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Editorial AS WE SEE IT

The coining of catchy phrases which soon become overworked cliches has probably always been a failing of human beings. The habit certainly has not been wholly avoided by the economists and their lay followers. It sometimes appears that the decades since the great depression (itself something of a cliche) and the rise of the New Deal have been particularly prolific in adding terms of double or doubtful meaning to the English vocabulary to describe and explain economic and social affairs. The "multiplier," "the propensity to consume," the "savings ratio," "priming the pump," "compensatory spending," "full employment," "money supply" and "welfare economics" are but a few that come at once to mind. One of the latest to join this select list, and one which appears to be used with about as little discrimination as any of the others, is "exploding population," which seems to mean merely exceptionally rapid increase in population.

Of course, many of those making use of this term are well aware that most of the discussion which the term stimulates is about as old as human thinking, but it is hardly strange that among the great rank and file the impression often prevails that the phenomena to which reference is thus made and the hazards allegedly arising from them are something new in history. Nor could it be expected that there should be general understanding of the fact that these extraordinarily large population increases are often not the result of a more rapid birth rate so much as of the advance of medical science and practice which greatly reduces the death rate.

A Persistent Problem?

There is also too great a tendency to assume lightly that this population "explosion" is a more or less permanent phenomenon (if an explosion can ever be "permanent"). There are many reasons for not making any such assumption too lightly. In this country, for example, what are commonly regarded as larger families may in fact prove in the end to be merely an earlier beginning in the establishment of families. *(Continued on page 56)*

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

By Dr. Ira U. Cobleigh, 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 under-publicized, 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 adroitly 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 absenceof publicity in the case of individual or total transactions, should not becloud 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 for practically all bonds 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 slightingly of our main and regional stock exchanges but merely to place them in perspective as to their vital and complementary roles as 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 expanded volume — private business. It used to be that a private business corporation, person- *(Continued on page 26)*

OVER-THE-COUNTER MARKET ISSUE

The Security I Like Best . . .

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

W. H. HOLLY
Vice-President
Sage, Rutty & Company, Inc.
Rochester, N. Y.

Purolator Products, Inc.

Purolator Products, Inc. has an excellent record and has now reached a point of diversification where the company is no longer dependent on any one industry. While the largest single market for Purolator filters is still the automotive market, Purolator through its research and development program has capitalized upon the opportunities for future growth and now serves the following industries: chemicals, pharmaceuticals, petroleum, cosmetics, the trucking industry, the atomic industry, tractors and road building equipment. The company's filters are used in practically all commercial transport planes and practically all U. S. Airforce, Army and Navy aircraft. The missile industry is the most recent user of Purolator filters and wherever a filter is necessary to remove impurities and foreign particles from liquids and gases, you are pretty sure to find a Purolator product.

W. H. Holly

One of the nice things about Purolator's business is that filters have a limited service life and must be replaced. The more filters that are installed in new engines or for other uses, the greater are the replacement demands.

Purolator's sales in 1950 were in the amount of $16,282,000 while 1959 sales amounted to $46,728,000. A total of $131,955 was spent on engineering and research in 1950 as compared with $1,333,205 in 1959 and net earnings increased during this period from $1,250,862 to $2,055,483. During the recession year of 1958 earnings increased to $2.67 per share as compared with $2.60 per share in 1957.

The company will soon open a new research laboratory at its main plant in Rahway, N. J., which will be the most advanced, specially engineered filtration research center in the United States.

The balance sheet of this company for the year ended Dec. 31, 1959 showed current assets in the amount of $17,797,528 and current liabilities amounting to $5,343,408. Long-term debt consists of $5,850,000 which bears interest at the rate of 5% and is held by the Prudential Insurance Co. The note matures in 1980 and provides for semi-annual payments amounting to $150,000.

The net earnings per share in 1959 were actually equivalent to $3.38 per share based on the 607,761 shares outstanding during 1959. However, 31,388 additional shares were issued as a stock dividend and 20,000 shares issued for the acquisition of the Bridgeport Hardware Manufacturing Corp. on Dec. 31, 1959.

For the past five years dividends have been paid as follows: 1955—$2.50; 1956—$2.00; 1957—$2.00; 1958—$1.85; 1959—$1.40. In addition, a 10% stock dividend was paid in 1955 and a 5% stock dividend was paid in 1958 and 1959.

The common stock is traded in the Over-the-Counter Market and in my opinion both the near-term and long-term outlook of this company appears favorable. The stock is currently quoted 35 bid, offered at 36.

MORGAN F. McDONNELL
Vice-President, McDonnell & Co., Inc.
Chicago, Illinois

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 prestige of a jeweled bearing watch, expected to last a lifetime, to the economy of a "pin lever" or metal bearing watch which can be thrown away and replaced for $10 to $15.

With the buyer concentrating on functionalism, sales of $100 watches have plummeted, while sales of watches from $30 to $75 have steadily declined. Naturally, the result has been trouble for the jeweled watch manufacturers, and in particular, Elgin. But amid operating losses and inventory writedowns, the company has been rebuilding for the present market and this year should produce evidence of its success.

The instrument of Elgin's comeback is deceptively simple: a jeweled watch branded Elgin and selling for $19.95. Introduced in January, 1959, the Starlite and Sportsman lines have been selling like the proverbial hotcakes. The company does not release much in the way of interim figures, but has stated that orders for watches have been running 30% above the year before.

Elgin's new sales concept is aimed at reducing its dependence on jewelers, and the low-priced watch opens several new markets. While the company has sold to the major mail order companies for years, it would appear that their present product is almost ideal for this field. In addition, their watches are now carried in all the important independent catalogs. Sales to department stores and wholesalers are increasing.

Elgin is making a special pitch to the teen-agers, of whom 40% do not own watches, advertising on the Dick Clark TV Show, for example. While practically all teen-age watches are gifts, surveys show that in a large portion of cases the recipient participates in the selection. While formerly a teen-ager might specify an Elgin, but receive a less expensive watch, the new line meets the needs of this age group exactly. In effect, this represents a lump sum addition to former markets in that each teen-ager is still a candidate for a finer watch at graduation.

While the new watch line and marketing concepts are the key to Elgin's return to profitable operations, they are, in a sense, only a symptom of the changes in a stripped down and tightened up company. It is fashionable to expect a complete new broom in order to produce resurgent companies. Such, actually, is the case at Elgin, with the exception of one division manager and of the "broom handle," James G. Shennan, President since 1948, who must, perforce, be given full marks for the reorganization. Otherwise, the entire top management group, both staff and line, have assumed their jobs within the last year and a half.

Responsibilities have been realized with a certain amount of decentralization. Division Managers now have full operational authority, the head office maintaining primarily budgetary and fiscal control. Control is perhaps a key word in the new setup. We feel that the management has a much better grasp of occurrences within the company than formerly. Installation of the per cent system of control has led to cutting of fixed and overhead expense by as much as 40% in the watch division.

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 time and effort was expended in Washington attempting to raise the tariff. In the meantime, it developed that the real competition was the pin lever, not the jewel import. Currently part of the Starlite lady's watch line is being manufactured in Elgin, while the Sportsman man's watch movement is imported. Last fall, a subsidiary was formed in Switzerland, which will lower the cost of their imports.

The measures taken to rebuild, in part, contribute to the recent poor financial results. In fiscal 1957, the company in addition to its operating loss, charged off $4.5 million, or $5 a share, in provisions for relocation, inventory loss, liquidation of divisions, etc. Nineteen-fifty-eight operating loss of $1.7 million included price reductions to clear inventory for new lines and plant liquidation expense.

What can this mean in terms of earnings and stock price? Management expects to show a profit this year, but the results will be burdened with heavy start-up and training expense for the new line in the Elgin factory. Thus, it is necessary to estimate in terms of inherent earning power, which may approximate actual earnings in fiscal 1960.

A sales breakdown is not available, but with watch orders up 30% in the first year of the new line, and the statement by management that they expect 50% of this year's sales to consist of products introduced within the last two years, a sales estimate of $32.5 million, 20% above 1959 results, appears reasonable.

Inspection of Elgin's past record shows the higher priced watch business, in reasonably healthy years, produced income, before taxes, of about 9-10% of sales. The low priced watch does not adversely affect unit profit margins, as a good part of the manufacturers' cost is in the case, accessories and packaging. Additionally, movement manufacture receives the benefit of mass production with the new line. If we make no allowance for the general tightening up of the company and only project a return to past profit margins, earnings before taxes of $3 million or $3.20 a share are indicated.

The company has a tax loss carryforward of $7 million, which would be used up within the time limit at the above earning rate. Also wiped out would be the $2.5 million deficiency in retained earnings before dividends can be paid.

On a taxed basis, earning power would be $1.5 million, $1.60 a share or 9.5% on the present equity. As this is still less than management's goal, the estimate can be considered as a base on

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

This Week's Forum Participants and Their Selections

"The Truth Gap"

By Hon. Frederick H. Mueller,* *Secretary of Commerce*
Washington, D. C.

Cabinet Secretary in charge of checking the progress of business sums up the outlook in one short phrase: "Not a boom but another record." Irked by gaps in comments on the state of our economic health and defense matters, Mr. Mueller sets forth and answers what he terms "truth gaps." He sticks to his previous, though scoffed, prediction of $500 billion G.N.P. by mid-year; reports business plans to boost spending from last year's $32.5 billion to $37 billion this year; and relates encouraging view of business leaders made at the recent regular meeting of the Business Advisory Council.

"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

Every student has read that introduction to "A Tale of Two Cities" by Charles Dickens.

He was describing other times. Yet, any reader of today's headlines and today's political speeches might conclude that history is repeating itself, for current talk also swings in sharp contrasts.

The important question about present conditions is simply this:

What Is the Truth?

For the shortage of the year is the truth gap in many discussions on both our economy and our defense.

I believe that an honest Doubting Thomas will find in the sum total of facts this assuring answer: The United States is **not** on the skids — a wash-up, has-been nation.

The United States is **first** in military power, **first** in economic power and **first** in capacity to hold the lead against any competing combination. We are continuing to build unprecedented power to strengthen both prosperity and peace. The American people are not standing still or retreating. They are going forward under the wise, strong, capable leadership of President Eisenhower.

Only self-generated fear or folly can hold back our progress. Only our own tongue can dig our grave. Only blind eyes can fail to see our overall capability and our gigantic means already in gear for tremendous growth.

I would refrain from such a credo of confidence did I not believe I have evidence to back it up. I propose to present some of that evidence for appraisal—and let the chips fall where they may.

Are We on the Verge of a Recession?

Jot down a big **no** to that one. Recent flip-flops of the stock market have produced a bit of indecision in temperamental Wall Street. Some are wondering if New Year forecasts need to be sharply revised downward.

Wall Street, however, is not Main Street. The stock ticker is a barometer of its own bailiwick's feelings. It may accurately reflect reaction on stocks. It does not pretend to measure the entire production, development and mood of 180 million Americans. It could be that the market is merely getting back to normal after a lost week-end of inflationary boom-talk.

Today's well-informed businessman doesn't chicken at the growl of a Wall Street bear.

While it is important to watch the Big Board, it is even more important to watch the trustworthy national economic indicators. Many of these are collected by the unbiased statisticians and economists of the Commerce Department—taking the economic pulse of the entire nation.

These objective surveys are more reliable than Wall Street blues, winter worries, and the home-brewed pessimism of certain self-seeking politicians.

The over-all reading clearly indicates the vigorous health of the economy. We are not rushing into a frenzied inventory grab through fear of impending inflation. We are not shooting up in the roller coaster of boom which might later plunge down into a bust. That would not be good.

Instead, the indicators show that we are running along at a much higher level of business activity than last year and the outlook is for continuous progress for the year as a whole.

Where Do We Stand Now?

Let's start our economic checkup with exports, a subject now very much in the news since President Eisenhower launched a national promotion campaign to sell more goods overseas. An adverse factor in the economy is the continuing deficit in our balance of international payments. The new 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 reward business 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 with a consequent sag in business in this particular segment. This has meant a let-up on financial pressures in the mortgage field and has been one of a variety of in-

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THE OVER-THE-COUNTER MARKET'S INVESTMENT OPPORTUNITIES

ARTICLE starting on the cover page, "The Over-the-Counter Market Fills the Needs of All Investors," discusses the investment opportunities inherent in securities available only in the Over-the-Counter Market as exemplified in the tabulations showing the names of banks and companies which have paid consecutive cash dividends for 10 to 176 years (Table I, page 27) as well as those in the 5- to 10-year category (Table II, page 45).

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The State of TRADE and INDUSTRY

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

Economic activity appears to have moved sideward in March, the Federal Reserve Bank of New York observed in its April "Monthly Review," following a February in which some business indicators improved while others remained unchanged or declined slightly. Such hesitations though not unusual always create uncertainty as to whether they represent a pause for breath or an advance warning of business recession. Sales and output have indeed lagged somewhat, but this may turn out to be largely the result of a relatively severe winter. Moreover, recent surveys suggest that consumer and business spending plans both show considerable strength.

The hesitation of production in February and March appears to have reflected efforts to bring output into closer alignment with current sales and new orders. Reduced output in the steel and automobile industries accounted for much of the small decline in the industrial production index from 111 in January to 110 in February (1957=100). A further slight decline, the Bank noted, may appear in the overall index for March but no sharp movement seems likely. Although personal income in February was 2.4% above the June peak, retail sales were still 1.3% below the high level reached before the steel strike.

Businessmen are planning to spend about $37 billion for new plant and equipment in 1960, 14% more than in 1959, according to the latest Commerce SEC survey taken in late January-February. The planned year-to-year increase compares with a 22% increase during the capital goods boom of 1955-56 and is double the rate of advance between 1958 and 1959 when the steel strike slowed outlays in the fourth quarter.

Bank Clearings This Week Show a 6.1% Increase Over Same Week Last Year

Bank Clearings this week will show an increase compared with a year ago. Preliminary figures compiled by us based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, April 2, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 6.1% above those of the corresponding week last year. Our preliminary totals stand at $25,244,507,163 against $23,798,746,112 for the same week in 1959. Our comparative summary for some of the principal money centers for the week ended April 2 follows:

Week Ended April 2—	000 Omitted 1960	1959	%
New York	$13,505,407	$11,907,396	+13.4
Chicago	1,256,236	1,408,642	—10.8
Philadelphia	1,064,000	1,182,000	—10.0
Boston	728,919	715,764	+ 1.8

Steel Production Rate May Be Reduced Again

April will be a time of decision for the steel industry, "The Iron Age" says.

Unless the present rate of orders for steel is reversed by new demands for steel, the industry may have to make a further downward revision of estimates for the year, the national metalworking weekly reports.

To point out the critical nature of the period ahead, "The Iron Age" lists these conflicting forces:

On the negative side:

Automotive—In the face of high stocks of unsold cars, automakers are still scheduling high rates of production through April. Unless there is a major surge of auto buying, a long period of downtime and resulting low ordering of steel are inevitable this summer.

Construction and Capital Spending—To date, the optimistic surveys of capital spending have not been translated into actual steel orders. At the moment, heavy steels used in expansion programs are among the weakest products.

Other Consumer Durables — Many makers of consumer durables have cut back heavily on steel orders. Estimates of business conditions are contradictory, but the steel order picture is doubtful.

On the positive side:

Cancellations have slowed in recent weeks and some spot ordering has materialized in many steel sales offices.

The advent of warm weather is expected to stimulate auto sales and launch many planned expansion programs.

The spot buying may have deeper significance. It indicates that many major users have cut back inventories to the minimum. Rates of ordering, which have been below consumption, may pick up of necessity.

Steel warehouses expect that April will see the end of the sales dropoff. The general tone from service centers is hopeful and talk of June recovery, possibly a relatively strong upsurge, is frequent.

In its annual financial analysis of the steel industry, "The Iron Age" points out that the effect of last year's 116-day steel strike was to reduce profit margins rather than sales.

Steel sales increased 12.4% in 1959 over 1958, but steel earnings increased by only 3.4%.

"The Iron Age" analysis is based on reports of 28 steel producers representing 93% of the industry's capacity.

Other significant points in the analysis are:

Shipments of finished steel in 1959 totaled 64.5 million tons compared with 56 million tons in 1958.

Net sales and operating revenue in 1959 totaled $13.35 billion in 1959 compared with $11.87 billion in 1958.

Net income in 1959 totaled $786.8 million compared with $760.8 million in 1958. As a result net income as a percent of sales declined in 1959 to 5.9% from 6.4% in 1958.

Analysis of 1959 Steel Company Earnings Issued

The steel industry had the fourth largest earnings year in history in 1959 despite being strikebound almost a third of the time, "Steel," the metalworking weekly, said.

Its special financial analysis of 33 producers representing 94% of U. S. steelmaking capacity shows they earned $807.5 million after taxes. This compares with earnings of $1,117 million in 1957, the record year. These same steelmakers made $769.4 million in 1958.

Total sales and net income rose in spite of the strike. This paradox is the result of a record first half and a swift recovery from the strike in the last two months of the year.

Earnings averaged $9.30 per ingot ton produced last year. Steelmakers are worried now because by the end of the current labor contract period, production costs will have risen by about $16 a ton.

The study provides a wealth of statistical data covering 33 major steel producers. Although the supply is limited, requests for copies should be addressed to: Editorial Section, "Steel" Magazine, Penton Building, Cleveland 13, Ohio.

Imports are hurting domestic producers, "Steel" reported. Imported pipe in the small sizes (up to four inches) is being landed at all major ports of entry, at prices that are 20 to 25% below domestic quotations.

To combat foreign competition, one southern steelmaker has reduced prices of common nails by as much as 15%. California producers of baling wire and welded mesh have cut their prices 5 to 7% because of Japanese competition.

Although imports of steel mill products were lower in January than in December (465,050 tons vs. 539,084 tons), they were more than double January, 1959, figures (229,425 tons).

Steelmaking operations of U. S. producers will probably edge down a little more this week. The ingot rate dropped 2.4 points to 88.7% of capacity last week. Output was about 2,527,000 ingot tons.

The scrap price decline continued last week after holding

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OBSERVATIONS . . .

BY A. WILFRED MAY

MISSING:—"SEX APPEAL"

WASHINGTON—Our depiction of current excesses and abuses in the investment company field has been made under the assumption that they represent the *"growing pains"* characteristic of any new and popular financial instrument. However, this leaves the important question as to *when* "maturity," by legislation or regulation, will occur to end such "adolescence."

Basic to the answer with a timetable, is the long established fact that in this country a major scandal or the public's drastic monetary loss is the political prerequisite to enactment of reform legislation (in direct contrast to Britain where the Companies Act has been tightened successively by the slow-moving Greene Committee, the Cohen Committee, and is now being worked on by the Jenkins Committee; and in France, too, the finance reforms put through by Blum, Chautemps, and Daladier, and now by De Gaulle, who has recently prescribed much fuller disclosure of corporate information, were in no case motivated by scandal or "bust").

Here, our life insurance industry analogously budding at the turn of the Century was trimmed only as a result of the Armstrong Investigation extending from 1905 through 1907. The proposals to take over the Stock Exchange in 1908 followed the epochal panic of the previous year. And again, our initiation of Federal securities regulation of the early Nineteen Thirties grew out of both the devastating losses and corruption of the preceding "New Era's" speculative bust.

No Scandal to Oblige

Now we are without such scandal or loss. Nor, in contrast to "The Bomb," the Summit, and other day-to-day Cold War crises; to the Civil Rights-cum-filibuster embroglio, is there any sex appeal to a Congressman from drab and seemingly technical changes in securities regulations.

And so it is that a sheaf of SEC proposals, including treatment of convertible bonds, and provision for airing pending important corporate changes, including mergers, has already been resting inert on the Hill for over a year.

The "technical" difficulty blocking Congressional understanding was highlighted during the New Deal legislating, when it took super-dramatization by the glamorous Thomas G. Corcoran (F.D.R.'s "Tommy the Cork") to put over the Securities Exchange Act of 1934, and later the Public Utilities Holding Company Act, by the margin of a single Senate vote.

The Obscured Basic Abuse

How much more difficult it would now be to stir up Congressional understanding plus enthusiasm for pursuing the ramifications of the fund management contract situation. Neither the legislator nor the public can understand the import of the SEC's basic complaint, namely, that the farming out of their management duties by directors constitutes malpractice unheard of in any other business; that direction of both the advisory organization as well as the fund by the same individual involves conflicts of interest, as evidenced in the management company both selecting and remunerating itself; the evils of directors triplicating as servants of the fund, the management company, and perhaps acting as a broker too—this in contrast to the simple technique pursued by the M. I. T. Fund, which is run by five trustees having full responsibility, and with only fund share distribution farmed out, and on an arm's-length basis.

As the Commission sees it (particularly because of its defeat in "the California" case) nothing short of change in the statute by the Congress in eliminating the twin-serving fund and management company director, will "do the trick," either in the case of voting or non-voting management stock. The Commission "missed the boat" when the basic abuse was built-in the umbrella-ing Investment Companies Oct of 1940—albeit, knowingly as the price of getting any fund legislation enacted. In 1960, the legislative possibilities, with the factors cited above, accentuated by their intervening *fait accompli* status, **plus the timing in an Election year,** are far slimmer.

Resolving the Helter-Skelter

There are ancillary reasons, it seems to us, for the Federal Government to resolve this question promptly and definitely one way or the other:

(1) A rash of law suits have already been instituted in complaint against management arrangements, which will compound confusion; and

(2) Some of the State Securities Commissioners will be taking matters into their own hands, as in Ohio, Michigan, New Hampshire, and perhaps Illinois, California, Wisconsin, where they have forbidden the sale of contractual plans. This would entail a helter-skelter regulatory condition. (We are seeing something of such interstate conflict in the implementing of the Variable Annuity regulations.)

From a Zealous Watch-Dog

Reflecting such autonomous State attitude, State independence is the following communication sent to us by Edward J. Samp, Director of the Department of Securities of the State of Wisconsin, and former President of the North American Securities Administrators. Under prodding by this anti-fund Lochinvar, Wisconsin not only bars Contractuals, but "loads" exceeding 7½% as well.

My dear Mr. May:

I concur with your position that managers of investment trusts have nothing to sell. They are operating in a trust capacity, and there should be no trafficking in the profits of their trust relationship. The fact that these shares do not vote does not change the situation one iota.

One thing that these flotations have demonstrated is the fact that many of these managements are getting greater fees for management than the job is worth. I have contended this for several years but have met with strenuous objection from such managers. Now the disclosures in the prospectuses of these managers who are selling shares confirm the fact that it costs very little more to manage a two or three hundred million dollar trust than it does to manage a $50,000,000 trust, and that the profits to be made at that level are beyond the point which could be obtained in the execution of any trust in any court anywhere. It is a fact that the big investment advisers who handle private accounts admit that they cannot make any such fees.

While full disclosure in proxy statements of the relationship between funds and management will reveal what the funds are paying for management perhaps in more detail, it will not show any more with respect to the amount paid than has been paid heretofore. What it won't show is the financial statement of the investment adviser and how the funds collected are spent.

The Merger-Tax Question

Another field for correction is the subject mentioned by Robert E. Rich in the Dec. 24, 1959, publication of the *"Chronicle."* This has to do with the taking over of small investment companies by the larger ones, in which the unrealized profits of the smaller ones are loaded on the shareholders of the larger funds. I suspect that the rate at which this is being done now is the result of arguments by the larger funds in which they can show to the beneficiaries of the smaller funds how they can avoid a good share of the capital gains tax on the unrealized profit in their small fund. This would be particularly true when the small fund does not contain the particular type of securities necessary to meet the objective of the larger fund.

Someone has said that there is a formula concocted by the Securities and Exchange Commission which will correct the unfairness to the shareholders of the larger fund, but in all of the mergers which I have seen thus far, there has been no such formula applied. I wish you too would give this matter a little study and add your opinion to the discussion of this subject.

EDWARD J. SAMP
DIRECTOR
Department of Securities,
The State of Wisconsin,
Madison, Wisc.
March 29, 1960.

Regarding Mr. Samp's suggestion that we give our opinion on the subject of the Tax on Unrealized Appreciation: it happens that we did this, under the sub-caption "Tax Attrition vs. The Box Score," in our last week's column (March 31) which "crossed" his letter. Investigation discloses that the SEC's formula of payment of 12½% of the difference between these "tax bills" of the merging companies does govern (excepting where the acquirer's tax is larger than that of the acquired unit). Hence attention should rather be directed toward remedying the material omission of clear information regarding his own potential tax to the fund shareholder. —A. W. M.

Lawrence V. P. of Walston & Co.

George B. Lawrence has been elected Vice-President of Walston & Co., Inc., 74 Wall Street, New York City, members of the New York Stock Exchange.

Bear, Stearns to Admit Kohlberg

Bear, Stearns & Co., 1 Wall Street, New York City, members of the New York Stock Exchange, on May 1 will admit Jerome Kohlberg, Jr., to partnership.

With Dempsey-Tegeler

(Special to THE FINANCIAL CHRONICLE)

ANAHEIM, Calif.—Robt. S. Herndon has been added to the staff of Dempsey-Tegeler & Co., 2225 West Center St.

Joins Lloyd Arnold

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—James F. Clugston has joined the staff of Lloyd Arnold & Co., 364 North Camden Drive.

Woolrych, Currier Adds

(Special to THE FINANCIAL CHRONICLE)

LA JOLLA, Calif. — George H. Ott has become associated with Woolrych, Currier & Carlsen, Inc., 7825 Ivanhoe.

How Sick Is Our Dollar?

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

Mr. Nowell 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 point by point analysis adds up to an emphatic answer "no." 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 recession a run will develop on United States gold reserves which will force our governmental authorities to discontinue convertibility and which will lead 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 hasten business recovery. The low interest rates are expected then to cause foreigners to transfer their dollar investments to other countries where interest yields are more favorable. To prevent this from happening, United States authorities will either restrict gold exports, devalue the dollar, or do both.

R. I. Nowell

Implicit in 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, being so convinced, usually conclude by recommending the purchase of gold mining stocks as a hedge against devaluation.

Now I agree that our nation does face difficult 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 many of these writers would have us believe. They do our nation a disservice by stressing the dire things 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 we can keep the dollar sound and that we can make the necessary adjustments without further devaluation. And I believe that the course of required action is well charted and clearly defined.

Looks at Balance of Payments

The international threat to the dollar arises from our 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 the deficit averaged slightly more than one billion a year. This was so small in relation to our total reserves and total volume of trade that it was generally ignored. Concern began developing, however, in 1958 when the deficit passed the $3 billion mark and became more widespread in 1959 when it topped $4 billion. Adverse balances in these amounts obviously cannot long continue without serious consequences to our economy.

Our gold reserves reached a peak in 1949 when they stood at 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 and 1959, the loss of gold amounted to more than $3 billion. Foreign dollar claims have been increasing steadily over the past ten years and now stand at a level which just about equals our total gold stock. Theoretically, these foreign dollar claims could all be converted to gold, exhausting completely our total reserves.

Some say the situation is even worse than these figures imply since Federal Reserve Banks are required by law to maintain a reserve in gold equal to at least 25% of their note and deposit liabilities. Such required reserves now account for almost $12 billion of our monetary gold stock thus leaving a little less than $8 billion of free gold to meet the foreign dollar claims of more than $19 billion.

It is of utmost importance that we do nothing to impair confidence of foreigners as to the safety of their dollar investments in this country. The central banks of several foreign nations use dollar claims as reserves for their own currency in lieu of gold. These nations, therefore, share our concern about maintaining the integrity of the dollar.

Our balance of payments problem is the net result of four principal factors.

(1) Imports of foreign goods and services have been increasing. Notice the small foreign cars on our streets as only one example.

(2) Exports of manufactured goods from this country have in recent years been decreasing.

(3) United States private investments abroad have been rising. American businessmen, for example have been rushing to establish manufacturing plants in Europe to take advantage of the new free trade areas created by the "Inner Six," the European Common Market, and the "Outer Seven," the European Free Trade Area.

(4) And finally, United States Government expenditures abroad have been increasing to support our military commitments and our foreign aid programs to underdeveloped nations.

In considering the many alternative courses of action for solving our balance of payments problem it is important that we bear in mind both our national objectives and our international obligations. The overwhelming consideration is that we are engaged in a great ideological battle with the Communist countries to determine whether freedom or slavery is to prevail as a way of life on this planet (or maybe I should say this universe). Since the end of the war we have spent billions of dollars for defense and for economic aid to prevent our allies from falling under Communist domination. The fact that Western Europe and Japan now are recovered enough to provide stiff competition in world markets is less a cause for alarm than a cause for rejoicing that our rehabilitation efforts thus far have been spectacularly successful. While balance of payments adjustments are now clearly called for, we should make certain that we do not initiate actions which will undo much of the good that has been accomplished.

Let us now consider separately each of the four factors mentioned.

Rising Imports

Total general imports from 1951 to 1957 averaged more than $11

Continued on page 52

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

With the first quarter of 1960 now history, and since some of its financial aspects were generally not predicted, 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 by many financial writers at the turn of the new year. Neither of these predictions has been accurate. This general opinion 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 issues ordinarily exert important leadership on the bond market. Contrary to early expectations, these issues have also shown sharp improvement, due generally to the less dynamic predictions for the national economy and the consequent easier money situation. It has now become more apparent that as the banking system more sensitively responds to monetary and economic circumstances, any small addition to the credit supply develops an almost concurrent demand for bonds fitting bank requirements.

There are relatively few long-term Treasury bond issues outstanding. Their markets are thin and have 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 authority issues, the first quarter of 1960 has not supplied its expected share. Thus far new issues are close to 25% behind the volume of a year ago which was not a record breaking period in this respect. There are several reasons attributed to this year's decline in volume but perhaps the most important one was not seriously considered as predictions were made. The higher level of interest rates that has pervailed since last summer has deterred and deferred the issuance of anticipated public financing. Public borrowers, accustomed to rates lower than 3% over the last 25 years, have been unable or unwilling to pay the rates recently existing. The full impact of this resistance has been felt during the past three or four months. The situation seems likely to gradually change during the next few months.

Price Level Up Four Points

With this relatively abnormal scarcity of new tax exempt issues, the year-end bear market trend has been reversed. The **Commercial and Financial Chronicle's** yield index has gone from 3.68% on Jan. 6, 1960 to 3.40% on April 6, 1960. This represents an average price rise for 20-year high grade municipal bonds of close to four points. The market improvement will doubtless bring borrowers back to the marketplace and, although such a trend is evident in the present new issue schedule, there is as yet little indication of a near term crowded schedule. Accordingly, the projected volume of new financing is as yet no deterrent to the dealer rampage to purchase new issues regardless of rather flimsy evidence of specific demand.

Lower Profits

Last year's first quarter, crowded with heavy financing, both sealed bid and negotiated in type, was an extremely profitable period for most bond dealers. Yields were relatively generous and many bankers and institutions were heavy buyers of tax exempts because of tax policy alterations and other reasons. There was little market resistance through this 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 answer to 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 Marketings

In the course of the last week there have been many interesting, albeit not voluminous new issue offerings. A week ago, Austin, Texas sold $6,500,000 Revenue (1-20 year) bonds to the Phelps, Fenn & Co.-C. J. Devine & Co.-White, Weld & Co. Group. Although investor response was not immediate, the account has reduced the balance to about $3,000,000. The $4,000,000 Cincinnati, Ohio School District (1-25 year) issue was awarded April 4 to the syndicate headed by the First National City Bank-Blyth & Co.-F. S. Moseley & Co.-Roosevelt & Cross Group. Scaled to yield 3.25%, the group reported a balance of about $1,400,000 yesterday.

Two Florida Development Commission issues also came to market on April 4, and met with mixed reception. These so-called road revenue issues are supported largely by gasoline taxes apportioned to the counties by the state in accordance with a well developed formula. They are becoming better known through more regular issuance and, as a group, appear to be relatively attractive. The $2,725,000 Orange County issue was scaled to yield 4.20%. Less than $1,000,000 remains in account. The shorter term Alachua County issue was scaled to yield 3.50% (1970). This issue was less than half sold as we went to press. The latter issue went to B. J. Van Ingen & Co., John Nuveen and Co. and associates and the former went to Merrill Lynch, Pierce, Fenner & Smith-Goodbody & Co. - Lee Higginson & Co.-Bache & Co. and others.

On Tuesday of this week Kansas City, Kansas, a name rarely in the marketplace, sold $8,000,000 Water and Electric revenue bonds (1961-1975) to Halsey, Stuart & Co.-Phelps, Fenn & Co.-Blyth & Co.-Equitable Securities & Co. and associates. The reported balance yesterday morning was $5,600,000. Also on Tuesday, $1,500,000 Buffalo New York Sewer Authority (1961-1981) bonds were awarded to a group headed by White, Weld & Co.-Bear, Stearns & Co.-Bache & Co. and Baxter & Co. This high grade issue was scaled to yield 3.30%. The balance is about $1,000,000.

On Wednesday, the week's largest new bond issue, $16,022,000 Pennsylvania State School Building Authority bonds (1962-1999) was bought by the syndicate led by Halsey, Stuart & Co.-C. J. Devine & Co.-Goldman, Sachs & Co.-Glore, Forgan & Co. and Kuhn, Loeb & Co. The bidding was quite close for such a long-term issue, with the winners naming a 4.01% interest cost against that of 4.03% by the runner-up Drexel & Co. group. No re-

Larger Issues Scheduled For Sale

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

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

April 7 (Thursday)			
Arlington, Texas	1,000,000	1964-1987	10:00 a.m.
Center, Indiana	1,850,000	1962-1979	1:00 p.m.
East Carolina College, N. C.	1,250,000	1961-1998	11:00 a.m.
Muncie Comm. Sch. Corp., Indiana	1,034,000	1961-1971	1:00 p.m.
New York City Housing Authority, New York	20,470,000	1962-2010	11:00 a.m.
Springfield, Ohio	1,800,000	1961-1985	11:00 a.m.
April 8 (Friday)			
Dunkirk, New York	1,971,000	1961-1989	1:00 p.m.
April 11 (Monday)			
Robbinsdale Independent School District No. 281, Minnesota	1,050,000	1963-1990	7:30 p.m.
San Jose Unified Sch. Dist., Calif.	3,557,000	1961-1985	11:00 a.m.
April 12 (Tuesday)			
Bernardsville, New Jersey	1,215,000	1960-1979	8:00 p.m.
Davidson Co., Tennessee	2,500,000	1961-1985	Noon
Durham, North Carolina	3,000,000	1961-1985	11:00 a.m.
Escambia County Special Tax Sch. District No. 1, Florida	3,235,000	1960-1978	10:00 a.m.
Laramie County S. D. No. 1, Wyo.	1,995,000	1967-1973	2:00 p.m.
Manchester, New Hampshire	1,120,000	1961-1980	11:00 a.m.
Oyster Bay Drainage District No. 1, New York	2,500,000	1960-1988	11:00 a.m.
Penfield, Perinton, Etc., Central School District No. 1, New York	1,274,000	1961-1990	11:30 a.m.
Prichard, Alabama	2,775,000	-------	11:00 a.m.
South Bay Union High S. D. Calif.	1,000,000	1961-1980	9:00 a.m.
West Central Municipal Water District, Texas	9,000,000	1961-1993	2:00 p.m.
April 13 (Wednesday)			
Mainland Reg. High Sch. D., N. J.	2,100,000	1960-1982	8:00 p.m.
Palm Springs, California	1,550,000	1961-1980	3:00 p.m.
Ramapo, Clarkstown, etc., Central School District No. 2, New York	2,555,000	1961-1989	11:00 a.m.
Royal Oak School District, Mich.	2,000,000	1962-1985	5:00 p.m.
Steubenville School District, Ohio	4,000,000	1961-1980	1:00 p.m.
Tredyffrin Township Municipal Authority, Pennsylvania	2,200,000	1963-2000	8:00 p.m.
West Virginia University, W. Va.	4,800,000	1962-1990	10:00 a.m.
April 14 (Thursday)			
Chicago, Illinois	10,000,000	1962-1979	10:00 a.m.
Clark County School Dist., Nevada	6,000,000	1963-1980	8:00 p.m.
April 15 (Friday)			
University of Washington, Wash.	2,000,000	1961-1990	2:00 p.m.
April 18 (Monday)			
Elyria, Ohio	1,100,000	1961-1985	Noon
Pima County School Dists., Ariz.	4,900,000	1961-1980	11:00 a.m.
April 19 (Tuesday)			
California	25,000,000	-------	-------
Mason, Michigan	2,025,000	1962-1986	8:00 p.m.
*Triborough Bridge & Tunnel Authority, N. Y.	100,000,000		
Wake County, North Carolina	1,000,000	1963-1980	11:00 a.m.
Whittier Union High Sch. D., Calif.	2,937,000	1961-1980	9:00 a.m.
April 20 (Wednesday)			
Ewing Township, New Jersey	1,175,000	1961-1981	8:00 p.m.
Kane County Sch. Dist. No. 131, Ill.	1,800,000	1961-1970	7:30 p.m.
Philadelphia, Pennsylvania	29,260,000	1961-1990	Noon
Pierce County S. D. No. 10, Wash.	4,200,000	1962-1980	2:00 p.m.
Portsmouth, New Hampshire	1,000,000	1961-1980	11:00 a.m.
Reading City School District, Ohio	1,100,000	1961-1982	Noon
St. Louis County, Ferguson-Florissant Sch. Dist. No. R-2, Mo.	2,000,000	1963-1980	8:00 p.m.
Washington Toll Bridge Authority, Washington	3,500,000	-------	-------
April 21 (Thursday)			
Cedar Rapids Comm. S. D., Iowa	4,990,000	-------	10:00 a.m.
April 25 (Monday)			
San Bernardino, California	1,000,000	1961-1990	1:30 p.m.
Shaker Heights, Ohio	1,200,000	1961-1980	12:30 p.m.
April 26 (Tuesday)			
Cleveland, Ohio	13,275,000	-------	11:00 a.m.
Los Angeles City Sch. Dists., Calif.	16,000,000	1961-1985	9:00 a.m.
North Miami Sch. Bldg. Corp., Ind.	1,250,000	1963-1990	10:00 a.m.
York County, South Carolina	1,000,000	-------	-------
April 27 (Wednesday)			
New York City, N. Y.	75,000,000	1961-1990	11:00 a.m.
St. Louis Co., Hazlewood Sch. Dist. No. R-1, Missouri	1,400,000	-------	8:00 p.m.
Spokane, Washington	1,000,000	-------	-------
April 28 (Thursday)			
Sacramento Municipal Utility District, California	30,000,000	-------	-------
Union City, New Jersey	2,873,000	-------	-------
May 2 (Monday)			
Cascade County S. D. No. 1, Mont.	3,100,000	-------	7:30 p.m.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.85%	3.70%
Connecticut (State)	3¾%	1980-1982	3.40%	3.25%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.40%	3.25%
New York (State)	3%	1978-1979	3.30%	3.15%
Pennsylvania (State)	3⅜%	1974-1975	3.25%	3.10%
Vermont (State)	3⅛%	1978-1979	3.25%	3.10%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.50%	3.30%
Los Angeles, Calif.	3¾%	1978-1980	3.80%	3.65%
Baltimore, Md.	3¼%	1980	3.60%	3.40%
Cincinnati, Ohio	3½%	1980	3.40%	3.25%
New Orleans, La.	3¼%	1979	3.75%	3.60%
Chicago, Ill.	3¼%	1977	3.75%	3.60%
New York City, N. Y.	3%	1980	3.90%	3.80%

April 6, 1960 Index=3.4000%

port as to investor response was available at press time. Incidentally, it is somewhat pointless to generalize about a market charged with so little underwriting responsibility. Heavier volume is required in order to establish the general investment market level.

Additions to Calendar

Recent additions to the formal schedule of new issues include: $13,275,000 Cleveland, Ohio serial bonds on April 25; $75,000,000 New York City serial bonds on April 27; $15,000,000 Cincinnati, Ohio serial bonds on May 17 and $15,000,000 Los Angeles, California electric revenue serial bonds on June 8. Over so broad a period these additions seem to be no formidable obstacle to the current new issue strength.

Negotiated type offerings are still a rarity. The scheduled items remain unchanged: $100,000,000 Triborough Bridge and Tunnel Authority bonds set for an April 19th offering, and $20,000,000 Puerto Rico Water Resources Authority Revenue bonds set for sometime in the week beginning April 11. The proposed Florida Turnpike extension seems in the formative stages of development but financing would certainly not be imminent.

Dollar Issues and the Inventory Situation

The Dollar quoted state and municipal revenue issues have fluctuated but little during recent sessions. The Smith, Barney & Co. Turnpike Bond Yield Index has settled at 3.93% for the last two weeks. Although in many instances thin, these dollar market bonds continue to act impressively.

The "Blue List" state and municipal bond total is $269,228,500 as reported yesterday morning. A week ago the total was $252,360,500. There is little comfort to be derived from this light floating supply by municipal market skeptics. Today's viewpoint of the municipal market must admit of further room for improvement.

Attractive Money Stocks

By Dr. Ira U. Cobleigh, 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 it wholestale and sell it retail. Their bank balances represent an inventory wonderfully insulated against loss or shrinkage and their instalment paper has historically been of such quality and solvency as to make credit losses a factor of no serious consequence. The important variable in the business is the price of money—the interest rate. If it advances too rapidly, companies may be squeezed a bit between the price they pay (in either debentures or bank loans) and the prices they can charge. Over time, however, rates to instalment buyers are increased in line with basic interest costs; and if the price of money declines (as it's doing now) the interest gap favors 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 fashions of our time favor the finance companies. Roughly two-thirds of our motor cars are bought on time and instalment purchase of industrial and commercial equipment is in a roaring uptrend. Everything from lawn mowers to road scrapers, from bowling alleys to bull-dozers can be bought as the British say, "on tick." Life on the cuff can be beautiful and the custom of borrowing to buy is a matter of interest 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 as growth stocks, while their cash dividends and yields have been substantially higher than the general run of so-called growth equities. A number of credit companies has been growing at the rate of between 6% and 10% a year and increased their dividends while doing so.

C. I. T. Financial Corp.

C. I. T. Financial Corp. usually gets top billing among independent credit companies. Only General Motors Acceptance Corp. (a General Motors Subsidiary) is larger. C. I. T. does about 60% of its business in the financing of motor cars and, of this amount, one-half is with Ford dealers. C. I. T. does, also, the insurance business collateral to this financing. Diversified industrial lending is on the increase at C. I. T., the most attractive newer line being the financing of the Brunswick-Balke pinsotters. In addition, C. I. T. gleans earnings from several subsidiaries, among them Picker X-ray, North American Accident and Insurance Co. and a fleet rental business in cars and trucks.

The 1959 results at C. I. T. were eminently satisfactory. Per share net was $4.57, up 27 cents over 1958. In finance companies the deferred income account—future interest to be collected on loans already on the books—is of great importance. In 1959, this deferred income at C. I. T. increased by over 20%, from $170 million to $208 million. For the year an increase of interest and discount expense of $8 million, to $61 million, was partially offset by $6 million less in credit loss charge-offs. Consolidated Life Insurance Co. earnings of $10.4 million were $1 million above 1958 results. Gross of the commercial finance and factoring subsidiaries rose 24% to $1¼ billion.

A new dimension to C. I. T. Financial Corporation's business has just been announced. C. I. T. and American Express Company have formed a jointly owned five million dollar company to do consumer and industrial financing abroad, principally in West Germany and Great Britain. The new company should perform exceedingly well under such eminent sponsorship.

C. I. T. should earn about $5 a share in 1960, plenty of coverage for the $2.60 dividend. At 52¾ yielding 4.9%, C. I. T. appears neglected. The yield is attractive and the growth curve well sustained.

General Finance Corporation

Smaller and less well known than C. I. T. is General Finance Corp.; but though the smallest of the major sales finance enterprises, General has led the industry in rate of growth. 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 auto financing, which supplies two-thirds of its outstanding receivables. Ford dealers provide the most business but other makes are served including a substantial number of economy cars.

Even faster growing, at General, is the small loan business which accounts for one-third of total receivables. Radio advertising in the territory served has been most effective, and the small loan end of the business has been, for several years, expanding its receivables at an annual average rate of 25%.

Over the past decade General Acceptance has been able to increase its book value at the rate of 12½% annually.

General Finance has a relatively small amount of capital stock outstanding, only 1,170,000 shares—highly leveraged by virtue of about $160 million in debt and preferred stock preceding it on the balance sheet. The common sells around 33, pays $1.20 and earned $2.69 in 1959. For this year, we would expect $3 or better and a possible dividend increase.

Industrial Acceptance Corporation

In Canada sales finance business has not progressed as rapidly as in the United States. Particularly in Quebec the idea of buying things on an instalment plan has taken years to catch on. But, the trend is rapidly upward now, with consumer credit growing faster than 11% annually (compounded). Last year due to the credit stringency and high interest rates in Canada, finance companies were hard pressed for expansion funds. The commercial banks cut credit company loans in many cases back to 1958 lines, and in the bond market interest rates were high and the government provided heavy competition for available funds.

Despite all this I. A. C. surprised most analysts and reported for 1959 a per share net of $3.62, actually 3 cents better than 1958. Deferred income showed a substantial increase which gives assurance of larger earnings this year.

Whereas Industrial Acceptance is a large supplier of consumer credit it is unique among Canadian finance companies in its drive for industrial equipment receivables. This is a highly profitable business and will, 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 has more flexibility in this matter than its American counterparts, because of the shorter terms customarily offered on Canadian instalment paper.

Industrial Acceptance common has been a consistently popular Canadian equity and mutual funds, specializing in Dominion securities, have in most cases included this stock in portfolio. Investors generally, however, seem to have rather overlooked this issue. It's a little difficult to understand why. The growth rate has been averaging around 9% annually, earnings have been steadily rising, the stock sells at less than nine times indicated 1960 earnings of about $3.90 per share. At 34, paying $1.60 the yield is 4.6%, and a dividend increase this year is possible.

We have reviewed above three interesting and reasonably priced equities in the sales finance business. All of them are moving forward, all are well managed, all of them may sell higher both because of rising earnings, and the possibility of a higher price/earnings appraisal in the market. Moreover, in a market like this, where both the direction and velocity are uncertain, these finance stocks appear to offer above average defensive qualities. The commodity they sell, money, has been in urgent demand for centuries, and shows no signs of going out of style.

The Security I Like Best

Continued from page 2

which every effort will be made to improve. Elgin has been a liberal dividend payer in the past. Future capital requirements are not large and the company's financial position has remained strong despite its difficulties. Thus, an earnings payout of 50% would not be surprising.

Elgin's stock in the early post-war markets was a money item, selling to yield 5% to 7%. Since then it has been something of a speculative football. On either basis, it is possible to see a price of $20 for the stock. In the present market, a 4% yield is conceivable, which produces 20 on an 80-cent dividend, as does an enthusiastic 12.5 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.

Kaeppel Now With Halle & Stieglitz

Charles M. Kaeppel has joined Halle & Stieglitz, 52 Wall Street, New York City, members of the New York Stock Exchange, in the corporate trading department. Mr. Kaeppel became associated with the securities business in 1950 in the trading department of Merrill Lynch, Pierce, Fenner & Beane. After six years with Merrill Lynch, he joined Union Securities Corporation, now Eastman Dillon, Union Securities & Co. as a corporate bond trader.

Merrill Lynch Adds

(Special to The Financial Chronicle)

CINCINNATI, Ohio—Richard G. Hamilton has been added to 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. Zangar and Mrs. Helen M. Preslan 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 Instrument Industry—Atomic Development Securities Co., Inc., 1033 Thirtieth Street, N. W., Washington 7, D. C. Also available is a bulletin on **Share in American Industry, Inc.**

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

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

California — Business and consumer quarterly newsletters — World Savings and Loan Association, Long Beach Boulevard at Imperial, Lynwood 14, Calif.

Electric Utilities—Review—Montgomery, Scott & Co., 120 Broadway, New York 5, N. Y.

Electronics—Review—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y. In the same pamphlet are data on **"Leisure Time" Stocks.** Also available is a bulletin on **Hydrometals Inc.** and **North American Aviation.**

Industrial Retirement Plans—1960 Study — Bankers Trust Company, 16 Wall St., New York 15, N. Y.

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

Microwave Companies—Review—Hemphill, Noyes & Co., 15 Broad St., New York 5, N. Y. Also available is a review of **Coca Cola Bottling Co. of New York, Commercial Solvents, Dayco, Fairchild Camera and Instrument, Johns Manville, Philco,** and **Radio Corporation of America.**

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

A Professional Investor Looks at a New Security—In the April issue of "Exchange" Magazine—The Exchange Magazine, 11 Wall Street, New York 5, N. Y.—20c per copy, $1.50 per year. Also in the same issue are articles on **American Hospital Supply, Rights, Bonds,** and **Yields and Market Prices, etc.**

Railroad Briefs — Bulletin — H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is an anlysis of **American Water Works Company.**

Selected Stocks—Bulletin—Courts & Co., 11 Marietta Street, N. W., Atlanta 3, Ga.

Steel Industry—Analysis—Editorial Service, Steel, Penton Building, Cleveland 13, Ohio.

Tire Cords—Survey—E. F. Hutton & Company, 61 Broadway, New York 6, N. Y.

Treasury Cash Financing — Analysis—New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y. Also available is a study of **Federal National Mortgage Association.**

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

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ACF Industries, Inc.—Analysis—Sutro Bros. & Co., 120 Broadway, New York 5, N. Y.

Allis Chalmers Manufacturing Co. —Data—Orvis Brothers & Co., 15 Broad Street, New York 5, N. Y. Also in the same review are data on **American Brake Shoe Co., Beech Aircraft Corp. Blaw Knox Co., Budd Company, Illinois Central Railroad Co., Pittsburgh Plate Glass Co., Republic Steel Corp., Swift & Co.** and **Worthington Corp.**

American Can Company—Analysis—Model, Roland & Stone, 120 Broadway, New York 5, N. Y.

American Telephone & Telegraph Co. — Review — Shields & Company, 44 Wall St., New York 5, N. Y. Also in the same circular is a discussion of Coherent Light.

Baird Atomic Inc. — Analysis — Hayden, Stone & Co., 25 Broad Street, New York 5, N. Y. Also available is the April "Investment Letter" with data on **F. W. Woolworth, International Telephone & Telegraph, Western Union,** and **Universal Oil Products** and a discussion of current market outlook, and reports on **Seismograph Service Corp., Stepan Chemical Co., Standard Packaging, Newmont Mining Corp., Anheuser-Busch, Anaconda Company,** and **Hagan Chemical & Controls.**

Bank of America, N. T. & S. A.—Analysis — Demspey - Tegeler & Co., 210 West Seventh Street, Los Angeles 14, Calif. Also available is an anlysis of **Lucky Stores, Inc.**

Bergstrom Paper Company — Analysis— A. G. Becker & Co., Incorporated, 60 Broadway, New York 4, N. Y.

British Oxygen Company Ltd.—Analysis—Hirsch & Co., 25 Broad Street, New York 4, N. Y. Also available is a bulletin on **Southern Realty & Utilities Corporation,** and studies of **Kaiser Industries, Commonwhealth Edison** and **Universal Match.**

California Water & Telephone Company—1959 Annual report—California Water & Telephone Company, 300 Montgomery Street, San Francisco 4, Calif.

Canadian Breweries Limited—Bulletin — Osler, Hammond & Nanton, Limited, Nanton Building, Winnipeg, Man., Canada.

Canadian Industries Limited — Review — James Richardson & Sons, Inc., 14 Wall St., New York 5, N. Y.

Central Illinois Electric & Gas —Report—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available are reports on **E. R. Donnelley & Sons, Iowa Public Service Company, Stepan Chemical,** and **Wisconsin Power & Light Company.**

Colgate—Memorandum—Mitchell, Hutchins & Co., 231 South LaSalle St., Chicago 4, Ill. Also available are memoranda on **Gillette, National Cash Register** and **F. W. Woolworth Co.**

Connecticut National Bank—Annual report for 1959—Connecticut National Bank, 888 Main Street, Bridgeport, Conn.

Consolidated Foods Corp.—Memorandum—R. W. Pressprich & Co., 48 Wall Street, New York 5, N. Y.

Crowell Collier Publishing Company—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Crowell Collier Publishing Company — Analysis — Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available is a bulletin on **Texaco Inc., Korvette,** and **Libbey Owens Ford.**

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

Dorr Oliver — Review — In April issue of the "American Investor" — American Investor, American Stock Exchange Building, New York 6, N. Y.—15¢ per copy, $1.00 per year. Also in the same issue are reviews of **American Israeli Paper Company, Nachman Corporation,** and **Unexcelled Chemical Corporation.**

Ekco Products — Memorandum — Merrill Lynch, Pierce, Fenner & Smith, Incorporated, 70 Pine Street, New York 5, N. Y. Also available are memoranda on **Freeport Sulphur, Maryland Casualty Co., Puget Sound Power & Light Co.** and **TXL Oil.**

Fansteel Metallurgical Corporation—Data—Oppenheimer, Neu & Co., 120 Broadway, New York 5, N. Y. Also in the same circular are data on **Texas Instruments, Inc.** and a tabulation of companies with high current yields.

Federal Paper Board Co.—Analysis—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y.

First National City Bank of New York—Memorandum—J. A. Hogle & Co., 40 Wall Street, New York 5, N. Y.

Freuhauf Trailer — Memorandum —Lee Higginson Corporation, 20 Broad St., New York 5, N. Y.

Georgia Pacific Corporation—Analysis—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available is a buletin on current **Oil Developments.**

Georgia Pacific Corp.—Review—Hill, Darlington & Co., 40 Wall Street, New York 5, N. Y. Also available are reports on **Niagara Mohawk Power Corp.** and **Central Hudson Gas & Electric Corp.**

Georgia Pacific—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Hanover Bank of New York — Bulletin—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Hubinger Company — Analysis — Wm. H. Tegtmeyer & Co., 39 South La Salle Street, Chicago 3, Ill. Also available is an analysis of **Super Food Services, Inc.**

International Telephone & Telegraph Corporation — Review — Hornblower & Weeks, 40 Wall Street, New York 5, N. Y. Also available is a discussion of **Business and the Stock Market.**

International Telephone & Telegraph—Data—Schirmer, Atherton & Co., 50 Congress St., Boston 9, Mass. Also in the same bulletin are data on **Nicholson File Co.** and **Colonial Corporation of America.**

International Telephone & Telegraph Co. — Data — Van Alstyne, Noel & Co., 40 Wall Street, New York 5, N. Y. Also in the same circular are data on **Pitney Bowes** and **Lockheed Aircraft Corporation.**

Johnson Service—Review—Robert W. Baird & Co., 110 East Wisconsin Avenue, Milwaukee 1, Wis. Also in the same cricular are data on **Philips Lamp, Cessna Aircraft** and **Cutler Hammer.**

McKesson & Robbins Inc.—Memorandum—G. H. Walker & Co., 503 Locust Street, St. Louis 1, Mo.

Motorola, Inc. — Review — Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also in the same review are data on **Rochester Gas & Electric Corporation, Fansteel Metallurgical Corp.,** and **American Electric Power.**

National Biscuit Company—Review—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are reviews of **Anderson Prichard Oil, Air Products Inc.,** and **Atlantic City Electric Company.**

National Old Line Insurance — Memorandum—Revel Miller & Co. Inc., 650 South Spring Street, Los Angeles 14, Calif.

Olin Mathieson Chemical Corporation—Analysis—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

Panhandle Eastern Pipe Line Company—Annual report and review of 1929-1959 — Panhandle Eastern Pipe Line Company, William C. Keefe, Secretary, 120 Broadway, New York 5, N. Y.

Plastic Materials and Polymers, Inc.—**Analysis**—Filor, Bullard & Smyth, 26 Broadway, New York 4, New York.

Renewal Guaranty Corp.—Memorandum—J. R. Holt & Co., Denver U. S. National Center, Denver 2, Colo.

St. Joseph's Hospital Corporation (Minot, N. Dak.)—Bulletin—B. C. Ziegler and Company, Security Building, West Bend, Wis.

Sonotone Corporation—Analysis—Carreau & Company, 115 Broadway, New York 6, N. Y. Also available is the current "Investment Letter" discussing market conditions, **General Motors,** and a suggested portfolio.

Southwestern States Telephone Company—1959 Annual report—Southwestern States Telephone Company, 300 Montgomery Street, San Francisco 4, Calif.

Super Valu Stores Inc.—Analysis—J. M. Dain & Co., Inc., 110 South Sixth Street, Minneapolis 2, Minn.

Texaco Canada—Bulletin—Financial Counsel, 25 Melinda Street, Toronto, Ont., Canada.

Thatcher Glass — Memorandum — Pershing & Co., 120 Broadway, New York 5, N. Y.

Tractor Supply Co. — Memorandum — Dempsey-Tegeler & Co., 1000 Locust Street, St. Louis 1, Missouri.

Travelers Insurance Company — Analysis—John C. Legg & Company, 22 Light Street, Baltimore 3, Md.

Union Bag Camp Paper—Review —Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also in the same circular is a review of **Columbia Broadcasting System, Inc.**

United Artists — Memorandum — Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. Also available is a memorandum on **Mesta Machine.**

Universal Match — Data — Cooley & Company, 100 Pearl Street, Hartford 4, Conn. Also available are data on **Farrington Manufacturing Company, Minute Maid, Plough, Inc.,** and **U. S. Freight.**

Virginia Electric and Power Company—Annual report—Secretary, Virginia Electric and Power Company, 75th and Franklin Streets, Richmond, Va.

West Coast Telephone Company—1959 Annual report—West Coast Telephone Company, 300 Montgomery Street, San Francisco 4, Calif.

Western Union Telegraph Company — Analysis — Hallgarten & Co., 44 Wall St., New York 5, N. Y.

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 shareholder ownership and of the equally spectacular change in institutional ownership of equities. The insufficiency of new issues to meet the growing demand is shown to be overcome considerably by wealthy holders forced to sell off some of their holdings to meet high income, estate and gift taxes. Commenting on the unstabilizing influence on market price by individuals being outweighed by institutional stabilizing influence, Dr. Murray ventures to conclude that stocks as a whole may fluctuate more moderately in the future but that individual stock prices may swing as widely as ever.

The American people are becoming a nation of stockholders at an explosive pace. The well known growth of home ownership cannot compare with the phenomenal rise in the direct and indirect ownership of equities by American families.

Dr. Roger F. Murray

In its periodic surveys, the New York Stock Exchange has well publicized the fact that some 12½ million people now own stocks. This is equivalent to one adult out of eight, compared to one out of 16 in 1952. The number grew at a rate of almost 1,300,000 a year between the 1956 and the 1959 surveys. Middle-income households have become important stockholders, with more than half of them having incomes of less than $7,500 a year. Employee stock purchase plans, confidence in the earning power of corporate enterprise, and fear of inflation have contributed to this fabulous growth in direct stock ownership.[1]

Concurrently we have witnessed an almost equally spectacular growth in indirect ownership of equities. Close to 10% of the 12½ million stockholders own only the shares of investment companies. In a sense, they have only an indirect investment in stocks. About 15 million people covered by trusteed pension funds have an indirect interest in some of the most rapidly growing stock portfolios. Life insurance companies and mutual savings banks are now authorized to purchase modest amounts of equities in which tens of millions of families also have an indirect interest. In 1900, financial intermediaries, excluding personal trust departments of commercial banks, held less than 3% of the corporate stocks outstanding. This proportion rose to almost 4% in the late 1920's and probably is in excess of 7% today.[2] It has been estimated that by 1965 the holdings of corporate pension trusts alone may amount to 5% of outstanding shares.

Thus we can identify two major developments of the last decade in the pattern of share ownership: first, a spectacular increase in the diffusion of ownership among all income and age groups; and, second, an equally spectacular growth of institutional ownership of equities. Since both direct and indirect ownership have grown during the same period of time, where did all the shares come from? We have identified the buyers, but who were the sellers?

The Supply of Equities

The preceding observations, by themselves, might suggest that business has been offering a tremendous volume of new shares to finance its expansion. But this is not the case. During the last five years, net new issues of stocks totalled less than $11½ billion. This was not even enough to assuage the appetite of institutional buyers. Investment companies and trusteed pension funds together added almost that amount to their equity holdings. The volume of net new issues, then, cannot explain the recent growth in both direct ownership by individuals and indirect ownership through financial intermediaries.

By the process of elimination, we come to the conclusion that some individuals must have been supplying stocks to other individuals. Since the buyers have greatly outnumbered the sellers, it is evident that the wealthy and the very wealthy have been selling to the moderately well-to-do and those of modest means. This is presumably the result of our highly progressive income, estate, and gift tax structure. We know, for example, that estate and gift taxes collected by the Federal Government will approximate $1.5 billion in the current fiscal year. To meet these payments, more than $1 billion in stocks were probably sold.

The redistribution of income and wealth has been going on for a long time and especially since the Revenue Act of 1942. Not only must estate taxes be paid, but individuals must prepare in advance to provide liquidity to their estates. Ford Motor, A. & P., Campbell Soup, and Upjohn are only a few of the more prominent companies in which widespread distribution of ownership has been accomplished in recent years. No doubt a large part of the proceeds, after capital gain taxes in some instances, was not reinvested in stocks.

The supply of equities from this source is not in danger of being exhausted. As best we can tell, the top 1% of wealth-holders in the adult population still own over two-thirds of the corporate stock outstanding. The fact that their share in total wealth dropped from over 36% in 1929 to less than 20% in 1949, according to reliable estimates, was partly the result of taxation and partly the low level of stock prices in the latter year. The share of the top 1% is estimated to have recovered to 26% by 1956, largely as a result of the rise in stock prices.[3] The top wealth-holders, then, have been able to sell stocks from increasingly valuable portfolios; or, stated the other way, the dollars invested in equities by individuals and institutions have bought fewer shares as prices have risen during the past decade.

The statistics are consistent with the notion that large stockholders have been selling to small ones on balance through recent years. Individuals collectively have increased their direct holdings of stocks by perhaps only $1 billion during the last five years. This estimate is not very reliable, but there is other evidence to the same effect. The personal trust departments of commercial banks administer a broad group of substantial funds. In 1939, they held some 15% of all the stocks outstanding. This proportion was almost as high in 1949, but has been shrinking ever since. It is probably now down to less than 10% because of the impact of taxation on the estates which the banks administer.

The Redistribution Process

It is correct to observe, then, that we have been witnessing a major redistribution of share ownership during the recent past. Large private concentrations of ownership have been diffused among institutions and individuals of modest means. How this redistribution is accomplished will determine the possible effects on the market.

When the executor of a large estate computes his Federal and State estate tax liability, he recognizes the need for substantial sales of stocks, with reinvestment of the proceeds in Treasury bills. If the bulk of the estate goes to charities, there may be an equally good reason for selling stock on a large scale. These are the origins of many secondary offerings through large selling groups. The similar case is that of the wealthy individual attempting to increase the liquidity of his estate by distributing a portion of his stocks while still living.

These periodic sales of sizable blocks, often in small lots, have little apparent effect on the market, particularly when the stock is widely known to investors. In this respect, they differ from the flotation of initial public offerings of the shares of companies previously privately held. Some of these have been attractively priced to the public, but many have been fully priced. Investors are not entirely rational about the opportunity to buy into a well known and successful enterprise. Frequently after an initial premium, the stock will sell at less than the offering price until the stock has been well distributed. This is to be expected because presumably the sellers have waited for what they consider a fairly full price.

These distributions of all types are very similar to new financing by the companies in that they require bringing some new funds into the market. Thus, if we want to appraise the effect on stock prices, we should really add to the volume of net new issues the volume of these distributions to the extent that the proceeds are not reinvested in stocks. It is not usually possible to make such a precise calculation, but at least some weight can be given to this factor in appraising the supply of and demand for funds in the market for equity securities.

The Structure of Prices

While it is unsound to generalize too freely about investor behavior, it is possible to make a few observations about the new participants in the market. Both the individuals of modest means and the institutions are primarily interested in the financially strong, seasoned companies. There seem to develop fairly generous valuations of these good quality issues, but the companies with problems are neglected. This means that there are opportunities for individuals to buy into the problem situations, straighten them out, and resell their positions in a few years at much better prices. This is a game of skill in which the average individual investor is not well equipped to participate and in which most institutions do not wish to become involved.

It is probable that the changing pattern of share ownership has contributed to the further development of the disparities between the prices of stock enjoying varying degrees of public acceptance. As a result, there are additional risk factors in the market. Stocks may either scale the heights of popular favor or tumble to obscurity. Institutional investors are generally well equipped to cope with these hazards; but individuals, particularly the newcomers to the market, had better seek sound, capable advisers or hire professional managers by purchasing investment company shares. Despite regulation, the markets are not entirely free from manipulation and occasional skulduggery.

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 felt in moderating 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 20% of the total.

Individual participation in the market is another story. Despite the Monthly Investment Plan and the contractual plans which mutual fund distributors have sold with considerable success, individual investors seem to behave in their customary manner: selling on balance in the early stages of a major advance in prices and buying actively at the peak of the rise. The statistics on odd lot purchases and sales on the New York Stock Exchange tell this story. The individual, when he makes direct investments in stocks, seems to persist in contributing to instability in prices.

During the past decade, stock prices have moved in a relatively narrow range. This may suggest that institutional influences 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 because of the mildness of economic fluctuations during the 1950's. Certainly, it would be a bold or perhaps a foolish man who would predict that stocks are unlikely to show drastic changes in price 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.

*An address by Professor Murray at the Helen Slade Memorial Lecture Series at the New School For Social Research, New York City, March 22, 1960.

[1] New York Stock Exchange: *Share Ownership in America: 1959.*

[2] Goldsmith, R. W.: *Financial Intermediaries in the American Economy Since 1900*, Princeton University Press: 1958. Estimates partly revised.

[3] Lampman, Robert J.: *Changes in the Share of Wealth Held by Top Wealth-Holders, 1922-1956*, National Bureau of Economic Research, Occasional Paper 71, 1960.

I. L. Brooks Branch

SAN CARLOS, Calif. — I. L. Brooks & Co., Inc. has opened a branch office at 1265 San Carlos Ave. under the management of Herman G. Frese. Mr. Frese was formerly local manager for R. L. Colburn Co. and in the past conducted his own investment business in San Carlos.

Need for Caution at Present In Case of Consumer Credit

By Casimir A. Sienkiewicz, Chairman, Committee for Economic Growth Without Inflation, and President, Central-Penn National Bank of Philadelphia*

Bankers' expert on fostering growth without inflation terms consumer credit a Dr. Jekyll or Mr. Hyde, and ascribes the cause and blame for inflation to all of us to some degree. Mr. Sienkiewicz also details what the committee he chairs has accomplished in the past eight months and outlines a program, particularly for bankers, on what still remains to be done. He then proceeds to examine the new evolving forms of credit and suggests that they be consonant with sound monetary and credit policies. Thus, for example, the banker is against the emergence of revolving credit plans at the present time to stimulate consumer borrowing, and he offers several reasons for cautiousness so as to keep consumer credit a constructive and not a destructive force.

In setting up the ABA Committee for Economic Growth Without Inflation, the American Bankers Association has launched a long range educational program among its own member bankers and through them among their depositors and customers. It is one of the most significant undertakings, and it comes at the time when we need knowledgeable understanding of current developments as they affect our economy today and as they will influence our economic well-being tomorrow.

C. A. Sienkiewicz

The response to this undertaking has been most gratifying from the day it was announced last August. Legislators, leaders in public and private life, the press, economists, and just plain people apparently have felt that here is a large and powerful organization that deals in the most sensitive commodity in the world—money and credit—which has embarked upon a program of education among its own members so that they can, if they will, be informed on what is taking place in our economy and on how some of the developments affect the pocketbooks of every one.

This general acceptance of the program naturally imposes a heavy responsibility on all of us. We cannot fail in this venture, and there is no need for failure. We have the talent, the will, and the energy to carry out the program. But our complete success must depend upon the enthusiastic support and participation by all bankers, representing all sizes of banks.

The plan of action is based on cooperative and vigorous attack. The committee can help to keep us informed on major problems and issues; but it cannot, nor do we want it to, deal directly with our communities and customers. It can and will provide us with suitable booklets, leaflets, and other educational guides to help us understand some of the complex developments and be better prepared to talk objectively and intelligently with the people in our communities.

Obviously, the job of the widest possible distribution of the material must be in the hands of local bankers. It must be done at the grass roots if we are to obtain maximum results in knowledge and understanding.

This program of concerted action was launched only after long and careful consideration of the basic forces at work in the economy. We have found that since World War II there has been a strong, persistent inflationary bias in one form or another — a bias which, unless corrected, may well continue into the indefinite future, a bias which is not likely to be self-correcting except by more drastic developments than we like to contemplate or than can be deemed necessary.

To be sure, we have experienced in the last decade some brief periods of seeming price stability—when inflationary forces appeared to have been contained. Some might even consider that the behavior of prices in recent months suggests such a period. Uniformly, these occasions have been seized upon by those who have consistently underrated the menace of inflation to our well-being as evidence that the inflationary danger, if any, is past. Uniformly, these persons have used these occasions to oppose sound fiscal and monetary policies. Just as uniformly, however, prices have resumed their advance.

The Secret and Blame for Inflation

There is no great secret about what has caused inflation to persist long after postwar shortages were overcome. Huge governmental spending and prevailing wage-price practices are high on the list. To identify these two among the several factors responsible is not, of course, to blame any particular group or groups. This would be fruitless and futile and not calculated to achieve the kind of understanding of our problems which must come before we can find solutions.

In a sense, all of us are to blame to some degree. The Federal Government has not always acted in ways calculated to contain inflation, and those among us who belong to special interest groups have not made it any easier. As voters, we haven't always backed up our representatives when they tried to resist the demand of special-interest groups or insisted that they do resist them. We in the banking industry, although uniquely qualified, have not done all that we might to alert our bank customers and depositors to the dangers of inflation—present and future.

It is our responsibility to do all that we can to help sustain balanced economic growth through efficient production and unhampered consumption of goods and services, adequate saving and investment, and a determined creation of job opportunities within the framework of economic freedom and justice. As dealers in credit, we help to release and coordinate the productive energies of the country for useful purposes. Modern industry, trade, and commerce depend on effective credit operations which lie at the heart of commercial banking. Our stake in continuous prosperity and the strength of a stable economy, therefore, is vital indeed.

Probably because of our strategic role in the economy, we have now, as we have had in the past, a full share of professional detractors. We thought it advisable to meet some of the more obviously fallacious charges leveled at banking and bankers.

Committee's Eight Months' Record

Charges that banks "profiteer" from higher interest rates, that they cause "tight money," and that they discriminate against "small business and borrowers" and others are fully explored and refuted in a booklet, "A Banker Discusses Inflation, Credit Control, Interest Rates." This booklet is available to bankers from A.B.A. headquarters.

The booklet has gone to a quarter of a million copies. This is a good start, but it is only a small fraction of the distribution it deserves. I would urge all bankers to obtain copies not only for bank officers, selected bank employees, and customers, but also for service clubs, schools, and other educational groups. My own bank has distributed thousands of copies to these groups with beneficial results.

The Committee has sent copies to our legislators and to members of the American Economic Association among others. Again the reaction has been most favorable; and it should be because it is educational material, not propaganda.

By Spring, the Committee expects to have available a banker's kit which will include this booklet and another one on the relationship between economic growth and inflation. Misconceptions about the meaning of economic growth and the role which inflation plays in it are rampant and constitute a real obstacle to intelligent public and private action. We expect to have a series of leaflets in the kit dealing with the effect of inflation on pensions, annuities, consumer debt, housewives' problems, and the like. These leaflets will be suited to a wider public than was planned for the booklet.

The State Association Section of the A.B.A. has appointed a special committee to work with us to carry the program to the local level — where it belongs, where the material can be used most effectively for discussions by groups of bankers and others. We want all banking organizations to help us in advancing this work.

A great deal of work has been done on another aspect of the program. In November, our Committee responded to an invitation from Senator Douglas to submit suggestions to the Joint Economic Committee that was then considering the broad subject of maximum employment, and adequate rate of growth, and substantial stability of price level. We prepared and submitted a document of 35 printed pages! It is available for perusal. I urge all bankers to get and read it carefully.

Some members of our Committee already have testified before legislative committees on important subjects relating to various phases of economic growth and stability. We have furnished speakers to banking and other groups eager to learn about the program. The scope of our activity is broadening indeed.

This is not a complete review of our activities by any means, but it should give an indication that we have been busy in the past eight months. The Committee has been and expects to continue to be active. But we can only prepare and make the ammunition available. The use of it is most important.

Now, I want to turn to the specific subject of consumer credit — and consider how it is related to the problem of economic growth without inflation.

A Proper Consumer Credit Policy

Consumer loans obviously differ from commercial and investment credit. Whereas working or fixed capital loans to business borrowers usually enlarge their capacity to repay and realize profits, consumer loans as a rule do not increase the money income of the borrower but simply enable him to spend for goods and for other purposes against his future earnings and savings. To recover the borrowed funds, therefore, the lender must depend on the continuity of normal income or employment of the consumer and upon his fundamental honesty to meet his obligations. The experience on both counts so far has been satisfactory.

Nevertheless, the phenomenal growth of consumer credit with its new variants raises two basic questions: First, its effect on established credit standards and practices; and second, its impact on the attempts to foster and maintain relative economic stability with the aid of overall credit operations. The strength of our banking system obviously depends upon the quality of its assets, and the smooth functioning of the economy is promoted by judicious policies and by the prudent use of bank credit for productive purposes.

There are wide differences of opinion about the social value of consumer credit. Its supporters regard it as an important, stimulating force which makes for higher living standards and substantial economic growth. Moreover, it has now become an integral part of our banking and credit system. Commercial banks have come to recognize the validity of instalment loans and have been successfully meeting the legitimate consumer demands for funds under changing economic conditions. The rapid growth of population, increasing family formation, widening distribution of income, mass production, and multiplying services have justified the banks' decision to extend their credit operation to the consumer field.

Its detractors, on the other hand, still consider instalment credit, particularly some of its recent forms, as an undermining of traditional values of thrift, as a stimulant to overspending, as unwise, risky, and even sinful—in fact, as dangerous because it leads to overindebtedness, family suffering, and to outright disturbance of economic stability. They would have us restrict its volume and limit its terms.

Perhaps these opposing views are not as inconsistent as they appear. It may well be that consumer credit, like other social institutions, has potentialities for both good and evil, depending on how it is used.

A Dr. Jekyll and a Mr. Hyde

Like the character in Robert Louis Stevenson's novel, it may be both a Dr. Jekyll—benevolent, dependable, trustworthy — and a Mr. Hyde—dangerous, malevolent, and slyly undermining virtues. If so, it is our task as bankers to suppress Mr. Hyde without killing off Dr. Jekyll. In order to do this successfully, we need to know our man well enough to be able to distinguish his two faces. Let us see if, for purposes of analysis, we can identify these two different natures of our single character.

It is only since World War II that consumer credit has grown from a relatively minor part of the banking picture to its present position as one of the three major classes of bank loans. During this period, total bank loans to individuals have increased tenfold, and consumer instalment credit alone twentyfold, while all other bank loans have multiplied only about 3½ times.

Clearly, this rapid growth of consumer credit has played an important role in our postwar economic development and has been partly responsible for the long period of prosperity we have enjoyed. It has enabled millions of Americans, particularly young married couples, to obtain the automobiles, appliances, home furnishings, and other goods and services they need but do not yet have the funds to pay for. It has, therefore, greatly increased the market for certain types of goods and services. Indirectly, too, this has stimulated other sectors of the economy by creating a need for plant and equipment to produce these goods.

The banking system, along with the economy as a whole, has benefited from this growth of consumer credit. Through experience, bank managements have learned to handle this relatively new type of lending efficiently and safely. Lending standards and practices have been generally satisfactory, and the turnover of loans has been active. Consequently, the loss rates on such loans have been held to low levels, and earnings have been given a boost. In addition, bankers have had the satisfaction of knowing that they were meeting the changing credit needs of the economy.

It now seems time to ask, however, if it is not possible to be too successful in extending the use of consumer credit. Has the growth of such loans been more rapid than individuals and the economy can safely stand? Has it been accompanied by deterioration of lending standards and the quality of bank assets? Has total indebtedness reached a dangerous level? If the danger point has not yet been reached, what can we do to ensure that it will not be? These questions require the close attention of those of us who are especially concerned with consumer credit. Without trying to be an alarmist, I would like to consider some of them.

Extent of Credit Rise

A few figures, first of all, will help to orient us. We can get a good idea of how heavy the total debt of individuals is by comparing it with the income that they have left after paying their income taxes. Such personal debt consists mainly of mortgages on homes and consumer credit including, of course, credit extended by nonbank lenders.

In 1949, these two types of loans amounted to about 29% of total disposable personal income, a slightly lower proportion than in 1941. By the end of 1959, however, the ratio had increased to the record level of about 53%. During this decade, consumer credit tripled and mortgages on 1- to 4-family houses more than tripled, while disposable personal income less than doubled.

This increase in personal indebtedness relative to personal income means that a much larger proportion of our income must be devoted today to the servicing and repayment of debts than a decade or two ago. As a result, consumers have had a decreasing proportion of their income available for the purchase of new goods and services. It seems evident that this trend cannot continue indefinitely, since eventually consumers would find themselves unable to make other necessary expenditures.

However, I am not overly concerned about the present level of consumer indebtedness. So long as income continues to rise, it should not create serious difficulties. A more serious problem is the possibility of a continuation of the present trend—this is, a rise in debt relative to income.

During 1959, the total amount of consumer credit outstanding, including that extended by nonbank lenders, increased by $6½ billion or 14.2%. This was slightly greater than the previous record increase, that of 1955, although somewhat smaller in percentage terms. A further large rise may be in the offing for this year.

Such a rapid increase in consumer credit carries the danger that the market for those consumer goods which are bought largely with instalment credit may become temporarily saturated. This can happen. The high level

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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 even the worrisome West Virginia Turnpike and Chicago's Calumet Skyways will join the ranks of those meeting their debt requirements. The growing realization by truckers and auto drivers of the advantages of toll roads over freeways and the soundness of well-planned toll roads are found responsible for the revenue recovery. The author fears that the Interstate Highway System's target date of 1970 will turn out to be 1975 and he, therefore, urges an immediate survey and evaluation for bridges, tunnels and by-passes.

Major toll roads' earnings in 1959 strongly underline the soundness of the planning that went into them. Some, it is true, got off to a slow start.

L. S. Waterbury

But these roads, like the Ohio Turnpike and the Northern Indiana Toll Road, are now taking in enough revenues to meet their debt requirements and turning money into their reserve and debt requirement accounts as the New Jersey and Pennsylvania Turnpikes, for instance, have been doing for years.

Equally true, a handful are not yet taking in enough to meet their bond interest and retirement schedules.

Just like any business, however, revenues to meet operating expenses and debt requirements do not build up overnight. A great deal of promotional work is required to build up the use of such highways. While success came quickly to some, it has been slow in favoring others.

It must be remembered that it takes a while for motorists and, more particularly, truckers, to become aware of the time and money savings and safer travel which may result from using such roads, rather than parallel old highways which are inadequate and dangerous.

With the Interstate Highway System plagued by lack of funds and completion dates being pushed further into the future, it is time for our Federal and state planners to re-examine the whole situation and give real consideration to new toll facilities as an answer to problems in the critical areas.

The highways are needed now and unless some solution is found and construction speeded, we face more serious traffic congestion crises in many areas of the country. Meantime, the lack of sufficient roads to meet traffic demands is seriously threatening our economy and posing a real deterrent to our defense potential.

Major metropolitan areas are not the only sufferers in this traffic dilemma. Hard hit also are smaller urban centers, sprawling suburbs and, now, even rural areas which lie between the busier manufacturing and commercial areas.

Transportation is being slowed. Congestion, plus driver frustration and fatigue, is upping the accident rate. We can talk all we want to about educating drivers and building more safety equipment into vehicles. But, why don't we think more about the traffic conditions and the inadequate and antiquated highways which are the underlying causes of the problem?

Congress, like most of us, wants the Interstate Highway System. But for economy reasons, or desire of some members to get money for other pet projects, the funds are not being voted in sufficient amounts to meet the situation.

Slowdown in Interstate Highway System

Target date for completion of the System originally was 1970. As things stand now, 1975 would be more realistic. Already, the Federal Government estimates that costs will exceed original estimates by more than $13-billion due to delays and other factors.

Any state, or other authority, already knows the routes and points where urgent needs exist for new highways and others facilities such as bridges, tunnels and by-passes. In order to determine the feasibility of solving the problem by the toll highway, bridge or tunnel facility method, immediate surveys and evaluations should be undertaken.

Such feasibility studies would readily show where traffic potentials will support a project to be financed through tolls and where just not enough traffic could be generated to make it worthwhile, and where a subsidy would be required.

A natural question is whether the motorist or trucker will object to a toll road over a route where, in time, there might be a modern freeway. They do and will object, but more and more they realize that regardless of how a highway is financed—by bonds to be met through tolls, or by increased gasoline taxes—they pay for it in the end.

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, now more than 70,000,000, and the lack of tax money to finance the new highways, financing of parts of the program through tolls is the only answer.

In additions to segments of the system, this method should be used to finance bridges and tunnels at vital river crossings. With the urban need the most critical, the toll method might well be used for the expressways which would solve the problem.

We are about at the same point in financing road building as we were 30 years ago. During the twenties, states and municipalities were able to keep abreast of needs by availability of tax revenues and credit.

But as numbers of automobiles and trucks grew, they were pressed for means of providing river crossings and this gave rise to formation in some instances of private companies which built bridges and charged tolls.

However, the first major toll project of modern times was undertaken by the Port of New York Authority which floated bonds to finance several bridges and set tolls in order to meet interest and debt retirement schedules. The first bonds were issued in 1926 and two years later this plan was adopted to finance a crossing of the Ohio at Louisville, Kentucky. It spread to other parts of the nation and became the vehicle for financing tunnels as well as bridges and then in the thirties for financing highways.

Once Congress approved the Interstate Highway System, however, the toll road method experienced a slow-down. Then we experienced a slow-down in the Interstate program, but this cannot be blamed on the men directing it, for they are talented and dedicated. The current situation is beyond their control for they do not vote the funds.

Water crossings are still being financed in considerable number by revenue bonds and one of the most interesting now under consideration is the combination bridging and tunneling of Chesapeake Bay from Cape Charles to Norfolk, Virginia. It will replace a 90-minute ferry trip across very rough waters, and also eliminate waits between departures.

When the project is completed, it will provide an ideal route from the northeastern states to Eastern Virginia, North and South Carolina, and states in the southern seaboard and south central areas of the country.

Revised Regard Held For Toll Roads

Toll roads once again are receiving favorable attention for investors, now that most of them are taking in enough to meet requirements. The only ones still presenting cause for worry about debt service are the West Virginia Turnpike and Chicago's Calumet Skyways. But as the country continues to expand economically, as industry spreads to newer areas, and the day-to-day needs of the nation for food and other goods rise, even these roads will begin to meet debt requirements.

Among the more notable developments in 1959 were the greatly improved revenues of the Ohio Turnpike and the Northern Indiana Toll Road, and the Massachusetts Turnpike.

The Ohio Turnpike had a net income gain of $2,045,000 and ended 1959 by earning interest charges 1.71 times, compared with 1.52 times in 1958.

The Indiana Road had a net income gain of $2,317,676 and ended up by 1959 by meeting interest charges 1.08 times. Actually, it had $862,408 left after meeting operating expenses and interest. This was achieved despite the steel strike and unusually bad winter weather during the year.

Contributing to the improved operations were higher toll rates, as well as the automatic toll lanes which attracted new users at the Westpoint Interchange in Hammond by eliminating delays at the gate, according to the Indiana Toll Road Commission.

With income continuing to climb on the Massachusetts Turnpike, this road met its interest requirement 1.18 times. In 1958, it earned only 90% of interest charges.

A good example of slow, but promising growth is the Kansas Turnpike. Traffic and revenue gains in 1959 did not meet debt requirements, but they gave promise of eventual meeting of that goal. In 1957, it earned only 62% of interest requirements, but was up to 70% in 1958 and 84% in 1959.

These are among the reasons for the more favorable regard of the investor for toll road bonds.

The original Pennsylvania Turnpike's revenues continue to lead the parade and after expenses, this road earned 6.51 times interest in 1959. New Jersey and Oklahoma Turnpikes were next and they earned 2.17 times and 2.24 times interest charges, respectively, last year.

The New York Thruway is another good money earner and its net revenues hit $30,040,000 last year, and after operating expenses, covered interest charges 1.39 times. Volume continues to rise on the Garden State Parkway which had net revenues totaling $14,069,000 last year, which provided 1.42 times interest.

These figures demonstrate clearly that well-planned toll roads—constructed where careful studies have shown them to be feasible because of traffic potentials—can be more than self-supporting.

The sooner consideration is given to using this method of financing to lick the problem in critical areas, the sooner we face some hope of real progress.

Table of Toll Road Revenues for a Twelve Month Period
Ended Dec. 31, 1959 except as noted—000 Omitted

Project—	Pass. Car	Truck	Other	Total	Operating Exps.	Net Inc.	Times Int. Earned
Florida Turnpike	$3,899	$615	$707	$5,220	$1,263	$3 957	1.79
Illinois Toll Highway	11,629	2.896	417	14 941	4,708	10 240	*
Indiana Toll Road	7,912	4,051	2,347	14,310	3,648	10,662	1.09
Kansas Turnpike	4,017	1,090	899	6,006	1,567	4,439	0.84
Kentucky Turnpike	1.203	489	177	1,870	---	---	1.43
Maine Turnpike	3,684	758	216	4.633	982	3,651	1.16
Massachusetts Turnpike	8.795	2,459	1,290	12,544	3,236	9,308	1.18
N. J. (Garden State Parkway)	18 994	---	951	19.045	4,976	14 069	1.42
New Jersey Turnpike	23.480	9,837	4,032	37.349	6,767	30.584	2.17
New York Thruway (Jan. 1960)	31,166	11,790	4,564	47,520	14,480	30,040	1.39
Ohio Turnpike	11,669	7,349	4,303	23 322	5,173	18,149	1.71
Oklahoma (Northeastern)	1,680	719	386	2,795	651	2,144	0.90
Oklahoma (Turner)	2,501	839	236	3 576	687	2,889	2.24
Pennsylvania Turnpike (1948)	12.353	18,172	1,680	32,205	7,479	24,726	6.51
Pennsylvania Turnpike (1952)	5,826	1,748	230	7,804	3,402	4.402	0.48
Richmond-Petersburg	1.362	325	---	1,687	538	1,149	0.86
Texas Turnpike	2 228	340	240	2.808	859	1.949	1.18
West Virginia Turnpike	1,722	1,977	231	3,630	742	3,188	0.62

*Interest capitalized to July 1, 1960.
SOURCE MATERIAL: Reports of the various Authorities and Commissions.

With Ross, Borton

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Elizabeth A. Caffo has joined the staff of Ross, Borton & Co., Inc., 1010 Euclid Building.

Ganyard With First Columbus Corporation

(Special to THE FINANCIAL CHRONICLE)

AKRON, Ohio—James J. Ganyard has become associated with The First Columbus Corporation, 42 East Gay Street, Columbus, Ohio. He was formerly local manager for Merrill Lynch, Pierce, Fenner & Smith and The Ohio Company.

Joins Merrill Lynch

(Special to THE FINANCIAL CHRONICLE)

COLUMBUS, Ohio — Donald G. Lorimer has been added to the staff of Merrill Lynch, Pierce, Fenner & Smith Incorporated, 48 East Gay Street.

National Stock Exchange Reincorporates

In order to free the National Stock Exchange from any trace of control by the Mercantile Exchange and give it complete independence, the Exchange has been reincorporated as a membership corporation at the request of the Securities and Exchange Commission.

Bankers' Investment Policies And Maintaining Earnings

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

Specialist in Ohio municipals advises bankers there is no rule of thumb as to ratio of municipals to governments, or of governments to deposits, worthy of being followed by various banks because of different conditions affecting different banks. Mr. White does offer general investment advice dealing with: (1) protecting 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' responsibilities to their depositors, community and stockholders. With regard to the latter, Mr. White analyzes the problems of obtaining liquidity without sacrificing earnings in making loans and investments, and stresses the importance of buying more liquidity in primary and secondary reserves in order to compensate for illiquid asset holdings.

Three topics discussed here are: (1) What ratio is recommended for municipals to governments; (2) what ratio to deposits; and (3) what ratio is suggested for loans to deposits.

J. Austin White

First, let's look at the ratios of loans to deposits for various groups of banks. As reported in the *Federal Reserve Bulletin*, for all commercial banks of the U.S. as of Dec. 30, 1959, loans were 51.9% of deposits. For the 26 weekly reporting member banks of the Fourth Federal Reserve District as of Feb. 24, 1960, loans were 57.9% of deposits. For all banks in Montgomery County, Ohio, including Dayton, as of June 1959, the latest date for which I had statements for all banks, loans were 48.2% of deposits, while for the Dayton banks alone such ratio was 47.8% and for the balance of the banks in the county, 52.7%.

Now, with regard to the other ratios, of municipals to governments and to deposits, the data for all banks in the country 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 for one or two have scarcely any investments other than governments and municipals; so the figures will still be comparable.

For all commercial banks in the nation, "other securities" amounted to 9.4% of deposits and 34.8% of government holdings; for the weekly reporting member banks of the Fourth Federal Reserve District, "other securities" were 9.9% of deposits and 36.4% of governments. For all the banks in Montgomery County, again as of last June, municipals were only 2.3% of deposits and 6.8% of governments, while for the Dayton banks alone such ratios were only 1.8% and 5.4%, and for the remainder of the banks in the county, 6.8% and 22.3%.

From these figures, it would appear that we should concentrate on trying to sell municipals to the banks in Montgomery County, especially in Dayton.

But, my advice is: Forget these ratios!

There are other considerations that are far more important and fundamental, which should determine investment policies, and which I hope to bring out later. If I only "drive home" one point, I do indeed want to leave a conviction that there is no "rule of thumb" that can be safely followed in setting investment policies. What somebody is doing in Dayton, or in Cincinnati, or anywhere else in the country, doesn't tell a banker what he should do in his bank. In my opinion there is no ratio of municipals to governments, nor of municipals to deposits nor of governments to deposits, that is worthy of being followed by various banks.

What Maturities When Rates Are High?

Now, of course, I have given some little thought to what ideas I might discuss that might prove profitable to banks. One of these ideas is whether one should concentrate on short or long maturities when money rates are high.

We have often heard a fellow say: As long as I can get 4% on Treasury bills, why should I buy anything longer? Well, let's consider that thought.

It's human nature when times are unsettled and the future is uncertain to pull in "close to shore." It's quite understandable when you hear a banker say, "I don't know what our demand for money is going to be in the future, so I'm sticking to Treasury bills. Anyway, as long as I can get 4% on them, why risk investing in anything else." Yet, fundamentally, when money rates are high and when you are paid handsomely for investing funds, that is the very time to extend maturities, so that you will be assured of the handsome return for a relatively longer period of time. Conversely, the time to shorten maturities is when money rates are low; so that you don't tie up funds for a long period of time at a low rate of return. When Treasury bills were yielding only ⅜ths of 1%, it was human nature to stretch out maturities, because you then had no need for the money and you felt you had to earn "something worthwhile" on bonds. But, another thought I hope will be remembered is that when Treasury bills yield only ⅜%, that is the time to buy very short maturities, far more so than when bills yield 4%.

But, maybe **you** are not in a position to lengthen your maturities and take full advantage of present very liberal yields. Maybe **you** should stick to bills regardless of yield. The answer to that question, for you, depends upon the application to your own situation of the fundamental considerations which I hope to discuss later.

Maintaining Earnings

A second idea that I think is worthy of calling attention to the serious consideration of which might well prove profitable, is a problem posed in one of the small discussion groups at the Mid-Winter meeting of the Ohio Bankers Association last February by the very able President of the Park National Bank of Newark, Ohio, Mr. John Alford, who, by the way, is another of our teachers at the Ohio School of Banking at Ohio University, along with Mr. Case of the Vandalia State Bank. Mr. Alford pointed out that banks generally are enjoying very high earnings today because of the strong demand for loans, the high rates of interest on such loans, and the high returns on bonds purchased at present yields. He also emphasized that not only are banks thus enjoying high earnings, but also they are having to pay out higher and higher expenses for doing business, and further that these expenses it seems are becoming ever more fixed and less susceptible to being reduced. The problem posed by Mr. Alford is: What can, and what should, a banker do today to protect the earnings of a bank from a possible future decline in loan demand, and in money rates, and a possible rigidly high level of expenses?

It seems to me that this is a very pertinent problem that should command the attention of the management of all banks. Bankers are not immune from the task that faces all business executives: of trying to protect future net earnings from a squeeze resulting from a possible future decline in gross earnings accompanied by a rigidly high level of expenses. I daresay that at least many enjoyed record high net earnings in 1959. How many are seriously considering what should and can be done to continue such record net earnings in future years?

If the time comes when there is an important decline in the presently strong demand for loans, of course money rates will then decline, and as interest rates decline, many loans will be either repaid or refinanced at lower rates. It may be old-fashioned, but I still believe there are, and will be, business cycles, with major ups and downs in business activity and in demand for loans. If loans should decline materially, and if the interest rates on loans are cut, and if the yields decline on bonds, obviously earnings will decline. In such circumstances, where will expenses be cut? Of course, one important cut could be a reduction in the interest paid on savings deposits. Is there any other place to cut expenses materially? Cutting salaries is a touchy problem. Could you, or would you, discharge some of your personnel?

Taking Advantage of Today's Longer Maturities

Mr. Alford pointed out one thing that could be done today that would partially protect present high earnings: Buy bonds of relatively longer maturities to be assured of present high returns for a number of years on at least the portion of assets which are put into such bonds. Of course we are talking about non-callable bonds, as contrasted to loans which, of course, are callable at the option of the borrower.

But, again, I don't know if a banker should take this step to protect his earnings, because I don't know whether or not he is in a position to lengthen his maturities, and thus take advantage of present liberal rates. The answer to that question depends upon the application to one's own situation of the fundamental considerations which I shall mention shortly.

Are Mediocre Bonds Attractive Today?

But before we discuss these fundamental considerations, upon which investment policies should be based, let me try to emphasize a third idea which I hope will prove profitable. In times like today, and very possibly at all times, a bank's investment in bonds should always be in bonds of high quality. If there is ever a proper time to buy second grade or mediocre bonds, it is only when one is paid a commensurate rate for the added risk taken—and that might well be when it is in default, and shows promise of curing the default. I can't say just what that commensurate rate should be, but when one can buy a second grade bond, with a good coupon rate at, say, 75 cents on the dollar, as against paying 100 for a good bond with a similar coupon, then perhaps he could expect to be paid something worthwhile for taking the risk involved. But today, and in fact for the past decade or more, the difference in price between a mediocre bond and a really good bond is negligible. For municipal bonds with about a ten year maturity the difference today would only be about 98 for the second grade bond vs. 100 for the high grade bond, and for a 20 year maturity, about 95 vs. 100.

Why take the added chance in the second grade bond, since you are not paid anything worthwhile for dipping in quality. So, let's proceed on the assumption that we are talking only about high grade bonds—whatever they are. Actually, it would take more time than we can spend to try to indicate the proper bases for determining whether a municipal bond is really of high quality or not.

Three Bankers' Responsibilities

Now bankers have many responsibilities, but as I see them from the standpoint of investment policies, these responsibilities can be grouped into three broad categories. First, is their responsibility to their depositors: the obligation they have to repay their deposits on demand any time. Second, is their responsibility to their community, that is, to contribute to its growth and its economic well-being. Of course, there is an important overlap between responsibilities to depositors and to the community, because, obviously if at any time a banker is unable to pay his depositors, he will have delivered a serious blow to his community. But when I talk about responsibilities to one's community, I am thinking more of what one may be, or should be, doing to contribute to its economic growth and health. The third category of responsibilities is the stockholders, the people who make it possible for a community to have a bank.

I think we can briefly state that the obligation to stockholders is to earn as much **net** income, after taxes and expenses, as one can earn and still meet responsibilities to depositors and to the community.

Now, what is it a banker needs most from his investment portfolio in order to meet his responsibility to his depositors? The answer is liquidity, which of course refers to the ease with which one can convert assets into cash. Normally, you get liquidity in either or both of two ways: (1) By buying highly marketable securities, which enjoy an active and widespread market; (2) By buying short-term securities. In the first instance, of course, we generally consider U. S. Government obligations the most highly liquid type of bonds. And if you need to convert a block of bonds into cash, it is comforting to realize that one can call any one of a half dozen or more government dealers on the telephone and probably sell the securities in a matter of minutes, and have the cash the next day (and sometimes even the same day). But as some so well know, it can also be distressing to realize that this very, ready sale produced 5% or 10% less cash than cost. Why? Because the market had declined on bonds.

A ready market for securities is a comfort to anyone who needs to convert those securities into cash, but the readiness of the market is, of course, a different thing from the level of the market. The only really reliable protection one can get from having to convert securities into cash in a low market is to have the securities coming due and paid off in cash at their face value. Thus, by buying short-term maturities you achieve liquidity by having the bonds convert themselves into cash, at par.

Is There a Liquidity Formula?

Now comes the question: How much liquidity should a bank have? And that question can't be answered by any fixed formula. The degree of liquidity needed by any bank varies with numerous circumstances affecting that particular bank. I don't think there is any "rule of thumb" that is worthy of consideration. On the other hand, every bank should have all the liquidity it can reasonably be expected to need.

Well, why not have a wide margin of liquidity over what one reasonably expects to need? And I say, there is nothing wrong with such an idea except that liquidity is expensive. I say excessive liquidity is expensive for two principal reasons. In the first place, as I said before, we usually consider that U. S. Government securities are the most liquid form of securities for banks, and one may well find that he can invest in other securities that are quite high grade but not so readily marketable and get a better return for the bank from these other securities. In the second place, one may be getting liquidity requirements also from very short-term securities (U. S. Governments or other securities) and may well find that he could get a better return on longer maturities.

Now, let's turn to that other category, of how responsibility to the community should affect investment policies. By this field of responsibility I am referring in general to the loans made in the community, and let's assume that all loans are in the community, and are, we think, for the welfare of the community.

Generally speaking, it seems safe to assume that fulfilling responsibility to the community, by making sound loans in and for the benefit of the community, is beneficial also to stockholders, because a bank will be passing on to them a higher net return from these loans than if it invested the same money in securities rather than loans. To the degree that such assumption is true, a bank will be fulfilling its responsibilities to its community and to its stockholders at the same time. Actually, however, (and I'm not bringing out this point because my firm handles municipal bonds) in today's market, with its historically high yields on tax exempt municipal bonds, a bank would probably find that the net return to its stockholders, after Federal income taxes, would be greater from high grade Ohio municipal bonds than for loans.

But the point I want to bring out in this discussion is that to the extent that bankers are fulfilling their responsibilities to their community, by making loans therein, they must be more mindful of their responsibilities to their depositors, and, therefore, of liquidity in their investment policies. Stated briefly, and perhaps too simply, the higher the proportion of assets in loans, the greater the need for liquidity in investments.

Illiquid Loans

After all, when you have a certain amount of assets entrusted to your care, and the more you have tied up those assets in illiquid loans, the more you owe it to depositors to be careful to get at least the liquidity they deserve from the investment of the balance of such assets. I'm not going to discuss whether 50% or 60% of those assets should be in loans, or 40%. But I do want to stress that if 60% of those assets are in loans, then you need to buy more liquidity in the primary and secondary reserves than you would need to buy if only 40%, or even 50%, of those assets were in loans.

The Law of Compensation of Assets in Banks

This principle has been called the "Law of Compensation of Assets in Banks" by Charles A. Dice, Professor Emeritus and former head of the Money and Banking Department of the College of Commerce at Ohio State University—and, I'm happy to say, a close friend of mine for almost 30 years. As he points out, the more of its assets a bank has in loans or investments affording slow or poor liquidity, the greater is the need for compensating for this lack of liquidity by seeking a high degree of liquidity in the balance of its assets, and vice versa.

As is obvious, we must also consider how liquid or illiquid loans actually are, but that is a matter for individual decision. I would only caution not to be too optimistic about how quickly one could convert a worthwhile portion of loans into cash, particularly at a time when most or all would be trying to do the same thing.

Meeting Increased Loan Demand

Before leaving this point, let's also recognize that investment policies should be determined not only in the light of the present distribution of assets, but also with careful thought of the degree to which bankers will be called upon to meet their responsibilities to their community in the near future, say, over the next two or three years. Perhaps loans are not high today. Then consider thoroughly the prospect of a considerably increased loan demand. Are investments in primary and secondary reserves in such condition so as to meet a change in loan demand?

I don't want to become involved in a technical discussion of the difference between primary and secondary reserves. But we can probably assume, without much disagreement, that primary reserves are maintained principally to safeguard depositors, and to care for fluctuations in deposits, and not to take care of major fluctuations in loan demand. So, if you should have a major increase in loan demand that you feel you should satisfy, are your secondary reserves in such degree of liquidity that you could meet that demand and fulfill your responsibility to your community, without using your primary reserves for such purpose? And keep in mind that usually such a period of heavy loan demand is accompanied by high money rates, and therefore low bond prices. Consequently, to shift from long-term secondary reserves into loans at such a time would naturally entail selling bonds at a loss.

I'm afraid that too many bankers faced with such a major increase in loan demand are likely to finance it by means of their more liquid primary reserves, i.e. by simply providing the cash necessary for such loans from maturing investments, rather than by selling the longer-term secondary reserves, because of the loss involved in the latter course. Such a policy, however, results in reducing liquidity at the very time banker's should be buying more of it. If the loan portfolio of a bank has gone up considerably in recent years, it might well consider how it provided the funds for such loans, and what effect such changes may have made in its primary and secondary reserves, in its need for liquidity, and in the degree of liquidity which it now has.

The degree of liquidity which any bank needs in its investment portfolio varies from one bank to another not only on the basis of the liquidity of the other assets of the bank, notably loans of course, but it also varies with the type of community in which the bank is operating.

Liquidity Depends, Too, on Community's Economy

In this regard, the most important consideration is the economic stability of the community. Obviously, the more stable the economy of the community, the less liquidity a bank needs to buy, and vice versa. If you are operating in an industrial community that is dependent upon one, two or three large industries or plants, you should realize that the liquidity of your loans may well prove to be less than you would want. If your loans are largely to wage earners employed in three or four large plants, and to stores or others dependent upon the economic welfare of those same wage earners, you can expect less liquidity in those loans than you could expect if those same loans were to people employed in well diversified economic pursuits, particularly professional and office people employed in such diversified pursuits, and loans to stores and others dependent upon those same people. Moreover, the economy of communities dependent upon diversified and substantial agriculture in Ohio has proven to be more stable than the economy of highly industrialized communities.

Of course, the more liquidity bankers have in their loans, the less liquidity they need buy in their investments, and therefore the more they can seek net income for their stockholders.

Similarly, the more stable the economy the more stable you can expect deposits to be, and again, therefore, the less liquidity you need to buy in investments, and the more net income you can seek for the stockholders.

In connection with the probable stability of deposits, and to a lesser extent the economy of the community, you should also consider the **type** of people who are the depositors. Many, I am sure, have considered the number of depositors, but how often have they considered what type of depositors they have — and how that consideration can affect investment policies by affecting liquidity needs? Are the depositors thrifty, hard working, conscientious, solid citizens, who are prepared for that rainy day, for which you must always be prepared? Or are they happy-go-lucky, carefree, spendthrifts who are in debt up to the hilt, with no preparation either financially or morally for the rainy day?

*An address by Mr. White before the Montgomery County Bankers Association, Dayton, Ohio, March 15, 1960.

With W. G. Nielsen

(Special to The Financial Chronicle)

BURBANK, Calif. — Henry G. Ohm is now with W. G. Nielsen & Co., Inc., 362 East Olive Ave.

With Perry Blaine

(Special to The Financial Chronicle)

ASHTABULA, Ohio — Robert W. Gittrich has joined the staff of Perry T. Blaine & Co., 4544 Main Avenue.

Baron, Black Adds

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif.—Eli Litman is now with Baron, Black, Kolb & Lawrence Incorporated, 253 North Canon Drive.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

The Republican conservatives are planning to backstop Dick Nixon. For the first time they are concerned about whether he can win and whether in his efforts to win he will become too liberal.

Down in South Carolina the other day the Republican delegation to the National Convention endorsed Senator Goldwater. The Senator himself laughs at this but it is taken as an evidence of the displeasure of the direction in which Nixon is going.

Nixon has announced that he conceives it his duty to expand upon the Eisenhower program. That is, Eisenhower turned down the Forand health bill, providing for medical assistance to persons 65 years and older and Nixon, mindful to the heavy mail that is coming in to Senators and Congressmen, and also of the fact that there are more than 15,000,000 persons who would benefit from the Forand bill, is trying to work up a substitute proposal. This does not please the Conservatives and neither does it please the American Medical Association.

Also, Nixon is going to discard Ezra Benson's farm policies and come up with a liberal program. This would cost the taxpayers more money.

Besides this, his views on Federal aid to education and to housing are broader than Mr. Eisenhower's.

The purpose behind the South Carolina vote for Goldwater therefore was to frighten Nixon and hold him in line.

This vote alone will not do it. But there is believed more of this same stuff to come.

Nixon's poor showing in the polls recently has hurt him, and made the Republicans pessimistic. For the first time they are wondering if he can win. The latest Gallup poll showed Kennedy running 53 to 47% ahead of Nixon. He is outrunning Stevenson, Humphrey and Symington but not Kennedy.

In the backstage is Nelson Rockefeller. He is apparently nobody's fool when he announces that under no circumstances would he take second place. If things continue to go the way they are going he may very well be called upon to lead the ticket.

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 Governor 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 known 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 Republicans 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 indications that Nixon would run a poor third in Wisconsin the Republicans put $25,000 into the campaign in the last days. Their appeal was that if Nixon made a poor showing it would cast doubt over the possibility of a Republican victory in November.

There is a question of how many of those Republicans who voted for Kennedy, for example, would come back to vote for Nixon in November. Reporters who travelled in Wisconsin reported that nine out of every 10 Catholics voted for Kennedy. This is understandable. They have been frustrated all these years by the story that a Catholic would never get to the White House. When they have a man with such possibilities as Kennedy it is likely that they would back him.

Three With Hanauer

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif.—John J. Brennan, Harry V. Katz and Manny A. Rose have become affiliated with J. B. Hanauer & Co., 140 South Beverly Drive.

Decade of Discoveries Ahead For the Telephone Industry

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

Positing no sinister or uneconomic Sixties on the one hand and no bonanza on the other for the telephone industry, Mr. Naylor charts what lies ahead in comparison with the 1950s which are said to have enjoyed greater telephonic gains than the entire preceding seven decades of telephone history. Aware "we are in a genuine 'buyers' market," the ITT official denies there's any need to acquiesce to the signs of saturation or to the modest prospect of growing in step with the general economy. He outlines what the team work of the operating executive, manufacturer and scientist can do in presenting an exhaustive list of developments needed which include actuating fire and burglar alarms, locking doors and turning off lights, and a complete intercom system for the outside and inside of the home. The telephone outlet, he reflects, should compete in quantity and convenience with the electric outlet and the water faucet.

The application of new methods, mastery of new facilities and expanding horizons for growth are old familiar friends in the communication industry. Automation for mass services was conceived in the telephone business and brought to maturity before the word itself had meaning. Looking to the future upon entering a new decade has many of the same ingredients as day to day telephone budgeting and engineering tasks. I like this approach and background for our discussion on the probabilities of the 1960s. A more dramatic treatment is not becoming for it would cast me in the role of prophet, disqualifying my own credentials and the usefulness of this discussion.

John T. Naylor

It is hoped that this will be a self-serving story self-serving in the sense that it will be in harmony with telephone management's genuine needs on his drawing boards and in his budget statements—self-serving as a down to earth check list of professional hopes, professional worries and professional demands.

In this year of the census and for the past several months the economic statisticians, scientific clairvoyants and sociological crystal gazers have been enjoying an orgy. Some of their predictions are significant and ingredients of a projection for the communications industry. But careful selectivity and many toning qualifications are necessary in using these fragments of fact to compose a realistic picture of things likely to come in commercial communications.

Our thoughts today may be a far cry from the world of superlatives and the extravagant semantics which unblushingly dub the decade as "sensational," "soaring," "rocketing," "explosive," "spectacular" and "fabulous." Such labels fall short of fact and a conscientious outlook in a profession soberly dedicated, as ours, to the industrious application of communication science and product to the serious economic and social need of the day.

Before analyzing the impressive forecasts for the general economy as a backdrop for our industry's role we must preface our projections with the great speculations and "ifs" of these jet-propelled times. Disqualifying myself entirely for any of the answers let me nevertheless dispassionately present these questions.

(1) Will moral and social consciousness preserve an appetite and environment for progress?

(2) Will the economic integrity of governments and business society preserve the incentives for investments and risktaking and for financial faith?

(3) Will statesmanship or events preserve the peace and bridge chasms of mistrust?

Any plan or forecast portending reality must recognize these basic questions as a framework of limitations. Yet, any such forecast must assume a favorable "yes" on each point; alternatively, the timid can only "cry havoc," retreat to his Ark and await the deluge.

Significance of the Popular Forecast

The influence of the general economy on the telephone business is axiomatic. Gross national product of the United States from 1950 to 1960 increased 68% from $285 billion per year to $480 billion. In the same period telephones increased by 75% from 40.6 million at the end of 1949 to 70.8 million at the end of last year.

It has been forecast on reputable authority that the gross national product should increase to $700 billion per year in 1970 or by 45% in this decade. A paralleling increase in telephones would, on this basis, produce a growth of 30 million by 1970. This would be at an annual rate of 4% per year compounded as against an average annual rate of about 7% per year in the '50s and 6% in 1959.

Other facts cast some shadows on this conclusion. During the '50s population is said to have increased by 18.5% while telephone development leaped 75%. Population per telephone decreased from 6 to 1 in 1940—3.7 to 1 in 1949 and 2.5 persons to each telephone in 1959. Average daily calling is up from 132 million total calls per average day in 1949 to 208 million in 1959 or an increase of 58%. But with 75% more telephones in service usage has not kept pace and there has already been a heavy "convenience" factor present in growth—more extensions and multiple locations — proportionately more availability per user despite the increased pace of the economy and popularity of telephone usage.

It should also be realized that a growth proportional to the forecast of gross national product, of 30 million telephones or 4% per year, equates to almost one telephone for each net increase in population (from 179 million in 1960 to 210 million in 1970 or an increase of 31 million). Just as startling, such a growth would produce a 1970 ratio of only 2.1 persons per telephone in this country. Moreover, we must admit with such figures that a net increase of only 10 million households can support three times this number of telephones.

Urges Challenging the "Buyers Market"

I do not propose to draw from these facts a "bearish" conclusion that the industry cannot grow at 4% per year or match the 30 million growth for the '50s. I believe that we must conclude, however, that if we are not to acquiesce to these signs of saturation and not accept more modest targets than matching the general economy we must then set up some tough quality goals under a rough challenge. Demand statistics will no longer support us—we are in a genuine "buyers" market. The operating executive, manufacturer and scientist in this telephone game must team up with their total ingenuity and resources "showing."

Operating management must produce customer appeal. While preserving earnings and economic stability, short- and long-range business plans should be supersaturated with sales programs and with efficiency measures in engineering and in cost and operating control to preserve price appeal and marketability. Unrelenting pressure must be brought to bear on the suppliers to produce the facilities needed, at marketable prices.

Factory management will be challenged to unwrap all of the imagination in the shop. Through the operating companies the public need will come hammering at the factory door for better products, new products and unprecedented versatility. The day when manufacturers can tell the public "this is the kind of facility you will use" is over. Factories that prosper and survive will be the one's with escutcheons emblazoned with the simple question "How much can we do to serve?"

The scientist will be scratching his head harder and his frowns of thought must grow deeper. It is he who can whet the public appetite with better design, new devices and perhaps lower cost. The laboratories are challenged to "build into" our business an excellence of facility, guaranteeing to the user maximum in speed, flexibility and eye appeal. The simple question posed is "How handy can telephone service be?"

A fair summary of all this is that this decade must be one of improved quality in our industry. If statistical "hindsight" in 1970 is to resemble the impressive '50s I am convinced that it will only be because our drive toward perfection in this period is fanatic.

Pace Makers and Trends From the '50s

The 1950s produced almost as much gain, more in some respects, than the entire preceding seven decades of telephone history.

Superimposed on industry growth at a rate four time greater than the population rate a 27% non-dial development was reduced to 5%.

Direct operator dialing was just being touted in 1949. In 1959 over 15 million telephones had direct nationwide subscriber dialing with one out of every four long distance calls on a "do it yourself" basis.

Microwave networks now handle over one-third of nationwide calling.

Repeatered submarine cables provide high quality voice, message, picture and printer transmission to Europe, Alaska, the Hawaiian Islands, Cuba and Puerto Rico.

Transmission of television, data, control and metering signals is taken for granted, including complicated defense and private network performance.

Marketing of the complete service for the home, as well as plant and office, on both a privacy and loud speaking basis is in high gear.

These achievements can be confidence-building incentives for the '60s. They inspire increasing technological and design competition and an offensive "push" in the quality spectrum; at the same time they remind us that the cream of easy quantity growth may have been skimmed off in the '50s.

On a national basis in all industry something of the same atmosphere of "breaking through" in methods barriers and functional barriers exists. On this research stage it is estimated that the electronics and communications sector must support an area of business expansion moving at treble the rate of the average for the national economy. In the overall the search for quality, for new tools, new methods, new markets and economic efficiency engage over 5,000 laboratories in the United States ranging in specialization from materials, chemicals and electronics to satellite and nuclear techniques and applications. In 1954 research activities alone consumed $5 billion; this year the figure will be $12 billion. Forecasts predict research expenditures at an annual rate of $27 billion by 1970.

Specific Targets and Discoveries for the "Sixties"

Before dissecting the telephone business into its various functional organs and areas of growth I should like to localize the meaning of the broad statistics quoted. The Ohio national forecasts for example, should be increased by 50%. Against a 19% national increase in population in the '60s the U. S. Census Bureau states that Ohio's will be 28.5%, from 9,484,000 to 12,180,000. Ohio's population increased in the '50s by 22.1% against a 18.5% national average.

Telephonically, Ohio in the '50s illustrated to a degree the meaning of saturation trends. This State has traditionally been one of the most mature and best developed in the telephone art. Starting from a higher base of attained development in 1949, it gained 59.5% in the '50s, from 2,476,726 telephones to 3,946,332 telephones in service. In the face of higher than average population growth in this period, we may interpret its having a lower telephone rate of growth than the national average as confirming proof of the accepted fact that it was leading the race by quite a stretch at the beginning of the last decade.

We know Ohio is leading today; its population ratio to telephone development is 2.4 people to 1 against the national estimate of 2.5 to 1.

Believing that Ohio is in for a generous share of new growth and urbanization we will start at the heart of the telephone complex and consider central offices. What are we looking for in these from the manufacturers?

What Manufacturers Can Supply

There should be lighter and more compact switching systems, minimizing floor space, installation labor and maintenance. We should expect to see electronic registration and control for electro-mechanical switching with increasing trends toward the ultimate in miniaturization and electronic switching. There will be a growing telephone vocabulary and jargon built around diodes, transistors, semi-conductors, etc.

Economy and functional considerations will accelerate the present trend toward common control principles and away from direct dial pulse type of operation. The inherent flexibility and adaptibility of registration systems will provide more service with minimum additions and cost, particularly magnified in multi-office operation and in the automatic recording and billing of both local and toll traffic. With control circuits capable of operating 10,000 times faster than the present electro-mechanical exchanges, it is obvious that dramatically less of common machines and circuitry will be required to handle traffic flow.

In the central office there should be faster and cheaper maintenance of the preventive variety using automatic routining and fault isolation devices. We should expect much more mechanization in the making of traffic measurements and in the "policing" of message flow during peak traffic levels. A speed-up in both engineering and in functional traffic performance should be forthcoming.

There should be a reduction in the weight and cost of power supply. A revolution in techniques has been forecast with a new era of fuel cells a possibility. There will be new signalling devices and controls capable of handling a multiplicity of needs from actuating fire and burglar alarms to locking doors and probably to turning on and off the lights or the stove at home. Pocket and mobile summoning by radio may emerge from the highly selective commercial character of the present to become commonplace—a gadget is no longer a gadget when the public is ready with quantity demand.

In the toll dialing and toll board areas, we may look ahead to the inclusion of person-to-person and credit card calls under customer dialing or customer push botton control. A universal key type switchboard of desk proportions is more than speculation. These will be capable of handling person-to-person, collect, credit card, messenger service, pay station and charge-to-another number calls. End to end arrangement of bulky switchboard positions may tend toward obsolescence. Information, rate and route and special services of every variety are reaching out for faster and more direct techniques employing microfilm projections; the push button and visual projector may become convenient substitutes for the bulky and arm-tiring files of the present.

The central office of the future may not only lighten the problems of plant and display speedy customer appeal but also flash the needed information to traffic and commercial offices which now demands much footwork, paper work and clerical manpower. Not least of gains will be in accounting, commercial and billing offices with more machine-to-machine operations and diminishing manual functions.

Outside subscriber plant and inter-office trunking will not be neglected in discoveries and research of the Sixties. Less weight, more wear, transmission quality and workability standards are targets in a variety of new cable sheath materials and in insulation research focused pretty much at the chemical world of plastics.

There should be more and more service with less and less copper. Line concentrators and exchange carrier will become a part of standard outside engineering design. Radio may play a larger role as privacy objectives and problems of spectrum space can be satisfied.

Construction men will find partial realization of their famous "sky hook" dream with application of some air borne techniques in placing outside facilities. In urban districts and the suburbs more and more plant will go underground, including much subscriber drop plant. Corresponding new tools and methods will keep the plant man "on his toes" and frequently buried in new "specs."

Subscriber premises plant of the future also challenges the imagination. Orthodoxy in instrument design will give way to the "tailoring" approach. Custom designed private, loudspeaking and signalling devices and instruments may find their way on a commonplace commercial basis into desks, wall mountings and other aspects of business and residential furnishings.

The residential "complete service" will be sold including intercommunication facilities which may bring yards, swimming pools, tennis courts and garages into neat intercom, signalling and control units. The telephone outlet should aspire to compete in quantity and convenience with the electric outlet and the water faucet. Residential marketing of telephone service has begun to look for the customer's **every** need and desire. This trend will be more searching and eager to please in the Sixties and will be demanding greater versatility and more appealing designs from the factories. Residential architecture and interior design may become well interlaced with telephone sales.

Exit of the Alphabet from Dials

The alphabet may disappear from the dials of the future. Possibly the dial itself is on the way out in favor of push buttons and just as dramatic new "face lifting" as the instrument has been and is now undergoing.

We have witnessed the two-car family emerge from the luxurious distinction to the accepted and average circumstance; any family also knows instinctively the arguments that justify multiple lines at home. It is our job to remind them and sell them.

The toll phases of our industry seem to offer some of the broadest horizons for growth and service volume in the future. Toll usage and toll revenues are not "hemmed in" by the population statistics and the identity of instrumentalities which apply in the exchange service area. Voice with its auxiliaries of recording devices and the advent of instrument-to-instrument data and registration facilities can probably more than challenge the competition of airmail and message services. This is no one-way, super-highway, however, as eyes must remain sharply open to the competition of fascimile mail, private networks and package deals of data-message-voice systems.

There appears still to be an unlimited field for generating more and more public consciousness of how much can be done — how much time can be saved — how much clerical work can be eliminated by using the toll lines. Toll is the mass production arm of telephone economics. Unit costs reduce the usage under present day mechanization. Higher quality toll transmission with ample facilities to offer complete instantaneous customer-controlled service should tap incredible new demand and usage. This has been borne out recently in the international and extra-continental fields with submarine cable capacity being "soaked-up" almost instantly and defying engineering forecasts that were thought to be liberal.

Toll usage per average day increased from 5,923,000 calls per day in 1949 to 9,224,000 calls per day in 1959. In the domestic toll picture for the Sixties the present 15 million telephone users able to dial directly on a nationwide basis will probably increase to 75 million or more by 1970. Most of the domestic transmission will be by microwave and carrier—much more service using less and less copper.

The accelerated pace of our economy and society and the increasing cost of clerical and all manual effort set the stage for growth in long distance usage. More urbanization will contribute; 3½ million people are predicted to migrate from farms to the cities in the Sixties.

As the time and interest dimensions of the world shrink, telephone communications grow in ascending geometrical proportions. Many more high quality submarine cable routes throughout the world are planned. There will be improvements and expansion in tropospheric (over-the-horizon) systems feeding into the domestic toll system. It may be that satellite or moon reflection communications will increase volumes and speed services. Independent telephone company toll terminations, operating practices and revenues may be affected. TASI will augment cable capacity; this "time assignment speech interpolation" facility uses every pause and breath in a complex of simultaneous conversations to create more circuits, wedging more talk in between cabled conversations and almost doubling cable capacity.

Falling largely in the toll or inter-exchange area, the demands for private lines for industry and special private systems for defense and for industry will occupy an increasing proportion of management's engineering and administrative time. With two-thirds of the country's area served by Independent companies the decentralization trends in both industry and defense may be factors in accelerating Independent growth.

Conclusions

Having the Fifties now on record and these standards of progress to measure against, it seems realistic to rule out shocks or exclamations and anything resembling an industry revolution in this next decade. Rapid evolution under a quality crusade appears to be the tone of the era, bolstered by a lot of hard work and hard thinking.

New discoveries and their application should come in an orderly and healthy transition. Compatability with existing networks and experience of the past is probable.

Adequate rates and equitable settlement arrangements will present the usual recurring issues and must have favorable solution to guarantee uniform service standards and industry development throughout the country. This goes hand in hand with efficiency and minimizing operating costs to maintain adequate returns under prices having market appeal.

We may look for an era with population and economic growth interlaced with technological perfectionism. Looking back at this decade from the 1970s we should see comparisons and improvements reflecting impressive change. It is doubtful, however, that premature obsolescence of present equipment and methods will be a significant part of this scene with the present stage of the art as it is.

Many of us have witnessed the transition from the manual era to the dial — from the candlestick instrument to the handest — from ringdown toll to automatic ticketing and subscriber toll dialing—and, by illustrative parallel, the DC7 and Constellation stepping back in favor of the 707 and DC8. These transitions were good, under sound economic concepts. The future doubtless holds in store similar changes, centering largely on progress in electronics and more custom tailoring to the public need.

I see nothing sinister or uneconomic in the Sixties on the one hand and no bonanzas on the other. It looks like much more of the same challenge and excitement which we have shared together in the past in keeping pace technologically, in setting new standards of speed and appeal in our public service and in thrusting strong roots deeper into the economy as an unexcelled investment medium.

No admonition is more apropos of our industry and its best interest in this decade of discoveries —decade of excellence — than Thomas Edison's simple dedication of his own genius—"There's a way to do it better—find it."

*An address by Mr. Naylor before the Ohio Independent Telephone Association, Columbus, Ohio, March 29, 1960.

Norman A. Tulk

Norman A. Tulk, partner in Noble, Tulk & Co., Los Angeles, passed away April 3 at the age of 74. The former doyen of floor traders of the Los Angeles division of the Pacific Coast Stock Exchange, entered the investment business in Seattle. He moved to Los Angeles in 1926 purchasing a seat on the Los Angeles Exchange in 1927.

Some Safe Investments For the Small Investor

By Roger W. Babson

Small investors are provided a complete tour of what Mr. Babson considers to be safe investments with a good return. This includes government, municipal, and turnpike bonds and mutual funds. He advises, however, not to put all of one's investment funds into one basket—not even any of these that he suggests. For the retired person or one with a limited income, he recommends a two-family home in a good residential area.

I am often asked what are the best types of investments for those whose funds are limited and who need steady income to help with their living expenses or to provide a major part of such expenses. Here is my answer to these people and to others in similar circumstances:

Among the best investments from the point of view of safety of principal and continuity of income are U. S. Government Bonds. These are available in different series and maturities to accommodate different types of investors, and are selling not far above their low prices for the past 20 years. The longer maturities now return a yield of over 4%, which is more than you can get by leaving your money in a savings bank.

The full faith and credit of the United States is behind these government bonds, and I am sure Uncle Sam will never default on these obligations. It is entirely possible, however, that the money in which you will one day be repaid may purchase less than it does now, but that is a risk which you must take with almost any investment you make. Of course, government bonds are taxable, but there are comparatively few investments you can make which are not taxable.

Many of the bonds of cities and towns throughout the country pay well today and should be safe investments. A further advantage is that income derived from these municipals is non-taxable. I suggest, however, that you choose your municipal bonds carefully. It is desirable to know something about the financial affairs and tax income of the city or town whose bonds you buy; otherwise you should employ an investment counselor.

Usually, the best municipal bonds are those of localities of substantial size, though under 100,000 population. Avoid bonds issued by the lager cities. The risks involved in holding them are too great and too numerous, especially for people of moderate means and income. I also prefer bonds of interior cities which would probably not be bombed in case of World War III.

Advantages of Turnpike Issues

In my opinion, the bond issues of most of the larger turnpike authorities should prove to be safe investments for those who are really dependent on their investment income for their living expenses. These roads provide the safest and fastest mode of auto and truck transportation we have yet developed. The medium-term future of the better turnpike bonds should be excellent as far as earnings are concerned.

Some of these turnpikes may get into financial trouble because of competition with each other, or from airplane and helicopter facilities, but at present most of them are doing well. Of course, their income would be adversely affected in case of war, particularly if such a conflict should force a return to gasoline rationing.

Government, turnpike, and municipal bonds are not, by any means, the only investments today which offer safety of principal plus a good return. Most Mutual Funds offer good opportunities for income. They provide diversity for those whose limited savings would not permit them to buy many different stocks. Remember, however, that these Mutual Funds are only as good as the judgment of their managements.

Do not put all your investment funds into any one basket, whether it be individual Bonds, Stocks, or Mutual Funds. Also, do not forget that one of the better investments for a retired person or for one with limited income is to buy a two-family house in a good residential area and to live personally in one-half while renting the other half. This house should have a backyard with two or three trees.

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 5.5% in 1958 it, nevertheless, 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 points out that profits rise in 1959 reflects for many firms the product and production improvement they have made. The 1959 percentage increase of returns on net assets, which are generally carried on the books below present-day values, was greatest for these industries: drugs and medicines, cement, autos and trucks, soft drinks and tobacco products. The most spectacular profit performance, however, was put on by small companies or divisions recently formed in the physical science area.

According to the April *Monthly Bank Letter* published by the Bank, "annual reports for the year 1959 published to date by 3,331 corporations show combined net income after taxes of approximately $21.2 billion, an increase of 18% over the recession year 1958, compared with 20% shown in our preliminary summary of some 2,400 companies given last month. The rise may have been sufficient to put profits for all U. S. corporations up to the old peak recorded back in 1956.

"Gains in earnings last year reflected recovery, or strengthened growth, in sales or revenues as well as continuing labors over problems of cost control. For many firms the introduction of new or improved products, results of research and development, played a significant part. The most spectacular gains were recorded by small new companies in the scientific field.

"Leaving out financial institutions, aggregate sales and revenues of companies included in our tabulation ran up to $314 billion. On this base, the combined net income after taxes represented a net profit margin of 6.0%. This compares with 5.5% in 1958, but is below the 12-year average, 1947-58, of 6.4%.

"Book net assets of all the reporting companies aggregated $217 billion at the beginning of 1959, upon which the year's net income represented an average return of 9.8%. This was above the 8.9% for 1958, but below the 12-year average, 1947-58, of 11.3%. Book net assets (also called net worth, or capital and surplus, or shareholders' equity) are based upon the excess of total balance sheet assets over liabilities. It should be borne in mind in this kind of computation that the amounts at which assets are carried on the books are usually far below present-day values.

"Despite the preponderance of plus signs in the net income changes by major industry groups, an important minority of companies experienced declines because of lagging sales or mounting expenses. The fourth quarter was the poorest in comparison with 1958. Affected by the spreading impact of the 116-day steel strike, net income of the reporting companies as a whole fell below fourth quarter 1958 results.

Trends in Manufacturing

"For the 1,944 reporting manufacturing companies the combined net income was up 25%. Excluding the steel group, the manufacturing total was up 26%. One out of five reporting manufacturers, however, had decreased earnings for one reason or another. Deficits totaling $129 million were reported in 1959 by 145 companies against deficits totaling $165 million in 1958 by 216 companies.

The earnings rates in 1959 turned upward from the recession levels of 1958, but still remained below the levels realized in most earlier years since World War II.

"Net income after taxes as a percentage of total sales recovered, from 5.2 to 5.8%, but it was below the 12-year 1947-58 average of 6.3%. This includes income from investments and other sources as well as sales.

"Likewise, net income after taxes as a percentage of book net assets rose from 9.8 to 11.6%. It also was below the 12-year average of 14.2%. Because of the understatement generally of book net assets, the rates of return, if computed on present-day replacement costs of assets, would be considerably lower. Moreover, depreciation charges based on historical costs are usually much less than they would be if computed on the higher costs now prevailing, which means that book earnings are correspondingly overstated.

"Finally, the earnings as reported in financial statements are in most instances far above what is passed on to shareholders in the form of dividends. American corporations as a whole over the past ten years have retained almost half of their earnings for financing growth and modernization. Profit plowback has been the principal source of additional equity capital for industry."

NET INCOME OF LEADING CORPORATIONS FOR THE YEARS 1958 AND 1959
(Dollar Figures in Millions)

No. of Cos.	Industry Divisions	Net Income After Taxes 1958	Net Income After Taxes 1959	Per Cent Change	% Margin on Sales 1958	% Margin on Sales 1959
1,944	Manufacturing	$10,683	$13,327	+25	5.2	5.8
58	Mining	155	181	+17	6.9	6.5
246	Trade (retail & wh.)	821	945	+15	2.3	2.5
231	Transportation	771	792	+ 3	5.6	5.2
294	Public utilities	3,017	3,387	+12	13.5	13.6
132	Amusement, services	164	211	+28	3.9	4.7
426	Banks and finance	2,436	2,406	— 1	--	--
3,331	Total	$18,047	$21,250	+18	5.5	6.0

Goddard, Inc. Stock Offered

Robert L. Ferman & Co., Inc. together with Godfrey, Hamilton, Magnus & Co., Inc. offered on the afternoon of April 6, a new issue of 153,000 shares of Goddard, Inc. common stock (par 10 cents) at $3.25 per share.

The company was incorporated under the laws of Delaware on Nov. 30, 1959. The principal office is located at 1309 North Dixie Highway, West Palm Beach, Fla.

On Jan. 23, 1960, the company acquired, in exchange for 135,450 shares of its common stock, all of the outstanding capital stock of four affiliated corporations that were related through common ownership and management: Goddard Distributors, Inc., Goddard-Tampa, Inc., Goddard-Gainesville, Inc. and Goddard-Orlando, Inc. The company thus became a holding company; it provides management, administrative and financial services to its four operating subsidiaries.

The four operating subsidiaries are engaged in the business of (1) selling electronic parts and equipment directly to industrial users, educational institutions and installations of the United States armed forces; (2) selling to dealers and electronic equipment repair and service men a full line of electronic parts and equipment necessary to repair and maintain television sets, radios and other electronic products; and (3) selling selected consumer electronic products to a variety of consumer outlets.

The net proceeds to be realized from the sale of the securities offered are estimated at $398,662.50. Substantially all of such proceeds will be made available to the company's subsidiaries by means of loans or equity investments, or both.

COMING EVENTS

IN INVESTMENT FIELD

April 8, 1960 (New York City)
New York Security Dealers Association 34th annual dinner in the Grand Ballroom of the Hotel Biltmore.

April 8, 1960 (Toronto, Canada)
Toronto Bond Traders Association 28th annual dinner at the King Edward Hotel.

April 10-11-12, 1960 (Dallas, Tex.)
Texas Group of Investment Bankers Association of America 25th annual meeting at the Sheraton Dallas.

April 10-15, 1960 (Philadelphia, Pa.)
Institute of Investment Banking, Wharton School of Finance & Commerce, University of Pennsylvania.

April 19-20, 1960 (Philadelphia, Pennsylvania.)
Eastern Pennsylvania Group of Investment Bankers Association meeting.

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

April 28-29, 1960 (St. Louis, Mo.)
St. Louis Municipal Dealers Group Spring Party: Luncheon at Missouri Athletic Club, cocktail party and banquet at Park Plaza Hotel, April 28; Field Day at Glen Echo Country Club, April 29.

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

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

May 11-14, 1960 (White Sulphur Springs, W. Va.)
Meeting of the Board of Governors of the Investment Bankers Association.

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

May 19-20, 1960 (Nashville, Tenn.)
Nashville Security Traders Association Spring Party; cocktails and dinner May 19 at Hillwood Country Club; outing May 20 at Bellemeade Country Club.

May 20, 1960 (Baltimore, Md.)
Baltimore Security Traders Association annual spring outing at Maryland Country Club.

May 20, 1960 (Rolling Rock, Pa.)
Western Pennsylvania Group of Investment Bankers Association Meeting.

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

THE MARKET . . . AND YOU

BY WALLACE STREETE

Stocks showed a better tone in spots this week although the electronics, which have both successfully and unsuccessfully tried to spark the general list into rallies, bumped into a bit of resistance.

* * *

Autos came out of their hibernation and were among the leaders when the going was good and the senior electrics — Westinghouse and General Electric — were also prominent as the demand turned to the quality items.

A Technical Rally?

The action brought no great outbreak of glee because it was overdue even as a technical rally since there had been a string of six declining sessions strung together before support was found.

* * *

To the chart followers, the ability of industrials to hold above 615 was considered significant. That area had stemmed a decline a couple of weeks ago. And — always cheering to a chart man—the previous low was 615.09 while this time it was 615.98 which is a tentative pattern of a strong resistance area being built up. Also somewhat on the encouraging side was a buildup 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 blue about "the market" were still able to cull out handfuls of issues that were statistically low-priced, intrinsically defensive in case the market should come in for new selling, 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 International Telephone which, so far in the pinpoint 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 troubles in Latin America and Cuba that its role as a large manufacturer of electronics and data-processing equipment has been lost in the process.

* * *

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 better than that of 1956 when after-tax net posted the record high of $1.96 a share. But even after taxes last year's results came within six cents of the peak and put the company in a position, where with the anticipated improvement in business this year a new peak is a distinct possibility.

* * *

The ace-in-the-hole I.T.&T. is that it has been concentrating on manufacturing outlets in low-wage areas abroad coupled with the technical skills perfected domestically. One estimate is that its manufacturing operations abroad in telephone and electronic equipment now accounts for three-fifths of the total. At only around 20 times last years earnings, where other issues in the electronic section run from 40 to 60 times, I. T.&T. is one of the more reasonably-priced items in a company with a good potential.

An "Empire" at a Discount

Something of an industrial empire that has never really captured investor interest is that set up by the Kaiser family, and specifically Kaiser Industries which is a far different organization than it was the last time it was popular. At that time it was the company that was trying to shoulder into the highly competitive automobile market, a venture that was far short of being successful.

* * *

Kaiser Industries today still retains the profitable Willys Motors subsidiary but into it, in addition, have been put the widely divergent interests in Kaiser Aluminum, Permanente Cement and engineering and steel-making holdings. By some estimates, the stock is selling 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 stock. This entity has shown impressive growth in its comparatively brief corporate existence. But the growth has been overshadowed by an overproduction affliction in the aluminum industry in recent years, and obscured in Kaiser Aluminum itself by heavy expenses of expansion and startup problems. For the parent company, its tax loss credits are now over, so it is not a candidate for any startling profit statements. But the progress of basically thriving subsidiaries and affiliates could then start to show.

A Stock Rarity

There is also value in a stock rarity—that of the Secondary Market Operations of the Federal National Mortgage Assn. This is, in effect, government-sponsored stock and has no parallel. The basic FNMA organization is, and will continue to be, a government agency. But the secondary operations, in time, are supposed to be turned over to the shareholders to make it completely a publicly - held company. At the latest count the shareholder family had already been built up to 5,800 holders.

* * *

Shares are not available directly to the public. Only those selling mortgages to the agency can be issued stock directly. But there is no restriction, or any intention of putting any, on subsequent resale to the general public. The shares are one of only a handful that are on a monthly dividend basis, and the present rate indicates a yield of around 5% on stock selling at about half its book value.

* * *

There is no sudden tax problem here if the stock is turned completely over to the public. In order to preclude it, the agency pays the normal Federal income taxes to the government already. With money tight last year, reported earnings dipped inevitably. But over the half dozen years of the Secondary Market operation, growth has been impressive with earnings reaching $10,000,000 in 1958—a million less was reported in 1959 — and assets have mounted to $2 billion. With interest rates falling in recent weeks, its outlook is good for a resumption of the steady profit expansion this year. But even with last year's dip, net available to the stock figured out to $6.64 a share, which is well ahead of its indicated dividend payout at the present rate of $2.76.

Interesting Paper Item

Paper stocks have also been out of favor for some time and Union Bag, largest producer of paper bags, is another narrow-moving item with a 1960 range of not quite eight points. While paper prices have been pinched for several years, recent demand has been such that price increases have finally been possible with prospects of improvement in earnings for most major companies in the field.

* * *

The earnings projection for this year puts the price of the shares of Union Bag at around only 13-times earnings. More important to underlying value is its vast timber holdings which are carried on the books at less than a fifth of their probable value. And the stock currently is almost a third below its high of last year to add to the picture of reasonable value no matter which way "the market" decides to go.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Two With Hornblower

(Special to The Financial Chronicle)

CLEVELAND, Ohio—Frederick S. Asbeck and John A. Dettelbach have been added to the staff of Hornblower & Weeks, Union Commerce Building.

Thomson & McKinnon Install Chart Machine

In line with its policy of aiding customers by every scientific means available, the brokerage firm of Thomson & McKinnon, 2 Broadway, New York City, announces it has just installed a machine said to be "the last word in financial electronics." This new device, the first such to be installed in a New York brokerage house, presents on a screen a panorama 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, separate 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 entire stock list is charted in the very same 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 technicians. 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.

With B. C. Christopher

KANSAS CITY, Mo.—Charles G. Hutcheson has become affiliated with B. C. Christopher & Co., Board of Trade Building, members of the New York Stock Exchange.

Naftalin Adds to Staff

(Special to The Financial Chronicle)

MINNEAPOLIS, Minn.—John A. Zeimes has been added to the staff of Naftalin & Company, Inc., Rand Tower.

With McQueeny-Hendon

(Special to The Financial Chronicle)

KANSAS CITY, Mo.—Lloyd R. Chance is now connected with McQueeny-Hendon, Inc., 440 East Sixty-fourth Terrace. He was previously with Mutual Distributors Inc.

NEWS ABOUT BANKS AND BANKERS

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

Samuel T. Bitting, died March 29 at the age of 67. Mr. Bitting was an executive of **The National City Bank of New York** for nearly 35 years from which he retired in 1950.

* * *

THE CHASE NATIONAL BANK, N. Y.

	Mar. 31, '60	Dec. 31, '59
Tot. resources	$8,052,752,286	$8,471,866,354
Deposits	7,003,665,432	7,526,300,362
Cash and due from banks	1,925,412,805	2,094,662,547
U. S. Govt. sec. hldgs.	824,532,506	1,051,641,268
Lns. & discts.	4,194,821,465	4,226,167,454
Undiv. profits	95,867,063	91,570,700

April 4 the Mount Morris Office of **Chemical Bank New York Trust Company** opened on the northeast corner of 125th Street and Park Avenue instead of on the northwest corner where it has been for the last 79 years.

Originally established in 1881 as the **Mount Morris Bank**, the present office has been maintained in the true mid-Victorian style in which it was built. Catering to the "carriage trade" of its famous neighborhood, the bank was a show place for more than a generation. Still intact are the large mahogany furnishing, handwoven bronze grillework enclosing the tellers' quarters, stained glass windows and mosaic tile The flooring, too, is something to behold, in marble ingeniously cut to pattern.

The Mount Morris Bank was the bank of Samuel Clemens and it played an important role in providing funds for the publishing of his "Mark Twain" writings. On Oct. 11, 1913, it was merged with the **Corn Exchange Bank**, and John R. McWilliam, who later became President of the Corn got his start there as Manager. Through mergers with Chemical Bank & Trust Company in 1954 and The **New York Trust Company** last September, the branch has become one of the 104 offices today of Chemical Bank New York Trust Company.

* * *

C. Anderson McLeod has been elected Vice-President of **Chemical Bank New York Trust Company, New York,** it was announced today by Chairman Harold H. Helm. Mr. McLeod is with the Bank's Wall Street Division at 30 Broad Street, where he has served as an Assistant Vice-President since 1955.

CHEMICAL BANK NEW YORK TRUST COMPANY, NEW YORK

	Mar. 31, '60	Dec. 31, '59
Tot. resources	$3,951,500,270	$4,314,464,349
Deposits	3,381,490,224	3,711,176,704
Cash and due from banks	857,537,268	1,180,028,479
U. S. Govt. sec. hldgs.	405,086,541	456,816,268
Lns. & discts.	2,193,236,012	2,222,140,161
Undiv. profits	70,826,628	67,178,864

* * *

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

	Mar. 31, '60	Dec. 31, '59
Tot. resources	$3,921,483,066	$4,109,799,585
Deposits	3,187,373,038	3,362,998,235
Cash and due from banks	1,021,263,877	932,180,427
U. S. Govt. sec. hldgs.	289,795,215	439,949,330
Lns. & discts.	2,196,153,907	2,259,924,349
Undiv. profits	101,029,002	92,709,010

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Manufacturers Trust Company, New York, announces that its Far Eastern Representative Office will move to new and larger premises in the newly constructed Togin Building, 2, 1-chome, Marunouchi, Chiyodaku, Tokyo, on April 1, 1960.

Manufacturers Trust Company also maintains Representative Offices in Europe, at London, Paris, Frankfurt am Main and Rome.

MANUFACTURERS TRUST COMPANY, NEW YORK

	Mar. 31, '60	Dec. 31, '59
Tot. resources	$3,289,299,558	$3,439,982,536
Deposits	2,867,086,982	3,045,521,141
Cash and due from banks	797,173,866	954,473,337
U. S. Govt. sec. hldgs.	590,232,830	595,669,527
Lns. & discts.	1,503,542,865	1,514,507,949
Undiv. profits	33,558,896	30,051,680

* * *

UNDERWRITERS TRUST COMPANY NEW YORK

	Mar. 31, '60	Dec. 31, '59
Total resources	$47,957,284	$52,953,829
Deposits	43,592,922	47,018,634
Cash and due from banks	10,149,706	8,629,418
U. S. Govt. security holdings	20,688,911	21,184,461
Loans & discounts	13,154,091	19,470,520
Undivided profits	1,787,829	1,736,799

* * *

The election of Robert A. Halpern as Assistant Vice-President of **Trade Bank and Trust Company, New York,** was announced by Henry L. Schenk, President.

Mr. Halpern came to the Bank in 1952 as Coordinator of Business Development.

* * *

Bankers Trust Company, New York announced the retirement of Frank Shepard. George T. Davis, Vice-President, was named head of the International Banking Department, succeeding Frank Shepard. Max E. Gevers, Vice-President was named head of the foreign division.

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BANKERS TRUST COMPANY, NEW YORK

	Mar. 31, '60	Dec. 31, '59
Tot. resources	$2,943,884,105	$3,051,018,453
Deposits	2,561,854,408	2,703,122,774
Cash and due from banks	853,156,266	824,202,042
U. S. Govt. sec. hldgs.	275,968,659	439,451,303
Lns. & discts.	1,572,163,068	1,580,559,326
Undiv. profits	281,293,050	76,707,199

* * *

George W. McKinney Jr. has joined **Irving Trust Company, New York,** as an Assistant Vice-President in its Investment Administration Division.

* * *

THE STERLING NATIONAL BANK AND TRUST COMPANY, NEW YORK

	Mar. 31, '60	Dec. 31, '59
Tot. resources	$150,099,351	$164,218,637
Deposits	132,584,415	147,780,586
Cash and due from banks	29,959,965	37,479,189
U. S. Govt. sec. hldgs.	26,458,829	33,126,117
Lns. & discts.	89,754,547	88,632,964
Undiv. profits	1,935,638	1,903,071

The Commercial Bank of North America, New York, in the March 24 issue of the "Chronicle," on page 1291, announced the proposal by the stockholders to increase its capital stock by 42,023 shares. The proposal was approved and the right to subscribe at $24 per share for 42,023 additional shares at the rate of one new share for each 12 shares held of record at the close of business on March 29 was offered to the stockholders. Such holders have the additional right of subscribing, subject to allotment by the Board of Directors, to such number of the 42,023 additional shares as are not subscribed for initially pursuant to the rights. The right to subscribe, evidenced by transferable subscription warrants will expire on April 14. This offering will increase the authorized capital stock of the bank from $2,521,375 consisting of 504,275 shares with a par value of $5 each, to $2,731,490 consisting of 546,298 shares of such capital stock.

* * *

COMMERCIAL BANK OF NORTH AMERICA, NEW YORK

	Mar. 31,'60	Dec. 31,'59
Total resources	$172,065,547	$178,729,657
Deposits	145,312,354	160,209,786
Cash and due from banks	19,404,286	27,346,278
U. S. Govt. security holdings	41,979,670	46,764,664
Loans and discts.	95,862,010	87,754,336
Undivided profits	3,460,915	2,324,468

The directors of **J. Henry Schroder Banking Corporation, New York** and **Schroder Trust Company** announced the appointment of David Lomer as Assistant Vice-President, Roy C. Ford as Assistant Treasurer and John T. Lyons as Assistant Secretary of both banks. Mr. Lyons was also named Assistant Trust Officer of Schroder Trust Company.

* * *

IRVING TRUST COMPANY, NEW YORK

	Mar. 31, '60	Dec. 31, '59
Tot. resources	$1,765,032,642	$1,920,010,345
Deposits	1,501,207,274	1,673,956,971
Cash and due from banks	449,884,888	510,726,494
U. S. Govt. sec. hldgs.	226,944,797	337,283,019
Lns & discts	928,563,243	935,141,895
Undiv. profits	28,810,787	31,310,594

* * *

THE HANOVER BANK, NEW YORK

	Mar. 31, '60	Dec. 31, '59
Tot. resources	$1,713,616,098	$1,822,693,466
Deposits	1,453,659,995	1,586,959,072
Cash and due from banks	438,962,002	502,171,870
U. S. Govt. sec. hldgs.	260,542,835	261,307,829
Lns. & discts.	888,796,912	940,107,073
Undiv. profits	33,496,045	37,037,148

William C. McMillen, Jr., President of **Colonial Trust Company, New York,** announced on March 29, the election of Ira Hirschmann to the post of Director and Chairman of the operating committee. He resigned recently as Chairman of the **Gotham Bank.**

* * *

THE MARINE MIDLAND TRUST COMPANY, NEW YORK

	Mar. 31, '60	Dec. 31, '59
Tot. resources	$625,384,829	$680,316,014
Deposits	548,998,570	603,869,585
Cash and due from banks	190,024,558	222,159,735
U. S. Govt. sec. hldgs.	93,502,476	105,305,377
Lns. & discts	306,943,273	319,266,729
Undiv. profits	15,155,358	14,354,155

* * *

THE BANK OF NEW YORK

	Mar. 15, '60	Dec. 31, '59
Tot. resources	$594,110,837	$635,408,213
Deposits	517,176,651	554,596,638
Cash and due from banks	182,687,630	201,732,186
U. S. Govt. sec. hldgs.	73,670,947	93,029,852
Lns. & discts.	293,650,499	294,916,430
Undiv. profits	7,941,930	7,733,513

* * *

The Long Island Trust Company, Garden City, New York, has received approval from banking authorities to open a new branch office in Mineola, Frederick Hainfeld, Jr., President, announced.

* * *

Arthur T. Roth, Chairman of **Franklin National Bank of Long Island, New York,** announced plans for the bank to expand into New York City by acquiring a bank through merger or under a holding company.

* * *

Gordon S. Mohr, President of the **People's Bank of Hamburg, New York,** died on March 31, at the age of 64.

* * *

RHODE ISLAND HOSPITAL TRUST COMPANY, PROVIDENCE, R. I.

	Mar. 15, '60	Dec. 31, '59
Tot. resources	$325,419,784	$328,606,832
Deposits	279,038,984	291,709,015
Cash and due from banks	51,151,086	46,515,308
U. S. Govt. sec. hldgs.	73,717,796	77,997,519
Lns. & discts.	178,649,124	183,162,626
Undiv. profits	3,827,792	3,662,732

* * *

THE CONNECTICUT BANK AND TRUST COMPANY, HARTFORD, CONN.

	Mar. 15, '60	Dec. 31, '59
Tot. resources	$414,133,271	$436,060,296
Deposits	350,398,575	394,317,575
Cash and due from banks	78,904,283	111,027,167
U. S. Govt. sec. hldgs.	78,785,267	81,291,087
Lns. & discts.	183,605,034	179,577,150
Undiv. profits	7,142,453	7,001,348

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SOCIETY NATIONAL BANK OF CLEVELAND, OHIO

	Mar. 31,'60	Dec. 31,'59
Total resources	$418,473,648	$421,113,081
Deposits	380,721,962	386,463,441
Cash and due from banks	39,930,196	45,799,421
U. S. Govt. security holdings	94,404,207	100,768,711
Loans and discts.	227,367,478	222,441,165
Undivided profits	1,295,166	1,000,000

Kenneth V. Zwiener, President, **Harris Trust and Savings Bank, Chicago, Ill.** and Lester Armour, Chairman of the Board of **Chicago National Bank, Chicago, Ill.,** announced that directors of each bank on March 30 approved an agreement to merge Chicago National and Harris Bank. The merger agreement will be submitted to shareholders of both banks at special meetings to be held on May 4, with the effective date of the consolidation set for Oct. 24. Approval of the merger must also be obtained from the Director of Financial Institutions of the State of Illinois.

The merger agreement provides for an exchange of 1 1/7 shares of Harris stock for each share of Chicago National stock, which will result in the issuance of 200,000 shares of Harris capital stock in exchange for Chicago National's presently outstanding 175,000 The agreement further provides for a 5% stock dividend on the 1,300,000 shares of Harris stock outstanding at the time the merger is consummated. The resulting 1,365,000 shares will give the Harris a capital account in excess of the total capital accounts of the two banks prior to the merger. 84.6% of the shares in the continuing bank will be held by present Harris shareholders, and 15.4% by present Chicago National shareholders.

When the merger is completed, Harris Bank capital will be increased from its present total of $22,000,000, consisting of 1,100,000 $20 par value shares, to $27,300,000, consistig of 1,365,000 $20 par value shares. The proposed capital structure of the Harris after the merger will consist of $27,300,000 of capital, $26,000,000 of surplus, undividend profits of about $4,193,000, and reserves of $5,000,000 — making total capital funds of $62,493,000.

Kennth V. Zwiener, President of the Harris, will continue as President and Chief Executive Officer of the continuing bank. Stanley G. Harris, now Chairman of the Executive Committee at the Harris, will become Chairman of the Board. Lester Armour, Chairman of the Board at Chicago National, will become Vice-Chairman of the Board in the continuing bank. Frank G. Anger, President of Chicago National, will become a Senior Vice-President of the Harris Bank.

Under the policy respecting tenure of directors adopted at a board meeting of the Harris Bank on Sept. 14, 1949, Norman W. Harris and John L. McCaffrey have chosen not to stand for reelection at the next annual meeting, and have offered to make their places available two months earlier than would normally be the case. As a result 20 members of the present board of Harris will remain as directors in the continuing bank when the merger becomes effective.

Lester Armour, Harold H. Anderson, George R. Birkelund, Paul L. Morrison, and John T. Rettaliata, all presently members of the Chicago National board, will be proposed for election to the board of the Harris in the continuing bank.

* * *

A new bank opened in Chicago on April 7. This is the **Illinois State Bank of Chicago, Ill.,** located in the Continental Companies Building at Michigan and Jackson.

* * *

The Commercial National Bank of Ithaca, Mich., increased its common capital stock, by a stock dividend, from $210,000 to $252,000, and also by the sale of new stock from $252,000 to $332,000. Effective March 22. (Number of shares outstanding 16,600, par value $20.)

* * *

By a stock dividend, the **National Bank of Lincoln, Neb.,** increased its common capital stock from $100,000 to $200,000. Effective March 21. (Number of shares outstanding 2,000, par value $100.)

* * *

Clarence F. Fick has been named Cashier of the **Baden Bank of St. Louis, Mo.,** by the board of directors, William H. Kruse, President, has announced, Mr. Fick, previously Assistant Cashier, was named as a result of the election of Raymond H. Wahlbrink, the former Vice-President and Cashier, to the post of Executive Vice-President.

Mr. Fick joined the bank in 1949. His previous position included service in the correspondent banking department of the Bank of St. Louis.

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The bulk of the employees of **Southwest Bank of St. Louis, Mo.,** recently purchased shares of stock in the recent public offering, I. A. Long, President, announced. All the officers and directors also purchased shares as did many in the community.

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ZIONS FIRST NATIONAL BANK, SALT LAKE CITY, UTAH

	Mar. 15, '60	June 10, '59
Tot. resources	$138,915,074	$140,227,897
Deposits	123,217,188	118,287,101
Cash and due from banks	25,035,295	24,158,055
U. S. Govt. sec. hldgs.	29,597,824	40,630,569
Lns. & discts.	75,549,904	66,035,506
Undiv. profits & reserves	3,845,807	3,648,400

Shareholders of **The Bank of California, N. A., San Francisco, Calif.,** at a special meeting on March 29 approved the issuance of 256,930 additional shares of $10 par capital stock.

The new shares will be offered to shareholders of record at the close of business March 29, at $40 a share on the basis of one share for each five shares held on that date. Rights issued to shareholders will expire on April 19, and any unsubscribed shares will be purchased by an underwriting group headed by Blyth & Co., Inc.

Elliott McAllister, Chairman of the Board, pointed out that the sale of the additional shares will bring the total capital funds of the bank to a sum in excess of $53,000,000. This will be made up of $40,000,000 in capital and surplus and the remainder representing undivided profits.

* * *

William Pflueger, Executive Vice-President of **Crocker-Anglo National Bank, San Francisco, Calif.** will retire as an officer of the bank on Aug. 1 upon completion of 45 years of service, it was announced by Paul E. Hoover President. Mr. Pflueger, will however, continue as a member of the bank's board of directors and executive committee.

Mr. Pflueger began his banking career in 1915 with the First National Bank of San Francisco, a Crocker-Anglo predecessor. He rose from assistant cashier in 1930 to a Vice-Presidency in 1942. Nine years later, he was elected a Crocker First National Director and, in 1954, was designated Executive Vice-President.

Callahan, Moran In Garvin, Bantel

Garvin, Bantel & Co., 120 Broadway, New York City, members of the New York Stock Exchange announce a new service in high grade bonds, unlisted preferred and common stocks, managed by Frank W. Callahan and assisted by Frank X. Moran. Mr. Callahan for the past eight years has been associated with Kidder, Peabody & Co. Mr. Moran was with Vila & Hickey, in the Industrial Bond Department.

Joins Eastman Dillon

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif. — Beatrice B. Blizzard has joined the staff of Eastman Dillon, Union Securities & Co., 415 Laurel Street.

Schenkman Opens Office

DUMONT, N. J.—Terry Schenkman is conducting a securities business from offices at 162 Magnolia Avenue.

Consumers Seen Spending at a Record High Rate

Recently completed 16th survey by the University of Michigan, now financed by private industry and the Ford Foundation instead of the Federal Reserve, reveals a change for the better in consumer willingness to buy. This includes new cars, most household equipment and houses.

Consumer attitudes and inclinations to buy are "much improved" since the steel strike, but still below the peak levels attained during 1955-56, The University of Michigan Survey Research Center reported March 30.

In a report summarizing findings of its 16th annual Survey of Consumer Finances, the Center declared:

"Consumers' current inclinations to buy promise a positive stimulus to the American economy, without confirming some earlier predictions (by others) of a great 1960 boom in consumer spending."

The Center's findings are based on interviews with a nationwide sample of 3,000 families during January and February. Previously supported by the Federal Reserve Board, the project was financed this year by private industry and the Ford Foundation.

(The Center's Index of Consumer Attitudes, including buying intentions, rose from a low of 98 during the steel strike to 102 after the steel strike and 110 during January and February. This compares with an all-time high of 113 in November and December, 1956 and a recession low of 92 early in 1958.)

The greatest improvement in consumer sentiment has occurred in opinions about the business outlook and in evaluation of market conditions, the Center noted.

Three out of four Americans (75%) believe "good times" will prevail in the next 12 months—equal to the all-time high set in August, 1956.

The rest expect bad times (7%), are uncertain (11%), see some good and some bad factors (5%), or have no comment (2%).

The proportion who think "it's a good time to buy" automobiles and other durable goods is "much higher" now than a year ago, the Center said.

Buying intentions for new cars at present are 20% above a year ago, but only a little bit ahead of June or November, 1959.

"Consumer attitudes toward compact cars remain very favorable," the Center noted. "Since a substantial proportion of prospective car buyers intend to purchase compact cars, the median planned expenditure for new cars shows a sizable drop compared to a year ago."

Intentions to buy houses recovered during the last few months, after declining under the impact of widely noticed increases in interest rates during the spring and summer of 1959. Purchase plans for most household equipment items are "somewhat higher" than a year ago, the Center added.

Since the steel strike, the attitudes of lower and middle income families improved to a greater extent than upper income families. While all three groups have become more optimistic, the differences between them have diminished.

A general improvement in ability to buy has accompanied the development of more favorable attitudes toward buying, the Center reported. The proportion of upper income families has increased and the distribution of liquid assets (cash, government bonds, and the like) has become more favorable than a few years ago.

Approximately one-fourth (25%) of the nation's families now have liquid assets of $2,000 or more. Almost as many (22½%) 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 per cent 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 1959 (from 61 to 72%). As in previous years, most consumers (70%) consider the prospect of inflation as unfavorable to the economy or their personal financial position.

On the other hand, relatively many people are now impressed by price stability in household appliances. And the availability of compact 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 in late 1959 and 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)

LOS ANGELES, Calif.—Robert L. Meyers, James H. Miller, and Leonard R. Perman are now with Hayden, Stone & Co., 4657 Wilshire Boulevard.

Investment Lectures At Harris, Upham & Co.

Harris, Upham & Co., 99 Park Avenue, New York City, have announced a series of Monday evening lecture and discussion periods, open to the public, will take place in that office from 7:30 to 8:30 p.m.

The meetings, scheduled for April 11, 18, 25 and May 2, will treat consecutively "Individual Investment Planning" by Mrs. Rose O'Neill; "Investing For The Future" by Thomas B. Meek, Office Manager; "Value of Research Behind All This Planning" by Mrs. O'Neill; and "Reading Financial Statements" by Mr. Meek.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The long-term 4¼% bond due May 15, 1985, and callable after May 15, 1975, was the issue which the Treasury offered for cash in the maximum total of $1.5 billion but will accept what it can get below that figure. Authorities evidently were testing the long-term bond market to see how much investors would take of an obligation with a rate still within the current limit for securities with a due date of more than five years. There is no question but what the way in which the long-term new money bond (Douglas 4¼s) is received will have political implications.

The two-year and one-month 4% note which was offered in the amount of $2 billion for new money by the government will, along with the 25-year bond, take care of the current fiscal year cash needs of the Treasury. The April 15 maturity was refunded by a 12-month Treasury bill. This refunding bill, and the short note, were well within the expectations of the money market. The long bond, however, was not, and it tended to confuse the market.

Long Bond Unexpected

The Treasury took the money and capital markets at their word last week when they offered a long bond along with a short note to take care of new cash requirements. In addition, they offered a 12-month bill to refund a like amount that are coming due on April 15. The 25-year 4¼% bond, callable in 15 years, was a surprise as far as the financial district was concerned even though a bond with a maturity up to ten years would not have been unexpected. Also, it was the first bond financing by the Treasury since April of 1959 when the 4% bond due in 1969 was reopened for sale.

Market Improvement Made Long Issue Possible

The interest rate ceiling of 4¼% on obligations due in more than five years had prevented the Treasury from selling a bond for nearly a year. However, in the past month quotations of all government issues have gone up sharply, with the longer term bonds moving up in price to levels that enabled the Treasury to offer a 4¼% bond within the existing interest rate limit.

Nonetheless, the market for long-term government bonds has been on the thin side for a long time because of the limited interest among investors for this type of security. Some pension funds and certain fraternal and charitable organizations have been the principal buyers of the outstanding government bonds, but these commitments have not been sizable. On the other hand, there have not been heavy sellers in these issues with advancing prices. As a result, quotations of Treasury bonds have been moved up and down very readily by the professional element in the bond market.

Because of the lack of interest and the narrowness of the long-term government market, and the present and recently prevailing rates of return, there is more than a passing amount of opinion as to why the Treasury used such a long-term obligation in its spring new money operation.

Demand for New 4¼s May Not Be Large

The maximum amount which can be obtained from the long-term bond is limited to $1.5 billion but the feeling in money market circles is that the Treasury will have to settle for considerably less than that figure, with the $500 million (or thereabouts) lower level of the range probably much more likely to be looked upon as a satisfactory showing. However, the short 4% note will provide the Treasury with $2 billion of new money and the 91-day bills could be increased if there is need for more cash later on.

Moves Against "Free Riders"

The Treasury also announced changes in the handling of its refinancing operations and in the future there will be a flexibility so that the government should be able to cut down and control, if not eliminate entirely, the so-called "free riders." This would prevent over-speculation in Treasury obligations such as took place in June of 1958, when the 2⅝s of 1965 were bought so heavily by the unsophisticated element of the money market. Whether or not the Treasury will use the new rules and regulations in the May 15 refunding was not made known by the government.

Balanced Budget Seen

In spite of reports that government revenues are running below estimates for the fiscal year ended June 30, it is not believed that the deficit will be large since expenditures are also reported to be running under estimates.

J. C. Eldridge Now With York & Co.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Joseph C. Eldridge has become associated with York & Co., 235 Montgomery Street, members of the Pacific Coast Stock Exchange. Mr. Eldridge was formerly an officer of I. L. Brooks & Co., Inc.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Portland General Electric Company

Portland General Electric supplies electricity to about 40% of the population of Oregon, including the city of Portland and the lower Willamette Valley; the area covers 2,700 square miles, including 44 cities and towns. In Portland, however, the company competes with Pacific Power & Light although the latter has only 29% of the combined electric revenues in the competitive area compared with PGE's 71%.

The city of Portland, while located 100 miles inland, is considered one of the important fresh-water ports of the world. It serves as a major distribution center for both raw materials and manufactured goods, being the center of a trade area of 210,000 square miles in three States with a combined population of over 3 million. This area contains rich farm land, substantial timber resources and diversified minerals. The water supply is ample for hydro power, irrigation, navigation and industrial uses.

The company has enjoyed good growth: in the past decade electric plant account increased 161%, kwh sales 114%, revenues about 100%, the number of customers 29%, and residential usage per annum 84%. It has been forecast that by 1980 the population of Portland's tributary area will reach 5.3 million.

In 1959 the company's hydro plants provided about 31% of its output (and a negligible amount of steam power). Most of the balance was purchased from Bonneville under a 20-year contract expiring 1973, and from other members of the Northwest Power Pool. Because of the declining amount of Bonneville power which will be available in future years (due to the increasing demands on Bonneville by public power agencies, under the Preference Clause) Portland GE has entered into long-term purchase contracts with several PUDs — Rocky Reach, Priest Rapids, and Wanapum. Under these contracts substantial additional capacity is expected to become available during the years 1960-64. The company also has an interest, jointly with three other utilities, in Pacific Northwest Power Company which proposes to build the High Mountain Sheep Project on the Snake River, with an initial capacity of 875,000 kw and an ultimate capacity of twice this amount. This project has not yet received final FPC approval.

The company also has plans for an additional hydro development of its own. It is seeking regulatory approval for the Round Butte Project on the Deschutes River, about 8 miles upstream from the Pelton project which was developed earlier. The powerhouse will have three generating units with a capability of 100,000 kw each. Included in the $72,600,000 estimated cost are plans to construct a new 230-kv, 110-mile transmission line from the new powerhouse to the Bethel substation.

Residential revenues account for about 55% of total revenues, and commercial and industrial 40% (industrial being relatively small). The average residential rate for electricity in the PGE area is only 1.11 cents per kwh, and average annual residential usage is 9,186 kwh. These figures compare with the national averages of 2.50¢ per kwh, and 3,563 kwh usage. While natural gas became available in the Pacific Northwest in 1957, surveys indicate that the upward trend in the use of electricity for cooking, clothes drying, water heating and refrigeration will continue, and that electric energy will also be used in increasing amounts for space heating and air conditioning.

The common stock record has been approximately as follows in recent years, after adjusting for a 2-for-1 split in 1954:

Year	Earnings	Divs.	Approximate Price Range
1959	$1.76(a)	$1.20	32 - 26
1958	1.80(b)	1.20	30 - 21
1957	1.75	1.20	26 - 21
1956	1.73	1.15	26 - 20
1955	1.67	1.05	31 - 20
1954	1.45	0.97½	23 - 16
1953	1.27	0.90	16 - 14
1952	1.24	0.90	16 - 14
1951	1.33	0.90	14 - 13
1950	1.38	0.90	14 - 12
1949	1.12	0.90	13 - 11

(a) Includes tax deferrals resulting from use of rapid depreciation, probably in excess of 24c a share.

(b) Includes 24c a share resulting from tax deferrals due to use of accelerated depreciation, beginning Jan. 1, 1958.

The company obtained a rate increase of $1,924,734 effective March 10, 1960, which is equivalent after taxes to about 25¢ a share; about 37% of the amount requested was allowed.

PGE has no preferred stock outstanding; capital structure is about 50% mortgage debt, 8% debentures, 7% bank loans and 35% common stock equity (including amounts reflecting "flow through" of tax deferrals in 1958-9).

The dividend rate is $1.20; dividends were 78% free of Federal income taxes in 1958, and 100% "tax free" in 1959. It seems probable that a substantial part of dividends will continue tax free in 1961-3, as a result of use of accelerated amortization and liberalized depreciation. However, certain income tax litigation, relating to prior years, before the U. S. District Court in Portland, may have some bearing on the future tax status of dividends.

Quoted in the over-counter market around 28½ recently, the stock yields 4.2% and sells at 16.2 times earnings as reported.

Ambrose V.-P. of Harriman Ripley

The election of C. Clarke Ambrose as a Vice-President of the investment firm of Harriman Ripley & Co., Inc., 63 Wall St., New York City, was announced April 1, by Stuart F. Silloway, President.

C. Clarke Ambrose

Mr. Ambrose has been a member of Harriman Ripley's Buying Department staff since Aug. 1, 1950, and in 1958 he was elected an Assistant Vice-President of the firm.

Forms Arden Perin Co.

Arden Perin is engaging in a securities business from offices at 1175 York Avenue, New York City under the firm name of Arden Perin Company. Mr. Perin was formerly an officer of Glickman Securities Corporation.

Life Insurance Stocks as The Investor's Choice

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

Mr. Wilder resoundingly endorses investing in life insurance stocks under the guidance of professional management. In so doing, he presents several criteria to judge stock companies, compares their average performance to a representative industrial average, singles out some particular stocks, and looks into the future prospect of growth without sacrifice of stability.

Listening to professional analysts and chart men discuss the securities market is always refreshing to me, but the prospect of doing all the necessary work that they must do in evaluating a security is overwhelming. As I watch various professional investment men, I marvel at their patience at digging out the facts.

Henry L. Wilder, Jr.

There are three basic requirements for a person who takes on the job of selecting securities: No. 1, Time — No. 2, Training — No. 3, Temperament.

First requirement, Time. Research men and women spend hours digging out information and proving facts in preparation for the buying or selling of a security. One person with one or two hours a day to spare cannot compete with the one person working eight hours a day every day. The part-time investor has five to ten hours of research a week, as compared with 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 each week in concentrated investment work.

Second point, Training. As in all professions, certain requirements are essential for successful investing. These requirements vary according to your individual approach. One of these is the so-called point and figure method. Other chart methods can be used if understood — other statistical methods are applied—in every instance much factual information is gathered and analyzed. This information is plotted against past history—projected against future prospects—and every basic move 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 humorous poems, cartoons, and jokes about people buying and selling securities. Most of these laugh at one of the most serious factors involved, namely, Temperament. This characteristic (emotion or the lack of emotion) is vital to proper investment decision for you cannot make a profit by holding the stock of a buggy whip company in this day and age even if Grandfather did invent the darn thing. Being able to buy and hold growth stocks through the bad times as well as the good, holding them because of **your** analysis and understanding of the potential, and not getting panicky in "stormy weather," leads toward financial success.

In the early days of stock market history — when bears were bears and bulls were really rambunctious—when rails were highly speculative and before the cattle kings were deposed by the oil kings—facts were of relatively little importance. It was not "what you knew" but "who you knew."

Recommends Life Insurance Stocks

Today's market is radically different—thank Heaven. For now, calculated detailed evaluation of business enterprises can be accomplished and investments made based upon fact. Throughout these past turbulent years, there is one industry which has consistently shown profits to wise investors seeking capital appreciation—an industry with an indispensable commodity—few labor problems, if any—no inventory problem—a business with multiple sources of income. I refer to the Life Insurance industry.

Let us look at this industry and take it apart—like looking into a watch—by opening the case, we can see some of the wheels working and get some idea of the principles involved. Let us look at four facts about the life insurance business:

No. 1, insurance in force. Of particular note here is the consistent upsweep of the line since 1900 and especially the acceleration since 1940. The accompanying statistics show the extent to which the stock companies have been increasing their share of the overall increase in the industry.

	1941 Billion	1958 Billion
Total Insurance	$118	$522
Stk. Companies	$37	$197
Percentage ----	28%	37½%

Fact No. 2. The sales picture during the past 19 years. In 1940, U. S. companies sold life insurance at the rate of $11 billions, where as in 1958 $73 billion were sold. Particularly significant is the rise from 1955 on, for this is insurance already written on which the real income to the insurance companies is just now beginning! There are only 10 years of the past 60 years in which sales have not increased. There have been only two years in which income dropped.

Fact No. 3. Assets of the insurance companies. In 1940, total assets were $31 billion, whereas by 1958 this figure had risen to $108 billion. I believe that the statistics now being made ready will show assets well over $113 billion. These billions, of course, are invested by the life insurance companies. This is the largest private pool of investment capital in the world.

Fact No. 4. In 1958, the insurance companies received premium income of $15½ billion in contrast to $3.9 billion in 1940. And, as previously noted, despite the fact that sales had fallen in 10 years of the past 60, in only two of these years — namely, 1932 and 1933 — did premium income drop. This points up one of the great elements of stability in the industry and shows the value of insurance in force.

How the Investor Has Fared

At this point it is well to ask how well has the investor in insurance stocks fared.

For an answer, let's refer to Standard & Poor's Industrial Index and the Alfred M. Best Life Insurance Index in the period 1940 to 1959. In 1940, both of these were at the same point (8.7). By 1959, the Standard & Poor Index had increased to 59.9, whereas Best's had gone to 190.4. Thus, it outperformed the industrial average 3 to 1. To translate this into dollars, let us assume an investment of $10,000 in each of these indices:

	Jan. 1941	Dec. 1959
Standard & Poor's	$10,000	$62,000
Best's ------------	10,000	204,700

Even in a 10-years period —

	Dec. 1949	Dec. 1959
Standard & Poor's	$10,000	$38,700
Best's ------------	10,000	74,300

The record shows that during the period of 1946 to September of 1959, an investment of $10,000 in RCA showed a gain of 199%, General Motors 342%, Standard Oil of New Jersey 394%, whereas a similar investment in Continental Assurance grew 2,844%, and Franklin Life 3,772%.

What About the Future?

Up to now we have been discussing past history. What about the future? Can we expect these years to repeat themselves? Well, we know that we are living longer. Our life expectancy has increased 22 years since 1900, 6 years since 1941. Science is consistently making advances that daily improve our ability to live longer. The life insurance business benefits from this happy state of affairs in two ways—first, the mortality tables on which they base their premiums are out of date and will always be so because they are based upon statistics of past years; second, the insurance companies do not insure just anyone—or everyone. They select their risks and therefore are able to attain a much better record than average mortality. In 1958, the actual mortality payments were only 48% of the amount anticipated.

I would like to comment on one of the several profit factors. When a premium is computed by a life insurance company, they predict certain things. One, payment of death benefits based upon the past mortality tables—two, receipt of a required rate of, say, 3% on their invested reserves — three, anticipated overhead expenses — four, sales commissions and miscellaneous expenses. And then they add a profit factor to the premium!

In other words, **if** medical science fails to improve our life expectancy— **if** IBM cannot show the insurance companies how to cut bookkeeping costs — and **if** they cannot earn more than 3% on their investments, the built-in profit margin assures them of a reasonable return. Because of this one profit factor alone, it logically follows that the sale of more insurance will result in more income to the life company itself.

The next question is—can insurance sales be expected to continue to increase? The answer is definitely YES, because of: (1) the well known population explosion; (2) inflation increasing the need for larger policies; (3) higher standards of living; and (4) the development of new methods of selling and new uses for insurance, such as key man insurance, pension planning, family policies, and group insurance.

Money is a subject of vital—indeed, of universal—interest because it is a medium of exchange with which we can buy the goods, services and luxuries we need and want.

In seeking growth, most of us are aware that under normal circumstances, in order to achieve growth, we sacrifice income and stability. In my view, one can invest for growth and not sacrifice stability in the securities of the life insurance industry which, by nature, is stable and which by record has shown growth.

*An address by Mr. Wilder before the Stock Market Forum at the office of Edwards & Hanly, Hempstead, L. I., March 23, 1960.

Calvin Bullock Appoints Smith

Philip W. Smith has been appointed New York City District Sales Manager for Calvin Bullock, Ltd., 1 Wall Street, New York. Since 1956, Mr. Smith has been sales representative for Calvin Bullock in the Philadelphia area and in several southeastern states.

Joins Mitchum, Jones

(Special to The Financial Chronicle)

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

With J. B. Hanauer

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif.—Robert B. Monroe has been added to the staff of J. B. Hanauer & Co., 140 South Beverly Drive.

Binder Adds to Staff

(Special to The Financial Chronicle)

LOS ANGELES, Calif. — Morris Gershen has joined the staff of Binder & Co., Inc., 542 South Spring Street.

Joins Eastman Dillon

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Dennis G. Gramza has become affiliated with Eastman Dillon, Union Securities & Co., 3115 Wilshire Boulevard.

SOUTHERN RAILWAY COMPANY

Sixty-Sixth Annual Report for the Year Ended December 31, 1959

To the Stockholders of

SOUTHERN RAILWAY COMPANY:

The 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 effect of excessive 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 $4.65 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, 1960 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,

April 4, 1960
Washington, D. C.

HARRY A. DEBUTTS,
President.

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:

	Net Income After Taxes and Charges	Earnings Per Share of Common Stock After Preferred Stock Dividends
1955	$37,993,249	$5.39
1956	38,871.606	5.52
1957	34,066,710	4.78
1958	30,254,231	4.20
1959	33,126,744	4.65

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 $240,575,627, passenger revenues to $10,478,973, mail revenues to $11,169,460. Business handled in 1959 as compared with 1958 and the average of the five years 1955-59, is shown in the following table:

Business Handled

	1959	1958	Average 1955-59
Tons of freight moved	66,409,702	60,766,228	65,452,050
Average distance moved	222 miles	226 miles	225 miles
Ton miles	14.7 billion	13.8 billion	14.7 billion
Average revenue per ton mile	1.636 cents	1.636 cents	1.605 cents
Number of passengers	1,151,789	1,272,405	1,481,687
Passenger miles	341 million	375 million	430 million

Operating Expenses

Although operating expenses were again adversely affected by increased hourly wage rates and costs of material, expenses for the year were reduced by $2,172,484, or 1.2% under 1958 without reduction in necessary maintenance.

Taxes

Railway taxes for 1959 were accrued in the amount of $40,772,509, an increase of $13,742,253 over the previous year.

Tax accruals were equivalent to 15¢ 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 $4.65 per share after charges, taxes and preferred dividends.

Rapid amortization on certain capital investments made in aid of national defense, while not chargeable to depreciation under Interstate Commerce Commission accounting classifications, was allowable in computing federal income taxes. For 1959, the difference between the book and tax figures amounts, in taxes, to 42¢ per share of Common Stock as compared with 60¢ in 1958.

As provided by the Internal Revenue Code, in computing federal income taxes the Company uses the declining balance method in determining the depreciation deduction on certain of its properties. For 1959, the difference between the tax figures and the book figures, which are computed on the straight line method as required by the Interstate Commerce Commission, amounts, in taxes, to 17¢ per share of Common Stock.

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 rents, but before payment of interest and other fixed charges. In 1958, net railway operating income was $37,476,162.

Ratios

The ratios for 1959 for the several subdivisions of operating expenses, taxes and equipment and joint facility rents, expressed in the number of cents out of each dollar of revenue, are shown in this table and compared with corresponding ratios for the average for the five years 1955-59.

	1959	Average 1955-59
Transportation	31.5	31.7
Maintenance of Way	11.9	13.2
Maintenance of Equipment	16.5	17.0
Traffic Expenses	2.2	2.1
General Expenses	5.1	4.5
Incidental Expenses	0.4	0.6
Totals	67.6	69.1
Taxes	15.0	13.1
Equipment and Joint Facility Rents	2.8	2.1
Grand Totals	85.4	84.3

Fixed charges in 1959 were covered 3.82 times as compared with 3.56 times in 1958 and 2.68 times for Class I railroads in 1959.

There remained for capital and corporate needs, for fixed charges, maturities of debt, and for the owners 14.6¢ out of each dollar of 1959 operating revenues, the same as in 1958, and compared with 7.6¢ for Class I railroads in 1959.

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 dividends paid in 1959 to $21,166,092.

A further dividend of 70¢ per share was declared on the Common Stock on January 26, 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 operating income before federal income taxes amounted to 22.8% in 1959, as compared with 18.6% 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 at 7 additional inspection points during the year. The 40 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. The effect of this modern and enlarged 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 welded; that is, the individual rails were welded together into lengths of 1,443 feet, practically eliminating joints. This so-called "ribbon" rail has substantial inherent economies in extended life of rail and lessened maintenance requirements.

Industrial Development

During 1959 there were established, or ground broken for, 112 new industries at points served by our System lines, 36 distribution warehouses were located and expansions were completed or well under way by 121 existing plants. Aggregate investment in the 269 projects amounted to $368,516,500, 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 well diversified group of industries, the greater part of the money expended was 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 over the entire System. The Tennessee River Pulp and Paper Company is constructing a kraft paper and container board mill at Counce, Tenn., to be served by its own railroad, connecting with the Southern and other lines at Corinth, Miss. A hardboard mill is being erected alongside Bowaters Carolina Corporation's recently completed pulp mill 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; additions 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., of 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 will be substantially expanded in 1960. 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 Inman Mills, at Inman, S. C.; J. P. Stevens & Co. at 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 1959 an example of how existing industry attracts allied plants was the establishment of a plant by Ball Brothers Company, Inc., near Asheville, N. C. A good portion of the production of glass jars from this plant will go to the nearby plant of Gerber Baby Foods. Another important container plant located during the year is that of 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

SOUTHERN RAILWAY (Continued)

South Boston, Va., which will manufacture particleboard, a relatively new product in the building materials industry.

Capital Improvements

Improvements to the Company's roadway plant with new and modern facilities added $9,768,000, gross, to the road property account in 1959.

New Equipment

During 1959, the Company received and put into service 23 diesel locomotives at a cost of $6,113,000, and 76 covered hopper cars, of composite aluminum-steel construction, at a cost of $1,446,000. Of this total cost, $1,514,000 was paid from the Company's treasury and the remainder was financed through conditional sale agreements. $3,062,000 was spent for additions and betterments to equipment. The gross charges to capital account for equipment were $10,621,000 in 1959.

At the close of the year there were on order for Southern Railway Company to be delivered during the first half of 1960, 757 freight cars estimated to cost $16,261,000, of which 20% will be paid from the Company's treasury cash. The remainder has been financed through conditional sale agreements.

The locomotive units delivered in 1959 were 2,400 h.p. diesel-electric freight locomotive units of a new type recently developed by the Electro-Motive Division of General Motors Corporation. These units incorporate all of the technological improvements in diesels to date, including a substantial increase in power which is useful in the Company's operation.

The freight cars purchased in 1959 for delivery in that year and in 1960 are high-capacity, roller bearing gondola and covered hopper cars of composite aluminum-steel construction. This purchase represents a pioneering step in adapting to freight car construction the lightness and corrosion resistance of aluminum. The new cars are more costly than conventional cars of the same type but the initial cost will be dynamically offset by the higher return produced from the greater carrying capacity and freedom from corrosion.

During 1959 there were also developed special purpose "wood chip cars," with a capacity two and one-half times greater than standard hoppers, for use in the pulp and paper manufacturing business, and "easy-load — easy-unload" freight box cars with the entire sides opening as doors. These cars are especially adapted to loading and unloading by fork lifts, bringing substantial reduction in the costs of loading and unloading and further improving the economy of rail transport. These cars are further recognition by Southern of the need to supply special purpose equipment, where needed for heavy volume rail transportation, to reduce loading and other handling costs 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 $68,900,410 as compared with $72,063,337 at the end of 1958 and $82,716,409 at the end of 1957.

Installments of equipment debt payments due in 1960 are estimated to be $9,122,922. This will more than be offset—as to the effect on cash—by depreciation chargeable to operating expenses in the amount of approximately $16,173,000.

New Rail

During 1959, 25,085 net tons of new rail were laid as compared with 32,533 net tons on the average over the period 1955 to 1959 inclusive. Improved maintenance techniques and extensive rail programs in recent years have reduced immediate need for new rail so that the Company has ordered only 6,681 net tons of new rail for the year 1960.

USE IN 1959 OF FINANCIAL RESOURCES

Cash Flow

At the beginning of the year, the Company had in cash and marketable securities $66,328,273. At the end of the year, this figure was $71,408,395, an increase of $5,080,122.

During the year the Company had available for expenditure, after providing for operating expenses, a net income of $33,126,744. From the depreciation accruals there was available $16,166,380, from the proceeds of conditional sale contracts $5,234,829, and from other sources $3,116,148. The excess of tax accruals during the year over tax payments, principally the federal income tax accrual—was $13,050,583. From all of these sources available cash was $70,694,684.

There was spent during the year from treasury cash for capital improvements to road and structures $10,233,044. For new equipment and additions and betterments to equipment there was spent $9,768,255 and for equipment obligation installments $9,219,191. There was paid on the redemption of funded debt obligations and for sinking fund deposits of the Company, and a station company, $3,343,777. There was paid for the purchase of the stock of affiliated companies $1,580,216. There was advanced to affiliated companies and others for the purchase of land to be held for industrial development, and for other purposes, $4,611,779. With the payment of $21,166,979 in dividends and $5,691,321 for miscellaneous purposes, these expenditures from the Company's treasury totaled $65,614,562.

Net Funded Debt and Fixed Charges

The Company's fixed charges, as defined by the Interstate Commerce Commission (less charges on the Company's bonds held by a subsidiary and income from securities of its Leasehold Estates owned by the Company), were at the annual rate of approximately $10,998,000 on December 31, 1959, as compared with $11,317,000 at the end of 1958 and $12,312,000 at the post-war high point which was reached in 1953.

The current net fixed charges are equivalent to 4.04% of the 1959 gross revenues, as compared with 4.41% in 1958 and 4.08% on the average over the five years 1955-59.

The funded debt of the Company outstanding in the hands of the public at December 31, 1959, amounted to $141,476,500 as compared with $144,099,500 at the end of 1958. Payments and accruals for interest, rent for leased lines, Equipment Obligation maturities and Sinking Fund payments to be provided in the year 1960 amount to approximately $22,014,000 as compared with $22,100,000 for the year 1959 and $22,787,000, on the average, for the years 1955-59.

OF GENERAL INTEREST TO THE STOCKHOLDERS

Langbourne M. Williams
New Member of Board of Directors

Langbourne M. Williams, Board Chairman of the Freeport Sulphur Company, was elected a Director of the Company by the Board of Directors at its meeting on June 23, 1959, to complete the term of the late Robert M. Hanes of Winston-Salem, N. C. Born in Richmond, Va., Mr. Williams maintains his home in Rapidan, Va.

Freeport Sulphur, in addition to its own substantial operation south of New Orleans, has just completed, through its subsidiary, Freeport Nickel Company, a substantial industrial installation on the lines of Louisiana Southern Railway Co., a subsidiary of Southern Railway.

Mr. Williams is also a Director of Texaco, Inc., and of B. F. Goodrich Company.

Rates and Fares

The Transportation Act of 1958 which amended the Interstate Commerce Act to provide that the charges made by rail carriers shall not be required to be held to a particular level, in order to protect the traffic of another mode of transportation, is beginning to have its effect on the Company's ability to reduce rates without the requirement of long and tedious proceedings before the Interstate Commerce Commission and in the Courts. Where the Company can show that the rates proposed are fully compensatory, and not discriminatory, the Commission is now allowing more and more of our rate proposals to become effective without the suspensions requested by competing modes of transportation.

The Company's policy of not increasing any freight rates, where doing so would price it out of the market and reduce its net income, was continued in 1959. The Traffic Department continues to study from day to day our competitive position with respect to trucks on the highways, barges on the inland rivers and coastwise water service between the East and ports on the South Atlantic and Gulf coasts. The Company continues to press actively for reduction in rates on selected commodities where necessary to meet competition of other transportation agencies and where such lower rates add to the Company's net.

Divisions Case

The Northern railroads have again asked the Interstate Commerce Commission to investigate the divisions of joint interterritorial rates between Northern and Southern Territories and the matter is now pending before the Commission.

"Divisions" are the distribution of through rates between the various carriers performing the service. The charge made to the shipper is not affected, the matter before the Commission being the proper share for each railroad of the through rate.

On two previous applications by the Northern roads, the Commission granted increased divisions to those carriers, the last decision being covered by an order dated January 12, 1953. This decision has taken away from the railroads in the South approximately 25 million dollars annually. This has been costly to the South without solving the problems of the Northern roads.

The Company intends, together with other railroads in the South, vigorously to oppose this new application by every available means—and to insist that the divisions paid to the Southern railroads should be increased.

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 the future is a bright one. Coal is the predominant fuel in the generation of electricity. A number of power companies in the South have programs under way to construct new, or expand present, generating plant facilities so that a further growth in coal traffic to meet the need of the industrially growing South may be expected. One of the world's largest generating plants is under construction on 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 aftermath of the strikes, some of the mines served by our lines, and others served by our short line connections, were slow to reopen resulting in some decline in the amount of coal traffic originated. Normal production is gradually being resumed.

To insure the continued movement of coal by rail, rates have been and are being adjusted where necessary to keep coal competitive with other types of fuel, and rail transportation competitive with other modes of transportation. The reduced rates are restricted by tariff provision for application on tender by the shipper of a minimum volume of tonnage, such as 2,500 tons, and subject to heavier 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 and unloading of cars affording 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., July 21, 1959, the acquisition by Southern Railway Company of all of the outstanding stock of the Interstate Railroad Company in exchange for 275,000 shares of the Company's Common Stock was approved. The exchange has been approved by the stockholders of the Virginia Coal and Iron Company, sole owner of the Interstate Railroad Company, and the matter is now before the Interstate Commerce Commission for its approval which is required before the exchange can be made.

Interstate owns and operates a railroad from Stonega to Norton, Va., and from Norton to Glamorgan and Miller Yard, Va., in the coal fields of Wise County, Va., aggregating with branches, trackage rights and switching tracks, about 88 miles of railroad. This mileage provides the only rail service for coal mines with reserves currently estimated to exceed 500 million tons. It is believed that the acquisition of the Interstate Railroad will be of substantial benefit to the Company. It is not possible at this time to estimate when the necessary proceeding before the Interstate Commerce Commission can be completed.

Railway Express Agency

During 1959, a new contract was negotiated between Railway Express Agency, Inc., and its owning and contracting lines. Under the new arrangement, the Express Agency will have freedom to select the most economical mode of transportation for conducting its operations rather than being required to adhere to rail, and to historical traffic patterns, as required under the old contract. The new arrangement also provides for the Agency to operate on a profit basis rather than on the cost-plus arrangement heretofore in effect. It is believed that the new contract, after a suitable transition period, will demonstrate whether the express business can be operated profitably in the public interest and in the interest of its owners. Southern Railway System lines own 2.4% of the outstanding stock of Railway Express Agency, Inc.

Labor Relations

Under provisions of escalator clauses of the 1956 three-year National Agreements with employees represented by labor organizations, there was a cost-of-living wage increase of 3¢ per hour effective November 1, 1959, resulting in estimated annual increase in payrolls of $1,034,784.

The following notices, served in 1959 on all of the Nation's railroads, were pending at the end of the year:

Non-operating Organizations — Requests for wage increase of 25¢ 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 any industry to order this newest and most powerful business computer"—the newly developed transistorized 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 which will be helpful in producing reports and more sophisticated accounting, including business problem simulations.

The 7080 will be installed in the Southern's computer center at Atlanta 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 high speed printing 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 assure that there always will be a qualified "man behind the man behind the man" who now holds any responsible management job. From these programs, the first of which was started in 1914 in the Operating Department, have come most of today's officer personnel of the railway. In addition, five presidents and many other high-ranking officers of other railroads were Southern trained through these programs.

Careful selection of trainees, on-the-job and classroom study and training, 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 Cotton Mills and Springs 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 effort 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

	In 1959	In 1958	5 Year Average 1955-1959
This Company received from freight, passenger aond miscellaneous operations a total revenue of	$271,881,449	$256,334,177	$269,472,136
The cost of maintaining the property and of operating the railroad was	183,914,960	186,087,444	186,095,534
Leaving a balance from railroad operations of	$87,966,489	$70,246,733	$83,376,602
Federal, state and local taxes required	40,772,509	27,030,256	35,363,247
Leaving a balance of	$47,193,980	$43,216,477	$48,013,355
The Company paid to other companies for hire of equipment and use of joint facilities in excess of the amount received by it from those sources	7,501,732	5,740,315	5,649,233
Leaving an income from railway operations of	$39,692,248	$37,476,162	$42,364,122
Other income derived from investments in stocks and bonds and miscellaneous items was	6,038,092	5,443,762	5,851,793
Making a total income of	$45,730,340	$42,919,924	$48,215,915
Interest on funded debt and equipment obligations, rents paid for leased railroads and miscellaneous deductions totaled	12,603,596	12,665,693	13,353,407
Resulting in a net income of	$33,126,744	$30,254,231	$34,862,508

Position at End of the Year

	On December 31, 1959	On December 31, 1958	5 Year Average 1955-1959
ASSETS			
Cash and special deposits	$21,912,500	$23,314,860	$22,796,733
Temporary investments	44,773,259	40,419,573	43,533,898
Miscellaneous accounts receivable	19,521,428	19,907,887	19,097,788
Material and supplies	8,588,691	7,269,412	8,999,214
Working fund advances, prepayments and other current assets	659,317	667,973	726,817
Current Assets	$95,455,195	$91,579,705	$95,154,450
Unexpended balance contracted for under Conditional Sale Agreements to be disbursed upon delivery and acceptance of equipment			$2,245,480
Sinking, capital and other reserve funds	158,085	164,919	416,749
Insurance and other funds	540,620	377,194	401,358
Investment in affiliated companies and others	104,903,031	99,504,827	103,289,151
Investment in road and equipment	799,712,469	785,078,231	767,609,676
Less: Depreciation, amortization, donations and grants, and acquisition adjustments	173,722,398	155,675,988	148,548,413
	$625,990,071	$629,402,243	$619,061,263
Other assets and deferred charges	$4,167,325	$4,295,675	$4,655,620
Total Assets	$831,214,327	$825,324,563	$825,224,071
LIABILITIES			
Owed for materials, supplies, wages, balances to other railroad companies, interest, dividends and rents	$25,993,807	$28,258,933	$25,781,949
Taxes accrued	31,605,203	21,171,133	32,652;822
Other current liabilities	1,606,583	1,791,260	3,871,613
Current Liabilities	$59,205,593	$51,221,326	$62,306,384
Long-term debt	$223,569,871	$229,355,799	$231,857,965
Casualty and other reserves	6,396,090	6,627,194	6,595,885
Other liabilities and deferred credits	5,934,249	6,314,218	7,537,093
Depreciation of road and equipment leased from other companies	7,052,866	5,857,883	5,756,051
Total Liabilities	$302,158,669	$299,576,420	$314,053,378
SHAREHOLDERS' EQUITY CONSISTING OF:			
Capital Stock:			
Preferred	$60,000,000	$60,000,000	$60,000,000
Common	129,569,300	129,541,300	129,698,520
Capital surplus	584,198	284,643	335,540
Retained Income:			
Appropriated	3,259,163	3,108,038	2,956,800
Unappropriated which is largely invested in the property	335,642,997	332,814,162	318,179,833
Total Shareholders' Equity	$529,055,658	$525,748,143	$511,170,693
Liabilities and Shareholders' Equity	$831,214,327	$825,324,563	$825,224,071

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 restudy the speed-up plan of the European Common Market means the July 1st deadline goal will not be met. Even though West Germany may, after all, still go along with its fellow members' proposal to erect a tariff wall between the "Inner Six" and the "Outer Seven," it does provide more time to breach the impasse between the two rival trading groups. The grievous consequences apt to follow the independent course of the E.E.C., at the expense of the E.F.T.A., are described here. Dr. Einzig hopes that Mr. Macmillan's belated warning made during his recent visit to Washington, D. C., may correct the situation in terms of a satisfactory compromise.

LONDON, England—The remarks attributed to Mr. Macmillan concerning the American attitude towards the European Common Market appear to have amply confirmed what I said in my last week's article about the strength of the feeling that prevailed on the subject in London. British official circles and business circles are very bitter about what they regard as official American encouragement for an action which threatens to lead to a trade war in Western Europe.

The Paris meeting of officials of the 20 governments concerned with the E.F.T.A.-E.E.C. controversy which had been awaited with so much interest produced no results whatsoever beyond setting up yet another committee. The attitude adopted by the Common Market representatives was absolutely rigid and uncompromising, in sharp contrast with the spirit of give-and-take that prevailed at the previous Paris meeting of the same governments in January.

Rightly or wrongly this stiffening of the Common Market's attitude is attributed in British official circles to the encouragement they received from Washington to proceed with Professor Holstein's proposals to accelerate the tariff discrimination scheme. It is true the State Department repeated to Mr. Macmillan its reassuring statement that it had no intention of backing up E.E.C. against E.F.T.A. But according to British sources the attitude of the American representatives at the Paris meeting tells a different tale. It is felt in London that there is a limit to the extent to which the supreme art of diplomacy, which by a slight change in emphasis offers each of the two opponents the interpretation which is apt to please them, can carry conviction. If Mr. Macmillan's remarks were only half as strong as they were reported to have been it would indicate that this limit has now been reached.

Possibly there is not sufficient understanding on London for the strength of feeling in Washington in favor of seeing the consolidation of the Common Market for the sake of the political implications of such an economic union. On the other hand, it is evident that in the way in which that union is proposed to be achieved, it is certain to disunite Western Europe rather than unite it. Britain can ill afford to lose her markets in Western Germany and the Benelux countries as a result of the acceleration of the Common Market arrangements, which does not leave enough time to negotiate a compromise.

Acceptance of this loss is made even more difficult by the aggressive and provocative way in which the French Government is determined to bring about a showdown with the rival trading groups.

The worst of it is that a trade war in Western Europe, if the West German Government's postponement of the July 1st goal does not result in a compromise, is not likely to remain confined to the economic sphere. Even if we discounted the allusions Mr. Macmillan is alleged to have made to the possibility of a British-Russian raproachment, such a clash is certain to disrupt NATO. British troops from Germany would be withdrawn or reduced to skeleton formations, and American-British relations would deteriorate. In the economic sphere, too, Mr. Macmillan is alleged to have alluded to the possibility of reverting to discrimination against imports, even from the dollar area. Such a measure might be considered inevitable as a result of a deterioration of Britain's balance of payment resulting from discrimination against British goods by Common Market countries.

Having regard to all this it may well be asked whether the acceleration of the Common Market scheme would not cause more trouble than it is worth. Even from a political point of view its advantages would depend too much on the longevity of two old statesmen, the younger of whom is 70 and older 84. They may live physically and politically long enough to consolidate the alliance based on economic integration. On the other hand, if either of them should cease to control the political destinies of his country the whole edifice of the Common Market is liable to disintegrate.

The interests of the rival trading groups in Western Europe are by no means incapable of reconciliation. There is ample scope for a compromise, but the view is strongly held in London that American diplomacy, by backing up the aggressor, has not been very helpful towards the solution of this difficult problem. This is possibly the fault of the E.F.T.A. governments which, until Mr. Macmillan's recent visit, may not have indicated in Washington how strongly they felt about the subject. Indeed the British Government was recently subject to criticism in Swedish and Swiss circles on the ground that, for the sake of avoiding anything that would disturb harmonious relations between London and Washington, it has omitted to express its full feelings, and did its utmost to restrain its E.F.T.A. partners too. However this may be, possibly Mr. Macmillan's outburst, by making the position quite clear, may in the long run be beneficial both for E.F.T.A.-E.E.C. relationship and for American-British relationship.

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 practices before it is too late to stop the government from making a forced draft solution at the expense of free management and free labor. Mr. Oram compares the effect of the silting action of obsolete working practices to the costly obstruction of silt at docks and in channels, and outlines six rules changes labor is being asked to accept. He avers that, contrary to labor's claim, they will strengthen rather than destroy unionism. Moreover, he warns that the threefold pressures emanating from the Cold War, competitive drive of foreign nations and the public's changing attitude no longer permits the luxury of costs exceeding increased productivity and the artificial preservation of jobs.

Every year the Pennsylvania RR. spends many thousands of dollars in the dredging operations that take place around our coal and ore docks in Philadelphia. In 1959 the cost of dredging at the ore pier alone was over $117,000. The excessive price we pay to maintain water depths of 38 feet at these piers has caused our maintenance people to undertake extensive studies of river currents. They seek to reduce the problem of too much silt by getting at the cause of silting action.


J. W. Oram

To study this problem of silting under laboratory conditions, engineers and scientists have built a complete scale model of that part of the Delaware River located adjacent to our piers. By the use of water, dye and Gilsonite, silting action can be accurately reproduced. From the information gained in these investigations it is the hope of the engineers to develop a breakwater that will reduce the accumulation of silt and, in this way, eventually cut dredging costs.

I will admit that, at first glance, there appears to be little resemblance between the silting action of the Delaware River and "Work Practices," the topic of my discourse. But if you will examine my subject more closely, you will be startled by their similarity. May I explain? A union agreement generally defines work practices. It classifies jobs by categories and says who can do what. It may go so far as to fix the size of a work crew in a given operation. Furthermore, the labor contract establishes penalties for working employes out of classification even on related jobs.

Of course, when a provision controlling a particular work practice is negotiated, it is normally done within the framework of existing circumstances and for this reason it is probably perfectly appropriate, at least at the time it is accepted. In fact, the very need for the regulation is undoubtedly caused by a given set of conditions on a given occasion.

But no matter why a provision governing an individual job practice is in a union agreement, it is simply good business—from the point of view of both management and labor—to review union contracts periodically with an eye toward up-dating obsolete methods. In this way the clogging silt of wasteful and archaic working customs can be dredged out of manufacturing or service processes, thus freeing operations for greater productivity.

The Theory of Collective Bargaining

Of course, the labor theoretician will declare that this is the purpose of free collective bargaining. According to him, the union makes demands. The company offers counter-proposals. Because the mutuality of interests of labor and management is greater than their conflict, it is his premise that through reasoned discussion the two parties will come up with a new agreement entirely fair to both. That is the hypothesis. Actually it has little resemblance to reality. It discounts the power of the Government, it ignores the political and economic pressures that entrenched union interests can bring to bear on management to secure a desired objective.

For these reasons collective bargaining — especially in basic industries — has been far from free. Beginning in 1936 (a year that marked the political ascendancy of organized labor) contract negotiations have followed this familiar pattern. Large unions advance highly publicized proposals on wages and fringe benefits. Their idea of a concession is to reduce the original asking price for industrial peace and accuse management of being inflexible if it does not quickly accede to the new terms. Management is on the defensive, its major effort directed at holding down the score, rather than seeking contract improvements. And the Government's role in labor relations has been very much like that of a doctor who asks the patient for a diagnosis and, then, inquires what prescription he wants for a cure?

The Consequence of Labor's Resistance to Change

The consequence of this one-sided approach to the determination of wages, hours, and working conditions was easily foreseeable. Industry's work practices became choked with silt—popularly called "featherbedding"—and labor has emotionally refused to consider contract dredging as the solution to the problem. Like the Delaware River, unions simply hope to keep "rolling along" regardless of the depth of the channel. Evidently, too, from their propaganda they would have the public believe that any move taken by management to increase efficiency through the use of better machines, or more effective job techniques, is aimed at destroying labor as such. Logically this position is untenable. The elimination of unneeded or unwanted jobs, the modernization of yesterday's working practices, does not imperil the cause of unionism. Indeed, that cause is strengthened.

It is not difficult to understand the point of view of labor on this most important issue. Union leaders are parochial in their approach to statesmanship. They are concerned with the interests of only one segment of our society. They argue—and I do not question their sincerity—"What's good for labor is good for the country."

Is Labor's Strategy Short-Sighted?

Although labor depicts itself as the unselfish champion of its members—although labor leaders are quick to devise a glibly humanistic and economic rationale for embalming the *status quo* whenever that seems to work, even momentarily, in labor's interests, the line that separates the goals desired by the membership and those that labor unions want strictly for their own purposes is becoming increasingly blurred.

Featherbedding is a case in point. I submit that the partisan interest of the men who rule labor is as much at the root of the widespread dispute that is now taking place in American industry over this issue as is any genuine rank and file concern over job security. However, I agree that labor has been successful—at least initially—in preying on the economic fears of its members in order to secure their support for objectives which may actually run counter to their interests. For example, in the current railroad controversy so much emotion is being generated about work rules that some employes are being persuaded—as is at least a part of the public—that management wants to change work rules—not to strengthen the industry and thus be able to pay for the higher wages and broader benefits of its people—but to take an axe to the job security of the work force and to weaken the strength of its union.

It is always easier to attack a person than an idea. The short-term expediency of gaining a point by casting suspicion on the motives of an opponent is a device that was not created by the politicians of labor although they use it exceedingly well. However much a union may take pride in momentarily blocking the advance of technological progress, union leaders cannot escape one economic law that operates above the power of any organization or government to control. It is this: If the workers want to make more money, they have got to produce more and do it as efficiently as possible.

The Railroad Industry Makes a Clear Case

So long as a responsible company is hampered by artificial restrictions on its production capabilities, is has no recourse but to seek to unshackle itself.

Unfortunately, however, the case against featherbedding is for many industries difficult to explain in such a way that the public can clearly understand the problem, but the railroad industry is, to some extent, an exception. While its labor agreements are extremely complex, it is not difficult to show how continuance of certain outmoded work rules threatens the future of the industry. After all, the man on the street doesn't need an annotated guide to labor relations to realize that a fireman on a diesel locomotive, like Old Black Joe, has laid down the shovel but continues to go along for a well-paid ride. For this reason, railroads are very much like that scale model of the Delaware River that our engineers have built to study silting action around our coal and ore piers. They serve as a laboratory at which the public can be enlightened as to the economic consequence of "make-work" practices.

There is nothing obscure about the origin of our work rules, nor is there any secret about why they continue to exist even though many of them were formulated more than 40 years ago when the Iron Horse had a coal burning stomach. For many decades a combination of forces—vested union power, Government interference, and public apathy—made it impossible for our industry to free itself from the binding regulations of the past. The cost of railroad featherbedding is also known. It is estimated at $500 million a year—and this does not include coffee breaks, vacations, or holidays, as the unions have tried to make you believe.

This short discourse does not permit me to give specific examples of featherbedding on the railroads. But I can assure you that there are literally thousands of specific examples that can be given. Many of them have already been mentioned publicly, and no doubt many have read about them in the newspapers. Many more will be given before this problem is resolved.

However, I think I can give a general picture of the situation by describing, briefly, the specific proposals the railroads served on the railroad unions last Nov. 2.

The Proposals for Rules Changes

(1) *Give the railroads the right to determine whether firemen should be used on diesel or other nonsteam locomotives in freight and yard service.*

The fireman on the diesel is a classic example of the "make-work" problem. A Canadian Royal Commission has studied the facts and concluded that he serves no useful purpose from either a safety or operational standpoint. Today the Pennsylvania Railroad operates no steam engines. Nevertheless, nearly 4,000 firemen continue to be paid approximately $28 million every year, although their historic mission of shoveling coal has long since ended.

(2) *Adjust the 40-year-old pay formula for road crews to conform with improved train speeds and technology.*

The so-called dual basis of pay is a compensation system for train and engine crews which use both mileage and time to determine wage payments. Originally, it was an incentive system intended to encourage employes to get over the road quickly. Forty years ago it represented a fair day's work for a fair day's pay. But 1919 is not 1960. In freight service this rule provides that a basic day shall consist of 100 miles or 8 hours of work. When the rule went into effect it took a freight train about 8 hours to go 100 miles. However, a modern train travels much faster. Nevertheless, the idea has grown in the minds of employes that all they have contracted to do is run the number of miles in their assignment, whatever that might be, and then go home, even if their duties have taken only a few hours of time. In effect, it is a piecework system which has never been adjusted to keep pace with the improvements in our machine, as is normally done in other industries.

(3) *Permit longer crew runs in keeping with the ability of locomotives and crews to cover more territory.*

The intention was to protect the seniority of men in each district. But as train speeds increased it became possible to run through two districts in the time formerly required to go through one. However, in many cases the unions have refused to permit this. This means management may be forced to use one crew to run 100 miles, a second crew to run the next 100 miles, and pay both a full day's wages when the work could be performed by the original crew in a reasonable length of time.

(4) *Remove artificial barriers which prevent road crews from working in yards or yard crews from working on the road.*

Road men and yard men have the same skills — belong to the same crafts. They do the same kind of work. But until the costly restrictions imposed by archaic work rules are removed from agreements, our industry will be prevented from utilizing its available manpower fully and effectively. For example, on my railroad road trainmen have to be paid an additional day's pay at the yard rate if, in picking up a few cars for their train from a yard track, they set the brakes on the cars left standing there so they won't roll down and block the

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

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ally or family-owned, could be handed on to heirs, by bequest through a decedent estate. But impelled 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, Chock 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 headliners among new issues in 1959 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 Transtron. In the bond market, the sensation was the Government issue of "Magic Fives." The year 1959 was, 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 the offerings and, most often buy for 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 wouldn't be any Over-the-Counter Market. So, especially in declining markets, not only trading acumen but very substantial resources are indispensable requirements of dealers in securities not listed on an 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 operating commercial 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 1959 doing, almost to a maximum, the business for which they were designed — loaning money! The loan experiences were excellent, the rates attractive (to the banks!) so record profits were reported from Morgan Guaranty in New York to the First National Bank of Seattle. Thousands of new bank shareholders were added last year, and they all bought their stock, Over-the-Counter.

Life insurance companies, too, made new stockholder friends in 1959. 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. 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. The 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 its diversification embraces every American and hundreds of foreign industries; how it responds to, and accommodates, the public enthusiasm for exciting new issues; how it provides the valuations on which estates are settled, and businesses merged or sold. But, this is not academic dissertation.

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 consecutive 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, great potential for rising earnings, or because they may be the unrecognized, unheralded blue chips of tomorrow.

So, we say consider this market, broad, diverse and replete with durable dividend payers. You can rely on the Over-the-Counter Market for breadth and quality of selection and you are asked to pay no premium for glamour. To encounter choice investments look Over-the-Counter.

Difference Between Listed and Over-the-Counter Trading

Following the tables appearing hereunder, we present a discourse on the difference between the listed and Over-the-Counter Market, for the benefit of those who are not conversant with how the Over-the-Counter Market functions.

TABLE I

OVER-THE-COUNTER
Consecutive Cash
DIVIDEND PAYERS
for
10 to 176 Years

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Abbotts Dairies, Inc. — Dairy products	33	†1.15	49½	2.3
Abercrombie & Fitch Co. — Retail sporting goods	23	2.00	32	6.3
Abrasive & Metal Products — Abrasives	21	0.30	5¼	5.7
Acme Electric Corp. — Mfg. of Electronic & Electrical equipment and transformers for electronic and electrical industries	21	0.29	16	1.8
Acushnet Process Co. — Molded rubber products and Golf balls	*23	1.00	25½	3.9
Aetna Casualty & Surety Co. (Hartford) — Casualty, surety, fire and marine insurance	52	2.40	w207	1.2
Aetna Insurance (Hartford) — Fire, marine, casualty and surety business	88	2.60	77	3.4
Aetna Life Insurance Co. (Hartford) — Life, group, accident, health	26	†1.39	86	1.6
Agricultural Insurance Co. — Diversified insurance	96	1.60	28½	5.6
Akron, Canton & Youngstown Railroad Co. — Ohio carrier	14	1.50	21	7.1
Alamo National Bank (San Antonio)	24	†1.78	65	2.7
Alba Hosiery Mills, Inc. — Silk and nylon hosiery	20	0.40	4⅞	8.2
Albany & Vermont RR. Co. — Local carrier	33	2.25	47	4.8
Alexander Hamilton Institute Inc — Publishing executive training courses	14	†0.98	20	4.9
Allentown Portland Cement Co., Class A — Portland cement	14	1.45	28½	5.1
Allied Finance Co. — Installment financing	*18	1.00	40	2.5
Allied Gas Co. — Natural gas distributor	12	1.20	23	5.2
Allis (Louis) Co. — Generators and electric motors	*23	2.00	31	6.5
Alpha Beta Food Markets, Inc. — California super markets	14	0.90	23½	3.8
American Aggregates Corp. — Gravel and sand	19	†1.04	31½	3.3
American Air Filter Co. — Filters and miscellaneous heating and ventilating equipment	26	†1.10	27½	4.0
American Cement Corp. — Manufactures cement and cement paint	*20	1.00	20½	4.9
American District Telegraph Co. — Electric protection services	57	2.00	82	2.4
American Dredging Co. — Dredging operations	78	4.25	92	4.6
American Druggists Insurance Co. (Cinc.) — Writes Fire Insurance and extended coverage for druggists only	*35	3.00	77	3.9
Amer. Equitable Assurance Co. of New York — Fire, marine, multiple peril insurance, and allied lines	26	1.90	42	4.5
American Express Co. — Money orders; travelers' cheques; foreign shipping; foreign remittances; credit cards	90	2.00	94	2.1
American Felt Co. — Manufacturer of wool and synthetic fibre felts, fabricated felt parts, filters, acoustic wall covering materials, and decorative drapery fabrics	21	0.80	16½	4.8
American Fletcher National Bank & Trust Co. (Indianapolis)	48	1.74	46¼	3.8
American Forest Products Corp. — Manufacturers and distributors of forest products and corrugated containers	33	†0.98	35½	2.8
American Furniture Co., Inc. — Large furniture manufacturer	20	0.20	3⅞	5.2
American General Insur. Co. — Fire and casualty insurance	31	0.70	57	1.2
American Greetings Corp., Class B — Manufacture of greeting cards	10	1.20	44½	2.7
American Hair & Felt — Miscellaneous hair & felt products	18	1.40	20¾	6.7
American Hoist & Derrick — Hoists, cranes, cargo equipment	20	1.20	19½	6.2
American Hospital Supply — Largest manufacturer and distributor of hospital supplies	13	†0.64	45½	1.4
American Insulator Corp. — Custom moulders of plastic materials	19	†0.76	16	4.8
American Insur. (Newark) — Diversified insurance	87	1.30	26¼	5.0
American Locker, Class B — Maintains lockers in public terminals	17	0.30	3¾	8.0
American Maize Products — Manufactures various corn products	35	†1.90	63	3.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
w Stock was split 2-for-1 (from $10 to $5 par) in February 1960; also 25% stock dividend paid March 1, 1960.

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

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	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
American-Marietta Co. Paints, chemicals, resins, metal powders, household products, cement and building materials	20	†0.85	38¼	2.2
American Motorists Insurance Company Diversified insurance	30	0.24	15⅝	1.5
Amer. Natl. Bank & Trust Co. (Chattanooga)	43	†1.92	80	2.4
American National Bank and Trust Co. of Chicago	25	†5.10	510	1.0
American Pipe & Construc'n Reinforced concrete pipe-protective coatings, plate steel fabrication, construction	23	†0.96	37½	2.6
American Re-Insurance Diversified insurance	38	†1.23	43½	2.8
American Screw Co. Manufacturer of cold forged threaded fasteners	62	1.20	58	2.1
American Spring of Holly, Inc. Springs and wire forms	20	0.23	7	3.3
American Stamping Co. Pressed steel parts and stamping	23	0.75	14¾	5.1
American Steamship Co. Freighters on Great Lakes	29	20.00	420	4.8
American Thermos Products Co. Vacuum ware manufacturer	26	1.70	29	5.9
American Trust Company (San Francisco)	24	†1.45	56	2.6
American Vitrified Products Sewer pipe, bricks, tile	13	†1.15	30½	3.8
Amicable Life Insurance Co. Life insurance	24	1.50	57	2.6
Ampco Metal, Inc. Bronze alloys and products	24	0.43	7½	5.7
Anheuser Busch Inc. Beer and other products	27	1.25	27	4.6
Animal Trap Co. of America Large variety of traps	23	0.80	12	6.7
Ansul Chemical Co. Chemical and mechanical mfg.	35	1.00	26	3.8
Apco Mossberg Co. Tools and wrenches	17	0.10	5½	1.8
Apex Smelting Co. Aluminum smelting	28	2.00	52	3.8
Arden Farms Co. Dairy products, groceries, meats, etc.	16	1.00	17¼	5.8
Arizona Public Service Electric and gas utility	40	1.20	36½	3.3
Arkansas-Missouri Power Co. Electric and gas utility	*23	†0.98	21⅞	4.5
Arkansas Western Gas Co. Natural gas public utility, production and transmission	21	†0.88	22½	3.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Arrow-Hart & Hegeman Electric Co. Electric wiring devices and controls	32	†2.83	74	3.8
Arrow Liqueurs Corp. Cordials and liqueurs	*15	0.35	10½	3.3
Art Metal Construction Co. Office furniture	24	1.25	23¾	5.3
Associated Spring Corp. Precision mechanical springs; spring steel	26	1.10	22½	4.9
Atlanta Gas Light Operating public utility	*23	1.75	36½	4.8
Atlanta & West Point RR. Co. Georgia carrier	20	4.00	40	10.0
Atlantic City Sewerage Co. Sewerage service	37	1.00	18½	5.4
Atlantic Company Ice, coal, cold storage and E-Z Curb Service Stores	15	0.70	15⅜	4.6
Atlantic National Bank of Jacksonville	56	1.20	55	2.2
Auto Finance Co. Investments, automobile financing and insurance	23	1.20	29	4.1
Auto-Soler Co. Manufactures nailing machinery	10	†0.22	6⅛	3.6
Automobile Banking Corp. Auto financing & personal loans	39	0.70	10½	6.7
Avondale Mills Cotton fabrics and yarns	56	1.20	25	4.8
Avon Products Cosmetics and toiletries	41	†0.65	52½	1.2
Ayres (L. S.) & Co. Operates department stores in Indianapolis and Lafayette, Indiana, and Springfield, Illinois.	25	1.20	23¼	5.2
B/G Foods, Inc. Restaurant chain	16	1.00	17	5.9
B. M. I. Corp. Detroit real estate	24	1.00	17¾	5.6
Badger Paper Mills Sulphite pulp an	*26	4.00	125	3.2
Bagley Building Corp. Detroit real estate	23	0.30	13¼	2.3
BancOhio Corp. Holding company—b	30	†1.62	70	2.3
Bangor Hydro-Electric Co. Operating public util	36	1.98	39	5.1
Bank of Amer. NT&SA Nation's largest bank	27	1.90	49⅝	3.8
Bank Building & Equipment Corp. of America Building design and construction	21	1.25	26½	4.7
Bank of California, N. A.	80	1.40	47½	2.9
BANK OF THE COMMONWEALTH (DETROIT, MICH.) ● See Bank's advertisement on page 49.	23	†4.92	152	3.2
Bank of Delaware	164	†1.85	49½	3.7
Bank (The) of New York	176	12.00	342	3.5
Bank of the Southwest National Association, Houston	52	†b1.72	60	2.9
Bank of Virginia (The)	36	1.00	24	4.2
Bankers Bond & Mortgage Guaranty Co. of America Mortgage financing	14	0.30	9	3.3

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Bankers Building Corp. Chicago office building	14	3.00	60	5.0
Bankers Commercial Corp. Automobile and industrial financing.	22	2.50	30½	8.2
Bankers & Shippers Insur. Multiple line insurance	35	2.40	59	4.1
Bankers Trust Co., N. Y.	56	3.00	103½	2.9
Barnett National Bank of Jacksonville	62	†1.54	76	2.0
Bassett Furniture Industries Inc. Complete line of domestic furniture	26	1.00	22¾	4.4
Bates Manufacturing Co. Cotton and rayon fabrics	14	0.60	14⅛	4.2
Baush Machine Tool Co. Drills and boring mills	18	1.25	15	8.3
Baxter Laboratories, Inc. Manufacturers of pharmaceuticals	27	†0.42	35½	1.2
Baystate Corp. Bank holding corporation	33	1.20	31	3.9
Beauty Counselors, Inc. Wholesaler: Cosmetic and toilet preparations	26	0.85	41	2.1
Belknap Hardware & Mfg. Hardware & furniture wholesaler	32	0.85	13¾	6.2
Belmont Iron Works Designer, fabricator and erector, structural steel	24	3.00	31	9.7
Belt RR. & Stock Yards Co. Operates livestock terminal mkt.	70	2.00	30	6.7
Bemis Bro. Bag Co. Manufacturer of paper, textile and plastic bags	39	1.80	44½	4.0
Beneficial Corp. Holding company affiliate of Beneficial Finance Company	32	0.58	13⅝	4.3
Benjamin Franklin Hotel Co. Philadelphia hotel	13	6.00	180	3.3
Berks County Trust Co. (Reading, Pa.)	24	1.45	27	5.4
Berkshire Gas Co. Operating gas public utility	38	1.00	19½	5.1
Bessemer Limestone & Cement Co. "Portland" cement	18	†1.50	39½	3.8
Bibb Mfg. Co. Textile manufacturer Cotton goods; sheeting, etc.	73	†0.95	18¾	5.1
Biddeford & Saco Water Co. Operating public utility	61	5.00	97	5.2
Bird Machine Co. Machinery for paper mills	24	1.25	25	5.0
Bird & Son Asphalt shingles, floor covering, and paper.	35	0.55	20¾	2.7
Birmingham Trust National Bank (Birmingham, Ala.)	15	†0.70	54	1.3
Black-Clawson Company Makes paper and pulp mill equipment	28	1.00	17½	5.7
Black Hills Power & Light Operating public utility	19	†1.43	32⅛	4.5
Black, Sivalls & Bryson Oil and gas equipment, steel products and control valves	a31	1.40	18¾	7.5
Bloch Brothers Tobacco Co. "Mail Pouch" chewing tobacco	49	1.45	27	5.4
Blue Bell, Inc. Manufacturer of work and play clothes	36	0.80	22	3.6
Boatmen's Natl. Bk. St. Louis	88	3.00	82	3.7
Bornot, Inc. Chain of dry cleaning Establishments	32	0.20	8	2.5
Boston Insurance Co. Insurance other than life	87	1.80	33¼	5.4
Bound Brook Water Co. Operating public utility	35	0.35	5½	6.4
Bourbon Stock Yards Co. Louisville stockyards	52	4.00	60	6.7
Boyertown Burial Casket Co. Miscellaneous funeral supplies	66	1.00	17½	5.7
Bridgeport Hydraulic Co. Supplies water to several Connecticut communities	69	1.70	33½	5.1
Brinks, Incorporated Armored car service	68	1.80	38½	4.7
Bristol Brass Metal fabricator	28	0.85	12⅜	6.9
British-America Assurance Company Insurance other than life	26	4.00	110	3.6
British Mortgage & Trust Co. (Ont.) Mortgage loans & trust business	82	11.00	257¼	4.3
Brockton Taunton Gas Co. Operating public utility	39	0.98	18¾	5.2
Brockway Glass Co. Inc. Glass containers	33	†0.55	34	1.6
Brooklyn Garden Apartments, Inc. Own and operate two Brooklyn garden apartments	26	6.00	104	5.8
Brown-Durrell Co. "Gordon" hosiery and underwear	18	0.20	9	2.2
Brown & Sharpe Mfg. Machine tools	*24	1.20	30½	3.9
Brunswig Drug Co. Wholesale drugs	26	0.90	19½	4.6
Bryn Mawr Trust Co. (Pa.)	16	1.90	47½	4.0
Buchanan Steel Products Corp. Manufacturing steel forgings	13	†0.18	6¼	2.9
Buck Creek Oil Co. Crude oil producer	19	0.12	1⅜	8.7
Buck Hills Falls Co. Hotel in Poconos	53	0.60	18	3.3

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
b Dividends include 20c paid to trustees of Houston Southwest Co.

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

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Buckeye Steel Castings Co. — Production of steel castings	23	1.50	28	5.4
Bullock's Inc. — Department and specialty stores	28	†1.23	31¾	3.9
Burgermeister Brewing Corp. — Brewing of beer	a20	1.10	15½	7.1
Burgess-Manning Co. — Industrial acoustics, radiant ceiling, recording and controlling instruments	16	2.00	48	4.2
Burnham Corp. — Mfrs. boilers, radiators, greenhouses	13	1.35	27	5.0
Business Men's Assurance Co. of America — Life, accident and health insurance	27	0.30	40½	0.7
Butler Manufacturing Co. — Metal products	22	2.30	54½	4.2
Butler's Shoe Corp. — Southern shoe chain	21	†0.49	14¼	3.4
Calaveras Land & Timber Corp. — California timber lands	17	2.00	28	7.1
California Bank (L. A.)	21	†2.10	50	4.2
California Oregon Power — Operating public utility	18	1.60	34¼	4.7
California Portland Cement — Cement and lime products	50	4.50	180	2.5
CALIFORNIA-PACIFIC UTILITIES — Operating public utility ● See Company's advertisement on page 35.	17	1.65	38¾	4.3
California Water Service Co. — Public utility-water	29	†1.19	25⅛	4.7
CALIFORNIA WATER & TELEPHONE CO. — Operating public utility ● See Company's advertisement on page 48.	24	1.22	27¼	4.5
California-Western States Life Insurance Co. — Life, accident & health insurance	22	†1.43	116	1.2
Camden Refrigerating & Terminals Co. — Cold storage, warehouse business	14	0.25	36	0.7
Campbell Taggart Associated Bakeries, Inc. — Bakery chain	*14	1.45	36	4.0
Cannon Shoe Co. — Operation retail shoe stores and manufacturing of shoes	27	0.45	8	5.6
Capitol Records, Inc. — Recording, manufacturing and wholesaling of records, albums and pre-recorded tape	10	1.80	41	4.4
Carlisle Corp. — Inner tubes, brake lining, bicycle tires, etc.	10	0.80	38	2.1
Carolina Telephone and Telegraph Company — Operates telephone exchanges	60	†1.60	36¾	4.4
CARPENTER PAPER CO. — Distributor of paper and paper products ● See Company's advertisement on page 28.	64	v1.80	49½	3.6
Carter (William) Co. — Underwear	46	9.00	390	2.3
Carthage Mills, Inc. — Felt base floor coverings	20	2.10	23	9.1
Cascades Plywood Corp. — Plywood	13	1.75	37½	4.7
Cavalier Apartments Corp. — Owning and operating apartment house (Washington, D. C.)	18	2.00	39	5.1
Cedar Point Field Trust, ctfs. — Texas oil wells	10	0.23	3¾	6.1
Central Bank & Trust Co. (Denver)	*14	0.80	19½	4.1
Central Coal & Coke Corp. — Leases mines on royalty basis	13	1.00	31	3.2
Central Cold Storage Co. — Refrigeration	26	1.00	24	4.2
CENTRAL ELECTRIC & GAS CO. — Electric & gas utility and through subsidiaries telephone service in several states ● See Company's advertisement on page 38.	18	1.05	23	4.6
Central Illinois Electric & Gas Co. — Operating public utility	28	1.44	34⅛	4.2
Central Indiana Gas Co. — Natural gas public utility	20	0.80	14⅛	5.7
Central Louisiana Elec. Co. — Electric, gas and water utility	25	1.80	45¼	4.0
Central Maine Power Co. — Public electric utility	18	1.40	23⅞	5.9
Central National Bank of Cleveland	19	1.85	44	4.2
Central National Bank & Trust Co. (Des Moines)	23	8.00	80½	9.9
Central-Penn National Bank (Philadelphia)	132	2.20	49¾	4.4
Central Steel & Wire Co. — Metal processing and distribution	18	3.00	90	3.3
Central Telephone Co. — Telephone service	15	†0.80	23	3.5
Central Trust Co. (Cinn.)	23	†2.92	848	3.5
Central Vermont Public Service Corp. — Electric and gas utility	17	1.04	19⅛	5.4
Central Warehouse Corp. — Operates warehouse in Albany	22	0.30	7	4.3

*Details not complete as to possible longer record.
†Adjusted for stock dividends, splits, etc.
a Including predecessors.
v Plus 5% stock dividend on Dec. 28, 1959.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Central West Co. — Investment trust	25	0.30	5⅝	5.3
Chain Store Real Estate Trust — Ownership and rental of improved real estate	23	5.50	65	8.5
Chambersburg Engineering — Forging hammers, hydraulic presses	23	0.50	22	2.3
Chance (A. B.) Co. — Manufacturing products for Utility Line Construction & Maintenance	25	1.20	23	5.2
Charleston Natl. Bk. (W. Va.)	24	2.00	46	4.3
Charleston Transit Co. — W. Va. bus operations	20	4.00	41½	9.6
Chase Manhattan Bank	112	2.40	69	3.5
Chatham Manufacturing Co., Class A — Woolen blankets	13	0.16	4	4.0
Chemical Bank New York Trust Co.	a111	2.40	68¼	3.5
Chenango & Unadilla Telephone Corp. — Operating telephone company	34	1.35	28	4.8
Chicago, Burlington & Quincy RR. Co. — Midwest carrier	98	7.50	165	4.5
Chicago City Bk. & Trust Co.	25	10.00	180	5.6
Chicago Medical Arts Building Corp. — Office building	14	2.50	56	4.5
Chicago Mill and Lumber — Wood boxes	20	1.25	23½	5.3
Chicago Molded Products Corp. — Plastic molders	21	0.40	8¾	4.6
Chicago Title & Trust Co.	25	c5.95	95	6.2
Chilton Co. — Publisher of business magazines	23	1.00	25	4.0
China Grove Cotton Mills Co. — Combed yarn manufacturer	36	2.50	48	5.2
Christiana Secur. Co. — Holding company	*34	525.00	17,600	3.0
Citizens Commercial & Savings Bank (Flint, Mich.)	25	2.90	81	3.6
Citizens Fidelity Bank & Tr. (Louisville)	*41	1.60	43	3.7
Citizens National Bank (Los Angeles)	66	†1.47	53	2.8
Citizens & Southern National Bank (Savannah)	55	†1.49	43	3.5
Citizens & Southern National Bank of S. C. (Charleston)	32	†1.95	63	3.1
Citizens Utilities Co., Cl. B — Public utility	22	†0.53	13	4.1
City National Bank & Tr. Co. of Chicago	19	3.00	99	3.0
City Nat. Bank & Trust Co. (Columbus, Ohio)	25	1.00	31	3.2
City National Bank & Tr. Co. (Kansas City)	*32	†0.60	63½	0.9
City Title Insurance Co. — Title insurance	22	0.40	9	4.4

*Details not complete as to possible longer record.
†Adjusted for stock dividends, splits, etc.
a Including predecessors.
c The $5.95 dividend is based on a cash payment of $4, plus one share of Charles Pfizer & Co. for each 20 shares held.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
City Trust Co. (Bridgeport, Conn.)	a106	1.50	34¼	4.4
Cleveland Quarries Co. — Building and refractory stone	20	0.40	13	3.1
Cleveland Trencher Co. — Manufacturer of mechanical trench excavators	12	0.60	10½	5.7
Cleveland Trust Co.	24	6.00	355	1.7
Cleveland Union Stock Yards Company — Operates livestock yards	54	0.50	8	6.3
Coca-Cola Bottling Co. of Los Angeles	36	1.60	37	4.3
Coca-Cola Bottling Co. of New York	21	d1.00	20½	4.9
Coca-Cola Bottling Co. of St. Louis	32	0.30	12	2.5
Collins Co. — Farm and cutting implements	*45	4.00	70	5.7
Collyer Insulated Wire — Manufacturer of insulated wire and cable	42	1.50	29	5.2
Colonial Stores — Retail food stores in Southeast and Midwest	19	1.10	19½	5.6
Color-Craft Products, Inc. — Wall coverings	12	0.40	4	10.0
COLORADO CENTRAL POWER CO. — Operating electric public utility ● See Company's advertisement on page 42.	26	†0.74	23¼	3.2
Colorado Interstate Gas Co. — Natural gas transmission	25	1.25	45	2.8
Colorado Milling & Elevator — Flour and prepared mixes for baking	15	1.40	23½	6.0
Commerce Trust Co. (Kansas City)	24	3.00	108½	2.8
Commerce Union Bank (Nashville)	44	†0.98	38	2.6
Commercial Banking Corp. — Dealer financing	12	0.65	11¾	5.5
Commercial Discount Corp. — Commercial financing	17	0.35	6	5.8
Commercial Shear. & Stamp. — Pressed metal products, hydraulic oil equipment and forgings	25	1.00	18	5.6
Commercial Trust Co. of New Jersey (Jersey City)	55	3.75	94	4.0
Commonwealth Land Title Insurance Co. — Title insurance	15	2.80	50	5.6
Commonwealth Life Insurance Co. (Ky.) — Life insurance (no accident & health)	19	†0.17	21¾	0.8
Commonwealth Trust Co. of Pittsburgh	58	1.00	47	2.1
Community Hotel Co. (Pa.) — York Pa., hotel	13	5.00	89	5.6

*Details not complete as to possible longer record.
†Adjusted for stock dividends, splits, etc.
a Including predecessors.
d Shares split 2-for-1 in January, 1960. Dec. 31 value shown for new common. Company intends to place new common on a 25c quarterly dividend basis. Old common paid 25c quarterly plus a 4% stock dividend in 1959.

Continued on page 30

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

Continued from page 29

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Concord Elect. (New Eng.) — Operating public utility	55	2.40	43	5.6
Conn (G. C.), Ltd. — Top manufacturer of band instruments	12	†0.59	17⅝	3.3
Connecticut Bank & Tr. Co.	146	1.80	44¼	4.1
Connecticut General Life Insurance Co. — Life, accident and health insurance (group and individual)	82	2.20	356	0.6
Connecticut Light & Power — Operating public utility	38	1.10	22½	4.9
CONNECTICUT NATIONAL BANK (BRIDGEPORT, CONN.) — ● See Bank's advertisement on page 45.	19	0.80	15¾	5.1
Connecticut Printers, Inc. — Commercial printing	80	1.75	36	4.9
Connohio, Inc. — Sale of ice & oil, & warehousing	14	0.20	3¾	5.3
Consolidated Dearborn — Owns office buildings in Chicago and Newark	14	1.40	26¼	5.3
Consolidated Dry Goods Co. — Department store chain	18	3.00	70	4.3
Consolidated Naval Stores — Holding company, diverse interests	27	30.00	1,250	2.4
Consolidated Rendering Co. — Tallow, grease, meat scrap, fertilizers, hides and skins	25	1.80	19	9.5
Consolidated Theatres, Ltd., Class B — Canadian theatre chain	12	0.20	4¾	4.2
Consol. Water Pwr. & Paper — Manufactures paper and paper products	27	1.20	36½	3.3
Continental American Life Insurance Co. (Del.) — Participating life	*35	1.60	70	2.3
Continental Assurance Co. — Life, accident and health	47	†1.15	157	0.7
Continental Casualty Co. — Diversified insurance	26	†1.20	71¾	1.7
Continental Illinois National Bank and Trust Co. of Chicago	25	4.00	132	3.0
Cook Electric Co. — Wire communication equipment	13	†0.17	20½	0.8
Cooper Tire & Rubber Co. — Tires and tubes	10	1.10	39	2.8
Copeland Refrigeration Corp. — Refrigeration & air conditioning compresses	14	0.75	27¼	2.8
Refrigerators and air conditioning				
Cornell Paperboard Products — Wall & paperboard & containers	19	1.00	36	2.8
Cosmopolitan Realty Co. — Denver hotel	10	16.00	255	6.3
County Trust (White Plains)	*56	†0.49	43	1.1

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Cowles Chemical Co. — Mfg. industrial chemicals	21	0.60	21¾	2.8
Craddock-Terry Shoe Corp. — Shoe manufacturer	20	1.00	23½	4.3
Creamery Package Mfg. Co. — Food processing and refrigerating machines and farm coolers	73	1.60	41	3.9
Crompton & Knowles Corp. — Looms, dyestuffs, packaging equipment and reinforced plastics	28	1.40	37¼	3.8
Crown Life Insurance Co. — Life, accident and sickness; also annuities	37	2.70	172¼	1.6
Cumberland Gas Corp. — Operating public utility	13	0.60	7¾	7.7
Cummins Engine Co. — Diesel and gas engines	12	1.00	88	1.1
Curlee Clothing Co. — Men's suits and overcoats	21	†0.54	12	4.5
Dahlstrom Metallic Door Co. — Doors, mouldings, cabinets	18	0.90	14	6.4
Dallas Transit Co. — Local transit facilities	18	0.35	9½	3.7
Darling (L. A.) Co. — Manufacturing display equipment	13	0.50	13½	3.7
Dayton Malleable Iron Co. — Iron, steel & aluminum castings	25	1.25	18½	6.8
De Bardelebon Coal Corp. — Bituminous coal	12	9.00	136	6.6
Dean & Co. (San Ant.) — Auto financing	23	0.60	13	4.6
Decker Nut Manufacturing Corp. — Manufacturer of cold headed industrial fasteners	14	0.20	3	6.7
Del Monte Properties Co. — Real estate	15	2.55	75	3.4
Delaware Railroad Co. — Leased and operated by P.R.R.	63	2.00	33	6.1
Delta Electric Co. — Hand lanterns and auto type switches, bicycle lamps and horns	24	0.65	10½	6.2
Dempster Mill Manufacturing — Farm equipment	24	1.20	25	4.8
Dentist's Supply (N. Y.) — Artificial teeth and other dental supplies	61	1.25	22¾	5.5
Denver Chicago Trucking Co., Inc. — Motor common carrier	10	1.00	27½	3.6
Denver United States National Bank	73	1.20	33	3.6
Detrex Chemical Industries, Inc. — Chemicals, equipment and ultrasonics	*13	†0.58	21	2.8
Detroit Aluminum & Brass — Bearings and bushings	*14	0.55	13	4.2
Detroit Bank & Trust Co.	25	2.00	45½	4.4
Detroit & Canada Tunnel — Owns and operates international tunnel	19	1.00	14¼	7.0
Detroit Harvester Co. — Name changed in August, 1959 to Dura Corporation				
Detroit International Bridge — Operates bridge to Windsor	16	1.20	20½	5.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Detroit Mortgage & Realty Co. — Real estate financing	21	0.12	2⅜	5.1
Detroit Stamping Co. — Pressed metal parts & specialties	27	0.75	14¼	5.3
Dewey Portland Cement Co. Cl. B — Portland cement	*11	0.80	23½	3.4
Diamond Portland Cement — Manufacturer of Portland Cement	39	1.40	29½	4.7
Dickey (W. S.) Clay Mfg. Co. — Sewer and culvert pipes, tiles	24	†1.27	47	2.7
Dictaphone Corp. — Manufacture and sale of Dictaphone, dictating, recording and transcribing machines	34	†1.29	40½	3.2
Dictograph Products Co. Inc. — Manufacture and sale of Dictograph communications systems, home fire alarm systems, Acousticon and Monarch hearing aids	14	0.05	7½	0.7
Discount Corp. of New York — Dealers in U. S. Treasury securities and bankers acceptances	41	19.00	235	8.1
Dixon (Joseph) Crucible Co. — Lead pencils and all graphite products	23	1.30	25½	5.1
Dobbs Houses, Inc. — Restaurant and airline catering	14	†0.96	63½	1.5
Dollar Savings & Trust Co. (Youngstown)	20	3.60	127	2.8
Donnelley (R. R.) & Sons Co. — Largest commercial printer in United States	49	†0.77	38¼	2.0
Drackett Co. — Household specialty chemicals	*27	1.25	37¼	3.4
Dravo Corp. — Heavy engineering projects, marine equipment	21	2.00	50½	4.0
Drexel Furniture Co. — Furniture manufacturer	*24	1.75	29¼	6.0
Drovers Natl. Bk. (Chicago)	77	1.00	26	3.8
Ducommun Metals & Supply — Distributors of metals, tools and industrial supplies	25	†1.07	22¾	4.7
Duff-Norton Co. — Industrial jacks and lifting equipment	70	2.00	42	4.8
Dun & Bradstreet Inc. — Credit and marketing reports and publications	27	1.95	47	4.1

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on Page 45.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Duncan Electric Manufacturing Co., Class B	22	†1.05	20½	5.1
Dura Corp.	a23	†0.37	27	1.4
Duriron Co. — Corrosion resistant equipment	25	1.00	24	4.2
Eason Oil Co. — Oil and gas production	19	0.20	11½	1.7
Eastern Racing Assn. — Suffolk Downs	19	0.30	4¾	6.3
Eastern Utilities Associates — Holding company, New England public utilities	32	2.20	41¼	5.3
Economics Laboratory, Inc. — Chemical compound manufacturers	24	†0.77	22	3.5
Ecuadorian Corp., Ltd. (Bahamas) — Holding co.—brewing interests	22	1.00	12	8.3
Edgewater Steel Co. — Circle E. rolled steel railroad wheels and tires, steel rings and forgings	38	2.63	46½	5.7
Edison Sault Electric Co. — Electric utility	25	0.85	19⅜	4.4
El Paso Electric Co. — Public utility	32	1.16	35	3.3
El Paso Natl. Bank (Texas)	35	2.40	59	4.1
Electric Hose & Rubber Co. — Rubber hose	21	†1.27	46	2.8
Electrical Products Consol. — Electrical signs	25	1.90	42	4.5
Electro Refractories & Abrasives Corp. — Manufacturer of crucibles, refractories and abrasive products	26	†0.62	14¾	4.2
Elizabethtown Consolidated Gas Co. — Natural gas distributing utility	67	1.60	35½	4.5
Elizabethtown Water Co. (Consolidated) — Operating public utility	37	2.00	51½	3.9
Emhart Manufacturing Co. — Glass industry machinery	14	1.60	53	3.0
Empire State Oil — Oil production and refining	13	0.30	9¼	3.2
Empire Trust Co. (N. Y.)	54	†2.97	255	1.2
Employers Casualty Co. — Fire and Casualty Insurance	36	1.25	32½	3.8
Employers Reinsurance Corp. — Multiple line reinsurance	46	1.65	55	3.0
Equitable Trust Co. (Balt.)	45	†0.99	75	1.3
Equity Oil Co. — Crude oil production	12	0.40	27	1.5
Erie & Kalamazoo RR. — Leased by New York Central	111	3.00	45	6.7
Erie Resistor Corp. — Electronic products and molded plastics	21	†0.09	9¾	0.9
Erlanger Mills Corp. — Textile holding and operating co.	14	0.80	15	5.3

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

Hecker & Co. Admits Three

PHILADELPHIA, Pa.—Hecker & Co., Liberty Trust Building, members of the New York Stock Exchange and other leading exchanges, announce that Francis J. Beck, William H. Burgin, III and Robert McCook have become general partners of the firm. The firm also announced that Virginia B. Milburn has become a limited partner.

Robert McCook

Mr. Beck has been active in the investment securities business for the past 32 years. Mr. Burgin has been associated with Hecker & Co. for more than 30 years.

Mr. McCook has been in the investment securities for the past 31 years and has been associated with Hecker & Co. for the past nine years.

Kellogg V.-P. of Kidder, Peabody

Kidder, Peabody & Co. Inc., 17 Wall St., New York City, has announced that Jarvis P. Kellogg, Secretary of the corporation, has been elected a Vice-President.

Mr. Kellogg, who joined the Kidder, Peabody organization in Boston 10 years ago, has been in New York for the past three years. Prior to joining Kidder, Peabody, Mr. Kellogg was associated with the Boston law firm of Gaston, Snow, Motley & Holt.

John Gahan with Oscar Gruss & Son

Oscar Gruss & Son,, 150 Broadway, New York City, members of the New York Stock Exchange, announced that John P. Gahan is now associated with the firm as manager of the Institutional Department. Mr. Gahan was formerly Assistant Vice-President of Schoellkopf, Hutton & Pomeroy, Inc.

Twin Cities Analysts Hold Research Seminar

MINNEAPOLIS, Minn.—The Twin Cities Society of Securities Analysts 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 the Economy"; James Hillier, Radio Corporation of America on "Corporate Objectives of Research and Methods of Achievement"; and Charles P. Neidig, White, Weld & Co., on "Analysis of Research Oriented Stocks."

Lamborn Names Officials

Samuel Schoenfeld, manager of the research and statistical department, has been named Vice-President and Director of Lamborn & Co., Inc., 99 Wall Street, New York City, sugar brokers. Edward H. Lopez-Miranda, Vice-President in Charge of the Raw Sugar Department, has been elected a Director.

Interamerica Secs. Corp.

Interamerica Securities Corporation is conducting a securities business from offices at 375 Park Avenue, New York City. Officers are Jules Yablock, President and Treasurer, and Miriam Yablok, Secretary.

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

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Erwin Mills, Inc. Textile mills	35	0.70	14	5.0
Essex Co. Water power to mills	49	2.00	54	3.7
Excelsior Life Insurance Co. (Toronto) Participating & non-participating	*32	1.60	173½	0.9
Exeter & Hampton Electric Company Operating public utility	52	2.60	44	5.9
Exeter Manufacturing Co. Cotton and glass fabrics	19	1.00	60	1.7
Exolon Co. Manufacture artificial abrasives and magnetic separators	26	2.05	46	4.5
Faber Coe & Gregg, Inc. Tobacco wholesaler	26	4.00	55	7.3
Fafnir Bearing Co. Manufacturer of ball bearings	47	†1.70	64	2.7
Fall River Gas Co. Operating public utility	*51	1.60	29¾	5.4
Farmers & Merchants Bank of Long Beach (Calif.)	25	2.40	82	2.9
Farrel-Birmingham Co. Mfrs. of heavy machinery	25	2.00	42	4.8
Fate-Root-Heath Co. Manufactures diesel locomotives, ceramic machinery and lawn-mower and saw sharpeners	26	1.10	18	6.1
Faultless Rubber Miscel. rubber goods, sponges	35	1.20	26	4.6
Federal Bake Shops, Inc. Chain of retail bake shops	24	0.50	6⅞	7.3
Federal Chemical Co. Fertilizers	16	6.00	80	7.5
Fed. Compress & Warehouse Cotton compress and warehousing	34	1.35	27	5.0
Federal Insurance Co. Multiple line insurance	58	1.00	59¼	1.7
Federal Screw Works Screws and machines	19	0.63	15¾	4.0
Federal Sign & Signal Corp. Electric signs, sirens, lights, traffic and highway signs	12	†0.71	23¼	3.1
Federated Publications, Inc. Michigan newspapers	25	5.00	110	4.5
Federation Bank and Trust Co. (New York)	24	1.50	31	4.9
Fidelity-Baltimore Natl. Bk. (Baltimore)	55	2.00	53¼	3.8
Fidelity-Philadelphia Trust	95	r4.60	114	4.0
Fidelity Union Tr. (Newark)	67	3.00	74¾	4.0
Fifth Third Union Trust Co. (Cincinnati)	23	2.40	71	3.4
Fifty Associates (Boston) Boston real estate	*14	50.00	1,250	4.0
Finance Co. of Pennsylvania Real estate and securities	31	2.40	62	3.9
Fireman's Fund Insur. Co. Multiple line insurance	52	†1.44	51¾	2.8
First Amer. Nat. Bk. (Nashv.)	22	1.20	28	4.3
First Bank Stock Corp. Bank holding company	31	1.85	50½	3.7
First Bank & Trust Co. (South Bend)	21	1.20	34	3.5
First Boston Corp. Investment banking	21	5.50	73½	7.5
First Camden National Bank & Trust Co. (N. J.)	15	†0.96	29½	3.3
First City Natl. Bk. (Houston	27	2.00	91	2.2
First Natl. Bank of Akron	21	†0.99	51	1.9
First Natl. Bank of Atlanta	94	1.60	41½	3.9
First Natl. Bank (Baltimore)	a154	2.75	60½	4.5
First Natl. Bank (Birming.)	17	†1.37	58½	2.3
First Natl. Bank of Boston	176	3.55	95¾	3.7
First Natl. Bank (Chicago)	25	8.00	t370	2.1
First Natl. Bank of Cinn.	97	2.25	56½	4.0
First Natl. Bank in Dallas	85	1.50	41¼	3.6
First Natl. Bank of Denver	*43	6.00	190	3.2
First National Bank of Fort Worth	27	0.75	26⅛	2.9
First Natl. Bank (Jersey City)	96	3.05	64¼	4.7

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
r Stockholders approved on Jan. 22, 1960 change in par value from $20 to $10 to effect a 2-for-1 stock split.
t Bid price.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
First Natl. Bank (K. C.)	70	†2.00	107	1.9
First Natl. Bank of Memphis	65	†1.33	35¼	3.8
First Natl. Bank (Miami)	57	1.60	61	2.6
First Natl. Bank (Mobile)	*35	4.50	130	3.5
First Natl. Bank (Omaha)	27	3.50	91	3.8
First Natl. Bank of Oregon	89	2.20	59¼	3.7
First Nat'l Bank of Passaic County (Paterson, N. J.)	95	m3.00	70	4.3
First Natl. Bank (St. Louis)	42	3.30	81	4.1
First National Bank of Shreveport, La.	23	1.40	48	2.9
First Natl. Bank (Wichita)	40	10.00	310	3.2
First Natl. Bk. T. (Okla. City)	32	†0.98	35	2.8
First National Bank and Trust Co. (Tulsa)	22	1.40	41	3.4
First National City Bank of New York	147	3.00	90⅞	3.3
First National Exchange Bank of Roanoke	78	1.50	37¼	4.0
First National Trust & Savings Bank of San Diego	25	†0.85	47½	1.8
First New Haven National Bank (Conn.)	24	1.40	29¼	4.8
First Pennsylvania Banking & Trust Co. (Phila.)	132	2.20	52	4.2
First Security Corp. Bank holding company	25	0.25	60	0.4
First Trenton National Bank	85	†1.78	44½	4.0
FIRST WESTERN BANK & TRUST CO. (SAN FRANCISCO) See Bank's advertisement on page 49.	92	**1.60**	**46½**	**3.4**
Fitchburg Gas & Elec. Light Gas and electric company	101	3.00	55½	5.4

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
m Does not include 50 cent extra dividend declared in December, 1959, and paid in January, 1960.

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

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	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Florida National Bank (Jacksonville)	24	1.00	96	1.0
Florida Public Utilities Co. Operating public utility	17	0.72	20⅞	3.4
Florida Telephone Corp. cl. A Telephone company	19	1.00	29¼	3.4
Foote Bros. Gear & Machine— Class A	19	0.50	9¼	5.4
Class B Precision and industrial gears, transmissions, etc. In May, 1959 common was reclassified. Holders received one A and one B for each common share held	19	0.50	11½	4.3
Foote-Burt Co. Drilling, reaming, tapping machines	31	0.40	16¼	2.5
Forbes & Wallace, Inc., Cl. B Dept. store, Springfield, Mass.	24	1.75	25	7.0
Fort Pitt Bridge Works Structural steel fabrication	18	1.00	26	3.8
Fort Wayne National Bank (Indiana)	25	2.20	65	3.4
Ft. Worth National Bank	86	†0.93	26½	3.5

† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Fort Worth Transit Co. Fort Worth bus service	12	0.40	5⅛	7.8
Fostoria Corp. Industrial lighting units Formerly Fostoria Pressed Steel Corp. New name adopted in June, 1959	21	1.00	21	4.8
Fourth Natl. Bank in Wichita	*35	†0.46	41½	1.1
Fownes Brothers & Co. Gloves	13	†0.24	6¾	3.6
Fram Corp. Manufacturer of oil, air, fuel and water filters	18	†0.89	35	2.5
Franco Wyoming Oil Co. Oil production, exploration and development	24	1.00	30¾	3.3
Frank (Albert)-Guenther Law, Inc. Professional advertising agency	17	0.80	16	5.0
FRANKLIN LIFE INSURANCE CO. Life insurance ● See Company's advertisement on page 33.	19	†0.41	84¾	0.5
Friedman (Louis) Realty Co. New York City real estate	13	0.40	11½	3.5
Frontier Refining Co. Petroleum production, refining and marketing	14	†0.24	11¼	2.1
Fruit of the Loom, Inc. Textiles	15	1.00	19	5.3
Fuller Brush Co., Class A Brushes	38	4.00	110	3.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Fulton Market Cold Storage Refrigerated warehousing	30	1.00	10½	9.5
Fulton Natl. Bank (Atlanta)	47	1.25	37¾	3.3
Funsten (R. E.) Co. Sheller and packer of pecans, walnuts and almonds	10	0.75	17	4.4
Galveston-Houston Co. Holding company. Bus industry	21	0.63	7	9.0
Gamble Brothers, Inc. Lumber products	10	†0.64	23	2.8
Garlock Packing Co. Mechanical packings, gaskets, oil seals, mechanical seals and plastics	55	1.50	45¼	3.3
Gary Natl. Bank (Indiana)	27	6.00	500	1.2
Gary Railways, Inc. Transportation holding company	17	0.20	3¼	6.2
Gas Service Co. Natural gas distributor serving Missouri, Kansas, Oklahoma and Nebraska	16	1.52	33⅜	4.6
General Crude Oil Co. Southern producer	22	†0.95	26	3.7
General Industries Co. Mfrs. of small motors for electric phonographs, automobile heaters and home recording assemblies. Custom-molded plastic parts	20	†0.79	25½	3.1
General Manifold & Ptg. Co. Commercial printing	15	0.25	4½	5.6
General Metals Corp. Marine and other machinery	25	1.20	20	6.0
GENERAL REINSURANCE CORP. All casualty, bonding, fire and allied lines ● See Company's advertisement on this page.	26	2.00	93	2.2
Genuine Parts Co. Automotive parts	13	†1.00	51	2.0
Georgia Marble Co. Marble production	17	†0.98	42½	2.3
Germantown Fire Insurance Company Fire and allied lines insurance	12	3.00	145	2.1
Giddings & Lewis Mach. Tool Manufactures machine tools, to wit: horizontal boring, drilling and milling machines (table, floor and planer type); vertical turret lathes; vertical boring mills; planers (double housing and openside); planer type milling machines; contour mills; die sinking machines; radial and upright drilling machines; numerical and tracer control system; boring tools and related items; and machine tool accessories.	23	†0.38	22¾	1.7
Gilbert & Bennett Manufacturing Co. Wire cloth	18	†0.40	6¼	6.4
Girard Trust Corn Exchange Bank (Philadelphia)	123	2.40	55	4.4
Gisholt Machine Co. Turret lathes and tools	25	1.00	14½	6.9
Glatfelter (P. H.) Co. Pulp and paper manufacture	15	†1.00	47¼	2.1
Glen-Gery Shale Brick Corp. Brick manufacturing	14	0.50	7½	6.7
Glens Falls Insurance Co. Multiple line insurance underwriter	94	1.00	34¼	2.9
Globe & Republic Insurance Co. of America Fire, marine, multiple peril coverages and allied lines	24	1.00	21¼	4.7
Goderich Elevator & Transit Co., Ltd. Grain elevator	56	1.50	23	6.5
Good Humor Corp. Well-known ice cream retailer	26	0.35	9¼	3.8
Goodall Rubber Co., Class A Hose, belting and packings	26	0.50	10	5.0
Gould Pumps, Inc. Pumps and water systems	12	2.00	60	3.3
Govt. Employees Insurance Insurance—casualty and fire	13	1.10	133	0.8
Grace Natl. Bank of New York	13	6.00	350	1.7
Grand Trunk Warehouse & Cold Storage Co. Detroit ice manufacturer	17	2.00	51	3.9
Graniteville Co. Cotton fabrics	19	2.05	30½	6.7
Great Amer. Ins. Co. (N. Y.) Diversified insurance	87	1.50	43⅛	3.5
Great Southern Life Ins. Co. Life, accident and health	*35	1.60	85	1.9
Great West Life Assurance Co. (Winnipeg) Life, accident and health	60	4.40	348	1.3
Green (Daniel) Co. House slippers	*23	6.00	77	7.8
Green (A. P.) Fire Brick Co. Manufacturer of refractory products	34	1.00	27¼	3.7
Green Giant Co., Class B Vegetable canning & distribution	*36	1.25	28	4.5
Gregory Industries, Inc. Stud welding equipment and welding studs	12	†0.51	20	2.6
Griess-Pfleger Tanning Co. Leather tanning	20	1.00	12	8.3
Grinnell Corp. Pipe fittings, sprinkler systems and piping systems	26	†3.81	161	2.4
Guarantee Co. of North America (Montreal) Guarantee, fire, and casualty	87	18.00	299½	6.0
Gulf Insurance Co. (Dallas) Fire and casualty insurance	27	†1.93	88	2.2

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

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

Continued from page 32

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Gulf Life Insurance Co. (Jacksonville, Fla.) Life and accident	28	†0.46	20½	2.2
Hagan Chemical and Controls, Inc. Water treatment chemicals	25	†0.72	39	1.8
Hajoca Corp. Plumbing, heating and air conditioning supplies	18	1.00	39	2.6
Halle Bros. Ohio merchandise distributors	45	†0.95	36¼	2.6
Haloid Xerox Inc. (N. Y.)	31	†0.20	31½	0.6
Hamilton Mfg. Home laundry appliances, and professional furniture	21	1.25	26	4.8
Hamilton National Bank (Chattanooga, Tenn.)	*55	†1.94	80	2.4
Hamilton National Bank of Knoxville, Tenn.	28	8.00	320	2.5
Hanna (M. A.), Class B Coal, iron, steel	26	3.00	134	2.2
Hanover Bank (The) (N. Y.)	107	2.00	60¾	3.3
Hanover Insurance Co. Insurance	107	2.00	40	5.0
Harris Trust and Savings Bank (Chicago)	52	†1.99	112	1.8
Harrisburg Hotel Co. Penn-Harris Hotel	25	3.00	40	7.5
Hart-Carter Co. Grain handling equipment	20	1.00	17¾	5.6
Hartford Fire Insurance Diversified insurance	87	3.00	204½	1.5
Hartford Gas Co.	110	2.00	40½	4.9
Hartford Natl. Bank & Trust	128	1.53	37½	4.1
Hartford Steam Boiler Insp. and Insurance Company Boiler and machinery insurance	89	†2.38	87½	2.7
Harvard Trust (Cambridge)	56	2.15	57	3.8
Haverhill Gas Co. Gas service	42	1.45	29	5.0
Haverty Furniture Co. Holding company	25	†0.79	20¼	3.9
Hershey Creamery Dairy products in Pennsylvania	28	2.50	42½	5.9
Hibernia Bank (San Fran.)	12	3.00	68½	4.4
Hibernia National Bank (New Orleans)	25	2.25	90	2.5
Higbee Co. Department store	16	1.20	38	3.2
Hines (Edward) Lumber Co. Timber logging and processing	19	2.50	41	6.1
Holyoke Water Power Co. Electric and hydraulic power, industrial steam and real estate	90	1.20	42	2.9
Home Finance Group, Inc. Holding company—auto financing	12	0.50	12¼	4.1
Home Insurance Co. (N. Y.) Fire, Casualty and Life	88	2.00	53⅜	3.7

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Home Telephone and Telegraph Company of Virginia Local and long distance phone service	39	0.36	7⅝	4.7
Home Title Guaranty Co. (Brooklyn, N. Y.) Title insurance	19	1.25	23	5.4
Hooven & Allison Co. Ropes and twine	29	15.00	105	14.3
Hoover Co., class A Vacuum cleaners	17	†0.70	24⅛	2.9
Hotel Barbizon, Inc. New York City	26	18.00	550	3.3
Hotel Gary Corp. Indiana hotel	24	1.50	45	3.3
Hotel Syracuse, Inc. 606 rooms	16	2.55	40	6.4
Housatonic Public Serv. Co. Connecticut public utility company, gas and electric	18	1.40	27½	5.1
Houston Natural Gas Corp. Southern Texas utility	24	0.80	32¼	2.5
Hubinger Co. Corn refining	11	1.30	29½	4.4
Huntington National Bank of Columbus (Ohio)	48	1.80	62	2.9
Huston (Tom) Peanut Co. Confection and food products	23	†2.00	65	3.1
Huyck (F. C.) & Sons Manufactures papermakers' felts, industrial fabrics, precision instruments and control devices	53	†0.46	24	1.9
Idaho First Natl. Bk. (Boise)	27	†0.97	38	2.6
Imperial Sugar Co. Sugar refining	22	2.50	50	5.0
Indiana Gas & Water Co., Inc. Natural gas and water utility	14	†0.98	22	4.5
Indiana National Bank of Indianapolis	95	2.80	73	3.8
Indianapolis Water Co. Operating water utility	48	1.00	25¼	4.0
Industrial Bank of Commerce (New York)	25	2.00	42½	4.7
Industrial Mortgage & Trust Co. (Ontario) Savings, trust and mortgages	*33	5.00	117½	4.3
Industrial Natl. Bank (Prov.)	a168	†1.78	43¾	4.1
Insley Manufacturing Corp. Manufacture and sale of construction cranes, shovels, etc.	14	0.25	13	1.9
Insurance Co. of the State of Pennsylvania Diversified insurance	40	1.40	42	3.3
INTER-COUNTY TITLE GUARANTY & MORTGAGE Co. Title insurance • See Company's advertisement on page 36.	12	†0.63	17	3.7
Inter-Mountain Telephone Company Operating public utility	34	0.80	16⅛	5.0
Inter-Ocean Reinsurance Co. Reinsurance—multiple lines	37	1.60	42	3.8
Interstate Bakeries Corp. Wholesale bread and cake bakeries	13	1.60	37	4.3

† Adjusted for stock dividends, splits, etc.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Interstate Financial Corp. Small loans	19	0.80	12¼	6.5
Interstate Hosts, Inc. Restaurant chain. Formerly Interstate Co. New name adopted in July, 1959	15	†0.38	23½	1.6
Interstate Motor Freight System Common motor carrier	11	0.60	13¼	4.5
Interstate Securities Co. Automobile financing and consumer loans	33	0.90	17⅞	5.0
Iowa Public Service Co. Electricity, natural gas, steam & water	21	0.80	20⅛	4.0
Iowa Southern Utilities Co. Public utility, electric, gas, steam heat	14	1.36	29⅛	4.7
Irving Trust Co. (N. Y.)	54	†1.59	41⅞	3.8
Ivey (J. B.) & Co. Department store chain	29	1.00	17	5.9
Jahn & Ollier Engraving Co. Photo-engraving and offset color positives	27	0.25	3⅛	8.0
Jamaica Water Supply Co. Long Island water supplier	42	2.20	41½	5.3
Jantzen Inc. Sportswear manufacturing	19	†0.75	28¾	2.6

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on Page 45.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Jefferson Electric Co. Electrical devices	26	0.60	17⅞	3.6
Jefferson Standard Life Ins. Life insurance	48	1.25	97½	1.3
Jenkins Bros. Valves	25	2.00	48	4.2
Jersey Insur. Co. of N. Y. Multiple line insurance	a26	1.54	37	4.2
Jersey Mortgage Co. Mortgage banking and real estate	10	3.00	48	6.3
Johnson Service Co. Temperature and air conditioning controls	*25	2.50	88	2.8
Jones & Lamson Machine Co. Lathes, grinders, comparators, threading dies	25	1.00	24	4.2
Joslyn Manufacturing & Supply Co. Electrical and communication pole line equipment	25	2.40	72	3.3
Julian & Kokenge Co. Women's shoes	32	1.25	26½	4.7
Kahler Corp. Hotels, restaurant and laundry operator	44	1.70	28½	6.0
Kalamazoo Veg. Parchm't Co. Pulp and paper, specializing in food protection papers	35	1.50	39½	3.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

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James Talcott Notes Marketed

James Talcott, Inc., one of the country's oldest and largest independent commercial and industrial financing and factoring organizations, announced on April 4 the placement with institutional investors of $9,000,000 subordinated notes due April 1, 1975. Of the total, $4,800,000 has been taken down as of March 21; $2,200,000 as of April 1; and $2,200,000 will be taken down on July 15, 1960.

F. Eberstadt & Co. and White, Weld & Co. assisted Talcott in the placement of these notes with institutional purchasers, among whom are included: Aetna Life Insurance Co., Bankers Life Co., Connecticut General Insurance Co., Fidelity Mutual Life Insurance Co., Lincoln National Life Insurance Co., Lutheran Brotherhood, New York Life Insurance Co., Penn Mutual Life Insurance Co., and Springfield-Monarch Insurance Co.

Talcott, founded in 1854, is engaged in all phases of industrial finance—accounts receivable and inventory financing, mortgage, equipment and special loans, industrial time sales financing, factoring, equipment leasing and rediscounting. In 1959 the volume of receivables financed and factored by the company totaled more than $1 billion.

With Black & Co.

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Oreg. — George C. Drougas is now with Black & Company, Inc., American Bank Building. He was formerly with Foster & Marshall.

Clinton Peterson Is With Selected Secs.

(Special to THE FINANCIAL CHRONICLE)

EAU CLAIRE, Wis. — Clinton L. Peterson has become associated with Selected Securities Co., 1712 Main Street. Mr. Peterson was formerly President of Citizens Loan and Finance Company of La Crosse.

Rejoins Dempsey-Tegeler

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif. — James H. Sword has rejoined the staff of Dempsey-Tegeler & Co., 464 North Bedford Drive. He has recently been with Bache & Co.

R. F. Dowd & Co., Inc. Formed in New York

R. F. Dowd & Co., Inc. has been formed with offices at 39 Broadway, New York City, to engage in a securities business. Officers are Richard F. Dowd, President, and Archie Packer, Vice-President. Mr. Dowd was formerly an analyst for S. D. Fuller & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

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	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Kansas City Fire & Marine Insurance Co. Multiple-line insurance	25	1.25	24	5.2
Kansas City Life Ins. Co. Non-participating life	*36	10.00	1,428	0.7
Kansas City Structural Steel Buildings, bridges and tanks	12	0.50	17½	2.9
Kansas City Title Insurance Company Title insurance, abstracts, escrow	20	2.50	56	4.5
Kansas-Neb. Natural Gas Co. Natural gas production, transmission and distribution	23	1.90	44½	4.3
Kearney (James R.) Corp. Utility equipment	23	0.70	8¾	8.0
Kendall Refining Co. Producing, refining and marketing of petroleum and its products	58	1.25	22¾	5.5
Kennametal Inc. Hard carbide compositions, cutting tools and specialties	17	1.60	32½	4.9
Kent-Moore Organization Special service tools & equipment	12	1.00	18	5.6
Kentucky Central Life & Accident Insurance Co. Non-participating life	22	3.50	125	2.8
Kentucky Stone Co. Crushed stone	17	†2.44	49	5.0
Kentucky Utilities Co. Electricity supplier	21	1.54	35¾	4.3
Kerite (The) Company Manufacture insulated wire and cable	28	1.50	26¼	5.7
Keyes Fibre Co. Manufacturer of molded pulp and fibrous plastic articles	10	†0.59	15¼	3.9
Keystone Portland Cement Co. Manufactures cement	10	2.50	39¾	6.3
Kings County Trust Company, Brooklyn, N. Y.	70	4.00	105	3.8
Kingsburg Cotton Oil Co. Cotton seed products	13	0.10	1¾	5.7
Kingsport Press, Inc. Book manufacturing	16	†0.79	38	2.1
Kinney Coastal Oil Crude oil produced	18	0.17	2⅛	8.0
Kirsch Company Manufacture venetian blinds, drapery hardware and refrigeration hardware	13	1.00	20¾	4.8
Kittanning Telephone Co. Communication	42	1.35	24	5.6
Knights Life Insurance Co. of America Life insurance	39	1.00	65	1.5
Knudsen Creamery Co. of California Wholesale dairy products	20	†1.18	35½	3.3
Koehring Co. Earth moving and construction equipment	19	0.50	16⅜	3.1
Kuhlman Electric Co. Manufacturer transformers, metal melting furnaces, fabricate aluminum products and packaging	14	0.80	15	5.3
Kuner-Empson Co. Canned vegetables, bottled pickles	14	0.23	5	4.6
Kuppenheimer (B.) & Co., Inc. Manufacturer of men's clothing	19	1.00	27	3.7
La Salle Natl. Bk. (Chicago) Makes and wholesales men's clothing	12	†2.88	96	3.0
Laclede Steel Co. Basic steel manufacturer	49	8.00	240	3.3
Lake Superior Dist. Pwr. Co. Public utility (electric, gas and water)	23	1.20	23⅜	5.1
Lakeside Laboratories, Inc. Pharmaceutical products	12	1.00	48½	2.1
Lake Superior & Ishpeming Railroad Co. Operating railroad	36	1.60	29	5.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Lake View Trust & Savings Bank (Chicago)	*40	8.00	425	1.9
Lamston (M. H.) Inc. Variety store chain	16	†0.48	12¼	3.9
Lang & Co. Wholesale grocery, beer distributing and investments.	21	0.40	6	6.7
Langendorf United Bakeries West Coast baker	23	1.20	25⅛	4.8
Latrobe Steel High speed, tool and die, stainless steels	22	1.65	38	4.3
Lau Blower Co. Manufacture of air moving equip.	25	0.40	7¼	5.5
Lee (H. D.) Co. Inc. Mfr. of work, utility and play clothing	28	†0.80	20	4.0
Leece-Neville Co. Starting-light equipment for autos and aircraft	37	†0.48	21	2.3
Liberty Bk. of Buffalo (N.Y.)	15	1.55	41½	3.7
Liberty Life Insur. Co. Voting Non-participating	18	†0.13	21	6.2
Liberty Loan Corp. Consumer credit	25	†0.94	33	2.8
Liberty Natl. Bank & Trust Co. of Louisville	19	2.50	60	4.2
Liberty Natl. Bank & Trust Co. of Oklahoma City	25	0.80	30	2.7
Liberty National Life Insurance Co. Life insurance	27	†0.27	63	0.4
Life & Casualty Ins. of Tenn. Life, accident and health	24	0.60	22½	2.7
Lincoln Natl. Bank & Trust Co. of Fort Wayne	20	2.70	75	3.6
Lincoln National Bank & Trust Co. of Central N. Y.	a26	1.65	29½	4.2

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

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	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Lincoln Natl. Life Ins. Co. Life insurance	41	2.00	247	0.8
Lincoln Rochester Trust Co. (Rochester)	24	†2.48	65½	3.8
Lincoln Square Building Co. Springfield, Ill. real estate	26	9.00	125	7.2
Lincoln Telephone & Telegraph Co. Operating public utility	32	2.60	62	4.2
Loblaw Inc. Grocery chain	22	2.00	147	1.4
Lock Joint Pipe Co. Water and sewer pipe	24	†0.63	19¾	3.2
Loft Candy Co. Leader in the candy field	18	0.20	3½	5.7
Lone Star Brewing Co. Lager beer	15	2.25	32	7.0
Longhorn Portland Cement Manufacturer of Portland Cement	23	2.00	34	5.9
Lorain Telephone Co. Operating public utility	a64	1.40	32½	4.3
Louisiana State Rice Milling Co. Rice and by-products	19	0.60	21	2.9
Louisville Title Mortgage Co. Title insurance on real estate	24	1.25	26	4.8
Louisville Trust Co. (Ky.)	17	1.55	41	3.8
Lucky Stores, Inc. Retail food chain on Pacific Coast	15	0.80	25⅝	3.1
Ludlow Mfg. & Sales Jute, paper and plastics	88	1.60	30¾	5.2
Ludlow Typograph Co. Typesetting equipment	15	0.86	13¾	6.3
Luminator-Harrison, Inc. Automotive & electrical products	14	†0.69	14	4.9
Lynchburg Foundry Co. Cast iron products	21	0.70	19½	3.6
Lynchburg Gas Co. Natural gas supplier	17	1.00	25	4.0
Lynn Gas & Electric Co. Operating public utility	53	1.60	35½	4.5
Lyon Metal Products, Inc. Fabricated steel products	23	1.80	39	4.6
Macco Corp. Oilfield construction and maintenance	12	†0.56	35½	1.6
Macmillan Co. Well-known book publisher	62	1.50	47½	3.2
Macwhyte Co. Wire, rope, cables	16	1.75	33	5.3
Mading Drug Stores Co. Houston drug chain	14	0.60	11¼	5.3
Madison Gas & Electric Co. Public utility, gas and electric	51	1.90	47½	4.0
Magor Car Corp. Railroad rolling stock	24	2.00	31	6.5
Mahon (R. C.) Co. Fabricated structural steel and sheet metal products	24	1.20	24	5.0

a Including predecessors.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Maine Bonding & Casualty Co. Multiple line fire and casualty	a21	0.80	18	4.4
Manufacturers Life Insur. Co. Life insurance	*51	2.95	253	1.2
Manufacturers National Bank of Detroit	21	1.90	46¾	4.1
Manufacturers & Traders Trust Co. (Buffalo, N. Y.)	73	1.20	29⅝	4.1
Manufacturers Trust (N. Y.)	51	2.15	67¾	3.2
Market Basket (Los Ang.) Retail market chain	21	†0.99	26½	3.7
Marlin-Rockwell Corp. Mfr. ball and roller bearings	36	†0.98	21⅜	4.6
Marmon-Herrington Co. Inc. Heavy duty trucks, mining equipment and supplies	10	†0.59	11¼	5.2
Marshall & Ilsley Bk. (Milw.)	22	2.40	88	2.7
Marshall-Wells Co. Manufactures and wholesales hardware and kindred lines	*15	5.50	335	1.6
Maryland Casualty Co. Multiple-line insurance	12	1.50	36½	4.1
Maryland Credit Finance Corp. Auto financing	13	1.75	30	5.8
Maryland Shipbuilding & Drydock Co. Ship construction, conversion, repairs and manufacturer of industrial products	26	†1.95	22¾	8.6
Maryland Trust Co. (Balti.)	25	2.00	60	3.3
Massachusetts Bonding & Insurance Co. Diversified insurance	24	1.60	36½	4.4
Massachusetts Protective Association, Inc. Accident and sickness insurance	27	1.50	68	2.2
Massachusetts Real Estate Co. Real estate	25	4.75	112	4.2
Mastic Corp. Imprinted brick and insulating siding	20	0.20	7½	2.7
Mathews Conveyor Co. Conveying equipment	14	1.00	22	4.5
Matthiessen & Hegeler Zinc Co. Zinc smelting and rolling. Manufacturers of sulphuric acid and ammonium sulphate	14	†0.77	26¼	2.9
Maxson (W. L.) Corp. Electronic equipment	11	0.20	14¼	1.4
Mayer (Oscar) & Co., Inc. Meat and meat processing	24	1.00	62	1.6
McCloud River Lumber Co. Western softwood lumber	25	4.00	117½	3.4
McCormick & Co. Inc. Manufacturers & distributors of spices, extracts, tea, etc.	36	1.40	29	4.8
Meadville Telephone Co. Operating public utility	36	2.00	32¼	6.2
Medford Corp. Lumber manufacturer	20	11.00	272	4.0
Mellon Natl. Bank & Trust	55	†3.98	162	2.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Melrose Hotel Co. Dallas residential and transient hotel	28	2.00	38	5.3
Mercantile National Bank of Chicago	24	2.00	49	4.1
Mercantile National Bank at Dallas	25	1.20	33½	3.6
Mercantile-Safe Deposit and Trust Co. (Baltimore)	90	5.00	110½	4.5
Mercantile Trust (St. Louis)	58	3.00	80	3.8
Merchandise National Bank of Chicago	26	1.10	35	3.1
Merchants Acceptance Corp. Small loans and general financing	23	1.80	26¾	6.7
Merchants Fire Assur. Corp.	48	†1.15	31½	3.7
Merchants and Manufacturers Insurance Co. of N. Y. Fire, marine, allied lines and multiple peril insurance coverages	24	0.65	14	4.6
Merchants National Bank of Boston	129	2.00	51	3.9
Merchants National Bank in Chicago	22	†1.35	42	3.2
Merchants National Bank of Mobile	58	3.25	86	3.8
Merchants National Bank & Trust Co. (Indianapolis)	*35	†0.76	40	1.9
Merchants National Bank & Trust Co. of Syracuse	20	1.60	39½	4.1
Meredith Publishing Co. Publishing and radio and television broadcasting	32	1.80	39½	4.6
Messenger Corp. Manufacture and sales of funeral director service, religious calendars and greeting cards	24	0.50	10½	4.8
Metals Disintegrating Co. Metal powders	10	0.40	50	8.0
Metropolitan Storage Warehouse Co. General warehouse	41	3.50	29	12.1
Meyercord Co. Decalcomanias	19	0.25	11	2.3
Michigan Gas & Electric Co. Electric and gas utility	15	†1.94	76½	2.5
Mich. Natl. Bank (Lansing)	19	1.00	48½	2.1
Michigan Seamless Tube Co. Sheet tubing	21	†1.00	26¾	3.7
Middle States Telephone Co. of Illinois Operating public utility	21	0.98	25¼	3.9
Middlesex County Natl. Bank (Mass.)	24	2.40	54	4.4
Middlesex Water Co. Operating public utility	47	†0.58	18¼	3.2
Midwest Rubber Reclaiming Mfrs. of reclaimed rubber	23	1.50	24½	6.1
Miles Laboratories, Inc. Alka Seltzer	66	1.50	83½	1.8
Miller Mfg. Co. Tools for auto and engine repair	18	0.25	8⅛	3.1
Miller & Rhoads, Inc. Richmond (Va.) department store	41	1.20	24¼	4.9

* 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

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Millers Falls Co. Tools	*23	†0.57	17	3.4
Minneapolis Gas Co. Natural gas distributor	a41	1.50	30⅜	4.9
Mississippi Glass Co. Rolled glass, wire glass, etc.	13	2.00	39¼	5.1
Mississippi Shipping Co. Steamship operators	35	0.78	13⅝	5.7
Mississippi Valley Barge Line Co. Commercial carrier; freight on rivers	18	0.60	16¾	3.6
Missouri-Kansas Pipe Line Holding company	20	3.60	100	3.6
Missouri Utilities Electricity and natural gas	18	1.36	27¾	4.9
Mobile Gas Service Corp. Operating public utility	15	1.10	26	4.2
Mohawk Petroleum Corp. Oil production	15	0.70	30	2.3
Mohawk Rubber Co. Rubber mfg.: tires, tubes, camel-back and repair materials	18	†0.78	28½	8.0
Monarch Mills Sheetings and print cloths	26	0.45	27	1.7
Montana Flour Mills Co. Flour and feeds	20	0.80	21½	3.7
Monumental Life Ins. (Balt.) Life insurance	32	1.20	58	2.1
Moore Drop Forging Co. Light machining and drop forgings	23	0.80	15½	5.2
Moore-Handley Hardware Hardware wholesaler	13	0.60	11⅛	5.4
Morgan Engineering Co. Produces mills, cranes, etc.	13	1.20	22¼	5.4

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Morgan Guaranty Trust Co. adopted in Feb. 1959.	a68	e3.20	116¼	2.8
Morris Plan Co. of California Industrial loan company	35	2.20	42½	5.2
Morrison-Knudsen Co., Inc. General contractors, heavy construction	21	1.80	33⅛	5.4
Mosinee Paper Mills Co. Sulphate pulp and paper	20	1.40	34½	4.1
Motor Finance Corp. Auto financing and insurance	35	4.00	85	4.7
Murray Co. of Texas Cottonseed oil	15	2.00	38	5.3
Mystic Valley Gas Co. Natural gas distributor	65	3.00	37	8.1
Nalco Chemical Co. Water and petroleum treatments and industrial chemicals	32	1.40	71½	2.0
N[illegible]rican Bank of New Orleans	34	16.00	450	3.6
National Bank of Commerce of Houston	38	3.00	140	2.1
National Bank of Commerce in Memphis	21	2.00	52½	3.8
National Bank of Commerce in New Orleans	26	1.10	42¾	2.6
National Bank of Commerce of Norfolk	71	2.00	56½	3.5
National Bank of Commerce of San Antonio	58	1.60	55	2.9
National Bank of Detroit	27	†1.95	60	3.3
National Bank of Toledo (Ohio)	20	1.50	50	3.0
National Bank of Tulsa	16	†0.99	41	2.4
National Bank of Washington (Tacoma)	54	2.00	51½	3.9
National By-Products, Inc. Animal products	23	0.30	5¼	5.7
National Casualty Co. Accident, health, casualty insur.	27	2.00	55	3.6

† Adjusted for stock dividends, splits, etc.
a Including predecessors.
e Indicated dividend rate is shown based on 80c quarterly payment. Bank also paid 80c extra on Jan. 15, 1960.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Natl. City Bank of Cleveland	24	†2.34	89	2.6
National Commercial Bank & Trust Co. (Albany, N. Y.)	105	1.10	33½	3.3
Natl. Fire Ins. Co. of Hartf'd Diversified insurance	90	2.00	146	1.4
National Food Products Corp. Holding company; chain food stores	20	1.15	19	6.1
National Gas & Oil Corp. Natural gas and Pennsylvania grade crude oil	10	1.30	21¾	6.0
National Life & Accident Insurance Co. (Nashville) Life, accident and health	57	0.60	116	0.5
National Lock Co. Mortise locks	19	0.60	13	4.6
National Newark & Essex Banking Co. (Newark)	155	†2.88	62¼	4.6
National Oats Co. Cereals, animal feeds	34	0.60	14½	4.1
National Reserve Life Insurance Co. Participating & non-participating	17	0.60	165	0.4
National Screw & Mfg. Co. Screws, bolts and nuts	70	2.50	49	5.1
Natl. Shawmut Bk. (Boston)	*63	2.25	52¼	4.3
National Shirt Shops of Del. Chain, men's furnishings	21	0.90	16¾	5.4
National State Bk. (Newark)	148	y2.45	56	4.3
National Tank Co. Manufactures and sells oil field equipment	13	1.20	21½	5.6
National Terminals Corp. Midwest storage facilities	16	1.25	17½	7.1
National Union Fire Insur. Diversified insurance	25	2.00	37⅛	5.4
Nazareth Cement Co. Pennsylvania producer	15	2.00	30½	6.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
y Bank also paid a 1-for-19 stock dividend in January, 1959. On Jan. 4, 1960 the quarterly dividend was increased to 62½ cents, or on an annual basis of $2.50 as against $2.40. In addition, a 10 cent extra was paid.

Continued on page 38

de Mandy Joins Union Service Corporation

Laszlo de Mandy has joined Union Service Corporation, 65 Broadway, New York City, as a senior securities analyst of the oil and gas and related industries, according to Francis F. Randolph, Chairman and President.

Union Service is the organization which provides investment research and administrative services on an at-cost, nonprofit basis for Tri-Continental Corporation, the nation's largest diversified closed-end investment company, and the Broad Street Group of Mutual Funds—Broad Street Investing Corporation, National Investors Corporation and Whitehall Fund, Inc.

With Eastman Dillon

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill. — Hugh F. Hoffman has become affiliated with Eastman Dillon, Union Securities & Co., 135 South La Salle Street. He was formerly with Hornblower & Weeks.

Burgess & Leith Adds

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — William R. Kitchel has been added to the staff of Burgess & Leith, 53 State St., members of the New York and Boston Stock Exchanges. Mr. Kitchel was formerly with Estabrook & Co. and Goodbody & Co.

With Coburn, Middlebrook

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Michael A. Harris has become connected with Coburn & Middlebrook, Incorporated, 75 Federal Street. He was formerly with Blair & Co. Incorporated.

Two With H. Hentz

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Peter J. Huberman and David Weisman have become associated with H. Hentz & Co., 585 Boylston Street. Both were formerly with Leavitt, Spooner & Co.

Inland Container Common Offered

Public offering of 175,000 shares of class A common 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 $2,500,000 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, 50% 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 1959, 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

	Year Ended December 31 1959	1958
Operating Revenues:		
Telephone	$26,611,920	$23,876,099
Gas	19,506,191	16,539,393
Electric	1,011,334	923,413
Total	$47,129,445	$41,338,905
Operating Expenses and Taxes*	39,909,572	35,479,464
Net Operating Income	$ 7,219,873	$ 5,859,441
Other Income	146,989	133,083
Net Earnings	$ 7,366,862	$ 5,992,524
Interest and Other Income Deductions	2,132,745	1,829,052
Net Income before Minority Interest in Income of Subsidiaries	$ 5,234,117	$ 4,163,472
Minority Interest in Income of Subsidiaries	2,194,120	1,857,508
Net Income for Central Electric & Gas Company	$ 3,039,997	$ 2,305,964
Preferred Stock Dividends	293,761	247,275
Balance for Common Stock of Central Electric & Gas Company	$ 2,746,236	$ 2,058,689
Earnings per Common Share on—		
Average number of shares outstanding	$1.86	$1.47
Number of shares outstanding at end of period	$1.83	$1.41

CENTRAL ELECTRIC & GAS COMPANY

SUMMARY OF CORPORATE EARNINGS

	1959	1958
Operating Revenues:		
Gas	$19,506,191	$16,539,393
Electric	1,011,334	923,413
Total	$20,517,525	$17,462,806
Operating Expenses and Taxes*	18,572,733	15,949,620
Net Operating Income	$ 1,944,792	$ 1,513,186
Other Income (including dividends from subsidiaries)	994,356	900,736
Net Earnings	$ 2,939,148	$ 2,413,922
Interest and Other Income Deductions	619,154	556,111
Net Income	$ 2,319,994	$ 1,857,811
Preferred Stock Dividends	293,761	247,275
Balance for Common Stock	$ 2,026,233	$ 1,610,536
Earnings per Common Share on—		
Average number of shares outstanding	$1.37	$1.15
Number of shares outstanding at end of period	$1.35	$1.11
Number of Shares of Common Stock of Central Electric & Gas Company outstanding at—		
December 31, 1959	1,503,250	
December 31, 1958		1,455,785

*Includes cost of gas purchased of $11,495,387 and $9,832,647 in 1959 and 1958, respectively (corporate and consolidated).

Yancey Pres. of Murphey Favre

SPOKANE, Wash.—At a special meeting of the directors of Murphey Favre, Inc., Monday, March 28, George R. Yancey was elected President of the Spokane investment banking company, succeeding Robert M. Williams, whose recent death from a heart attack saddened friends and business associates throughout the nation.

Mr. Yancey, who was closely associated with Mr. Williams in the firm's management, has been with Murphey Favre since 1921.

A few years later he was made a Vice-President, a position held continuously until his election as President. Mr. Yancey continues as President of the two mutual investment companies sponsored by Murphey Favre, Composite Fund, Inc. and Composite Bond and Stock Fund, Inc., both of which offices he has held for some time.

Mr. Yancey is well known in financial circles. He has served as chairman of the Northwest District committee of the National Association of Securities Dealers and has been active in various investment banking groups.

Merrill, Turben Adds M. J. Pappas

CLEVELAND, Ohio—Milton J. Pappas has become associated with Merrill, Turben & Co., Inc., Union Commerce Building, it has been announced.

Mr. Pappas will devote his time to corporate finance and new business work for the company. For the past six years he had been associated with the Cleveland Trust Co. where he served as a trust investment officer.

Merrill, Turben, one of Cleveland's largest investment banking companies, is a member of the New York and Midwest Stock Exchanges.

With Hayden, Stone

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—David A. Freeman has become connected with Hayden, Stone & Co., 10 Post Office Square. He was formerly with Hill, Darlington & Co.

Lafferty Partner

Louis Tavormina has been admitted to partnership in R. F. Lafferty & Co., 19 Rector Street, New York City, members of the American Stock Exchange.

W. C. Grafton Opens

SHREVEPORT, La.—William C. Grafton has opened offices at 3109 Alexander Street to engage in a securities business.

Now Westamerica Secs.

EMPORIA, Kans.—The firm name of Western Securities, Inc., Citizens National Bank Building, has been changed to Westamerica Securities, Inc.

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

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	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Nekoosa-Edwards Paper Class A voting stock Pulp and papers	19	f0.68	23½	2.9
New Amsterdam Casualty Diversified insurance	23	2.00	49¼	4.1
New Britain Gas Light Co. Public utility, gas distribution	101	2.00	40½	4.9
New Britain Machine Machine tools	24	1.45	22½	6.4
New England Gas & Electric Association Owning investments in several operating utility companies	13	1.10	22⅝	4.9
New England Lime Co. Lime products	13	0.80	36	2.2
New Hampshire Insurance Co. All insurance lines except life	91	2.00	52	3.8
New Haven Gas Co. Operating public utility in Conn.	110	2.00	38¾	5.2
New Haven Water Co. Operating public utility in Conn.	81	3.40	67½	5.0
New Jersey Bank & Trust (Clifton, N. J.)	a91	1.50	32	4.7
New Jersey Natural Gas Co. Natural gas distributor	10	†0.84	22¾	3.7
New York Fire Insurance Co. Fire, marine, multiple peril insurance, and allied lines	27	1.50	34	4.4

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on Page 45.

New Yorker Magazine Publishes "The New Yorker"	31	4.00	90	4.4
Newport Electric Corp. Rhode Island utility	21	1.10	21⅜	5.1
Nicholson File Co. Manufactures files, rasps & saws	88	1.10	22¾	4.8
900 Michigan Ave., North Corp. Chicago real estate	15	1.00	23½	4.3
No-Sag Spring Co. Furniture and bedding springs	23	0.50	17	2.9
Norfolk County Trust Co. (Brookline, Mass.)	23	2.15	47¼	4.6
Norris-Thermador Corp. Metal stamping and fabrication	10	0.75	16½	4.5
North American Life Insurance Co. Life, accident & health	20	†0.18	15⅞	1.1
North American Refractories Fire brick & refractory materials	13	2.00	39	5.1
North & Judd Mfg. Co. Manufacturing variety of hardware	97	1.95	34	5.7
North Penn Gas Co. Natural gas public utility	10	0.60	11⅝	5.2
North River Insurance Co. Diversified insurance	122	1.40	37¼	3.8
North Shore Gas Co. (Ill.) Retail distributor of natural gas	17	1.00	25¼	4.0
Northeastern Ins. of Hartford Reinsurance	14	0.33	12¾	2.6
Northeastern Pennsylvania Natl. Bank & Trust Co.	a97	2.50	51	4.9
Northern Engineering Works Cranes and hoists	*20	0.60	10	6.0
Northern Insurance (N. Y.) Diversified insurance	50	1.50	42	3.6
Northern Life Insurance Co. Life, accident and health	48	1.80	140	1.3
Northern Ohio Telephone Co. Operating public utility	33	1.60	54	3.0
Northern Oklahoma Gas Co. Operating public utility	24	1.00	17	5.9
Northern Trust Co. (Chicago)	66	†10.80	585	1.8
Northwest Engineering Co., Class A Excavating machinery	24	2.50	42	6.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
f Plus 5% stock dividend payable in class B shares.

Continued on page 39

Australia to Sell $25 Million Bond Issue Here

Howard Beale, Australian Ambassador to the United States, stated that the Rt. Hon. Harold Holt, Treasurer of the Commonwealth of Australia, has announced that the Commonwealth filed a registration statement on March 31 with the Securities and Exchange Commission covering $25,000,000 20-year bonds.

The issue will be underwritten by a group of investment firms headed by Morgan Stanley & Co. Public offering of the bonds is expected to be made about April 20.

The Australian currency equivalent to the proceeds of the issue will be used to finance various public works projects throughout the Commonwealth of Australia.

The most recent sale of bonds of the Commonwealth in the United States market was an offering of $25,000,000 20-year 5½% bonds in September, 1959.

Robt. Hill V.-P. of Southwestern Inv.

AMARILLO, Texas—The election of Robert C. Hill as Vice-President of Southwestern Investment Co. was announced by President and Chairman R. Earl O'Keefe following a meeting of the S. I. C. Board of Directors March 25. Mr. Hill will serve in the Financial Division of the company.

The new financial executive brings the company a broad experience in the commercial paper market. He was a registered representative with Salomon Bros. and Hutzler of New York City for four years prior to joining S. I. C.

Bache Branch in Montreal

MONTREAL, Canada — Bache & Co., members of the Toronto, New York Stock Exchange and other leading securities and commodities Exchanges, have opened a branch office in Montreal. Pending the completion of the Bank of Montreal Building now under construction, where the firm will operate a modern investment office, Bach & Co. maintains temporary quarters at the Bank of Montreal branch, 1260 University Street.

In making the announcement, Chester C. Burley, Jr., partner of the firm, stated that clearance from the Quebec Securities Commission is expected shortly.

Bache & Co. was the first investment house to maintain an office in Montreal up to the outbreak of World War I which necessitated its closing.

The local branch office will be managed by Lloyd G. F. Sampson, with Herman S. Shapiro, Associate Manager, and Fred Watt, Assistant Manager.

Joins A. C. Allyn

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, Mo. — Peter M. Brancato has been added to the staff of A. C. Allyn & Company, Incorporated, 101 West Eleventh Street.

Semple, Jacobs Office

CLAYTON, Mo.—Semple, Jacobs & Co., Inc., has opened an office at 7745 Carondelet Avenue, with Melburne M. Taylor as resident officer.

Now With A. C. Allyn

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Donald F. Nietzel has become associated with A. C. Allyn and Company, Incorporated, 122 South La Salle Street. He was previously with Glore, Forgan & Co.

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

Continued from page 38

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Northwestern National Insurance Co. (Milwaukee) Multiple line insurance	87	2.90	101	2.9
Northwestern National Life Insurance Co. (Minn.) Life insurance	24	1.65	97	1.7
Northwestern Public Service Electric and gas public utility	13	1.05	21⅝	4.9
Northwestern States Portland Cement Co. Mfr. and sale of Portland cement	29	†1.46	64½	2.3
Noxzema Chemical Co., Cl. B Distributes "Noxzema" shaving cream and medicated cream	37	1.00	32	3.1
Noyes (Charles F.) Co. Real estate	20	6.00	60	10.0
Ohio Casualty Insurance Co. Diversified insurance	38	0.64	29	2.2
Ohio Citizens Trust Co. (Toledo)	25	1.70	55	3.1
Ohio Crankshaft Co. Besides Crankshafts, company manufactures equipment for Diesel and heavy duty engines, and electrical high frequency induction facilities for metal heating purposes.	20	1.75	29	6.0
Ohio Forge & Machine Corp. Gears, speed reducers, etc.	24	1.50	33	4.5
Ohio Leather Co. Tannery	29	1.00	19	5.3
Ohio State Life Insur. Co. Life, accident and health	*36	2.00	325	0.6
Ohio Water Service Retails treated water; wholesales untreated	24	†1.48	28	5.3
Oilgear Co. Hydraulic machinery	*18	2.40	41	5.9
Old Ben Coal Corp. Marked coal	13	0.60	16¾	3.6
Old Kent Bank and Trust Co. (Grand Rapids)	24	1.50	33¼	4.5
Old Line Life Insurance Co. of America Life, accident and health	a48	1.25	74	1.7
Old Republic Life Insurance Company (Chicago) Life, accident and health	a24	0.80	16¾	4.8
Olympia Brewing Co. Brewing	25	2.35	58	4.1
Omaha National Bank	25	†1.91	76½	2.5
Oneida, Ltd. Manufacture sterling, silverplate and stainless tableware	24	1.00	22¾	4.4
Onondaga Pottery Co. China tableware	17	1.70	31	5.5
Orange County Telephone Co. Operating public utility	52	0.80	60½	1.3
Orange & Rockland Utilities, Inc. Gas and electric company	52	0.93	29¾	3.1
Orpheum Building Co. San Francisco office-theatre bldg.	22	0.30	4⅞	6.2
Osborn Manufacturing Co. Manufacturers of industrial brushes and foundry machinery	36	†1.29	26½	4.9
Oshkosh B'Gosh Complete line of work clothing and matched sets	25	1.75	28½	6.1
Otter Tail Power Co. Generating and distributing electrical energy	22	1.60	30½	5.2
Pacific Car & Foundry Co. Makes railway cars	17	1.05	37	2.8
Pacific Employers Insurance Co. Multiple line insurance	25	0.93	19½	4.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Pacific Insurance Co. of New York Multiple line insurance	55	2.40	59	4.1
Pacific Intermountain Express Co. Motor freight; Western States	13	0.80	13⅜	5.9
Pacific Lumber Co. Planning mill products	24	12.00	335	3.6
Pacific National Bank of Seattle	32	1.00	33	3.0
Pacific Power & Light Co. Public utility (predominantly electric)	13	1.60	36¾	4.4
Pacific Vegetable Oil Corp. Foreign trade manufactures vegetable oil and oilseeds	18	†0.53	16¼	3.3
Package Machinery Automatic wrapping machines	43	1.00	17¾	5.6
Packaging Corp. of America	a27	g1.00	29¾	3.4
Pacolet Manufacturing Co. Textile manufacturing	20	9.00	149	6.0
Panama Coca-Cola Bottling Beverage bottling	*31	0.50	9½	5.3
Paragon Electric Co. Automatic time controls	11	†0.59	27	2.8
Park Drop Forge Co. Manufactures die-forged crankshafts & large drop die forgings	50	1.50	29	5.2
Parker-Hannifin Corp. Manufacturer of hydraulic and fluid system components	10	0.72	30½	2.4
Paterson Parchm't Paper Co. Vegetable parchment, waxed and custom made papers	69	†0.52	17½	2.9
Pearl Brewing Co. Beer producers	21	1.30	18	7.2
Peden Iron & Steel Co. Hardware	23	1.00	29½	3.4

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
g Indicated dividend rate is shown based on 25c quarterly payments.

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

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	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Peerless Insurance Co. Diversified insurance	46	1.00	22½	4.4
Pemco Corp. Porcelain, enamel and ceramic frits and colors	*16	2.50	32½	7.7
Pendleton Tool Industries, Inc. Mechanics hand tools	21	0.98	19¼	5.1
Penn Controls, Inc. Manufactures automatic electric controls	11	1.20	23	5.2
Pennsylvania Engin'g Corp. Steel mills; oil refineries; chemical plants	13	1.20	26½	4.5
Pennsylvania Gas Co. Operating public utility in Pennsylvania and New York	81	1.20	25	4.8
Penobscot Chemical Fibre Co. Voting Mfr. bleached soda and sulphite woodpulp	13	†1.48	53	2.8
Penton Publishing Co. Business and technical journals	11	1.25	19	6.6
Peoples National Bank of Washington (Seattle)	32	†1.35	74¼	1.8
Peoples Telephone Corp. (Pa.) Telephone utilities	34	4.00	93	4.3
Pepsi-Cola General Bottlers, Inc. Soft drinks	13	0.60	13	4.6
Perfex Corp. Manufacturer of heat transfer products	11	†0.85	16	5.3
Perkins Machine & Gear Co. Precision gears	19	0.85	10½	8.1
Permanente Cement Co. Cement and gypsum products manufacturer	14	0.70	23⅞	2.9
Personal Industrial Bankers, Inc. Consumer finance	20	0.12	2½	4.8
Peter Paul Inc. Popular candies	38	2.00	36	5.6
Petrolane Gas Service, Inc. Liquefied petroleum gas	24	1.00	39½	2.5
Petroleum Exploration Producing crude petroleum and natural gas	43	3.25	58	5.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Petrolite Corp. Chemical compounds	29	5.00	158	3.2
Pettibone Mulliken Railroad track equipment, forging and machinery	18	†0.75	26	2.9
Pfaudler-Permutit Co. Water conditioning and corrosion resistant equipment	a23	1.40	36¾	3.8
Philadelphia Bourse Exhibition and office building	24	1.50	52½	2.9
Philadelphia National Bank	116	1.90	43¼	4.4
Philadelphia Suburban Transportation Co. Transportation of persons by street railway and motor bus	20	0.80	22	3.6
Philadelphia Suburban Water Operating public utility	*20	1.05	51¼	2.1
Phoenix Insur. (Hartford) Insurance carrier (except life)	87	3.00	83¼	3.6
Pickering Lumber Corp. California, Louisiana and Texas holdings	12	0.40	11⅛	3.6
Pictorial Paper Package Corp. Paper boxes	24	0.60	11¾	5.1
Piedmont & Northern Ry. Rail transportation.	31	7.00	122	5.7
Pioneer Finance Co. Financing company	22	0.50	10¼	4.9
Pioneer Trust & Savings Bank (Chicago)	36	2.00	85	2.4
Pittsburgh Fairfax Corp. Owning and operating apartment building	18	2.00	59	3.4
Pittsburgh National Bank	a93	h2.80	69	4.1
Plainfield-Union Water Co. Water utility	65	3.00	66	4.5
Planters Nut & Chocolate Peanut products	48	2.50	64	3.9
Plymouth Cordage Co. Manufacture of rope, harvest twines, twisted paper products	102	2.60	49¾	5.2
Pope & Talbot, Inc. Intercoastal steamship service and West Coast lumber mills	20	1.25	36	3.5
Port Huron Sulphite & Paper Lightweight papers	21	†0.95	39½	2.4
Porter (H. K.) Co. Inc. (Del.) Manufactures electrical equipment, industrial rubber products, steel and tool steel, copper and alloy metals, refractories, saws and tools, fittings, wire rope and related products	16	†1.28	73	1.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
h Indicated dividend rate is shown based on 70c quarterly payments.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Porter (H. K.), Inc. (Mass.) Mechanics' hand tools, bolt cutters, body and fender repair tools & equipment and hydraulic power tools	*22	0.60	12¾	4.7
Portland Gas Light Co. Public utility (mfrs. gas)	17	†0.68	18¾	3.6
Portland General Electric Electric utility	14	1.20	27⅜	4.4
Portsmouth Corp. Owns substantial interests in Cleveland-Cliffs Iron Co., Detroit Steel Corp., and companies in related fields	13	0.60	26½	2.6
Potash Co. of America Mining & refining, sale of potash	23	†1.09	21¾	5.0
Pratt, Read & Co. Piano and organ keyboards, piano actions, piano hardware, small tools, aircraft woodwork	15	†1.09	21	5.2
Princeton Water Co. Operating public utility	52	4.00	80	5.0
Produce Terminal Cold Storage Co. (Chicago) Public cold storage warehouse	12	1.00	16	6.3
Progress Laundry Co. Laundry and dry cleaning	25	1.40	15¼	9.2
Providence Washington Ins. Multiple line insurance	54	0.65	20¾	3.1
Provident Bank (Cinc.)	57	1.85	46	4.0
Provident Tradesmens Bank & Trust Co. (Phila.)	95	2.75	58½	4.7
Public Service Co. of N. H. Electric public utility	23	1.00	18½	5.4
Public Service Co. (N. Mex.) Public utility	14	0.88	34	2.6
Publication Corp. vot. Owns rotogravure printing plants	24	3.00	45	6.7
Purex Corp. Manufacturer of household cleaners and detergents	24	†0.63	30	2.1
Purity Stores, Ltd. California food chain	*12	0.40	17¼	2.3
Purolator Products, Inc. Filters oil, gas and air	19	†1.33	35¼	3.8
Quaker City Cold Storage Co. v. t. c. Cold storage facilities	10	0.20	9	2.2
Quaker City Insurance Co. Diversified insurance	11	0.60	12	5.0
Quaker City Life Insurance Co. (Pa.) Life, accident & health	*14	†0.68	47½	1.4

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

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Joins Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — John A. Hall has joined the staff of Shearson, Hammill & Co., 75 Federal St. He was formerly with Lee Higginson Corporation.

With H. C. Wainwright

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Harlow D. Thayer is now with H. C. Wainwright & Co., 60 State Street, members of the New York and Boston Stock Exchanges.

Joins Keon & Co.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Howard Toboco has become associated with Keon & Company, 639 South Spring Street. He was formerly with Shearson, Hammill & Co., and Toboco & Co., Inc.

With Pacific Coast Secs.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Roy E. Warnock has become associated with Pacific Coast Securities, Inc., 215 West Seventh Street. He was formerly with John J. Keenan & Co., Inc., and Shearson, Hammill & Co.

Now With Hornblower

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Gerald E. Brown is now affiliated with Hornblower & Weeks, 75 Federal Street. He was previously with Graham & King, Inc.

Schirmer, Atherton Adds

(Special to THE FINANCIAL CHRONICLE)

MANCHESTER, N. H. — George W. Hanson is now with Schirmer, Atherton & Co., 1015 Elm Street. He was formerly with Hornblower & Weeks.

Faulkner, Dawkins Add Four Partners

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

Winfield H. Perdun

Mr. Perdun, 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 Offshore Corp. Petroleum Reserves, Inc., and Prairie Oil Royalties Co. Ltd. A former governor of the American Stock Exchange, he also served as chairman of the Oil and Gas Securities Committee of the Investment Bankers Association.

Messrs. Colin, 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 Municipals

PHILADELPHIA, Pa.—Walter W. Craigie of F. W. Craigie & Co., Richmond, Va., will be guest speaker 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 of Municipal Financing."

Walter W. Craigie

Robert G. Rowe, Jr. of Paine, Webber, Jackson & Curtis, is in charge of arrangements.

Renton Joins D. H. Blair Co.

D. H. Blair & Co., 42 Broadway, New York City, members of the New York Stock Exchange, announced that Harvey S. Renton, Jr., is now associated with their firm as manager of the Municipal Bond 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, Beardmore & Co., Ltd. (Canada); Martin Lasher, President, Industries & Mines, Inc., and A. G. W. Prockter, Director of Flower & Lucas, Ltd. (Great Britain).

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

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	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Queen Anne Candy Co. Packaged, bar and bulk candy	11	0.10	4¼	2.4
Quincy Market Cold Storage Boston operation	18	1.60	38	4.2
Ralston Purina Animal feeds, breakfast foods	26	1.20	43	2.8
Red Owl Stores, Inc. Retail & wholesale grocery chain	27	1.60	50	3.2
Reece Corp. (Mass.) Makes button hole machines	78	1.30	26	5.0
Reed (C. A.) Co., class B Crepe paper	14	1.50	25	6.0
Reinsurance Corp. of N. Y. Writes only reinsurance	23	0.50	19⅝	2.5
Reliance Varnish Co. Paints, varnishes and enamels	16	0.85	19	4.5
Republic Insurance (Dallas) Fire and casualty insurance	54	†1.57	65	2.4
Republic National Bank of Dallas	40	†1.55	81	1.9
Republic National Life Insurance Co. (Dallas)	14	0.20	85	0.2
Republic Natural Gas Producers of crude oil and natural gas	24	0.60	28¾	2.1
Republic Supply Co. of California Suppliers and distributors of oil-well and industrial supplies	37	1.00	21	4.8
Revere Racing Assn. Dog racing, near Boston	18	0.60	7⅜	8.1
Rhode Island Hospital Trust	91	4.50	108	4.2
Richardson Co. Manufacturers of rubber and plastic industrial products	28	1.00	17½	5.7
Rich's, Inc. Operates Atlanta department store	31	0.80	25½	3.1
Riegel Textile Corp. Wide line textile products	22	0.75	18½	4.1
Rieke Metal Products Corp. Closures for steel drums and pails	27	†1.11	19	5.8
Riley Stoker Corp. Power steam generators	21	†1.58	46¾	3.4
Risdon Manufacturing Co. Small metal stampings	43	4.00	70	5.7
River Brand Rice Mills Inc. Leading rice miller and packager	a27	1.20	21	5.7
Roanoke Gas Co. Distributes natural gas	16	0.90	18½	4.9
Robbins & Myers, Inc. Manufacturing motors, fans, hoists & cranes, and pumps	10	2.30	59½	3.9
Robertson (H. H.) Co. Manufacturers of construction materials	24	†2.35	63	3.7
Rochester Button Co. Buttons	23	†0.88	14¾	6.0
Rochester Transit Corp. Rochester, N. Y., bus lines	10	0.40	6¾	5.9

† Adjusted for stock dividends, splits, etc.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Rock of Ages Corp. Granite quarrying and mfg. of granite cemetery monuments, markers, etc.	20	1.00	18	5.6
Rockland-Atlas Natl. Bank of Boston	96	1.90	45	4.2
Rockwell Manufacturing Co. Meters, valves and regulators, and power tools	21	†1.47	36¾	4.0
Roddis Plywood Corp. Manufacture and distribution of plywood doors and lumber	16	†0.39	15½	2.5
Rose's 5, 10 & 25c Stores, Inc. Operates 145 stores in the South	33	1.20	29	4.1
Ross Gear & Tool Co. Inc. Manufacturers of steering gears	32	†0.85	28	3.0
Rothmoor Corp. Women's coats and suits	12	0.40	4¾	8.4
Royal Dutch Petroleum (NY) Affiliated with producers of many nations	15	2.20	75	2.9

† Adjusted for stock dividends, splits, etc.

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

Continued from page 41

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Royalties Management Corp. — Oil and gas royalty interests	17	0.25	4¾	5.3
Sabine Royalty Corp. — Oil & gas royalties	15	2.00	40	5.0
Safety Industries, Inc. — Industrial scales, processing equipment and controls	29	1.00	25	4.0
Safway Steel Products, Inc. — Manufactures steel scaffolding, grand stands and bleachers	24	†0.95	16¾	5.7
Sagamore Mfg. Co. — Sateens, broadcloths, twills	24	3.00	74	4.1
St. Croix Paper Co. — Maine producers	40	1.25	34½	3.6
St. Joseph Stock Yards Co. — Livestock	61	5.00	60	8.3
St. Paul Fire & Marine Insur. — Fire and casualty insurance	88	1.25	53¼	2.3
St. Paul Union Stockyards — Minnesota operator	44	0.75	14	5.4
San Jose Water Works — Public utility (water company)	29	†1.30	31	4.2
San Miguel Brewery, Inc. (Philippines) — Beer and dairy products	*12	1.35	10	13.5
Sanborn Map Co. — Fire insurance & real estate maps	83	2.55	63	4.0
Sargent & Co. — Hardware, locks and tools.	17	1.15	22	5.2
Savannah Sugar Refining — Georgia operator	36	†1.45	40	3.6
Schenectady Trust Co. (N.Y.)	58	2.00	60	3.3
Schlage Lock Co. — Locks and builders' hardware	20	†0.95	52	1.8
Schuster (Ed.) & Co. Inc. — Three Milwaukee dept. stores	*18	1.00	18⅞	5.3
Scott & Fetzer Co. — Vacuum cleaner manufacturer	18	†1.75	46	3.8
Scott & Williams, Inc. — Builds knitting machinery	44	2.15	40	5.4
Scruggs-Vandervoort-Barney — Department stores; St. Louis, Kansas City, Denver	20	0.60	13½	4.4
Seaboard Surety Co. — Diversified insurance	25	†1.17	45	2.6
Searle (G. D.) & Co. — Pharmaceuticals	25	1.20	58½	2.1
Sears Bank & Trust Co. (Chicago)	20	2.60	81	3.2
Seatrain Lines Inc. — Transports freight cars by ships	*19	0.13	5¼	2.5
Second Bank-State St. Tr. Co.	41	3.55	93½	3.8
Second National Bank of Saginaw	79	†2.40	77	3.1
Securities Acceptance Corp. — Instalment financing and personal loans	26	†0.39	10	3.9
Security First National Bank (Los Angeles)	79	†1.49	63¼	2.4

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Security Insurance Co. of New Haven	66	†0.73	43	1.7
Security National Bank of Greensboro (N. C.)	24	1.00	37	2.7
Security Title Insurance Co. — Title insurance	12	†0.43	19⅞	2.2
Security Trust Co. of Rochester	67	2.15	55	3.9
Seismograph Service Corp. — Geophysical exploration oilwell wire-line services and mfg of electronics products	26	0.50	15	3.3
Selected Risks Insurance Co. — Diversified insurance	31	†1.17	35½	3.3
Seven-Up Bottling Co. (St. Louis) — Bottler of carbonated beverages	32	0.60	9½	6.3
Shakespeare Co. — Fishing reels, rods and lines	22	1.65	31	5.3
Shaler Co. — Vulcanizers	24	1.40	15¼	9.2
Shepard Niles Crane & Hoist — Electric cranes and hoists	25	1.50	27	5.6
Sherer-Gillett Co. — Manufacturer commercial refrigeration	14	0.20	1¼	16.0
Sick's Rainier Brewing Co. — "Rainier" and "Brew 66" beer	23	0.24	4½	5.3
Sierra Pacific Power Co. — Operating public utility	34	1.40	38	3.7
Sioux City Stock Yards — Iowa livestock market	56	2.00	31½	6.3
Sivyer Steel Casting Co. — Castings	24	1.50	31	4.8
Skil Corporation — Portable tools	25	†1.24	37	3.4
Smith-Alsop Paint & Varnish Co. — Paints and varnishes	12	1.55	22	7.0
Smith Engineering Works — Mining machinery	13	2.50	75	3.3
Smith (J. Hungerford) Co. — Manufacturer of soda fountain & ice cream fruits and flavors	37	†1.55	19½	7.9
Smith (T. L.) Co. — Concrete mixing equipment	10	0.30	18	1.7
Snap-On Tools Corp. — Manufacture and distribution of mechanics' hand service tools and related items	22	1.50	40½	3.7
Sommers Drug Stores Co. — Retail drug store chain	10	0.40	11	3.6
Sonoco Products Co. — Paper and paper products	35	†1.00	28½	3.5
Sorg Paper Co. — Stock lines and specialty papers	11	†0.50	15½	3.2
South Atlantic Gas Co. — Operating public utility	15	0.80	13¾	5.8
South Carolina National Bk. (Charleston)	24	†1.25	32	3.9
South Texas Development Co. Class B — Oil royalties	27	4.00	89	4.5
Southdown, Inc. — Operates Louisiana sugar plantation	12	†0.57	32	1.8

† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Southeastern Public Service — Natural gas supplier	12	0.80	12⅛	6.6
Southeastern Telephone Co. — Operating public utility	20	0.90	21⅞	4.1
Southern Bakeries Co. — Southeastern baker	24	†0.53	11¼	4.7
Southern California Water Co. — Operating public utility	31	0.93	20½	4.5
Southern Colorado Power — Operating electric public utility	16	0.90	17⅞	5.0
Southern Fire & Casualty Co. (Knoxville, Tenn.) — Fire and Casualty insurance	19	0.08	4¼	1.9
So. New England Tel. Co. — Communications services	69	2.10	45	4.7
Southern Oxygen Co. — Compressed gases	23	0.60	11½	5.2
Southern Union Gas Co. — Natural gas production and distribution	17	1.12	23⅞	4.7
Southland Life Insurance Co. — Life, health and accident insurance	25	†1.31	101	1.3
Southwest Natural Gas Co. — Southern natural gas supplier	13	0.20	4½	4.4
Southwestern Drug Corp. — Wholesale drugs	18	†0.71	19¾	3.6
Southwestern Electric Service — Electricity supplier	15	0.66	17¼	3.8
Southwestern Investment Co. — Sales, financing and personal loans	24	†0.59	14¾	4.0
Southwestern Life Insurance Co. (Dallas) — Non-participating life	50	†0.68	61½	1.1
SOUTHWESTERN STATES TEL. CO. — ● See Company's advertisement on page 39. Operating public utility	14	1.20	23	5.2
Spartan Mills — Cloths and sheetings	61	0.70	34	2.1
Speer Carbon Co. — Carbon, graphite and electronic products	27	†0.60	27½	2.2
Spindale Mills, Inc. — Yarn shirtings and dress goods	15	1.00	17½	5.7
Sprague Electric Co. — Electronic components	20	†1.18	62½	1.9
Springfield F. & M. Ins. Co. — Multiple line insurance	93	1.00	31⅜	3.2
Springfield Gas Light Co. — Distribution of natural gas	108	2.80	56¼	5.0
Staley (A. E.) Mfg. Co. — Processes corn and soy beans	26	†1.32	32	4.1
Stamford Water Co. — Operating public utility	64	1.80	50	3.6
Standard Accident Insurance Co. (Detroit) — Casualty, bonding and fire and marine insurance	20	2.00	59¼	3.4
Standard-Coosa Thatcher Co. — Cotton spinning, dyeing and bleaching	39	0.80	13	6.2
Standard Fire Insurance Co. of New Jersey — Diversified insurance	91	3.00	58	5.2
Standard Screw Co. — Screws and screw machine products	55	3.60	69	5.2

† Adjusted for stock dividends, splits, etc.

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

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Stange (Wm. J.) Co. — Food colorings and seasonings	14	0.80	16½	4.8
Stanley Home Products, Inc. (Voting) — Manufactures and sells brushes, waxes, polishers, and personal toiletries	17	2.25	35	6.4
Stanley Works — Hardware for building trades, etc.	84	†1.04	23	4.5
State Bank of Albany	157	†1.78	56½	3.2
State Loan & Finance Corp. Class A — Loans and finance business	30	1.00	22	4.5
State National Bank of El Paso	79	6.00	301	2.0
State Planters Bank of Commerce & Trs. (Richmond, Va.)	*38	2.60	78	3.3
Stecher-Traung Lithograph Corp. — Labels, packets and boxes	21	1.60	29	5.5
Stern & Stern Textiles, Inc. — Silk, rayon and nylon fabrics	14	0.60	9⅜	6.4
Stonecutter Mills Corp., Cl. B — Dies and fabrics	18	0.30	6¼	4.8
Stonega Coke & Coal Co. — Coal and lumber	20	0.25	10	2.5
Stouffer Corp. — Restaurant chain	24	†0.39	23½	1.7
Strathmore Paper Co. — Manufactures fine printing papers, artists' papers and technical papers	18	1.25	33	3.8
Stratton & Terstegge Co. — Wholesale hardware	27	1.40	24½	5.7
Strawbridge & Clothier — Large Philadelphia department store	13	1.00	21	4.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Struthers Wells Corp. — Fabricated metal products; chemical and refinery equipment	16	†0.73	15¾	4.6
Stuart (The) Co. — Pharmaceutical manufacturer and distributor	12	0.64	33	1.9
Stubnitz Greene Corp. — Cushion and back spring assys. polyurthane foams, refrigerator shelves and condensers, thermo-electronic relay	11	†0.49	11⅛	4.4
Stuyvesant Insurance Co. — Auto, fire, casualty and marine insurance	12	0.50	30	1.7
Suburban Gas Service, Inc. — Petroleum gases	11	1.09	44½	2.4
SUBURBAN PROPANE GAS CORP. — Distribution of liquefied petroleum gas and sale of appliances ● See Company's advertisement on page 36.	**14**	**1.00**	**15½**	**6.5**
Super Valu Stores, Inc. — Wholesale food distributor	24	†0.85	34	2.5
Swan Rubber Co. — Manufactures hose (rubber and plastic) small tires	25	0.83	22¼	3.7
Syracuse Transit Corp. — Local bus operator	18	2.00	20½	9.8
Tampax, Inc. — Miscellaneous cotton products	17	2.40	117	2.1
Tappan (The) Co. — Gas ranges	*25	†1.88	39¼	4.8
Taylor-Colquitt Co. — Railroad ties and poles	33	1.10	20	5.5
Taylor & Fenn Co. — Grey iron alloy castings	54	0.80	11	7.3
Taylor Instrument Cos. — Mfr. of scientific instruments	53	1.20	50	2.4
Tecumseh Products Co. — Refrigeration compressors, small engines, etc.	21	3.50	98½	3.6
Tejon Ranch Co. — California land holdings	11	†0.98	30	3.3
Telephone Service Co. of Ohio, Class B — Holding co.	18	‡1.90	170	1.1
Television-Electronics Fund, Inc. — Open-end mutual investment co.	12	0.95	16½	5.8
Tenn., Ala. & Georgia Ry. Co. — Railroad common carrier	22	0.75	21	3.6
Tennessee Natural Gas Lines, Inc. — Pipe lines	10	0.60	13¾	4.4
Terre Haute Malleable & Manufacturing Corp. — Iron castings	24	0.85	12½	6.8
Terry Steam Turbine Co. — Turbines and reduction gears	*52	2.00	40	5.0
Texas Eastern Transmission — Operates natural gas pipelines	10	1.40	28⅛	5.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on Page 45.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Texas Natl. Bank (Houston)	48	2.50	93	2.7
Textiles, Inc. — Makes cotton yarn	19	†0.68	16¼	4.2
Thalhimer Brothers, Inc. — Richmond department store	22	0.60	12¼	4.9
Third Natl. Bank in Nashville	31	†9.20	420	2.2
Third National Bank & Trust Co. (Dayton, Ohio)	98	1.00	35½	2.8
Third National Bank & Trust Co. of Springfield (Mass.)	96	2.20	48	4.6
Thomaston Mills — Wide range of cotton products	*19	1.25	25½	4.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
‡ Plus stock dividend of 3% in class A common.

Continued on page 44

Plymouth Secur. Offers and Sells Hi-Press Stock

Plymouth Securities Corp., of New York City, pursuant to a prospectus, dated April 1, publicly offered 200,000 shares of Hi-Press Air Conditioning of America, Inc. common stock (par 10 cents) at $3 per share, as a speculation. The stock sold quickly at a premium.

The company intends to apply the proceeds from this offering as follows: (1) the satisfaction 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 own 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. 13, 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 application.

Chicago Analysts to Hear

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

A. W. Bernier Opens

EUREKA, Calif. — Alphonse W. Bernier is engaging in a securities business from offices at 3032 G Street.

Form B. H. Lane Co.

BAY HILLS, N. Y.—B. H. Lane & Co., Inc., is engaging in a securities business from offices at 17 Soundview Drive, Huntington. Officers are Betty L. Hecker, President and Treasurer, and Dorothy Burr, Secretary.

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

Continued from page 43

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Thompson (H. I.) Fiber Glass — Fiber glass, fabricators Hi Temp insulation, fiberglass reinforced plastic parts	13	†0.25	31½	0.8
300 Adams Building, Inc. — Chicago office building	25	2.50	47	5.3
Thrifty Drug Stores — California drug store chain	23	0.65	38½	1.7
Time Finance Co. (Ky.) — Consumer finance—personal loans	25	†0.10	8	1.3
Time, Inc. — Publishers of "Life," "Time," "Fortune" & "Sports Illustrated"	31	3.25	66¼	4.9
Timely Clothes, Inc. — Men's suits, coats, etc.	19	0.50	14	3.6
Tinnerman Products, Inc. — "Speed Nuts"	*14	3.00	42½	7.1
Title Insurance Company of Minnesota — Title insurance	a52	2.85	60	4.8
Title Insurance & Trust Co. (Los Angeles) — Insuring title to real estate	66	†1.61	51	3.2
Tobin Packing Co. — Meat packer	18	0.90	20	4.5
Tokheim Corp. — Gasoline pumps	41	1.00	21¾	4.6
Toledo Trust Co.	26	†2.87	114	2.5
Toro Manufacturing Corp. — Power lawn mowers and stationary power tools	14	1.20	23½	5.1
Torrington Mfg. Co. — Manufactures machinery, blower wheels and fan blades	25	†0.95	19	5.0
Towle Mfg. Co. — Sterling silver tableware	43	2.35	32½	7.2
Towmotor Corp. — Fork-lift truck	15	1.40	32	4.4
Transcon Lines — Motor freight—common carrier	10	0.96	27	3.6
Travelers Ins. Co. (Hartford) — Life, accident, health	94	1.25	86	1.5
Trico Products Corp. — Manufacturers of automotive equipment	32	2.50	60	4.2
Trinity Universal Insurance Company — Diversified insurance	23	1.00	41½	2.4
Troxel Manufacturing Co. — Bicycle saddles	17	0.50	9½	5.3
Trust Co. of Georgia	26	2.60	111	2.3
Tucson Gas, Electric Light and Power Co. — Electric and gas utility	42	0.76	25½	3.0
Twin City Fire Insurance Co. — Diversified insurance	34	0.60	35	1.7
Twin Disc Clutch Co. — Clutches and gears	26	4.00	108	3.7
220 Bagley Corp. — Theatre and office building	13	1.00	39	2.6
Tyer Rubber Co. — Manufacturers of rubber goods	23	0.40	12½	3.2
Tyler Refrigeration Corp. — Commercial refrigerators	23	0.90	16½	5.5
Uarco, Inc. — Business forms	26	2.60	68	3.8
Union Bank (Los Angeles)	43	†0.79	58	1.4
Union Commerce Bank (Cleveland)	17	2.20	53	4.2
Union Gas System, Inc. — Natural gas utility	13	1.52	40	3.8
Union Lumber Co. — California redwood	12	1.40	62½	2.2
Union Manufacturing Co. — Chucks, hoists, and castings	20	0.15	16½	0.9
Union Metal Manufacturing Co. — Outdoor lighting poles and foundation piling	22	3.00	65	4.6
Union Natl. Bank in Pittsburgh	*35	1.50	50	3.0
Union Natl. Bank of Youngstown, Ohio	23	3.00	82	3.7
Union Oil and Gas Corp. of Louisiana, class A — Crude oil and natural gas production	55	†0.39	39½	1.0
Union Planters National Bank of Memphis	30	1.60	56½	2.8
Union Trust Co. of Maryland	21	2.00	53½	3.7
United Illuminating Co. — Connecticut operating utility	60	1.40	27⅝	5.1
United Insurance Co. of America — Life, accident & health	20	0.78	46½	1.7
United Life & Accident Insurance Co. — Life, accident & health	23	4.00	415	1.0
United Printers & Publ., Inc. — Greeting cards	21	0.60	19⅞	3.0
United States Cold Storage Corp. — Car-icing, ice, etc.	18	†1.00	16	6.3
United Utilities, Inc. — Holding company	21	1.36	41	3.3
U. S. Envelope Co. — Manufacturer of envelopes, paper cups and other paper products	20	1.05	26	4.0
U. S. Fidelity & Guaranty Co. — Diversified insurance	21	†0.93	34¾	2.7
U. S. Fire Insurance Co. — Diversified insurance	51	1.00	29	3.4
U. S. Lumber Co. — Holding company, land and mineral interests	*52	0.35	4½	7.8
U. S. Natl. Bank (Portland)	61	†2.54	67½	3.8
U. S. Radium Corp. — Phosphors, industrial radiation sources, dials, panels and nameplates	16	†0.10	15	0.7
U. S. Realty & Investment Co. — Real estate	19	1.40	25	5.6
United Screw & Bolt Corp.— Class A	21	2.00	21	9.6
United Screw & Bolt Corp.— Class B	21	2.00	30	6.7
United States Testing Co. — Testing, research, inspection and engineering	25	0.30	10	3.0
U. S. Truck Lines (Del.) — Inter-city motor carrier	28	†0.75	15⅛	5.0
U. S. Trust Co. of N. Y.	107	3.80	92½	4.1
United Steel & Wire Co. — Wire and metal specialties	23	0.15	5½	2.7
Univis Lens Co. — Manufacturer and distributor of multifocal opthalmic lens blanks and eye glass frames	32	0.70	17¾	3.9
Upper Peninsula Power — Electric public utility	12	1.60	28½	5.6
Upson (The) Co. — Exterior and interior fibre wallboard	19	0.40	12½	3.2
Upson-Walton (The) Co. — Manufactures wire rope, tackle blocks, crane hook blocks and rope fittings	25	0.60	8¾	6.9
Utah Home Fire Insurance Company — Fire and casualty insurance	27	1.00	28	3.6
Utah Southern Oil Co. — Oil and gas producer	12	0.53	15½	3.4
Valley Mould & Iron Corp. — Ingot moulds and stools	24	3.00	49¾	6.0
Valley National Bank (Phoenix, Ariz.)	27	†0.97	65½	1.5
Van Camp Sea Food Co., Inc. — Cans sea food	12	1.05	27	3.9
Van Waters & Rogers, Inc. — Wholesalers, industrial chemicals and scientific apparatus	21	†0.78	45	1.7
Vanity Fair Mills — Lingerie	*12	1.25	27½	4.5
Vapor Heating Corp. — Manufacturers of steam generators, thermostatic and electronics devices, car heating systems	26	†1.40	28¾	4.9
Veedor-Root, Inc. — Makes counting and computing devices	26	2.50	56	4.5
Victoria Bondholders Corp. — New York City real estate	24	20.00	647	3.1
Viking Pump Co. — Rotary pumps	26	1.55	30	5.2
Virginia Coal & Iron Co. — Owns soft coal land in Virginia and Kentucky	61	6.00	143	4.2
Virginia Hot Springs, Inc. — Resort hotels	11	1.00	45	2.2
Voi-Shan Industries, Inc. — Manufactures metal fasteners	a39	1.00	32½	3.1
Volunteer State Life Insurance Co. — Non-participating only	17	0.60	58	1.0
Vulcan Corp. — Wood heels, bowling pins, etc.	10	0.80	20	4.0
Vulcan Mould & Iron Co. — Cast iron ingot molds and accessories	26	†0.48	10¾	4.5
Wachovia Bank & Trust (Winston-Salem)	24	0.40	19	2.1

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

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

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Walnut Apartments Corp. Owning and operating apartment house in Philadelphia	13	2.25	47	4.8
Warner & Swasey Co. Machine tools, earth moving machines, textile machinery, etc.	11	1.40	31	4.5
Warren Bros. Co. Paving contractors	17	†1.96	57¾	3.4
Warren (S. D.) Co. Printing papers & allied products	24	1.60	76	2.1
Washburn Wire Co. Wire and springs	21	2.50	48	5.2
Washington National Insurance Co. (Evanston, Ill.) Life, accident and health	37	0.72	58	1.2
Washington Oil Co. Crude oil and gas producer	35	2.50	27½	9.1
Washington Steel Corp. Producer of Micro Rold stainless steel and strip	12	†1.31	35¼	3.7
Watson-Standard Co. Manufacturer of paints, varnishes, industrial coatings, chemical compounds, and distributor of flat glass	25	0.60	11	5.5
Waverly Oil Works Co. Oils, greases and soaps	10	0.50	12	4.2
Weingarten (J.), Inc. Supermarket chain	33	0.70	27	2.6
Welsbach Corp. Maintenance and installation of street lighting systems	13	†1.08	30	3.0
WEST COAST TELEPHONE CO. Operating public utility • See Company's advertisement on page 47.	20	1.16	24¾	4.7
West Mich. Steel Foundry Steel and alloy castings	24	1.20	18⅜	6.5
West Ohio Gas Co. Natural gas utility (distribution only)	20	†0.99	22¼	4.4
West Penn Power Co. Both operating utility and holding company	*37	2.65	56½	4.7
West Point Mfg. Co. Textile manufacturing	73	1.00	21¼	4.7
West Virginia Water Service Wholesale gas; retails water and ice	15	†0.66	21⅝	3.1
Westchester Fire Ins. (N. Y.) Diversified insurance	89	1.20	30¼	4.0
Western Assurance Co. (Toronto) Fire, marine, aviation, auto and casualty	26	2.80	90	3.1
Western Casualty & Surety Company Multiple line, fire & casualty and fidelity and surety bonds	22	1.35	43¾	3.1
Western Electric Co. Makes telephone equipment for Bell system	24	3.60	195	1.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Western Light & Telephone Supplies electric, gas, water and telephone service	21	2.00	43	4.7
Western Massachusetts Cos. Electric utility holding company	34	1.20	24¾	4.8
Western Precipitation Corp. Engineers and constructors of industrial equipment	14	0.80	19¼	4.2
Weyerhaeuser Company Manufacture, conversion and sale of forest products	27	1.10	40⅝	2.7
Whitaker Cable Corp. Manufacturer of automotive cable products	25	0.80	15¾	5.1
Whitaker Paper Co. Paper products and cordage	26	2.40	64	3.8
Whitehall Cement Manufacturing Co. Manufacturer of portland cement	14	†1.60	47	3.4
Whitin Machine Works Textile machinery	73	0.10	23	0.4
Whiting Corp. Cranes, Trambean, chemical, foundry and railway equipment	23	0.40	11¾	3.4
Whitney Blake Co. Insulated wires and cables	18	0.20	9½	2.1
Whitney Natl. Bk. (New Or.)	75	4.00	392	1.0
Wiggin Terminals, Inc., v.t.c. Boston harbor	12	0.50	21	2.4
Will & Baumer Candle Co. Candles and beeswax	64	1.00	19	5.3
Willett (Consider H.), Inc. Maple and cherry furniture	*20	0.20	8	2.5
Williams & Co., Inc. Distributor of metals	27	1.60	32	5.0
Wilmington (Del.) Trust Co.	52	†2.25	61	3.7
Winters Natl. Bank & Trust (Dayton, Ohio)	*35	1.10	24¾	4.4
Wisconsin National Life Insurance Co. Life, accident, sickness and hospitalization insurance	41	†0.52	42	1.2
Wisconsin Power & Light Operating public utility	14	1.42	32¾	4.3
Wisconsin Southern Gas Company, Inc. Operating natural gas public utility	14	†0.99	22½	4.4
Wiser Oil Company Crude oil and natural gas producer	45	3.00	37	8.1
WJR The Goodwill Station (Detroit, Mich.) Detroit broadcaster	32	†0.38	10¼	3.7
Wolf & Dessauer Co. Fort Wayne department store	12	0.10	5	2.0
Wolverine Insurance Co., Class A Diversified insurance	13	1.00	71	1.4
Wood Conversion Co. Manufacturer of wallboard, insulating, cushioning materials, etc.	23	0.45	15½	2.9
Woodward Governor Co. Speed controls for engines and propellers	21	2.50	60	4.2
Worcester County National Bank (Mass.)	18	3.50	89	3.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Wurlitzer Company Manufacturer and retailer of musical instruments	11	†0.39	18¾	2.1
Wyatt Industries, Inc. Sheet and steel plate fabricators Formerly Wyatt Metal & Boiler Works. New name became effective Dec. 31, 1959	47	2.00	28	7.1
Wyckoff Steel Co. Cold finished steels	26	1.20	21	5.7
York Corrugating Co. Metal stamping, wholesale plumbing and heating supplies	24	1.25	18	6.9
York County Gas Co. Operating public utility	15	2.60	50	5.2
York Water Co. Operating public utility	144	1.27	30	4.2
Yosemite Park & Curry Co. Concessioner, National Park	18	0.30	6	5.0
Young (J. S.) Co. Licorice paste for tobacco	49	4.50	62	7.3
Younker Bros. Department stores in Midwest	*13	2.00	43½	4.6
Zeigler Coal & Coke Co. Owns mines in Illinois and Kentucky	21	†0.57	15	3.8

TABLE II

OVER-THE-COUNTER

Consecutive Cash

DIVIDEND PAYERS

for

5 to 10 Years

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Air Products, Inc. Low temperature processing equipment and industrial gases	6	0.20	45½	0.4
Alabama Tennessee Natural Gas Co. Pipeline	9	†1.15	26	4.4
Allen (R. C.) Business Machines, Inc. Adding machines, typewriters, etc.	8	0.50	10½	4.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Continued on page 46

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

You Can Overdo a Bit of Education

They are the fortunates 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. The man who related the following tale to me is 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 by 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 bonds and this the salesman would do. There was little effort, no sales problem, and they would have lunch together several times a year. The salesman would sometimes meet the customer at his bank and deliver the bonds. It was all quite satisfactory.

This customer, however, was a staunch believer in knowing everything possible when it was an important matter to him. He began by asking questions about the bonds he was buying. His salesman friend even supplied him with a basis book, told him about the "Blue List," sent him reports on the bond market and the Moody and Bond Buyer averages. The more this neophyte 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 values and determine what he believed to be the proper price of the bonds 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 not adequate; there were better bonds available; the ratings were too low; the market was 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 all the digging and effort at the price he was willing to offer even when his salesman friend dug him up a bargain.

Then Comes the Big Order

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

As my friend told me "When I started selling him five bonds every few months some years ago we got alone fine. He bought good bonds, they were fairly priced, he saved time and I did a job for him. Then be began to smarten up. I sent him so much literature and answered so many of his questions that now he knows about as much as I do. Every bond I offer he wants to buy at a price I can't afford to sell it—and he is telling me what he wants. The trouble is that what he wants I can't give him. At last I have a customer that can amount to something and who can buy a lot of bonds—but now he thinks he knows more than I do."

Accounts Should Be Controlled

This is an unusual case but it happens often in a modified degree. A customer goes along and is satisfied with his results. Everyone benefits. He obtains good advice and good service. Then he becomes a self-qualified and admitted expert. From that time on both the salesman and the customer have difficulties. Often the customer is less well off than he would be if he left the details to a qualified and reliable salesman who values his business and friendship. Sometimes a little knowledge can be a handicap investmentwise.

I like the letter a salesman once wrote to a customer who wanted to know the reasons why certain changes were suggested in her portfolio. He wrote, "During the past five years you have had a 40% increase in your capital and your income is also up almost 100%. If I were to take the time and 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 do not have the time to write you a lengthly analysis of my thinking pertaining to your account, but I can assure you 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, important changes that should now be consummated pertaining to the specific suggestions I have made to you."

John D. Greene Opens

John D. Greene is engaging in a securities business from offices at 86 Trinity Place, New York City.

Form Mutual Plan Inv.

VALDESE, N. C.—Mutual Plan Investments has been formed with offices at 625 North White Street to engage in a securities business. Auburn H. Setzer is sole proprietor. He was formerly 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. 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 Carl H. Pforzheimer & Co., 25 Broad Street, New York City, members of the New York Stock Exchange.

To Form Schenker Bros.

On April 14th, Schenker Bros., members of the New York Stock Exchange, will be formed with offices at 15 Broad Street, New York City. Partners will be Gerson Schenker, who will acquire 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

	No Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Allied Thermal Corp. — Holding co., heating equipment	6	1.05	31	3.4
American Home Assurance Corp. — Diversified insurance	9	1.40	41½	3.4
American Mail Line, Ltd. — Trans-Pacific service	5	1.00	15½	6.5
Angelica Uniform Co. — Washable service apparel	6	0.82	13⅜	6.1
Arrowhead & Puritas Waters, Inc. — Bottled drinking water	7	0.87	22	4.0
Atlas Finance Co. — Auto financing	8	0.70	11	6.4
Barden Corp. — Precision ball bearings	6	†0.49	42¼	1.2
Beam (James B.) Distilling Co. — Kentucky distiller	6	†0.22	26¼	0.8
Bradley (Milton) Co. — Games, toys and educational teaching aids	9	0.95	46	2.1
Brewster-Bartell Drilling Co. — Marine and other, by contract	5	0.20	5⅜	3.7
California Interstate Telephone Co. — Telephone service	7	0.70	14	5.0
Camco, Inc. — Gas lift equipment	7	0.10	13¾	0.7
Chattanooga Gas Co. — Operating public utility	5	0.23	4⅜	5.3
Churchill Downs, Inc. — "Kentucky Derby"	9	1.30	18½	7.0
Civil Service Employees Insurance Co. — Diversified insurance	*7	1.10	37	3.0
Commonwealth Natural Gas Corp. — Transmission of natural gas	6	†0.98	23¼	4.2
Commonwealth Telephone Co. (Dallas, Pa.) — Telephone service	9	0.90	20	4.5
Consolidated Freightways, Inc — Motor freight	9	0.80	19¼	4.2
Consolidated Rock Products Co. — Gravel and sand	8	0.80	15⅞	5.0
Consumers Water Co. — Holding co.	9	†1.17	29	4.0
Continental Transportation Lines, Inc. — Transports commodities	6	0.70	10⅜	6.7

* 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

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Corning Natural Gas Corp. — Operating public utility	8	1.16	21	5.5
Craftsman Insurance Co. — Diversified insurance	*7	0.40	40	1.0
De Laval Steam Turbine Co. — Turbines, pumps, etc.	9	0.80	25½	3.1
Diebold, Inc. — Office equipment and bank vault products	6	†0.57	41½	1.4
Di-Noc Chemical Arts, Inc. — Manufacturers of plastics and photographic materials, lacquer wood grain finishes	6	0.53	27	2.0
Eagle Stores Company, Inc. — Variety chain in South	8	0.75	17¾	4.2
East Tennessee Natural Gas Co. — Supplies Oak Ridge	6	0.60	11	5.5
Eastern Industries, Inc. — Mfrs. pumps and traffic signals	8	0.40	17¾	2.3
Elk Horn Coal Co. — Soft coal	5	0.25	16	1.6
Fairbanks Co. — Valves, etc.	7	0.10	6	1.7
Farmer Brothers Co. — Wholesale roast coffee and related products	8	0.40	7¼	5.5
Fearn Foods Inc. — Soup bases, seasoning compounds, etc.	7	0.50	11¼	4.4
Federal Life & Casualty Co. (Battle Creek, Mich.) — Life, accident & health	6	1.00	88	1.1
Fifteen Oil Co. — Oil and gas, Gulf Coast	6	0.30	11¼	2.7
Frigikar Corp. — Auto air conditioners	5	0.40	16	2.5
Frito Co. — Manufacturer and distributor of food products	7	†0.48	21½	2.2

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

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The Cost of "Make Work" No Longer Can Be Afforded

Continued from page 25

main track. The theory is that this work belonged to yard men and the road men should have waited until a yard crew could be secured from some other place in the terminal to set the brakes.

(5) *Eliminate rules which require the use of unneeded crew members on trains and various pieces of equipment such as is used in track maintenance.*

The railroad unions have always tried to justify the use of excess men on the grounds of safety. However, the New York Public Service Commission recently laid this argument to rest by finding, after a lengthy investigation, that there is no reasonable relationship between such requirements and safety.

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

What the Railroads Have Done to Secure Higher Productivity

The railroads do not contend that these outmoded work rules have completely stultified their efforts to increase their efficiency and productivity. We have made substantiail strides in that direction through greater mechanization, improved machinery and equipment, more efficient utilization of equipment, better operating methods, and the like.

The significant thing is that the increased productivity has not been sufficient to meet our increased costs, and our outmoded work rules have been a significant barrier against achieving that goal. They have been a real handicap in our efforts to hold our own with subsidized competitors.

There is disagreement, as you know, on the proper way to measure productivity. But measuring it the way the unions like to do it—on the basis of bare physical output—the figures are startling. Since 1922, revenue traffic units per hour worked have increased 274.8%. But wages have climbed 377% during this same period.

In absolute 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 23% during this interval of years, despite the tremendous improvement in productivity and despite the rise in prices.

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 1958 the engine and train service employees on the railroads numbered 67% of their 1922 figure compared with only 45% for non-operating employees. Since the end of World War II, the productivity of the operating employees —still measured in terms of revenue traffic units per hour worked —increased only 24½%, while the productivity of the non-operating employees went up 73½%. In these same years the earnings of the operating employees rose 163½%, or more than six times as much as their productivity. From these figures one truth is evident. The railroads have been forced to spend money for operating jobs which should have been used more productively.

The railroads' 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 and must be met realistically. If labor refuses to face reality, the best it can hope for is postponement of the inevitable and at last a 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 after almost driving his industry into oblivion.

The most striking symptom of sickness in a monopoly is a frantic attempt of the exercisers of a monopolistic power to preserve it against change. The monopolist is, in fact, the arch conservative. He fears change because in the sluggishness of his own inactivity, he is not prepared to grapple with it. American labor is the one remaining unit in our society that still benefits from almost unrestricted monopolistic power. Despite this power—political, economic, and social—the leaders of labor can hope for no more than temporary victories in their effort to bring to tomorrow the practices of yesterday. There are three increasingly important factors that are working inevitably toward the elimination of featherbedding. They are:

(1) The aggressive manufacturing economy of the Soviet Union whose stated objective is to overtake the production effort of America.

(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 necessarily that the victory against waste will be won at the bargaining table. But I do say that if America ever finds itself saddled with an overfat and sluggish economy caused by waste and inefficiencies, the people will demand that the Government take 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 lost opportunities to adjust their differences reasonably through collective bargaining and realize that what they thought were tremendous victories have cost them their right of self-determination. If labor and management use negotiation to free their agreements from the continuous accumulation of silt, together they can move forward to a decade of abundance. If they don't, they will be buried in the silt and somebody else will have to dredge the channel.

*An address by Mr. Oram before the National Industrial Conference Board, Boston, Mass., March 17, 1960.

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

Continued from page 47

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Giant Portland Cement Co. Portland cement	7	†0.67	17½	3.8
Glitsch (Fritz W.) & Sons, Inc. Refining equipment	7	0.25	6½	3.8
Government Employees Corp. Auto financing	8	0.80	39	2.1
Green Mountain Power Corp. Public utility, electric and gas in Vermont	9	1.03	20¼	5.1
Greenwich Gas Co. Public utility — Distributor of natural gas	9	0.70	12¼	5.7
Grolier Society, Inc. "The Book of Knowledge" and "Encyclopedia Americana"	7	1.05	33¾	3.1
Hagerstown Gas Co. Natural gas supplier	9	0.78	14½	5.4
Hood Chemical Co. Household chemical products	6	0.10	2⅝	3.8
Hoving Corp. Bonwit Teller women's stores	7	0.60	15	4.0
Hudson Pulp & Paper Corp., Class A Pulp, paper and paper products	9	1.26	25¾	4.9
Hugoton Production Co. Natural gas producer	7	3.00	81	3.7
Indiana Gas & Chemical Co. Coke	9	1.25	30	4.2
International Textbook Co. Printing, publishing and home study schools	9	3.75	54½	6.9
Jack & Heintz, Inc. Manufactures aircraft electric equipment	9	0.80	14¼	5.6
Jacobsen Manufacturing Co. Power lawn mowers	8	0.40	5⅜	7.4
Kaiser Steel Corp. Leader on Pacific Coast	9	0.40	58½	0.7
Kelling Nut Co. Edible nuts	5	0.25	5½	4.5
Lee & Cady Co. Wholesale grocery chain	7	0.60	8¼	7.3
Ley (Fred T.) & Co. N.Y.C. real estate	8	0.25	3½	7.1
Louisville Investment Co.	7	2.10	77	2.7
Marsh Steel & Aluminum Co. Metal products	9	0.40	7¼	5.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
McNeil Machine & Engineering Co. Tire curing presses, industrial machinery, lubrication equipment	9	†0.90	27¾	3.2
Memphis Transit Co. Local transport system	5	0.60	5	12.0
Mexican Eagle Oil Co., Ltd. Ordinary Property interests	9	1.12	2	56.0
Michigan Gas Utilities Co. Natural gas distributor	7	1.00	25½	3.9
Mississippi Valley Gas Co. Natural gas distributor	7	1.20	23¼	5.2
Monmouth Park Jockey Club, Common and VTC Thoroughbred horse racing	8	0.45	8⅛	5.5
Mutual Mortgage & Investment Co. Mortgage financing	7	1.50	45	3.3
N. Y. Wire Cloth Co. Insect metal screening	8	1.35	16½	8.2
Niagara Frontier Transit System, Inc. Serves Buffalo and Niagara Falls	5	0.60	11½	5.2
Northport Water Works Co. (Northport, N. Y.) Sale of water	7	1.60	32	5.0
Northwest Natural Gas Co. Natural gas distributor	8	0.72	17	4.2
Northwest Plastics, Inc. Plastic products	9	0.25	5¼	4.8
Northwestern Steel & Wire Co. Steel products	5	0.95	23½	4.0
Ocean Spray Cranberries Cranberry products Formerly National Cranberry Assn. New name changed in September, 1959	9	1.00	9	11.1
Ohio Crankshaft Co. Manufactures crankshafts, camshafts for Diesel and heavy duty engines	6	1.75	29	6.0
Pacific Outdoor Advertising Co. Outdoor advertising	9	0.45	12	3.8
Palace Corp. Trailers	9	0.10	1⅞	5.3
Pantex Manufacturing Corp. Laundry equipment	8	†0.04	2¾	1.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Park-Lexington Co. N. Y. C. real estate	8	10.00	160	6.3
Penn Fruit Co. Inc. Regional super market chain	8	†0.34	17½	1.9
Petersburg Hopewell Gas Co. Natural gas	8	1.06	24	4.4
Philadelphia Fairfax Corp. Philadelphia apartment house	7	2.50	63	4.0
Pioneer Natural Gas Co. Serves West Texas & New Mexico	*6	1.50	42¾	3.5
PLASTIC WIRE & CABLE CORP. Plastic covered wire and cable ● See Company's advertisement on page 44.	8	†0.91	21½	4.2
Plymouth Rubber Co. Plastic and rubber specialties	8	0.25	9¾	2.6
Portable Electric Tools, Inc. Portable tools	6	†0.33	18¼	1.8
Porter-Cable Machine Co. Portable electric tools	7	†0.79	20	4.0
Prestole Corp. Metal fastening devices	5	0.10	7	1.4
Racine Hydraulics & Machinery, Inc. Pumps, valves, etc.	8	0.30	17½	1.7
Radio Condenser Co. Manufacturing electronic parts and components, variable condensers, auto push button tuners, military tuners	7	0.15	8	1.9
Ritter Finance Co., Class B Personal loans	8	0.28	4⅞	5.7
Ryder System, Inc. Interstate trucking; rentals	5	†0.65	27⅝	2.4
Savannah Electric & Power Co. Operating public utility	5	1.00	29½	3.4
614 Superior Co. Rockefeller Bldg., Cleveland	7	1.50	43	3.5
Sprague Engineering Corp. Aircraft equipment	5	0.40	22½	1.8
Smith & Wesson, Inc. Pistols and revolvers	6	0.50	33	1.5
Southern Nevada Power Co. Electric utility	9	1.05	30	3.5
Southland Paper Mills, Inc. Newsprint	9	2.00	130	1.5
Standard Commercial Tobacco Co. Tobacco merchandising	8	0.15	5½	2.7

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Britton Elect. Stock Offered

First Philadelphia Corp. and United Planning Corp., pursuant to a prospectus dated March 29, publicly offered 225,000 shares of Britton Electronics Corp. common stock (par one cent) at $1 per share. The stock sold quickly at a premium.

The corporation was organized on March 18, 1958 under New York State law, and is located at 19 Warren Place, 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 $159,000 through the sale of its own securities to the public, in order to enable the corporation to enter an additional field of business, the manufacture and sale of semi-conductor devices, principally silicon rectifiers and transistors.

Hayden, Stone Branch

CORAL GABLES, Fla.—Hayden, Stone & Co. has opened a branch office at 295 Alhambra Circle under the management of Manton E. Harwood.

Old Colony Secs. Corp.

STONEHAM, Mass. — Old Colony Securities Corporation has been formed with offices at 468 Main Street to engage in a securities business. Officers are Martin Stone, President and Treasurer, and Sumner H. Woodrow, clerk. Mr. Stone was formerly proprietor of Old Colony Investment Co.

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

	No Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to Dec. 31, 1959 $	Quotation Dec. 31, 1959	Approx. % Yield Based on Paymts. to Dec. 31, 1959
Standard Milling Co. Class B, voting Flour, grain and charcoal	6	0.20	5⅝	3.6
Standard Paper Manufacturing Co. Sulphite bonds & coated papers	9	4.00	90	4.4
Statler Hotels Delaware Corp. Owns former Statler properties	5	0.95	6⅜	14.9
Steak 'n Shake, Inc. Restaurant chain	7	0.30	5¼	5.7
Sterling Discount Corp. Auto financing	8	0.60	7½	8.0
Texas Industries, Inc. Aggregate, cement and concrete products	8	0.30	7½	4.0
Title Guarantee Co. (N. Y.) Title insurance	8	1.31	26¾	4.9
Toronto General Insurance Co. Fire & casualty	*7	1.50	24⅛	6.2
Transcontinental Gas Pipe Line Corp. Interstate natural gas pipeline system	9	†1.00	22⅛	4.5
United States Life Insurance Co. in the City of N. Y. Life, accident, health and group	9	0.15	44	0.3
United States Sugar Corp. Sugar production	9	1.20	44¾	2.7
United Transit Co. (Del.) Urban bus lines	8	0.70	7⅛	9.8
Weco Products Co. Toiletries	7	1.00	16	6.3
Western Kentucky Gas Co. Operating public utility	5	0.65	17¼	3.8
Western Utilities Corp. Holding company and publishing telephone directories	8	0.36	7⅞	4.6

† Adjusted for stock dividends, splits, etc.
* Details not complete as to possible longer record.

Difference Between Listed and Over-the-Counter Trading

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 offerings of potential purchasers and sellers for all securities listed on it. Genuine auction marketing in a security 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 particular stock to create a market, in the absence of sufficient public orders to buy or sell, by, in effect though not in strict parlance, putting in an order 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 himself 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 instantaneously 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 "quoting" 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. The

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B. Simpson With Dempsey Tegeler

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Bryan E. Simpson has become associated with Dempsey-Tegeler & Co., Midland Savings Building. Mr. Simpson formerly conducted his own investment business in Denver for many years under the name of B. E. Simpson & Co.

Bryan E. Simpson

Dudley F. Taylor has also been added to the staff of Dempsey-Tegeler & Co.

Coast Exchange Member

Election of Robert A. Gageby to represent the new member firm of Thomas Jay, Winston & Co., Inc., to membership in the Pacific Coast Stock Exchange through purchase of a membership in the Los Angeles Division, effective April 4, 1960, has been announced by William H. Jones, Chairman of the Board.

Thomas Jay, Winston & Co., Inc., organized in January, 1960, to engage in the general securities business, has offices at 9235 Wilshire Boulevard, Beverly Hills, Calif. Officers of the firm are Milton Toboco, President; Robert A. Gageby, Vice-President and Secretary; and Harry W. Snow, Treas.

F. K. Kerpen Co.

F. K. Kerpen & Co., Inc. is now conducting its business as specialists in mutual funds from offices at 7 West Eighth Street, New York City. Fred K. Kerpen is President, and M. C. Kerpen, Secretary-Treasurer. Mr. Kerpen was formerly a group manager of First Investors Corporation with which he had been associated since 1952.

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-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 or bond, and handle all details of purchase and sale.

The longer trading day in the Over-the-Counter Market is often a distinct advantage to the investor. On an exchange, securities can only be 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 there are on 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 in an exchange-listed stock, he tells you the cost price as well as the amount of his 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 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, a fountain pen or what have you, the merchant sells it to you at a flat price and does not add any commission thereto. So with the "counter" dealer.

It is true that exchange commission rates more often than not are lower than the profit rates over-the-counter dealers are obliged to operate on. An important reason for this is the fact that the services of the over-the-counter dealer, besides frequently necessitating his taking the risk of an inventory position, include the extensive searching for matching bids and offers from potential buyers and sellers.

When a security is taken from the Over-the-Counter Market and listed on a stock exchange, over-the-counter dealers ordinarily lose interest in it, for they cannot make a profit trading in it at rates comparable to the commission charges of exchange firms. Though the "counter" dealers' profit rates may be somewhat higher, they may afford investors "better" prices than the less expensive service of exchanges.

Values

For one thing, the basic fact is that the price of over-the-counter stocks is not swollen by the premium the public is ordinarily willing to pay for exchange-listed securities. Then, too, active listed stocks and the exchange stock ticker system provide a ready vehicle for speculation and tend to center buying and selling decisions on short-term price swings in lieu of "real economic values." Many apparently buy stocks according to hoped-for price movement and not for true investment purposes, their interest being merely "where is the price going and when."

The mere fact that under the "exchange auction-specialist system" the spread between bid and ask prices is close or narrow is no indication that the investor gets good value when he buys or that the seller obtains a price in keeping with the intrinsic value of the stocks he wishes to sell. Intelligent investors are quick to recognize the fact that prices and values are two totally different things.

As pointed out before, the assumption of inventory positions is an integral part of the over-the-counter dealers' task. They must take the initiative in assuming such positions. Although they must be aware of and responsive to the foibles of their customers, they cannot without unwarranted hazard buy securities for inventory purposes unless they take cognizance of basic economic values.

Basic economic values may appear somewhat elusive, but they are nonetheless real. They consist of mathematical and non-mathematical elements. Some insights as to the real value of a stock may be gained by checking such things as 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 not without reference to many non-numerical concepts. These include the acumen, 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 markets may 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 are determinants of 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 in regard to 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 value factors. They must stress value consciousness over quotation consciousness.

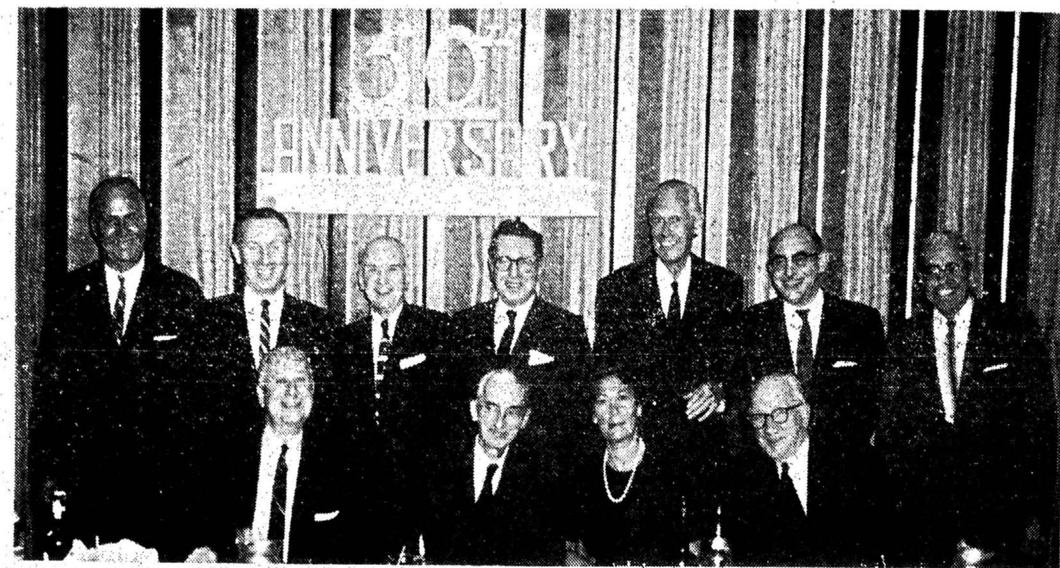
Officers and directors of the 14,000 banks and the major insurance companies of the country when buying or selling their own institution's stock for their own account do so almost entirely through over-the-counter dealers. Investment officers, of these institutions, too, are continually buying and selling government, municipal and corporation bonds and stocks through "counter" dealers for the account of their banks and companies.

Just as you get good or indifferent treatment and values from both large and small stores in other lines of business, so it is with over-the-counter dealers. It is not necessary for a firm to have a million dollars to be thoroughly trustworthy and to have good judgment with respect to investment values. Just be sure the over-the-counter firm or individual dealer you contemplate doing business with has a good reputation.

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 wherewithal with 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.

Josephthal 50th Anniversary



Introducing a new trend in Wall Street, the employees of Josephthal & Co., 120 Broadway, New York City, tendered a 50th Anniversary Dinner to the partners on March 16. A plaque was presented commemorating the event.

The firm, which acts as stock, bond and commodity brokers, specializing in unlisted, "When Issued," railroad and public utility reorganization securities and rights, is a member of the New York Stock Exchange, and American Stock Exchange.

MUTUAL FUNDS

BY ROBERT E. RICH

A Nice Balance Indeed, Mr. Cabot

On March 17, using figures reported in the March issue of "The Exchange," monthly publication of the New York Stock Exchange, an analysis was provided here of the 10 most favored stocks — in terms of **share total**—of our Ivy League schools. Until now, at least, there has been no word from Yale, Princeton or Columbia. But Paul C. Cabot, Treasurer of the President and Fellows of Harvard College, says he is "rather upset by the many inaccuracies in this article as far as it had to do with Harvard." Says he:

"It appears that you may have based some of your conclusions on an examination of Harvard's cost of securities rather than their market value." Not at all — the basis was **share total.** The article made that clear at the outset. Yet Mr. Cabot says: "To arrive at this conclusion (top investments of Harvard) I assume that you have been working with book values and not market values."

Despite his inaccurate assumption, we are delighted to have Mr. Cabot's letter (text below) for in it he sets forth what he considers to be Harvard's 15 top investments as of the end of its last fiscal year. Surely, they will be of interest to the financial community, from fund manager to odd-lot trader.

As Mr. Cabot notes, "This list is a vastly different list from that which you discussed in your column. . . . For example, instead of four electric power and light companies being in the top 10, there are none present. Further, you said that New England Electric System is one of Harvard's top 10. Actually, the way we figure it, it is not even in the top 20, and is exceeded in market value by many of the other utilities in our portfolio as, for example, Florida Power and Florida Power & Light."

Our critic is on firm ground when he calls attention to the fact that the column stated: "Harvard was reducing its holdings of General Electric even when it was boosting its stake in 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 or the 14,000-share reduction in General Electric was the 100,000-share reduction (from 310,000 to 210,000) in Standard Oil of New Jersey. This multi-million-dollar move reduced Standard Oil of New Jersey from its dominant position as the No. 1 investment to the No. 2 investment below Texaco, while putting General Electric a very close third and I.B.M. a close fourth."

Mr. Cabot also makes the point that Seaboard Air Line is not the second most favored of Harvard men. We, of course, reported this on the basis of **share total** only. As his table makes clear, it is ninth in **dollar** terms.

And now Mr. Cabot says something of great value for us all: "Finally, I consider the top 10 investments as showing a nice balance among industries—oil, electrical equipment, office equipment, chemicals, rails, rubber, telephone and electric utilities — and not heavily weighted with eight oils and utilities."

The column thinks the portfolio shows nice balance, indeed.

Now, if our readers are critical of our endorsement of the Harvard portfolio, maybe we can yet render a satisfactory service to Mr. Cabot and Harvard. How do you feel about this portfolio, Mr. Fund Manager, and you, Mr. Occasional Trader? And let's not confine this to the Back Bay, Wall Street and Main Street. Let us hear too from Old Eli, Nassau and Morningside Heights.

TEXT OF MR. CABOT'S LETTER

Meanwhile, and for the record, here's the text of Mr. Cabot's letter:

Dear Mr. Rich:

I was interested in reading your recent (March 17) column in the *Commercial and Financial Chronicle* entitled "The Wise Money," but was rather upset by the many inaccuracies in this article as far as it had to do with Harvard. It appears that you may have based some of your conclusions on an examination of Harvard's cost of securities rather than their market value. It is my opinion that the latter, i.e., market value, is the significant factor.

You state that "as for Harvard, no less than four of the top seven (investments) are 'oils'," and "Harvard has no less than four (utilities) among its leaders . . . equaling the oil total." To arrive at this conclusion I assume that you have been working with book values and not market values. I strongly believe that the proper manner of analyzing an institution's investment portfolio is on the basis of current market values, since at any time these investments can and often are converted into equivalent amounts of cash. Market values in most cases are vastly different from book values, and here are what I consider to be Harvard's top ten investments as of the end of its last fiscal year ended June 30, 1959. As a matter of interest I am also including the next five largest investments:

	Millions
1. Texaco, Inc.	$11.44
2. Standard Oil Co. (N. J.)	10.89
3. General Electric	10.52
4. International Business Machines	9.72
5. Standard Oil Co. (California)	8.55
6. American Tel. & Tel. Co.	7.83
7. Christiana Securities Co.	7.66
8. The B. F. Goodrich Co.	6.91
9. Seaboard Air Line RR. Co.	6.73
10. Continental Oil Co.	6.70
11. Middle South Utilities, Inc.	6.34
12. U. S. Steel Corp.	6.30
13. Gulf Oil Corp.	5.52
14. Union Electric Co.	5.44
15. Ford Motor Co.	5.29

This list is a vastly different list from that which you discussed in your column last week. For example, instead of four electric power and light companies being in the top ten, there are none present. Further, you said that New England Electric System is one of Harvard's top ten. Actually, the way we figure it, it is not even in the top twenty, and is exceeded in market value by many of the other utilities in our portfolio as, for example, Florida Power and Florida Power & Light.

It was also said that American Tel. & Tel. "is not even represented among the major holdings of Harvard." We think the $7.8 million of market value, putting it in No. 6 place, makes it a very major holding.

You commented on the fact that "Harvard was reducing its holdings of General Electric even when it was boosting its stake in Standard Oil of California." We think a more significant move than the relatively small 17,000-share increase in Standard Oil of California or the 14,000-share reduction in General Electric was the 100,000-share reduction (from 310,000 to 210,000) in Standard Oil of New Jersey. This multi-million-dollar move reduced Standard Oil of New Jersey from its dominant position as the No. 1 investment to the No. 2 investment below Texaco, while putting General Electric a very close third and I.B.M. a close fourth. Again, Seaboard Air Line is not "the second most favored of Harvard men," but the ninth.

Finally, I consider the top ten investments as showing a nice balance among many industries—oil, electrical equipment, office equipment, chemicals, rails, rubber, telephone and electric utilities—and not heavily weighted with eight oils and utilities.

Due to this rather substantial difference, I wonder if it would not be worthwhile to show in a subsequent column how completely different conclusions can be reached when market values are substituted for book values.

Yours very truly,

PAUL C. CABOT
Treasurer

March 28, 1960
President and Fellows of
Harvard College,
140 Federal Street,
Boston 10, Mass.

Channing Corp. Enters the Insurance Field

The Channing Corporation, a holding and operating company with financial subsidiaries supervising six U. S. and Canadian mutual funds, has further diversified its overall operations with the acquisition of the majority stock interest in the Wolverine-Federal Insurance Companies of Battle Creek, Michigan.

Kenneth S. Van Strum, Chairman of The Channing Corp., and John H. Carton, President of the Wolverine Insurance Co. and the Federal Life and Casualty Co., jointly announced that in a straight cash transaction, Channing has purchased stock control of the two insurance companies. Terms of the sale were not disclosed.

Affiliation of the insurance companies with Channing brings together one of the most dynamic organizations in the mutual fund industry and a group of well-established insurance companies covering a broad area of the insurance field, Mr. Van Strum and Mr. Carton declared.

Through its financial division subsidiaries, Channing Corp. deals in mutual fund shares and has direct sales representatives in 48 states, throughout the Dominion of Canada, and in many financial and business centers overseas.

In addition of the Wolverine-Federal insurance companies to the Chaninng Corp., combines extensive facilities for the newest concept in family and business economic planning, it was stated. These facilities will provide a balance between life insurance protection, fixed dollar saving, and ownership of equities through the media of mutual funds.

The Funds Report

The National Association of Investment Companies and the National Association of Life Underwriters have approved a revised version of their joint "Statement of Guiding Principles for life Underwriters and Investment Companies." The N.A.I.C., is composed of 180 management investment companies with more than 4.5 million shareholder accounts. The NALU is composed of 801 affiliated local life underwriter associations with nearly 80,000 members. Purpose of the statement is to aid life underwriters and those offering investment company shares to "carry out their proper responsibilities in their dealings with clients, with each other, with other financial counselors, and with the general public, so that our industries may continue, even more effectively, to cooperate in the public interest." The Statement is proposed to "collusion" between mutual fund salesmen and life underwriters whereby one would persuade a client to purchase life insurance and/or investment company shares with the life underwriter and the mutual fund salesman splitting commissions.

* * *

The growing acceptance and popularity of investing - as - you - earn was demonstrated by Herbert R. Anderson, President of **Group Securities, Inc.,** 26-year-old mutual fund. In a letter to participants of the Group Securities periodic investment plan accompanying the annual prospectus mailing, he told shareholders "the number of people investing through the plan increased nearly 55% in 1959," and "the market value of plans now in effect exceeds $13,000,000—an increase of more than $4,500,000 over this time last year." In connection with a recent study, Anderson noted that in addition to more than 7,000 individuals investing through the Group Securities periodic investment plan, 915 institutions, fiduciaries and businesses were using this method of regularly adding to their holdings.

* * *

Financial Planning Corp.'s registration filed with the SEC, covering financial plans for the accumulation of shares of Incorporated Investors, Boston mutual fund, has become effective. The action marks the first time that shares of Incorporated Investors, founded in 1925 and the third oldest mutual fund in the nation, have been available for purchase on a pre-paid charge or contractual basis. The decision of **The Parker Corp.,** distributor for Incorporated Investors, to authorize this method of purchase of shares of the fund constitutes a significant addition to the distribution system of the old-line Boston firm. Previously, systematic investment programs for shares of Incorporated Investors were available only on single payment or voluntary purchase basis from securities dealers.

* * *

Institutional Income Fund, Inc. reports that during the past quarter it has made these new investments: Bell Telephone Co. of Pennsylvania 5⅝s of 1994, Curtis Publishing subordinate debentures 1986, General Acceptance Co. 6s of 1980; Imperial Investments Ltd. 6½s of 1980, Montreal Metropolitan Corp. sinking fund debentures 5⅝s of 1985 and Transcontinental Gas Pipe Line 5.96% preferred. It eliminated American Telephone & Telegraph 5⅜s of 1986, Delaware Lackawanna & Western (Morris & Essex Division) 4-6s and Pacific Northwest Pipeline 3.3% preferred.

* * *

Minnesota Fund, Inc. has changed its name to **Imperial Capital Fund, Inc.** Although name has been changed, there has been no change in the fund's basic investment policy, its officers and directors, or its management, it was stated.

How Sick Is Our Dollar?

Continued from page 5

billion annually. In 1957 and 1958, they increased to approximately $13 billion a year, and in 1959 exceeded $15 billion. This trend is more likely to continue than to diminish in the years ahead. Our domestic producers should gird themselves to meet increasing competition not only in world markets but in home markets as well. Our friends in Western Europe and Japan have thousands of new, modern, and highly efficient factories. Until their wage levels adjust more nearly in line with ours they will present formidable competition to American producers.

When confronted with vigorous foreign competition people almost instinctively call for embargoes and tariffs to protect their home markets. Higher tariffs would seem to be a simple and logical solution to our present balance of payments problem. Many obviously think so. Increasingly these days, we hear demands for tariff protection from producers of such items as textiles, chinaware, optical goods, and heavy electrical machinery. Even Texas cattlemen are alarmed at imports of frozen beef from Australia and New Zealand. And, labor union leaders, many of whom have been free traders, are now talking more and more in terms of tariffs to protect jobs and wage structures.

In my judgment, it would be a sad mistake for our country to move in the direction of protectionism. Our phenomenal growth in this country can largely be explained by our huge market of fifty states where commodities, goods, and labor have been free to move across state borders without trade restrictions of any kind. Since the war the United States has assumed world leadership in lowering tariffs and encouraging free trade among nations.

The European Common Market and more recently the European Free Trade Area have been organized expressly for the purpose of lowering tariffs and encouraging freedom of trade within their own market areas. Under-Secretary Dillon has been working diligently in an effort to bring the two groups together and to lay the ground work for the United States, Canada and other nations eventually to join them in an expanded free trade association. If the Free World can be encouraged to continue moving in the direction of free trade it will mean vastly enlarged job opportunities for efficient producers. It will result in lower prices for consumers everywhere and in higher standards of living for all.

Declining Exports

The charge that United States exports are declining is true only if measured against 1956 and 1957 which was an abnormal period by reason of the temporary closing of the Suez Canal. Exports in 1959 were valued at about $17 billion as compared with an average of $14.5 billion for the six years 1950 to 1955. The United States share of total world exports remained almost constant at around 17.5% throughout the 1950's.

Our proportion of total world exports of *manufactures*, however, has declined slightly from 26% in 1952 to 23% in 1958; while Germany's share increased from 12 to 19% and Japan's from 4 to 6% in the same period.

Here is an area where some relief might be found in solving the balance of payments problem. Every effort should be made to stimulate exports. Too many businessmen tend to regard exports as a marginal part of their business, without exerting too much effort in its behalf. Foreign purchasers have had no alternative in this country except to buy products designed exclusively for our own domestic trade. Businessmen should be made to understand that even modest increases in exports can go far towards closing the gap in our balance of payments position. More attention to costs and foreign design and styling preferences would improve our foreign market penetration. And I am glad to note that teams of American businessmen are now overseas studying foreign markets and products with this end in mind.

The outlook for the current year promises some improvement in our export volume. Exports of cotton are scheduled to increase sharply and deliveries of aircraft are also on the rise.

Most countries of the world throughout the postwar period have maintained strict limitations on dollar expenditures by their citizens for imports and travel to this country. These restrictions were necessary at the time in order to conserve scarce dollar balances. A basic change now has taken place in the fortunes of many of our friends abroad. The dollar shortage has disappeared and with the rapid increase in the reserves of the industrialized countries it is high time that such discriminatory restrictions be removed. Some progress was made last year in removing restrictions and the remaining ones should be removed promptly. Removal of such restrictions would enable consumers and businesses to buy wherever prices were lowest and would permit efficient producers in this country to extend their markets abroad.

It must be remembered, however, that a basic requirement for expanding exports is an effective anti-inflation program at home. This is of utmost importance if United States products are to remain competitive in world markets.

From an international point of view, the record of our monetary authorities since March, 1951 has been a relatively good one. Except in the case of some finished manufactured products and a few price-supported products (mostly agricultural) it cannot be said that we have priced ourselves out of world markets. The Consumer Price Index has increased at an annual average rate of only 1.4% from 1952 to 1959. And at least part of the increase in this index has been due to a statistical illusion caused by our inability to reflect properly the large quality improvements in some of the items making up the index. Few other countries of the world have had a better record in combating inflation. But this is no reason for complacency on our part. We cannot depend upon inflation abroad in the years ahead to offset or compensate for irresponsibility in handling our fiscal and monetary affairs here at home. But more on this later.

United States Private Investments Abroad

Total long term private investments abroad were estimated in 1958 at over $37 billion. About $27 billion of this is direct investment by United States companies in foreign branches and subsidiaries. Of the total, one-third is in Latin America, another third is in Canada, and about one-sixth is in Western Europe. By industries, petroleum accounts for a little more than one-third of the total, manufacturing a little under one-third, and mining and smelting about one-tenth. The net outflow of private United States capital to the rest of the world in the three years 1956 to 1958 averaged about $3 billion a year, and in 1959 was about $2 billion. In 1957 and 1958 over 50% of new investments went into Latin America and Canada and less than 40% into Western Europe. In 1960 the trend, however, seems to be shifting with investments in Western Europe now estimated at 47% of the total.

These private investments abroad are a source of pressure on our balance of payments problem. Questions have been raised as to the advisability of reducing the flow for perhaps a temporary period to give time to get other accounts in order. Foreign investments are profitable to United States investors and are beneficial to the economies of the countries in which the investments are made. Earnings on such investments will eventually be brought home and will then ease our payments problems.

It is desirable for the Free World economy to have United States private investments supply as much as possible of the capital shortage abroad. Any reduction in the private flow would bring pressure for greater United States Federal aid. This would be an unfortunate development. All things considered it would seem advisable to seek a solution of the balance of payments problem in other sectors of the payments accounts. To reduce private investments would run counter to well established national objectives.

Government Expenditures Abroad

The area that really complicates our balance of payments position is the enormous amounts of expenditures made abroad by the United States Government. From 1946 through 1959 our government has transferred abroad over $100 billion — mostly in the form of military expenditures, military grants, foreign economic aid, and investments such as our contributions to the capital structure of the International Monetary Fund and the World Bank. Only a fabulously wealthy country could do so much and stand such a drain. The bulk of our economic aid was given to Western Europe in the late '40's under the Marshall Plan. As Marshall Plan aid began to taper off in 1950 and 1951 military expenditures and grants of military supplies increased sharply, particularly in the years during and following the Korean War. In 1959 expenditures and transfers abroad by the United States Government exceeded $9 billion and equaled about 45% of the sum of all private payments for imports of goods and services and the net outflow of United States private capital.

When these various aid and military programs were started, Western Europe was destitute economically and stood in imminent danger of falling under Russian domination. As we view the situation today we must conclude that our postwar policies have been highly successful. Western Europe and Japan have remained free. Their industry has been restored and modernized. Their reserve positions are now strong. World trade has expanded greatly. Private international investment is again vigorous. The most urgent world problems no longer concern the dollar shortage and recurrent payment crises of the postwar years but now involve the development of low-income nations of Southeast Asia, Africa and South America.

Now that our allies have made such phenomenal recovery it is time for re-examination of our foreign military and economic aid programs. Western Europe and Japan are now in a position to and should assume a larger portion of our mutual defense burden; they also should assist more actively in the development of the low income nations. The fortunes of the Free World are inextricably bound together.

Our foreign partners are practical and astute men. They realize that our payments position must be corrected if we are to remain a strong member of the team. They also have a vital interest in the character of the measures we adopt to correct the payments position. Irreparable damage will result to the world economy if we are forced to balance our accounts by curtailing imports, by restricting private foreign investments or by reducing foreign military and economic aid programs. Far better that they cooperate with us by removing dollar restrictions against our exports and by assuming a fairer share of the burden for defense and for aid to the under-developed countries.

Answers, "No!"

So there is the problem in a nutshell. Now how about the question I started out with? How sick is our dollar? Are we in danger of a run on our gold supply and a further devaluation? In my judgment the answer is an emphatic **"No!"**

Our authorities in the Treasury Department and in the Federal Reserve Board and the leaders of both political parties are firmly committed to a policy of continued convertibility. They must, therefore, work to keep the dollar as good as gold. They know that to revalue gold would mean an outright gift of billions of dollars to the Soviet Union and to the gold producing interests in South Africa. There is no good reason why such a gift should be made. They know also that if we were to revalue gold we would gain only a temporary and fleeting advantage because all other leading countries would quickly follow suit thus restoring the original relationship between currencies and with only the gold interests in Russia and South Africa as the principal beneficiaries. Creditors all over the world would be the losers.

Our balance of payments deficit must be corrected over time but there is no need for precipitate action. We still have 50% of the world's total supply of gold. Even our free gold of $7.5 billion above reserve requirements is by far the greatest supply in any country with the possible exception of Russia. In addition, we have a line of credit with the International Monetary Fund in excess of $3 billion which could be called upon if needed.

There is also little likelihood that foreign Central Banks would act in concert to cash in their dollar claims for gold on any large scale. Most of these claims are held by members of the Free World who also have much to lose should a run develop on the currency of the leading nation of the Free World.

Actually there is not at the present time any really significant lack of foreigner's confidence in the dollar. Otherwise they would not be continually increasing their dollar claims. Last year dollar claims owned by foreigners increased by approximately $3 billion. Toward year-end gold exports were down to a mere trickle.

The important thing is for the United States to maintain and to justify that confidence. We must demonstrate to the world that we do have political maturity by supporting a vigorous anti-inflation program at home. This will require first of all living within a balanced budget over the business cycle, and paying off some of the national debt in years of high employment. The President's forecast of a budget surplus of $4 billion in fiscal 1960-61 if materialized, would be a wholesome development. It is now becoming clear to many people that continued inflation in this country is not inevitable. The recent sell-off in the stock market reflects that realization.

To maintain foreign confidence will require vigorous public support for a flexible monetary policy by the Federal Reserve System. It will require toleration of high interest rates in boom times to stimulate savings, to keep investments within reasonable bounds and to encourage foreigners to leave their dollar investments here.

It will require sensible management of the public debt to keep maturities properly balanced. To achieve this objective the Congress should promptly remove the 4¼% interest ceiling that the Treasury may pay on long-term bonds. Refusal to lift the ceiling has caused the Treasury to do the bulk of its refunding in the short and intermediate term area and has created an excess of liquidity and an inflationary potential. Removal of this ceiling would be testimony to the world that we are determined to protect the dollar.

I do not get too upset by current criticism of the Federal Reserve System by some of the "easy money boys." I have often said "that you cannot tell what a politician is thinking by what he says in public." It is easy to criticize the Federal Reserve, secure in the comfortable knowledge that Bill Martin, Chairman of the Federal Reserve Board, is

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. From a modest beginning, the firm has grown steadily, enlarging their quarters on several occasions. Within the past

Irving A. Greene

Julius Golden

Robert M. Topol

month the firm's trading room was completely modernized, and is a model of efficiency. As the business of the firm matured, direct private wires have been established to various important financial centers. Greene and Company's private wire network now reaches to Los Angeles, Denver, San Francisco, Dallas and Philadelphia.

Irving Allen Greene is Senior Partner, and his two associate partners are Julius Golden and Robert M. Topol. 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 1930, and its formative years coincided with the bleakest period of the depression. Yet from the beginning our employees met the challenge with hard work and devotion, and to them belongs much of the credit for the strong position the firm finds itself in today."

in there calling the shots and can be depended upon to pay no attention to such criticism. I strongly suspect that the song of the "easy money boys" would be quite different if they had the responsibility of determining national monetary policy.

Mr. Martin is not unduly concerned about the possibility of a run on our gold supply. In a recent letter to Senator Javits of New York he said that the present size of the gold reserve is "comfortable enough to permit freedom of action in case of a recession." He said no one could foresee what the payments situation would be in the next recession but "a temporary enlargement of the payments deficit, should it occur, need not be a permanent setback to the process of adjustment."

Sums Up Views

In summing up, I would say that the dollar definitely is not sick and ailing. If proper measures are followed, the dollar will continue to be one of the world's strongest and soundest currencies. I would say:

First, let us not overemphasize and distort the dire things that might happen to the dollar in the future; let us emphasize instead the constructive things that can and should be done to keep the dollar sound and healthy.

Second, let us not retreat in our battle to reduce trade restrictions; let us support Under-Secretary Dillon in his efforts to merge the European Common Market, the European Free Trade Area and the markets of the United States, Canada, and other nations into an expanded free trade association; and let us encourage our neighbors to remove discriminatory dollar restrictions imposed during the time of dollar shortages.

Third, let us not fall short in our efforts to stimulate exports; let us be more aggressive salesmen and more flexible in our financing techniques; let us reduce costs and design products to suit foreign tastes.

Fourth, let us not reduce the flow of private investments abroad; let us instead continue to make them to and in cooperation with like-minded free enterprise businessmen of the Free World.

Fifth, let us not let our foreign military and economic aid programs abroad fall by the wayside; let us work to sustain them and to encourage some of our allies to assume the larger share of which they are now capable of bearing.

And finally let us not retreat or ease up on the inflation fight on the home front; let us balance budgets over the business cycle; let us obtain surpluses to retire debt in times of full employment; let us remove the 4¼% interest rate ceiling on long-term government bonds; let us pursue a flexible monetary policy; and let us fight inflation so vigorously that we can dispel all and any fears, no matter how unwarranted, concerning the good health of the dollar.

I have great confidence in the good judgment and common sense of the American people. If given the facts they will arrive at the proper political decisions.

Seventy-five years ago the great British statesman Lord Bryce commented upon American democracy and said:

"The masses cannot have either the leisure or the capacity for investigating the underlying principles of policy or for mastering the details of legislation. Yet they may . . . attain to a sound perception of the main and broad issues of national and international policy, especially in their moral aspects, a perception sufficient to enable them to keep the Nation's actions upon right lines."

It is in this vein that I have taken this opportunity to discuss these issues.

*An address by Mr. Nowell before the Memphis Rotary Club, Memphis, Tenn., March 22, 1960.

Two With Norman Roberts

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif.—Francisco P. Marty and William H. Thompson, Jr. have been added to the staff of Norman C. Roberts Company, 625 Broadway, members of the New York Stock Exchange.

Joins I. L. Brooks

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Milton K. Ellis has joined the staff of I. L. Brooks & Co., Inc., 333 Pine Street, members of the Pacific Coast Stock Exchange.

Build What?

Ray L. Scherer of National Broadcasting Company News—Mr. President, another question about Mr. Nixon. He has now twice declared in public speeches that he will not seek re-election on the record of the Administration alone, but on the basis of an expanded program of his own.

As far as you are concerned, is he now free to enunciate his own positions, even if they differ or go beyond yours; or is this a prerogative that Mr. Nixon has had all along?

(A) Well, let us say this: Mr. Nixon has been part of this Administration and certainly will be until Jan. 20 next, so his voice has always been heard in any discussion as to policy.

Now, I should think he would be absolutely stupid if he said that you were going as far as the record of this Administration would carry you and then stop. This world moves, and I'll tell you, if I were not so fortunate as to be stopped here and don't have to go any further with this thing, certainly I would be looking for new ways and directions in which to carry on what I conceive to be the responsibilities of the Federal Government.

So, if he doesn't say that he is going to build on what has been so far accomplished, I think he would be very foolish. So, I completely applaud what he has to say about the thing.—From a recent news conference by President Eisenhower.

The future will have to disclose what Mr. Nixon "builds," but we wish there appeared greater likelihood that he would move toward true American tradition.

BANK AND INSURANCE STOCKS

BY LEO I. 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 marked for resplendent progress. An indicated 12% to 15% rise in operating earnings will parallel the gain registered in 1959 and, for the longer-term, the recently won legal liberation offers scope for important expansion of activity.

The combination of higher interest returns on loans and securities and a continued strong loan demand scored sharp earnings gains for the first three months of 1960 over the results of the first quarter of 1959. The present prime rate of 5% compares with the 4% rate in force a year ago. Per share net operating earnings for the **Bank of New York** and **Bankers Trust Co.** rose 40%, while gains exceeding 30% were achieved by **Morgan Guaranty Trust, Chase Manhattan Bank,** and **First National City Bank.** For the rest of the year increases are likely to continue over 1959 even though the trend probably will progressively narrow due to the excellent last-half 1959 earnings reported.

LEADING NEW YORK CITY BANK STOCKS

	Adjusted Bid Pr. Range 1960-1959	Recent Mean Price	Yield %	Dividend	1st. Quarter —Earnings— 1960	1959	Earn. Gain %
Chase Manhattan Bank	71 - 55	63	3.8	$2.40	$1.34	$1.02	31.4
First National City Bank	94 - 73	83	3.6	3.00	1.55	1.19	30.3
Chemical Bk. N. Y. Tr. Co.	70 - 58	60	4.0	2.40	1.15	1.06	8.5
Morgan Guaranty Tr. Co.	118 - 94	106	3.8	4.00	1.89	1.36	39.0
Manufacturers Trust Co.	69 - 51	59	4.1	2.40	1.30	1.07	21.5
Bankers Trust Company	53 - 37	47	3.7	1.72	1.05	0.75	40.0
Irving Trust Company	44 - 37	40	4.0	1.60	0.86	0.64	34.4
The Hanover Bank	63 - 44	50	4.0	2.00	1.02	0.80	27.5
Bank of New York	335 -246	317	3.8	12.00	5.66	4.04	40.1
United States Trust Co.	98 - 80	98	4.0	4.00	1.50	1.47	2.0

Chemical Bank New York Trust registered the largest gain in loans, up 18.6%, followed by **Chase Manhattan Bank's** increase of 16%. Holdings of U. S. Government securities by the leading banks continued to be reduced in order to supply needed loanable funds; a fully loaned position still prevails thus any immediate reduction in the prime rate is considered unlikely. Moderate declines in deposits were reported. For **Chemical Bank New York Trust,** deposits dropped 12.8% from a year ago, while declines of 9.1% and 7.7% were registered by **Irving Trust** and **Hanover Bank,** respectively. The recent high money market rates have caused a considerable drain on deposits, time deposits in particular. The 3% maximum allowed on time and savings deposits continues to be restrictive for attracting savings deposits to replace the time deposits lost since higher rates are available to the public from others in the market for funds.

The recent enactment of the Omnibus Banking Bill carries international as well as national significance. The tapping of deposit funds from the fast growing population which New York City largely sustains in Westchester and Nassau counties is close to realization. Although branch applications will not be accepted until July 1, 1960, steps in this direction can be anticipated. The hard fought battle over the past several years for relief from stagnant deposit growth can be expected to bring action and signal the beginning of a major bank expansion of considerable interest to investors in bank stocks. Fostering such a trend is the well known desire of First National City Bank and The County Trust Co. of White Plains, Westchester County, to become affiliated. Competing banks are unlikely to remain on the sidelines. Fundamentally, as the financial center of the world, New York City banks face an existing world demand for loanable funds. It is in the public interest that this position be maintained.

Fortified with specialized services, excellent cost control, wide accommodations ranging from local to international, expansion through branches or the alternative state-wide bank holding company route should lead to a better banking system for New York with more adequate facilities for retail banking in particular. Since volume business provides economy in operations, commercial and manufacturing as well as consumer customers will inevitably be attracted to the leading banks.

Between now and July 1, New York banks are being given time to refine whatever plans they may have prior to filing applications for an orderly expansion into Westchester and Nassau counties and other areas in the State. The bank holding company approach has a temporary drawback due to its 54% tax rather than the typical 52% corporate tax. Nonetheless, new branch offices and acquisitions could prove costly as well for the near term. New York City banks have a reputation for careful appraisals regarding acquisition transactions.

Presently there are 16 commercial banks in Nassau County and 12 in Westchester County. Several consolidations have already occurred among the suburban banks and several branch networks are in operation in contrast to a single bank situation. The strong population growth factor is of prime importance.

At current prices New York City bank stocks are down moderately from their high levels at the beginning of 1960, and are selling at modest prices relative to the higher earnings indicated. Investors desiring reliable and growing investment returns, combined with defensive characteristics as well as healthy growth potential, may wish to give New York City bank stocks their serious consideration at this time.

J. L. Putnam Co. Formed

SOUTH PORTLAND, Maine—The J. L. Putnam Company, Inc. has been formed to engage in a securities business. Officers are Joseph L. Putnam, President, and J. Arnold Kiely, Treasurer.

Woolrych, Currier Adds

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif. — Ernest A. Kracke has been added to the staff of Woolrych, Currier & Carlsen, Inc., 233 A Street, members of the Pacafic Coast Stock Exchange.

Bacon, Whipple Expands In N.Y.C.

Bacon, Whipple & Co., members of the New York Stock Exchange, have announced the acquisition of the New York office and cer-

Raymond W. Pyle George W. Beaver

tain personnel of Schoellkopf, Hutton & Pomeroy, Inc. Effective April 1, Bacon, Whipple's office is located at 63 Wall Street in space formerly occupied by the New York office of Schoellkopf, Hutton & Pomeroy, Inc.

Certain of the administrative, trading and sales personnel of Schoellkopf, Hutton & Pomeroy, Inc. are joining the Bacon, Whipple & Co. organization. Among those are Raymond W. Pyle, George W. Beaver, Frank C. Vogel and Herbert W. Mathiasen, Jr.

Bacon, Whipple & Co., with headquarters in Chicago, was founded in 1926. A New York office has been maintained at One Wall Street since 1946 under the management of Harold H. Sherburne, resident partner.

Mr. Sherburne announces the following organizational set-up: Edward J. Dempsey, manager, Municipal Bond Department, Raymond W. Pyle, manager, Corporate Trading Department, and George W. Beaver, manager, Municipal Sales. Messrs. Vogel, Mathiasen and Francis R. Fay, Jr. will be engaged in general institutional and retail sales.

With Bond & Share Co.

(Special to THE FINANCIAL CHRONICLE)

PASADENA, Calif. — Robert L. Hodges is now affiliated with Bond & Share Co., 16 North Marengo Street.

With E. F. Hutton

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—John E. Warner is now connected with E. F. Hutton & Company, 623 South Spring Street.

STATE OF TRADE AND INDUSTRY

Continued from page 4

steady for one week. "Steel's" price composite on the premium grade of heavy melting scrap dropped 67 cents to $33.33 a gross ton, matching last year's lowest quotation.

Nation's Top Economists Forecast Resumption of Business Confidence

A panel of the nation's top economists predicts a restoration of business confidence later in the year and believes the pessimistic business thinking of late is ill-founded, "Steel," the metalworking weekly, reported on April 2.

In a springtime forecast by its 45 member panel, the magazine said many of the economists comment that the lack of optimism stems from too much of it after the steel strike. People began to believe that something magic would happen on Jan. 1, 1960. When only normal increases in business were reported in the first two months, the super-optimism cooled.

Others think that today's business mood is tied too much to the stock market decline which has been no more than a healthy correction.

Here's what "Steel's" panel forecasts: 1960 will be the U. S.'s best business year—not dramatically so, but still the best ever. The panel sees a moderate expansion in the nation's economy well into next year.

The economists predict a continual rise in the Gross National Product throughout the next four quarters, but they look for a leveling off of the total industrial production index in the second half of this year.

They also feel that metalworking (as indicated by the FRB Durable Goods Index) will turn down slightly starting in the fourth quarter.

The economists predict an all-time high of 122 million tons of steel to be produced this year. They look for 6.5 million cars to be turned out in 1960, making it the third best year in history (next to 1957 and 1950).

This Week's Steel Output Based On 85.9% of Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *152.3% of steel capacity for the week, beginning April 4, equivalent to 2,447,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compare with the actual levels of *157.3% and 2,527,000 in the week beginning March 28.

Actual output for last week beginning March 28, 1960 was equal to 88.7% of the utilization of the Jan. 1, 1960 annual capacity of 148,570,970 net tons. Estimated percentage for this week's forecast based on that capacity, is 85.9%.

A month ago the operating rate (based on 1947-49 weekly production) was *165.2% and production 2,654,000 tons. A year ago the actual weekly production was placed at 2,641,000 tons, or *164.4%.

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

Electric Output 7.3% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, April 2, was estimated at 13,542,000,000 kwh., according to the Edison Electric Institute. Output was 409,000,000 kwh. below that of the previous week's total of 13,951,000,000 kwh. but showed a gain of 924,000,000 kwh., or 7.3% above that of the comparable 1959 week.

Increased Car Production Expected

Passenger car production at U. S. plants will increase by about 10% this week following a resumption of normal production activity at many assembly plants.

"Ward's Automotive Reports" estimated output at 150,800 units in the week ended April 2, up from 137,385 a week earlier. "Ward's" said last week's car production suffered a sharp decline because of "schedule adjustments" which idled three Ford Motor Co. plants and caused two other Ford plants to work on a short schedule.

"Ward's" said the rise in this week's car output would bring total March production to an estimated 659,000 units, 14% more than in the same month a year ago. "Ward's" added that compact car production for March would total about 170,000 units, or 26% of total industry car output.

The reporting service noted that production of compact models reached the highest weekly total in history last week (40,378 units), surpassing by more than 2,000 the best weekly totals during the record car production pace in January.

"Ward's" said that except for six-day work schedules by Rambler, Falcon and Comet plants, the industry operated on a five-day basis this week. Four-day programs were planned by one Buick-Olds-Pontiac plant, a Chevrolet plant, Studebaker-Packard and the Dearborn, Mich., Imperial site. Ford's Chester, Pa., assembly plant was closed all week because of a production cutback.

"Ward's" said cumulative, 1960, production now totals an estimated 2,037,060 cars or 23% more than 1,653,151 at this same time last year.

Combined car and truck production to date of 2,423,406 is ahead of 1959 (1,943,301) by 25%.

Carloadings Off Slightly From Same Week in 1959

Loading of revenue freight for the week ended March 26, 1960, totaled 600,926 cars, the Association of American Railroads announced. This was a decrease of 3,466 cars or six-tenths of 1% below the corresponding week in 1959 but an increase of 68,653 cars or 12.9% above the corresponding week in 1958.

Loadings in the week of March 26 were 19,449 cars or 3.3% above the preceding week.

There were 10,955 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended March 19, 1960 (which were included in that week's over-all total). This was an increase of 3,138 cars or 40.1% above the corresponding week of 1959 and 6,299 cars or 135.3% above the 1958 week. Cumulative loadings for the first 11 weeks of 1960 totaled 112,173 for an increase of 35,133 cars or 45.6% above the corresponding period of 1959, and 62,318 cars or 125.0% above the corresponding period in 1958. There were 51 Class I U. S. railroad systems originating this type traffic in the current week compared with 47 one year ago and 39 in the corresponding week of 1958.

Intercity Truck Tonnage in Week Ended March 26 Was 1.4% Below The 1959 Week

Intercity truck tonnage in the week ended March 26, was 1.4% below the volume in the corresponding week of 1959, the American Trucking Associations, Inc., announced. Truck tonnage was 1.1% behind that of the previous week of this year.

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

Lumber Shipments Down 7.4% From 1959 Week

Lumber shipments of 475 mills reporting to the National Lumber Trade Barometer were 5.4% below production during the week ended March 26, 1960. In the same week new orders of these mills were 4.5% below production. Unfilled orders of reporting mills amounted to 35% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 19 days' production at the current rate, and gross stocks were equivalent to 51 days' production.

For the year-to-date, shipments of reporting identical mills were 10.0% below production; new orders were 8.6% below production.

Compared with the previous week ended March 19, 1960, production of reporting mills was 2.3% above; shipments were 5.1% above; new orders were 14.9% above. Compared with the corresponding week in 1959, production of reporting mills was 3.3% above; shipments were 7.4% below; and new orders were 5.6% below.

Wholesale Food Price Index Slips From Prior Week

There was a slight decline this week in the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., from a week earlier, when it was at the highest level so far this year. On March 29 it stood at $5.92, down 0.8% from the prior week's $5.97, and 3.9% below the $6.16 of the corresponding period a year ago.

Commodities quoted higher in wholesale price this week were corn, rye, hams, lard, cottonseed oil, potatoes and hogs. Lower in price were flour, cheese, milk, cocoa, eggs, raisins, prunes, steers and lambs.

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

Wholesale Commodity Price Index Rises Moderately from Prior Week

Higher prices on some grains, lard, butter, hogs, and lambs offset declines on tin, rubber, and steel scrap this week boosting the general commodity price level moderately over the prior week. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 275.45 (1930-32=100) on April 4, compared with 274.85 a week earlier and 278.73 on the corresponding date a year ago.

Both domestic and export buying of wheat picked up substantially during the week, and prices finished appreciably higher than the prior period. In contrast, rye prices slipped fractionally from a week earlier, reflecting limited trading and bad weather conditions that curtailed the movement of the grain in many areas.

There was a marked gain in corn prices, reflecting high volume and increased receipts. Oats prices were steady as trading was limited and receipts were light. Influenced by increased volume in meal and export markets, soybean prices moved up moderately from the prior week; offerings and trading remained close to the preceding week.

Export purchases of flour moved up this week, while domestic buying was down somewhat; flour prices remained unchanged from a week earlier. Rice prices matched those of a week earlier as both domestic and export buying was sustained at a high level; sizable shipments of rice are expected to be made shortly to India and Peru and negotiations are pending for exports to Yugoslavia.

Transactions in the domestic sugar market were steady this week and prices were close to a week earlier. Although volume in coffee advanced during the week, prices remained at prior week levels. There was a fractional increase in cocoa prices at the beginning of the week as trading expanded somewhat.

Hog prices advanced fractionally during the week, reflecting lower receipts and steady trading. Transactions in steers were sluggish holding prices close to a week earlier. There was a slight rise in lamb prices as the salable supply was down and volume was steady.

Prices on the New York Cotton Exchange showed little change from the prior week. United States exports of cotton for the week ended last Tuesday were estimated at 309,000 bales, compared with 195,000 a week earlier and 70,000 in the comparable period a year ago. For the season through March 29, exports came to about 4,661,000 bales, compared with 1,913,000 in the similar period last season.

Business Failures Climb in Week Ended March 31

Commercial and industrial failures climbed to 356 in the week ended March 31 from 286 in the preceding week, reported Dun & Bradstreet, Inc. At the highest level in two years, casualties exceeded considerably the 284 which occurred a year ago, and edged slightly above the 352 in the similar week of 1958. The toll was 15% heavier than the prewar level of 310 in 1939.

Failures involving liabilities of $5,000 or more rose to 318 from 255 in the previous week and 241 last year. While small casualties, those with liabilities under $5,000, turned up slightly to 38 from 31 a week earlier, they did not reach the 43 of this size in the comparable week of 1959. Forty-four businesses succumbed with liabilities in excess of $100,000, climbing sharply from 28 in the preceding week.

All industry and trade groups except manufacturing had higher casualties during the week. The retailing toll rose most noticeably to 172 from 123 and the construction toll jumped to 62 from 44. Milder increases lifted wholesaling failures to 38 from 34 and commercial service to 27 from 22. The contrasting decline in manufacturing pushed its toll down to 57 from 63. In all lines, however, more businesses failed than last year.

Seven of the nine major geographic regions reported increases in the week just ended. Casualties in the Pacific States, jumped to 80 from 57, in the South Atlantic to 40 from 25, and in the West South Central to 20 from 7. A smaller upturn prevailed in the Middle Atlantic States, lifting its total to 112 from 105. New England accounted for the week's only dip in mortality, while the West North Central States held steady. More concerns succumbed than a year ago in all regions except the New England and West North Central States.

Thirty-two Canadian failures were reported as compared with 48 a week earlier and 19 in the similar week of 1959.

Consumer Buying Increases Noticeably

There was a noticeable rise in consumer buying this week, reflecting improved weather conditions and extensive sales promotions. Retail volume, however, was down slightly from a year ago, the 1959 Easter week. Year-to-year declines in apparel offset increases in household goods and new passenger cars.

The total dollar volume of retail trade in the week ended March 30 was unchanged to 4% below a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1959 levels by the following percentages: Mountain +4 to 0; East South Central +3 to —1; South Atlantic +2 to —2; West South Central +1 to —3; West North Central 0 to —4; New England and Middle Atlantic —1 to —5; East North Central —2 to —6; Pacific Coast —3 to —7.

Easter shoppers noticeably stepped up their purchases of women's apparel, especially dresses and sportswear. Volume in millinery, fashion accessories, coats, and suits advanced moderately from a week earlier. The buying of men's apparel was up appreciably from the prior week, with most substantial gains in furnishings and sportswear. Year-to-year declines were more noticeable in women's merchandise than in men's clothing. Retailers reported marked increases from the preceding week in children's clothing.

The call for household goods advanced appreciably over the similar 1959 week, when shoppers were concentrating on Easter apparel. The most significant gains from last year occurred in furniture, draperies, and linens. Volume in appliances was up moderately from a year ago; best-sellers were laundry equipment and television sets.

Apparel wholesalers this week reported appreciable gains in sales of women's Summer cotton dresses, sportswear, walking suits, and coats, and volume was substantially higher than a year ago. There were some scattered last-minute re-orders for women's Easter merchandise, especially fashion accessories, coats, and suits. Wholesale volume in men's Spring and Summer apparel matched that of the prior week, and early orders for Fall apparel were up moderately over a year ago. Purchases of children's Spring and Summer clothing ran somewhat higher than a year earlier.

Transactions in cotton gray goods lagged during the week, with declines in print cloths, lawns, and sheetings offsetting slight gains in sateens. Volume in industrial fabrics and man-made fibers remained close to a week earlier. While sales of woolens and worsteds edged up slightly, interest in carpet wool was sluggish. Incoming orders at mid-Atlantic dyeing and finishing plants advanced moderately from the preceding week, and further gains are expected through April.

Nationwide Department Store Sales Down 7% for March 26 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended March 26, 1960, decreased 7% below the like period last year. In the preceding week, for March 19, a decrease of 6% was reported. For the four weeks ended March 26 a 9% decrease was registered over the same period in 1959.

According to the Federal Reserve System department store sales in New York City for the week ended March 26, decreased 5% over the like period last year. In the preceding week ended March 19, sales decreased 2% over the like period last year. For the four weeks ending March 26 a 7% decrease was reported over the 1959 period, and from Jan. 1 to March 26 no change was recorded over 1959.

Henry Spiegel Opens

PHILADELPHIA, Pa. — Henry Spiegel is engaging in a securities business from offices at 1604 Walnut Street. He was formerly President of Keystone Securities, Inc.

With Paine Webber

(Special to The Financial Chronicle)

SAN DIEGO, Calif. — John A. O'Connor is now associated with Paine, Webber, Jackson & Curtis, 1145 Fourth Avenue. Mr. O'Connor was previously with William R. Staats & Co.

"The Truth Gap"

Continued from page 3

fluences which has resulted in the easier tendency noted today in interest rates.

An evidence of economic muscle is that 64.5 million people had jobs in February—up 1.8 million over last February and at an all-time record for the month. The job total figures were higher than January, even though record snowdrifts and ice kept farmers and construction workers indoors.

By far, the most revealing indication of the economic state of the union is our recently published report from businessmen on their plans for investment in plant and equipment. They expect to boost capital outlays from $32.5 billion last year to $37 billion this year—an increase of $4.5 billion.

This uptrend in spending means **more** business for the industries supplying the basic materials and equipment—**more** employment and **more** purchasing power which will find reflection in markets generally. This is the sort of economic activity that spells **real** growth.

One of the broad benefits flowing from capital outlays is the greater and improved technical capacity of plants to turn out a wider choice of better-quality products, thus further raising the level of living and adding fresh strength to the economy.

The survey also gives us another set of predictions. In addition to asking businessmen their investment intentions, we also inquire what they estimate in the way of company sales during the year.

The composite answer we received is that major industries anticipate favorable sales for 1960. Trade companies foresee a 5% sales increase over 1959 and manufacturers look forward to an 8% rise.

How Have We Fared So Far This Year?

The answer is: Very well.

When in the New Year period the press at various times asked for my opinion on the outlook, I replied that, upon appraising the then foreseeable facts, I expected the Gross National Product to reach the record peak of $500 billion by mid-year.

Some scoffed and suggested I was wearing rose colored glasses. But my forecast is becoming a fact. It is three months this side of mid-year. And yet, the GNP already has reached an annual rate of close to half a trillion dollars, the highest national economic peak in the world and in all history.

The GNP has made a sharp spurt in these three months from the year-end 1959 quarter, when total output of goods and services was approximately $484 billion.

And, remember the GNP is the most inclusive of all the measurements of the economy.

The substantial rise in output from the last quarter results in part from the removal of the steel strike shadow, but it also demonstrates a firm foundation of business strength. As compared with early 1959, the current output is 6% higher.

Income in this first quarter is moving up along with output—with consumer purchasing power also running some 6% better than a year ago. This rise in income has not been fully reflected in retail sales which, though up, have been curtailed by unusually bad weather in many sections.

You may have read reports that department store total sales have not been doing so well lately. But here again blizzards in some cases even shut down large suburban stores and the blocked roads kept women customers at home. But once the ice and snow melts, increased income is bound to have a favorable impact on consumer purchasing and business sales.

Prices generally are stable and current advances in production and consumption are mainly volume increases valued in constant currency and not in rubber dollars.

* * *

Now, let's turn from economic data officially collected by the fact-finding agencies of the Federal Government to the prospect for 1960 as seen by the nation's outstanding business executives.

How Do Business Leaders Themselves Size Up the Situation?

This meeting of the private industry leaders of America's great Middle West gives me the opportunity to share with you the latest expert opinion of the members of the Business Advisory Council, representing a cross-section of the nation's foremost business executives, who assemble periodically in Washington to give the Secretary of Commerce advice on the business situation.

As heads of great enterprises involving huge investments, mass production and big payrolls, they have access to the best possible fact-gathering resources—far removed from guesses or rumors. As successful heads of giant industries, their judgment has to be tops.

At their regular March meeting held recently, the consensus for 1960 was as follows:

The mood: Down - to - earth optimism.

The outlook: Substantial business progress.

The length: All through the year.

Reports of Council members added up to a 1960 first quarter well ahead of both a year ago and the 1959 last quarter, with improving sales and income. The consensus was that the announced 14% increase in capital outlays over last year—to which I referred earlier—represented firm commitments under steady price conditions.

They reported that severe weather had put a recent crimp in some retail sales, but that buying in stores generally was good. The business leaders were of the opinion that, with consumer income up some 6% over 1959, this gain would be reflected in store sales once spring really gets into business.

The importance of controlling costs was recognized, but the difficulties of such control were stressed.

As executive after executive gave rundowns on the prospect for his specific industry, a unified pattern of progress emerged. None forecast a superheated boom of such proportions as would complicate progress through price instability. But the general expectation was for a **better year than 1959** — and, remember, last year made an all-time record in prosperity.

After reading unbiased government indicators and hearing the voice of expert business, what's the verdict?

I would sum up the outlook in this short phrase:

Not a boom, but another record.

Let's consider another truth gap of the day—in respect to overall national defense.

Are We Now Second-Rate in Military Power?

The facts prove otherwise.

The United States is the most powerful nation on earth with the capacity at hand today not only to survive a sneak attack, but also to hit back and destroy a suicide-bent aggressor.

It is a commendable patriotic attitude for the American people to be very much interested in defense. They have every right to ask searching questions and to insist upon complete factual answers not only from those in authority, but from every other person in or out of government who sets himself up as an expert on the subject — be he sincere zealot or deplorable scaremonger.

The more truth the American people get on the whole subject, the more firm will be their conviction that the guardianship of peace is still in the strong hands of the greatest economic and military power in the world, the United States of America.

Constructive criticism is wholesome. But the American people are the real losers whenever anyone of prominence carelessly, ignorantly or deliberately uses one piece of the jigsaw picture and omits the rest.

For this truth gap might cause uneasiness among our allies and dangerous miscalculations as to our true strength among our foes.

We hear talk from some quarters that President Eisenhower's Administration considers a balanced budget more important than national security. Ignorance or infamy could make no more unfair charge.

The same General who successfully led the great crusade that saved civilization from Nazi desolation today is leading a peace crusade to save the world from the unspeakable horror of nuclear war. To him no goal is too daring, no price too high, no sacrifice too great to build an impregnable defense for that peace.

And that is what he has built—despite the irretrievablye lost time in long-range missile development he faced in 1953.

Let everyone clearly understand that the Eisenhower Administration believes strongly in the importance of Intercontinental Ballistic Missiles—now and in the future. We are rapidly making up for previous neglect.

The former Administration obligated $800,000 for long-range ballistic missile programs in Fiscal Year 1952. We obligated in Fiscal Year 1960 $3.3 billion for IRBM's and ICBM's alone, and for all missile programs about $7 billion. We are now spending each day 10 times as much as was spent for the entire year in Fiscal 1952. And in the Fiscal Year 1961 budget now before Congress we are recommending $3.4 billion for IRBM's and ICBM's and a total of about $7 billion for all missile programs. We're building an ever-increasing long-range ballistic capability for the future.

The critics of military policy, for the most part, center their fire on one single segment, the Intercontinental Ballistic Missile, overlooking everything else in our diversified arsenal of defense — a balanced capability which I will describe in a moment.

They say that our salvation depends entirely on matching the Soviet Union in this one category. Our chief military and scientific advisors disagree strongly with that shortsighted argument and have experience and logic to back up their case.

You will remember the tragic lesson of recent history. The brave French put their eggs in one basket. They concentrated their defense almost entirely in what they sincerely believed was the ultimate, all-powerful single defense system, the Maginot line, and neglected other fully as vital branches.

In contrast, their enemy had a balanced military system of great strength, variety and dispersion. The Maginot line was not enough—and gallant France went down in defeat. We don't intend to be trapped that way.

We do have missiles — many kinds — but unlike the Soviet Union we have not been forced because of geography and other factors to rely primarily on a single weapons system — the ICBM. The long-range missile may be the best weapon capable of maximum use by the Soviet Union—not so with us. Since it is against our principles to launch a surprise war, we will not try to get a sneak jump on an enemy. Therefore, although we have missiles on the alert, they are diversified and not restricted to the intercontinental type.

Some Atlas missiles are on the firing line right now, but how often do you hear of our intermediate range missiles? Right now the allied forces in the United Kingdom are equipped with 60 IRBM's, each with a nuclear punch many times more powerful than the first atomic bomb. These missiles carry a big payload and give us a deterrent capability almost equal to that provided by missiles launched from this hemisphere. What about the SNARK, REGULUS, MATADOR, MACE and other missiles in our arsenal, any one of which can deliver nuclear havoc, all formidable weapons, but still not our first line of defense. We must rely more on manned bombers and other means for the bulk of our protection and the extent of our retaliatory power.

Our strategic striking forces include over 2,000 long-range bombers, greatly outnumbering their Soviet opposite numbers. The force is highly trained, fully equipped, many on 15-minute ground alert, with some actually airborne all the time.

A B-52 can attack several targets, not one to which a missile is limited, and can load up for successive attacks. Each of our bombers can deliver nuclear blows many times the destructive power of an ICBM. A large number of these bombers are deployed at our world-wide bases within close range of potential targets.

We have 14 aircraft carriers—difficult targets because they can move — whose planes could hit about every area of the world with nuclear bombs many times more destructive than those used in the last war.

The Soviets, no doubt, are not standing still. Neither are we. We are ahead now and plan to stay ahead. We're adding this year two atomic-powered submarines with more to follow and each to be equipped with 16 Polaris missiles.

By 1963 we'll have 13 Atlas ICBM squadrons and others with the MINUTEMAN ICBM. Our B-52 bombers will soon be equipped with HOUND-DOG missiles, enabling the bomber to reach heavily defended targets by softening up the air defense system with nuclear blasts from several hundred miles out. The first Ballistic Missile Early Warning System becomes operational this year, making it almost impossible for a mass attack of enemy missiles to reach here undetected.

Added soon to our already massive forces will be a whole arsenal of super-modern missiles and many other weapons.

One final point sometimes raised by earnest questioners:

Is the President so preoccupied with other weighty matters that he does not give enough attention to study and action on defense?

This great career soldier did everything necessary to win the last war. Do you really think he now would neglect the same effort to win the peace?

His is the final decision on our massive balanced defense policy. But he has the advice of the nation's best informed and best qualified authorities with widest experience in the entire subject, including the Secretary of Defense, the Joint Chiefs of Staff and other great military and scientific authorities and intelligence experts.

Up to this time, the President has presided at 296 out of 326 meetings of the National Security Council, the nation's topmost policy forum. And he also has daily contact with others with high responsibility in America's safety.

But military competence and command is not the President's only dedication of national security. The greatest war deterrent on earth is the spirit embodied by this sincere man.

He circles the globe—reinforcing the bonds of unity and power of the free world's unnumbered millions — convincing even those behind the Iron Curtain that America always will go "the second mile" for peace with freedom and justice.

Under President Eisenhower's inspiring leadership and without lowering our guard, all-powerful America is using disarmament conferences, summit meetings and other promising steps in a never-ending effort to replace mankind's dread of nuclear disaster with a strong, fresh hope of universal good will and lasting peace.

*An address by Mr. Mueller before the Executives Club of Chicago, Ill., March 25, 1960.

Balderdash!

"My support does not come principally from persons of position, rank or wealth. Rather it comes largely from people, who, like myself, are of modest origin and limited financial means.

"This in itself is one of the main reasons I am venturing to seek the nomination. I know from personal experience what it means to be the victim of depression, distress and natural disaster — those unpredictable forces over which so many human beings have no control.

"I also know that it is precisely these Americans —who lack the means, the power or the influence to fully control their own destiny—who most need and yet lack a voice in the conduct of their government. They need a spokesman, and I intend to the best of my ability to be that spokesman."—Senator Hubert H. Humphrey in announcing his candidacy for the Democratic nomination for the Presidency.

Nothing is further from our thought than the selection of any of the Democratic hopefuls for our approval, but we cannot but lament this type of appeal for support for the nation's highest office.

Joins H. L. Emerson

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Hugh G. Kroehle has joined the staff of H. L. Emerson & Co., Incorporated, Union Commerce Building, members of the Midwest Stock Exchange.

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 interest in the formation of small financing companies and to stimulate the flow of credit to small business.

In a recent review of the Small Business Investment Act of 1958, conducted by Senator John Sparkman, Chairman of the Senate Small Business Committee, Alan K. Ruvelson outlined legislative and administrative changes to make small business financing more effective and attractive on behalf of the National Association of Small Business Investment Companies. Mr. Ruvelson is President, First Midwest Small Business Investment Co., Minneapolis, Minn., and Secretary, National Association of Small Business Investment Companies, Washington, D. C.

Alan K. Ruvelson

The text of Mr. Ruvelson's testimony dealing with the recommended changes follows:

You have requested our views on suggested changes in the Law and its administration. In this connection, I should like to point out that I speak now not only as President of First Midwest, but I am also authorized, as Secretary of the National Association of Small Business Investment Companies, to state that the following comments reflect the views of the majority of the membership of the Association:

(1) A statutory tax deductible loss reserve similar to that now granted the Savings and Loan Associations would in our opinion be most desirable. However, because of the greater element of risk in SBIC investments and their long maturities, we feel that a tax deductible loss reserve should be larger in size than that permitted for Savings and Loan Institutions. We believe that one approximating 30% of interest would be realistic and certainly justifiable.

(2) SBIC's should be allowed participation in regular SBA loans under Section 7 of the SBA Act, particularly where the SBIC has not acquired any of its initial capital from the SBA. We feel that where capital has been acquired wholly from private sources that the SBIC should be permitted the same opportunity to participate in SBA loans as other private commercial lending institutions.

(3) We believe permission should be granted to SBIC's to make any form of equity investment in small business, and that we should not be restricted to the convertible debenture in order to effect the acquisition of potential equity. It would be advisable for Congress to specify the other types of securities that an SBIC may acquire.

(4) We believe that we should have the permission to collateralize convertible debentures where possible. This permission is given in the Proxmire Bill.

(5) We believe that the present statutory ratio of government loans under Section 303 should be altered to a higher level than the 50% now permitted. This suggestion again has even greater validity for those SBIC's not utilizing governmental funds in their capital structure. It would be helpful if the government would grant 303 loans to SBIC's without specific collateral inasmuch as the present developmental phase of the SBIC program does not make them attractive to most institutional lenders because they have not established an earnings pattern, and further, the size of the typical SBIC is not large enough to warrant their attention. This point has increased urgency in view of the fact that the government as yet, has not seen fit to establish any type of a rediscount or insuring agency for term loans.

(6) It would be desirable that permission be given to grant restricted stock options to key men. This would be the least expensive way of attracting and holding qualified personnel.

(7) In the area of general suggestions, it might be well to examine the feasibility of developing a federally sponsored insurance program to cover secured term loans. This could be done within the framework of the Investment Division of the SBA. To our way of thinking, it would be more desirable to employ government funds and sponsorship to insure the success of this type of program rather than the utilization of governmental funds and efforts to make 302 loans for participation in the capital structure of SBIC's.

(8) With respect to the SEC and its administration of the various securities laws, we feel very strongly that two areas in particular will require corrective action by the Congress. We feel that SBIC's should be given an exemption from the provisions of the Investment Company Act of 1940, and we feel that present SEC requirements with regard to disclosure of the identities and operational details on our borrowers should be modified drastically.

It may well be, that a few SBIC's operate in the accepted tradition of a conventional investment company, however, these are the exception. Most SBIC's do not operate through a management company nor are the purchase and sale of equity securities done by an outside organization. There is not the same degree of dualism or conflict of interest as might exist with the usual investment company. As one who is contemplating registration under the Investment Act of 1940, we can say from our own experience that most questions raised therein are inapropos and inapplicable. Our investments are in unlisted securities of relatively small companies and we should not be subjected to the same custodial restrictions as a typical investment company, for this is too costly and cumbersome for the average SBIC.

On the matter of disclosure, SEC currently requires SBIC's to include in their prospectus some 14 different items of detailed information on each concern in which the SBIC has invested more than 5% of its assets. All of this information, plus the names and addresses of such borrowers, becomes a part of the public file at SEC and is available for examination by anyone who takes the trouble to visit the SEC office. Our borrowers are understandably opposed to having the intimate details of their operations and finances spread on the public record. Unless something is done about this, we can foresee the situation where a very attractive investment might be foreclosed to us by virtue of the simple fact that the prospective borrowers would be opposed to such publicity. We, as an SBIC, would have no objection to supplying all of this information to SEC if that agency would treat 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 procedure. For purposes of our prospectus, however, it seems to us that more general a statement of the nature of our investments should suffice.

The members of the Select Committee on Small Business, United States Senate, are to be commended for their efforts in behalf of this program. We wish to express our appreciation to the Chairman of this Committee and its members for their kind invitation to submit the above statement. We hope that we may be of some assistance in your evaluation of the progress make under the Small Business Investment Act of 1958. We did not, nor do we expect, perfection at the initial stages of our operations under this new law. We do believe, however, that by your constant attitude of inquiry and examination that we will be able to evolve an ever improving program for the independent small businessman of our country. We feel that the era initiated by the passage of that Act will prove to be one of significance to the economic development of our country.

AS WE SEE IT

Continued from page 1

We all certainly may well hope that the advances in disease prevention and cure may 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 in the nature of an extended recession, even if nothing to resembling the one beginning in 1929, would without much doubt reduce the marriage and birth rate in this country.

This is an age of state intervention, in all things, and we hear a great deal about the activities of various governments in the direction of encouraging birth control. It is probably safe to say that a considerable degree of popular education in the more practical side of these matters may occur as a result of all 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 for both government (as in the matter of education where the increase is largely in school age groups) and for the people themselves who must or should, on their own, make such adjustments and take such steps as may be necessary or desirable in the premises. The latest "scare"—or one of them — among those who feel that they must manage the affairs of the people for them, has to do with unemployment, always a popular political theme. There are political elements who, for one reason or another, insist that too much unemployment exists at this moment and scream that "something must be done" before that "population explosion" they hear so much about adds to it.

It is not necessary to enter into any extended discussion of population theories or to pass judgment upon conditions in other countries or other parts of the world to feel quite confident that with our economic system functioning normally, or as it would function if given the opportunity, we could, with ease, absorb and supply any increase in the population that has taken place or is likely to take place in the foreseeable future. In this country the changing or changed age grouping of the population is of much more significance to us all than any mere increase that has taken place or is taking place. Additional mouths have to be fed but, over any substantial period of time, they are accompanied by hands with which they may be fed.

The Exceptions

The exceptions are, of course, those relatively short periods when a sudden increase in the population adds substantially to the numbers who have not yet reached the age when they can provide for themselves and when improved medical care and the like result in a large increase in the numbers who have reached advanced ages and can not fully produce what they need. Of course, a reasonable flexibility in the economy is essential to meet changes of these sorts without undue delay and without undue loss of motion. The real question—if there is one—is how inflexible the policies of recent years have made the economy — what with labor unionism and various governmental interferences and income taxes. This is an aspect of the situation which needs careful attention and is precisely the aspect which is completely ignored or misunderstood by those who seem to be worrying about the effect of the so-called population explosion.

We lay the flattering unction to our souls that we have largely solved the problems presented by the increasing proportion of oldsters in the population, solved it by the establishment of the social security system and related programs. Mostly we say—or at least those who insist that something be done to defend ourselves against this aspect of the population explosion say — that the problem can and should be completely solved by extensions of those systems—a good preachment, possibly, in an election year, but hardly possessed of any other merit. The problem of carrying super-annuated elements in the population is, of course, only in part a matter of money in the hands of the oldsters or to be placed in their hands. Someone, somewhere, has to produce the goods they need if they are to be protected even when they have adequate funds.

Of course, there is or may be such a thing as a population grown too dense to be able to support itself in the regions in which it resides, but we are sure that in this country if natural forces are permitted to function there is little or no likelihood of such a situation fastening itself permanently upon us. We must, however, be frank with ourselves about these things. If we are, we shall quickly realize that a good many of our programs to deal with such situations definitely tend to increase rather than relieve our troubles. Federal aid for "distressed areas," whatever their moral claims upon us, are certain in one degree or another to curtail essential mobility of labor. Greatly increased home ownership tends to have the same effect. But by far the most important of all is the loss of vigor and flexibility resulting from the New Deal and New Deal-like programs. And the drift is toward more of the same to solve population explosion problems, real and imaginary.

Carreau Adds to Staff

Carreau & Company, members of the New York Stock Exchange, announced that William B. Shealy is now associated with them as registered representative in their main office at 115 Broadway, New York City. He was formerly with Van Alstyne, Noel & Co.

Glore, Forgan Adds

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — William H. Crockett is now affiliated with Glore, Forgan & Co., Russ Building.

With Hannaford & Talbot

(Special to THE FINANCIAL CHRONICLE)

LODI, Calif.—Reinhold Tempel is now with Hannaford & Talbot, 5 School Street.

Joins Stewart, Eubanks

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — Edward G. Freitag has joined the staff of Stewart, Eubanks, Meyerson & Co., 216 Montgomery Street, members of the New York and Pacific Coast Stock Exchanges. He was formerly with Diversified Mutual Funds, Ltd.

Amos Sudler Adds

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — J. F. Reynolds has become connected with Amos C. Sudler & Co., 818 Seventeenth Street.

With Hurd, Clegg

(Special to THE FINANCIAL CHRONICLE)

CHAMPAIGN, Ill. — Erice F. Haussermann is now affiliated with Hurd, Clegg & Co., 30 Main St., members of the Midwest Stock Exchange.

Joins Columbia Inv.

(Special to THE FINANCIAL CHRONICLE)

BANGOR, Maine — Charles H. Perry is now affiliated with Columbia Investment Co., Columbia Building.

Need for Caution at Present In Case of Consumer Credit

Continued from page 10

of automobile sales during 1955, stimulated in part by relaxation of credit terms, was followed by a sharp decline in such sales the following year. While this is not likely to happen during 1960, we must be alert to the possibilities and act accordingly.

Another possible source of danger lies in some of the recent innovations in consumer credit techniques. For instance, some manufacturers have recently formed their own so-called captive finance companies to finance the sale or leasing of equipment, using funds borrowed from banks. While in principle there is nothing illegitimate about such arrangements, their safety depends both upon the soundness and prudence of these captive finance companies and upon the quality of their customers.

These are matters which bankers may have difficulty in judging, particularly as they are one stage removed from the ultimate borrowers. Bankers who are asked to provide consumer credit indirectly in this manner would do well to weigh carefully the risks involved and to consider whether financing of this sort cannot better be handled by factors or other specialists who are more experienced in such arrangements and whose higher charges will more adequately cover the higher risks.

New Forms of Credit

Recently some new forms of consumer credit have become popular. These include so-called "charge credit" and "revolving credit" plans. Some of you are doubtlessly trying out these novel arrangements or thinking about them. Because they are so new and not yet tested by experience, they are still uncertain quantities. It seems to me that we ought to scrutinize these innovations searchingly before we get too deeply involved in them. We need to satisfy ourselves that they do not violate traditional standards of sound bank lending and that they are not at variance with sound monetary and credit policies.

Under the revolving credit plan, banks establish lines of credit in specified amounts for individual borrowers. A customer then borrows simply by writing checks. The bank makes a monthly interest charge on the outstanding balance. The borrower is expected to repay the loan in instalments over a period of time. In practice, however, by repeated borrowing he can maintain his indebtedness at or near the limit, so that the plan may become virtually a perpetual loan scheme.

I cannot help wondering if those bankers who are vigorously pushing this new plan have carefully considered all aspects of it. Is it sound policy to encourage individuals to remain continuously in debt? If so, are thrift and the practice of living within one's means no longer virtues? I won't try to answer these questions now, but it does seem to me that both bankers and consumers should consider them carefully before getting involved in a type of indebtedness that may encourage excessive borrowing and spending.

From the standpoint of lending banks, how does this revolving credit plan appear?

Some of those who are in the plan claim that there is little or no difference between the revolving credit plan and the practice of renewals of personal and even other consumer loans. This view is difficult to accept. Personal loans always have a definite date of maturity and are expected to be repaid as agreed. If the need for additional funds becomes necessary, there is a personal review and discussion of the borrower's circumstances, and the renewal that follows has a terminal date with regular reductions of the loan. The lender usually has a fair knowledge of what the money is being used for; and I believe he is entitled to this knowledge.

Under the revolving credit plan, on the other hand, a loan has no terminal date of repayment, even though periodical reductions are expected, and the lender virtually has no knowledge of the purpose of the loan. The difference between the two types of credit seems to be clear and substantial indeed.

In view of our limited experience with the individual revolving credit, it is difficult to appraise its validity or success. At first sight, it seems to provide a good source of additional bank earnings, although in many cases reports indicate that such earnings are slow to develop and often are disappointing. Bank officers handling this type of credit can readily produce examples in support of either side—satisfactory profits or disappointing results because of costly advertising, screening of applicants, a high rate of rejections, and expensive administration of the plan. Only experience will provide an adequate answer.

The cost of servicing check credit could well turn out to be higher than expected. Many participating banks are seriously reviewing their policies. They have plunged into the new forms of consumer credit when business has been good, but what will happen in the event of a business downturn, with substantial unemployment and loss of income? Losses then might prove to be heavy. The danger of such losses is particularly great because the bank is normally not aware of the uses to which the loan is put. Higher costs or higher losses than anticipated may spell inadequate net returns. If so, will political and popular pressures permit the banks to increase their interest charges enough to provide adequate earnings? Rumblings of luring advertising and exorbitant charges already have been heard in several quarters to indicate dissatisfaction.

Against Revolving Plan Now

Finally, let us consider the revolving credit plan briefly from the standpoint of the economy as a whole. Here, again, our short experience with the plan is a handicap. But one thing we can say fairly definitely is that the present period is not the ideal time to introduce such a scheme for stimulaing consumer borrowing.

During most of the past nine years and particularly during the past year and a half, our monetary authorities have pursued an increasingly restrictive credit policy for the purpose of combating inflation and boom-period excesses. With the total volume of bank credit limited, as at present, an increase in consumer lending must mean fewer funds available for other types of lending, such as mortgages and business loans. Since funds for commercial uses are already in short supply, any further tightening of such credit is sure to be resented.

On the other hand, if the Federal Reserve should feel compelled to expand the total volume of credit in order to accommodate the rise in consumer lending, the result would be to add to inflationary pressures. Hence, whatever merits the revolving credit plan may have, this seems an unfortunate time to be introducing it.

My comments so far may have sounded pessimistic, but in fact they are not intended to be so. I am certainly not gloomy about the future of either American banking in general or consumer credit in particular. On the contrary, I see a great deal of prosperous growth ahead for both of them. My remarks are intended to be cautious rather than prophecies of grief. They are directed to top bank managements responsible for the formulation and execution of credit policies. I believe that banking can continue to grow and prosper and remain free to run its own affairs so long as it operates prudently and in the general public interest.

Because we operate primarily with the funds entrusted to us by others and because our actions so vitally affect the rest of the community, banking must carry on its affairs much more carefully than most other industries. The need for caution is perhaps even greater in the case of consumer credit than it is for other types of bank credit, because consumer loans still are relatively untried, particularly in some of their newer forms. It should be remembered that we have not yet experienced a major slump in business conditions at a time when a large volume of consumer credit was outstanding, and we really do not know what might happen under such circumstances.

Cautiousness Advised

This brings me to another reason for exercising especial care at the present time. We have now had almost two decades of high prosperity, interrupted only by relatively brief and mild recessions. There is a natural tendency to imagine that things will always be this way, and that the kind of serious depressions which we have experienced in the past are now just history. Let us hope so. But at the same time don't let us forget the experience of the 1920's period which, at the time, was characterized by many economists, businessmen, and bankers as the "New Era." We now know what kind of era it turned out to be—disastrous for all but especially for the banking system.

To take continuous prosperity for granted would be a great mistake. Any notion that prosperity must be permanent and undeviating is based on wishful thinking and a too optimistic reading of the record rather than on solid fact. It is true that our understanding of cyclical fluctuations and our techniques for controlling them have been greatly improved in recent years, but these have not yet been tested by a serious shock to the economy and may prove inadequate when the test comes.

Let me hasten to say that I do not believe a major depression is imminent or inevitable. My point is, rather, that we erect additional safeguards against business declines when we conduct both our private and public affairs with foresight and circumspection — when we observe time-tested principles closely.

Paradoxical as it may seem, it is precisely when the economic skies are brightest that the danger of a sudden storm is greatest. It would seem to me, therefore, that this is a time not for complacency or unrestrained optimism, but for the exercise of good judgment.

I am not, of course, the only one who is concerned about possible developments in the field of consumer credit. A good many lawmakers, economists, businessmen, and bankers believe that such credit has been on occasion or can be used in undesirable ways. They argue that it encourages wasteful buying, discourages thrift, interferes with the normal processes of saving and investment or capital formation, and that it contributes to economic instability by permitting excessive concentration of purchases at certain periods. Such critics usually propose the use of selective credit controls over specific types of credit, instead of or in addition to general controls which affect only the overall volume of credit.

A Free Banking System

Those of us, including myself, who prefer to continue relying on general credit measures, do so basically on the grounds that any unnecessary extension of government controls is an infringement upon our freedom of choice. It prevents the banker from running his business in the way that his training, experience, and knowledge of local conditions indicate to be best. It prevents the borrower from running his own life or business as he thinks best. We believe, too, that if the total volume of credit is adjusted by the monetary authorities to the legitimate needs of the economy, a free banking system is capable of allocating that credit to those borrowers who will use it to best advantage.

To be more specific, what can we do in the field of consumer credit? Here I only offer counsel, and do it with great hesitation because of its possible effect on the recipients. You will recall an old exchange of experience between two battered wrecks of humanity sitting on a city park bench.

Said one to the other, "I'm a man who never took advice from anybody."

"Shake, old fellow," said the other, "I'm a man who followed everybody's advice."

Lists Precepts

Nevertheless, there are certain precepts which arise from the accumulated wisdom and experience of the banking system that bear frequent repetition. They are important and applicable to our consumer credit policies and practices.

(1) I believe that we should regard with suspicion any form of lending which does not permit us, as bankers, to know the borrower personally and to satisfy ourselves that the money loaned him will be used wisely. A borrower who is unwilling to disclose his reason for needing the funds puts a good credit analyst on guard. Moreover, we should keep in mind that it is part of the banker's job to provide not only funds but also counsel as to the use of such funds, and that this too requires personal contacts.

(2) Probably the greatest difficulty in appraising individual risks is the lack of dependable information on the extent of the borrower's indebtedness in relation to his current income. All of us know of depressing examples to show how families, under a spur of optimism, almost simultaneously borrow from more than one bank and finance company, owe money to stores and fuel dealers, and are in arrears on mortgages. There is a lack of satisfactory credit clearance to check on such overextensions, so 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, concerted efforts by banks, merchants, and others dealing in consumer credit should be made to establish a more comprehensive central clearance system of credit information than we now have, to prevent credit abuses and to minimize losses.

(3) We should be careful to avoid extravagant advertising. It is so easy for the nonbank public to interpret advertising aimed at making borrowing more convenient for creditworthy borrowers as an open invitation for all to come in and borrow. Our emphasis should be on thrift and the repayment of debt, rather than what may be misinterpreted as the maintenance of an excessive and perpetually indebted position. Borrowers should treat credit as something to be used in case of need, not as a permanent substitute for savings. Bankers should keep in mind that when the total volume of credit is fixed by the Federal Reserve, as at present, they cannot increase their lending activity by aggressively advertising for borrowers. They can only increase one type of loan at the expense of other types.

(4) Banks need to compare carefully the costs and returns involved in making loans of different kinds. Particularly with respect to the newer forms of consumer credit, they should consider the possibility that net returns may prove much lower than expected. Moreover, the immediate success may turn out to be short-lived and may turn into a loss in the longer run.

(5) While competition is important in banking as in other fields of private enterprise, banks should carefully avoid those forms of competition which involve a relaxation of credit standards and practices. To compete in these ways is to weaken the banking system; to compete by offering better service at lower cost is to strengthen it.

(6) Bankers as a rule are incurable individualists, and they presumably run their banks according to their best lights as to safety, success, and conception of service to the communities. This is as it should be in a free competitive system of private enterprise. Nevertheless, being semipublic and well regulated, they are expected to adhere to certain standards and procedures that are deemed sound and necessary to the orderly functioning of our complex credit economy. This means that no bank alone can depart for long from these standards and practices without harming the entire banking system. Our experience of the 1920's and 1930's amply demonstrates the interdependence, or lack of it, of all banks. Lending and investment policies and practices of individual banks, therefore, are of vital concern to all bankers and to the monetary authorities as well. We must work and succeed together or be hung together in matters of consumer credit as in other forms of credit operations.

So, like any good institution or like man himself, consumer credit has its dangerous aspect—its Mr. Hyde. But basically we know that it is a constructive force, a useful member of society like Dr. Jekyll. All history is a record of man's struggle to suppress the Hyde and exalt the Jekyll in us. In the field of banking, as elsewhere in life, this struggle has to be fought continually.

I should like to believe that it is just such a fight that gives meaning to the job of our Committee for Economic Growth Without Inflation. It is to promote growth in a sensible, realistic manner, not by forced and wasteful means. It is our aim to encourage, by legitimate means, efficient production, maximum job opportunities, and reasonable price stability. In this way, we can hope to maintain the value of our dollar unimpaired at home and sustain confidence in its integrity abroad.

To that end, we are committed to provide a source of information for our banks, their customers, and citizens in general in an effort to foster and promote better understanding of current developments and their implications for the future. But to reach that end, we must have the unflagging support and participation of all bankers.

It is my duty and privilege to ask everyone to join us in this significant undertaking. It is an exciting adventure that should make every banker want to contribute his share to the total effort.

***An address by Mr. Sienkiewicz before the National Instalment Credit Conference sponsored by the A.B.A. Instalment Credit Commission, Chicago, March 22, 1960.**

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

Aero Industries, Inc. (5/2-6)
March 11 filed 250,000 shares of common stock (par 25 cents). **Price** — $3.30 per share. **Proceeds** — For new equipment, expansion of the business, and general corporate purposes. **Office**—Pottstown, Pa. **Underwriter**—Myron A. Lomasney & Co. of New York City.

● **Agricultural Research Development, Inc. (5/2-6)**
Jan. 25 filed 200,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—To purchase land, to construct buildings, and provide necessary equipment and capital to engage in a hog raising enterprise. **Office**—Wiggins, Colo. **Underwriter**—W. Edward Tague Co., Pittsburgh, Pa. **Note**—This statement is being revised.

Allied Bowling Centers, Inc. (5/2-6)
Dec. 29 filed $750,000 of sinking fund debentures and 300,000 shares of capital stock, to be offered in units of $75 principal amount of debentures and 30 shares of stock. **Price**—$108 per unit. **Proceeds**—For general corporate purposes. **Office**—Arlington, Texas. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas. **Note** — This statement is to be amended.

★ **Allied Lending Corp.**
April 1 filed 28,865,000 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. Lefferdink, President, is a controlling person. 13,028,000 shares will be offered at 75c per share on a pro-rata basis to holders of options to purchase the same number of shares of common stock of Allied Colorado Enterprises and 15,837,000 shares will be similarly offered to option holders of Boulder Acceptance Corp. Any shares unsold at the end of the 90 day period will be offered to the public at $1 per share and may be purchased in installments over a 12-month period. (The offering to option holders is on a cash basis.) **Office** — Colorado Insurance Group Building, Boulder, Colo. **Proceeds**—Primarily for working capital. **Underwriter**—None.

All-State Properties, Inc. (4/18-22)
March 17 filed 870,132 shares of capital stock, to be offered for subscription by holders of outstanding shares of such stock. **Price**—To be supplied by amendment. **Proceeds**—To reduce current indebtedness and for future operations. **Office**—Floral Park, L. I., N. Y. **Underwriters**—Bear, Stearns & Co. and Allen & Co., both of New York City.

Alterman-Big Apple, Inc. (5/2-6)
March 18 filed 403,310 shares of common stock (par $2.50), of wihch 60,000 shares are to be offered for public sale on behalf of the issuing company. Of the remaining 343,310 shares (all outstanding), 168,310 are to be offered by Bankers Securities Corp. and 175,000 by certain other individuals. **Price**—$18 per share. **Proceeds**—To repay indebtedness, for working capital and other corporate purposes. **Office**—933 Lee St., S. W., Atlanta, Ga. **Underwriter**—Van Alstyne, Noel & Co., New York.

● **American Bowling Enterprises, Inc. (4/14-15)**
Feb. 25 filed 100,000 shares of common stock (par $1), and 100,000 class A purchase warrants, to be offered in units of one warrant with each share. The class A warrants give the right to purchase the stock at $7.50 per share for the first six months, at $8.50 per share from the seventh to the 24th month, and at $9 per share from the 25th to the 30th month. **Price**—$7.50 per unit. **Proceeds**—For the construction of new bowling centers. **Office** — Rochester, N. Y. **Underwriter** — Myron A. Lomasney & Co., New York City.

★ **American Convalescent Foundation, Inc.**
March 31 (letter of notification) 60,000 shares of common stock. **Price**—At par ($5 per share). **Proceeds**—To pay the balance on new land, retirement of short-term bank loans, payment for additional equipment and furnishings and for working capital. **Office**—3267 Southeast Hawthorne Boulevard, Portland, Ore. **Underwriter**—Jerry A. Barfoot, Portland, Ore.

● **American Frontier Life Insurance Co. (5/2-6)**
Nov. 30 filed 200,000 shares of capital stock. **Price**—$8 per share. **Proceeds** — To increase capital and surplus. **Office**—1455 Union Ave., Memphis, Tenn. **Underwriter**—Union Securities Investment Co., also of Memphis, which will receive a selling commission of $1.20 per share.

● **American Land Co. (4/18-22)**
Dec. 14 filed 300,000 shares of class A preference stock ($15 par) and 300,000 shares of common stock, to be offered in units of one share of preference and one share of common, subsequently amended to 200,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—For property acquisition and development. **Office**—49 E. 53rd Street, New York City. **Underwriter**—Hemphill, Noyes & Co.

● **American Life Fund, Inc. (4/12)**
Feb. 17 filed 1,250,000 shares of capital stock (par $1). **Price**—$20 per share. **Proceeds**—For investment. **Investment-Advisor** — Insurance Securities Inc., Oakland, Calif. **Underwriter**—The First Boston Corp., New York.

● **American Molded Fiberglass Co. (4/8)**
Jan. 29 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—85 Fifth Ave., Paterson, N. J. **Underwriter** — Michael Fieldman, 82 Beaver St., New York, N. Y.

American & St. Lawrence Seaway Land Co.
Jan. 27 filed 538,000 shares of common stock, of which 350,000 shares are to be publicly offered. **Price**—$3 per

Continued on page 59

NEW ISSUE CALENDAR

April 8 (Friday)

American Molded Fiberglass Co.____Common
(Michael Fieldman) $300,000

Circuit Foil Corp.____Common
(Hayden, Stone & Co.) 106,000 shares

Harn Corp.____Common
(Arnold Malkan & Co., Inc. and Street & Co., Inc.) $750,000

Menu-Matics, Inc.____Common
(Pleasant Securities Co.) $285,000

Transworld Equipment Corp.____Common
(Michael Fieldman) $279,664

April 11 (Monday)

American Telemail Service, Inc.____Common
(Edgar B. Hunt Co.) $1,500,000

Baltimore Paint & Chemical Corp.____Preferred
(P. W. Brooks & Co.) $1,800,000

Baltimore Paint & Chemical Corp.____Bonds
(P. W. Brooks & Co.) $750,000

Baltimore Paint & Chemical Corp.____Debentures
(P. W. Brooks & Co.) $750,000

California-Pacific Utilities Co.____Common
(Eastman Dillon, Union Securities & Co.) 87,307 shares

Captains Club, Inc.____Common
(G. Everett Parks & Co., Inc. and Sulco Securities, Inc.) $1,000,000

Circuitronics, Inc.____Common
(Lloyd, Miller & Co.) $300,000

Computer Usage Co., Inc.____Common
(Marron, Sloss & Co., Inc.; Roosevelt & Gourd; L. B. Schwinn & Co.; Donaldson, Luskin & Jenrette, Inc. and First Albany Corp.) $235,000

C. W. S. Waveguide Corp.____Common
(R. F. Dowd & Co., Inc.) $300,000

Electrada Corp.____Common
(Bache & Co.) 400,000 shares

Electronic Assistance Corp.____Common
(Amos Treat & Co., Inc.) 152,698 shares

Forest Hills Country Club Ltd.____Common
(Jerome Robbins & Co.) $300,000

General Casting Corp.____Common
(Bertner Bros. and Earl Edden Co.) $300,000

General Development Corp.____Debentures
(Goldman, Sachs & Co.) $12,555,600

Highway Trailer Industries, Inc.____Debentures
(Allen & Co. and Van Alstyne, Noel & Co.) $3,000,000

Howe Plastics & Chemical Companies, Inc.__Com.
(Hilton Securities, Inc.) $100,000

Kahr Bearing Corp.____Common
(Morris Cohon & Co.) $300,000

Lawn Electronics Co., Inc.____Common
(Prudential Securities Corp.) $105,000

Megadyne Electronics, Inc.____Common
(Glenn Arthur Co., Inc.) $300,000

Missile Components Corp.____Common
(Mortimer B. Burnside & Co., Inc.) $180,000

Monarch Tile Manufacturing, Inc.____Common
(Rauscher, Pierce & Co., Inc.) 58,337 shares

National Fuel Gas Co.____Debentures
(Bids 11:30 a.m. EST) $18,000,000

Nesbitt (John J.), Inc.____Common
(Hornblower & Weeks) 120,000 shares

Pacemaker Boat Trailer Co., Inc.____Common
(Jacey Securities Co. and First City Securities, Inc.) $300,000

Rabin Co.____Common
(H. Hentz & Co.) $260,000

Radiant Lamp Corp.____Class A
(Amos Treat & Co., Inc.) $600,000

Seaboard Plywood & Lumber Corp.____Debentures
(Peter Morgan & Co.) $300,000

Seaboard Plywood & Lumber Corp.____Common
(Peter Morgan & Co.) 30,000 shares

Spring Street Capital Co.____Common
(William R. Staats & Co.) 3,000 shares

Sunair Electronics, Inc.____Common
(Frank Karasik & Co., Inc.) $600,000

Supronics Corp.____Common
(Standard Securities Corp.; Herzig, Farber & McKenna and Irving Weiss & Co.) $720,000

Tayco Developments, Inc.____Common
(Offering to stockholders—underwritten by C. E. Stoltz & Co.) $154,962.50

Taylor Devices, Inc.____Common
(Offering to stockholders—underwritten by C. E. Stoltz & Co.) $537,788.75

Teletray Electronic Systems, Inc.____Common
(A. T. Brod & Co.) $450,000

Tenax, Inc.____Common
(Myron A. Lomasney) $600,000

Thermal-Aire of America, Inc.____Common
(Pearson, Murphy & Co., Inc.) $300,000

Universal-Cyclops Steel Corp.____Common
(A. G. Becker & Co., Inc.) 200,000 shares

Wallson Associates, Inc.____Common
(Russell & Saxe and First Broad Street Corp.) $300,000

Wells Industries Corp.____Common
(A. T. Brod & Co.) 300,000 shares

Whitmoyer Laboratories, Inc.____Common
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $510,000

Whitmoyer Laboratories, Inc.____Debentures
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $500,000

April 12 (Tuesday)

American Life Fund, Inc.____Capital
(The First Boston Corp.) $25,000,000

Control Electronics Co., Inc.____Common
(Milton D. Blauner & Co., Inc.; David Finkle & Co. and Gartman, Rose & Feuer) $495,000

Custom Craft Marine Co., Inc.____Common
(R. A. Holman & Co., Inc.) $255,000

Mountain States Telephone & Telegraph Co.____Debentures
(Bids 11:00 a.m. EST) $40,000,000

Pierce & Stevens Chemical Corp.____Common
(Doolittle & Co.) 175,000 shares

Standard Motor Products, Inc.____Capital
(Eastman Dillon, Union Securities & Co.) 296,460 shares

West Penn Electric Co.____Common
(Carl M. Loeb, Rhoades & Co.; The First Boston Corp.; Lehman Brothers; Goldman, Sachs & Co.) $10,000,000
(Bids 3:45 p.m. EST)

April 13 (Wednesday)

Iowa-Illinois Gas & Electric Co.____Bonds
(Bids 10:30 a.m. CST) $15,000,000

Southwest Forest Industries, Inc.____Debentures
(White, Weld & Co.) $13,500,000

U. S. Plywood Corp.____Debentures
(Eastman Dillon, Union Securities & Co.) $25,000,000

April 14 (Thursday)

American Bowling Enterprises, Inc.____Common
(Myron A. Lomasney & Co.) 100,000 shares

American Bowling Enterprises, Inc.____Warrants
(Myron A. Lomasney & Co.) 100,000 warrants

Haloid Xerox, Inc.____Common
(The First Boston Corp.—offering to stockholders) 333,213 shares

Nu-Era Corp.____Common
(Mortimer B. Burnside & Co., Inc.) $1,031,250

Orange & Rockland Utilities, Inc.____Preferred
(Offering to stockholders—underwritten by The First Boston Corp.) $3,916,500

April 15 (Friday)

Aviation Employees Corp.____Common
(G. J. Mitchell Jr. Co. and Ralph B. Leonard & Sons, Inc.) $5,000,000

Sire Plan of Normandy Isle, Inc.____Debentures
(Sire Plan Portfolios, Inc.) $225,000

Sire Plan of Normandy Isle, Inc.____Preferred
(Sire Plan Portfolios, Inc.) 4,500 shares

Thermal Industries of Florida, Inc.____Common
(Peter Morgan & Co.) $720,000

April 18 (Monday)

All-State Properties, Inc.____Capital
(Offering to stockholders—underwritten by Bear, Stearns & Co. and Allen & Co.) 870,132 shares

American Land Co.____Preference
(Hemphill, Noyes & Co.) 300,000 shares

American Land Co.____Common
(Hemphill, Noyes & Co.) 300,000 shares

Applied Electronics Corp. of N. J.____Class A
(S. D. Fuller & Co.) 200,000 shares

Automation Systems, Inc.____Common
(B. Fennekohl & Co., Inc.) $150,000

Avis, Inc.____Common
(W. E. Hutton & Co.) 20,000 shares

Avis, Inc.____Debentures
(W. E. Hutton & Co.) $5,000,000

Carolina Pacific Plywood, Inc.____Capital
(Peter Morgan & Co.) 100,000 shares

Figurette, Ltd.____Common
(Myron A. Lomasney & Co.) $600,000

Henry's Drive-In, Inc.____Common
(Westheimer & Co.) $250,000

I C Inc.____Common
(Purvis & Co. and Amos C. Sudler & Co.) $1,500,000

Keystone Electronics Co., Inc.____Common
(J. A. Winston & Co., Inc. and Netherlands Securities, Inc.) $600,000

Melville Shoe Corp.____Debentures
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) $12,000,000

Metal Goods Corp.____Common
(G. H. Walker & Co.) 100,000 shares

Mills Factors Corp.____Common
(Lee Higginson Corp. and C. E. Unterberg, Towbin Co.) $2,293,080

Nuclear Materials & Equipment Corp.____Common
(Moore, Leonard & Lynch) 45,000 shares

Rap-In-Wax Co.____Common
(Dean Witter & Co.) 107,290 shares

Realty Equities Corp.____Common
(Sutro Bros. & Co.) $787,500

Service Instrument Corp.____Common
(Pearson, Murphy & Co., Inc.) $300,000

Straza Industries____Capital
(J. A. Hogle & Co.) 230,000 shares

Tri-Point Plastics, Inc.____Common
(Amos Treat & Co., Inc. and Martinelli, Hindley & Co., Inc.) $300,000

United Components, Inc.____Common
(Darius, Inc.) 110,000 shares

April 20 (Wednesday)

Australia (Commonwealth of)____Bonds
(Morgan Stanley & Co.) $25,000,000

Inland Credit Corp.____Class A
(Shearson, Hammill & Co.) 190,000 shares

Microdot Inc.____Capital
(White, Weld & Co.) 204,000 shares

Middle South Utilities, Inc.____Common
(Bids 12 noon DST) 650,000 shares

NAFI Corp.____Capital
(Shields & Co.) 200,000 shares

Puget Sound Power & Light Co.____Bonds
(Bids 12 noon EST) $20,000,000

Rajac Self-Service, Inc.____Common
(Walter R. Blaha & Co., Inc.) $300,000

Southern Nevada Telephone Co.____Preferred
(Dean Witter & Co.) 100,000 shares

Transcontinental Gas Pipe Line Corp.____Bonds
(White, Weld & Co. and Stone & Webster Securities Corp.) $35,000,000

Transcontinental Gas Pipe Line Corp.____Common
(White, Weld & Co. and Stone & Webster Securities Corp.) 800,000 shares

Union Financial Corp.____Common
(White, Weld & Co.; The Ohio Co. and Sanders & Co.) 325,000 shares

April 25 (Monday)

Burnell & Co.____Common
(Milton D. Blauner & Co.) $600,000

Deluxe Aluminum Products, Inc.____Common
(No underwriting) $350,000

Deluxe Aluminum Products, Inc.____Debentures
(No underwriting) $330,000

General Shale Products Corp.____Common
(Equitable Securities Corp.) 220,605 shares

Glass Magic Boats, Inc.____Common
(R. A. Holman & Co., Inc.) 68,000 shares

Glass Magic Boats, Inc.____Debentures
(R. A. Holman & Co., Inc.) $51,000

Greater Washington Industrial Investments, Inc.____Common
(Johnston, Lemon & Co. and Auchincloss, Parker & Redpath) $3,000,000

Hamilton Management Corp.————Common
(Kidder, Peabody & Co.) 320,000 shares

Majestic Specialties, Inc.————Common
(Hayden, Stone & Co.) 150,000 shares

Metropolitan Broadcasting Corp.————Debentures
(Kuhn, Loeb & Co. and Carl M. Loeb, Rhoades & Co.) $6,000,000

National Lawn Service Corp.————Common
(Fund Planning Inc.) $300,000

Pendleton Tool Industries, Inc.————Common
(Kidder, Peabody & Co. and McDonald & Co.) 50,000 shares

Renner, Inc.————Common
(Stroud & Co., Inc.) $300,000

Superior Electric Co.————Common
(Lee Higginson Corp.) 150,000 shares

Telectro Industries Corp.————Debentures
(Milton D. Blauner & Co., Inc.) $1,000,000

April 26 (Tuesday)

Metropolitan Edison Co.————Bonds
(Bids 11 a.m. EST) $15,000,000

April 28 (Thursday)

Cincinnati Gas & Electric Co.————Bonds
(Bids 11:00 a.m. EST) $30,000,000

Dade Metal Fabrications, Inc.————Common
(R. A. Holman & Co., Inc.) $200,000

Dynex, Inc.————Common
(Myron A. Lomasney & Co.) 54,000 shares

Holt, Rinehart & Winston, Inc.————Common
(Goldman, Sachs & Co.; Allen & Co. and Shearson, Hammill & Co.) 331,740 shares

Pearson Corp.————Common
(R. A. Holman & Co., Inc.) 50,000 shares

April 29 (Friday)

Weldotron Corp.————Common
(Arnold Malkan & Co., Inc. and Street & Co., Inc.) $199,998

May 2 (Tuesday)

Aero Industries, Inc.————Common
(Myron A. Lomasney & Co.) $825,000

Agricultural Research Development, Inc.————Common
(W. Edward Tague Co.) $1,000,000

Allied Bowling Centers, Inc.————Common
(Rauscher, Pierce & Co., Inc.) 300,000 shares

Allied Bowling Centers, Inc.————Debentures
(Rauscher, Pierce & Co., Inc.) $750,000

Alterman-Big Apple, Inc.————Common
(Van Alstyne, Noel & Co.) $7,259,580

American Frontier Life Insurance Co.————Capital
(Union Securities Investment Co.) $1,600,000

American Security Corp.————Capital
(Alex Brown & Sons; Folger, Nolan, Fleming-W. B. Hibbs & Co., Inc.; Johnston, Lemon & Co. and Kidder, Peabody & Co.) 100,000 shares

Audion-Emenee Corp.————Common
(Pistell, Schroeder & Co., Inc. and Bertner Bros.) 100,000 shares

Big Laurel, Inc.————Common
(Pearson, Murphy & Co., Inc. and Mackay & Co.) 400,000 shares

Big Laurel, Inc.————Preferred
(Pearson, Murphy & Co., Inc. and Mackay & Co.) 400,000 shares

Capital Airlines, Inc.————Common
(Lehman Brothers and Smith, Barney & Co.) 909,659 shares

Dubois Chemicals, Inc.————Common
(Allen & Co.) 200,000 shares

Farrington Manufacturing Co.————Debentures
(Cyrus J. Lawrence & Sons and Brawley, Cathers & Co.) $6,000,000

Florida Builders, Inc.————Common
(Jaffee & Co.) 800,000 shares

Hawley Products Co.————Common
(Dean Witter & Co.) 90,000 shares

Hydra-Power Corp.————Debentures
(Aetna Securities Corp. and D. Gleich Co.) $600,000

Ionics, Inc.————Common
(Lee Higginson Corp.; Shields & Co. and C. E. Unterberg, Towbin Co.) 75,000 shares

Magnin (Joseph) Co., Inc.————Debentures
(F. S. Smithers & Co.) $1,250,000

Magnin (Joseph) Co., Inc.————Common
(F. S. Smithers & Co.) 78,000 shares

Marquette Corp.————Common
(Carl M. Loeb, Rhoades & Co. and Piper, Jaffray & Hopwood) 461,431 shares

Pacific Panel Co.————Common
(Frank Karasik & Co., Inc.) $450,000

Pacific Vegetable Oil Corp.————Debentures
(Dean Witter & Co. and Hooker & Fay, Inc.) $2,500,000

Precision Circuits, Inc.————Common
(Myron A. Lomasney & Co.) 37,500 shares

Precision Circuits, Inc.————Debentures
(Myron A. Lomasney & Co.) $250,000

Pyramid Mouldings, Inc.————Common
(A. C. Allyn & Co., Inc. and Shillinglaw, Bolger & Co.) $1,738,000

Ritter Finance Co., Inc.————Debentures
(Stroud & Co., Inc.) $1,500,000

Smilen Food Stores, Inc.————Common
(Federman, Stonehill & Co.) 200,000 shares

Spartans Industries, Inc.————Common
(Shearson, Hammill & Co. and J. C. Bradford & Co.) 120,000 shares

Teleregister Corp.————Debentures
(Ladenburg, Thalmann & Co., Bear, Stearns & Co. and Sutro Bros.) $6,000,000

Teleregister Corp.————Common
(Ladenburg, Thalmann & Co., Bear, Stearns & Co. and Sutro Bros.) 240,000 shares

Uranium Reduction Co.————Common
(A. C. Allyn & Co., Inc.) 200,000 shares

Uris Buildings Corp.————Debentures
(Kuhn, Loeb & Co.) $20,000,000

Uris Buildings Corp.————Common
(Kuhn, Loeb & Co.) 400,000 shares

May 3 (Tuesday)

Columbia Gas System, Inc.————Common
(Bids 3:45 p.m. EDST) 1,400,000 shares

Dial Finance Co.————Common
(White, Weld & Co., Inc.) 300,000 shares

New Jersey Aluminum Extrusion Co, Inc.————Capital
(Laird & Co. Corp.) 110,000 shares

May 4 (Wednesday)

Mays (J. W.), Inc.————Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 317,500 shares

May 6 (Friday)

Maryland Credit Finance Corp.————Common
(Alex Brown & Sons) 28,250 shares

May 9 (Monday)

Dworman Corp.————Common
(Charles Plohn & Co.) $3,000,000

Englehard Industries, Inc.————Common
(Dillon, Read & Co., Inc. and Lazard Freres & Co.) 400,000 shares

Ets-Hokin & Galvin————Common
(Van Alstyne, Noel & Co.) $1,325,000

First National Realty & Construction Corp.————Pfd.
(H. Hentz & Co.) 150,000 shares

First National Realty & Construction Corp.————Com.
(H. Hentz & Co.) 150,000 shares

First National Realty & Construction Corp.————War.
(H. Hentz & Co.) 150,000

Gem International, Inc.————Common
(Bosworth, Sullivan & Co., Inc. and Scherck, Richter Co.) 150,000 shares

General Aeromation, Inc.————Common
(Westheimer & Co.) $253,350

Litecraft Industries, Ltd.————Debentures
(P. W. Brooks & Co.) $750,000

OK Rubber, Inc.————Common
(Bosworth, Sullivan & Co., Inc.) 50,000 shares

Otarion Listener Corp.————Common
(D. A. Lomasney & Co.) $567,000

Pennsylvania Electric Co.————Bonds
(Bids 12 noon EDST) $12,000,000

Squan Marina, Inc.————Common
(B. Fennekohl & Co.) $300,000

United States Boat Corp.————Common
(Richard Bruce & Co., Inc.) $700,000

Yale Express System, Inc.————Class A
(Michael G. Kletz & Co., Inc.) $1,650,000

Zero Manufacturing Co.————Common
(Shields & Co.) 200,000 shares

May 10 (Tuesday)

California Electric Power Co.————Bonds
(Bids 9 a.m. PST) $12,000,000

Chemical Packaging Co., Inc.————Common
(Mainland Securities Corp. and Jeffrey-Robert Corp.) $287,500

Goelet Corp.————Debentures
(Ross, Lyon & Co., Inc. and Globus, Inc.) $700,000

Goelet Corp.————Common
(Ross, Lyon & Co., Inc. and Globus, Inc.) 70,000 shares

Goelet Corp.————Warrants
(Ross, Lyon & Co., Inc. and Globus, Inc.) 35,000

Wisconsin Telephone Co.————Debentures
(Bids to be invited) $20,000,000

May 16 (Monday)

Bevis Shell Homes, Inc.————Debentures
(Beil & Hough, Inc. and G. H. Walker & Co.) $1,600,000

Bevis Shell Homes, Inc.————Common
(Beil & Hough, Inc. and G. H. Walker & Co.) 1,000,000 shares

Esquire Radio & Electronics, Inc.————Common
(Myron A. Lomasney Co.) $750,000

Gulf-Tex Development, Inc.————Common
(Myron A. Lomasney & Co.) $1,250,000

Lite-Vent Industries, Inc.————Common
(Peter Morgan & Co.) $520,000

Simmonds Precision Products, Inc.————Common
(Shearson, Hammill & Co.) 112,500 shares

Trans Tech Systems, Inc.————Common
(Myron A. Lomasney & Co.) $650,000

United Financial Corp. of California————Debentures
(Lehman Brothers) $5,000,000

United Financial Corp. of California————Capital
(Lehman Brothers) 120,000 shares

May 17 (Tuesday)

Milwaukee Gas Light Co.————Bonds
(Bids 11 a.m. EDT) $22,000,000

May 18 (Wednesday)

General Atronics Corp.————Common
(Harrison & Co.) $544,810

May 19 (Thursday)

Harburton Financial Corp.————Common
(Simmons, Rubin & Co., Inc.) $298,500

May 23 (Monday)

Sierra Electric Corp.————Common
(Marron, Sloss & Co., Inc.) $900,000

May 24 (Tuesday)

Jersey Central Power & Light Co.————Bonds
(Bids 11:00 a.m. N. Y. time) $7,000,000

May 27 (Friday)

North Central Co.————Common
(No underwriting) 420,945 shares

June 2 (Thursday)

Southern Electric Generating Co.————Bonds
(Bids to be invited) $40,000,000

June 7 (Tuesday)

Northwestern Bell Telephone Co.————Debentures
(Bids to be invited) $45,000,000

Washington Gas Light Co.————Bonds
(Bids 11:30 a.m. EDT) $12,000,000

July 7 (Thursday)

Gulf Power Co.————Preferred
(Bids to be invited) $5,000,000

Gulf Power Co.————Bonds
(Bids to be invited) $5,000,000

July 13 (Wednesday)

Northern Illinois Gas Co.————Bonds
(Bids to be invited) $25,000,000

July 19 (Tuesday)

New Jersey Power & Light Co.————Bonds
(Bids to be invited) $6,000,000

August 9 (Tuesday)

Southwestern Bell Telephone Co.————Debentures
(Bids to be invited) $100,000,000

September 13 (Tuesday)

Virginia Electric & Power Co.————Bonds
(Bids to be invited) $25,000,000

November 3 (Thursday)

Georgia Power Co.————Bonds
(Bids to be invited) $12,000,000

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share. **Proceeds**—To pay off mortgages, develop and improve properties, and acquire additional real estate. **Office**—60 E. 42nd St., New York City. **Underwriter**—A. J. Gabriel Co., Inc., New York City.

★ American Penn Life Insurance Co.
March 30 filed registration of 127,500 shares of capital stock, to be offered for subscription by stockholders of record on April 28, 1960. The subscription rate on 105,000 shares of the stock will be three additional shares for each one share held. Of the remaining 22,500 shares the offering will be on the basis of nine shares for each 14 shares held, and all unsold shares of this block will be offered under warrants granted in accordance with the company's Agent's Stock Option Plan. **Price**—$28 per share. **Proceeds** — To increase capital and surplus. **Office**—203 S. 15th St., Philadelphia, Pa. **Underwriter**—None.

★ American Security Corp. (5/2-6)
March 28 filed 100,000 shares of capital stock (par $2). The company is an affiliate of American Security & Trust Co. by reason of the fact that each of their stockholders owns the same number of outstanding 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 in units of one share of stock of each issuer; 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 incident to the purchase of the non-banking assets of The City Bank of Washington, with the balance added to working capital for general corporate purposes. **Office**—734 15th Street, N. W., Washington, D. C. **Underwriters**—Alex Brown & Sons, Baltimore, Md.; Folger, Nolan, Fleming-W. B. Hibbs & Co., Inc. and Johnston Lemon & Co., Washington, D. C.; and Kidder, Peabody & Co., New York.

● American Telemail Service, Inc. (4/11-15)
Dec. 8 filed 375,000 shares of common stock. **Price**—$4.00 per share. **Proceeds**—For establishing airmail facilities at airports. **Office**—518 Felt Bldg., Salt Lake City, Utah. **Underwriter**—Edgar B. Hunt Co., New York City.

★ Apache Oil Corp.
March 30 filed 500 participating units in Apache Oil Program 1961. **Price**—$12,000 per unit. **Proceeds**—For oil and gas exploration. **Office** — 523 Marquette Ave., Minneapolis, Minn. **Underwriter**—Apache Oil Corp., as issuer, and by its subsidiary, APA, Inc. as underwriter.

Applied Electronics Corp. of N. J. (4/18-22)
March 11 filed 200,000 shares of class A stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds**—$45,000 is to be used for the purchase of stock of Diversified Industries Corp.; $33,000 for repayment of indebtedness owing to management officials; $150,000 for the establishment of laboratory and sales facilities in Dallas and sales and service facilities in Los Angeles; $200,000 for research and development; and the balance for working capital. **Office**—22 Center St., Metuchen, N. J. **Underwriter**—S. D. Fuller & Co., New York.

★ Arizona Public Finance Co.
March 29 (letter of notification) $300,000 of capital notes, five year maturity with 5% interest, with yearly increases at the rate of one-quarter of 1% per year until maturity, to be offered in denominations of $250 each. **Price**—At face amount. **Proceeds**—For working capital. **Office**—2300 N. Central Ave., Phoenix, Ariz. **Underwriter**—None.

★ Armour & Co.
April 5 filed 234,000 shares of common stock, which have been or may be sold to certain of the issuer's key employees, including officers, pursuant to the Restricted Stock Option Plan. **Office**—Chicago, Ill.

★ Audio Devices, Inc.
March 30 filed 100,685 shares of common stock, of which 80,000 shares are to be offered pursuant to the company's Stock Option Incentive Plan and 20,685 shares of stock issued to warrant holders. **Office**—444 Madison Ave., New York.

● Audion-Emenee Corp. (5/2-6)
March 29 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—New York City. **Underwriters**—Pistell, Schroeder & Co., Inc., and Bertner Bros., both of New York City.

★ Austral 1961 Corporation for Oil Exploration
March 31 filed $5,000,000 of Oil Exploration Agreements for 1961, to be offered in units. **Price**—$60,000 per unit. **Proceeds**—For exploration purposes. **Office**—630 Fifth Ave., New York. **Underwriter**—None.

★ Australia (Commonwealth of) (4/20-21)
March 31 filed $25,000,000 of 20-year bonds. **Price**—To be supplied by amendment. **Proceeds**—To be added to the Commonwealth's international reserves; and the Australian currency equivalent thereof will be applied towards capital works expenditures being financed under the borrowing program for 1959-60 approved by the Australian Loan Council for the Governments of the Commonwealth and the States. **Underwriter** — Morgan Stanley & Co., New York.

● Automation Systems, Inc. (4/18-22)
Feb. 12 (letter of notification) 150,000 shares of common stock (par 25 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—150-34 12th Avenue, Whitestone 57, N. Y. **Underwriter**—B. Fennekohl & Co., Inc., New York, N. Y.

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Aviation Employees Corp. (4/15)
Feb. 8 filed 2,500,000 shares of common stock. **Price**—$2 per share. **Proceeds**—Together with other funds, will be invested in the shares of the company's three subsidiaries; for general corporate purposes; and the remaining balance will be used from time to time for the purchase of all or a substantial interest in or the formation of one or more other companies engaged in the business of insurance or finance or to further supplement the funds of the three subsidiaries. **Office**—930 Tower Bldg., Washington, D. C. **Underwriters**—G. J. Mitchell Jr. Co., Washington, D. C.; and Ralph B. Leonard & Sons, Inc., of New York City.

● **Avis, Inc. (4/18-22)**
March 1 filed $5,000,000 of subordinated convertible debentures, due April 1, 1970, and 200,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds** — The company anticipates that a portion will be used for advances to or investments in one or more of its subsidiaries for their general business purposes. In addition the company may also apply a portion of the proceeds to the acquisition of additional businesses and to the prepayment of part of its outstanding long-term debt and to the temporary reduction of outstanding borrowings under a 6% revolving credit loan. **Office**—18 Irvington Street, Boston, Mass. **Underwriter**—W. E. Hutton & Co., New York.

● **Baltimore Paint & Chemical Corp. (4/11-15)**
Jan. 22 filed (a) $750,000 of sinking fund debentures, 6½ series, due 1975 with eight-year warrants for the purchase of 22,500 common shares at the rate of 30 shares for each $1,000 of debentures; (b) 90,000 shares of 6½% cumulative convertible first preferred stock (par $20) and (c) $750,000 of 6¼% first mortgage bonds, due 1972, sold to New York Life Insurance Co., along with 12-year warrants granted said insurance company to purchase 15,000 shares of the issuer's common at a price to be specified. **Prices**—For the debentures, at par; for the preferred, $20 per share. **Proceeds**—For general corporate purposes including repayment of loan, purchase of land, construction, purchase of machinery and equipment, and for working capital. **Office**—2325 Annapolis Avenue, Baltimore, Md. **Underwriter**—P. W. Brooks & Co., New York City.

● **Beacon Life Insurance Co.**
March 21 filed 240,000 shares of common stock. **Price**—$5 per share. **Proceeds**—To be used by the company in the conduct of its insurance business. **Office**—601 Garrett Building, Baltimore, Md. **Underwriter**—G. J. Mitchell Jr., Co., of Washington, D. C. **Note**—This statement is to be withdrawn.

Beltone Recording Corp.
Feb. 29 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—4 W. 31st Street, New York 1, N. Y. **Underwriter**—A. J. Gabriel Co., Inc., New York, N. Y.

★ **Bevis Shell Homes, Inc. (5/16)**
March 30 filed $1,600,000 of 9% subordinated sinking fund debentures due 1985 and 1,000,000 shares of common stock, to be offered for public sale in units (200,000), at $15.50 per unit, each unit to consist of five common shares, one $8 par debenture, and warrants for the purchase of two additional units of one common share and one $8 debenture at $9.50 per share. **Proceeds**—$2,000,000 will be used to increase the company's holdings of mortgages placed on the shell homes it sells; and $1,600,000 to be used to increase its holding of mortgages will be placed in escrow for that purpose; and the balance for general corporate purposes. **Office**—Tampa, Fla. **Underwriters**—Beil & Hough, Inc., St. Petersburg, Fla. & G. H. Walker & Co., New York City.

★ **Bigelow-Sanford Carpet Co., Inc.**
April 5 filed 130,600 shares of common stock, which may be delivered on the exercise of options which have been or may be granted under the company's restricted stock option plan and an option granted to the President of the company in February, 1957. **Office**—140 Madison Avenue, New York.

● **Big Laurel, Inc. (5/2-6)**
March 22 filed 400,000 shares of 7% cumulative preferred stock (par $2.80) and 400,000 shares of common stock (par 10 cents), to be offered in units of one share of preferred and one share of common. **Price**—$3 per unit. **Proceeds**—To develop a resort community and for working capital. **Office**—Bryson City, N. C. **Underwriters**—Pearson, Murphy & Co., Inc., New York City, and Mackay & Co., Reading Pa.

Birtcher Corp.
March 29 filed $500,000 of 6% convertible subordinated debentures, due April 30, 1975. **Price**—At par. **Proceeds**—To pay bank loans incurred to augment working capital. **Office** — Los Angeles, Calif. **Underwriter** — Quincy Cass Associates, Los Angeles, Calif.

● **Bowers Battery & Spark Plug Co.**
March 29 filed 280,000 shares of common stock (no par), of which 250,000 shares will be offered for public sale at $6 per share and 30,000 shares will be offered to selected employees at $5.40 per share. **Proceeds** — Between $200,000 and $300,000 is expected to be expended before 1961 for starting up costs, including initial rents of the new plant in the southeastern portion of the United States which it hopes to obtain and open before the end of the year; an additional $250,000 is expected to be expended either by the company or through its subsidiaries for the improvement of certain of its manufacturing facilities, such as additional mechanization and material control handling and for experimental work in connection with beryllium; and the balance of the proceeds will be added to the company's general funds. **Office**—Reading, Pa. **Underwriter** — Dempsey-Tegeler & Co., St. Louis and New York. **Offering** — Expected in early May.

★ **Breuer & Curran Oil Co.**
March 30 filed $1,000,000 of Co-ownership participations in the company's Second 1960 Exploration and Development Fund G, to be offered in units. **Price**—$10,000 per unit. **Proceeds**—For oil and gas explorations. **Office**—3510 Prudential Plaza, Chicago, Ill. **Underwriter**—None.

● **Burnell & Co. (4/25-29)**
Feb. 15 filed 200,000 shares of common stock. **Price**—$3 per share. **Proceeds**—To repay bank loan; for manufacture of magnetic amplifiers; for establishment of a new crystal filter division; for the purchase of new automatic winding and testing and production equipment; and for working capital. **Office**—10 Pelham Parkway, Pelham Manor, N. Y. **Underwriter** — Milton D. Blauner & Co., New York.

★ **C-E-I-R, Inc.**
March 30 filed 122,000 shares of class A voting stock. The company proposes to offer this stock for subscription by holders of outstanding class A voting and class B non-voting stock, at the rate of one new share for each four shares held. **Price**—To be supplied by amendment. **Proceeds**—To be used to the extent necessary to defray the full cost of the Telecomputing Services acquisition, and the balance will be applied to "other phases of the program." **Office**—1200 Jefferson Davis Highway, Arlington, Va. **Underwriter**—To be supplied by amendment.

● **C. W. S. Waveguide Corp. (4/11)**
March 9 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—301 W. Hoffman Ave., Lindenhurst, N. Y. **Underwriter**—R. F. Dowd & Co., Inc., 39 Broadway, New York 6, N. Y.

★ **Cabana Pools, Inc.**
March 31 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office** — 640 Fifth Avenue, New York, N. Y. **Underwriter** — Mandell & Kahn, Inc., Time-Life Building, Rockefeller Center, New York, N. Y.

★ **California Electric Power Co. (5/10)**
April 5 filed $12,000,000 of first mortgage bonds, series due in 1990. **Proceeds**—To discharge short-term bank loans of some $9,500,000 and for the company's construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co. **Bids**—Expected to be received up to 9 a.m. (PST) on Tuesday, May 10, in the offices of O'Melveny & Myers, Room 900, 433 South Spring Street, Los Angeles 13, Calif.

● **California-Pacific Utilities Co. (4/11-15)**
March 7 filed 87,307 shares of common stock. Of the shares to be sold, 40,000 will be offered for the account of the company, and the remaining 47,307 are presently outstanding shares and will be sold for the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To finance a portion of the company's construction program. **Office**—405 Montgomery Street, San Francisco, Calif. **Underwriter**—Eastman Dillon, Union Securities Co., New York City.

● **Capital Airlines, Inc. (5/2-6)**
Jan. 26 filed 909,659 shares of common stock on the basis of one additional share for each share held, with rights to expire 14 days after offering date. **Proceeds** — To broaden equity base. **Office** — Washington National Airport, Washington 1, D. C. **Underwriters** — Lehman Brothers and Smith, Barney & Co., New York, N. Y.

Captains Club, Inc. (4/11)
Jan. 22 filed 500,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For retirement of $52,860 of 6% notes and the balance for operating funds and working capital. **Office**—381 Fifth Avenue, New York City. **Underwriters**—G. Everett Parks & Co., Inc., and Sulco Securities, Inc., both of 52 Broadway, New York City.

● **Carolina Pacific Plywood, Inc. Medford, Ore. (4/18-22)**
Feb. 29 filed 100,000 shares of capital stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To increase the company's working capital and to aid in financing log inventories at peak periods. **Underwriter**—Peter Morgan & Co., New York.

★ **Central Vermont Public Service Corp.**
March 25 (letter of notification) 1,432 shares of common stock (par $6). **Price**—At the market (estimated $19⅝ per share). **Proceeds**—To pay for the stock. **Office**—77 Grove St., Rutland, Vt. **Underwriter**—None.

● **Century Properties**
March 31 filed 75,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For repayment of unsecured bank loans; for payment of the balance of a down payment on the purchase price of property in Ventura, Calif.; to pay the balance of construction costs on a building in Torrance, Calif. and for working capital. **Office**—1738 S. La Cienga Boulevard, Los Angeles, Calif. **Underwriters**—Pacific Coast Securities Co. of San Francisco, Calif. and Arthur B. Hogan, Inc. of Burbank, Calif.

★ **Cerro de Pasco Corp.**
March 30 filed 28,997 shares of common stock, to be offered in exchange for the outstanding capital stock of Rio Blanco Copper Corp., Ltd., a Virginia corporation, in the ratio of one share of Cerro for each 23.50 shares of Rio. A minimum of 517,059 shares of Rio stock (63%) must be exchanged or the offer will be withdrawn. **Office**—300 Park Ave., New York City.

● **Certified Credit & Thrift Corp.**
Jan. 26 filed 250,000 shares of class A stock ($10 par) and 250,000 shares of class B stock (20c par), to be offered in units of one share of each class of stock. **Price**—$20.20 per unit. **Proceeds**—To pay mortgages. **Office**—Columbus, Ohio. **Underwriter**—Commonwealth Securities Corp., Columbus. **Offering**—Imminent.

Charlotte Motor Speedway, Inc.
Jan. 21 filed 304,000 shares of common stock (par $1), to be offered to common stockholders of record Jan. 1 at the rate of 2 new shares for each 3 shares then held. **Price**—$2 per share, initially; after 15 days from the offering date, the underwriter will offer unsubscribed shares to purchasing stockholders for an additional 10 days, after which such shares may be publicly offered. **Proceeds**—For construction of a speedway and its accessories. The issuer expects to stage its first stock car race in May. **Office**—108 Liberty Life Building, Charlotte, N. C. **Underwriter**—Morrison & Co., Charlotte. **Offering**—Imminent.

Chemical Packaging Co., Inc. (5/10)
March 16 (letter of notification) 115,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds**—For general corporate purposes. **Office** — 755 Utica Avenue, Brooklyn, N. Y. **Underwriters**—Mainland Securities Corp., 156 N. Franklin Street, Hempstead, N. Y. and Jeffrey-Robert Corp., 382 S. Oyster Bay Road, Hicksville, L. I., N. Y.

● **Cincinnati Gas & Electric Co. (4/28)**
March 22 filed $30,000,000 of first mortgage bonds due May 1, 1990. **Proceeds**—To be used to finance a portion of the company's construction program, to repay $4,000,000 of bank notes, and for other corporate purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Morgan Stanley & Co. and W. E. Hutton & Co. (jointly); Blyth & Co., Inc. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. and Lehman Brothers (jointly); Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on April 28, up to 11:00 a.m. (EST) at the Irving Trust Co., One Wall Street, New York City.

★ **Circle-The-Sights, Inc.**
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

● **Circuit Foil Corp. (4/8)**
March 1 filed 106,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 6,000 are outstanding and will be sold for the account of the holder thereof. **Price**—To be supplied by amendment. **Proceeds**—For purchase, construction and installation of new machines; for the initial financing of a new copper foil plant; and for working capital. **Office**—East Park Street, Bordentown, N. J. **Underwriter**—Hayden, Stone & Co., New York.

● **Circuitronics, Inc. (4/11-15)**
Feb. 9 (letter of notification) 75,000 shares of class A common stock (par one cent). **Price**—$4 per share. **Proceeds**—For general corporate purposes. **Office**—121 Varick Street, New York, N. Y. **Underwriter**—Lloyd, Miller & Co., 2605 Connecticut Avenue, N. W., Washington, D. C. **Note**—This statement has been rewritten and resubmitted in accordance with an SEC request.

Colanco, Inc.
Jan. 19 (letter of notification) 300,000 shares of preferred (no par), seven cents per share dividend paying after March 1, 1962, non-cumulative, non-voting stock. **Price**—$1 per share. **Proceeds**—To purchase land and for development and working capital. **Office**—3395 S. Bannock Street, Englewood, Colo. **Underwriter**—Diversified Securities, Inc., Englewood, Colo. **Note**—This statement is being amended. **Offering**—Imminent.

● **Columbia Gas System, Inc. (5/3)**
March 25 filed 1,400,000 shares of common stock (par $10). **Proceeds**—Together with other available funds, including funds generated from operations during 1960 and funds to be obtained from additional financing in 1960, will be used to satisfy the demands in 1960 upon such general funds, including particularly the 1960 construction program of Columbia Gas subsidiaries. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly); Morgan Stanley & Co., Lehman Brothers, Eastman Dillon, Union Securities & Co. and Goldman, Sachs & Co. (jointly). **Bids**—To be received on May 3 up to 3:45 p.m. New York Time. **Information**—On April 28 and 29, by appointment at the company's office, 120 East 42nd Street, New York.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

● **Computer Usage Co., Inc. (4/11)**
Dec. 29 (letter of notification) 47,000 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office**—100 W. 10th Street, Wilmington, Del. **Underwriters** — Marron, Sloss & Co., Inc. (handling the books), and Roosevelt & Gourd, New York, N. Y.; L. B. Schwinn & Co., Cleveland, Ohio; Donaldson, Luskin & Jenrette, Inc., New York, N. Y. and First Albany Corp., Albany, N. Y.

Consolidated Realty Investment Corp.
March 11 filed 2,000,000 shares of common stock. **Price**—$1 per share. **Proceeds**—Of the proceeds, $1,226,500 will be used for the acquisition of properties, $300,000 as a reserve for development expense, and the balance for working capital and other corporate purposes. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp.

Constellation Life Insurance Co.
March 29 filed 1,350,000 shares of common stock, of which 350,000 shares will be reserved for stock options, 150,000 shares will be offered to holders of the outstanding common on a "first-come-first-served" basis at $3.25 per share, and 850,000 shares will be publicly offered. **Price**—$3.50 per share. **Proceeds**—To general funds. **Office** — Norfolk, Va. **Underwriter** — Willis, Kenny & Ayres, Inc., Richmond, Va.

● **Continental Electric Co.**
Feb. 11 filed 260,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To retire outstanding bank loans, for expansion and development of new products, and for working capital. **Office**—715 Hamilton St., Geneva, Ill. **Underwriter**—Old Colony Investment Co., Stoneham, Mass.

★ **Continental Management Corp.**
March 31 (letter of notification) 400,000 shares of class A common stock—non-voting. **Price**—At par (one cent per share). **Proceeds**—For general corporate purposes. **Address**—Harmony Hollow, Harbourton, N. J. **Underwriter**—None.

● **Control Electronics Co., Inc. (4/12)**
Dec. 23 filed 165,000 shares of common stock (par $3), subsequently reduced to 150,000 shares (par 10 cents). **Price**—$3 per share. **Proceeds**—To repay $80,000 of bank loans; $50,000 to replace working capital expended for equipment and machinery; $50,000 to increase sales efforts, including the organization of sales offices on the West Coast and in the Chicago areas; and $50,000 to further development of delay lines, filters and microwave devices. The balance of the proceeds will be added to working capital. **Office**—10 Stepar Place, Huntington Station, N. Y. **Underwriters**—Milton D. Blauner & Co., Inc., David Finkle & Co. and Gartman, Rose & Feuer, all of New York.

Cosnat Record Distributing Corp.
Feb. 29 (letter of notification) 75,000 shares of class A common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes. **Office**—315 W. 47th Street, New York, N. Y. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York, N. Y. **Offering**—Expected sometime in April.

★ **Cotter & Co.**
March 28 (letter of notification) 1,400 shares of class A common stock (par $100) and 700 shares of non-cumulative preferred stock (par $100) to be offered in units consisting of 10 shares of common and five shares of preferred. **Price**—$1,500 per unit. **Proceeds**—For working capital. **Office**—2740 N. Clybourn Ave., Chicago, Ill. **Underwriter**—None.

● **Crawford Corp.**
March 28 filed 200,000 shares of common stock (par $1), of which 100,000 shares are to be offered for public sale for account of issuing company and the balance, being outstanding stock, by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To be initially added to working capital and used for general corporate purposes, including but not limited to the reduction of short-term bank loans ($5,921,872 outstanding at Dec. 31, 1959, including $5,199,800 of bank loans made directly to an unconsolidated subsidiary). It is contemplated that the additional funds will be used to acquire land for development or resale to dealers, construction loans to builder-dealers, expansion of the company's market area, and the possible manufacture and erection, in cooperation with builders, of "shell" house packages for completion by the home owner on a "do-it-yourself" basis. **Office**—7111 Florida Boulevard, Baton Rouge, La. **Underwriter**—A. G. Becker & Co., Inc., of Chicago and New York.

● **Custom Craft Marine Co., Inc. (4/12)**
March 28 (letter of notification) 85,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—1700 Niagara Street, Buffalo, N. Y. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y.

● **Dade Metal Fabrications, Inc. (4/28)**
March 22 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To purchase land and erect a plant, additional tools, machinery and equipment, and for other working materials. **Office**—4798 Tenth Lane, Hialeah, Fla. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y.

Dalto Corp.
March 29 filed 134,739 shares of common stock, to be offered for subscription by holders of such stock of record May 2 at the rate of one new share for each two shares then held. **Price**—To be supplied by amendment. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. H. **Underwriter**—None.

★ **Dart Drug Corp.**
March 30 filed 200,000 shares of class A common stock, of which 170,000 shares are to be offered for public sale on behalf of the issuing company and 30,000 shares, being outstanding stock, on behalf of the present holders thereof. **Price**—$5 per share. **Proceeds**—For repayment of corporate indebtedness and for working capital. **Office**—5458 Third St., N. E., Washington, D. C. **Underwriter**—Hodgdon & Co., Washington, D. C.

Deltown Foods, Inc.
March 22 filed 115,000 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—Yonkers, N. Y. **Underwriter**—A. G. Becker & Co., Inc., New York City.

Deluxe Aluminum Products, Inc. (4/25-29)
Oct. 15 filed $330,000 of convertible debentures, and 70,000 shares of common stock. **Price**—For the debentures, 100% of principal amount; for the stock, $5 per share. **Proceeds**—From 10,000 shares of the common stock, to the present holders thereof; from the rest of the offering, to the company to be used for expansion and as working capital. **Office**—6810 S. W. 81st St., Miami, Fla. **Underwriter**— R. A. Holman & Co., Inc.

Development Credit Corp. of Maryland
March 29 filed 2,000,000 shares of common stock. **Price**—$1.10 per share. **Proceeds** — For general corporate purposes. **Underwriter**—None.

Dial Finance Co. (5/3)
March 25 filed 300,000 shares of common stock (no par), including 150,000 shares which are outstanding and will be offered for public sale by the holders thereof, and the remaining 150,000 will be offered for the company's account. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general funds and will be used initially to reduce short term debt. **Office**—207 Ninth St., Des Moines, Iowa, **Underwriter**—White, Weld & Co., Inc., New York.

Disc, Inc.
March 29 filed 2,221,017 shares of class A common stock. About 1,736,943 shares are to be exchanged for the capital interests in certain promissory notes, mortgages, real estate, and joint ventures, with the balance to be sold for the account of the present holders thereof. **Price**—To be supplied by amendment. **Office**—Washington, D. C. **Underwriter**—None.

Diversified Communities, Inc.
Sept. 25 filed 367,200 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For acquisition of Hope Homes, Inc., Browntown Water Co. and Cantor & Goldman Builders, Inc., with the balance to be used as working capital. **Office**—29A Sayre Woods Shopping Center, Madison Township, P. O. Parlin, N. J. **Underwriter**—Lee Higginson Corp., New York. **Offering**—Postponed.

★ **Dobson Brothers Construction Co.**
March 30 (letter of notification) $300,000 of subordinated equipment notes to be offered in denominations of $1,000 each. **Price**—At par. **Proceeds**—For construction equipment; to retire equipment obligations, and for working capital. **Office**—502 First National Bank Bldg., Lincoln, Neb. **Underwriter**—First Trust Co. of Lincoln, Lincoln, Neb.

● **Don Mott Associates, Inc.**
Oct. 27 filed 161,750 shares of class B, non-voting, common stock (par $5). **Price**—$10 per share. **Proceeds**—For general corporate purposes, including payment on a building and the financing of loans. **Office**—Orlando, Fla. **Underwriter**—Leon H. Sullivan, Inc., Philadelphia, Pa., on a "best efforts" basis. **Offering** — Expected in April.

★ **Dubois Chemicals, Inc. (5/2-6)**
March 30 filed 200,000 shares of common stock to be publicly offered and 125,000 shares issuable under the company's Restricted Stock Option Incentive Plan for key employees. **Price**—To be supplied by amendment. **Proceeds**—To reduce a bank loan in the amount of $2,681,000. **Office**—634 Broadway, Cincinnati, O. **Underwriter**—Allen & Co., New York.

● **Dworman Corp. (5/9-13)**
Jan. 15 filed 300,000 shares of common stock. **Price**—$10 per share. **Proceeds**—For general corporate purposes. **Office**—400 Park Avenue, New York City. **Underwriter**—Charles Plohn & Co., New York City.

★ **Dynamic Films, Inc.**
March 29 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — 405 Park Avenue, New York, N. Y. **Underwriter**—Morris Cohon & Co., New York, N. Y.

● **Dynex, Inc. (4/28)**
March 15 filed 54,000 common shares (25 cents par) and warrants for an additional 5,000 shares of this stock. The company proposes to make a public offering of 30,000 shares. Of the additional 24,000 shares, 20,000 are being issued in escrow for the account of, and may be resold by, the holders of capital stock and certain creditors of Matronics, Inc., after July 22, 1960 at the then prevailing market price; and 4,000 shares for the account of the holders of the common stock and a creditor of Optics Manufacturing Corp. The 5,000 warrants are being issued to stockholders and certain creditors of Matronics, Inc. **Price**—To be supplied by amendment. **Proceeds**—To finance the activities of the two newly-acquired concerns, to finance the starting of inventories and advertising incident to new products, to purchase additional equipment and inventory for the manufacture and production of contracts for other concerns, and to expand the scope of the company's business. **Office**—123 Eileen Way, Syosset, N. Y. **Underwriter**—Myron A. Lomasney & Co., New York.

E. H. P. Corp.
Aug. 31 filed 160,000 shares of capital stock (par 10c), of which 100,000 shares are to be publicly offered. **Price**—$2.50 per share. **Proceeds** — To provide funds for the purchase of vending machines which will be used to distribute automobile breakdown insurance policies on thruways, parkways and highways in the amount of $25 of such breakdown insurance for the purchase price of 25 cents, and for a public relations and publicity program. **Office**—Hotel Troy Building, Troy, New York. **Underwriter**—John R. Boland & Co., Inc., New York.

★ **East Alabama Express, Inc.**
April 1 (letter of notification) 77,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To repay notes payable, reduce equipment purchase obligations, accounts payable and for working capital. **Office**—109 M Street, Anniston, Ala. **Underwriter**—First Investment Savings Corp., Birmingham, Ala.

★ **El Paso Electric Co.**
March 30 filed an undesignated number of shares of common stock to be offered in connection with the company's Amended Employee Stock Purchase Plan. **Office**—215 North Stanton St., El Paso, Tex.

★ **Electro-Metic Steel, Inc.**
March 29 (letter of notification) 7,680 shares of class A stock. **Price**—At par ($10 per share). **Proceeds**—To purchase equipment and for working capital. **Office**—c/o Cary Wang, 727 Spring Rd., Elmhurst, Ill. **Underwriter**—None.

Electronic Assistance Corp. (4/11-15)
March 17 filed 122,500 shares of common stock (par 10 cents), of which 72,500 shares are to be offered for public sale for the account of the company and the remaining 50,000 shares, now outstanding, by Robert Edwards, company president. **Price**—To be supplied by amendment. **Proceeds**—$20,000 will be used to further equip its engineering department and office, $60,000 for research and development, and $20,000 for advertising and promotion. The balance of the proceeds of approximately $594,750 will be added to working capital. **Office**—20 Bridge Ave., Red Bank, N. J. **Underwriter**—Amos Treat & Co., Inc., New York.

Electronic's Inc.
Feb. 1 (letter of notification) $100,000 of 7% subordinated debentures due April 1, 1970 and 20,000 shares of common stock (par 20 cents) to be offered in units, each consisting of $1,000 debenture and 200 shares of common stock. **Price**—$1,300 per unit. **Proceeds**—For payment of an outstanding mortgage note and working capital. **Address** — East Highway 50, Vermillion, S. D. **Underwriter** — Woodard - Elwood & Co., Minneapolis, Minn.

● **Englehard Industries, Inc. (5/9-13)**
March 30 filed 400,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — $2,000,000 to reduce outstanding amount of term notes, and the balance to reduce outstanding short-term indebtedness and increase working capital. **Office**—Newark, N. J. **Underwriters** — Dillon, Read & Co. Inc., and Lazard Freres & Co., both of New York City.

★ **Esquire Radio & Electronics, Inc. (5/16-20)**
March 30 filed 150,000 shares of common stock. **Price**—$5 per share. **Proceeds**—$73,000 will be used to replace funds used by the company for payment of subordinated notes; $50,000 to repay short-term bank obligations; and the balance of approximately $477,000 will be added to working capital and used for general corporate purposes, including financing of finished and raw material inventory. **Office**—39 Broadway, New York. **Underwriter**—Myron A. Lomasney & Co.

Estates, Inc.
Dec. 24 filed 200,000 shares of class A common stock. **Price**—$5 per share. **Proceeds**—For purchase of various properties, for development and subdivision thereof, and to meet operating expenses, salaries and other costs, but principally for the purchase and development of large tracts of land. **Office**—3636-16th Street, N. W., Washington, D. C. **Underwriter**—Consolidated Securities Co. of Washington, D. C. **Offering**—Imminent.

● **Ets-Hokin & Galvan, Inc. (5/9)**
March 28 filed 250,000 shares of common stock (par $1). **Price**—$5.30 per share. **Proceeds**—To be added to company's working capital and will be used principally to reduce some $1,000,000 of its accounts payable. The balance will be used to reduce notes payable to the Bank of America National Trust & Savings Association. **Office**—551 Mission St., San Francisco, Calif. **Underwriter**—Van Alstyne, Noel & Co., New York.

★ **FXR, Inc.**
March 30 filed $2,000,000 of convertibel subordinated debentures, due 1970. **Price**—To be supplied by amendment. **Proceeds**—$950,000 will be used to repay short-term notes and up to $375,000 is to be invested in Micromega Corp.; the balance of the proceeds will be used to acquire new facilities, to maintain necessary inventory to meet current and anticipated sales requirements, to supplement working capital and for other general corporate purposes. **Office**—26-12 Borough Place, Woodside, N. Y. **Underwriter**—C. E. Unterberg, Towbin Co.

★ **Family Fund Life Insurance Co.**
March 30 filed 116,800 shares of common stock, to be offered for subscription by stockholders at the rate of one new share for each 5 shares held. **Price**—$9 per share; unsubscribed shares at $10.25 per share. **Proceeds**—To increase capital and surplus and expand the business. **Office**—1515 Spring St., N. W., Atlanta, Ga. **Underwriter**—J. H. Hilsman & Co., Inc., Atlanta, Ga.

Farmers' Educational & Cooperative Union of America
March 29 filed $2,500,000 of registered debentures, series D, maturing from 1969 to 1980. **Price**—To be offered in units of $100. **Proceeds**—To pay notes maturing before Dec. 31, 1963, with $1,107,000 to be contributed to surplus or loaned to subsidiaries. **Office**—Denver, Colo. **Underwriter**—None.

● **Farrington Manufacturing Co. (5/2-6)**
March 25 filed $6,000,000 of subordinated convertible debentures due 1970. **Price**—To be supplied by amend-

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ment. **Proceeds**—$2,000,000 to be applied to the payment of bank loans; $2,800,000 to the scanner program in 1960, including (a) $1,000,000 for expenditures by Farrington Electronics, Inc., a newly-formed date processing subsidiary, for inventory, 250,000 to purchase and test equipment for producting scanners and $250,000 as working capital; and (b) $1,300,000 for research and development. **Office**—77 A St., Needham, Mass. **Underwriters**—Cyrus J. Lawrence & Sons, New York City; and Brawley, Cathers & Co., Toronto, Ontario, Canada.

★ **Fidelity Acceptance Corp.**
March 24 (letter of notification) 12,000 shares of class H 6% cumulative preferred stock. **Price**—At par (25) per share). **Proceeds**—For working capital. **Office**—820 Plymouth Bldg., Minneapolis, Minn. **Underwriter**—Ray F. Kersten, 3332 E. Orange Dr., Phoenix, Ariz.

● **Figurette, Ltd. (4/18)**
March 3 filed 100,000 shares of class A common stock, (par 50 cents) **Price**—$6 per share. **Proceeds**—For general corporate purposes. **Office**—514 N. E. 79th Street, Miami, Fla. **Underwriter**—Myron A. Lomasney & Co., New York.

Finger Lakes Racing Association, Inc.
Dec. 28 filed $4,500,000 of 20-year 6% subordinated sinking fund debentures due 1980 and 450,000 shares of class A stock (par $5) to be offered in units, each consisting of $100 of debentures and 10 shares of class A stock. **Price**—$155 per unit. **Proceeds**—For purchase of land and the cost of construction of racing plant as well as other organizational and miscellaneous expenses. **Office**—142 Pierrepont Street, Brooklyn, N. Y. **Underwriter**—Stroud & Co., Inc., New York and Philadelphia. **Offering**—Delayed.

First Midwest Small Business Investment Co.
March 7 filed 110,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For investment. **Office**—512 Nicollet Avenue, Minneapolis, Minn. **Underwriter**—None.

● **First National Realty & Construction Corp. (5/9-13)**
March 28 filed 150,000 shares of cumulative preferred stock first series, $7 par, 150,000 shares of common stock, and 150,000 shares of common stock purchase warrants, series B. It is proposed that these securities will be offered in units, each unit consisting of one share of preferred, one share of common, and one warrant. **Price**—To be supplied by amendment. **Proceeds** — $182,000 will be used to repay loans made by an officer and director of the company and a corporation controlled by him to provide funds for apartment house construction; about $500,000 will be used for the repayment of a portion of bank notes; and the balance will be added to working capital for use in the acquisition of new properties and for the company's construction program. **Office**—630 Third Avenue, New York. **Underwriter**—H. Hentz & Co., New York.

Flick-Reedy Corp.
March 14 filed $691,800 of registered subordinated debentures, 6%, due February, 1972, and 69,180 shares of common stock. The company proposes to offer these securities in units, each consisting of a $100 debenture and 10 common shares. **Price**—$115 per unit. **Proceeds**—For reduction of accounts payable and corporate indebtedness. **Office**—Bensenville, Ill. **Underwriter**—None.

★ **Flintkote Co.**
March 31 filed 375,000 shares of common stock. The company proposes to offer this stock in exchange for 25,000 shares of 4% second preferred stock, 5,000 shares of class A common stock and 45,000 shares of class B common stock of Harry T. Campbell Sons' Corp. Flintkote has entered into an agreement with stockholders of Campbell, whereby each Campbell stockholder will exchange all of his shares of Campbell stock on the basis of 15 shares of Flintkote common for each one share of Campbell preferred and an aggregate of two shares of either Campbell class A or class B common stock. **Office**—30 Rockefeller Plaza, New York.

★ **Florida Builders, Inc. (5/2-6)**
March 30 filed 800,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—Between $200,000 and $250,000 will be used to establish or acquire a Federal Housing Administration approved mortgage financing and service company; $200,000 will be used to pay off bank loans; and the balance for working capital. **Office**—700 43rd St. South, St. Petersburg, Fla. **Underwriter**—Jaffee & Co., New York.

★ **Florida Home Insurance Co.**
March 30 filed 17,500 shares of common stock to be offered to holders of the company's 85,995 outstanding common shares at the rate of one share for each five shares held. Unsubscribed shares will be offered to employees and officers of the company who are stockholders without further offering of such unsubscribed shares to other stockholders of the company. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general funds to be held in cash or invested in securities. **Office** — 1335 Biscayne Blvd., Miami, Fla. **Underwriter**—None.

★ **Forest City Enterprises, Inc.**
March 29 filed 450,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For the repayment of bank loans and for working capital. **Office**—17903 St. Clair Ave., Cleveland, O. **Underwriter**—Bache & Co., New York.

● **Forest Hills Country Club Ltd. (4/11)**
Jan. 29 filed 75,000 shares of common stock (par 10¢). **Price**—$4 per share. **Proceeds**—To build a country club in Forest Hills, L. I., N. Y. **Office**—179—45 Brinckerhoff Ave., Jamaica 33, L. I., N. Y. **Underwriter**—Jerome Robbins & Co., 82 Wall St., New York City.

★ **Founders Investment Co.**
March 30 filed in association with Inland Life Insurance Co. 320,000 shares of Founders common and 450,000 shares of Inland common. The shares are to be offered at $1 per share and in units of 1,000 shares (and half units of 500 shares) on the basis of 640 shares of Founders common and 360 shares of Inland common. According to the prospectus the shares (units) are to be offered for sale only to the 42 organizers of the company. **Office**—Chicago, Ill.

★ **Founders Mutual Depositor Corp.**
March 25 (letter of notification) 60,000 shares of common stock, class A (no par). **Price**—$4.87½ per share. **Proceeds**—To go to selling stockholders. **Office**—2401 First National Bank Bldg., Denver, Colo. **Underwriter**—Hecker & Co., Philadelphia, Pa.

★ **Friendly Frost Inc.**
April 5 filed 150,000 shares of common stock. An additional 96,500 shares included in the registration statement are reserved for the company's Employees' Stock Option Plan. **Price**—$7.50 per share. **Proceeds**—For repayment of bank loans, for company's expansion program, and the balance for working capital. **Office**—123 Frost Street, Westbury, L. I., N. Y. **Underwriter**—None.

★ **Futterman Corp.**
April 1 filed 660,000 shares of class A stock. **Price**—To be supplied by amendment. **Proceeds**—For acquisition of properties. **Office**—580 Fifth Avenue, New York. **Underwriter**—Reynolds & Co., New York.

● **Gem International, Inc. (5/9-13)**
March 29 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — $125,000 to open, furnish and equip the new Wichita store being built for the company by others; $75,000 to open, furnish and equip the second store in St. Louis, similarly being built by others; $128,600 to purchase the assets of Embee, Inc., and Garrol, Inc., who now hold the basic lease on the premises used by the Kansas City operating company and who sublease the premises to that company; $208,000 for advance to the Honolulu subsidiary to enable it to purchase the assets of Honden, Ltd., Honla Ltd., and Dacat, Ltd., which now hold the basic leases on the store building; $105,000 for advance to Gem Stores, Inc., and Gem of St. Louis, Inc., to enable those corporations to repay loans; and the balance for general corporate purposes and as needed to expand existing facilities and to establish new locations. **Office**—418 Empire Building, Denver, Colo. **Underwriters** — Bosworth Sullivan & Co., Inc., Denver, Colo.; and Scherck, Richter Co., St. Louis, Mo.

● **General Aeromation, Inc. (5/9)**
March 3 (letter of notification) 84,450 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—For construction of additional vehicles, a demonstration and automation test center and working capital. **Office** — 6011 Montgomery Road, Cincinnati, Ohio. **Underwriter**—Westheimer & Co., Cincinnati, Ohio.

General Atronics Corp. (5/18-22)
March 18 filed 155,660 shares of common stock. **Price**—$3.50 per share. **Proceeds**—$60,000 for additional laboratory and production equipment, $80,000 for additional developmental engineering and sales promotion of materials handling equipment, $80,000 for investment in Atronic Learnings Systems, Inc., $93,000 for repayment of bank loans, and $157,859 for working capital. **Office** — Bala-Cynwyd, Pa. **Underwriter** — Harrison & Co., Philadelphia, Pa.

● **General Casting Corp. (4/11-15)**
March 25 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—1000 N. Division Street, Peekskill, N. Y. **Underwriters**—Bertner Bros. and Earl Edden Co., New York, N. Y.

General Development Corp. (4/11-15)
March 2 filed $12,555,600 of convertible subordinated debentures, due May 1, 1975, to be offered for subscription by holders of the outstanding common in the ratio of $100 principal amount of debentures for each 50 shares of common held with rights to expire 16 days from date of offering. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—2828 S. W. 22nd Street, Miami, Fla. **Underwriter**—Goldman, Sachs & Co., New York City, will head a group which will purchase any unsubscribed debentures.

★ **General Refractories Co.**
March 30 filed $600,000 of participations in the company's Savings Fund Plan for Salaried Employees, together with 22,222 shares of capital stock which may be acquired pursuant thereto. **Office**—1520 Locust St., Philadelphia, Pa.

● **General Shale Products Corp. (4/25-29)**
March 29 filed 220,605 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Johnson City, Tenn. **Underwriter** — Equitable Securities Corp., Nashville, Tenn.

★ **General Transistor Corp.**
March 30 filed 64,500 shares of common stock, of which 50,000 shares are to be offered pursuant to the company's savings-stock purchase program for salaried employees and 14,500 are reserved for issuance upon exercise of options. **Office**—91-27 138th Place, Jamaica, N. Y.

● **Glass Magic Boats, Inc. (4/25)**
Dec. 30 (letter of notification) $51,000 of six-year 6½% convertible debentures to be offered in denominations of $51 each. Debentures are convertible into common stock at $1.50 per share. Also, 68,000 shares of common stock (par 10 cents) to be offered in units of one $51 debenture and 68 shares of common stock. **Price**—Of debentures, at par; of stock, $102 per unit. **Proceeds**—To pay off current accounts payable; purchase of raw materials and for expansion. **Office** — 2730 Ludelle Street, Fort Worth, Texas. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y. **Note**—The name has been changed from Glass Magic, Inc.

Goelet Corp. (5/10)
March 1 filed $700,000 of 8% subordinated Installment debentures, due in March, 1970, 70,000 shares of common stock (10 cents par) and 35,000 common stock purchase warrants (exercisable at $4.30 per share until May 15, 1965), to be offered in units consisting of $100 of debentures, 10 common shares, and five warrants. **Price**—$143 per unit. **Proceeds**—To be applied toward the company's general business activities. **Office**—292 Madison Avenue, New York. **Underwriters**—Ross, Lyon & Co., Inc. and Globus, Inc., both of New York.

Gold Medal Packing Corp.
June 18 filed 572,500 shares of common stock (par one cent), and 50,000 common stock purchase warrants Of the shares 400,000 will be sold for the account of the company; 110,000 by certain stockholders; 12,500 for the underwriter; and the remaining 50,000 shares are purchasable upon exercise of the warrants. **Price**—$1.25 per share. **Proceeds**—For repayment of debt; purchase of equipment and facilities and other general corporate purposes. **Office**—614 Broad St., Utica, N. Y. **Underwriter**—Mortimer B. Burnside & Co., New York **Name Change**—Formerly Eastern Packing Corp. **Offering**—Indefinitely delayed.

Gorton's of Gloucester, Inc.
March 22 (letter of notification) 10,100 shares of common stock (no par). **Price**—At-the-market, estimated at $24½ per share. **Proceeds**—To go to selling stockholders. **Office**—327 Main St., Gloucester, Mass. **Underwriter**—Kidder, Peabody & Co., Inc., Boston, Mass.

● **Great Southwest Corp.**
Dec. 10 filed $11,500,000 of cumulative income debentures, due Jan. 1, 1975, and 575,000 shares of common stock (par $1). Via a prospectus dated March 16, the entire offering has been reduced to 514.293 shares of common stock, of which 457,150 shares will be publicly offered and 57,143 shares will be exchanged for the issuer's 6% debentures. **Price** — To be supplied by amendment. **Proceeds** — For debt reduction and the building of a recreation park. **Office**—3417 Gillespie Street, Dallas 19, Texas. **Underwriter**—Glore, Forgan & Co., New York City. **Note**—This offering has been postponed.

Greater Washington Industrial Investments, Inc. (4/25-28)
March 21 filed 300,000 shares of common stock. **Price**—$10 per share. **Proceeds**—To be added to other general funds of the company, and will be used to finance the company's principal small business investment company activities of providing equity capital, long-term funds, and management services to scientific and industrial small business concerns in the greater Washington area. **Office**—1625 Eye Street, N. W. Washington, D. C. **Underwriters**—Johnston Lemon & Co. and Auchincloss, Parker & Redpath, both of Washington, D. C.

★ **Gulf-Tex Development, Inc. (5/16)**
March 30 filed 250,000 shares of common stock. **Price**—$5 per share. **Proceeds**—For purchase of Pelican Island; for improvements on said property; and for working capital and other general corporate purposes, including the general development of the property. **Office**—714 Rosenberg St., Galveston, Tex. **Underwriter**—Myron A. Lomasney & Co., New York.

Gulf States Life Insurance Co.
Feb. 26 filed 1,000,000 shares of common stock, to be offered for subscription by common stockholders of record April 1, 1960, at the rate of two shares for each share then held with rights to expire on April 11. **Price**—To be supplied by amendment. **Proceeds**—To repay debt of $450,000 owed to Foundation Investment Corp. and additional working capital. **Office**—First Avenue and 18th Street, Birmingham, Ala. **Underwriters** — Southern Underwriters, Inc., also of Birmingham.

● **Haloid Xerox, Inc. (4/14)**
March 11 filed 333,213 shares of common stock (par $1.25), to be offered for subscription by the company to its common stockholders at the rate of one new share for each 10 shares held; rights to expire on April 25. **Price**—To be supplied by amendment. **Proceeds** — To retire some $4,000,000 of bank note indebtedness incurred to replenish working capital which has been reduced primarily by expenditures for tooling and development engineering in connection with the Xerox 914 Office Copier, and for inventories of equipment for leasing. The balance of the proceeds will be added to the company's general funds and will be used primarily for increased inventories of xerographic equipment for leasing, principally for the new copier. **Office** — 6 Haloid St., Rochester, N. Y. **Underwriter** — The First Boston Corp., New York.

★ **Hampshire Gardens Associates**
April 1 filed $376,000 of Limited Partnership Interests, to be offered in units. **Price**—$500 per unit. **Proceeds**—For purchase of the fee title to a garden type apartment community (Hampshire Gardens) consisting of 14 buildings with a total of 134 apartments in Chillum, Md. **Office**—375 Park Avenue, New York. **Underwriter**—B. C. Morton & Company, Inc., New York.

● **Hamilton Management Corp. (4/25-29)**
March 21 filed 320,000 shares of class A common stock, non-voting (par 10 cents). **Price** — To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—777 Grant Street, Denver, Colo. **Underwriter**—Kidder, Peabody & Co., New York.

● **Harburton Financial Corp. (5/19)**
March 21 (letter of notification) 298,500 shares of class A common stock—non voting (par one cent). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—56 Beaver Street, New York 4, N. Y. **Underwriter**—Simmons, Rubin & Co., Inc., New York, N. Y.

● **Harn Corp., Cleveland, Ohio (4/8)**
Feb. 23 filed 187,500 shares of common stock. **Price**—$4 per share. **Proceeds**—To pay bank debts and for working capital. **Underwriter**—Arnold Malkan & Co., Inc., and Street & Company, Inc., both of New York City.

★ **Hawley Products Co. (5/2)**
March 29 filed 90,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—333-39 North Sixth St., St. Charles, Ill. **Underwriter**—Dean Witter & Co., Chicago and New York.

● **Henry's Drive-In, Inc. (4/18-22)**
March 23 (letter of notification) 100,000 shares of common stock (no par). **Price**—$2.50 per share. **Proceeds**—To purchase new sites and build drive-in restaurants for sale or lease to operators for expansion of locations. **Office**—3430 N. Harlem Avenue, Chicago, Ill. **Underwriter**—Westheimer & Co., 326 Walnut Street, Cincinnati, Ohio.

★ **Hershey Chocolate Corp.**
March 29 filed 95,735 shares of common stock, reserved for issuance under the company's Restricted Stock Option Plan for Officers and Key Employees. **Office**—Hershey, Pa.

● **Highway Trailer Industries, Inc. (4/11-15)**
Jan. 29 filed $3,000,000 convertible subordinated debentures, due August, 1975. **Price**—At par. **Proceeds**—For expansion purposes and the discharge of debts. **Office**—250 Park Ave., New York City. **Underwriters**—Allen & Co., and Van Alstyne, Noel & Co., both of New York City.

● **Holt, Rhinehart & Winston Inc. (4/28)**
March 29 filed 331,740 outstanding shares of its common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—New York City. **Underwriters** — Goldman, Sachs & Co., Allen & Co. and Shearson, Hammill & Co., all of New York.

Howe Plastics & Chemical Companies, Inc. (4/11-15)
Dec. 14 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—125 E. 50th Street, New York, N. Y. **Underwriter**—Hilton Securities, Inc., 580 Fifth Avenue, New York, N. Y.

Hydra-Power Corp. (5/2-6)
March 21 filed $600,000 of 6½% subordinated debentures, due 1970, with warrants to purchase 150 common shares for each $1,000 debenture. **Price**—100% of principal amount. **Proceeds**—$175,000 will be applied to the purchase of capital equipment, raw material and to finance work-in-process and finished products for Power-tronics Systems, Inc., a subsidiary engaged in research and development of a new line of products such as voltage regulators and regulated power companies; $225,000 to be used for similar purposes with respect to the operations of Electro-Powerpacs, Inc., a subsidiary engaged in the design and production of photographic and emergency lighting equipment; $100,000 for reduction of a portion of a $200,000 bank loan; and the balance for general corporate purposes. **Office**—10 Pine Court, New Rochelle, N. Y. **Underwriters**—Aetna Securities Corp. and D. Gleich Co., both of New York.

★ **Hyland Oil Corp.**
March 30 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For development of oil and gas properties. **Office**—306 Judge Bldg., Salt Lake City, Utah. **Underwriter**—None.

I C Inc. (4/18-22)
June 29 filed 600,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

● **Inland Credit Corp. (4/20)**
Feb. 12 filed 190,000 shares of class A stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For acquisition of outstanding accounts of Ardisco (affiliate); and the balance for additional working capital. **Office**—11 West 42nd Street, New York 36, N. Y. **Underwriter**—Shearson, Hammill & Co., New York.

Insured Mortgages of America, Inc.
March 14 filed $1,000,000 of 5½% collateral trust bonds. **Price**—At 100% of principal amount. **Proceeds**—To repay temporary bank loans and to purchase additional insured mortgage loans, and for other corporate purposes. **Office**—575 Colman Bldg., Seattle, Wash. **Underwriter**—None.

● **International Aspirin Corporation**
Dec. 7 filed 600,000 shares of common stock constituting their first public offering, subsequently reduced to 300,000 shares (par $1). **Price**—$1 per share. **Proceeds**—For expansion of sales and general corporate purposes. **Office**—1215 Denver U. S. National Center, Denver, Colo. **Underwriter**—Paynter & Co., Fort Morgan, Colo. **Offering**—Imminent.

● **Interstate Securities Co.**
Feb. 23 filed 165,000 shares of cumulative preference stock, convertible ($20 par), being offered for subscription by common stockholders on the basis of one new share of preference stock for each four shares held, with rights to expire 15 days from date of offering. **Price**—To be supplied by amendment. **Proceeds**—For reduction of short-term notes. **Office**—3430 Broadway, Kansas City, Mo. **Underwriters**—Harriman Ripley & Co., Inc., New York; and Stern Brothers & Co., Kansas City, Mo. **Offering**—Imminent.

● **Ionics, Inc. (5/2-6)**
March 29 filed 75,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—Major portion of the net proceeds of sale of additional stock will be added to working capital to be applied toward financing an increasing volume of business and intensified sales efforts, and toward expanding and broadening research and development, including activities in the fuel cell field. The company expects to move to larger quarters near Waltham, Mass., and it estimates that requirements for new equipment and other costs, including moving expenses, will amount to at least $300,000. A portion of the proceeds of the stock sale may be applied to the cost of constructing the new building, but the company does not anticipate that in excess of $400,000 of the net proceeds of this offering will be used on a permanent basis for such purpose. **Office**—152 Sixth Street, Cambridge, Mass. **Underwriters**—Lee Higginson Corp., Shields & Co., and C. E. Unterberg, Towbin Co., all of New York.

Iowa-Illinois Gas & Electric Co. (4/13)
March 14 filed $15,000,000 of first mortgage bonds, series due April 15, 1990. **Proceeds**—To retire $3,000,000 of bank loans incurred to finance construction costs and for additional construction expenditures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; The First Boston Corp.; White, Weld & Co. and Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co. (jointly); Lehman Brothers and Glore, Forgan & Co. (jointly); Equitable Securities Corp.; Blyth & Co., Inc. **Bids**—Expected to be received on April 13 up to 10:30 a.m. (CST) at First National Bank of Chicago, 33 South Clark Street, Chicago, Ill.

★ **Jaguar Cars Ltd., of England**
March 30 filed American Depositary Receipts for 60,000 "A" ordinary registered shares. **Depositary** — Morgan Guaranty Trust Co. of New York.

★ **Jarrell-Ash Co.**
March 22 (letter of notification). Not to exceed 19,940 shares of class A common stock (par $1.25) and 8,608 shares of class B common stock (par $1.25) to be offered to employees pursuant to employees stock option plan. **Prices**—To range from $6.65 to $8.26 per share. **Proceeds**—For working capital. **Office**—26 Farwell St., Newtonville, Mass. **Underwriter**—None.

● **Jersey Central Power & Light Co. (5/24)**
March 24 filed $10,000,000 of first mortgage bonds due 1990. **Proceeds**—$5,800,000 will be applied to the payment of a like amount of outstanding notes and the balance to 1960 construction expenditures (or reimbursement of the company's treasury thereof). **Underwriter** — To be determined by competitive bidding. Probable bidders: Eastman Dillon, Union Securities & Co. (managing the books), Salomon Bros. & Hutzler and Merrill Lynch, Pierce, Fenner & Smith (jointly). **Bids**—Expected to be received up to 11:00 a.m. (New York Time) on May 24.

Kahr Bearing Corp. (4/11)
March 10 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—812 S. Flower St., Burbank, Calif. **Underwriter**—Morris Cohon & Co., New York, N. Y.

★ **Kaiser Industries Corp.**
April 6 filed 645,161 shares of common stock, representing the maximum number of shares issuable upon exchange (conversion) of the series B 6% collateral trust bonds of Henry J. Kaiser Co., due Jan. 5, 1972. **Office**—Oakland, Calif.

★ **Kenrich Petrochemicals, Inc.**
March 29 filed $175,000 of 7% convertible subordinated debentures due 1970, and 55,000 shares of class A common stock. **Price**—For debentures, 100% of principal amount; and $3.50 per class A share. **Proceeds**—$10,000 will be applied towards the repayment of demand notes, $115,000 for new plant facilities and equipment; and the balance for general corporate purposes. **Office**—120 Wall St., New York. **Underwriter**—First Philadelphia Corp., New York.

● **Keystone Electronics Co., Inc. (4/18-22)**
Feb. 12 filed 200,000 shares of common stock. Of this stock, 133,334 shares are to be offered for public sale for the account of the company and 66,666, being outstanding stock, by the holders thereof. **Price** — $3 per share. **Proceeds**—For additional equipment and inventory; for research and development; and the balance for working capital. **Office**—65 Seventh Ave., Newark, N. J. **Underwriters**—J. A. Winston & Co., Inc. and Netherlands Securities, Inc., both of New York.

Kingbird Products, Inc.
March 15 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To increase inventory and for working capital. **Office**—836 W. Front St., Covina, Calif. **Underwriter**—Keon & Co., Los Angeles, Calif.

Kratter Corp.
Feb. 15 filed 1,300,000 shares of $1.20 cumulative convertible preferred stock (par $1) convertible at the option of the holder on or after Sept. 30, 1960, being offered for subscription at $20 per share by holders of outstanding class A and class B common at the rate of one share of preferred for each three common shares held of record March 25, 1960, with rights to expire April 12, 1960. Shares not purchased by stockholders may be offered for public sale or in exchange for properties. The registration statement also includes 130,000 preferred shares and 130,000 class A common shares which may be acquired by the company in stabilizing transactions during the offering of the preferred, and an indeterminate number of rights which may be so acquired, which securities would thereafter be resold by the company from time to time on the American Stock Exchange. **Proceeds**—$8,000,000 to acquire the Americana Hotel, Bal Harbour, Fla., and in the amount of $3,000,000 for repayment of unsecured bank loans. The company also intends to use $2,587,500 for the exercise of a right of a subsidiary to acquire the interests of certain ventures in and to leases and mortgage pertaining to the Kratter Building, and 112-122 W. 34th Street, in New York; $2,500,000 for the development of its Ebbets Field housing project in Brooklyn; and $800,000 for the prepayment of certain mortgages. Any excess will be added to the general funds of the company to be used from time to time for general corporate purposes. **Office**—521 Fifth Avenue, New York City. **Underwriters**—Hirsch & Co. and Lee Higginson Corp.

★ **Lamour (Dorothy), Inc.**
March 30 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—65 E. 55th Street, New York 22, N. Y. **Underwriter**—Investment Securities Co. of Maryland, Baltimore, Md.

★ **Langis Silver & Cobalt Mining Co. Ltd.**
March 30 filed 3,800,015 shares of outstanding capital stock, representing all the outstanding stock of the company issued since its organization in 1951. Of these shares, 2,300,015 were issued for an aggregate cash consideration of $670,015 and 1,500,000 shares were issued to Signal Chibougamau Mining Corp., Montreal, Quebec, in satisfaction of $300,000 owing by the company for funds advanced for the acquisition of properties and for exploration, development and general corporate purposes. Signal Chibougamau granted an option in March, 1958, to Benjamin Milrot for 1,400,000 shares, which option was assigned in January, 1959, to Brewis & White Ltd. Brewis & White exercised the option on 100,000 shares at 20 cents and retained the balance of the option, 1,300,000 shares, exercisable at 30 cents on or before March 20, 1961. Brewis & White intends to exercise the option and sell the shares from time to time on the Toronto Stock Exchange. **Office**—145 Yonge St., Toronto, Ontario, Canada.

● **Lawn Electronics Co., Inc. (4/11-15)**
Nov. 25 (letter of notification) 70,000 shares of common stock (par one cent). **Price**—$1.50 per share. **Proceeds**—For general corporate purposes. **Office** — Woodward Road, Englishtown, N. J. **Underwriter**—Prudential Securities Corp., Staten Island, N. Y.

★ **Liberty Records, Inc.**
April 1 filed 150,000 shares of common stock. **Price**—To be supplied by amendment **Proceeds**—To be added to the company's general corporate funds, substantially to meet increased demands on working capital. **Office**—6920 Sunset Boulevard, Los Angeles, Calif. **Underwriter**—Crowell, Weedon & Co., Los Angeles, Calif.

● **Litecraft Industries, Ltd. (5/9-13)**
March 29 filed $750,000 of 6¼% subordinated sinking fund debentures, due 1980, and an undetermined number of common shares, to be offered in units. **Price**—$500 per unit plus accrued interest from May 1, 1960. **Proceeds**—For general corporate purposes. **Office**—Passaic, N. J. **Underwriter**—P. W. Brooks & Co., New York.

● **Lite-Vent Industries, Inc. (5/16-20)**
March 25 filed 100,000 shares of common stock (par $1). **Price**—$5.20 per share. **Proceeds**—To be added to company's general funds, of which $200,000 will be used for repayment of indebtedness, $45,000 to acquire additional roll forming machinery and equipment, $74,000 to repay advances by two officers, and the balance for working capital and other corporate purposes. **Office**—14637 Meyers Road, Detroit, Mich. **Underwriter**—Peter Morgan & Co., New York City.

Litho-Web, Inc.
March 7 (letter of notification) 130,000 shares of common stock (par 50 cents). **Price**—$1 per share. **Proceeds**—To purchase machinery and equipment and for working capital. **Address**—P. O. Box 168, Leaksville, N. C. **Underwriter**—Smith, Clanton & Co., Greensboro, N. C.

● **Little Dude Trailer Co., Inc.**
March 18 (letter of notification) 150,000 shares of common stock (par 20 cents). **Price**—$1.10 per share. **Proceeds**—For working capital. **Office**—802 Northeast 29th St., Fort Worth, Texas. **Underwriter**—Parker, Ford & Co., Inc., Dallas, Texas.

Loveless Properties, Inc.
Jan. 20 (letter of notification) 75,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—To pay bills, for acquisition of Lacey Shopping Center, and for working capital. **Office**—603 Central Bldg., Seattle 4, Wash. **Underwriter** — Andersen, Randolph & Co., Inc., Salt Lake City, Utah.

Magnasyc Corp.
Feb. 26 filed 200,000 shares of capital stock. **Price** — $5 per share. **Proceeds**—To repay interim loans up to $100,000 to Taylor & Co.; $100,000 for expansion of laboratory facilities and personnel for research and development; $100,000 to increase plant production facilities; $116,000 for tooling and production of proprietary items; $110,000 for increase of inventory; $75,000 for research and development; and $2,000 for documentary stamps; $110,000 will be added to working capital; and the remaining $88,400 is unallocated. **Office**—5546 Satsuma Ave., North Hollywood, Calif. **Underwriter**—Taylor and Company, Beverly Hills, Calif.

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● Magnin (Joseph) Co., Inc. (5/2-6)
March 25 filed $1,250,000 of 15-year convertible subordinated debentures and 78,000 shares of common stock. The debentures and 35,000 common shares are to be offered for public sale by the issuing company and the remaining 43,000 common shares by the present stockholders thereof. **Price**—To be supplied by amendment. **Proceeds**—For the purchase of the Blum's interest in Specialty Shops, Inc., and the balance for general corporate purposes. **Office**—Stockton and O'Farrell Sts., San Francisco, Calif. **Underwriter**—F. S. Smithers & Co., New York City and San Francisco.

● Majestic Specialties, Inc. (4/25-29)
March 25 filed 150,000 outstanding shares of common stock, (no par) to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—2530 Superior Avenue, Cleveland, Ohio. **Underwriter**—Hayden, Stone & Co., New York.

● Major Pool Equipment Corp.
March 21 (letter of notification) 117,000 shares of common stock. **Price**—$2.50 per share. **Proceeds**—For general corporate purposes. **Office**—South Kearny, N. J. **Underwriter**—Hill, Thompson & Co., Inc., New York.

★ Manastor Associates
April 1 filed $5,650,000 of Limited Partnership Interests, to be offered in units. **Price**—$25,000 per unit. **Proceeds**—For the purpose of purchasing for investment leasehold estates and purchase options in the Hotel Manhattan and Hotel Astor in New York. **Office**—1359 Broadway, New York. **Underwriter**—None.

● Marquette Corp. (5/2-6)
March 28 filed 461,431 shares of common stock, of which 391,431 shares will be offered for public sale. The shares to be offered for public sale include 275,031 shares to be offered for the account of the company and 116,400 which are outstanding and will be offered for the account of holders thereof. The remaining 70,000 shares are to be reserved for issuance under a new stock option plan. **Price** — For public offering, to be supplied by amendment. **Proceeds**—$400,000 will be expended for the acquisition of land, construction of a new plant, and installation of machinery and equipment for the enlargement of the company's welding electrode manufacturing capacity; an additional $100,000 will be used to retire notes payable to officers; and the balance will be added to working capital and approximately $1,000,000 may be used to reduce temporarily present bank borrowings. **Office**—307 East Hennepin Avenue, Minneapolis, Minn. **Underwriters**—Carl M. Loeb, Rhoades & Co., New York; and Piper, Jaffray & Hopwood, Minneapolis, Minn.

★ Maryland Acceptance & Finance Co.
March 25 (letter of notification) 100,000 shares of common stock, class A (par 20 cents). **Price**—$3 per share. **Proceeds**—For the purchase, holding and sale of notes. **Office** — 5132 Baltimore Ave., Chamber of Commerce Bldg., Hyattesville, Md. **Underwriter**—E. A. Burka, Inc., Washington, D. C.

● Maryland Credit Finance Corp. (5/6)
March 29 filed 28,250 common shares, of which 25,000 shares are being sold for the account of the issuing company, and 3,250 shares are being offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For working capital and the reduction of short-term indebtedness. **Office**—Easton, Md. **Underwriter**—Alex Brown & Sons, Baltimore, Md.

● Mays (J. W.), Inc. (5/4)
March 29 filed 317,500 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — To selling stockholder. **Office** — Brooklyn, N. Y. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., New York City.

(Desota B.) McCabe Enterprises, Inc.
Feb. 26 filed 125,000 shares of common stock, of which 63,826 shares of common stock will be issued to 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 leases on said property; for additional improvements on the property; for balance due on improvements; to provide additional working capital to McCabe Associates; and other corporate purposes. **Office** — 3196 Hallandale Beach Boulevard, Hallandale, Fla. **Underwriter**—None.

★ Medallion Pictures Corp.
March 29 (letter of notification) $300,000 of 6½% convertible subordinated debentures due March 30, 1968. **Price**—At 100%. **Proceeds**—For general corporate purposes. **Office**—200 W. 57th Street, New York 18, N. Y. **Underwriter**—Hancock Securities Corp., New York, N. Y.

Medicard, Inc.
March 9 (letter of notification) 300,000 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds**—For reserve for medical loans and operating capital. **Office**—508 Security Bldg., Denver, Colo. **Underwriter**—Equity Investment Corp., same address.

● Megadyne Electronics, Inc. (4/11-15)
Jan. 7 (letter of notification) 300,000 shares of common stock (par 10 cents), subsequently reduced to 269,000 shares. **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office** — 100 W. 10th Street, Wilmington, Del. **Underwriter**—Glen Arthur Co., Inc., New York, N. Y.

Melville Shoe Corp. (4/18-22)
March 15 filed $12,000,000 of 20-year debentures, due April 15, 1980. **Price**—To be supplied by amendment. **Proceeds**—For repayment of bank loans, increased working capital, and general corporate purposes. **Office**—New York City. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

● Menu-Matics, Inc. (4/8-11)
March 17 (letter of notification) 285,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For additional production equipment, inventory, and for publicity, research, marketing, and additional working capital. **Office**—176 Oak St., Newton, Mass. **Underwriter**—Pleasant Securities Co., 117 Liberty St., New York, N. Y.

● Metalcraft Inc.
March 28 (letter of notification) 85,700 shares of common stock (par 10 cents). **Price**—$3.50 per share. **Proceeds**—For general corporate purposes. **Office**—8608-130th Street, Richmond Hill 18, N. Y. **Underwriters**—First Broad Street Corp.; Bruno-Lenchner Inc., Pittsburgh, Pa.; Russell & Saxe; V. S. Wickett & Co., Inc. and Street & Co., New York, N. Y.

Metal Goods Corp. (4/18-22)
March 18 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To be used for expansion of warehouse facilities at St. Louis and Dallas and for other corporate purposes including the financing of additional inventories and receivables. **Office** — 8800 Page Blvd., St. Louis, Mo. **Underwriter**—G. H. Walker & Co., St. Louis, Mo.

Metropolitan Broadcasting Corp. (4/25-29)
March 10 filed $6,000,000 of convertible subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—For repayment of a temporary bank loan and interest thereon, and for working capital. **Office**—205 East 67th St., New York City. **Underwriters**—Kuhn, Loeb & Co. and Carl M. Loeb, Rhoades & Co., both of New York.

Metropolitan Edison Co. (4/26)
Feb. 29 filed $15,000,00 of first mortgage bonds, due 1990. **Proceeds**—For 1960 construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co., Blyth & Co., Inc.; Kidder, Peabody & Co. and Drexel & Co. (jointly). **Bids** — Expected to be receved up to 11 a.m. on April 26.

Miami Tile & Terrazzo, Inc.
March 11 filed 125,000 shares of common stock. **Price**—$4 per share. **Proceeds**—$150,000 as reduction of temporary bank loans, $140,000 in reduction of accounts payable, $65,000 to repay notes and loans payable to Barney B. and Nathan S. Lee, and the balance for general corporate purposes. **Office**—6454 N. E. 4th Ave., Miami, Fla. **Underwriter** — Plymouth Bond & Share Corp., Miami. Fla.

Microdot Inc. (4/20)
March 11 filed 204,000 shares of capital stock (no par) of which 60,000 shares will be offered for public sale by the issuing company, and 144,000 shares are presently outstanding and will be offered for sale by the holder thereof. **Price**—To be supplied by amendment. **Proceeds**—To retire bank loans incurred for working capital purposes in the amount of $406,000; to pay in full promissory notes held by Trustees under the will of M. H. Lewis in the amount of $78,732, and (together with a portion of the proceeds from a bank loan) for the purchase of machinery and equipment costing $200,000, for property additions and improvements, and for working capital. **Office** — 220 Pasadena Ave., South Pasadena, Calif. **Underwriter**—White, Weld & Co., Inc., Los Angeles and New York.

Middle South Utilities, Inc. (4/20)
March 11 filed 650,000 shares of common stock (par $10). **Proceeds**—From the estimated proceeds of $16,000,000 the company proposes to invest $7,500,000 in additional stock of its subsidiary, Arkansas Power & Light Co.; $6,000,000 will be used to repay in full a promissory note due in January, 1961; and the remaining proceeds will be held in the company's treasury for further investments in system operating companies and for other corporate purposes. **Office**—2 Broadway, New York. **Underwriter**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Blyth & Co., Inc.; Lehman Brothers; The First Boston Corp., Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly). **Bids**—Expected to be received by the company, at its Board Room, 28th Floor, 2 Broadway, New York 4, N. Y., up to 12 o'clock noon, DST, on April 20, 1960 or on such later date as may be fixed by the company.

★ Midwestern Indemnity Co.
March 25 (letter of notification) 15,832 shares of common stock (par $5) to be offered for subscription by stockholders of record at the close of business on March 4, 1960 in the ratio of one share for each three shares held. Offering expires on May 5, 1960. **Price**—$17 per share. **Proceeds**—For working capital. **Address**—Cincinnati, Ohio. **Underwriter**—W. D. Gradison & Co., Cincinnati, Ohio.

★ Midwestern Industries Corp.
March 30 (letter of notification) 136 shares of voting common stock (no par) and 964 shares of non-voting common stock (no par). **Price**—$150 per share. **Proceeds**—To purchase inventory, tools and equipment and for working capital. **Address**—Fort Wayne, Ind. **Underwriter**—None.

● Mills Factors Corp. (4/18-22)
March 8 filed 208,460 shares of common stock ($2.50 par). **Price**—$11 per share. **Proceeds**—To purchase outstanding stock and for the general fund. **Office** — New York City. **Underwriters**—Lee Higginson Corp. and C. E. Unterberg, Towbin Co., both of New York City.

● Milwaukee Gas Light Co. (5/17)
March 25 filed $22,000,000 of first mortgage bonds, series due 1985. **Proceeds**—Together with $4,000,008 to be received from the sale of additional common stock to American Natural Gas Co. (parent) and treasury funds, will be used to pay off $11,115,000 of bank borrowings for construction purposes and to provide additional funds for current construction expenditures or reimburse the company's treasury therefor. **Office** — 626 East Wisconsin Ave., Milwaukee, Wis. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Kidder, Peabody & Co.; Kuhn, Loeb & Co. and Blyth & Co., Inc. (jointly). **Bids**—Tentatively to be received on May 17 at 10:30 a.m. (EDST) at the offices of the American Natural Gas Co., Suite 1730, 165 Broadway, New York City. **Information Meeting**—Scheduled for May 16 at 11:00 a.m. (EDST) 18th floor, 70 Broadway, New York City.

● Missile Components Corp. (4/11-15)
Jan. 18 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—2300 Shames Drive, Westbury, N. Y. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York, N. Y.

Missile Electronics, Inc.
Feb. 5 filed 214,500 shares of common stock, of which 200,000 shares will be sold for the company's account and the remaining 14,500 shares will be offered for the account of certain selling stockholders. **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—89 West 3rd St., New York City. **Underwriter**—Pleasant Securities Co. of Newark, N. J. **Note**—This offering will be delayed.

● Mobile Corp.
Jan. 18 filed 250,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds**—For debt reduction and working capital. **Office**—Sarasota, Fla. **Underwriter** — Plymouth Bond & Share Corp., Miami, Fla. **Offering**—Imminent.

Monarch Tile Manufacturing, Inc. (4/11-15)
March 22 filed 58,337 shares of common stock (par $5) of which 30,000 shares are to be offered for public sale in behalf of the issuing company, and the remaining 28,337 shares are to be offered for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds** — For repayment of bank loans and for general corporate purposes. **Office**—Oakes Street at Avenue B, San Angelo, Texas. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas, Texas.

Mountain States Telephone & Telegraph Co. (4/12)
March 18 filed $40,000,000 of 40-year debentures due April 1, 2000. **Proceeds**—To be applied toward repayment of advances from American Telephone & Telegraph Co., parent, which are expected to approximate $91,000,000 at the time the proceeds are received. **Office**—931 Fourteenth St., Denver, Colo. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; The First Boston Corp.; Morgan Stanley & Co. **Bids**—Expected to be received on April 12 up to 11:00 a. m. (EST) at room 350, 195 Broadway, New York City.

★ Mutrusco Management Corp.
March 29 filed $2,400,000 of periodic purchase plans for the Accumulation of Shares of Beneficial Interest of Mutual Trust. **Office**—Kansas City, Mo.

Mutual Employees Trademart, Inc.
Feb. 25 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—To repay current liabilities and other debts and for working capital. **Office** — 1055 Hialeah, Fla. **Underwriter**—Frank Edenfield & Co., Miami, Fla.

● NAFI Corp. (4/20)
March 14 filed 200,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To repay bank loan incurred in connection with acquisition of Chris-Craft Corp. and the balance to be added to the company's general funds. **Office**—527 23rd Ave., Oakland, Calif. **Underwriter**—Shields & Co., New York.

Nalley's, Inc.
March 25 filed $1,000,000 of convertible subordinated debentures due April 1, 1975. **Price**—To be supplied by amendment. **Proceeds**—$300,000 will be used for the reduction of notes payable to banks and $150,000 will be invested in subsidiaries, either as additional equity or in the form of advances, and the balance of the proceeds will be used to augment the company's working capital position. **Office**—3410 South Lawrence St., Tacoma, Wash. **Underwriter** — Dean Witter & Co., San Francisco.

National Fuel Gas Corp. (4/11)
March 2 filed $18,000,000 of sinking fund debentures, due 1985. **Proceeds**—Net proceeds of the sale of the debentures will be used in part to prepay $10,800,000 of bank loans, and the balance will be loaned to subsidiaries and used by them to finance in part their 1960 construction program. **Office**—30 Rockefeller Plaza, New York City. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Eastman Dillon, Union Securities & Co.; Stone & Webster Securities Corp.; The First Boston Corp. **Bids**—Expected to be received on April 11 up to 11:30 a.m. (EST). **Information Meeting**—April 7 at 11:00 a.m.

● National Lawnservice Corp. (4/25)
Jan. 11 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 410 Livingston Avenue, North Babylon, N. Y. **Underwriter**—Fund Planning Inc., New York, N. Y.

★ National Packaging Corp.
March 30 filed 60,000 shares of common capital stock. Price—$6 per share. **Proceeds**—To retire $87,000 of indebtedness, to purchase $18,000 of additional machinery and equipment, to set up a small plant (at cost of $28,000) on the West Coast to service the fruit tray and vegetable tray business in that area, and for working capital. **Office** — 3002 Brooklyn Ave., Fort Wayne, Ind. **Underwriter**—None.

★ National Union Life Insurance Co.
March 29 (letter of notification) 50,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds**—For expenses in the operation of an insurance company. **Address**—Montgomery, Ala. **Underwriter**—Frank B. Bateman, Ltd., Palm Beach, Fla.

(John J.) Nesbitt, Inc. (4/11-22)
March 7 filed 120,000 shares of common stock, of which 40,000 shares will be sold for the company's account while 80,000 shares will be sold for the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For increase of working capital. **Office** — State Road & Rhawn St., Philadelphia, Pa. **Underwriter**—Hornblower & Weeks, New York.

Newark Electronics Corp.
March 17 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's working capital. **Office**—223 West Madison St., Chicago, Ill. **Underwriter**—H. M. Byllesby & Co., Inc., Chicago, Ill.

New Haven Clock & Watch Co.
Jan. 29 filed: (1) 1,462,320 shares of common stock to be offered for subscription at $2 per share by common stockholders at the rate of three new shares for each five shares held on the record date; (2) 250,000 shares of common stock for public sale. **Price**—To be supplied by amendment; (3) 700,000 of outstanding shares which may be offered for sale by the present holders thereof; (4) 719,667 shares to be offered to holders of warrants and convertible short term notes; and (5) 92,500 shares for use in the company's stock option plan. **Proceeds**—For general corporate purposes, including reduction of indebtedness, development of a division, and mortgage payments. **Office**—140 Hamilton St., New Haven, Conn. **Underwriter**—None.

New Jersey Aluminum Extrusion Co., Inc. (5/3)
March 10 filed 110,000 shares of class A capital stock, of which 50,000 shares will be issued by the company and 60,000 shares are outstanding and will be offered by the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and be available for general corporate purposes. **Office** — New Brunswick, N. J. **Underwriter** — Laird & Company Corp., New York and Wilmington, Del.

★ New Jersey Natural Gas Co.
March 29 filed $3,830,000 of convertible debentures, series due 1970, to be offered to holders of its outstanding common stock at the rate of $4 principal amount of convertible debentures for each share held. The debentures will be sold at principal amount in denominations of $50, $100, $500, $1,000 and multiples of $1,000. **Proceeds**—To be applied to the partial payment of short-term bank loans outstanding in the amount of $5,000,000 and obtained in connection with the company's construction program. **Office** — 601 Bangs Ave., Asbury Park, N. J. **Underwriter**—Allen & Co., New York.

North Central Co. (5/27)
March 11 filed 420,945 shares of common stock (par $1). The company proposes to offer 142,860 shares for cash sale at $7 per share. Additional shares (amount unspecified) are to be offered in exchange for outstanding shares of North Central Life Insurance Co., of St. Paul. The rate of exchange is to be supplied by amendment. **Proceeds**—To be added to the general funds of the company. **Office**—335 Minnesota St., St. Paul, Minn. **Underwriter**—None.

★ Northshore Goldfields, Ltd.
April 1 filed 207,800 shares of common stock. The offering includes 200,000 shares to be offered for the account of the company and 7,800 shares for the account of a group of five individual stockholders. **Price**—$5 per share. **Proceeds**—To be used in connection with the company's dredging operation and for certain expenses related to the offering. **Offices**—366 Bay Street, Toronto, Canada. **Underwriter**—None.

Nuclear Materials & Equipment Corp. (4/18-25)
March 2 filed 45,000 shares of common stock (no par) of which 4,980 are to be offered to warrant holders and the remainder is to be offered publicly. **Price**—To be supplied by amendment. **Proceeds**—For equipment and expansion. **Office** — Apollo, Pa. **Underwriter** — Moore, Leonard & Lynch, Pittsburgh, Pa., and New York City.

★ Nuclear Research Chemicals, Inc.
April 1 (letter of notification) 20,000 shares of common stock, class A (par $1). **Price**—$10 per share. **Proceeds**—To retire debts, to purchase laboratory equipment and supplies and for working capital. **Office**—100 N. Crystal Lake Drive, Orlando, Fla. **Underwriters**—Security Associates, Inc., Winter Park, Fla.; George O'Neill & Co., Inc., Miami Fla. and Roman & Johnson, Fort Lauderdale, Fla.

● Nu-Era Corp. (4/14)
Nov. 30 filed 262,500 shares of common stock, of which 200,000 are to be publicly offered. **Price**—$3.75 per share. **Proceeds**—To reduce indebtedness and increase inventories of gears and mufflers. **Office** — 342 South St., Rochester, Michigan. **Underwriter**—Mortimer B. Burnside & Co., Inc., on an "all or nothing best efforts" basis. The underwriter will receive $15,000 for expenses, a $.75 per share selling commission on the 200,000 shares comprising the public offering, and the privilege of purchasing 37,500 shares of the common stock at $.10 per share. The 25,000 shares thus far unaccounted for are to be sold to John L. Appelbaum at $.10 per share in consideration of certain services rendered.

★ Oil Shale Corp.
March 30 filed 300,000 shares of common stock, to be offered to the holders of its outstanding common stock. The subscription date and record date will be supplied by amendment. **Price**—$2.50 per share. **Proceeds**—For general corporate purposes. **Office**—9489 Dayton Way, Beverly Hills, Calif. **Underwriter**—None.

● OK Rubber, Inc. (5/9-13)
March 29 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — Together with the proceeds of a $1,100,000 insurance company loan and $700,000 realized from the sale of installment notes to its wholly-owned susbidiary finance company, OK Acceptance Corp., will be used to reduce bank loans in the amount of $1,300,000; to repay other indebtedness in the amount of $228,600; and the balance of approximately $800,000 will be added to working capital. **Office**—551 Rio Grande Avenue, Littleton, Colo. **Underwriter**—Bosworth, Sullivan & Co., Inc., Denver, Colo.

Old South Holding Co., Inc.
March 29 (letter of notification) 75,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For working capital. **Office**—901 Marion Bldg., Augusta, Ga. **Underwriter**—None.

Orange & Rockland Utilities, Inc. (4/14)
March 17 filed 39,165 shares of convertible cumulative preferred stock, series E (par $100), to be offered for subscription by holders of its outstanding common stock of record April 14, 1960, at the rate of one share of preferred for each 50 shares of common then held; rights expire at 5:00 p.m. (EDST) on May 2. **Price**—$100 per share. **Proceeds**—To be applied to the reduction of bank notes (the proceeds of which were used for construction) and the balance will be used for further construction. **Office**—10 North Broadway, Nyack, N. Y. **Underwriter**—The First Boston Corp., New York

● Otarion Listener Corp. (5/9-13)
March 28 filed 141,750 shares of common stock (par 10c). **Price**—$4 per share. **Proceeds**—Company will apply $150,000 to repay existing short-term obligations to banks; $60,000 in payment for the net assets and name of Taconic Factors, Inc. ,the stock of which is presently owned by Leland E. Rosemond, President and Board Chairman of Otarion; $100,000 for dealer and consumer advertising of the company's new model hearing aids; $40,000 for the establishment of production and sales facilities of a low-cost hearing aid in the European common market; $35,000 for research and development of subminiature products; and the balance of approximately $100,000 to be added initially to working capital and used for general corporate purposes, including financing of finished and semi-finished inventory. **Office**—Scarborough Park, Ossining, N. Y. Underwriter—D. A. Lomasney & Co., New York.

Ott Chemical Co.
March 17 filed $450,000 of convertible subordinated debentures due May 1, 1970. The company proposes to offer the debentures for subscription by common stockholders of record May 1, 1960, at the rate of a $100 debenture for each 3.11 shares then held. **Price**—100% of principal amount. **Proceeds**—For retirement of a note, for additional and improvements to properties, for equipment and the balance for working capital and other purposes. **Office** — 500 Agard Road, Muskegon, Mich. **Underwriter**—H. M. Byllesby & Co., Inc., Chicago, Illinois.

Pacemaker Boat Trailer Co., Inc. (4/11-15)
Feb. 29 (letter of notification) 300,000 shares of common stcok (par 10 cents). **Price**—$1 per share. **Proceeds**—For purchase of equipment, raw materials and working caiptal. **Office**—622 E. Glenolden Ave., Glenolden, Pa. **Underwriters**—Jacey Securities Co., and First City Securities, Inc., New York, N. Y.

● Pacific Panel Co. (5/2-6)
Feb. 8 filed 100,000 shares of class A common stock, subsequently increased to 150,000 shares (par 50 cents). **Price**—$3. **Proceeds**—For reduction of indebtedness, for working capital; for establishment of three additional outlets and to provide additional working capital for a new subsidiary. **Office**—1212 West 26th Street, Vancouver, Wash. **Underwriter**—Frank Karasik & Co., Inc.

● Pacific Vegetable Oil Corp. (5/2)
March 24 filed $2,500,000 of convertible subordinated debentures due April 1975. **Price**—To be supplied by amendment. **Proceeds**—$600,000 will be used to retire a like amount of 6¼% promissory notes; $431,250 to pay the balance of the negotiated price for the minority interest of Utah Construction & Mining Co. in Stockton Elevators, a subsidiary; and the balance for working capital. **Office**—62 Townsend St., San Francisco, Calif. **Underwriters**—Dean Witter & Co., San Francisco and New York, and Hooker & Fay, Inc., of San Francisco, Calif.

Patrick County Canning Co., Inc.
March 25 filed 140,000 shares of common stock. **Price**—$3 per share. **Proceeds**—About $162,000 will be applied to the payment of certain indebtedness; $25,000 for additional machinery and equipment; and $118,752 for working capital, promotion and advertising. **Office**—52 Broadway, New York. **Underwriter** — G. Everett Parks & Co., Inc., New York.

★ Pearson Corp. (4/28)
March 30 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—$60,000 will be utilized to repay the company's indebtedness to Business Development Co. of Rhode Island; the balance will be added to working capital for general corporate purposes, principally to finance inventory and for other manufacturing costs. **Office**—1 Constitution St., Bristol, R. I. **Underwriter**—R. A. Holman & Co., Inc., New York.

● Pendleton Tool Industries, Inc. (4/25-29)
March 25 filed 50,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To retire a 5% note given to the V-T Co. in partial payment of its business and certain of its assets, and the remainder of the net proceeds will be added to working capital. **Office**—2209 Santa Fe Ave., Los Angeles, Calif. **Underwriters**—Kidder, Peabody & Co., New York; and McDonald & Co., Cleveland, Ohio.

Pennsylvania Electric Co. (5/9)
March 10 filed $12,000,000 of first mortgage bonds, due May 1, 1990. **Proceeds**—To be applied to the company's 1960 construction program, or to partially reimburse its treasury for previous expenditures for that purpose. **Office**—222 Levergood St., Johnstown, Pa. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., Eastman Dillon, Union Securities & Co., Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly); The First Boston Corp.; Harriman Ripley & Co. Inc. and Blyth & Co., Inc. (jointly); Equitable Securities Corp. **Bids**—Expected May 9 at 12 noon New York time at the offices of General Public Utilities Corp., 67 Broad St., New York City. **Information Meeting** — Scheduled for May 6 between 10:00 a.m. and 12 noon.

Peoples Telephone Corp.
March 29 filed 15,250 shares of common stock, to be offered to stockholders of record on May 13, 1960, at the rate of one additional share for each two shares then held . **Price** — $75 per share. **Proceeds** — $1,100,000 will be used to repay in part short-term bank loans of $1,600,000 incurred during 1959 to provide funds for the company's continuing program of modernization, improvement and expansion; the balance of the proceeds will be added to its general funds. **Office**—218 South Washington Street, Butler, Pa. **Underwriter**—None.

★ Philippine Oil Development Co., Inc.
March 30 filed 103,452,615 shares of capital stock, to be offered for subscription by stockholders at the rate of one new share for each 5½ shares held. **Price** — To be supplied by amendment. **Proceeds**—To be added to the company's working capital. **Office** — Soriano Bldg., Manila, Philippines. **Underwriter**—None.

● Phillips Developments, Inc.
Dec. 21 filed 400,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For property development, possible acquisitions, and working capital. **Office** — 1111 West Foothill Blvd., Azusa, Calif. **Underwriters**—Allen & Co., Bear, Stearns & Co., and Sutro Bros. & Co., all of New York City. **Note**—This statement is to be withdrawn.

Pierce & Stevens Chemical Corp. (4/12-15)
March 9 filed 175,000 shares of outstanding common stock (par $2). **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office** — Buffalo, N. Y. **Underwriter**—Doolittle & Co., Buffalo 2, N. Y.

Plainfield-Union Water Co.
Feb. 19 filed 68,676 shares of common stock (no par), being offered for subscription by common stockholders of record March 29, 1960, at the rate of one new share for each 2½ shares then held; rights expire April 12 at 3:30 p.m. (EST). **Price**—$20 per share. **Proceeds**—For construction program. **Office**—120 West Seventh Street, Plainfield, N. J. **Underwriter**—W. C. Langley-& Co., New York.

Plastic & Fibers, Inc.
Jan. 18 (letter of notification) 85,714 shares of common stock (par 40 cents). **Price**—$3.50 per share. **Proceeds**—For general corporate purposes. **Office** — Whitehead Ave., South River, N. J. **Underwriter**—Arnold Malkan & Co., Inc., New York, N. Y.

● Precision Circuits, Inc. (5/2)
March 7 filed $250,000 of convertible subordinated debentures, due April 1, 1970, and 37,500 shares of common stock (par 20 cents) to be offered in units consisting of one $100 debenture and 15 common shares. **Price**—$150 per unit. **Proceeds**—For equipping of new facilities, and for general corporate purposes. **Office**—705 South Fulton Avenue, Mount Vernon, N. Y. **Underwriter**—Myron A. Lomasney & Co., New York.

● Premier Industrial Corp.
March 28 filed 212,500 outstanding shares of common stock (par $1) of which 200,000 shares will be offered for public sale and 12,500 shares to employees of the company by the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—4415 Euclid Avenue, Cleveland, Ohio. **Underwriter**—A. G. Becker & Co. Inc., New York and Chicago.

Premium Acceptance Corp.
Feb. 17 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.15 per share. **Proceeds**—For working capital. **Office**—212 S. Tryon Street, Charlotte, N. C. **Underwriter**—R. L. Hoffman, Charlotte, N. C.

Professional Life & Casualty Co.
Jan. 29 filed 180,000 shares of common stock. **Price**—$10 per share. **Proceeds**—For the company's insurance business and expenses, and working capital for the procurement of business. **Office**—720 N. Michigan Ave., Chicago, Ill. **Underwriter**—Professional Casualty Agency Co., Chicago, Ill.

● Public Service Co. of New Mexico
March 2 filed 102,231 shares of common stock (par $5) of which 97,231 shares being offered for subscription by holders of the company's outstanding common stock at the rate of one new share for each 20 shares held of record March 28 with rights to expire on April 20 at

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3:30 p.m. EST. The remaining 5,000 shares will be offered to employees of the company. **Price**—$28.25 per share. **Proceeds**—Together with bank borrowings, will be applied toward the company's 1960 construction program, for other corporate purposes including the repayment of a short-term bank loan in the amount of $2,000,000, and working capital. **Office**—819 Simms Building, Albuquerque, N. Mex. **Underwriter**—Allen & Co., New York.

Puget Sound Power & Light Co. (4/20)
March 15 filed $20,000,000 of first mortgage bonds due Apr. 1, 1990. **Proceeds**—To be applied to the payment of a $15,000,000 3% promissory note due May 1, 1960, and the balance to the payment of outstanding bank loans incurred for construction purposes, which loans are expected to aggregate $10,500,000 at the time of the bond sale. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc. and Lehman Brothers (jointly); Stone & Webster Securities Corp., Smith, Barney & Co. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—Expected to be received on April 20 at 12 noon at 90 Broad St., 19th floor, New York City. **Information Meeting**—Scheduled for April 14 at 11 a.m.

★ **Pullman Inc.**
March 28 filed 110,000 shares of its capital stock, to be offered to certain employees of the company and its subsidiaries pursuant to its Stock Option Incentive Plan. **Office**—827 Washington St., Wilmington, Del.

★ **Pyramid Electric Co.**
April 1 filed 89,675 shares of common stock to be issued to holders of the company's outstanding stock purchase warrants at the rate of one share for each warrant at a price of $3.25 per share. The warrants were issued in and after May, 1954, in connection with a previous public offering and included 46,000 to the underwriter, S. D. Fuller & Co., and 46,000 to the company's officers and employees. At present there are 89,675 warrants outstanding. The warrants are exercisable until June 25, 1960. **Office**—52 Broadway, New York.

★ **Pyramid Mouldings, Inc. (5/2-6)**
March 30 filed 158,000 shares of common stock, of which 3,588 shares are to be offered for public sale by the issuing company and the balance, being outstanding stock, by the present holders thereof. **Proceeds**—To be added to the company's working capital and used for general corporate purposes. **Office** — 5353 West Armstrong Ave., Chicago, Ill. **Underwriters**—A. C. Allyn & Co., and Shillinglaw, Bolger & Co., both of Chicago, Ill.

● **Rabin Co. (4/11)**
March 21 (letter of notification) 80,000 shares of common stock (no par). **Price**—$3.25 per share. **Proceeds**—To pay unsecured notes, to purchase machinery and equiment, and for working capital. **Office** — 700 N. Sepulveda Blvd., El Segundo, Calif. **Underwriter**—H. Hentz & Co., New York, N. Y.

Radiant Lamp Corp. (4/11)
Feb. 10 filed 120,000 shares of class A stock. **Price**—$5 per share. **Proceeds** — To repay a bank loan, and for working capital. **Office**—300 Jelliff Ave., Newark, N. J. **Underwriter**—Amos Treat & Co., Inc., New York.

Rajac Self-Service, Inc. (4/20)
March 18 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—11 E. Second Street, Mt. Vernon, N. Y. **Underwriter**—Walter R. Blaha & Co., Inc., Long Island City, N. Y.

● **Rap-in-Wax Co. (4/18-22)**
March 18 filed 107,290 shares of common stock ($1 par), of which 70,000 shares are to be offered for public sale by the issuing company. The remaining 37,290 shares are now outstanding and are to be offered by the present holders thereof. **Price** — To be supplied by amendment. **Proceeds**—For additional working capital. **Office** — 150-26th Ave., S. E., Minneapolis 14, Minn. **Underwriter**—Dean Witter & Co., New York and Minneapolis.

Raymond Corp.
March 22 (letter of notification) 15,000 shares of common stock (par $5). **Price** — $20 per share. **Proceeds** — For general corporate purposes. **Office** — Village of Greene, County of Chenango, of New York. **Underwriter**—George D. B. Bonbright & Co., Rochester, New York.

Realty Equities Corp. (4/18-22)
Feb. 2 filed 150,000 shares of common stock. **Price**—$5.25 per share. **Proceeds**—For general corporate purposes. **Office**—New York City. **Underwriter**—Sutro Bros. & Co., also of New York City.

★ **Reeves Broadcasting & Development Corp.**
March 30 filed 487,392 shares of common stock, of which 300,000 shares are to be publicly offered and 187,392 shares are to be purchased by Christiana Oil at $4.75 per share and distributed as a dividend to its 2,800 stockholders. **Price**—$5 per share. **Proceeds**—To pay a $110,000 bank note and for general corporate purposes. **Office**—304 East 44th St., New York. **Underwriter**—Laird & Co. Corp., New York.

★ **Reeves Soundcraft Corp.**
March 30 filed 125,000 outstanding shares of common stock. **Price**—To be sold on the American Stock Exchange or otherwise from time to time at prices current at the time of sale. **Proceeds**—To selling stockholders. **Office**—15 Great Pasture Rd., Danbury, Conn.

● **Reliance Manufacturing Co. (5/2-6)**
March 28 filed 150,000 shares of common stock (par $5), of which 40,000 shares are to be offered for public sale for account of company. The remaining 110,000 shares are now outstanding and are to be offered for sale by the present holder thereof. **Price**—To be supplied by amendment. **Proceeds**—For repayment of short-term bank debt. **Office**—350 Fifth Ave., N. Y. **Underwriter**—Glore, Forgan & Co., New York.

● **Renner, Inc. (4/25-29)**
March 11 (letter of notification) 75,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds**—For working capital. **Office** — 1530 Lombard St., Philadelphia, Pa. **Underwriter** — Stroud & Co., Inc., Philadelphia, Pa.

★ **Reynolds Metals Co.**
March 30 filed 782,500 shares of common stock, covered by Stock Option Plan for executives and key employees of the company. **Office**—6601 Broad Street Rd., Richmond, Va.

Ritter Finance Co., Inc. (5/2-13)
March 16 filed $1,500,000 of 6½% debentures due May 1, 1975 and warrants for the purchase of 75,000 class B common shares up to April 30, 1970. It is proposed to offer these securities of public sale in units, each consisting of one $1,000 debenture and a warrant for 50 class B shares. **Price**—$1,000 per unit. **Proceeds**—To be added to the company's general funds and used initially to reduce bank loans. **Office**—Church Road and Greenwood Ave., Wyncote, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia, Pa.

★ **Roller Derby TV, Inc.**
March 30 filed 277,000 shares of common stock, of which 117,000 shares are to be offered for public sale by the issuing company, and the remaining 145,000 shares will be sold for the account of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes relating to the production and sales of motion picture films of the Roller Derby, and the balance for working capital. **Office**—125 West 14th St., New York. **Underwriter** — To be supplied by amendment.

★ **St. Regis Paper Co.**
March 29 filed 112,875 shares of common stock. It is proposed to offer this stock in exchange for outstanding shares of capital stock of Central Waxed Paper Co. on the basis of .8209 of one share of St. Regis common for each share of Central stock. The exchange offer will be declared effective if 95% of the outstanding shares of Central stock are deposited for exchange, and the company may elect to do so if only 80% are deposited. **Office**—150 East 42nd St., New York.

● **Savannah Electric & Power Co.**
The company is offering 87,950 shares of common stock (par $5), to its stockholders on the basis of one new share for each 13 shares held of record on March 29, 1960. The offer will expire on April 18 at 3:30 p.m. EST. **Price**—$24.50 per share. **Proceeds**—To repay a portion of bank loans made for construction purposes. **Office**—27 West Bay Street, Savannah, Ga. **Underwriters**—The First Boston Corp. and Stone & Webster Securities Corp., both of New York.

★ **Schaevitz Engineering**
March 29 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Address**—U. S. Route 130 and Schaevitz Boulevard Pennsauken Township, N. J. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

● **Scott Aviation Corp.**
March 29 filed 169,680 shares of common stock, of which 62,000 shares are to be offered for public sale by the issuing company and 107,680 shares, being outstanding stock, by the holders thereof, 8,000 shares are to be reserved for allotment to directors, officers and employees of the company. **Price** — To be supplied by amendment. **Proceeds**—To pay off $300,000 of bank indebtedness and for general working capital purposes. **Office**—225 Erie St., Lancaster, N. Y. **Underwriter**—The First Cleveland Corp., Cleveland, Ohio. **Offering**—Expected in mid-May.

● **Seaboard Plywood & Lumber Corp. (4/11-15)**
Feb. 25 filed $300,000 of 6½% subordinated convertible debentures, due April 1, 1970, and 30,000 shares of common stock, to be offered in units, each unit consists of $500 principal amount of debentures and 50 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To retire a term bank loan, and for working capital. **Office**—17 Bridge St., Watertown, Mass. **Underwriter**—Peter Morgan & Co., New York.

● **Service Instrument Corp. (4/18-22)**
March 23 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds** — For general corporate purposes. **Office** — 693 Broadway, New York, N. Y. **Underwriter** — Pearson, Murphy & Co., Inc., New York, N. Y.

Servonics, Inc.
Feb. 25 filed 76,600 shares of common stock (par $1) to be offered for subscription by common stockholders at the rate of one new share for each five shares held, rights to expire in April. **Price**—To be supplied by amendment. **Proceeds**—To retire bank note indebtedness; for the purchase of additional machinery, equipment and facilities; to provide additional working capital; to finance the initial payments on a tract of land to be used for possible plant construction, and the balance for general corporate purposes. **Office**—822 North Henry St., Alexandria, Va. **Underwriter**—None.

★ **Sherburne Corp.**
March 28 (letter of notification) 160 shares of common stock (par $100). **Price**—$250 per share; in Connecticut, $251.50 per share. **Proceeds**—For construction and working capital. **Office**—Sherburne, Vt. **Underwriter**—Kennedy-Peterson, Inc., Hartford, Conn. (for Conn. sales only; otherwise will be sold without underwriting).

● **Sierra Electric Corp. (5/23-27)**
March 29 filed 100,000 shares of common stock, of which 80,000 shares are to be sold for the account of the issuing company and 20,000 shares are to be sold for the account of the present holder thereof. **Price**—$9 per share. **Proceeds**—To reduce bank loans and for working capital. **Office**—Gardena, Calif. **Underwriter**—Marron, Sloss & Co., Inc., New York City.

Sierra Pacific Power Co.
Feb. 23 filed 49,714 shares of common stock (par $7.50) being offered for subscription by holders of the outstanding common of record March 14 on the basis of one new share for each 15 then held, rights to expire on April 4. **Price**—$33.50 per share. **Proceeds** — To be applied to payment of loans. **Office**—Reno, Nev. **Agent**—Stone & Webster Service Corp., 49 Federal St., Boston, Mass.

★ **Simmonds Precision Products, Inc. (5/16)**
March 30 filed 112,500 shares of common stock, of which 100,000 shares are to be offered for public sale by issuing company and 12,500 shares being outstanding stock, by Geoffrey R. Simmonds, President. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's working capital, thereby reducing the amount of funds required to be borrowed under its revolving credit agreement and putting the company in a more favorable position to secure, through borrowings, such additional funds as may be required from time to time. **Office**—105 White Plains Rd., Tarrytown, N. Y. **Underwriter**—Shearson, Hammill & Co., New York.

★ **Sinclair Oil Corp.**
March 29 filed $12,000,000 of participations in the company's Employee Savings Plan, together with 150,000 shares of common stock which may be purchased pursuant to said plan. **Office**—600 Fifth Ave., New York.

Sire Plan of Normandy Isle, Inc. (4/15)
March 9 filed $225,000 of 10-year 7% debentures and 4,500 shares of $3.50 cumulative, non-callable, participating preferred stock (par $5), to be offered in units, each unit consisting of one $50 debenture and one preferred share. **Price**—$100 per unit. **Proceeds** — To finance acquisition. **Office**—Ingraham Bldg., Miami, Fla. **Underwriter**—Sire Plan Portfolios, Inc., New York.

● **Smilen Food Stores, Inc. (5/2)**
March 25 filed in association with Heritage Industrial Corp. 200,000 shares of Smilen common (par $1) and 200,000 shares of Heritage (par $1). It is proposed to offer these securities for public sale in units, each unit consisting of one share of Smilen and one share of Heritage stock. **Price**—To be supplied by amendment. **Proceeds**—Smilen will use $95,000 of its share of the proceeds for remaining payments under a contract for purchase of two supermarkets and commissary from Windmill Food Stores, Inc.; $300,000 for inventory and supplies for the opening of three new supermarkets; $300000 to repay bank loans; and the balance for general corporate purposes. Heritage will use its share of the stock as follows: $175,000 for construction and equipping of a supermarket in Franklin Square, L. I., to be leased to Smilen; $500,000 to purchase fixtures and equipment to be leased to Smilen for use in the three supermarkets to be constructed for Smilen by others; $25,000 to pay an indebtedness due Smilen; and the balance for general corporate purposes. **Office** — 47-02 Metropolitan Ave., Brooklyn, N. Y. **Underwriter**—Federman, Stonehill & Company.

Sottile, Inc. (Formerly South Dade Farms, Inc.)
July 29 filed 2,000,000 shares of common stock (par $1), of which 1,543,000 shares are to be issued and sold for the account of the company, and 457,000 shares, representing outstanding stock, to be sold for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To retire 70% of the common stock outstanding at the date of the stock offering; to invest in the capital stocks of six of the company's seven bank subsidiaries; to repay a bank loan of $6,400,000; to add to working capital; to retire certain long-term indebtedness: and to develop citrus groves. **Office**—250 South East First Street, Miami, Fla. **Underwriter**—Bear, Stearns & Co., New York. **Offering**—Indefinite.

Southeastern Security Insurance Co.
March 25 filed 2,133,333 shares of common stock, of which 1,633,333 shares are to be publicly offered; $500,000 of these shares are reserved for the granting of restricted stock options to management officials and employees. **Price** — $3 per share for public offering. **Proceeds**—To increase capital and surplus. **Office**—707 Market St., Knoxville, Tenn. **Underwriter**—Lucien L. Bailey & Co., Knoxville, Tenn.

● **Southern Nevada Telephone Co. (4/20)**
March 16 filed 100,000 shares of $25 par cumulative convertible preferred stock. **Price**—To be supplied by amendment. **Proceeds** — To retire some $2,000,000 of bank loans and to finance in part the company's continuing construction program. **Office**—125 Las Vegas Blvd. South, Las Vegas, Nev. **Underwriter**—Dean Witter & Co. of San Francisco and New York.

Southwest Forest Industries, Inc. (4/13)
Jan. 29 filed not to exceed an aggregate of $13,500,000 of subordinated income debentures, due 1985, and common stock, to be offered in units of such debentures and such common stock. **Price**—To be supplied by amendment. **Proceeds**—For working capital and the construction of new plant. **Office** — 444 First National Bank Building, Phoenix, Ariz. **Underwriter**—White, Weld & Co., New York City.

Southwest Indemnity & Life Insurance Co.
March 29 filed 238,590 shares of common stock. The company proposes to offer this stock for subscription by common stockholders of record May 1, 1960, at the rate of one new share for each 2½ shares then held.

Unsubscribed shares will be offered to certain persons, some of whom are directors and stockholders of the company, together with stock purchase warrants for 23,859 shares, for purchase for investment. **Price**—To be supplied by amendment. **Proceeds**—To be used for the company's general insurance business, thus enabling the company to acquire additional reinsurance agreements with other insurance companies, service such agreements and meet legal reserve requirements with respect to additional insurance in force thus acquired. **Office**—2013 Cedar Springs, Dallas, Tex. **Underwriter**—None.

Southwestern Oil Producers, Inc.
March 23 filed 700,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas.

★ **Spartans Industries, Inc. (5/2-6)**
March 31 filed 120,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—1 West 34th St., New York. **Underwriters**—Shearson, Hammill & Co., and J. C. Bradford & Co., both of New York.

Spring Street Capital Co. (4/11-15)
March 1 filed 3,000 shares of common stock (par $100) to be offered in units of five shares at $1,000 per share. **Proceeds**—For loans to and the purchase of securities of certain business concerns. It may also use a portion of the proceeds to pay the costs and expenditures incidental to its operatons until such time as it has an income from its loans and investments. **Office**—650 South Spring St., Los Angeles, Calif. **Underwriter**—William R. Staats & Co., Los Angeles, Calif.

Squan Marina, Inc. (5/9-13)
March 18 (letter of notification) 150,000 shares of class A common stock (par $1). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Address**—Route 70 & Upper Manasquan River Bridge, Brielle, N. J. **Underwriter**—B. Fennekohl & Co., New York, N. Y.

Standard Motor Products, Inc. (4/12)
March 7 filed 296,460 shares of class A capital stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Long Island City, N. Y. **Underwriter**—Eastman Dillon, Union Securities & Co., New York.

★ **Statistical-Tab Accounting Bureau, Inc.**
March 31 (letter of notification) 7,500 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For operation of the business. **Office**—873 Peachtree Street, N. W., Atlanta, Ga. **Underwriter**—None.

Straza Industries (4/18-22)
March 14 filed 230,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes and working capital. **Office**—790 Greenfield Drive, El Cajon, Calif. **Underwriter**—J. A. Hogle & Co., of Salt Lake City and New York.

Sun Rubber Co.
Feb. 26 filed $1,000,000 of 6% subordinated debentures due April 1, 1975, and 100,000 shares of common stock (no par), to be offered in units of $100 of debentures and 10 shares of common stock. **Price**—$100 per unit. **Proceeds**—To be used in reorganization. **Office**—366 Fairview Ave., Barberton, Ohio. **Underwriter**—McDonald & Co., Cleveland, Ohio.

● **Sunair Electronics, Inc. (4/11-15)**
Dec. 28 filed 200,000 shares of common stock (par $.10). **Price**—$3.00 per share. **Proceeds**—For new equipment, construction, and working capital. **Office** — Broward County International Airport, Ft. Lauderdale, Fla. **Underwriter**—Frank Karasik & Co., Inc., of New York City.

Superior Electric Co. (4/25-29)
March 17 filed 150,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For construction. **Office**—Bristol, Conn. **Underwriter**—Lee Higginson Corp., New York City.

Supronics Corp. (4/11-15)
Jan. 29 filed 120,000 shares of common stock (par 25 cents). **Price**—$6 per share. **Proceeds**—$50,000 to reduce short-term bank loans, and the balance to be used for general corporate purposes, including expanding the business. **Office**—224 Washington Street, Perth Amboy, N. J. **Underwriters**—Amos Treat & Co. and Standard Securities Corp. of New York City, and Bruno-Lenchner, Inc., Pittsburgh, Pa. **Offering**—Expected in April.

★ **Szemco, Inc.**
March 28 (letter of notification) 200.000 shares of common stock (par 10 cents). **Price** — To be supplied by amendment, and not to exceed $1.50 per share. **Proceeds**—For working capital. **Office**—c/o Otto Edward Szekely, 112 Washington St., Commerce, Ga. **Underwriter**—Frank B. Bateman, Ltd., Palm Beach, Fla.

● **Tayco Developments, Inc. (4/11-15)**
Dec. 23 filed 5,390 shares of common stock to be offered for subscription by common stockholders at the rate of ten-seventy-fifths of a share for each share held. **Price**—$28.75 per share, with rights to expire 14 days from offering date. **Proceeds** — For capital and to secure additional patents on present inventions, and to continue and expand research and development work in the field of liquid compressibility devices and other areas. **Office**—188 Webster St., North Tonawanda, N. Y. **Underwriter**—C. E. Stoltz & Co., New York.

● **Taylor Devices, Inc. (4/11-15)**
Dec. 23 filed 18,705 shares of common stock to be offered for subscription by common stockholders on the basis of six-tenths of one share for each share held. **Price**—$28.75 per share, with rights to expire 14 days from offering date. **Proceeds** — To repay a short-term loan, for additional working capital, and to establish expanded executive sales and manufacturing personnel and to continue research and development, and the balance to lease or purchase additional factory and office space. **Office**—188 Webster St., North Tonawanda, N. Y. **Underwriter**—C. E. Stoltz & Co., New York.

Telectro Industries Corp. (4/25)
March 21 filed $1,000,000 of 6½% convertible subordinate debentures due 1970. **Price** — 100% of principal amount. **Proceeds**—To be used to eliminate an outstanding bank loan of $700,000 and to provide additional working capital, to be used in part to reduce outstanding accounts payable. **Office**—35-16 37th Street, Long Island City, N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., N. Y. C.

★ **Teleregister Corp. (5/2-6)**
March 30 filed $6,000,000 of 6% subordinated sinking fund debentures, due May 1980 (with attached warrants) and 240,000 shares of common stock. These securities are to be offered for sale in units, each consisting of a $1,000 debenture (with 5-year warrants to purchase 20 common shares initially at $15 per share) and 40 shares of common stock. **Price** — To be supplied by amendment. **Proceeds**—For repayment of current credit agreement with bank and the balance will be applied to the company's construction program. **Office**—445 Fairfield Ave., Stamford, Conn. **Underwriters** — Ladenburg, Thalmann & Co., Bear Stearns & Co. and Sutro Bros., all of New York.

Teletray Electronics Systems, Inc. (4/11-15)
Jan. 27 filed 150,000 shares of class A common stock. **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—880 Bonifant Street, Silver Spring, Md. **Underwriter**—A. T. Brod & Co., New York City.

● **Tenax, Inc. (4/11-12)**
Feb. 16 filed 150,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For expansion of issuer's freezer and food sale business. **Office**—375 Park Avenue, New York City. **Underwriter**—Myron A. Lomasney, New York City.

★ **Tennessee Gas Transmission Co.**
March 29 filed $2,150,000 of Contributions by Participating Employees to the company's Thrift Plan, together with 61,648 shares of common stock which may be acquired pursuant thereto. **Office** — Tennessee Bldg., Houston, Tex.

● **Thermal-Aire of America, Inc. (4/11-15)**
March 16 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—For engineering, design, advertising and working capital. **Office**—1060 Broad St., Newark 2, N. J. **Underwriter**—Pearson, Murphy & Co., Inc., New York, N. Y.

Thermal Industries of Florida, Inc. (4/15)
Feb. 26 filed 120,000 shares of common stock (par $1). **Price**—$6 per share. **Proceeds**—To be added to the company's general reserves. **Office**—Miami, Fla. **Underwriter**—Peter Morgan & Co., New York.

★ **Three-L-Corp.**
March 24 filed 3,500,000 shares of common stock. **Price**—$1 per share. Proceeds—$46,098 will be applied to the acquisition of 493 acreas of land in Fairfield Township, Hyde County, and $15,000 for payment of the July instalment on acquisition of about 12,726 acres in Hyde County; $500,000 for purchase and installation of machinery, equipment and saw mill and $75,000 for working capital in connection with lumber operations; $65,000 for January, 1961 instalment payment on the 12,726 acres; and the balance to purchase livestock, planting feed and pasture, raising livestock, and additional working capital. **Office**—Fairfield, N. C. **Underwriter**—Participating dealers will receive 15 cents per share.

★ **Thurow Electronics, Inc.**
March 28 filed 200,000 shares of class A common stock, of which 100,000 shares are to be offered for public sale by the issuing company and the balance by H. M. Carpenter, President. **Price** — $3 per share. **Proceeds**—To be used as additional working capital for inventory and business expansion purposes. **Office**—121 South Water, Tampa, Fla. **Underwriter**—Donald V. Stabell, of St. Petersburg, Fla.

Tip Top Products Co.
Feb. 11 filed $600,000 of first mortgage sinking fund bonds, series B, due December, 1969, (with warrants). Warrants attached to each $1,000 bond will entitle holders to purchase 20 shares of class A common stock at an initial price of $11 per share. **Price**—100% of principal amount. **Proceeds** — To pay $420,000 due to Western Electric Co., Inc.; and the balance for general corporate purposes. **Underwriters**—J. Cliff Rahel & Co., Omaha, Neb. and The First Trust Co. of Lincoln, Neb.

Tourist Industry Development Corp.
March 22 filed $2,250,000 of 7% subordinated debenture stock, due July 1, 1978, to be offered in denominations of $500 and $1,000 and multiples of $1,000. **Price**—At 100% of principal amount. **Proceeds**—For general corporate purposes, including hotel and restaurant loans secured by real estate mortgages. **Office**—Jerusalem, Israel. **Underwriter**—None.

Transcontinental Gas Pipe Line Corp. (4/20)
March 14 filed $35,000,000 of first mortgage bonds due 1980 and 800,000 shares of common stock (par 50 cents). **Prices**—To be supplied by amendment. **Proceeds**—To refund debt incurred for construction. **Office**—3100 Travis St., Houston, Tex. **Underwriters**—White, Weld & Co. and Stone & Webster Securities Corp., both of New York.

● **Trans Tech Systems, Inc. (5/16)**
March 29 filed 65,000 shares of common stock (par one cent). **Price**—$10 per share. **Proceeds**—For general corporate purposes. **Office** — 5505 Wilshire Blvd., Los Angeles 48, Calif. **Underwriter**—Myron A. Lomasney & Co., New York.

● **Transworld Equipment Cor. (4/8)**
Jan. 25 (letter of notification) 139,832 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—119 W. 26th Street, New York 1, N. Y. **Underwriter**—Michael Fieldman, 82 Beaver Street, New York City.

Tri-Point Plastics, Inc. (4/18-22)
March 15 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—175 I. U. Willets Road, Albertson, L. I., N. Y. **Underwriters**—Amos Treat & Co., Inc. and Martinelli, Hindley & Co., Inc., New York, N. Y.

Tungsten Mountain Mining Co.
Feb. 15 (letter of notification) 50,000 shares of common stock (par $1) to be offered first for subscription by stockholders on the basis of one new share for each eight shares held. **Price**—$2 per share. **Proceeds**—For mining operations. **Office**—511 Securities Bldg., Seattle, Wash. **Underwriter**—H. P. Pratt & Co., Inc., Seattle, Wash.

Union Financial Corp. (4/20)
March 11 filed 325,000 shares of common stock ($1 par). **Price**—To be supplied by amendment. **Proceeds**—Together with bank loan, will be used to repay a $6,075,000 balance on an outstanding bank loan, and the balance will be added to working capital. **Office**—232 Superior Ave., Cleveland, Ohio. **Underwriters**—White, Weld & Co. Inc., Chicago and New York; The Ohio Company, Columbus, Ohio; and Sanders & Co., Dallas, Texas.

United American Life Insurance Co.
March 11 filed 50,000 shares of capital stock, to be offered for subscription by holders of outstanding stock in the ratio of one new share for each five shares held **Price**—To be supplied by amendment. **Proceeds**—To increase capital and surplus. **Office**—1717 California St., Denver, Colo. **Underwriter**—None.

★ **United Bankers Life Insurance Co., Inc.**
March 23 (letter of notification)) 114,400 shares of common stock (par $1). **Price**—$2.05 per share. **Proceeds**—For expenses in the operation of an insurance company. **Office**—214 W. 20th St., Hutchinson, Kan. **Underwriter**—National Fidelity Life Insurance Co., Kansas City, Mo.

United Components, Inc. (4/18-22)
March 2 filed 110,000 shares of common stock, of which 10,000 shares are to be offered to Sheldon Leighton, a director, at $2.50 per share and the remainder is to be publicly offered. **Price**—To be supplied by amendment. **Proceeds** — For new equipment, advertising, and other general corporate purposes. **Office**—Orange, N. J. **Underwriter**—Darius, Inc., New York City.

● **United Financial Corp. of California (5/16-20)**
March 30 filed $6,000,000 of convertible subordinated debentures due April 1, 1975, and 120,000 shares of capital stock, to be offered in units of $100 of debentures and two capital shares. **Price**—To be supplied by amendment. **Proceeds**—Approximately $1,000,000 will be used for general corporate purposes, and the balance will be distributed to holders of the capital stock prior to the issuance and sale of the units. **Office**—425 South La Brea Avenue, Inglewood, Calif. **Underwriter**—Lehman Brothers, New York City.

United Industrial Corp.
March 21 filed 88,017 shares of series A convertible preferred stock, 614,130 shares of common stock, and 16,500 common stock purchase warrants. According to the prospectus, 88,017 shares of preferred and 88,017 shares of common stock may be offered for sale by the present holders thereof, namely 34,978 preferred and common shares by Bernard Fein, a Director, and 53,039 preferred and common shares by B. S. F. Co., 13% of whose stock is owned by Maurice Goodman, a Director, 16,500 warrants and 16,500 common shares are issuable to H. L. Federman and Herman Yaras in payment of a finder's fee incurred in connection with the merger. Stock purchase warrants were distributed prior to the merger on the basis of one warrant for each share of the company's common stock to stockholders of record Oct. 28, 1959; each warrant now evidences the right to purchase ½ share of common at $17 per share, and 509,613 shares are reserved for issuance upon exercise of these warrants. Additional common shares are issuable upon conversion of debentures and preferred stock and under a stock option plan. **Office**—5221 West 102nd Street, Los Angeles, Calif.

● **United States Boat Corp. (5/9-13)**
March 28 filed 350,000 shares of common stock to be publicly offered. **Price**—$2 per share. **Proceeds**—$221,826 will be applied to the repayment of loans to United States Pool Corp. which were used for general corporate purposes, and the balance will be utilized for working capital, including a later repayment of $45,000 to U. S. Pool Corp. **Office** — 27 Haynes Avenue, Newark, N. J. **Underwriter**—Richard Bruce & Co., Inc., New York.

U. S. Plywood Corp. (4/13)
March 7 filed $25,000,000 of sinking fund debentures due 1985. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for general corporate purposes. **Underwriter**—Eastman, Dillon, Union Securities & Co., New York. **Office**—55 W. 44th Street, New York City.

● **Universal-Cyclops Steel Corp., Bridgeville, Pa. (4/11)**
March 1 filed 200,000 shares of common capital stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's current funds. **Underwriter**—A. G. Becker & Co., Inc., New York and Chicago.

Universal Fabricators, Inc.
Feb. 29 (letter of notification) 60,000 shares of common stock (par $1). **Price** — $5 per share. **Proceeds** — For general corporate purposes. **Office**—1827 Boone Avenue, Bronx 10, N. Y. **Underwriter**—S. Schramm & Co., Inc., New York, N. Y., has withdrawn as underwriter.

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Universal Marion Corp.
March 29 filed 31,361 shares of 4½% cumulative preferred stock ($100 par). **Price**—To be offered for sale in the over-the-counter market, or otherwise by public or private sale at $95 per share, or such lesser price or prices which may be obtained. **Proceeds**—To selling stockholders. **Office**—602 Florida Bldg., Jacksonville, Fla. **Underwriter**—None.

★ **Uranium Reduction Co. (5/2-6)**
March 31 filed 558,380 outstanding shares of common stock, of which 200,000 shares will be publicly offered. **Price**—To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—557 First Security Bldg., Salt Lake City, Utah. **Underwriter**—A. C. Allyn & Co., Inc., Chicago, Ill.

● **Uris Buildings Corp. (5/2-6)**
March 29 filed $20,000,000 of sinking fund debentures (with attached warrants to purchase 800,000 common shares) and 400,000 shares of common stock. The offering will be made only in units, each unit consisting of (a) $100 principal amount of debentures with an attached warrant to purchase four shares of common stock (b) two shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To repay loans, defray construction costs, and general corporate purposes. **Underwriter**—Kuhn, Loeb & Co., New York.

● **Vulcatron Corp.**
March 11 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—To set up a plant and equipment, to purchase machinery and equipment, and for working capital. **Office** — c/o William L. Berger, 209 Washington St., Boston, Mass. **Underwriter**—P. de Rensis & Co., Inc., Boston, Mass. **Offering**—Expected in April.

★ **Wallace Properties, Inc.**
April 5 filed $12,000,000 principal amount of 6% convertible subordinated debentures, due June 1, 1975 and 360,000 shares of common stock (par $2), to be offered only in units, each consisting of $100 principal amount of debentures and three shares of common stock. **Price** —To be supplied by amendment. **Office**—Dallas, Texas. **Underwriter**—Harriman Ripley & Co., Inc., New York.

● **Wallson Associates, Inc. (4/11)**
Feb. 26 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To discharge indebtedness, for development of additional proprietary products for the semi-conductor electronics industry, and for general corporate purposes. **Office**—912 Westfield Ave., Elizabeth, N. J. **Underwriters**—Russell & Saxe, and First Broad Street Corp., New York.

★ **Waltham Watch Co.**
March 30 filed $1,500,000 of 7% sinking fund subordinated debentures series A due April 30, 1975, with five-year common stock purchase warrants attached, and 275,000 shares of common stock. A $1,000 debenture with warrants for the purchase of 50 common shares at an initial exercise price of $3.50 per share, will be offered for sale at $1,000; a total of 75,000 shares being reserved for issuance upon exercise of the warrants. The additional 200,000 shares of common stock will be offered for subscription at $3.50 per share. The offer will be made first to stockholders of record on May 2, 1960, for a period of 30 days. Thereafter the unsubscribed debentures and stock will be offered to the public. **Proceeds**—For working capital. **Office** — 231 South Jefferson St., Chicago, Ill. **Underwriter**—None.

Weldotron Corp. (4/29)
March 23 (letter of notification) 66,666 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** —For general corporate purposes. **Office**—841 Frelinghuysen Ave., Newark 12, N. J. **Underwriters**—Arnold Malkan & Co., Inc. and Street & Co., Inc., New York, N. Y.

Wells Industries Corp. (4/11-15)
Jan. 29 filed 300,000 shares of common stock and warrants for the purchase of an additional 100,000 shares. **Price** — To be supplied by amendment. **Proceeds** — $350,876 will be used to retire certain debts, with the remainder to be used for construction, equipment, and working capital. **Office**—6505 Wilshire Boulevard, Los Angeles, Calif. **Underwriter**—A. T. Brod & Co., New York City.

West Penn Electric Co. (4/12)
March 4 filed 300,000 shares of common stock. **Proceeds** —To purchase about $5,000,000 of additional common stock from the Monangahela Power Co., to retire West Penn Traction Co. bonds maturing June 1, and for general corporate purposes. **Underwriters** — To be determined by competitive bidding. Probable bidders: Carl M. Loeb, Rhoades & Co., W. C. Langley & Co., and Lehman Brothers. **Bids**—Expected to be received on April 12, up to 3:45 p.m. (EST).

● **Western Airlines, Inc.**
March 1 filed 200,000 shares of capital stock (par $1), to be offered for subscription to holders of outstanding shares of such stock on the basis of one new share for each five shares held of record March 30; rights to expire on April 18 at 12:30 p.m. PST (3:30 p.m. EST). **Price**—$23 per share. **Proceeds**—For general corporate purposes. **Office**—Los Angeles, Calif. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City.

★ **Westinghouse Electric Corp.**
March 28 filed 647,706 shares of common stock, to be offered under and pursuant to the company's "Employee Stock Plan" to employees of the company and its various subsidiaries. **Office**—3 Gateway Center, Pittsburgh, Pa.

Whitmoyer Laboratories, Inc. (4/11-15)
Jan. 28 filed 85,000 shares of common stock and $500,000 of 6% subordinated debentures, due 1977, with warrants for the purchase of 10,000 additional common shares at $5 per share. **Price** — For the debentures, 100% of principal amount; for the 85,000 common shares, $6 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness, sales promotion, and equipment. **Office**—Myerstown, Pa. **Underwriter**—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia, Pa.

● **Willer Color Television System, Inc.**
Jan. 29 (letter of notification) 86,403 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Investment Brokers of N. J., Inc., 844 Broad Street, Newark, N. J., has withdrawn as underwriter. New underwriter is Equity Securities Co., 11 Broadway, New York City. **Note**—This statement is to be amended.

● **Wisconsin Electric Power Co.**
March 22 filed 561,005 shares of common stock (par $10) to be offered to holders of its outstanding common stock on the basis of one share for each 10 shares held. **Price**—To be supplied by amendment. **Proceeds**—To be used to repay $12,000,000 of short-term bank loans incurred in connection with the company's construction program, and for further construction expenditures. **Office**—231 West Michigan Street, Milwaukee, Wis. **Underwriter**—None.

★ **Wittney (Lyle A.) & Co., Inc.**
March 25 (letter of notification) 75,000 shares of common stock (par $1) to be offered first for subscription by stockholders and the balance to the public. **Price**—To stockholders, $2.25 per share; to the public, $2.50 per share. **Proceeds**—For manufacturing, research and working capital. **Office**—142 W. 5th Ave., Denver, Colo. **Underwriter**—None.

● **Wolverine Shoe & Tanning Corp.**
March 28 filed 100,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—For additional working capital. **Office** — Rockford, Mich. **Underwriter**—A. G. Becker & Co., Chicago, Ill. and New York.

● **Yale Express System, Inc. (5/9)**
March 25 filed 300,000 shares of class A stock (par 25 cents) of which 150,000 shares are to be offered for public sale by the issuing company and the balance by the company's board chairman. **Price** — $5.50 per share. **Proceeds**—$400,000 to restore working capital expended to acquire American Freight Forwarding Corp. and for expansion of the freight forwarder operation; $150,000 to restore funds advanced in connection with the terminal recently constructed in North Bergen, N. J. and the balance for expansion and improvement. **Office**—460 12th Avenue, New York. **Underwriter**—Michael G. Kletz & Co., Inc., New York.

● **Zero Manufacturing Co. (5/9-13)**
March 28 filed 200,000 shares of common stock, of which 125,000 shares are being issued and sold by the company and 75,000 shares are being sold by certain stockholders. **Proceeds**—$250,000 will be used for the construction of a new 33,600 square foot industrial building in Burbank, Calif., $250,000 for the purchase and installation of new machinery and equipment; $150,000 for further research and development in the modular container field; and the balance will be added to working capital. **Office**—1121 Chestnut St., Burbank, Calif. **Underwriter** —Shields & Co., New York.

Prospective Offerings

★ **Acme Steel Co.**
March 25 the company's annual report stated that capital improvements during 1960-63, inclusive, have been projected to cost between $40,000,000 and $45,000,000. It is anticipated that a substantial proportion of this money will be forthcoming from depreciation and retained earnings. In addition, the sale of $10,000,000 of preferred stock in 1960 is planned to supply a part of these overall capital requirements. **Office**—Chicago, Ill.

American Cement Co.
March 14 it was announced that the company will issue up to a maximum of 422,030 common shares, which are to be used in connection with the recent acquisitions by the issuer of M. F. Hickey & Co. Inc. of New York City and Graham Brothers, Inc., of Los Angeles.

Arco Electronics
March 2 it was reported that in April this company is expected to file approximately $500,000 of common stock. **Underwriter**—Michael G. Kletz & Co., of New York City.

Baltimore Gas & Electric Co.
March 3 it was announced by J. Theodore Wolfe, President, that the company plans record construction expenditures of $50,000,000 during 1960, probably financed through the sale of first mortgage bonds. **Offering**—Expected during the first half of 1960.

Bank of California
March 29 this bank authorized the sale of 256,930 additional shares of capital stock (par $10), being offered to shareholders of record March 29 at the rate of one new share for each five shares then held; rights expire April 19 at 3:00 p.m. (PST). **Price**—$40 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—Blyth & Co., Inc., San Francisco, Calif.

Black Hills Power & Light Co.
Feb. 11 it was announced that the Federal Power Commission has authorized this utility, of Rapid City, S. D., to issue 7,727 shares of common stock (par $1) as a 2% dividend to its present common holders. No fractional shares will be issued, and stockholders will have the option of buying the additional fractional interest required to make full shares, or to sell their fractional interests. On March 11 the company also filed for FPC approval to issue $1,000,000 of first mortgage bonds, due 1990.

Central Illinois Electric & Gas Co.
Feb. 3 it was reported that around July about $10,000,000 of first mortgage bonds will be filed. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., Kidder, Peabody & Co. and White, Weld & Co. (jointly); First Boston Corp., Blair & Co., Merrill Lynch, Pierce, Fenner & Smith Inc. and Stone & Webster Securities Corp. (jointly).

City Gas Co.
March 10 it was reported that this company is expected to file an undetermined amount of common stock sometime in April or May. **Underwriter**—Kidder, Peabody & Co., New York City.

Columbia Gas System, Inc.
March 11 it was announced that further debt financing is planned for later in the year. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith, Inc., and White, Weld & Co. (jointly); Morgan Stanley & Co.; Lehman Brothers, Eastman Dillon, Union Securities & Co., and Goldman, Sachs & Co. (jointly).

Commercial Bank of North America
March 21 stockholders approved 42,023 capital shares (par $5), being offered on the basis of one new share for each 12 shares held of record March 29; rights to expire on April 14 at 3:00 p.m. (EST). **Price**—$24 per share. **Proceeds**—To increase capital and surplus. **Underwriters** —Lee Higginson Corp., Francis I. duPont & Co., E. F. Hutton & Co. and Allen & Co., all of New York.

Consolidated Research & Mfg. Corp.
Dec. 16 it was reported that this firm, founded last August as a Delaware corporation, plans its first public financing in the form of a common stock offering scheduled for next spring. **Business**—The company produes spray containers to combat ice, snow, and fog. **Proceeds**—For expansion. **Office**—1184 Chapel St., New Haven, Conn. **President**—Marvin Botwick.

Consumers Power Co.
March 2 it was reported that this company is planning to raise new funds probably from the sale of first mortgage bonds and debentures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; White, Weld & Co. and Shields & Co. (jointly); First Boston Corp. and Harriman Ripley & Co. (jointly).

Deckert Dynamics, Inc.
March 16 it was announced that 100,000 shares of common stock are expected to be filed in early May. **Proceeds** — For general corporate purposes. **Office** — Palmyra, Pa. **Underwriter**—Plymouth Securities Corp., New York City.

● **Electrada Corp. (4/11-15)**
April 5 it was announced, due to an SEC error that this corporation filed 400,000 shares of common stock on March 29. Actual filing of the issue is expected to occur during the week of April 11. **Underwriter**—Bache & Co., New York.

Equitable Gas Co.
March 16 stockholders approved a proposal to increase the company's number of authorized preferred shares to 300,000 from 100,000 and to issue a new non-convertible preferred series. **Proceeds**—To be used to repay approximately $5,000,000 in short-term bank loans and to help finance 1960 construction. **Office** — Boulevard of the Allies, Pittsburgh, Pa.

★ **Federal Steel Co., Inc.**
April 6 it was reported that the company expects to file in about two weeks 59,500 shares of its common stock. **Proceeds**—For expansion. **Office**—Dayton, Ohio. **Underwriter**—Westheimer & Co., Cincinnati, Ohio.

Florida Power Corp.
March 10 it was reported that $25,000,000 of first mortgage bonds will be sold by this utility, possibly in the fourth quarter of this year. **Proceeds** — For new construction and repayment of bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); First Boston Corp.; Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co. (jointly); Lehman Brothers and Blyth & Co. (jointly).

Florida Power & Light Co.
March 15 it was reported that the company will need about $25,000,000 of new money. The nature of the securities to be issued has not as yet been determined.

Ford Motor Credit Co.
March 28 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur later this year. **Office**—Detroit, Mich.

Georgia Power Co. (11/3)
Dec. 9 it was announced that the company plans registration of $12,000,000 of 30-year first mortgage bonds with the SEC. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly); Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); The First Boston Corp. **Registration**—Scheduled for Sept. 26. **Bids**—Expected to be received on Nov. 3. **Information Meeting**—Scheduled for Oct. 31.

Gulf Power Co. (7/7)
Dec. 9 it was announced that the company plans registration with the SEC of $5,000,000 first mortgage 30-year bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.

Inc.; The First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler, and Drexel & Co. (jointly); Eastman Dillon, Union Securities & Co. **Information Meeting**—Scheduled for July 5, 1960. **Bids**—Expected to be received on July 7. **Registration** — Scheduled for June 3.

Gulf Power Co. (7/7)
Dec. 9 it was announced that the company plans registration of 50,000 shares of preferred stock (par $100). **Underwriter**—To be determined by competitive bidding. Probable bidders: Harriman Ripley & Co.; Eastman Dillon, Union Securities & Co., and Salomon Bros. & Hutzler (jointly); Equitable Securities Corp.; Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Information Meeting**—Scheduled for July 5, 1960. **Bids**—Expected to be received on July 7. **Registration** — Scheduled for June 3.

Harvey Aluminum Co., Torrance, Calif.
It was reported late last year that this firm—the old Harvey Machine Co. — is planning its initial public financing for the Spring. **Underwriters**—Kuhn, Loeb & Co. (managing) and Tucker, Anthony & R. L. Day, both of New York City.

Hayes Aircraft Corp.
Feb. 12 it was reported that an issue of convertible debentures is being discussed and may occur in the next few months. **Office**—Birmingham, Ala. **Possible Underwriter**—Sterne, Agee & Leach, Birmingham, Ala.

Henderson Portion Pack, Inc.
March 16 it was reported that this company is considering some financing. **Underwriter**—Burnham & Co., New York.

Houston Lighting & Power Co.
March 22 it was announced in the company's annual report that it anticipates approximately $35 million in new money will be required in 1960 to support the year's construction program, and to repay outstanding bank loans. Studies to determine the nature and timing of the issuance of additional securities are presently under way. Last August's offering of $25,000,000 of 4⅞% first mortgage bonds was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler. **Office** — Electric Building, Houston, Texas.

Idaho Power Co.
March 30 it was reported that the company plans to issue and sell $15,000,000 of 1st mortgage bonds due 1990. **Proceeds**—For capital expenditures, etc. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., Lazard Freres & Co. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp.

Illinois Bell Telephone Co.
March 24 directors authorized plans for a $61,000,000 issue of new common shares. The stockholders will have subscription rights on the basis of one new share for each 10 held at the time of issue. **Proceeds**—To help finance the company's construction program. **Offering** —Expected in June.

Iowa Electric Light & Power Co.
March 11 President Sutherland Dows stated that bonds would be sold in order to supplement money to be obtained from temporary bank loans, to acquire the $10,000,000 required to finance 1960 construction. **Office**—Cedar Rapids, Iowa.

Mac Panel Co.
March 23 it was reported that negotiations are still pending regarding the filing of an issue of common stock. **Office**—High Point, N. C. **Underwriter**—Bache & Co., New York City and Charlotte, N. C.

Michigan Wisconsin Pipeline Co.
March 11 it was reported that this company plans to sell approximately $30,000,000 of pipeline bonds sometime in May. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc. and Blyth & Co.

Miller & Van Winkle Co.
March 9 it was reported that this company contemplates a filing of 75,000 common shares via a "Regulation A" with the SEC. **Proceeds**—For general corporate purposes. **Office**—Paterson, N. J. **Underwriter**—Whitmore, Bruce & Co., New York and Washington, D. C.

● **Mohawk Insurance Co.**
March 16 it was announced that the company expects to register its first public offering on or about April 15. The offering will consist of 75,000 common shares. **Price**—$12 per share. **Proceeds**—For expansion. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co., Inc., 38 Broadway, New York City.

Nedick's Stores, Inc.
Nov. 12 it was reported that the company is contemplating the placing in registration of 17,000 shares of common stock. About 66% of the issue will be sold for the company's account and the remaining 34% balance will be sold for the account of a selling stockholder. **Underwriter**—Van Alstyne, Noel & Co., New York.

New Jersey Power & Light Company (7/19)
Feb. 17 it was reported that this utility is planning the sale of $5,000,000 of first mortgage bonds, due in 1990. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., Lehman Brothers and Salomon Bros. & Hutzler (jointly); Equitable Securities Corp.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on July 19.

● **Northern Illinois Gas Co. (7/13)**
Feb. 16 the company's annual report stated that $120,000,000 of new capital will be needed to meet its five-year construction program. April 5 it was announced that the company will sell $25,000,000 of first mortgage bonds. **Proceeds**—To finance a portion of the 1960-1964 construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: A Halsey Stuart & Co. Inc. group. **Bids**—To be received on July 13.

Northwestern Bell Telephone Co. (6/7)
March 24 directors authorized the sale of a $45,000,000 debenture issue dated June 1, 1960, with maturity in not more than 40 years. **Proceeds**—The funds are needed to meet strong demand for service and to put into effect such service improvements as direct customer dialing of long distant calls. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; The First Boston Corp.; Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co. **Bids**—Expected to be opened on or about June 7.

Norwalk Co.
March 30 it was reported that the company plans to file an undetermined amount of common stock around the end of April. **Proceeds**—For expansion of business and general corporate purposes. **Office** — Norwalk, Conn. **Underwriter**—Myron A. Lomasney & Co., New York.

Pacific Power & Light Co.
Jan. 29 it was announced that the company plans to issue at least $20,000,000 of securities, the date and form of which will be announced at a later date. **Proceeds**—To retire $20,000,000 of unsecured promissory notes, to mature on or prior to July 31, 1961. The notes will be issued to finance part of the issuer's 1960-61 construction expenditures, which are expected to total about $61,000,000. **Office**—Portland, Ore.

Potomac Electric Power Co.
March 21 it was stated in the company's annual report it is anticipated that their 1960 construction program will amount to $39 million and there will be further financing of about $15 million of an as yet undetermined type. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Dillon, Read & Co. and Johnston, Lemon & Co. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Eastman Dillon, Union Securities & Co. and Stone & Webster Securities Corp. (jointly).

Public Service Electric & Gas Co.
Feb. 24 it was reported that this company is planning an undetermined type of financing of approximately $85,000,000, sometime this year. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc.

★ **Public Service Co. of New Hampshire**
April 4 it was stated in the company's annual report that short-term borrowings will increase progressively during 1960 until further permanent financing is undertaken later in the year. The timing, type, and amount of this financing has not been determined as the annual report went to press.

★ **Republic Graphics, Inc.**
April 6 it was reported that the company plans the registration of 75,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For the expansion of the company's business, for purchase of additional equipment, and for general corporate purposes. **Office**—134 Spring Street, New York City. **Registration** —Expected during the middle of next week. **Underwriters**—Theodore Arrin & Co., Inc., 82 Beaver Street, New York City (handling the books) and T. M. Kirsch & Co. (jointly).

Rochester Gas & Electric Corp.
March 1 it was stated in the company's annual report that the company has filed an application with the New York State Public Service Commission for the right to issue $10,000,000 of new preferred stock. **Underwriter** —To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

(Jos.) Schlitz & Co.
March 11 it was reported that a secondary offering might be made this summer. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Harriman Ripley & Co. Inc., both of New York City.

South Carolina Electric & Gas Co.
March 25, S. C. McMeekin, President, informed this paper of plans to sell an undetermined principal amount of bonds, the timing of which will be subject to market conditions. **Proceeds**—To repay bank loans incurred for current construction program. Previous issues have been placed privately.

Southern California Edison Co.
March 15 it was stated in the company's annual report that besides the $30,000,000 issue of series L mortgage bonds sold to underwriters in January, 1960, an additional $51,000,000 will be needed to complete its estimated $120,000,000 construction program for 1960. This financing is dependent upon market condition, and will probably be some type of debt security.

Southern Electric Generating Co. (6/2)
Dec. 9 it was announced that this company plans registration with the SEC of $40,000,000 of 30-year first mortgage bonds. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., and Blyth & Co., Inc. (jointly); Morgan Stanley & Co.; White, Weld & Co. and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co.; Equitable Securities Corp., and Drexel & Co. (jointly); The First Boston Corp. **Information Meeting**—Scheduled for May 31, 1960. **Bids**—Expected to be received on June 2. **Registration**—Scheduled for April 29.

Southern Natural Gas Co.
April 4 it was stated in the company's annual report that the company expects to provide for the payment of certain outstanding notes through the issuance of first mortgage bonds and other debt securities. The timing of the issue or issues was not stated in the report. **Office** —Birmingham, Ala.

Southern Union Gas Co.
Feb. 5 it was reported that $11,000,000 in new financing is planned for the late Spring of this year, of an undetermined type. **Underwriters** — A. C. Allyn & Co., and Snow, Sweeney & Co., both of New York City.

Southwestern Bell Telephone Co. (8/9)
March 28 directors of this company recommended a $100,000,000 debenture issue, subject to approval by regulatory authorities. **Proceeds**—To finance an expansion and improvement program over the next five years. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected to be received on or about Aug. 9.

System Meat Co.
March 18 it was reported that this company will file about $1,000,000 of common stock. **Underwriter**—Purvis & Co., Denver, Colo. **Registration**—Imminent.

● **Tennessee Valley Authority**
Jan. 20 announced that, pursuant to August, 1959, authorization from Congress to have $750,000,000 of revenue bonds outstanding at any one time, it plans its first public offering, expected to be about $50,000,000, for sometime in the fall. **Proceeds**—To finance construction of new generating capacity. Probable bidders: First Boston Corp. (managing), Salomon Bros. & Hutzler; Eastman Dillon, Union Securities & Co., and Lazard Freres & Co. Power Financing Officer: G. O. Wessenauer. Financial Advisor: Lehman Brothers.

Texas Eastern Transmission Co.
March 2 it was reported that this company plans the sale of senior securities in the amount of approximately $30,000,000, sometime in the second quarter of the year. **Underwriter**—Dillon, Read & Co., New York City.

Union Electric Co.
March 16 it was announced by Dudley Sanford, Executive Vice-President, that the company plans an offering of debt securities in the range of $30,000,000 to $35,000,000. **Proceeds**—To meet construction expenses. **Office** —315 No. 12th Blvd., St. Louis, Mo. **Offering**—Expected in the latter part of this year.

Universal Marion Corp.
March 15 it was reported that stockholders will vote at their annual meeting to be held on April 12 on a proposal to change the common stock from shares with par value to shares of no par value to clear the way for a rights offering, on the basis of one new share for each four shares held. **Price**—Below the then existing market price. **Proceeds**—To be added to the general funds of the corporation and will be available, with other company funds, for use in developing the corporation's tract of land near Tampa, Fla., for working capital and for possible acquisition of other properties.

Utah Power & Light Co.
Feb. 3 it was reported that toward the end of this year there is expected to be some financing by this company of about $25 million of bonds and common stock. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. and First Boston Corp. (jointly); White, Weld & Co.; Stone & Webster Securities Corp. (jointly); Salomon Bros. & Hutzler; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co. and Smith Barney & Co. (jointly); Lehman Bros.; Bear, Stearns & Co.

Valley National Bank
March 15 it was reported that the bank is offering shareholders rights to purchase 139,988 additional common shares on the basis of one new share for each 15 shares held of record March 11; rights expire April 8. **Price**—$43 per share. **Proceeds**—For expansion. **Office**—Phoenix, Ariz. **Underwriters**—William R. Staats & Co. of Los Angeles, Calif. (managing the books), and Blyth & Co. of New York City (jointly).

Virginia Electric & Power Co. (9/13)
Feb. 5 it was reported that approximately $25,000,000 first mortgage bonds will be offered for sale. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; White, Weld & Co.; Eastman Dillon, Union Securities & Co.; Stone & Webster Securities Corp. **Bids**—Expected to be received on Sept. 13.

Washington Gas Light Co. (6/7)
March 30 it was reported that the company plans to issue and sell $12,000,000 of refunding mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders; Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Equitable Securities Corp. **Information Meeting** — Scheduled for June 3 in New York at 11 a. m. **Bids** —Expected to be received up to 11:30 a. m. on June 7.

Wisconsin Telephone Co. (5/10)
March 2 it was reported that this company plans the sale of $20,000,000 of debentures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Morgan Stanley & Co. **Bids**—Expected to be received on May 10.

Indications of Current Business Activity

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

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated Steel operations (per cent capacity)	April 9	§85.9	*88.7	93.1	93.3
Equivalent to—					
Steel ingots and castings (net tons)	April 9	§2,447,000	*2,527,000	2,654,000	2,641,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Mar. 25	7,077,810	7,116,010	7,318,210	7,193,620
Crude runs to stills—daily average (bbls.)	Mar. 25	¶7,945,000	7,857,000	8,108,000	8,007,000
Gasoline output (bbls.)	Mar. 25	28,003,000	27,712,000	28,633,000	28,060,000
Kerosene output (bbls.)	Mar. 25	2,630,000	2,511,000	2,032,000	1,802,000
Distillate fuel oil output (bbls.)	Mar. 25	12,846,000	12,874,000	13,188,000	13,281,000
Residual fuel oil output (bbls.)	Mar. 25	7,278,000	7,025,000	6,980,000	6,867,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Mar. 25	225,987,000	224,464,000	215,623,000	212,954,000
Kerosene (bbls.) at	Mar. 25	18,099,000	18,784,000	21,878,000	17,883,000
Distillate fuel oil (bbls.) at	Mar. 25	78,012,000	82,442,000	108,815,000	76,672,000
Residual fuel oil (bbls.) at	Mar. 25	39,852,000	40,991,000	45,299,000	55,917,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Mar. 26	600,926	581,477	553,153	604,392
Revenue freight received from connections (no. of cars)	Mar. 26	566,501	552,600	526,006	574,405
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Mar. 31	$383,700,000	$453,500,000	$505,600,000	$338,300,000
Private construction	Mar. 31	179,900,000	240,100,000	266,200,000	121,600,000
Public construction	Mar. 31	203,800,000	213,400,000	239,400,000	216,700,000
State and municipal	Mar. 31	164,400,000	175,100,000	202,200,000	144,500,000
Federal	Mar. 31	39,400,000	38,300,000	37,200,000	72,200,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Mar. 26	8,710,000	8,720,000	8,235,000	8,121,000
Pennsylvania anthracite (tons)	Mar. 26	361,000	388,000	370,000	310,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Mar. 26	131	129	110	141
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	April 2	13,542,000	13,951,000	14,262,000	12,618,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Mar. 31	356	286	318	284
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Mar. 29	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Mar. 29	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	Mar. 29	$33.17	$33.33	$34.50	$37.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Mar. 30	32.600c	32.600c	32.625c	31.175c
Export refinery at	Mar. 30	30.850c	30.650c	31.175c	-----
Lead (New York) at	Mar. 30	12.000c	12.000c	12.000c	11.500c
Lead (St. Louis) at	Mar. 30	11.800c	11.800c	11.800c	11.300c
‡Zinc (delivered) at	Mar. 30	13.500c	13.500c	13.500c	11.500c
Zinc (East St. Louis) at	Mar. 30	13.000c	13.000c	13.000c	11.000c
Aluminum (primary pig. 99.5%) at	Mar. 30	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	Mar. 30	99.875c	99.750c	100.750c	102.750c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	April 5	85.75	84.63	84.68	85.52
Average corporate	April 5	85.46	85.46	84.17	89.78
Aaa	April 5	89.51	89.64	88.27	93.08
Aa	April 5	87.99	87.99	96.51	92.06
A	April 5	84.81	84.55	83.66	89.92
Baa	April 5	80.08	80.08	78.78	84.30
Railroad Group	April 5	82.65	82.90	82.15	88.27
Public Utilities Group	April 5	86.38	85.98	84.17	89.51
Industrials Group	April 5	87.59	87.59	86.24	91.48
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	April 5	3.96	4.08	4.07	3.90
Average corporate	April 5	4.75	4.75	4.85	4.43
Aaa	April 5	4.45	4.44	4.54	4.20
Aa	April 5	4.56	4.56	4.67	4.27
A	April 5	4.80	4.82	4.89	4.42
Baa	April 5	5.18	5.18	5.29	4.84
Railroad Group	April 5	4.97	4.95	5.01	4.54
Public Utilities Group	April 5	4.68	4.71	4.85	4.45
Industrials Group	April 5	4.59	4.59	4.69	4.31
MOODY'S COMMODITY INDEX	April 5	381.5	380.7	369.8	390.0
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Mar. 26	300,817	302,307	307,798	306,512
Production (tons)	Mar. 26	316,264	320,721	308,026	318,345
Percentage of activity	Mar. 26	93	94	91	95
Unfilled orders (tons) at end of period	Mar. 26	418,526	441,526	441,069	433,180
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	April 1	110.85	110.72	110.77	110.79
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Mar. 11	2,523,250	2,529,710	2,043,210	3,020,690
Short sales	Mar. 11	424,270	381,580	277,650	552,410
Other sales	Mar. 11	2,101,810	2,126,710	1,764,990	2,500,500
Total sales	Mar. 11	2,526,080	2,508,290	2,042,640	3,052,910
Other transactions initiated off the floor—					
Total purchases	Mar. 11	474,760	395,680	397,150	548,370
Short sales	Mar. 11	70,600	49,900	34,700	42,500
Other sales	Mar. 11	389,050	443,240	340,700	580,510
Total sales	Mar. 11	459,650	493,140	375,400	623,010
Other transactions initiated on the floor—					
Total purchases	Mar. 11	825,013	730,305	704,910	940,450
Short sales	Mar. 11	122,005	102,810	237,170	206,430
Other sales	Mar. 11	675,671	697,230	769,910	974,350
Total sales	Mar. 11	797,676	800,040	1,007,080	1,180,780
Total round-lot transactions for account of members—					
Total purchases	Mar. 11	3,823,023	3,655,695	3,145,270	4,509,510
Short sales	Mar. 11	616,875	534,290	549,520	801,340
Other sales	Mar. 11	3,166,531	3,267,180	2,875,600	4,055,360
Total sales	Mar. 11	3,783,406	3,801,470	3,425,120	4,856,700
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Mar. 11	1,951,277	2,000,156	1,760,240	2,220,551
Dollar value	Mar. 11	$86,691,148	$97,087,182	$83,328,951	$111,268,421
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Mar. 11	1,559,105	1,648,132	1,294,343	1,981,563
Customers' short sales	Mar. 11	22,048	17,396	18,227	6,375
Customers' other sales	Mar. 11	1,537,057	1,630,736	1,276,116	1,975,188
Dollar value	Mar. 11	$72,378,735	$79,320,887	$62,103,373	$99,242,727
Round-lot sales by dealers—					
Number of shares—Total sales	Mar. 11	409,190	419,270	274,810	536,890
Short sales	Mar. 11	-----	-----	-----	-----
Other sales	Mar. 11	409,190	419,270	274,810	536,890
Round-lot purchases by dealers— Number of shares	Mar. 11	790,210	716,730	733,960	770,350
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	Mar. 11	865,140	735,370	777,960	924,410
Other sales	Mar. 11	15,577,520	16,091,000	13,032,960	21,413,570
Total sales	Mar. 11	16,442,660	16,826,370	13,810,920	22,337,980
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Mar. 29	120.1	120.1	119.4	119.5
Farm products	Mar. 29	91.0	90.9	87.7	90.9
Processed foods	Mar. 29	107.1	107.2	106.7	107.3
Meats	Mar. 29	96.2	96.8	94.6	100.4
All commodities other than farm and foods	Mar. 29	128.6	128.7	128.5	127.9

*Revised figure. ¶Includes 969,000 barrels of foreign crude runs. §Based on new annual capacity of 148,570,970 tons as of Jan. 1, 1960 as against Jan. 1, 1959 basis of 147,633,670 tons. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
COAL OUTPUT (BUREAU OF MINES)—Month of February:			
Bituminous coal and lignite (net tons)	33,910,000	35,825,000	34,139,000
Pennsylvania anthracite (net tons)	1,567,000	1,634,000	1,557,000
COKE (BUREAU OF MINES)—Month of Feb:			
Production (net tons)	6,029,620	*6,296,682	5,528,347
Oven coke (net tons)	5,911,533	*6,186,585	5,436,617
Beehive coke (net tons)	118,067	*110,097	91,730
Oven coke stock at end of month (net tons)	3,656,033	*4,037,868	3,709,108
COTTON AND LINTERS — DEPARTMENT OF COMMERCE—RUNNING BALES:			
Consumed month of February	730,914	734,652	696,729
In consuming establishments as of Feb. 27	1,948,317	1,791,660	1,559,653
In public storage as of Feb. 27	11,167,561	12,330,114	11,521,576
Linters—Consumed month of February	107,573	114,880	101,922
Stocks Feb. 27	632,689	609,215	862,492
Cotton spindles active as of Feb. 27	17,665,000	17,678,000	17,642,000
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of February:			
Cotton Seed—			
Received at mills (tons)	113,000	165,500	87,200
Crushed (tons)	613,000	661,300	468,400
Stocks (tons) Feb. 29	1,445,400	1,945,400	1,126,200
Cake and Meal—			
Stocks (tons) Feb. 29	149,500	131,600	103,800
Produced (tons)	283,900	302,700	214,200
Stocks (tons)	266,000	281,500	190,000
Hulls—			
Stocks (tons) Feb. 29	55,900	69,200	112,200
Produced (bales)	143,900	155,600	109,100
Shipped (tons)	157,100	153,900	109,300
Linters—			
Stocks (bales) Feb. 29	196,800	228,700	309,400
Produced (bales)	184,700	198,900	140,100
Shipped (bales)	216,600	207,300	148,000
DEPARTMENT STORE SALES SECOND FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF NEW YORK—1947-49 Average=100—Month of February:			
Sales (average monthly), unadjusted	96	106	90
Sales (average daily), unadjusted	102	108	100
Sales (average daily), seasonally adjusted	130	135	127
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of February:			
All manufacturing (production workers)	12,480,000	*12,452,000	11,937,000
Durable goods	7,261,000	*7,237,000	6,794,000
Nondurable goods	5,219,000	*5,215,000	5,143,000
Employment indexes (1947-49 Avge.=100)—			
All manufacturing	101.3	*101.4	96.8
Payroll indexes (1947-49 Average=100)—			
All manufacturing	173.4	*175.5	160.4
Estimated number of employees in manufacturing industries—			
All manufacturing	16,499,000	*16,467,000	15,771,000
Durable goods	9,671,000	*9,645,000	9,060,000
Nondurable goods	6,828,000	*6,822,000	6,711,000
FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION)—Month of February:			
Contracts closed (tonnage)—estimated	288,825	221,222	294,367
Shipments (tonnage)—estimated	240,850	209,031	216,127
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS — INSTITUTE OF LIFE INSURANCE—Month of December:			
Death benefits	$307,400,000	$244,500,000	$264,500,000
Matured endowments	60,000,000	49,900,000	88,800,000
Disability payments	10,100,000	9,400,000	9,700,000
Annuity payments	48,100,000	54,800,000	47,500,000
Surrender values	144,200,000	116,600,000	135,800,000
Policy dividends	244,400,000	116,300,000	199,900,000
Total	$814,200,000	$591,500,000	$746,200,000
LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE—Month of January (000,000's omitted):			
Ordinary	$3,418	$4,770	$3,521
Industrial	487	527	490
Group	847	2,487	780
Total	$4,752	$7,784	$4,791
MONEY IN CIRCULATION—TREASURY DEPT.			
As of Jan. 31 (000's omitted)	$31,600,000	$32,600,000	$31,100,000
METAL OUTPUT (BUREAU OF MINES)—Month of January:			
Mine production of recoverable metals in the United States:			
Gold (in fine ounces)	87,765	*106,525	143,374
Silver (in fine ounces)	1,962,523	*1,825,198	2,868,648
Copper (in short tons)	48,268	25,860	99,795
Lead (in short tons)	20,805	19,856	23,507
Zinc (in short tons)	36,983	35,472	35,166
PORTLAND CEMENT (BUREAU OF MINES)—Month of February:			
Production (barrels)	16,080,000	18,699,000	16,710,000
Shipments from mills (barrels)	14,576,000	12,766,000	14,785,000
Stocks at end of month (barrels)	38,666,000	37,088,000	36,680,000
Capacity used (per cent)	49	53	54
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE—1910-1914=100—As of Feb. 15:			
All farm products	233	231	243
Crops	219	219	218
Commercial vegetables, fresh	250	264	268
Cotton	237	248	238
Feed, grains and hay	153	151	154
Food grains	208	206	203
Fruit	222	202	225
Oil-bearing crops	216	216	221
Potatoes	189	188	123
Tobacco	493	486	505
Livestock	244	342	265
Dairy products	260	266	258
Meat animals	286	278	322
Poultry and eggs	142	144	159
Wool	240	239	197
TIN—CONSUMPTION OF PRIMARY AND SECONDARY TIN IN THE UNITED STATES (BUREAU OF MINES)—Month of December (in long tons):			
Stocks beginning of period	35,890	35,090	32,020
Receipts	6,785	*6,575	72,757
Supply	42,675	*41,665	104,787
Stocks at end of period	35,510	*35,890	30,003
Total processed	7,165	5,775	74,784
Intercompany scrap transactions	180	130	2,199
Consumed in manufacturing	6,985	5,645	72,585
Primary	4,470	3,235	47,998
‡Secondary	2,515	2,410	24,587

‡Includes tin content of imported tin-based alloys, of which 2,300 long tons were used in 1958 and 2,730 in 1959.

NSTA NOTES

NATIONAL SECURITY TRADERS ASSOCIATION


Alfred F. Tisch


George H. Angelos


William Nelson, II


Homer J. Bateman


Edward D. Muir


James A. Traviss


Ludwell A. Strader


Allen L. Oliver, Jr.


John S. Barker

Alfred F. Tisch, Fitzgerald & Company, New York City, Chairman of the National Advertising Committee of the National Security Traders Association, Inc., has announced the appointment of local affiliate chairmen to the 1960 Advertising Committee.

Assisting Mr. Tisch as Area Chairmen of Advertising are:

Northeast: George H. Angelos, Chas. W. Scranton & Co. (209 Church Street), New Haven, Conn.

Southeast: William Nelson, II, Clark, Landstreet & Kirkpatrick, Inc. (Life & Casualty Tower), Nashville, Tenn.

Northwest: Homer J. Bateman, Pacific Northwest Company (Exchange Building), Seattle, Wash.

Southwest: Edward D. Muir, Dempsey-Tegeler & Co. (101 North St. Marys Street), San Antonio, Texas.

Canadian: James A. Traviss, Davidson & Company (25 Adelaide Street, West), Toronto, Canada.

Delegates at Large: Ludwell A. Strader, Strader and Company, Inc. (Peoples National Bank Building), Lynchburg, Va.

Liaison-Executive Council: Allen L. Oliver, Jr., Sanders & Company, (Republic National Bank Building), Dallas, Texas.

Industries: John S. Barker, Lee Higginson Corporation (20 Broad Street), New York City.

NSTA 1960 Advertising Committee Chairmen

Alabama Security Dealers Association: Thomas K. Yardley, Hendricks & Mayes, First National Bank Building, Birmingham 3, Alabama.

Baltimore Security Traders Association: Charles A. Bodie, Jr., Stein Bros. & Boyce, 6 South Calvert Street, Baltimore 2, Md.

Bond Club of Denver: Gerald P. Peters, Jr., Peters, Writer & Christensen, Inc., 724 Seventeenth Street, Denver 2, Colo.

Bond Club of Louisville: Robert Koehler, Walston & Co., Inc., 321 South Fifth Street, Louisville 2, Ky.

Bond Club of Syracuse: Everett W. Snyder, E. W. Snyder & Co., University Building, Syracuse 2, N. Y.

Boston Securities Traders Association: John L. McDonough, H. C. Wainwright & Co., 60 State Street, Boston 1, Mass.

Cincinnati Stock and Bond Club: Richard P. Strubbs, Westheimer and Company, 324 Walnut Street, Cincinnati 2, Ohio.

Cleveland Security Traders Association: Everett A. King, J. N. Russell & Co., Inc., Union Commerce Bldg., Cleveland 14, O.

Dallas Security Dealers Association: James Walker Davis, Davis Securities Company, National Building, Dallas 1, Texas.

Georgia Security Dealers Association: John B. Ellis, Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

Investment Traders Association of Philadelphia: John C. Carothers, Jr., Janney, Dulles & Battles, Inc., 1401 Walnut Street, Philadelphia 2, Pa.

Kansas City Security Traders Association: Keith D. Lincoln, E. F. Hutton & Company, 920 Baltimore Avenue, Kansas City 5, Mo.

Memphis Security Dealers Association: Robert M. Saunders, M. A. Saunders & Company, Inc., Union Planters Bank Building, Memphis 1, Tenn.

Nashville Security Dealers Association: Joe E. Hutton, Equitable Securities Corporation, 322 Union Street, Nashville 3, Tenn.

New Orleans Security Traders Association: Donald M. Willem, E. F. Hutton & Company, 233 Carondelet Street, New Orleans 12, La.

Pittsburgh Securities Traders Association: John C. Loos, Walston & Co., Inc., First National Bank Building, Pittsburgh 22, Pa.

St. Petersburg Stock and Bond Club: William A. Emerson, Merrill Lynch, Pierce, Fenner & Smith, Incorporated, 568 Central Avenue, St. Petersburg 1, Fla.

San Francisco Security Traders Association: Frank Notti, Schwabacher & Co., 100 Montgomery Street, San Francisco 4, Calif.

Seattle Security Traders Association: Homer J. Bateman, Pacific Northwest Company, Exchange Building, Seattle 14, Wash.

Security Traders Association of Chicago, Inc.: Howard S. Levine, Dempsey, Tegeler & Co., 209 South La Salle St., Chicago 4, Ill.

Security Traders Association of Connecticut: A. Maurits Johnson, G. H. Walker & Co., 118 Bank Street, Bridgeport 3, Conn.

Securities Traders Association of Detroit and Michigan, Inc.: Don Miller, Don W. Miller & Co., Penobscot Building, Detroit 26, Michigan.

Security Traders Association of Los Angeles: James Beebe, William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif.; Clemens T. Lueker, Hill Richards & Co., 621 South Spring Street, Los Angeles 14, Calif.; Richard E. Owen, Crowell, Weedon & Co., 650 South Spring Street, Los Angeles 14, Calif.

Security Traders Association of New York, Inc.: Stanley E. Dawson-Smith, Cruttenden, Podesta & Co., 37 Wall Street, New York 5, N. Y.

Security Traders Association of Portland, Ore.: Dan V. Bailey, Foster & Marshall, S. W. Sixth Avenue at Oak Street, Portland 5, Ore.

Security Traders Club of St. Louis: Eugene T. Burns, Fusz-Schmelzle & Co., Inc., Boatmen's Bank Building, St. Louis 2, Missouri.

Twin City Security Traders Association: Oscar M. Bergman, Allison-Williams Company, Northwestern Bank Building, Minneapolis 2, Minn.

Washington, D. C. Security Dealers Association: Rear Admiral George B. Peckham, H. E. Weekley & Company, 3402 Connecticut Avenue, N. W., Washington 8, D. C.

DALLAS SECURITY DEALERS ASSOCIATION

The Dallas Security Dealers Association will hold their Annual Spring Party May 28 at the Northwood Club. The annual Field Day will be held in October, dates to be announced later.

With Dean Witter

OAKLAND, Calif. — William F. Balch has become connected with Dean Witter & Co., 409 Fourteenth Street.

E. F. Hutton Adds

SANTA MONICA, Calif.—Robert P. Crowe has joined the staff of E. F. Hutton & Company, 427 Wilshire Boulevard.

Joins Bache Staff

CHICAGO, Ill.—Gerald A. Horowitz has joined the staff of Bache & Co., 140 South Dearborn Street. He was previously with First Mid-American Securities Group.

DIVIDEND NOTICE

DIVIDEND NOTICE

WORLD-WIDE BANKING
CHASE MANHATTAN
CHARTERED 1799
THE CHASE MANHATTAN BANK

The Board of Directors of The Chase Manhattan Bank has declared a dividend of 60c per share on the 13,430,340 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

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 generally available to its security holders an Earnings Statement for the period of March 1, 1959 to February 29, 1960, such twelve-month period beginning after the effective date of the Company's Registration Statement (2-14688) covering 762,565 shares of common stock (without par value), which was filed January 16, 1959 with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and which became effective February 6, 1959.

Copies of such earnings statement will be mailed upon request to holders of the Company's securities.

THE CONNECTICUT LIGHT AND POWER COMPANY
Berlin, Connecticut

April 1, 1960

DIVIDEND NOTICE

GOODYEAR

COMMON DIVIDEND No. 108

The Board of Directors today declared the following dividend:

22½ cents per share on the Common Stock, payable June 15, 1960 to stockholders of record at the close of business May 16, 1960.

The Goodyear Tire & Rubber Co.
By Arden E. Firestone,
Secretary

April 4, 1960

THE GREATEST NAME IN RUBBER

DIVIDEND NOTICES

CANCO AMERICAN CAN COMPANY

COMMON STOCK

On March 29, 1960 a quarterly dividend of fifty cents per share was declared on the Common Stock of this Company, payable May 25, 1960 to Stockholders of record at the close of business April 22, 1960. Transfer books will remain open. Checks will be mailed.

JOHN R. HENRY, *Secretary*

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
New York, N. Y., March 29, 1960.

The Board of Directors has this day declared a dividend of Thirty Cents (30c) per share, being Dividend No. 196, on the Common Capital Stock of this Company, payable June 1, 1960, to holders of said Common Capital Stock registered on the books of the Company at the close of business April 29, 1960.

R. M. SWEARINGEN,
Assistant Treasurer
120 Broadway, New York 5, N. Y.

LONG ISLAND LIGHTING COMPANY

QUARTERLY DIVIDEND

COMMON STOCK

The Board of Directors has declared a quarterly dividend of 35 cents per share payable on the Common Stock of the Company on May 1, 1960, to shareholders of record at the close of business on April 8, 1960.

VINCENT T. MILES
Treasurer

March 30, 1960

The UNITED Corporation

The Board of Directors has declared a dividend from Net Investment Income of 10 cents per share on the COMMON STOCK, payable June 10, 1960 to stockholders of record at the close of business May 24, 1960.

WM. M. HICKEY,
President

April 6, 1960

UNITED FRUIT COMPANY

Dividend No. 241

A dividend of twenty-five cents per share on the capital stock of this Company has been declared payable May 2, 1960, to shareholders of record April 8, 1960.

EDWARD D. TOLAND, Jr.
Secretary and Treasurer
Boston, Mass., March 28, 1960

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — Washington is crowded with visitors these early Spring days. 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 people living within its borders and another 1,250,000 living outside in Maryland and Virginia. This government city, which is supposed to be the talkingest city of them all, because it has more telephones per person than any other city of the world, has more politics in its system this 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 Hill, looks strange these days. 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 reddish Capitol dome this year has been just plain and fancy politics. For instance, in the Senate about six of the 12 weeks the Senate has been in session this year have been devoted to civil rights.

Slight Legislative Progress

During the other six weeks, only three major measures other than the appropriation bills have been passed by the Senate. 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 education program, and a resolution calling for constitutional amendments to eliminate the poll tax in five states, allow the governors to fill certain vacancies in the House of Representatives, and another that would permit the residents of the District of Columbia to vote in certain instances.

If Congress adjourns before the big political conventions in July, and it is just about certain adjournment will come before the Los Angeles shindig starts for the Democrats, there are only 14 weeks or so left for the completion of the legislative work.

Haste 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 for that matter — should never have been enacted into law.

On the House side of the Capitol hearings have been under way for sometime on liberalizing social security benefits in one form or another; a proposal to raise the minimum wage from $1 to $1.25 an hour and bring additional millions of persons under the minimum wage and another that would provide health insurance for the aged. Also hearings are under way in the House and the Senate on a farm bill.

The 4¼% Debt Ceiling Proposal

The House Ways and Means Committee has reported out a bill that the Treasury Department has been advocating for a year or more. The Treasury wants the 4¼% statutory limit on government bonds raised so that it will be in better position to extend the government debt in orderly fashion. Despite the fact that the pressure has lifted a little since the first of the year on the government securities market, the Treasury Department wants the ceiling lifted.

Liberal Democrats in the House and the Senate are strongly opposed to amending the 4¼% ceiling on interest rate. As of now, the bill looks stymied in the House Rules Committee, but the picture can change over night. After a bill is reported favorably by a committee, the House Rules Committee must give it the right-of-way for floor consideration.

No hearings have been conducted thus far on the extension of the corporate and excise taxes which were enacted as wartime measures. However, Congress is familiar with the workings of these laws. It will be simple to extend the laws for another year.

As of now, there appears to be no chance of Congress increasing the gasoline tax further at the 1960 session. Nor does it appear likely that certain postal rates will be increased again this election year. It might be different next year.

Bank Merger Bill Likely of Approval

The House Ways and Means Committee has been one of the busiest committees, as is usually the case, on Capitol Hill this year. The committee has been studying a series of proposed amendments to the income tax law, but it appears that no broad program will be passed this year.

"Yes, you're always on time—for coffee breaks—lunch periods—quitting time—you're only late getting to work!"

Observers who follow closely the Senate 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 passage. Under this proposal the Department of Justice would have to be notified in advance of a merger proposal of banking institutions.

Forand Bill and 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 P. Harrison, Democrat of Virginia. The Harrison measure would eliminate the requirement that a person must be over 50 to qualify for social security disability benefits.

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 120 days of combined hospital and home nursing care per year. In addition, it would provide diagnostic treatment in hospital outpatient clinics. To pay this cost, the social security tax would be raised three-eighths of 1%.

The Douglas Credit Disclosure Bill

Senator Paul H. Douglas, Liberal Democrat of Illinois, is pushing his bill that would require merchants and lenders of money to provide customers with complete knowledge of finance charges in advance of installment charges.

Senator Douglas declares that in the past decade the personal debt in the United States has increased 160%. By the end of this year he said the personal debt will be about $200,000,000,000. Therefore, he said it would be to the interest of the small purchaser who buys his merchandise on credit to know in advance how much of it is going to cost him in dollars and cents by the time that he pays off the debt.

The proposal of the Mid-Westerner would empower the Federal Reserve Board to draft rules and regulations and implement and enforce the lending provisions.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]