firm's trading room was completely modernized, and is a part of the Federal Reserve System. Several of their private wires have been established to various important financial centers. Greene & Company's network now reaches to Los Angeles, Denver, San Francisco, Dallas and Philadelphia.

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The Commercial and Financial Chronicle. - Thursday, April 7, 1960
BANK AND INSURANCE ST OCKS

LEO J. BURRINGTON

This Week—Bank Stocks

First Quarter 1960 Results of Major New York City Banks

For stockholders of New York City banks the year 1960 is indelibly
etched in their memories. As indicated 12% to 15% rise in operating earnings will parallel the results of the first quarter of 1959. The present prime rate of 5% compares with the 4% rate in 1958. For the Bank of New York and Bankers Trust Co. rose 40%, while earnings of Manufacturers Trust Co., Chase Manhattan Bank, and First National City Bank rest.

The combination of higher interest returns on loans and securities and a reduction in loan demand scored sharp earnings gains for the first three months of 1960 over the results of the first quarter of 1959. The prime rate of 5% compares with the 4% rate in 1958. For the Bank of New York and Bankers Trust Co. rose 40%, while earnings of Manufacturers Trust Co., Chase Manhattan Bank, and First National City Bank rest.

The increases are likely to continue over 1959 even though the trend will not be as pronouncedly narrow due to the excellent last-half 1959 earnings reported.

LEADING NEW YORK CITY BANKS

<table>
<thead>
<tr>
<th>Bank</th>
<th>First Quarter Earnings</th>
<th>% Increase</th>
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<tbody>
<tr>
<td>Chase Manhattan Bank</td>
<td>12%</td>
<td>15%</td>
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<tr>
<td>First National City Bank</td>
<td>12%</td>
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<tr>
<td>Bank of New York</td>
<td>12%</td>
<td>15%</td>
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<tr>
<td>Bankers Trust Co.</td>
<td>8%</td>
<td>12%</td>
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Chemical Bank New York Trust registered the largest gain in 1959, up 16%, followed by Chase Manhattan Bank's increase of 15%. Holida of U.S. Government securities by the leading banks continued to total 100% in 1959, with the Bond Co. a 12.5% increase in 1959. Chemical Bank New York Trust increased 10%, while First National City Bank increased 12.5% for the year.

BONDS WITH A BRIGHT FUTURE

The Chemical Bank New York Trust, 335 Broadway, on March 22, 1960, announced the retirement of $125 million of bonds that it purchased in 1959. The bonds are maturing in a single payment of $125 million on March 1, 1964, and are redeemable at the option of the bank at a price of $117.50.

The bonds were purchased by the bank in order to provide a source of funds for the bank's operations. The bank has been seeking to diversify its sources of funds and to reduce its reliance on short-term funds.

The retirement of the bonds will provide the bank with a source of funds that is not subject to market risk and will enable the bank to maintain its liquid position.

The bank has been active in the purchase of bonds in recent months, and this is the third major purchase the bank has made in the last six months. The bank has also purchased bonds in the secondary market.

The purchase of the bonds is in line with the bank's long-term strategy of diversifying its sources of funds and reducing its reliance on short-term funds.

The bank's financial position is strong, and it is well positioned to meet the challenges of the future.

The bank's management is dedicated to the goal of maintaining a strong financial position and continuing to provide quality banking services to its customers.

The bank is committed to serving the needs of its community, and it will continue to invest in its employees and the community in order to meet these needs.

The bank is proud of its history of service to the community, and it will continue to be a strong and reliable partner in the community.

The bank is committed to providing excellent customer service and will continue to invest in its employees in order to provide the best possible service to its customers.

The bank is committed to maintaining a strong financial position and will continue to invest in its employees and the community in order to meet the needs of the community.

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STATE OF TRADE AND INDUSTRY

Continued from page 4

Steel News: "Steel"s price compiles on the premium grade coil markets, with spot prices dropping 67 cents to $33.33 a gross, matching last year's lowest quotations.

Nation's Top Economists Forecast Resumption of Business Expansion

A panel of the nation's top economists predicts a restoration of business expansion in 1959 and believes the pessimistic business outlook that has dominated the market this year is unfounded, "Steel," the metalworking

Week's Steel Output Based on 115.3% of Capacity

The American Iron and Steel Institute announced that the

10% more this week following a three-week decline, with the index of total steel output at 150,800 units in the week ended April 2, up from 140,100 units in the previous week. "Steel" said last week's car production was cut back because of "schedule adjustments" at two large plants and caused two other Fort plants to work on a short schedule.

"Steel" said the rise in this week's car output would bring the total for this year to 6,390,000 units, 14% more than in the corresponding week of 1959.

When only normal increases in business were reported in the first two months, the super-optimistic climate of last year was gone.

Carriers think today's business mood is tied too much to the stock market decline which has been in progress for most of the past year. Here's what "Steel" panel forecasts: 1960 will be the U.S. best business year in 20 years, but it will be a moderate year, not a stellar one, and its level will be lower than the peak of late 1957.

The panel sees a moderate expansion into the first three quarters of 1960, then a terminal was to be cut out of this year's total steel output of 25,000,000 tons.

The 1959 output has been estimated at 13,951,000,000 tons, but this is based on the output of the first three quarters of the year, when the mills were working at a 115.3% level.

This Week's Steel Output Based on 115.3% of Capacity

The American Iron and Steel Institute announced that the over-all

April, 1960, at 2,447,000 tons of ingot and steel castings (based on a working day index of 100 for 1947-48). These figures compare with the 1959 levels for the first three quarters of 117.5% and 2,527,000 in the week beginning the 10th.

Actual output for last week beginning March 26, 1960, was equal to 97.5% of the seasonally adjusted Jan. 1, 1960 annual capacity of 148,970,000 net tons. Estimated percentage for this week's forecast, based on that capacity, is 85.5%.

A month ago the operating rate (based on 1947-48 weekly production indexes) was 162.2% and production 2,636,000 tons. Weekly seasonal

Electric Output. 7.3% Above Average

The amount of electric energy distributed by the electric light and power companies for the week ended Saturday, April 2, was estimated by the Edison Electric Institute at 30,136,000 kwh., according to the Edison Electric Institute.

Output was 490,000,000 kwh., or a weekly total of 13,951,000,000 kwh., but this is based on the production of this year, when the mills were working at a 115.3% level, or 7.3% above that of the comparable 1959 week.

Increase Production Expected

Passenger car production at 2.5% less will increase by about

48,500,000 when the index of automobile production for the current week is released today.

Lumber Shipments Down 7.4% From 1959 Week

Lumber shipments of 475 mills reporting to the National Lumber Manufacturers Association were off 7.4% from the previous week ended March 26, 1960, in the latest report of the National Lumber Manufacturers Association.

The report showed 13,951,000,000 units, or 14.5% below the corresponding week of 1959. "Steel" said this was due to the closing of two large plants and cutback in production at a third.

Transactions in steel were about 10% lower than in the previous week. This was in line with the list of prices at the same time last year. These list prices are based on the average for the week and prices were close to a year ago when prices were highest, reflecting the volume in coffee advanced during the

prices remained at prior week levels. There was a fractional in
ternal pricing of a few mills for the beginning of the week as trading started.

Hog prices advanced fractionally during the week, reflecting market conditions. Transactions in steers were slightly lower than a week earlier. There was a slight rise in lamb prices at the salable weight this week.

The Wholesale Price Index showed little change from the previous week. United States Business Database showed only 26,000,000 orders were handled by this large discount house.

The index for the steel industry reported a rise of 3.3% compared with 1950, in the latest report of the American Iron and Steel Institute.

Steel companies reported that production of iron and steel products was 7.4% above the corresponding period of last year.

For the year-to-date, it made up 17,234,000 tons, 7.4% below 1959. New orders were 2.5% below prior year levels.

Wholesale Price Index Slips 0.2% From Prior Week

There was a slight decline this week in the Wholesale Price Index, compiled by Dun & Bradstreet, Inc., for the week ending March 29, 1960, compared with the prior week's 0.9% and the year ago figure of 0.1%.

The index stood at 269,860 for the week ending March 29, 1960, compared with 269,890 for the prior week's 0.9% and 269,890 for the year ago figure of 0.1%.

Commodities quoted higher in wholesale price levels included corn, wool, hogs, and commodities quoted the same as in the corresponding week of last year. Commodities quoted higher in wholesale price levels included corn, wool, hogs, and commodities quoted the same as in the corresponding week of last year. Commodities quoted lower in wholesale price levels included cotton, wool, hogs, and commodities quoted the same as in the corresponding week of last year.

The Retail Market, March 26-28, 1960

All industry and trade groupings except manufacturing had higher prices during the week ending March 26, 1960, compared with the previous week.

Rises Moderately From Prior Week

Higher prices on some grains, butter, oats, and lambs off-set declines on tin, rubber, and steel scrap which this week posted the general increase only moderately over the prior week.

The index of retail prices, compiled by Dun & Bradstreet, Inc., stood at 127,447 for the week ending March 26, 1960, compared with 127,437 for the prior week's 0.1% and 127,427.5 for the year ago figure of 0.1%.

The rising trend was caused by a jump in food prices and a rise in non-food prices.

There was a jump in non-food price levels during the week, led by increases in the cost of food products.

Furniture and household goods, which jumped 3.9% during the week, led the way with increases in the cost of food products.

There were increases in all major groups, but the largest increases were in the cost of food products.

Prices in the cost of food products increased by 1.9% during the week, but the cost of non-food products increased by 2.1%.

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“The Truth Gap”

Balderdash!

“Support does not come primarily from persons of position, rank or wealth. Rather, it comes largely from people, who, like myself, are of modest origin and limited financial means.”

The main reason is that I am venturing to seek the nomination of the Democratic Party. My personal experience is what it means to be the victim of depression, distress and natural disasters—those experiences which so many human beings have no control over.

“I also know that it is precisely these Americans who lack the means, the power or the influence to ask for the good they need...”

Johs L. Emerson

“Spurt up from equipment,” the Federal Reserve Bank of St. Louis reports, “and it is increasingly valued in constant dollars.”

Prices generally are stable and cost advances in production and consumption is no longer a continuing pressure, but a result of increased production, investment spending, and a number of other factors.

Now, let’s turn from economic data officially collected by the government to the current activities of America’s remaining outstanding business executives.

How Do Business Leaders Themselves Size Up the Economy?

This meeting of the private industries of America’s great Middle West is an opportunity to share your understanding of the problems and opportunities of this nation’s outstanding business executives.

The mood—Down to - earth optimism.

The outlook; Substantial business progress.

The length—All through the year.

Reports of Council members indicate that one of the best and most hopeful signs of business improvement and sales was in spring, perhaps a bit early. The improvement was reported as widespread, but the forecast is for a strong second quarter in mid-year.

The mood is stated in part as "a strong spurt in these months and an improvement all-year to 1959, when total output of goods and services was approximately $48 billion. And, remember, that is the most inclusive of all the statistics of the economy."

The analysis is based on input from the last quarter results in part, and the current forecast is for a strong second quarter in mid-year.

Income in this first quarter is expected to be strong, along with output—hence, a recovery of some 6% better than a year ago. It is important to note that while the trend may not have been fully reflected in new orders, it has been curtailed by a weather in many sections.

You may be interested in the fact that department store sales total have not recovered as yet, and that department store sales are now roughly $4 billion lower than in 1949, the current output is a lack in productivity, and a lack in inventory.

It is estimated that approximately $4 billion in orders have been received, but not yet been reflected in the current output.

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Recommendations for Stimulating Credit Flow to Small Businesses

One of the earliest small investment company licensees recommends eight changes to the Senate Small Business Committee designed to increase the usefulness of the SBICs and to stimulate the flow of credit to small business.

In a recent review of the Small Business Investment Act of 1958, commissioned by the chairman of the Senate Small Business Committee, Alan K. Ruvoson commented that the SBICs have not established an earnings pattern, and further, the size of the typical company has not warranted their attention. This position of the Select Committee on Small Business, which was referred to the chairman of the Senate Small Business Committee, is in direct contradiction to the assertion of the nature of our investments should suffice.

One of the efforts of the Select Committee on Small Business was to recommend legislation which would permit the SBICs to extend a wider variety of financial assistance to small business, including the provision of capital for the expansion of a company's business and the acquisition of substantial quantities of stock. The SBIC program does not make the SBICs to attractive to most institutions which are currently not sponsored by an SBIC, and have not established an earnings pattern, and further, the size of the typical company has not warranted their attention. This position of the Select Committee on Small Business, which was referred to the chairman of the Senate Small Business Committee, is in direct contradiction to the assertion of the nature of our investments should suffice.

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We all certainly may well expect some problems in disease prevention and cure to prove to be lasting and even to be followed by further advances, but we must remember that in general the birth rate is closely related to economic conditions. Anything to change the birth rate of the recession, even if nothing to the beginning in 1929, would without much difficulty, as we have already seen, increase the birth rate in this country. This is an age of state intervention, in all things, and perhaps the time has come to consider the activities of various governments in the direction of encouraging birth control. It is probably true to say that a considerable degree of popular education in the more practical side of these matters can be achieved through this discussion and political activity.

It must be conceded, of course, that a sudden and large increase in population does alter economic relationships and may present real problems—problems of government (as in the matter of education where the increase is largely in school age) that are not yet reached by the numbers who must or should, on their own, make adjustments and take such steps as are necessary or desirable in the present. The latest “scare” or “problem” of those who feel that the drastic change of the age of the people for them, has to do with unemployment, also a popular political theme. The political elements who, for one reason or another, insist that the government do something, now exists at this moment and scream that “something must be done” before that “population explosion” can be heard as much about it as.

It is not necessary to enter into the extended discussion of population policy that is being passed with u p on conditions in other countries or in the world, nor can the population for which we feel quite confident of our economic system function normally, or as it is said in the United States, “as a machine.” In the opportunity, we can consider the information as confidential material, not to be made a part of the public file, and I do not believe that our borrowers would object to such a statement of the nature of our investment, particularly, however, it seems to us that the Select Committee on Small Business, in view of the fact that government as yet, has not seen fit to extend an earnings pattern, or insuring agency for term loans.

(1) A statutory tax deductible loss reserve similar to that now permitted under the -111 and Investment Act, particularly where the SBIC has acquired any of its initial capital from government, and where that capital has been acquired when the SBIC is allowed to have the opportunity to participate in SBA loans as other private commercial lending.

(2) SBICs be allowed participation in regular SBA loans under the Investment Act, particularly where the SBIC has acquired any of its initial capital from government, and where that capital has been acquired when the SBIC is allowed to have the opportunity to participate in SBA loans as other private commercial lending.

(3) We believe the present statutory ratio of government loans to SBA loans should be altered to a higher level than the 50% now permitted. This suggestion again has been based on the fact that SBICs are not utilized to utilize government funds in their capital structure. It would be helpful if the SBIC could be granted 30% loans to SBICs with specific collateral as in the present of the areal phase of

Continued from page 1

of money in the hands of the oldsters or to be placed in the hands of others. Someone, somewhere, has to produce the money, and they are to be protected even when they have adequate funds.

Of course, there is or may be such a thing as a population explosion, but we have to be able to support itself in the regions in which it resides, but, as we see that in this country if permitted to function there is little or no likelihood of such a thing fastening itself permanently. We must, however, be frank with ourselves about these things. Our task is to find ways of making our programs to deal with such situations definitely tend to increase rather than to relieve our troubles. Federal aid for “distressed areas,” whatever their moral claims upon us, will only increase in one degree or another to curtail the mobility of labor. Greatly increased home ownership would have no effect. But by far the most important of all is the loss of vigor and flexibility resulting from the building up of the many new social programs. And the drift is toward more of the same to solve population explosion problems, real and imaginary.

Carreau & Staff

Carreau & Company, members of the American Institute of Certified Public Accountants, have announced that William B. Shealy has been added to their staff. Mr. Shealy is a registered representative in their office at 115 Broadway, New York, N.Y., and is formerly with Van Alstyne, Noel & Co.

Gloer, Forgan Adds

Gloer, Forgan & Co., San Francisco, Calif., has announced the addition of Mr. Charles Gloer, Forgan, & Co., a director of the firm, to their staff.

With Hannaford & Talbot

Hannaford & Talbot, Inc., of Lodi, Calif., has announced the addition of Mr. Charles Gloer, Forgan, & Co., a director of the firm, to their staff.

Joins Stewart, Eubanks

Stewart, Eubanks & Co., San Francisco, Calif., has announced the addition of Mr. Charles Gloer, Forgan, & Co., a director of the firm, to their staff.

Amos Sudler Adds

Amos Sudler & Co., Denver, Colo., has announced the addition of Mr. Charles Gloer, Forgan, & Co., a director of the firm, to their staff.

With Hurd, Clegg

Hurd, Clegg & Co., San Francisco, Calif., has announced the addition of Mr. Charles Gloer, Forgan, & Co., a director of the firm, to their staff.

Joints Columbia Inv.

Columbia Inv., a division of Columbia Investment Co., Inc., has announced the addition of Mr. Charles Gloer, Forgan, & Co., a director of the firm, to their staff.

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The Commercial and Financial Chronicle . . . Thursday, April 7, 1989
Need for Caution at Present
In Case of Consumer Credit

Continued from page 10

of automobile sales during 1935, as stimulated in part by the downward loan is followed by a sharp decline in such sales if the demand for automobiles is to continue in the same high volume. In 1936, the car

Another possible source of danger is the new rash of innovations in consumer credit technology. Some manufacturers have recently convinced companies to finance the sale or leasing of equipment, and although they do not have a loan on the equipment, they are being handled by factors or others who only guarantee a lease contract and whose-whichever higher charges will more adequately reflect the costs associated with consumer credit.

New Forms of Credit

Recently some new forms of consumer credit have become popular. These include "credit cards," and "buy now, pay later," and "installment purchases." While these forms of credit are not new, they are becoming popular and are presently being studied by the banking community.

To take continuous prosperity for granted may be a mistake. Any notion that prosperity must be permanent and undisturbed, that there will be a continuous and too optimistic reading of the consumer credit on solid fact. It is true that our understanding of cyclical fluctuations and our techniques of controlling them have been greatly improved in the past decade, and yet been tested by a serious shock to the world and may prove inadequate when the next recession comes.

Let me hasten to say that I do not believe this is an imminent or inevitable. My point is rather, that we erect additional barriers, to reduce the flow of goods and services when we conduct our business under a cloud of foreboding and with foresight and circumspection as we observe time-tested lessons.

Paradoxical as it may seem, it is precisely when the economy skies are brightest that the worst mistakes are made. It is a time not far from calamity or unimagined optimism, but for not" a "bright and happy," and it is not always the case that the lending officer really cannot make a sound decision but must take a chance and hope for the best. In the best interest of borrowers and lenders alike, all should strive to maintain the value of our dollar and to avoid putting our faith in chances and a certain confidence in its integrity based on this.

At that end, we are committed to provide a source of information for all those who are suppliers and citizens in general in an effort to foster and promote better public understanding and participation of all bankers.

Any duty and privilege to ask everyone to join us in this significant undertaking. It is an exciting adventure that should be of the highest importance.


Allied Bowling Centers, Inc. (5/2-6) Dec. 29 filed 750,000 of sinking fund debentures and $500,000 shares of $10 par common stock, to be sold in units of $75 principal amount of debentures and 30 shares of stock of each. Price—$50 per share of stock. Proceeds—To purchase real estate and for general corporate purposes. Office—Arlington, Texas. Underwriter—Raucher, Pierce & Co., Inc., Dallas. Note—This statement has been revised.

Allied Lending Corp. April 1 filed 16,000 shares of common stock. The stock will be offered initially for a 90 day period to holders of options to purchase stock in two other companies in which Allen J. Leefeldt, President, is a controlling person. 13,028,000 shares will be offered at $5 per share on a pro rata basis to be offered in order to purchase the same number of shares of common stock of Allied Colorado Enterprises and 15,000,000 shares will be similar rights to purchase 15,000,000 shares of common stock of Boulder Acceptance Corp. Any shares unsold at the end of the 90 day period will be sold at no price and the stock may be purchased in installments over a 12 month period. (The company has also filed a registration of similar stock on a base of Office—Colorado Insurance Group Building, Boulder, Colo. Proceeds—Primarily for working capital. Underwriter—Norman S. Brown & Co., New York City.

All State Properties, Inc. (4/18-22) March 17 filed 670,132 shares of capital stock, to be offered for subscription to employees of each share of $1 par common stock, units of which 60,000 shares are to be offered for public sale on behalf of the issuing company. Of the remaining 42,010 shares, 1,200 shares are to be offered for public sale by Berkus Securities Corp. and 175,000 shares to certain other holders of stock. Proceeds—To repay indebtedness, working capital and other corporate purposes. Office—Foral Park, L. I., N. Y. Underwriters—Bear, Stearns & Co. and Allen & Co., both of New York City.

Almanzor-Big Apple, Inc. (5/2-6) March 19 filed 90,000 shares of common stock (par $2.50), of which 60,000 shares are to be offered for public sale on behalf of the issuing company. Of the remaining 18,000 shares, 1,200 shares are to be offered for public sale by Berkus Securities Corp. and 175,000 shares to certain other holders of stock. Proceeds—To repay indebtedness, working capital and other corporate purposes. Office—Nashua, N.H. Underwriter—Van Alstyne, Noel & Co., New York City.


American Frontier Life Insurance Co. (5/2-6) Nov. 30 filed 200,000 shares of capital stock. Price—$1 per share. Proceeds—To increase capital and surplus. Office—1453 Union Ave., Memphis, Tenn. Underwriter—United Securities Investment Co., also of Memphis, which will receive a selling commission of $1.20 per share.


American & St. Lawrence Seaway Corp. March 27 filed 350,000 shares of common stock, of which $50,000,000 is to be publicly offered. Price—$3 per share.
Continued from page 38

n.te. Proceeds to pay off mortgages, develop and improve properties, and acquire additional real estate.


American Penn Life Insurance Co.

March 30 filed registration of 127,500 shares of capital stock, to be sold at 14% over the subscription rate on April 28, 1960. The subscription rate on 105,000 shares is $1,000 per share and $1,000 per share for each one share held. Of the remaining 22,500 shares, the offering will be on the basis of nine shares for each 11 shares held and $1,000 per share will be offered under warrants granted in accordance with the provisions of the Act. Proceeds—$3,200 per share. Proceeds—To increase capital and surplus.


American Security Corp. (5-2-60)

March 28 filed 100,000 shares of capital stock (par $2). The company is an affiliate of the Trust Company of the City of Washington, by reason of the fact that each of their stockholders own, directly or indirectly, a majority of the shares of each entity. It is proposed to offer the 100,000 shares of American Security stock and a like number of shares of the $10 par capital stock of the Trust Company of any one share of stock of each; and the units are to be offered for subscription by stockholders of each issuer at the rate of one new share for each five shares held.

Price—To be supplied by amendment. Proceeds—American Security will use its proceeds in part to repay current indebtedness incurred in connection with the purchase of the non-banking assets of the City Bank of Washington, with the balance added to working capital for general corporate purposes.


American Telemail Service, Inc. (4-11-60)

Dec 31 filed registration of 10,000 shares of capital stock, to be sold at $4.00 per share. Proceeds—For establishing airmail facilities at airports.


Apache Oil Corp.

March 3 filed 500 participating units in Apache Oil Program, Inc., a Delaware corporation. Proceeds—For oil and gas exploration.

Office—239 Marquette Ave., Minneapolis, Minn. Underwriter—Apache Oil Corp., as issuer, and by its subsidiary, APA, Inc., as underwriter.

Applied Electronics Corp. of N. J. (4-18-62)

March 21 filed registration of 100,000 shares of capital stock, to be sold at $4.00 per share. Proceeds—For working capital.


Armour & Co.

April 3 filed registration of 40,000 shares of common stock, which have been or may be sold to certain of the issuer's key employees. Proceeds to be used for the Restricted Stock Option Plan. Office—Chicago, Ill.

Audio Devices, Inc.

March filed 100,000 shares of common stock, of which 80,000 shares are to be offered pursuant to the company's Stock Option Incentive Plan and 20,000 shares of stock issued to warrant holders. Office—44 Madison Ave., New York.

Audio-Emmene Corp. (5-2-60)

March filed registration of 50,000 shares of capital stock, of which 40,000 shares are to be offered pursuant to the Restricted Stock Option Plan. Office—Chicago, Ill.

Audio-Emmene Corp.

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Audio-Emmene Corp. (5-2-60)

March filed registration of 50,000 shares of capital stock, of which 40,000 shares are to be offered pursuant to the Restricted Stock Option Plan. Office—Chicago, Ill.

Audio-Emmene Corp.
Aviation Employes Corp., (4/15) Feb. 8 filed $5,000,000 of subordinated convertible debentures due March 22, 1996, with the March 22, 1961, for $600,000 of common stock, Price—$2 per share. Proceeds—To be used for general corporate purposes, for the expansion of the company's subordinated debenture issues, and for the purchase of all or a substantial interest in the operations of the company. Offered by the company for sale to the public at the offering price of $200 per share. Underwriter—W. E. Hutton Co., New York.


Conrad Realty Investment Corp.

March 11 filed 8,000 shares of common stock. Price $3 per share. Proceeds—To be used for the acquisition of properties, $300,000; for the establishment of a reserve for capital and other corporate purposes. Office—Lincoln Ave., Little Rock, Ark. Underwriter—None.

Contingent Life Insurance Co.

March 31 filed 1,350,000 shares of common stock, of which 150,000 shares are to be offered to holders of the outstanding preferred stock on a one-for-one basis, and 30,000 shares, to be publicly offered at $1.50 per share. Proceeds—To selling stockholders. Office—Yonkers, N. Y. Underwriter—A. G. Becker & Co., Inc., New York City.

DeLuxe Aluminum Products, Inc. (4/25-29)

March 29 filed 15,000 shares of common stock, par $10, and 70,000 shares of common stock. Price—For the described common stock, $10 per share; for the stock, $5 per share. Proceeds—To be used for the acquisition of the common stock, to the present holders thereof; from the rest of the offer- ing for general corporate purposes. Office—831 W. State St., Cleveland, Ohio. Underwriter—H. L. Coates & Co., New York.

Development Oilt & Gas Co.

March 29 filed 2,000 shares of common stock. Price $5 per share. Proceeds—For general corporate purposes. Underwriter—None.

Dial Finance Co. (5/3)

March 30 filed 50,000 shares of common stock (no par), including 15,000 shares which are outstanding and will be offered for public sale by the holders thereof, and the remaining amount will be offered for sale by the Company’s account. Price—To be sold by amendment. Proceeds—To be used for general corporate purposes. Underwriter—First Trust Co. of Lincoln, Lincoln, Nebr.

Diversified Communities, Inc.


Dobson Brothers Construction Co.

March 30 filed 150 shares of common stock (par $1), at which 100 shares are to be offered for public sale for account of issuing company and the balance, outstanding shares of the company. Price $3 per share. Proceeds—To be used by amendment. Proceeds—To be sold by amendment. Proceeds are to be used for the acquisition of the outstanding shares of the company. Office—20th Street, New York City. Underwriter—E. H. Hilsman & Co., New York City.

Don Mott Associates, Inc.

Oct. 27 filed 167,700 shares of class B, non-voting, common stock. Price—$1 per share. Proceeds—To be used for general corporate purposes, including payment on notes, mortgages, warrants, etc. Underwriter—Lev H. L. Underwriter—Lee H. Huggins Co., New York. Offered—In expectation of sale.

Dobus Chemicals, Inc. (5/2-6)

March 30 filed 200,000 shares of common stock to be sold for the purpose of providing funds for the company’s Restricted Stock Option Incentive Plan for employees. Price—To be sold by amendment. Proceeds—To be used for general corporate purposes. Office—Newark, N. J. Underwriter—First Trust Co. of Lincoln, Lincoln, Nebr.

Dworan Corp. (5/9-13)

Jan. 15 filed 300,000 shares of common stock. Price—To be sold by amendment. Proceeds—To be used for general corporate purposes. Office—400 Park Avenue, New York City. Underwriter—ParkeDavis & Co. New York City.

Dynamic Films, Inc.


E. H. P. Corp.

March 30 filed 50,000 shares of common stock (par $10), of which 10,000 shares are to be publicly offered. Price $10 per share. Proceeds—To be used for the acquisition of the machinery and equipment of the company and for the promotion of the company’s business. Office—123 Eileen Building, New York, N. Y. Underwriter—Myron A. Lomansky & Co., New York.

El Paso Electric Co.


Electro-Metlic Steel, Inc.

March 29 (letter of notification) 7,600 shares of class A common stock (par $10), of which 275 shares are to be offered for public sale. Price—$10 per share. Proceeds—For general corporate purposes. Office—Cayuga Gardens, 727 Spring Rd., Elmhurst, Ill. Underwriter—None.

Electronic Assistance Corp. (4/11-15)

March 31 filed 100,000 shares of common stock. Price—To be determined by amendment. Proceeds—To be used for the purpose of acquiring additional real estate and for the everyday operations of the business as a whole. Office—417 Broadway, New York City. Underwriter—None.

Englehard Industries, Inc. (5/9-13)

March 30 filed 20,000 shares of common stock. Price—To be determined by amendment. Proceeds—$3,000,000 to be used for the purpose of acquiring additional real estate and the balance to reduce outstanding short-term indebtedness and increase working capital. Office—Newark, N. J. Underwriter—J. T. Heil, N. J., Diller & Co., and Marcus Freres & Co., both of New York City.

Esquire Radio & Electronics, Inc. (5/16-20)

March 29 filed 100,000 shares of common stock. Price—$5 per share. Proceeds—$73,000 will be used to replace funds in the public offering of which the company is a participant in (par $10); $50,000 to repay short-term bank obligations; and the balance will be used to purchase and install equipment and for general corporate purposes, including financing of finished and raw material inventory and equipment. Office—Newark, N. J. Underwriter—Myron A. Lomansky & Co., New York.

Estates, Inc.

March 29 filed 5,000,000 shares of class A common stock. Price—$5 per share. Proceeds—For purchase of various properties, buildings, and equipment to meet operating expenses, salaries and other costs, but principally for the purchase and development of large tracts of land. Office—Chillicothe, Ohio. Underwriter—D. C. Underwriter—Consolidated Securities Co. of America, New York City.

Ets-Hokin & Galvan, Inc. (5/9)

March 28 filed 250,000 shares of common stock (par $1). Proceeds—$73,000 will be used to replace funds in the public offering of which the company is a participant in (par $10); $50,000 to repay short-term bank obligations; and the balance of $177,000 will be added to working capital and used for general purposes including financing of finished and raw material inventory and equipment. Office—Newark, N. J. Underwriter—E. N. Atalane, Noe & Co., New York.

FNR, Inc.


Farrell Manufacturing Co. (5/2-6)

March 25 filed 6,000,000 shares of common stock. Proceeds—To be used for the purpose of acquiring additional common stock and for general corporate purposes. Office—Newark, N. J. Underwriter—Amos Trout & Co., New York.

Farrington Manufacturing Co. (5/2-6)

March 20 filed an undesignated number of shares of common stock. Price $25 per share. Proceeds—To be used for the acquisition of equipment purchase obligations, accounts payable and for general corporate purposes. Office—199 M Street, Amistad, Ala. Underwriter—First Industrial Bank of Montgomery, Alabama.

The Commercial and Financial Chronicle


**Federal Reserve Bank of St. Louis**


**Finger Lake: Railco Association, Inc.**

Dec. 22 filed 1,000,000 of 20-year 6% subordinated sinking fund debentures due 1982 and 400,000 shares of class A stock (par $5) to be issued in wor stock price of $100 of debentures and 10 shares of class A stock. Proceeds—$15 per share. Proceeds—To be used for purchase of land and the cost of building railroad plant as well as other organizational and miscellaneous expenses.

**First National Realty & Construction Corp.**

March 29 filed 150,000 shares of cumulative preferred stock first series, $7 par, 150,000 shares of common stock, and 150,000 shares of convertible preferred stock. Proceeds—$125 per share. Proceeds—To be used to open, furnish and equip the new Wichita office building at 131 N. Main, for $350,000. Proceeds—To be used for the purchase of facilities and equipment for the company's expansion. Proceeds—To be used for working capital. Office—512 Nicollet Avenue, Minneapolis, Minn. Underwriter—Kidder, Peabody & Co., New York.

**Flintkote-Co., Inc.**

March 14 filed 661,800 of registered subordinated debentures due 1960, at $1,000,000 per share. Proceeds—$15 per share. Proceeds—To be used for general corporate purposes, and for the purpose of purchasing additional equipment for Flintkote's office in Philadelphia. Office—30 Rockefeller Plaza, New York.

**Florida Builders, Inc.** (5/2-6)

March 12 filed 17,000 shares of common stock. Price—To be determined. Proceeds—To be used for general corporate purposes.

**Florida Home Insurance Co.**

March 30 filed 17,000 shares of common stock to be offered at $1.50 per share. Proceeds—$1.50 per share. Proceeds—To be used for general corporate purposes.

**Florida Motor Express Co.**

March 29 filed 450,000 shares of common stock. Price—To be determined. Proceeds—To be used for general corporate purposes.

**Forest Hills Country Club Ltd.** (4/11)

Jan. 29 filed 75,000 shares of common stock (par $10) to be offered to build a country club in Forest Hills, L. I., N. Y. Office—Incorporated from June 61.

**Frost Bank, etc.**

March 29 filed 320,000 shares of common stock. Proceeds—$320.000. Proceeds—To be used for general corporate purposes.

**Geelet Corp.** (5/10)

March 15 filed for sale 5,000,000 shares of common stock (par $10) and 50,000 shares of common stock (par $5) to be offered to general corporate purposes. Proceeds—$1.00 per share. Proceeds—To be used for general corporate purposes.

**Gorton's of Gloucester, Inc.**

March 22 (letter of notification) 19,100 shares of common stock (no par). Proceeds—$10 per share. Proceeds—To be used for general corporate purposes.

**Greater Western Industrial Investments, Inc.** (4/25-28)

March 15 filed 3,200,000 shares of common stock. Price—$10 per share. Proceeds—To be used for general corporate purposes.

**Gulf Tex Development Corp.** (5/16)


**Gulf States Life Insurance Co.**

Feb. 26 filed 4,000,000 of 5% votes of preferred stock, to be offered for subscription by common stockholders of record April 1, 1960, at the rate of two shares for each share of preferred stock then outstanding. Proceeds—To be used for general corporate purposes.

**Haloid Xerox Corp.** (4/26)

March 11 filed 533,213 shares of common stock (par $1) to be offered to common stockholders at the rate of three shares for each eight shares of common stock held. Proceeds—$1.00 per share. Proceeds—To be used for general corporate purposes.

**Hampshire Gardens Associates**

April 1 filed $3706,000 of Limited Partnership Interests in Hampshire Gardens, to be sold to the public. Proceeds—To be used for the purchase of the fee title to a garden type apartment community (Hampshire Gardens) consisting of 14 buildings. Office—70 New York Ave., New York City. Proceeds—$1.00 per share. Proceeds—To be used for general corporate purposes.

**Hamilton Management Corp.** (4/25-29)

March 21 filed 220,000 shares of class A stock (par $10) to be offered to the public. Proceeds—$1.00 per share. Proceeds—To be used for general corporate purposes.

Wash. Hills & Electric Co. (4/13) March 14 filed 150,000 shares of 5% mortgage bonds, series due April 15, 1990. Proceeds—To retire $1,000,000 of bank loan and for working capital. Price—To be supplied by underwriter. Proceeds—To be applied toward repayment of debt and for working capital.

Jarratt-Ash Co. (4/4) March 15 filed notification. Not to exceed 18,948 shares of class A common stock (par $1.25) and 18,948 shares of class B common stock (par $1.25) to be offered at $5.25 per share. Proceeds—To be paid to the issuer in full for the purchase of the company’s outstanding bonds. Price—To be supplied by underwriter. Proceeds—To be used for general corporate purposes.

Kaiser Industries Corp. April filed 641,615 shares of common stock, representing 64% of the company’s capital stock, for sale to the public. Proceeds—To be used for general corporate purposes.

Kenrich Petrochemicals, Inc. March 15 filed notification. 60,000 shares of common stock (par $1.20) to be offered at an initial public offering price of $8 per share. Proceeds—to avert the possibility of a public refunding. Proceeds—To be used for the general corporate purposes of the company.

Kingbird Industries Corp. March 15 (letter of notification) 600,000 shares of common stock (par $1) to be offered at an initial public offering price of $5 per share. Proceeds—to avert the possibility of a public refunding. Proceeds—To be used for the general corporate purposes of the company.

Little Dude Trailer Corp. Inc. March 30 filed 100,000 shares of common stock (par $1) to be offered at a public offering price of $8 per share. Proceeds—to avert the possibility of a public refunding. Proceeds—To be used for the general corporate purposes of the company.
Continued from page 63

- Magnin (Joseph) Co., Inc. (5/2-6)
  March 25 filed $1,250,000 of 5%, convertible subordinated debentures, due 1954, at 99% of par, with 78,000 shares of common stock. The debentures and $3,500 common shares are to be offered for sale to the account of the present holders 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. Underwriter—F. S. Smithers & Co., New York.

- Majestic Specialties, Inc. (4/25-29)
  March 25 filed 150,000 outstanding shares of common stock, of which 39,131 shares will be offered for sale. The shares to be sold by the account of the present holders thereof. Price—To be supplied by amendment. Proceeds—For the purchase of Sessions' interest in the San Francisco, Calif. Underwriter—F. S. Smithers & Co., New York.


- Marquette Corp. (4/2-6)
  Proceeds of March 29, 1950, of common stock, of which 39,431 shares will be offered for public sale. The shares to be sold by the account of the present holders thereof. Price—To be offered for sale. Proceeds—For the purchase of the company's interest in Superior Avenue, Cleveland, Ohio. Underwriter—Hayden, Stone & Co., New York.

- March 25 filed 150,000 outstanding shares of common stock, of which 39,131 shares will be offered for sale. The shares to be offered for sale to the account of the present holders thereof. Price—To be supplied by amendment. Proceeds—For the purchase of certain leasehold estates and purchase options in the Hotel Manhattan and Hotel Astor in New York. Underwriter—139 Broadway, New York. Underwriter—None.

- Marquette Corp. (5/2-6)
  March 25 filed $1,700,000 of common stock, of which 25,000 shares are being sold for the account of the issuing corporation, 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 general corporate purposes. Underwriter—Brown & Sons, Balti¬more.


- (Desota B.) McCabe Enterprises, Inc. March 29 filed 2,000 shares of common stock, of which 632,838 shares of common stock will be sold by Desota B. McCabe Jr., in return for transfer of certain properties to the company. Price—$10 per share for public offering. Proceeds—For property lease payments on the Desota Lakes property, as reserve for future leasehold improvements on said property; for additional improvements on the property; for general balance due on improvements; to provide additional working capital for the stockholder, Desota B. McCabe Jr., and to further develop the property. Underwriter—None.


- Medicare, Inc. March 29 filed $600,000 of 7%, convertible debentures, due 1958, at par, with 50,000 shares of common stock. Price—At $10 over par. Proceeds—For reserve for medical loans and operating capital. Office—126 W. 23rd St., New York 11. N. Y. Underwriter—Equity Investment Corp., same address.

- Megadry Electronics, Inc. (4/11-15)
  March 25 filed 1,000 shares of common stock (par $10), subsequently reduced to 298 shares of common stock (par $10). Proceeds—For general corporate purposes. Office—1000 Broadway, New York.

- Melville Shoe Corp. (4/14-22)

- Meniscus Matic Inc. (4/8-11)
  March 17 (letter of notification) 282,000 shares of common stock. Proceeds—To persons entitled to payment of additional equipment production, inventory, and for publicity, research, marketing, and additional working capital. Underwriter—Pleasant Securities Co., 117 Liberty St., New York 8, N. Y. Underwriter—None.


- Metal Goods Corp. (4/18-22)
  March 18 filed 100,000 shares of common stock. Price—To be supplied by amendment. Proceeds—For the purchase of warehousing facilities at St. Louis and Dallas and for other corporate purposes including the purchase of working capital. Office—Workforce, 808 Page Blvd., St. Louis, Mo. Underwriters—G. H. Walker & Co., St. Louis, Mo., and Leopold, Wexler & Co., Chicago, III.

- "April" Holding Co. (4/25-29)
  March 10 filed 5,000,000 of convertible subordinated debentures, due 1975. Price—To be supplied by amendment. Proceeds—To be used for general corporate purposes and to repay, with interest, $65,000 to Notes and forward interest to Be...
Federal Reserve Bank of St. Louis

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Underwriter—W.

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Manila, Philippines.

Underwriter—None.

New Jersey Natural Gas Co.

A New Jersey natural gas company, which was split off from the Pennsylvania Gas Co. in 1973, has completed the public offering of $500,000 of common stock, sold through Sun Oil Co. of Philadelphia.

Proceeds—For general corporate purposes, including the repayment of indebtedness, development of a division, and mortgage payments.

Office—60 Hamilton St., New Haven, Conn.

Underwriter—None.

New Jersey Automobile Extusion Co., Inc. (2/3)

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—223 West Madison St., Chicago, Ill.

Underwriter—H. M. Blystone Co., Inc., Chicago, Ill.

New Haven Clock & Watch Co.

The company recently announced the completion of a $100,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—New Brunswick, N. J.


New York Central Life Ins. Co.

The company recently announced the completion of a $250,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—300 Minnesota St., St. Paul, Minn.

Underwriter—None.

Northshore Goldfields, Ltd.

The company recently announced the completion of a $200,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—366 Day Street, Toronto, Canada.

Underwriter—None.

Nuclear Materials & Equipment Corp. (4/18-25)

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—Apollo, Pa.

Underwriter—Moore, Leventhal & Goldsmith, New York City.

Nuclear Research Chemicals, Inc.

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—Orlando, Fl.


Norco Corp. (4/14)

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—259 South St., Mt. Vernon, N. Y.

Underwriter—Comerica, Inc.

Ohio Chemical Co.

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—622 E. Glenwood Ave., Glenwood, Pa.


Panel Co. (5/2-4)

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—882 E. Glenwood Ave., Glenwood, Pa.


Panel Co. (5/11-15)

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—882 E. Glenwood Ave., Glenwood, Pa.


Panel Co. (5/24-29)

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—882 E. Glenwood Ave., Glenwood, Pa.


Patrician County Canning Co., Inc.

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—207 S. Broadway, St. Louis, Mo.


Pennsylvania Electric Co. (5/9)

The company recently announced the completion of a $100,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.


Underwriter—Rhode Island Underwriter—None.

Orange & Rockland Utilities, Inc. (4/14)

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—990 E. 14th St., New York, N. Y.

Underwriter—None.

Phillips Developments, Inc.

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—9489 Wellington Ave., Cleveland, Ohio.


Plastic Fibers, Inc.

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—1000 West 7th St., Chicago, Ill.

Underwriter—H. M. Blystone Co., Inc., Chicago, Ill.

Precision Circuits, Inc. (5/2)

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—120 West Center St., Plainfield, N. J.


Premier Industrial Corp.

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—4415 Hudson Ave., Cleveland, Ohio.


Premium Acceptance Corp.

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—212 S. Tryon Street, Charlotte, N. C.

Underwriter—Premier Acceptance Corp., New York, N. Y.

Professional Life & Casualty Co.

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—705 South Fulton Avenue, Mount Vernon, N. Y.

Underwriter—Myron A. Appelbaum, New York City.

President's Life Insurance Co. of New Mexico

The company recently announced the completion of a $500,000 common stock offering, which was handled by the firm of Messrs. J. B. & J. J. Neshits.

Proceeds—To be used for working capital.

Office—101 West University Dr., Santa Fe, N. M.

Underwriter—None.
Corp., balance to March working capital.

The offers of the common stock of the company, consisting of one new million dollars, are subject to the following conditions:

1. The offers shall be made to the stockholders of the company, at $1.25 per share, and the shares of common stock, to be offered shall be sold for the balance of the amount required to be paid, and only upon the condition that the balance shall be paid to the company in cash, or the company shall use such amount for the purpose of reducing the amount of its indebtedness.

The proceeds of the sale of the common stock shall be used to reduce the amount of the company's indebtedness, and the amount of the proceeds shall be sufficient to pay the balance of the amount required to be paid.

The proceeds of the sale of the common stock shall be used for the purpose of reducing the amount of the company's indebtedness, and the amount of the proceeds shall be sufficient to pay the balance of the amount required to be paid.

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counterparts shares will be offered to certain persons, a number of whom are customers of the bank, for purchase for investment. Price—To be supplied by the bank, subject to approval by the Federal Reserve Bank of New York, insurance company, and other lending institutions. 

Telediger Corp. (5-26)
March 30 filed 5,000,000 of 8% convertible debentures due 1970, $100 par (cip $100) at 91% and 240,000 shares of common stock. These securities are to be used to acquire the assets of a $1,000 debenture (with 5-year warrant to purchase 20 common shares initially at $15 per share) and for general corporate purposes. Price—To be supplied by the company. Proceeds—For repayment of certain credit agreements with various banks. Price—To be supplied by the company. 

Tennessee Gas Transmission Co. (3-11)
March 29 filed 515,000 of participations in a common stock (par $10). Price—$1.50 per share. Proceeds—For engineering, design, advertising and working capital, with a minimum of 6% yield for 20 years. Price—To be supplied by the company. 

Top Products Corp. (4-6)
Feb. 11 filed 11,000 of common stock (par $1). Price—$100 per share. Proceeds—Proceeds from the sale of Top Products, Inc. Price—To be supplied by the company. 

Tip Top Co., Inc. (4-8)
Feb. 12 filed 110,000 of common stock (par $1). Price—$125 per share. Proceeds—For general corporate purposes. Price—To be supplied by the company. 

Transcontinental Gas Pipe Line Corp. (4-20)
March 14 filed 35,000,000 of first mortgage bonds due 1965, $1,000 par (cip $1,000) at 103% and 10,000 shares of common stock. These securities are to be used to acquire the assets of a 5% yield for 25 years. Price—To be supplied by the company. Proceeds—For cash tender offer. Price—To be supplied by the company. 

Transworld Equipment Co. (4-8)

Tri-Foil Plastics, Inc. (4-22)
March 15 (letter of notification) 150,000 shares of common stock (par $1) at $1 each. Proceeds—For general corporate purposes. Price—To be supplied by the company. 

TruStee, Inc. (1-10)
March 6 filed 10,000 of common stock (par $1) at 99 1/2% and 400,000 shares of preferred stock (par $25). Price—To be supplied by the company. Proceeds—For general corporate purposes. Price—To be supplied by the company.

Universal Marion Corp. March 29 filed 588,380 outstanding shares of common stock, par value $5, to be offered to underwriters. Proceeds—To sell to underwriters. Underwriter—National Financial Corp., New York, N.Y.

For a list of additional offerings, see the Connecting Link section of this issue.

Prospective Offerings

**Acme Steel Co.** March 25 the company's annual report stated that capital expenditures in the first quarter will be reduced to a level expected to cost between $40,000,000 and $45,000,000. It is intended that the proceeds of this month's issue will be forthcoming from depreciation and retained earnings. The sale of $10,000,000 of preferred stock in 1960 is planned to provide $65,000,000 for capital purposes, including the reduction of indebtedness, sales promotion, and working capital. Proceeds—to be used to retire additional debt. Underwriter—Michael G. Kieft & Co., New York, N.Y.

**Arco Electronics** March 2 it was reported that in April this company is planning an offering of $5,000,000 of 12% debentures due 1975. Underwriters—Blyth & Co., Inc., New York, N.Y.

**Baltimore & Electric Co.** March 3 it was announced by J. Theodore Wolfe, President, that the company plans to retire a portion of its outstanding mortgage bonds. Proceeds will be used to retire bonds in the amount of $25,000,000. The total retired debt is estimated to be $60,000,000. Proceeds—to be used to retire bonds. Underwriter—Michael G. Kieft & Co., New York, N.Y.

**Bank of California** March 28 the company authorized the issue of $25,000,000 of additional shares of common stock (par $1) to be sold at $27 per share. Proceeds—to be used to retire bonds. Underwriter—Blyth & Co., Inc., San Francisco, Calif.

**Black Hills Power & Light Co.** Feb. 18 announced by the Federal Power Commission has approved the utility, of Rapid City, S.D., to issue 150,000 additional shares of common stock (par $1) at a 25% dividend to its present common holders. Proceeds will be used to buy any additional interest in related businesses.

**Columbia Gas System Inc.** March 1 filed 97,200 shares of $100 par value common stock, par value $100, offered to be sold for the account of the underwriters: Proceeds—to be used to retire bonds. Underwriter—Gabriel & Cohn, New York, N.Y.

**Consolidated Research & Mfg. Corp.** Dec. 16 it was reported that this firm, founded last year, plans in the near future to file for registration of 500,000 shares of $5 par common stock. Proceeds—to be used to retire bonds. Underwriter—Gabriel & Cohn, New York, N.Y.

**Consumers Power Co.** March 2 it was reported that this company is planning an offering of $50,000,000 of new mortgage bonds. Proceeds—to be used to retire bonds and acquired debt. Underwriter—Morgan Stanley & Co., White & Co. and Shields & Cie. (jointly); First Boston Corp. (jointly); Morgan Stanley & Co., Inc., New York, N.Y.

**Deckert Dynamics Inc.** March 16 announced that 100,000 shares of common stock are expected to be filed in early May. Proceedings—to be used to retire bonds. Underwriter—Plymouth Securities Corp., New York City.

**ElectraCorp.** (4-11-15) March 9 filed 300,000 shares of common stock (par $5) to be offered for public subscription for the capitalization of the company. Proceeds—to be used to retire bonds. Underwriter—Gabriel & Cohn, New York, N.Y.

**Florida Power & Light Co.** March 15 it was reported that the company will need additional equity capital in the second quarter of the year. The additional capital will be used for additions to the system. Proceeds—to be used to retire bonds. Underwriter—Halsey, Stuart & Co., Columbus, Ohio.

**Georgiana Gas Co.** March 28 it was reported that $25,000,000 of first mortgage bonds will be sold by this utility, possibly in the first quarter of 1959. Proceeds—to be used to retire bonds. Underwriter—Gabriel & Cohn, New York, N.Y.

**Gulf Power Co.** (11-3) Dec. 9 it was announced that the company plans registration of $12,000,000 of 30-year first mortgage bonds. Proceeds—to be used to retire bonds. Underwriter—Gabriel & Cohn, New York, N.Y.

**Haller Const. Co.** March 25 filed 48,954 shares of common stock, par value $1, offered to be sold for the account of the underwriters: Proceeds—to be used to retire debt. Underwriter—Halsey, Stuart & Co., Cincinnati, Ohio.
Dillon, Union Securities & Co. and White, Weld & Co. (jointly). Bids—Expected to be received on July 19.

Northwestern Bell Telephone Co. (6/7) May 23, the company's annual report stated that $120,000,000 of new capital would be needed to meet five-year construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Merrill, Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co.; White, Weld & Co.; and Shields & Co. (jointly).

Southern Natural Gas Co. April 3, a statement in the company's annual report that the company had expended $20,000,000 in that first year of construction and that it was estimated that the uncompleted construction would require an additional $20,000,000 in the next year. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Merrill, Lynch, Pierce, Fenner & Smith Inc. and Blyth, Blyth & Co. (jointly).

Southwestern Bell Telephone Co. (8/9) May 1, the company's annual report stated that it planned to issue a $100,000,000 debenture issue, subject to approval by the Board of Directors and public offering and information program over the next five years. Underwriter—To be determined by competitive bidding. Probable bidders: White, Weld & Co.; Halsey, Stuart & Co. Bids—Expected to be received on or about July 20.
## 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, as of that date:

### AMERICAN IRON AND STEEL INSTITUTE:
- Indicated steel operations (per cent capacity)...
- Scrap steel operations (per cent capacity)...

### AMERICAN PETROLEUM INSTITUTE:
- Crude petroleum output—daily average (tbc of 42 gallons each)...
- Gasoline output (tbc of 260 gallons each)...

### ENGINEERING OF OUTPUT (U.S. PRICES)
- American Commodity
- Moody's

### MOODY'S MONTHLY TRANSACTIONS (delivered)
- Total round-lot stock...
- Odd-lot purchases...
- Odd-lot sales...
- Round-lot purchases...
- Round-lot sales...

### ROYAL BLOOMFIELD CORPORATION—ENGINEERING NEWS-RECORD:
- Total U.S. & Canadian steel production...
- Shipments of steel products...
- Imports from foreign countries...

### METAL PRICES (S. & J. QOTATIONS):
- Electrolytic copper...
- Nickel...
- Lead (New York)...
- Zinc...
- Tin...

### MOODY'S BOND PRICES DAILY AVERAGES:
- U.S. Government bonds...
- Average corporate...
- Preferred...

### MOODY'S COMMODITY INDEX:
- Average price...
- Standard base...
- Copper...
- Sugar (May 1960)...
- Gold...
- Wheat...
- Corn...
- Oats...
- Barley...

### DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1955-57 AVERAGE

### EDISON ELECTRIC INSTITUTE:
- Total electric energy supplied...

### ENGINEERING OF OUTPUT "OF"—TOTAL ROUND-LOT STOCK
- Revenue from sales...
- Gasoline...
- Crude oil...
- Finished steel...
- Anthracite (tons)...
- Export...
- Domestic sales...

### FABRICATIONS OF STEEL (BUREAU OF LABOR STATISTICS—MONTHLY)
- Receipts...
- Shipments...
- Employment and payroll...

### FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION—DEPARTMENT OF COMMERCE)
- Production...

### LIFE INSURANCE BENEFIT PAYMENTS TO DEPENDENTS OF LIFE INSURANCE—Monthly of Jan.
- Total...

### LIFE INSURANCE PURCHASES—INSTITUTE OF LIFE INSURANCE—Monthly Jan.
- Ordinary...

### MORTGAGE CREDIT—FEDERAL RESERVE SYSTEM
- Researches...

### FABRICATORS OF STEEL (BUREAU OF LABOR STATISTICS—MONTHLY)
- Receipts...
- Shipments...
- Employment and payroll...

### FABRICATED STRUCRURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION—DEPARTMENT OF COMMERCE)
- Production...

### LIFE INSURANCE BENEFIT PAYMENTS TO DEPENDENTS OF LIFE INSURANCE—MONTH OF JANUARY
- Total...

### LIFE INSURANCE PURCHASES—INSTITUTE OF LIFE INSURANCE—MONTH OF JANUARY
- Ordinary...

### MORTGAGE CREDIT—FEDERAL RESERVE SYSTEM
- Researches...

### FABRICATORS OF STEEL (BUREAU OF LABOR STATISTICS—MONTHLY)
- Receipts...
- Shipments...
- Employment and payroll...

### FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION—DEPARTMENT OF COMMERCE)
- Production...

### LIFE INSURANCE BENEFIT PAYMENTS TO DEPENDENTS OF LIFE INSURANCE—MONTH OF JANUARY
- Total...

### LIFE INSURANCE PURCHASES—INSTITUTE OF LIFE INSURANCE—MONTH OF JANUARY
- Ordinary...

### MORTGAGE CREDIT—FEDERAL RESERVE SYSTEM
- Researches...

### FABRICATORS OF STEEL (BUREAU OF LABOR STATISTICS—MONTHLY)
- Receipts...
- Shipments...
- Employment and payroll...

### Tuberculosis:
- Portland cement...

### TEN—CONSUMPTION OF PRIMARY AND SECONDARY ALUMINUM (BUREAU OF MINES)—Month of December in thousand pounds:
- Stocks beginning of period...
- Receipts...
- Shipments as end of period...
- Unaccounted for...
- Imports and exports...
- Primary...

### TEN—CONSUMPTION OF PRIMARY AND SECONDARY ALUMINUM (BUREAU OF MINES)—Month of December in thousand pounds:
- Stocks beginning of period...
- Receipts...
- Shipments as end of period...
- Unaccounted for...
- Imports and exports...
- Primary...
Dividend Notice

The Board of Directors of The Chase Manhattan Bank has declared a dividend of 60c per share on the 13,603,308 shares of capital stock of the Bank, payable May 13, 1960, to holders of record at the close of business April 15, 1960. The transfer books will not be closed in connection with the payment of this dividend.

MORTIMER J. PALMER
Vice President and Secretary

The Chase Manhattan Bank

NOTES

NATIONAL SECURITY TRADERS ASSOCIATION

Alfred F. Tisch George H. Angeles William Nelson, II

Baltimore Security Traders Association: Charles A. Bodie, Jr., Stein Bros. & Boyce, 8 South Calvert Street, Baltimore 2, Md.
Bond Club of Louisville: Robert Koehler, Walston & Co., Inc., 331 South Fifth Stren, Louisville 2, Ky.
Bond Club of Syracuse: Everett W. Snyder, E. W. Snyder & Co., University Building, Syracuse 2, N. Y.
Cincinnati Stock and Bond Club: Richard P. Strubbe, Westheimer and Company, 181 Walnut Street, Cincinnati 2, Ohio.
Cleveland Security Traders Association: Everett A. King, J. N. Russell & Co., Union Commerce Bldg., Cleveland 14, O.
Dallas Security Dealers Association: James Walker Davis, Davis Securities Company, National Building, Dallas 1, Texas.
Investment Traders Association of Philadelphia: John C. Carothers, 10 N. Broad Street, Philadelphia 2, Pa.
Kansas City Security Traders Association: Keith D. Lincoln, E. F. Hutton & Company, 920 Baltimore Avenue, Kansas City 5, Mo.
National Security Dealers Association: Joe E. Hutton, Equitable Securities Corporation, 322 Union Street, Nashville 3, Tenn.
St. Petersburg Stock and Bond Club: William A. Emerson, Merrill Lynch, Pierce, Fenner & Smith, Incorporated, 580 Central Avenue, St. Petersburg 1, Fla.
San Francisco Security Traders Association: Frank Notti, Schwabacher & Co., 100 Montgomery Street, San Francisco 4, Calif.
Security Traders Association of Portland, Ore.: Dan V. Bailey, Portland Teller, S. W. Sixth Avenue at Oak Street, Portland 5, Ore.
Twin City Security Traders Association: Oscar M. Bergman, Allis-Wright Company, Northwestern Bank Building, Minneapolis 2, Minn.

Dallas Security Dealers Association

The Dallas Security Dealers Association will hold their Annual Spring Party May 29 at the Northwood Club. The annual Field Day will be held in October, dates to be announced later.

FINANCIAL NOTICE

Notice to Security Holders of

The CONNECTICUT LIGHT AND POWER COMPANY

Earnings Statement for Twelve Months Ended February 29, 1960

The Connecticut Light and Power Company has made available to its security holders an Earnings Statement for the period of March 1, 1959 to February 29, 1960, which twelve-month period begins after the last quarter of the Company's Registration Statement (21468) covering $25,500,000 of common stock (without par value), which was filed January 16, 1959, with the Securities and Exchange Commission under the Securities Act of 1933, which amendment, made after February 1, 1959, became effective February 1, 1960.

This earnings statement will be mailed upon request to holders of the Company's securities.

The CONNECTICUT LIGHT AND POWER COMPANY

Burlington, Connecticut

April 1, 1960

Dividend Notice

The Board of Directors has declared a dividend payable May 20, 1960, of $1.50 per share on the 100,000 preferred shares of The United Fruit Company. The dividend will be paid on May 20, 1960, to the holders of record on the close of business May 4, 1960.

WM. M. HICKET, President

April 6, 1960

THE UNITED CORPORATION
WASHINGTON, D.C.—Washington is crowded with visitors early in the year. It is difficult to get a room in one of the better known hotels on short notice. Many people are arriving in their Capital City for spring vacations and the blossoming Japanese cherry trees.

Most of the people are streaming in and out of the city on business missions. Washington is not only the capital of the fifty States and Territories but it is the capital of the Western World.

Today the city (District of Columbia proper) has about 900,000 living within its borders and another 1,250,000 living outside in Maryland and Virginia. This election is supposed to be the last of this kind for all time, because it has more telephones per person than any other city of the world, and more politicians in its spring than anytime in a long time. This is the big election year and anything can happen.

The great dome of the Capitol, which occupies the plateau known as Capitol Day, is a strange sight for these. For several months it has been red. It is part of a general refurbishing and rehabilitation of the most impressive building in Washington. In due time the dome will look white again.

Just about three-fourths of what has been going on under the Capitol this year has been plain and fancy politics. For instance, in the Senate it is not the twelve weeks the Senate has been in session this year that have been devoted to civil rights.

Slight Legislative Progress

During the other six weeks, the weaving city, than the appropriation bills, has been passed. Each of these major bills is still pending in the House. The bills that passed the Senate are the so-called clean elections bill, a Federal aid to public school program, and a resolution calling for constitutional amendments to eliminate the poll tax in five states, allowing the governors to fill certain vacancies in the House of Representatives, and another that would permit the 11 senators of the District of Columbia to vote in certain instances.

If Congress adjourns before the big political conventions in July, it is just about certain that a special session will start for the Democrats, there are only 14 weeks or so left for the completion of the legislative work.

Nasty Makes Waste

Traditionally Congress steps on the gas in the closing days of the session. The law-makers can turn out new laws at a fast clip if the pressure is on to quit. Unfortunately for the American people a substantial portion of the laws that have been passed in recent years—or most any year—are things that we might be able to have been enacted into law.

On the House side of the Capitol, bill after bill after bill is taken up. The bill that the Treasury Department has been advocating for a year or more. The Treasury wants the 4½% statutory limit on government bonds raised so that it will be in a better position to extend pressure and to make its bonds in orderly fashion. Despite the fact that the pressure has lifted the House Rules Committee has been on the floor of the House or the Senate on the floor all day, and the Senate on the floor all day, and the Senate has not made any move to any phase of the legislation.

Liberal Democrats in the House and the Senate are determined to see that the 4½% ceiling on interest rate. As of now, the bill looks as though it is a House and Senate bill that the House and Senate Committee on Banking and Currency will reach an agreement on a bill that the House and Senate Committee on Banking and Currency will reach an agreement on a bill, which will be presented to Congress at the end of the session. After a bill is passed favorably by a committee, a House and Senate Committee can act on the floor of the House or the Senate. The House and Senate Committee must act favorably on a bill, which will be presented to the President.

For this the Senator and House banking committees say that it seems unlikely there will be much banking legislation passed this year. Perhaps the merger bill affecting banks has the best chance of passing. Under this proposal the Banking Committee of the Senate would have to be notified in advance of the merger proposal of banking institutions.

For 90% Social Security Extension

The House Ways and Means Committee voted against including the Forand Bill in the social security picture this year. The Forand Bill would provide health care for the senior citizens of the country covered under the social security program.

On the other hand, the Committee did vote to extend social security protection to some doctors, policemen and firemen. At the same time the committee tentatively voted favorably on a bill by Representative Burr F. Harrison, Democrat of Virginia, that would provide health insurance for war veterans.

A social security bill by Sen. John F. Kennedy, a Democratic Presidential candidate, is pending in the Senate Finance Committee. It would give social security recipients up to 128 days of combined hospital and home nursing care per year. In addition, it would provide diagnosis treatment of mental or patient clinics. To pay this cost, the social security tax would be raised three-eighths of 1%.

Observers who follow close¬ly the Senate and House banking committee say that it seems unlikely there will be much banking legislation passed this year. Perhaps the merger bill affecting banks has the best chance of passing. Under this proposal the Banking Committee of the Senate would have to be notified in advance of the merger proposal of banking institutions.

"You're always on time—for coffee breaks—lunch periods—quitting time—you're only late getting to work!"