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Editorial AS WE SEE IT

So much has been said about the situation that has arisen in Japan, and the possible consequences to us and to our allies, that we hesitate to try to add anything to the diagnoses and prognoses that have been so proliferously supplied by many who are far better qualified to appraise most aspects of the state of affairs in that troubled island nation. Yet it appears to us that one basic element which in one form or another is a serious source of trouble there and in many other parts of the world has been sadly neglected. It would appear that both the Japanese Government and our own have seriously misjudged the situation in Japan—as we for our part have done on more than one other previous occasion. It is now evident that forces hostile to the United States are stronger in that country than had been supposed, and it is likewise clear enough that the communist imperialists have been both busy and effective in exploiting them.

The same element of fanatical zeal leading to disregard of personal safety or life that characterized the Japanese fighting men during World War II is again in evidence, as one, of course, might expect. Doubtless it is true, as is now so often said, that the humiliation of a total defeat, and the horrors of Hiroshima and Nagasaki have left their mark upon the minds of the Japanese people. We must remember, too, as again we are now repeatedly told, that Japan lies under the guns—or at least of the rockets—of the communist world—and doubtless many of the rank and file are well aware of the fact. Mr. Khrushchev and his propaganda experts have seen to that. Our own propaganda mill has, since the end of World War II, been busily engaged in trying to convince the Japanese people that it would be wise for their nation to avoid all future wars—a program not quite consistent with our effort now to make Japan an ally in halting the march of communism if necessary by force. If the howling mobs which have been gracing the streets of Tokyo of late really represent a relatively small minority of the Japanese people, *(Continued on page 29)*

Zeal for Rapid Economic Growth Could Be Tragically Self-Defeating

By G. Walter Woodworth, *Professor of Finance, College of Commerce and Business Administration, Univ. of Illinois*

Spurring of economic growth through aggressive monetary or fiscal policy is condemned on the ground it may conflict with our other important objectives. The simultaneous employment of both policies is even more strongly condemned. Analytic exposition on the meaning, nature, measurement and methods of anabatic development supports a "facilitating" monetary policy within a free choice-decision environment. This method, the author avers, nurtures the basic conditions that permit growth to occur as a by-product without endangering the loss of our heritage of economic and political freedom—which would not be the case were we to posit growth target rates.

This paper is prompted by the exaltation of economic growth as an objective of national policy in recent years, and especially since the Second World War. Many economists and public officials have not only elevated growth to top priority among economic goals, but have made a fad of the idea almost to the point of obsession. There is no quarrel with the growth or progress objective as such. In fact, it is the most exciting of all goals, since it embodies our best hopes for eradication of poverty, and for a rising standard of living with new products and with more goods of greater variety. But like all good things, growth must be kept in proper balance. If pressed too hard it may come in conflict with other important economic objectives—a high *current* standard of living, economic stability, economic justice, and a stable price level. Indeed, an obsession with growth might threaten the basic American institutions of political freedom and economic freedom. If so, the price of forced-draft growth comes much too high, and in the end can only be self-defeating; that is, less real development may actually be achieved than would be realized as a result of private decisions in a free economy.



G. Walter Woodworth

In the paragraphs that follow, it is my purpose to develop the thesis that it would be a costly mistake to set up an extravagant rate of growth as a goal of public policy, and particularly so if monetary and fiscal measures were largely employed to attain this goal. It is assumed for this discussion that the cold war gets no hotter, or that it recedes in intensity. Proof of this thesis requires at least summary discussion of background issues pertaining to growth, as follows:

(1) How may economic growth be defined and measured?

(2) What are the main features and implications of economic growth?

(3) What is the optimum rate of economic growth?

(4) What are the basic conditions of healthy growth in a free society?

With this background in mind, we then come to the questions:

(1) What is the proper role of monetary policy in regard to economic growth?

(2) What is the responsibility of fiscal policy for growth?

I

Examples of the Postwar Disposition to Elevate Growth as an Economic Objective

(A) *Leon H. Keyserling, former Chairman, Council of Economic Advisers*

In a recent statement before the Joint Economic Committee, Mr. Keyserling set forth the first great purpose of the economic system, as follows: "To achieve steady and opti- *(Continued on page 26)*

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The Von Hamm-Young Company, Limited
Hawaii

Although Hawaii has long been known as a "growth" area, statehood and the jet age have touched off a boom which informed observers believe will continue for at least a decade to come.

Since the piston-engined airplane cut the travel time from the Pacific Coast from 4½ days to less than nine hours, Hawaii has been growing at a rate far greater than that of the Continental U. S. During the past five years alone, its population has risen a healthy 25% to about 675,000; its tourist arrivals, 166% to 243,000; tourist expenditures, 500% to $101,000,000, real estate transfers, 100% to $100,000,000; construction, 193% to $220,000,000; and there have been equally impressive gains in commercial and industrial activity.

With statehood focusing attention on the Islands, and with jet planes cutting in half the flight time from the Pacific Coast, and enabling the New Yorker to breakfast at home and be in Honolulu in time for early cocktails, Hawaii's growth has been accelerated and strengthened. Bankers and businessmen, including the astute Henry J. Kaiser, predict that Hawaii's population and tourist arrivals will each reach 1,000,000 by the late 1960's, and are backing these predictions with big money. Kaiser's already large Hawaiian Village Hotel is being expanded to a 5000-room, $60,000,000 resort center; his 50,000-person Hawaii Kai resort city will ultimately cost $350,000,000; Sheraton paid $18,000,000 for the four Matson hotels; American Cement and Cyprus Mines are backing a $12,000,000 cement plant; Standard Oil of California is building a $60,000,000 refinery; the State of Hawaii has a $46,800,000 resort development project; and the investment of mainland insurance companies in Hawaii's growth is already approaching the quarter-billion-dollar mark.

With the leading financial and business publications giving increasing publicity to Hawaii's growth, there is a steadily-mounting mainland investor interest in Hawaiian securities. To a major degree, this interest has so far been centered on the shares of a few leading companies, some of which are heavily committed to the sugar and pineapple industries, but the writer's first choice is Von Hamm-Young Company, Limited.

Von Hamm-Young's operations are tied primarily to the population — permanent, military, and tourist — of Hawaii, and to its construction, commercial, and manufacturing activity. And the inherent strength of the company's operations is indicated by its 61-year record of continuous profits, and 44-years of continuous dividend payments.

Von Hamm-Young wholesales, retails and services Frigidare appliances, Zenith radios and TV's, Hoover vacuum cleaners, Ronson products, Sylvania lighting products, Firestone tires and other products, and Worthington air conditioning equipment. It sells and services equipment for laundry and dry cleaning plants, Otis elevators, Cooper-Bessemer compressors and engines, Briggs & Stratton engines, Delta, (Rockwell) machine tools, Pacific Pumps, and Atlantic Steel products. It sells a broad line of conduit, wire, cable, wiring devices, fixtures, switch gear, and transformers, to contractors and builders. It contracts, installs and services commercial air conditioning, and commercial refrigeration; and designs, constructs, and remodels commercial interiors.

Von Hamm-Young wholesales, retails, and services Olivetti business machines and other lines of office equipment. It is a leading jobber of textiles and fabrics to Hawaiian garment manufacturers, and to mainland buyers. It wholesales the products of Burlington Mills, Lowenstein, Spring Mills and others, and imports and wholesales the printed fabrics of several leading Japanese mills. And it designs and prints its own line of "Hawaiian Textiles."

Von Hamm-Young is the wholesale distributor of more than 40% of all the liquor, wines and beer consumed in the Hawaiian Islands, having exclusive contracts with National Distillers, 21 Brands, Brown-Forman, Browne Vintners, and many others. It wholesales the ethical drugs, surgical supplies and equipment, and other products of Parke-Davis, Squibb, Mead Johnson, Welch-Allyn, Ritter Company, Johnson & Johnson, and other leaders in these fields.

Von Hamm-Young distributes and services Willys "Jeep" vehicles, Borgward and Datsun passenger cars, Kenworth heavy duty trucks, and Cummins diesel engines. It owns and operates a modern tire recapping plant, an extensive auto repair service, and engine rebuilding facilities. It maintains a retail store for home and auto supplies, sporting goods, and marine equipment. It manufactures and sells fiberglass boats, and plastic products. And it is well established in the insurance business, representing a number of leading American companies, and Lloyds of London.

Von Hamm-Young maintains branches in the three other major islands of Hawaii. It wholesales to 900 liquor accounts, 875 drug accounts, 465 dry goods accounts, 147 Firestone products accounts, and to 56 electrical and building contractors. It additionally has about 16,000 retail, and 1500 insurance, accounts.

In addition to the profit potentials of the activities outlined above, Von Hamm-Young's shares provide an unusually strong and attractive interest in Honolulu real estate. The company owns seven acres of commercial land, located on a main artery only a half dozen blocks from the city center, with an estimated market worth equal to about half the current market value of the shares; 3 valuable 49-year leaseholds; and heavily-depreciated improvements which could not be duplicated for, but could probably be sold for, their original cost.

Due to changes made last year, Von Hamm-Young is a revitalized business, intent on rapid expansion directly and through the acquisition of other companies. Reflecting its new energies, its earnings rose 64% last year, to $0.90 per share, and a continuing upward trend is anticipated. Its current annual dividend rate is $0.35 in cash plus 4% in stock.

The company's funded debt totals $715,600; and it has 25,000 shares of 4¼% $20 par value preferred, and 378,000 of no par common stock outstanding. On a statement basis, the year-end book value of the common was equal to $17.80 per share; on the basis of the true worth of the company's real estate and improvements, it probably exceeded $30 per share. The common is traded on the Honolulu Stock Exchange, and in the Over-the-Counter market on the mainland.

This Week's Forum Participants and Their Selections

Von Hamm - Young Co. Ltd.— Robert H. Huff, President, Robert H. Huff & Co., Los Angeles, Calif. (Page 2)

Electro Instruments — Richard E. Richter, Research Partner, Richter & Co., New York City (Page 2)

RICHARD E. RICHTER
Research Partner, Richter & Co.
New York City
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Electro Instruments

The most misused word in the stock market dictionary is "growth."


Richard E. Richter

Many companies, with little more than hope and a soldering iron, have set up shop in the last few years, yet have been bid up to astronomical levels by investors. This malady has been most prevalent in "science" and electronic stocks where certain entries are selling at 20 times their deficit.

By contrast, the vast potential of Electro Instruments (1960 price range 43-68) has not been discounted years and years ahead. It is valid "science" speculation, available at a relatively reasonable price.

I feel that EI will achieve "Redwood" status because of the following impressive factors:

Competitive Position

Electro Instruments is the largest company in the instrument phase of the digital instrumentation field. Business is divided into five lines:

(a) *Digital Measuring Instruments*—65% of sales. These instruments measure basic electrical quantities automatically, and present them in both visual and printed forms. The major uses of this measurement are in telemetry, lab and calibration testing and missile checkout. The company's digital instruments find frequent application here because of precision capability and ease of integration with other test facilities.

A major addition to the 1959 line was an all-transistor high-speed frequency counter. This instrument counts separate and distinct events, such as pulse beats and shaft rotations. A revolutionary RMS voltmeter has also been added.

(b) *Graphic Recorders*—7% of sales. XY plotters take two electrical signals and provide a study through an ink-drawn graph of the relationship between these signals.

Because of the need for presentation of data on graphs, these recorders have varied application as general laboratory and production check-out test tools. In com-

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Factors Influencing the Interest Rate Structure

By Cushman McGee,* Partner, R. W. Pressprich & Co., N. Y. City
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Municipal dealer considers this year's decline in municipals compared to last year's supply but a mild lull in the long term upward volume. Mr. McGee predicts heavy demand for capital; doubts interest rate level will significantly change; and expects strong demand for equities and a reversal in the dividend-bond yield ratio to a more common pattern—even should bond yields recede more this year. He reviews the recent developments bearing on municipal financing; anticipates Fed's eased policy will improve bond prices; and strongly defends the doctrine of "reciprocal immunity."

The subject of my discourse has been frequently discussed at conferences of the MFOA. Nevertheless, it is particularly appropriate at this time because heavy borrowing is necessarily being undertaken by political entities in both the United States and Canada.



Cushman McGee

Interest rates, of course, are a most important adjunct of credit—either public or private credit. Credit is a mighty instrument. It can accomplish wondrous things. To illustrate: Charlie Pierce of Dallas, Texas, was chuckling about a conversation he had recently with a Texas oil magnate and business tycoon, whom I will call "Chris" (since that isn't his name). Charlie asked Chris where he had been. The latter replied: "Out on the Pacific Coast. Got a deal pending." "How's it going?" asked Charlie. Chris replied: "Not so good. The other party asked $50 million for their properties, and I've traded them down to $40 million. The thing that's holding up the deal is that they want $1,000 in cash!"

I have been a participant in underwriting an acquisition or construction of revenue-producing properties in which the amount of the financing covered not only the basic cost, but all incidentals, so that the municipality did not need to put up a single cent. Such revenue bond financing demonstrates the high degree of flexibility which has been possible in arranging credit for public enterprises with good prospects of earnings.

Important changes in economic affairs, which have a direct bearing upon our subject, often take place within short periods of time. The last two years are no exception. Let's review recent developments briefly in order to determine the trend — attempting to identify the implications which may be significant for the near future.

Two years ago, the United States was emerging from an economic recession. This had caused a heavy deficit in national income. That spring the Federal Government welcomed the development of state and local public construction programs as a stimulus to the economy. Candidly, however, the principal cure for the recession came from the resiliency of consumer spending. It certainly did not come from legislative panaceas.

One year ago, the economy of both the United States and Canada was surging forward with remarkable buoyancy. This flood-tide continued through the remainder of 1959, despite the cross-current resulting from the prolonged steelworkers strike which began in July and ended in November. So strong was the tide that the gross national product of the United States moved forward during the year. In the last quarter, it reached an annual rate of $483.5 billion, compared to $457.1 billion a year earlier. Incidentally, all types of earners improved their condition except farmers. The gain in gross national product was attributable to enhancement of the gross retained earnings of business and the net receipts of government, but, most of all, to enlargement of consumers' personal income.

One component of consumers' personal income has an appreciable effect upon interest rates. This is the portion which is saved. During the past ten years the savings of individuals in the United States have ranged from 6.1% to 7.9% of disposable income. The figure was 6.9% in 1959, amounting to $23.1 billion. In other words, as disposable personal income has risen to historic heights, the portion dedicated to savings has remained constant or has fluctuated within narrow limits.

Fortunately, there is another primary source of savings. Such a source is the retained earnings of business, augmented by allowances for depreciation. This source supported gross private domestic investment by business of $71.1 billion in 1959.

In order to avoid the many evils of inflation, which include inordinately high interest rates, it is desirable that savings be dedicated to constructive investments. The use of savings in this manner forestalls debasement of our currency, or inordinate demands upon the commercial banking system. Since the commercial banking system, if given the help of the Federal Reserve System, can manufacture credit, much as the national government can print currency, excessive demands should not be imposed upon the banks.

In 1959, there was real need for savings which might pay for all kinds of new outlays. New con-

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OBSERVATIONS...

BY A. WILFRED MAY

THE VARI-COLORED CHIPS

This year of difficult markets, following the unprecedentedly long period of comparatively easy riding, calls for a fresh look at the relative market "performance" of the various categories of issues, as registered in various kinds of portfolios as well as Averages and Indexes.

Already a quarter century ago Blue Chip-ism was attracting attention. Studies (notably including one undertaken in the late nineteen thirties by The Lehman Corporation, under the direction of Alexander Sachs, its chief economist) showed that the premiums paid for the name stocks as distinguished from the run-of-the-market, by investors in the form of higher price-earnings ratios and lower dividend yields, were becoming a significant and volatile market factor.

While the relationship between the Blue Chips, as importantly represented by the Dow-Jones Industrial Average, and the run-of-the-market, in the form of Standard & Poor's 425 Industrial Stock Index which comprises 80% of all listed stocks' market value, have showed great continuing variations, it was generally to be noted that the Blue Chips ran ahead during the great market boom of the nineteen twenties, fell more rapidly in the nineteen thirties; differed inconsistently during the forties; and in the fifties ran constantly behind the large market group.

"Quasi-Blue Chips" Led; D-J Trailed

Over the entire 40-year span from 1919 to the end of 1959, the best performance has been registered by Moody's 125 Industrials, a "quasi-Blue Chip" Index of leading companies in each industry proportioned to their relative market value; the next best by Standard & Poor's 425 Industrials; followed by S & P's 500-Composite of 425 Industrials, 50 Utilities and 25 rails; and trailing last, the Dow-Jones Industrials.

A new analysis coming to hand shows that this more favorable historical record by the large "run-of-the-market" group has likewise held true in its comparison with the *popular*, as distinguished from the objectively designated *quality* issues.

Connoting *popularity* with volume of Exchange trading activity, Roy S. Heavner (of Templeton, Dobrow & Vance, Inc.) in the April issue of TRUSTS & ESTATES magazine, traced the comparative performance of the 10 most popular issues with the Standard & Poor's 425 Industrials, extending to the present from 1919, 1929, and 1939. In the case of each of the intervals, the group of 10 popular issues were decisively out-performed by the run-of-the-market. Among the *popular* casualties were International Mercantile Marine, Baldwin Locomotive, Studebaker old (sunk to zero), Columbia Graphaphone, etc.

The Record in Our "Growth Era"

Surely the comparative market behavior of the various categories of issues, classified as to both their categories and those of their holders, during this 1960 year of two-way as well as highly selective markets, is particularly interesting in showing marked change from the previous relative performance record.

By far the best record since the turn of the year has been registered by Standard & Poor's Index of 15 High Grade commons. During the 5½-month period to June 17, a time of declines in other indexes as well as in the majority of outstanding issues (the catch-all group of 1,082 common stock issues compiled by Harold Clayton of Hemphill, Noyes & Co. shows a net decline of 2.37%), this 15-issue group actually registered an advance, from 50.18 on Dec. 31 last to 54.67, or 8.9%. This S. & P. index (weighted to assume the same amount invested in each issue) is comprised of the following stocks:

American Can
American Tel. & Tel.
Campbell Soup
Consolidated Edison
Corn Products
First National Stores
General Foods
Kimberly Clark
National Dairy
Otis Elevator
Owens Illinois
Penney
Procter & Gamble
Reynolds Tobacco
Union Pacific

Despite the current epidemic of *Growth-itis*, these issues, at most embodying slow-and-steady expansion, considerably outperformed the leading Growth Stock Index, compiled by Moody's. The 20 issues in this Growth group (weighted in accordance with the number of shares outstanding) which, in contrast to their stellar performance, as above stated in the 1950-1959 period, registered a net *loss* of 2.7% during the January to June, 1960 period, follow:

American Cyanamid
American Home Products
Crown Zellerbach
Dow
DuPont
General Electric
Goodrich
International Business Mach.
Lily Tulip
Merck
Minnesota Honeywell
Minnesota Mining
Monsanto
National Lead
Radio Corp. of America
Reynolds Metals
Rohm & Haas
Scott Paper
Shell Oil
Union Carbide

Surprising also is the contrast between this disappointing "Growth" performance in 1960 its brilliant previous record throughout the past decade. In the 1950-to-date period, this Growth Index had risen by 362% (with the issues selected by hindsight before 1953), against 215% by the 425 S-&-P Industrials, and 210% by the D.-J. Industrials.

During the 1960 period the Dow Jones Industrial Average has declined by 5%, and the S-&-P 425-Industrials by 5%.

Most interesting in the current period, is the record made by the most popular issues, as selected by institutional portfolio managers. For such survey, we first base our calculations on Vickers' "Favorite Fifty," these being the 50 issues most frequently held, as of March 31 last, by the mutual funds. Our table, through our totaling of the Dec. 31, 1959 and June 17 prices of each issue, and relating the one date's total to the other, gives the per cent decline of the entire group (unweighted) —amounting to only 0.38% for the period. (The third column's per cent of change listed for each issue is merely given for the convenience of the reader, and is not used in striking the average). This method makes our calculation of this group comparable with other recognized indexes.

TABLE I

MARKET PERFORMANCE OF THE GROUP, AND OF THE INDIVIDUAL ISSUES, COMPRISING "THE FAVORITE FIFTY," I.e., the issues most frequently appearing in the mutual funds' portfolios, as of March 31, 1959†

		Price 12/31 1959	Price 6/17 1960	Change
1	IBM Corp.	438	519	+19%
2	Texaco, Inc.	85	72	—15
3	United States Steel	98	83	—16
4	du Pont (E. I.)	264	209	—22
5	General Electric Co.	99	94	— 5
6	Standard Oil (NJ)	49	42	—14
7	American Tel & Tel	79	89	+13
8	Internat'l Paper Co.	136	106	—22
9	Goodyear Tire, Rub.	46	41	—11
10	General Motors	55	44	—20
11	Int'l Nickel Co. Can.	55	55	0
12	Royal Dutch Petrol.	45	37	—27
13	Ford Motor Co.	91	69	—25
14	Minnesota Min., Mfg.	59	86	+46
15	Armco Steel Corp.	77	65	—16
16	Union Carbide Corp.	147	137	— 8
17	Eastman Kodak Co.	109	129	+19
18	Gulf Oil Corp.	37	28	—24
19	Southern Co.	40	48	+20
20	Westinghouse Elec.	110	130	+18
21	Bethlehem Steel	54	45	—18
22	Republic Steel Corp.	76	64	—16
23	Continental Oil Co.	55	44	—16
24	Central & So. West	32	39	+22
25	Florida Power & Lt.	55	63	+23
26	Radio Corp. of Am.	69	71	+ 3
27	Texas Utilities Co.	76	84	+11
28	Standard Oil (Calif.)	50	41	—18
29	Merck & Co.	81	92	+14
30	Firestone Tire, Rub.	145	39	—13
31	Reynolds Metals Co.	71	53	—25
32	Dow Chemical Co.	99	92	— 7
33	Allied Chemical	58	55	— 5
34	Gillette Company	64	76	+20
35	American Elec. Pwr.	49	57	+16
36	Arkansas La. Gas‡	31	36	+12
37	Texas Instruments	171	244	+44
38	Rohm & Haas Co.	730	710	— 3
39	Gen'l Tel. & Elec.	84	31	+11
40	Aluminium, Ltd.	33	32	— 1
41	Shell Oil Co.	41	34	—17
42	La. Land & Explor.	51	46	—10
43	Sears, Roebuck Co.	51	58	+14
44	U. S. Gypsum Co.	94	114	+21
45	Monsanto Chemical	56	44	—16
46	Standard Oil (Ind.)	44	38	—14
47	Amerada Petroleum	76	61	—20
48	Columbia Broadcstg.	40	44	+10
49	National Lead Co.	107	92	—14
50	Parke, Davis & Co.	46	49	+ 7
	PERCENT DECLINE OF GROUP			—0.38

†The identity of the 50 issues, on which our calculations are made, copyrighted by Vickers Associates, Inc., is used with their permission.
‡Listed on the American Stk. Exchange.

Another significant result of institutional investing comes to hand from Retirement and Employe Benefit Plans which participate in 115 pooled investment funds operated by 64 banks and trust companies, now totalling almost a half billion dollars. As reported to TRUSTS AND ESTATES magazine, and appear in its forthcoming June issue, are nine equity stocks held by more than half of the funds. These issues we show below, with this year's decline of the group shown, at 2%, calculated the same as we did on the "Favorite Fifty."

Our compilation of these Funds-favored issues is significant, because it illustrates how "name" stocks can elevate the "performance" registered by the mutual fund portfolios (to some extent resulting from boot-strap lifting); highlights the great divergence between the individual issues, with the great drag by the oils, offset by some striking individual rises, as in Minnesota Mining and IBM. The oil situation demonstrates a communal disadvantage resulting from major participation in "big name" issues in cyclical industries; since their existing overloading in the funds' portfolios reduces buying power which should appear as a bolstering force in low periods of the trade and market pendulum.

* * *

TABLE II

1960 PERFORMANCE OF POPULAR ISSUES HELD IN POOLED RETIREMENT FUNDS

	12/31 1959	6/17 1960	Change
Standard Oil (N. J.)	49	42	—14%
General Electric	99	94	— 5
General Motors	55	44	—20
duPont	264	209	—22
Texaco	85	72	—15
Union Carbide	147	137	— 8
IBM	438	519	+19
U. S. Steel	98	38	—16
A. T. & T.	79	89	+13
PERCENT DECLINE OF GROUP			—2%

RECAP TABLE III

COMPARATIVE "PERFORMANCE" BY VARIOUS INDEXES DEC. 31, 1959-JUNE 17, 1960

STANDARD & POOR'S 15 HIGH-GRADES	rose 8.9%
DOW-JONES INDUSTRIALS	fell 5
MOODY'S 20 GROWTH STOCKS	fell 2.7
MOODY'S 125 INDUSTRIALS	fell 7
VICKERS' FAVORITE FIFTY	fell 0.38
FAVORITES IN POOLED RETIREMENT FUNDS	fell 2.0
STANDARD & POOR'S 425	fell 5
STANDARD & POOR'S 500	fell 4
CLAYTON'S 1,082 ISSUES	fell 2.37

Conclusions

Our data then lead to the following conclusions:

(1) Over both long and short periods the Dow-Jones "Blue Chip" Average, has been unable consistently to maintain its valuation-premium over the rank-and-file of market issues.

(2) Generally, consistency has been lacking in the comparative performance record of any particular index or group.

(3) The "growth" contingent of issues generally is not "living up to its reputation," in relative market "performance."

(4) All this, together with the redemonstrated divergent performance by the issues constituting the averages, confirms the advisability of suiting investing policy to rest on value criteria applied to *individual* issues, without pursuing timing "signals" tied to an Average *(Mr. Dow)*.

★For detailed statistical data on the differential behavior of these two indexes since 1918, cf. "A Critical Evaluation of Stock Market Indexes," by Robert W. Storer, V.-P., Manufacturers National Bank of Detroit, in the 1959 Special Supplement of the American Statistical Association.

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Raymond Moore Opens

Formation of Raymond Moore & Co., to help meet the growing need of California growth companies for expansion capital, was announced by Raymond Moore.

The firm, with offices at 501 South Fairfax Avenue, will engage in general stock brokerage and specialize in underwriting companies with seasoned management and earnings records.

A native of Salt Lake City, Utah, Mr. Moore began his career in the Office of the Judge Advocate, Washington, D. C., after studying law and business administration at George Washington University. Since 1953 he has been associated in various capacities with securities brokerage firms in Salt Lake City, Los Angeles and San Francisco.

With H. A. Riecke

WILKES-BARRE, Pa.—H. A. Riecke & Co., Incorporated, members of the New York Stock Exchange and other leading exchanges, announce that Alfred E. Foster and William L. Pace are now associated with them as registered representatives, in their Wilkes-Barre, Pa. office.

John Lewis to Admit

John H. Lewis & Co., 63 Wall Street, New York City, members of the New York Stock Exchange, will admit Evelyn L. Lewis to limited partnership on July 1.

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Tested Chemical Equities

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

Brief comment on the industry, plus progress reports on some companies gleaning rich harvests from laboratory research.

In the market symphony of recent months the chemicals have been supplying the background music, leaving the solos and the virtuosity to electronics, such as Motorola and Texas Instruments, picture-takers like Fairchild and Polaroid, and leisure leaders such as Brunswick and Nafi. Just because the chemicals are not the dazzling darlings of the market at the moment does not mean, however, that they should be neglected. They continue busily and profitably pushing forward the frontiers of science and technology; and each year they add new dimensions to the comfort and efficiency of our way of living.

In the decade lying ahead of us the industry has four visible areas of impressive growth: plastics, farm chemicals, synthetic fibers and metallurgical chemicals. In plastics, uses in pleasure boats, motor cars and appliances are multiplying; in building, plastic roofs, walls, floor coverings, curtains and drapes are all in line for a great expansion in use. With the world "population explosion" and hundreds of millions more mouths to feed, fertilizers to increase crop yields, and sprays to beat down the pests, will have almost limitless demand. There's new synthetic fiber every few months. In metals for our space age, we're moving into elements which were only dictionary names a few years back: tantalum, titanium, niobium and silicon. The next 10 years may well out-distance the past 50 in the breadth and magnitude of chemical "break throughs."

From the investor's standpoint, there is every reason to continue to expect good results in chemical equities. The industry has documented a substantial depression-resistant quality; and net earnings of better companies have consistently grown at exciting annual rates of from 6% to 10% compounded. A key feature has been the imagination and initiative of managements — the willingness and the talent to spend millions on research for products where no market existed; and then the spending of millions more to build production plants, far ahead of demand; and finally, aggressive selling which, in due course, converts laboratory formulae into profitable cash flow. Chemical shares, in general, are down quite a bit from last year's highs so that, today, there appear to be some quite uninflated market values available. Let's look at a few of them.

Union Carbide

Union Carbide continues on its majestic way as one of the all-time chemical greats. Second largest in the industry it carried its sales last year past the $1½ billion mark and (including estimated unremitted foreign earnings) earned $6.05 per share for the year. Union Carbide is the major enterprise in plastics, doing 20% of its total business in that division. Industrial gases accounted for 15% of sales. Industrial chemicals such as fluorocarbons, insecticides and polyurethane foams comprise over 30% of sales; and the company provides major products for the steel and metal trades.

The sustained forward motion in Union Carbide stems, in large measure, from three things: (1) splendid management in depth; (2) substantial annual capital expenditures (averaging $132 million a year for the past decade) and (3) high research outlay — about 5% of sales projected for 1960.

This year should carry Union Carbide to a new high in earning power—about $6.70 per share. At 136, paying $3.60 the common is selling at about 20 times estimated 1960 earnings, and substantially below its last year's high of 150½. Union Carbide should gross $1¾ billion this year, increase its cash dividend, and split its shares. All of which casts an aura of attractiveness about this authentic and magnificently solvent blue chip.

Monsanto Chemical

Monsanto is particularly noted for the expansion and development of its foreign investments. In most cases Monsanto has invested in partnership with established chemical companies abroad, taking advantage of lower labor and research costs and the remarkably high rate of industrial expansion in certain foreign countries. Monsanto's overseas investments now total about $225 million.

Features lending current attraction to Monsanto common stock are (1) the steady increase in sales for the past decade; (2) research outlay of about $30 million in 1960; (3) capital expenditures of $112 million this year; (4) heavy accent on plastics and synthetic fibers; (5) a growth rate for the past six years of over 9% annually compounded. Monsanto common sells at around 43½, down substantially from its recent high of 55⅞, and now reasonably priced in relation to expected 1960 earnings of about $3.

Allied Chemical Corporation

ACD is our third largest chemical enterprise and in the past 10 years has not only changed its name but undergone a major transformation in its product mix. Still among the leaders in basic industrial chemicals such as coke, nitrogen, alkalis, chlorine and sulphuric acid, it has stressed expansion into many new lines affording higher profit margins. Its patented Nylon 6 has a bright future in cord tires and carpets. Its plastics include A-C polyethylene for packaging and pipes, urea for appliances, melamine for electric appliances and dinner tableware, and vinyl chloride for raincoats, toys and sprinkler hose. Aerosol propellants, merchandised under the Genetron name, are used in hundreds of sprayed products, and in almost all types of air-conditioning and refrigerating units.

In the past decade Allied Chemical has spent over $700 million in capital expenditure, mostly in new plants. This year expenditure for research will be about $20 million. Exciting new developments in plastics, polymers and rocket propellants are on the way.

But for the steel strike, Allied Chemical would have had a record year in 1959. As it was, per share net rose 48% over 1958 to $2.51. For this year $3 a share seems a reasonable target, and sales should reach a new high of around $775 million. Allied Chemical at around 55, paying $1.80, is a quality equity with an unbroken dividend record since 1921.

Olin-Mathieson Chemical Corp.

Olin-Mathieson is the product of a major merger in 1954, and its numerous corporate acquisitions along the way now make it the most diversified of chemical companies. Products include agricultural and industrial chemicals (accounting for over 30% of sales, cellophane and paper packaging, metals including aluminum, drugs and pharmaceuticals (through the Squibb division), Winchester guns and ammunition, and high-energy fuels.

Corporate assimilation, and integration of all these diverse activities, has taken considerable time and created some unevenness in earning power. By the end of last year, however, the company appeared to have gotten "on stream." Sales rose to $734 million and a per share net of $2.75 was recorded, even after a 33 cent per share loss on aluminum production. Olin-Mathieson now ranks as the fourth largest producer of aluminum and this division is expected to get into black figures for 1960.

For the investor there are two entries into the Olin-Mathieson situation: the common, selling at $44 and paying $1 and the 5½% debentures, selling at 118 and convertible into common for the next 12 years at $50 a share. The debentures, even at their premium price, show a current yield of 4.7%.

The foregoing provide interesting examples of chemical equities of merit. Had space permitted we would have also cited Tennessee Corporation which has shown a steady rise in per share net, and International Minerals and Chemicals which should begin to benefit substantially from its big plant investment made during the past 10 years. In any event a balanced portfolio of sensible equities, calculated to benefit from the Surging Sixities, would appear quite incomplete without some chemical representation.

B. C. Morton Branch

BATAVIA, N. Y.—B. C. Morton Organization has opened its 75th investment office, in Batavia, N. Y.

The new office is located at 108 W. Main St. and will be headed by E. E. Leavenworth whose career in the investment field goes back to 1930.

Harris, Upham Names Two

MINNEAPOLIS, Minn. — Harris, Upham & Co. have announced the appointment of Kenneth Cooley and Donald Reinhardt as registered representatives in its Northwestern Bank Building offices.

Prior to becoming associated with Harris, Upham, Mr. Cooley was located in Lewistown, Mont. as cashier of the Northwestern Bank of Lewistown, a Northwest Bancorporation affiliate.

Mr. Reinhardt prior to his association with Harris, Upham in 1959 spent two years in the Futures Department of a Minneapolis grain firm.

Billard Director

Gordon Y. Billard has been elected to the Board of Directors and the Board's Executive Committee of Capital Airlines. Mr. Billard is a partner in Carreau & Co., New York City.

D. L. Capas Opens

Dante L. Capas is engaging in a securities business from offices at 99 Wall Street, New York City, under the firm name of D. L. Capas Company. Mr. Capas was formerly a partner in J. K. Norton & Co.



120th CONSECUTIVE DIVIDEND

The Board of Directors has declared a quarterly dividend of twenty-five cents ($.25) per share, payable June 24, 1960 to holders of Common Capital Stock of Record at the close of business, June 10, 1960.

April 28, 1960 J. J. Denzler Secretary

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TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

This year's heaviest period of state and municipal financing was close to its peak on Tuesday with more than one quarter billion of new issues proffered by dealers. During the recent past the advent of this volume would, momentarily at least, have disrupted the market with consequent offerings lower than existing general market level. Such was not the case currently, however, as bidding groups approached most of the issues in a highly competitive fashion.

Two "Power" Issues

Tuesday's largest new issue, $100,000,000 New York State Power Authority serial and term general revenue bonds, was noncompetitive. The underwriting was negotiated by Dillon Read & Company, Halsey, Stuart & Company, Kuhn, Loeb & Company, and W. H. Morton & Company and a competence in pricing finesse was exhibited. The $80,000,000 term bonds, due 2006, were priced at par for 4⅛s. The market was accurately adjudged and the bonds were apparently well placed. The $20,000,000 of serial bonds maturing from 1965-1980 were priced to yield from 3.25% to 3.80%. They were not publicly reoffered, having been sold for group account to several institutional investors. Under present authorization, it would appear that the New York State Power Authority has only $100,000,000 of bonds to be sold. A nationwide market has been established for the four outstanding term issues of this authority and general marketability is assured.

The largest and most interesting issue competitively bid for on Tuesday also involved a power situation. The Oroville-Wyandotte Irrigation District, situated in Battle County, Calif., north of the Sacramento area, awarded $62,000,000 electric revenue serial and term bonds to the syndicate headed by F. S. Smithers & Company, Salomon Brothers & Hutzler, Ladenburg, Thalmann & Company and Dominick & Dominick. This issue involved $47,865,000 4¼% term revenue bonds, due 2010, reoffered at 104¼, and $14,135,000 serial revenue bonds, due 1966-1985, priced to yield from 3.10% to 3.75%. At this writing the reception for the issue has been less than enthusiastic despite its obviously good investment qualities.

The District will operate and maintain the power project and the Pacific Gas and Electric Company must bear these expenses through contractual payments. All the usual investor protection is provided and the country's largest utility company is committed under the contract. The issue is closed-end.

A "Sell-Out"

The State of Alabama Education Authority also came to market on Tuesday and borrowed $50,000,000 at a favorable rate. The issue, backed by state sales and usage taxes, is part of a $100,000,000 authorization, of which $30,000,000 new remains unsold. The present $50,000,000 installment attracted one bid from a large group headed by Lehman Brothers, Halsey, Stuart & Company, C. J. Devine & Company and many other financial houses. Maturing from 1962-1980, the bonds were scaled to yield from 3.00% to 3.95%. Investors have found this offering to their liking, even though the bonds are not a debt of the State of Alabama. At this writing the management reports a sellout.

The State of Maryland, an infrequent borrower and one with an excellent debt rating, sold $13,487,000 serial bonds, due 1963-1975, on Tuesday. The winning group headed by the Morgan Guaranty Trust Company, The First National Bank of Chicago, Continental Illinois National Bank, C. J. Devine & Company and several others priced the bonds to yield from 2.40% to 3.00%. Bidding for the issue was naturally very competitive due to the high rating and short maturity schedule. More than half the issue thus far remains unsold.

Another state issue in the highest rating category was also underwritten on Tuesday. The State of Ohio awarded $15,000,000 general obligation serial (1960-1970) bonds to the syndicate headed by First National City Bank, Goldman, Sachs & Company, Merrill, Lynch, Pierce, Fenner & Smith, Kuhn, Loeb & Company, R. W. Pressprich & Company and others. The bonds were scaled to yield from 1.65% to 2.85%. This issue met with good investor interest and is reported better than two-thirds sold.

Again, on Tuesday, a syndicate headed by the Chase Manhattan Bank, Blyth & Company, Bankers Trust Company, Goldman, Sachs & Company and many other houses was successful bidder for $9,000,000 Norfolk, Virginia serial (1961-1985) general obligation bonds. Priced to yield from 2.35% to 3.65%, the offering is reported as about half-sold. The 1985 maturity, bearing a ¼% coupon, was offered to yield 4.50%.

Other Awards This Week

Yesterday, June 22, the Maryland State Roads Commission awarded $20,000,000 serial (1961-1975) bonds to the group headed by Eastman Dillon, Union Securities & Company and including Halsey, Stuart & Company, C. J. Devine & Company, White Weld & Company and Salomon Brothers and Hutzler. The bonds were priced to yield from 2.25% to 3.50%. The obligations of this well operated, highly rated commission usually attract considerable investor attention. Thus far the issue is reported about one-third sold.

Miami, Fla. sold $3,000,000 water revenue bonds as we go to press to a syndicate managed by Glore, Forgan & Company. The bonds, maturing 1963 to 1986, were scaled to yield from 2.90% to 3.85%. No report of sales is presently available.

The final important new issue of this week involved $6,600,000 Anaheim, Calif. various purpose bonds due 1961-1980. This issue was won at a 3.55% interest cost by the group headed by the Bank of America and included Harris Trust and Savings Bank, The Northern Trust Company, Wells Fargo Bank and Trust Company and others. The issue was scaled to a 3.60% yield. No balance was available at this writing.

Yield Index Slightly Lower

With the almost feverish new issue activity, the secondary market has also risen, although the *Commercial and Financial Chronicle's* state and municipal bond yield index reflects an average rise of less than ¼ point for the week. The yield index currently is 3.384% against 3.396% for last week. The highest yield index recorded this year was 3.61% in late January. Thus, the average market level has risen about four points in the interim.

The turnpike bonds more immediately reflect the progressively higher new issue bidding. The Smith, Barney & Company turnpike bond index stood at 3.92% on June 16, the last reporting date. The week previous, the index registered at 3.96%. This represents a three-quarter point betterment over the weekly period. Today the increase would be about one point, it is estimated.

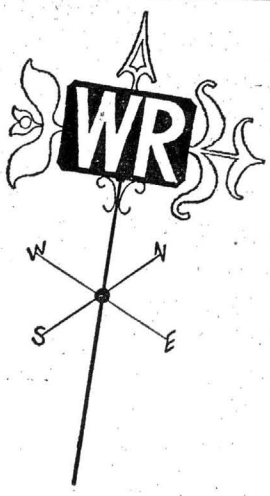
Bidding Caution May Be in Order

The secondary market volume, including new issue balances, as reported by the "Blue List," is now $287,301,200. This total is up from the $307,673,200 level of a week ago. An $80,000,000 jump within one week is a substantial one. With scheduled new issue volume heavy for the next three weeks it seems likely that the street float will get heavier. Should this total approach the half billion mark it would, in our opinion, become a negative market factor. New issue pricing might well moderate in an effort to forestall a market glut that could temporarily frustrate important investor interest in the tax-exempt bond market. This consideration becomes more important as we get into the vacation period.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.90%	3.75%
Connecticut (State)	3¾%	1980-1982	3.50%	3.35%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.40%	3.25%
New York (State)	3%	1978-1979	3.15%	3.00%
Pennsylvania (State)	3⅜%	1974-1975	3.20%	3.05%
Vermont (State)	3⅛%	1978-1979	3.20%	3.10%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.50%	3.35%
Los Angeles, Calif.	3¾%	1978-1980	3.85%	3.70%
Baltimore, Md.	3¼%	1980	3.50%	3.35%
Cincinnati, Ohio	3½%	1980	3.35%	3.25%
New Orleans, La.	3¼%	1979	3.55%	3.40%
Chicago, Ill.	3¼%	1977	3.75%	3.60%
New York City, N. Y.	3%	1980	3.90%	3.85%

June 23, 1960 Index=3.384



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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.

June 23 (Thursday)			
Babylon Union Free School Dist., No. 5, New York	1,985,000	1961-1980	2:00 p.m.
Manatee County, Florida	1,100,000	1963-1984	11:00 a.m.
Santa Cruz, California	2,500,000	1962-1989	11:00 a.m.
June 28 (Tuesday)			
California	93,000,000	1962-2000	10:00 a.m.
Columbia County, Wisconsin	1,000,000	1961-1980	2:00 p.m.
Columbus, Mississippi	1,200,000	1961-1985	7:30 p.m.
East Haven, Connecticut	1,379,000	1961-1980	2:00 p.m.
Escondido, California	1,125,000	1961-1999	7:30 p.m.
Fayetteville, North Carolina	1,370,000	1961-1979	11:00 a.m.
Lexington, Massachusetts	1,495,000	1961-1980	11:00 a.m.
Marion County, Florida	2,200,000	1962-1985	9:30 a.m.
Niagara Falls City Sch. Dist., N. Y.	1,074,000	1961-1980	2:30 p.m.
Victoria County, County Navigation District, Texas	1,500,000	1961-1985	1:30 p.m.
Wood Co., Texas	2,250,000	1961-1995	2:00 p.m.
June 29 (Wednesday)			
Brookhaven Central School Dist. No. 11, New York	2,545,400	1961-1990	2:00 p.m.
Florida Development Comm., Fla.	16,800,000	1965-1990	11:00 a.m.
Jackson, Mississippi	4,200,000	1961-1985	10:00 a.m.
Kankakee, Illinois	1,665,000	1961-1991	2:00 p.m.
Louisiana State Univer., Louisiana	6,500,000	1962-1983	11:00 a.m.
Pennsylvania State Public School Building Author., Pennsylvania	25,260,000	1960-1999	Noon
Silver Creek Sch. Bldg. Corp., Ind.	1,660,000	--------	2:00 p.m.
June 30 (Thursday)			
Dallas Ind. Sch. Dist., Texas	15,000,000	--------	8:00 p.m.
El Paso, Texas	9,000,000	1961-1985	10:00 a.m.
Guilderland, Bethlehem & New Scotland Cent. S. D. No. 2, N. Y.	1,860,000	1961-1989	11:00 a.m.
Nederland Ind. School Dist., Texas	1,500,000	1961-1988	11:00 a.m.
North East Ind. Sch. Dist., Texas	1,000,000	1961-1984	8:00 p.m.
July 5 (Tuesday)			
Alameda Co. Flood Control and Water Conservation Dist., Calif.	2,250,000	1961-1990	10:00 a.m.
Appleton, Wisconsin	1,925,000	1961-1980	1:30 p.m.
July 6 (Wednesday)			
Charlotte County Special Tax School District No. 1, Florida	1,000,000	1962-1982	11:00 a.m.
Florence State College, Alabama	1,365,000	1963-2000	9:00 a.m.
North Carolina	10,695,000	--------	11:00 a.m.
Orleans Levee District, La.	1,500,000	1961-1970	11:00 a.m.
Salt River Project Agricultural Imp. & Power District, Arizona	19,000,000	1963-1992	--------
July 7 (Thursday)			
Chicago, Illinois	37,000,000	--------	10:00 a.m.
Newton, Massachusetts	1,400,000	1961-1980	11:00 a.m.
St. Petersburg, Florida	5,000,000	--------	--------
July 11 (Monday)			
Santa Maria Joint Junior College District, California	1,000,000	1961-1980	10:00 a.m.
University of Pennsylvania	3,180,000	1962-1999	10:00 a.m.
July 12 (Tuesday)			
Anne Arundel County, Maryland	9,750,000	--------	--------
Anne Arundel County Sanitary Commission, Maryland	4,400,000	--------	--------
Ball State Teachers College of Indiana, Indiana	2,500,000	1962-1989	10:00 a.m.
Denton, Texas	2,300,000	1962-1990	10:30 a.m.
Escanaba Area Sch. Dist., Michigan	2,800,000	1961-1989	8:00 p.m.
Henderson State Teacher's College, Arkansas	1,384,000	1960-1999	11:00 a.m.
Montebello Unified Sch. D., Calif.	4,800,000	1961-1980	9:00 a.m.
Nassau County, New York	35,596,000	--------	--------
New Orleans, Louisiana	6,200,000	1962-1990	10:00 a.m.
Redondo Beach, California	8,750,000	1963-1980	10:00 a.m.
Sacramento, California	6,000,000	1962-2000	--------
Santa Clara County, California	11,498,000	1961-1985	11:00 a.m.
University of Texas	5,000,000	--------	10:00 a.m.
July 13 (Wednesday)			
Birmingham, Alabama	8,500,000	1961-1990	11:00 a.m.
July 19 (Tuesday)			
Eugene, Oregon	25,000,000	--------	--------
July 20 (Wednesday)			
Bernards Township Sch. Dist., N. J.	1,532,000	1961-1980	8:00 p.m.
Broward County, Florida	4,000,000	1966-1990	Noon
July 29 (Friday)			
Farmington School District, Mich.	1,500,000	1962-1986	8:00 p.m.
Aug. 3 (Wednesday)			
Wichita School Dist. No. 1, Kansas	2,500,000	1961-1980	9:00 a.m.
Sept. 8 (Thursday)			
Los Angeles, California	4,000,000	--------	10:00 a.m.
Sept. 14 (Wednesday)			
Greenwood Metro. Sewer District, South Carolina	1,000,000	--------	--------

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This announcement is not an offer of securities for sale or a solicitation of an offer to buy securities.

New Issue

June 22, 1960

$100,000,000

Power Authority of the State of New York

General Revenue Bonds, Series H

Interest exempt, in the opinion of Messrs. Hawkins, Delafield & Wood and of Messrs. Sullivan, Donovan, Hanrahan, McGovern & Lane, bond counsel to the Authority and to the Underwriters, respectively, under the existing statute and court decisions from Federal income taxes, and under existing statutes from New York State income tax.

$80,000,000 4⅛% Bonds, due January 1, 2006

Price 100%

$20,000,000 Serial Bonds

Principal amount	Due January 1	Interest rate	Price or Yield	Principal amount	Due January 1	Interest rate	Price or Yield
$ 925,000	1965	3.50%	3.25%	$1,240,000	1973	3.75%	3.70%
950,000	1966	3.50	3.35%	1,300,000	1974	3.75	3.70%
1,150,000	1967	3.50	3.40%	1,345,000	1975	3.75	100
1,040,000	1968	3.50	3.45%	1,395,000	1976	3.75	100
1,080,000	1969	3.50	100	1,445,000	1977	3.75	100
1,120,000	1970	3.50	3.55%	1,500,000	1978	3.75	3.80%
1,155,000	1971	3.50	3.60%	1,550,000	1979	3.75	3.80%
1,195,000	1972	3.75	3.65%	1,610,000	1980	3.75	3.80%

Accrued interest from July 1, 1960 is to be added to the prices.

The Bonds are subject to redemption, as a whole or in part, at any time on and after January 1, 1970, as set forth in the Authority's Official Statement.

Copies of the Circular dated June 20, 1960, which contains further information, including the Official Statement of the Authority, may be obtained from such of the undersigned as may legally offer these securities under applicable securities laws. The undersigned are among the Underwriters.

Dillon, Read & Co. Inc. — Halsey, Stuart & Co. Inc. — Kuhn, Loeb & Co. — W. H. Morton & Co. Incorporated

Blyth & Co., Inc. — Drexel & Co. — Eastman Dillon, Union Securities & Co. — The First Boston Corporation

Glore, Forgan & Co. — Goldman, Sachs & Co. — Harriman Ripley & Co. Incorporated — Kidder, Peabody & Co. — Ladenburg, Thalmann & Co.

Lazard Frères & Co. — Lehman Brothers — Merrill Lynch, Pierce, Fenner & Smith Incorporated — R. W. Pressprich & Co. — Shields & Company

Smith, Barney & Co. Incorporated — Stone & Webster Securities Corporation — B. J. Van Ingen & Co. Inc. — White, Weld & Co.

Allen & Company — A. C. Allyn and Company Incorporated — Alex. Brown & Sons — C. J. Devine & Co. — Equitable Securities Corporation

Hornblower & Weeks — Carl M. Loeb, Rhoades & Co. — Phelps, Fenn & Co. — Reynolds & Co. — Wertheim & Co.

Bear, Stearns & Co. — Blair & Co. Incorporated — Estabrook & Co. — Gregory & Sons — Ira Haupt & Co.

Hemphill, Noyes & Co. — W. C. Langley & Co. — Lee Higginson Corporation — F. S. Moseley & Co.

Paine, Webber, Jackson & Curtis — L. F. Rothschild & Co. — F. S. Smithers & Co. — Dean Witter & Co. — Wood, Struthers & Co.

Adams, McEntee & Co., Inc. — American Securities Corporation — Bache & Co. — Bacon, Stevenson & Co. — Barr Brothers & Co.

A. G. Becker & Co. Incorporated — Clark, Dodge & Co. — Dick & Merle-Smith — R. S. Dickson & Company Incorporated — Dominick & Dominick

Francis I. duPont & Co. — Eldredge & Co., Inc. — First of Michigan Corporation — Geo. B. Gibbons & Company Incorporated

Hallgarten & Co. — W. E. Hutton & Co. — Kean, Taylor & Co. — A. M. Kidder & Co., Inc. — Wm. E. Pollock & Co., Inc.

Riter & Co. — Roosevelt & Cross Incorporated — G. H. Walker & Co. — Weeden & Co. Incorporated — Chas. E. Weigold & Co. Incorporated

Bacon, Whipple & Co. — J. Barth & Co. — William Blair & Company — J. C. Bradford & Co. — Braun, Bosworth & Co. Incorporated

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DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Bank Stocks — Bulletin—Goodbody & Co., 2 Broadway, New York 4, N. Y. also available is a memorandum on **Plough Inc.**

Business Activity—Bulletin—The Cleveland Trust Co., Cleveland 1, Ohio.

Fibres in the Fifties—Review of yarn and fibre production—Bank of Nova Scotia, Toronto, Ont., Canada.

Fire & Casualty Insurance Stocks—Comparison & Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Grocery Chains—Review of **First National Stores, Grand Union Co., National Tea** and **Great Atlantic & Pacific Tea Co.** — Penington, Colket & Co., 70 Pine Street, New York 5, N. Y.

Japanese Stocks — Monthly stock digest and economic review — Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y.

Investing in Dow Jones Industrial Averages—A list of selected leaders for summer rise — Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

Japanese Equipment Industry—Analysis—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are analyses of the **Cement Industry, The Japanese Bond & Stock Markets,** and data on **Nippon Sheet Glass Co., Kubota Iron & Machinery Works, Fuji Electric Manufacturing** and **Oki Electric Industry Co. Ltd.**

Natural Gas Utility Companies—Comparative figures—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a bulletin on **Jefferson Standard Life Insurance Company.**

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.

Science & Investment Survey—Bulletin—Globus Inc., 660 Madison Avenue, New York 21, N. Y.

Science & Securities — Quarterly magazine including articles on **Ultrasonics, Chemicals, Electronics** for optical and magnetic scanning, and for small boats and **Drugs**—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available is a report on **Crane Co.**

Securities of the United States Government — Study — First Boston Corporation, 15 Broad Street, New York 5, N. Y. Also available are studies of **Fire and Casualty Insurance Company Stocks** and **Life Insurance Company Stocks.**

Selected Securities — Groups of stocks in various categories which appear attractive—J. A. Hogle & Co., 40 Wall Street, New York 5, N. Y. Also available is a memorandum on **Utah Construction & Mining.**

Selected Stocks — Bulletin—E. F. Hutton & Co., 61 Broadway, New York 6, N. Y.

Southwest Economic Highlights—Bulletin—First National Bank in Dallas, Dallas, Texas.

Speculative Stocks—List of issues which appear interesting—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y.

Steel Industry—Appraisal—A. C. Allyn & Co., 122 South La Salle St., Chicago 3, Ill. Also available are analyses of **Arvida Corporation, Aztec Oil & Gas Company,** and **Schuster & Company.**

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).

Utilities & Industries—Memorandum—Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y.

* * *

American Can Company—Review in June "ABC Investment Letter"—Amott, Baker & Co., Inc., 150 Broadway, New York 38, N. Y. Also in the same circular are reviews of **Universal Oil Products Co., The Mead Corp., American Sterilizer Co.,** and **Southern Nevada Power Co.**

American Distilling Co.—Analysis A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available is a report on the **Fiber Glass** industry and data on **Helene Curtis Industries, Inc., Olin Mathieson Chemical Corp.** and **Craig Systems.**

American South African Investment Co. — Data — Weingarten & Company, 551 Fifth Avenue, New York 17, N. Y. Also available are data on **E. I. Dupont de Nemours.**

Amphenol Borg—Memorandum—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. Also available is a memorandum on **Electric Autolite.**

Big C Stores — Analysis — Zilka, Smither & Co., Inc., 813 Southwest Alder, Portland 5, Oreg.

Brunswick Corporation—Analysis—Orvis Brothers & Co., 15 Broad Street, New York 5, N. Y. Also available is an analysis of **Out-Board Marine Corp.** and a list of selected common stocks.

Brunswick Corp.—Bulletin—Hill, Darlington & Co., 40 Wall Street, New York 5, N. Y.

Carlisle Corp. — Memorandum — Merrill Lynch, Pierce, Fenner & Smith, Incorporated, 70 Pine St., New York 5, N. Y. Also available are data on **American Biltrite Rubber, Parke Davis, Michigan Seamless Tube, Daystrom, First National Bank of Miami, Minneapolis Honeywell Regulator Co., Hazeltine Corp., Sonotone Corp.,** and **General Time.**

Chicago Aerial Industries — Analysis — Shaskan & Company, 40 Exchange Place, New York 5, N.Y.

Chock Full O'Nuts Corp.—Report — Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y.

Dejur Amsco Corp. — Review — Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

General Motors Corporation — Analysis—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are data on **Air Products, Inc., Shell Oil Company, Universal Cyclops Steel Corp.,** and **Universal Oil Products Company.**

Hammond Organ Co.—Analysis—Eisele & King, Libaire, Stout & Co., 50 Broadway, New York 4, N. Y.

Harvey Boat Works Inc.—Report — Walter R. Blaha & Company, Inc., 29-09 Bridge Plaza, North, Long Island City 1, N. Y.

Hermetite Corp.—Analysis—M. L. Lee & Co., Inc., 135 Broadway, New York 6, N. Y.

Hidden Earnings — Review with particular reference to **American Viscose, Celanese Corp., Crown Cork & Seal** and **Gamble Skogmo**—H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is an analysis of **Crouse Hinds Company** and a bulletin on the **Air Lines.**

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

Hunt Foods & Industries, Inc.—Review—Sutro & Co., 210 West Seventh Street, Los Angeles 14, Calif.

Imperial Oil Limited—Analysis—Wills, Bickle & Company, Ltd., 44 King Street, Toronto, Ont., Canada.

Industrial Rayon — Memorandum — Filor Bullard & Smyth, 26 Broadway, New York 4, N. Y.

International Utilities Corporation — Review — James Richardson & Sons, Inc., 14 Wall Street, New York 5, N. Y.

Irving Independent School District—Bonds—Bulletin—Metropolitan Dallas Corporation, Mercantile Bank Building, Arcade, Dallas 1, Tex.

Jeannette Glass Company — Analysis—Grimm & Co., 2 Broadway, New York 4, N. Y.

Jerrold Electronics Corporation—Analysis — Butcher & Sherrerd, 1500 Walnut Street, Philadelphia 2, Pa.

LEL, Inc. — Analysis — Bertner Brothers, 67 Wall Street, New York 5, N. Y.

Lear Inc. — Analysis — du Pont, Homsey & Company, 31 Milk St., Boston 9, Mass. Also available are data on **United Artists** and **Universal Cyclops Steel.**

Ling-Temco Electronics Inc. — Analysis—Parker, Ford & Company, Inc., 211 North Ervay Building, Dallas 1, Texas.

Loew's Theatres—Memorandum—Emanuel, Deetjen & Co., 120 Broadway, New York 5, N. Y.

R. H. Macy & Co. — Review — Fahnestock & Co., 65 Broadway, New York 6, N. Y.

McGraw Edison Company — Review—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available is a review of **United Gas Corporation** and a memo on **Pfizer.**

Merchants Fast Freight — Report—Eppler, Guerin & Turner, Inc., Fidelity Union Tower, Dallas 1, Texas.

Mercy Hospital of Merced, Calif. — Bulletin — B. C. Ziegler and Company, Security Building, West Bend, Wis. Also available is a bulletin on **St. Mary's Hospital and Training School for Nurses of the Sisters of Misericordia.**

Molybdenum Corp.—Report—Bregman, Cummings & Co., 74 Trinity Place, New York 6, N. Y.

Mortgages Incorporated—Study—Copley & Company, 409 North Nevada, Colorado Springs, Colo.

Nationwide Corporation — Bulletin—Robert H. Huff & Co., 210 West Seventh Street, Los Angeles 14, Calif.

North American Life Insurance Company — Analysis — The Illinois Company, Incorporated, 231 South La Salle Street, Chicago 4, Ill. Also available is a bulletin on **University of Illinois Housing Revenue Bonds of 1960.**

Orange & Rockland Utilities—Review — Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y. Also available are bulletins on **Columbia Broadcasting System** and **Opelika Manufacturing Corp.,** and a list of stocks considered attractive.

Oxford Paper—Bulletin—Bache & Co., 36 Wall Street, New York 5, N. Y.

Philadelphia & Reading — Review —Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

R. J. Reynolds Tobacco Company — Bulletin — Woodcock, Moyer, Fricke & French, Incorporated, 123 South Broad Street, Philadelphia 9, Pa.

St. Clair Specialty Manufacturing Co., Inc.—Analysis—Stifel, Nicolaus & Co., Inc., 105 West Adams Street, Chicago 3, Ill.

Siemens & Halske, A. G.—Memorandum—Bear, Stearns & Co., 1 Wall Street, New York 5, N. Y.

Southern Realty & Utilities Corporation — Study — Hirsch & Co., 25 Broad Street, New York 4, N. Y.

Standard Coil Products — Memorandum—Stein Bros. & Boyce, 6 South Calvert Street, Baltimore 2, Md.

Standard Gilsonite Company—Report — Carothers & Company, Inc., Mercantile Bank Building, Dallas 1, Texas.

Stanley Warner Corp. — Data — Purcell & Co., 50 Broadway, New York 4, N. Y.

Sterling Drug, Inc. — Bulletin — Schweickart & Co., 29 Broadway, New York 6, N. Y. Also available is a memorandum on **Heyden Newport Chemical Corp.**

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

Tokheim Corporation — Study — Fulton, Reid & Co., Inc., Union Commerce Building, Cleveland 14, Ohio. Also available are analyses of **Erie Resistor Corporation** and **Steel Improvement & Forge Company.**

Underwood Corporation — Data — Cooley & Company, 100 Pearl Street, Hartford 4, Conn. Also available is a review of **Consultant Bureau Enterprises.**

Utah Construction & Mining Company—Analysis—Harriman Ripley & Co., Inc., 63 Wall Street, New York 5, N. Y.

Von Hamm-Young Company — Analysis—Bishop Securities, Ltd., King & Bishop Streets, Honolulu 4, Hawaii.

Waste King Corporation—Analysis—H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available is a report on **Amerada Petroleum Corp.**

Weldotron Corp.—Analysis—Binday, Riemer, Collins & James, Inc., 44 Beaver Street, New York 4, N. Y.

West Penn Electric—Data—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available are data on **Missouri Pacific Railroad, May Department Stores Co., Gillette Co., Columbia Gas System, Eastern Airlines, Lehigh Portland Cement, Skelly Oil, West Virginia Pulp & Paper,** and **White Motor.**

Zenith Radio Corporation—Analysis—Freehling, Meyerhoff & Co., 120 South La Salle Street, Chicago 3, Ill.

Financial Institutions Only

Primary Markets

Currently Active Electronics

Baird-Atomic Inc.	Infrared Industries Inc.
Data-Control Systems Inc.	Ionics Inc.
Electro Instruments Inc.	Itek Corp.
Electronic Capital Corp.	Ling-Altec Electronics
Epsco Inc.	*Microdot Inc.
Farrington Mfg. Co.	Perkin-Elmer Corp.
Foxboro Co.	Radiation Inc.
FXR Inc.	Space Components Inc.
Hermes Electronics Co.	Systron-Donner Corp.
High Voltage Eng. Corp.	Telemeter Magnetics Inc.

**Prospectus on request*

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Named Co-Mgrs.

MILWAUKEE, Wis. — Robert F. Knopf has been appointed co-manager of the Milwaukee office First Wisconsin National Bank Building of Cruttenden, Podesta & Co., Robert A. Podesta, managing partner of the Chicago-based, coast-to-coast investment firm, has announced.

Ewald U. Klumb becomes co-manager. He had served as Cruttenden, Podesta's local manager since 1953, when the firm opened its Milwaukee office.

"This realignment of managerial responsibilities, made at Mr. Klumb's request, is a direct reflection of our increasing volume of services in the Greater Milwaukee area," Mr. Podesta said.

Mr. Knopf was associated with Loewi & Co. Incorporated, before joining Cruttenden, Podesta & Co. last July as assistant manager of its Milwaukee office.

Auld & Co. Formed

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Oreg.—Auld & Co., Inc. has been formed with offices at 1026 Northeast Multnomah to engage in a securities business. Gilbert W. Auld, previously with Andersen, Randolph & Co., is a principal of the new firm.

Also associated with the new firm are George Gutfleisch, Charles Kuhne, Richard MacNaughton and Stuart M. Pagett.

Buchtenkirch Opens

GLEN COVE, N. Y. — Arthur J. Buchtenkirch is engaging in a securities business from offices at 121 Sea Cliff Avenue.

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Interest Exempt, in the opinion of counsel, from all taxation under the existing laws of the State of Alabama and of the United States of America as presently construed.

NEW ISSUE

$50,000,000

Alabama Education Authority

Capital Improvement Bonds—Series B

To be dated July 1, 1960 — Due July 1, as shown below

Bonds maturing in 1966 and thereafter will be subject to redemption at the option of the Authority, as a whole or in part in inverse numerical order, on any interest payment date on and after July 1, 1965, at a redemption price for each bond redeemed equal to par plus accrued interest thereon to the date fixed for redemption and a premium equal to twelve months' interest thereon if redeemed on or prior to July 1, 1975, and a premium equal to six months' interest thereon if redeemed after July 1, 1975.

These Bonds constitute a part of an authorized issue limited in principal amount to $100,000,000, of which $20,000,000 in principal amount designated Series A have previously been issued and are presently outstanding. The Bonds are authorized to be issued by Act No. 126 adopted at the Second Special Session of 1959 of the Legislature of Alabama for the purpose of providing for the acquisition of sites for and constructing and equipping buildings for educational purposes. In the opinion of counsel, these Bonds are valid and legally binding obligations of the Alabama Education Authority. The principal of and interest on the bonds will be payable solely from, and will be secured pro rata one with the other and with the remainder of said authorized bonds by an irrevocable pledge of, so much as may be necessary of the residue of the sales and use taxes levied by the State of Alabama remaining after deduction of certain prior appropriations which together are relatively minor in relation to the total annual revenues from said taxes. The Bonds will not constitute a debt of the State of Alabama.

Amount	Rate	Due	Yield
$1,700,000	5%	1962	3.00%
1,800,000	5	1963	3.20
1,900,000	5	1964	3.30
2,000,000	5	1965	3.40
2,100,000	4½	1966	3.45
$2,200,000	4½	1967	3.55%
2,300,000	4	1968	3.60
2,400,000	4	1969	3.65
2,500,000	4	1970	3.70
2,600,000	4	1971	3.75

(and accrued interest)

Amount	Rate	Due	Yield or Price
$2,700,000	4%	1972	3.80%
2,800,000	3.90	1973	3.80
5,900,000	3.90	1974-75	3.85
6,400,000	3.90	1976-77	@ 100
10,700,000	3.90	1978-80	3.95

These bonds are offered when, as and if issued and received by us and subject to approval of legality by Messrs. White, Bradley, Arant, All & Rose, Birmingham, Alabama. Such offering is not made hereby but only by means of the Offering Circular, copies of which may be obtained from such of the undersigned as are registered dealers in this State.

Lehman Brothers — Halsey, Stuart & Co. Inc. — The First Boston Corporation — Smith, Barney & Co. — C. J. Devine & Co.

Blyth & Co., Inc. — Harriman Ripley & Co. Incorporated — Drexel & Co. — Eastman Dillon, Union Securities & Co.

Equitable Securities Corporation — Glore, Forgan & Co. — Kidder, Peabody & Co. — Merrill Lynch, Pierce, Fenner & Smith Incorporated

Phelps, Fenn & Co. — Shields & Company — B. J. Van Ingen & Co. Inc. — White, Weld & Co. — Ira Haupt & Co.

Ladenburg, Thalmann & Co. — Salomon Bros. & Hutzler — A. C. Allyn and Company Incorporated — John Nuveen & Co. (Incorporated)

F. S. Smithers & Co. — Wertheim & Co. — Dean Witter & Co. — Allen & Company — Bear, Stearns & Co. — Blair & Co. Incorporated

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Leedy, Wheeler & Alleman Incorporated — Lee Higginson Corporation — W. H. Morton & Co. Incorporated — F. S. Moseley & Co.

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June 22, 1960.

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Aluminum in the Sixties To Show Impressive Growth

By F. L. Magee, President of Aluminum Company of America*

A ray of sunshine in present over-supply problems confronting the aluminum industry is the opportunity said to exist for new application which would not have occurred if supply had continued short. Mr. Magee reports basic producers are not concerned from a long term standpoint as they are convinced untapped markets exist both here and abroad—even disregarding the population growth effect. He explains U. S. producers' interest in expanding market opportunities abroad and the fact that successful development of the industry does not depend on bauxite and low cost electricity to the exclusion of other essentials. Mr. Magee underscores the strength of the U. S. industry, foresees greater markets ahead than those already gained, and warns any disposition of surplus stockpiled aluminum must be done in an orderly fashion.

The year 1960 is an important one because it marks the beginning of a decade about which there has been much enthusiastic speculation. Whether it proves to be the "Soaring Sixties," the "Fabulous Sixties," the "Golden Sixties," or simply the "Overpublicized Sixties," it can hardly help becoming one of the most interesting decades since the turn of the Century.



Frank L. Magee

There is no need for me to explain this prediction as it relates to the nation and the general economy, but here's why we think it is also true of the U. S. aluminum industry.

From our vantage point at the threshold of the Sixties, we view the coming decade as one which offers both challenging problems and rewarding opportunities. The past few years have already produced some important changes in our industry, and we foresee still others as we look ahead.

In the past ten-year period, the size of the industry and intensity of competition have increased sharply as growing markets demanded more metal. First, U. S. primary aluminum smelting capacity has more than tripled during this period. From the level of approximately 743,000 tons in 1950, it has risen to about 2,420,000 tons as of April, 1960. Second, the number of domestic primary producers has increased from three to the present total of six (Alcoa, Reynolds, Kaiser, Anaconda, Ormet and Harvey). In Canada, Aluminum Company of Canada was the sole producer in 1950, with an installed capacity of approximately 500,000 tons. Today, there are two Canadian primary producers—Alcan and Canadian British Aluminium Company Limited—with a total capacity of approximately 878,000 tons. The total North American capacity for producing primary aluminum is now about 3,300,000 short tons.

Growing Competition and Present Idle Capacity

The third point also involves competition. The number of non-integrated fabricators of aluminum mill products in the United States has increased 34% in the past 5 years, from 201 in 1955 to 270 in 1959. Included in the total for 1959 are 29 sheet fabricators and 127 extruders. This growth in non-integrated fabricators has naturally resulted in heightened competition in the marketing of aluminum products.

In the race between growing markets and smelting capacity, the industry's expansion finally caught up with, and then outpaced, the increase in aluminum usage during the recent recession. As a result, expansion plans were deferred and a number of potlines were closed down. Most projects have now been reactivated and many idle potlines restored to operation, but there is still idle capacity estimated at about 465,000 tons in the United States and Canada combined. In the United States alone, idle capacity is estimated at 386,000 tons.

During 1959, complete recovery was delayed by the usual trend of market conditions. Throughout the industry, the first half of the year was a period of rapidly increasing sales and shipments. Much of this volume proved to be for the accumulation of inventories in anticipation of a strike in the aluminum industry which did not materialize. In addition to inventory buying, there was substantial buying of metal in the period prior to the price increase of December 17. As a consequence, our industry began the year 1960 with unusually high inventories of aluminum in many customers' plants. These high inventories have adversely affected sales of aluminum during the first five months of 1960.

Problem of Imports

Another factor with which U. S. producers and fabricators have had to contend is an increase in importation of aluminum and aluminum products from countries where labor costs are low. In the last five years, the amount of imported aluminum pig used in the United States, exclusive of scrap, has ranged from approximately 178,000 tons in 1955 to 239,500 tons in 1959, an increase of about 35%. In the same period, imports of aluminum mill products have increased from 20,972 tons to 55,350 tons, or about 164%. At the present, business is good in Europe, and all aluminum producers except those in North America have been operating at 100% of capacity. There is no doubt that expansions already undertaken by foreign producers as well as those being programmed are aimed largely at the North American markets.

Worried About Our Stockpile

One uncertain aspect of the domestic supply picture is the possible disposition of any excess aluminum now in the Government stockpile. You will recall that, during the Korean emergency, the producers of primary aluminum were asked by the Government to expand their production capacity with their own money to a greater extent than peacetime markets could have justified. In return, they were given the right to sell to the Government for stockpile purposes any surplus aluminum from these facilities for a five-year period. Contracts negotiated by Alcoa and Kaiser expired in 1958, and all shipments by them were completed that year. Reynolds completed all shipments under its contract in 1959. At this time, there remains one contract with Harvey which extends until 1963, and involves a potential unshipped balance of 270,000 tons.

Mr. Franklin Floete, Administrator of the General Services Administration, recently pointed out that there was an excess of various materials in the Government stockpile and suggested that Congress consider granting authority to GSA to dispose of part of it. This excess, which includes quantities of aluminum among other materials, is valued at $4.1 billion and amounts to nearly half of the total stockpile. The surplus is reportedly the result of reclassifying defense needs in the light of new scientific developments in the missiles field, and continued shipments to the stockpile under various governmental agreements for such materials. Although it is obvious that the Government will ultimately have to dispose of the stockpile surplus, our industry is naturally concerned that the disposition of surplus aluminum be accomplished on an orderly basis and in such a manner as to minimize adverse effects on the general market.

A Windfall Ray of Hope Appears

The current excess production capacity and over-supply of metal have resulted in unusually intense competition in the U. S. aluminum industry and, for the present, a generally unfavorable price structure from the standpoint of profits, particularly for semi-fabricated and mill products. But it has also opened the door to new applications where an inadequate supply of metal would have been a decided handicap. From a long-term standpoint, none of the basic aluminum producers has any great concern about over-supply. There are substantial untapped markets both here and abroad.

One of the important prospects for a growth industry in the Sixties is the population increase which has been taking place for some time. According to current estimates, world population is growing at a present rate of about 4,000 per hour and will increase by more than 350 million in the next ten years. As the world population grows, it is likely that the use of many products made with aluminum will also increase. But even at the present population level, there are many opportunities for greater use of aluminum. New markets have been developed and established markets are using more metal—for commercial and residential building construction . . . for automotive applications . . . for rockets and missiles . . . in the electrical industry . . . and in packaging and containers, among others.

A comparison of the U. S. and world per capita consumption emphasizes the opportunities for the light metal both today and in the future. In the United States, where there has been greater market development than in any other country, the average per capita consumption in 1960 will be approximately 27 pounds. For the entire world, the figure is only a little more than 3 pounds, according to the best estimates available. It is apparent that there is much room for increased use of aluminum both at home and abroad. A few examples should serve to emphasize the opportunities presented by a growing population.

Expanding Opportunities Abroad

Two of the best examples of a currently high population and low per capita consumption of aluminum are unfortunately behind the Iron Curtain and thus not available for development. Red China, with a population of 650 million in 1959, had an average per capita consumption of approximately .15 of a pound of aluminum. The Soviet Union, whose population totaled 210 million in 1959, used an average of about 5.4 pounds of aluminum per capita. With such tremendous market possibilities, we can certainly hope that it may some day be possible to reach a satisfactory conclusion to the tensions which divide the world.

In the meantime, many opportunities exist in the Free World and their markets seem eager for the advantages that aluminum can offer. India, for example, had a population of approximately 410 million in 1959, and an average per capita consumption of only two-tenths of a pound of aluminum. By 1970, its population is expected to increase to 504 million and only a small increase in the use of aluminum per capita would mean a substantial volume of aluminum products. Western Europe and the United Kingdom together had a population of about 337 million in 1959, and an average per capita consumption of approximately 8 pounds. Although its population is expected to reach only about 360 million by 1970, its use of aluminum is expected to increase about 75% in the next decade. Comparable opportunities seem to exist everywhere.

These expanding market possibilities explain why U. S. aluminum producers are turning their attention abroad. In some cases it is possible to increase exports of aluminum products made in U. S. plants. In others, arrangements have been made to join with local interests in establishing operations which can more successfully compete in foreign markets.

Some countries are examining this latent demand for aluminum in the light of their own underdeveloped resources, and are actively considering bauxite and aluminum production. For example, several North American producers have been linked with discussions concerning African projects.

Myths About Obstacles to Developing an Industry

With regard to this type of operation, however, it is important to note that the successful development of an aluminum industry does not depend on bauxite and low cost electrical energy alone. Certain other essentials—skilled manpower, adequate capital and convenient markets—must be considered.

Investment in bauxite and aluminum-producing facilities in overseas locations frequently poses difficult questions. While sources of bauxite and electrical energy can frequently be found in convenient relationship, they may not be well situated with respect to markets or skilled labor. Adequate capital for local participation is often lacking and, unfortunately, the political situation may be less than reassuring. Nevertheless, North American producers are looking into these various opportunities to determine whether it may be possible to work out mutually advantageous arrangements. Indications are that in some cases the time may not yet be ripe for such ambitious undertakings.

In the Western Hemisphere, we have been fortunate in the development of our aluminum industry. Through the years, there have been vast reserves of bauxite on which we have drawn heavily. Although the domestic supply of high-grade ore is practically depleted, there remain extensive reserves in the Caribbean and South America which have traditionally been available to the United States. Furthermore, there are low-grade aluminous materials within our borders which, though not economical to refine for commercial purposes, could be utilized in the event of a national emergency.

Ample sources of electrical energy have also been readily available for the production of aluminum in the United States. While desirable new hydroelectric sources are no longer easy to find in the United States, the possibilities of smelters based on solid fuel are bright even in the light of attractive overseas opportuni-

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June 22, 1960

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ties for large hydroelectric developments.

Other factors which have made the United States a favorable climate for the growth of a strong aluminum industry are the availability of capital, proximity of markets, high level of technological development and the element of political stability.

Producers' View of Foreign Markets

Eventually, however, many of the less developed areas of the world are likely to receive a strong economic stimulus from the expanding use of aluminum. There is ample evidence that the use of aluminum will increase greatly throughout the world. U. S. producers have given every indication that they intend to promote this increased use both in the United States and in foreign markets. As the momentum of this growing demand increases, new smelting facilities are certain to be required.

The history of the aluminum industry has been one of continual search for new markets. Through the years, large sums have been spent for research and development, and every effort has been made to gain acceptance for aluminum in applications for which its many natural advantages made it best suited. The resulting growth has been almost legendary.

As we enter a new decade, there is no reason for believing that this pattern will change. The markets which lie ahead are even greater than those already gained, and the industry's ability to supply them is at an unprecedented level. Throughout the industry, there is a pioneering spirit that breeds progress. I feel confident that we can look for a great increase in the use of aluminum both at home and abroad, and that the Sixties will be a period of impressive growth for the aluminum industry.

*A talk by Mr. Magee before the National Federation of Financial Analysts Societies, New York City.

How Stocks May Behave in The Next Bear Market

By Roger W. Babson

Mr. Babson classifies industry grouping of stocks by the degree of their price decline in the last bear market in discussing how different stocks may act in the next bear market. Cautionary advice is given, however, that the stock listing is likely to change in the next bear market as well as guidance as to how certain industry stocks may behave.

I have been thinking of this subject for some time, and have about concluded that seeing what happened in the last bear market may be the best way of answering the question how different stocks may act in case we are in a bear market. It will be noted that I have arranged the industry groups according to their percentage of decline.

Stocks Which Declined Only 10% to 20%

Among the industry groups that suffered the least are the shipbuilding and tire and rubber-goods stocks, which declined about 15%. Home electric appliance stocks fell 17%, department store stocks went off 19%. This listing is likely to change, however, and stock groups which may suffer the least in the next bear market may be those relating to the supplying of electric power, the oil and gas producers, and bituminous coal mining. Fertilizers should have increased use, with the need to feed a growing population; this should enable this industry to come under the category of relatively small declines. Stocks of companies owning large tracts of timber lands which supply the basic raw materials for certain synthetic fibers and plastics may also be able to hold their own, especially because of their inflation-hedge characteristics.

Stocks Down 20% to 30%

The industry groups which showed up next best included the following: Soft drinks and canned foods, which declined 20%; shoes, down 23%; chemicals, publishing, and motion picture, down only 25%; building materials stocks, down 86%; farm machinery off 27%; aircraft manufacturing down 28%; and industrial machinery stocks down 29%. Aircraft manufacturing, however, may fall off more.

Stocks Which Declined 30% To 40%

Stocks in the auto, sugar refining, brewing, mail order, general chain store merchandising, and cement groups declined around 30%. Paper stocks fell 32%. Stocks in the textile and apparel and steel industries declined 30%. Radio broadcasting groups declined 37%. Meat packing stocks declined 39%. Because of their timber land and ore holdings, certain of the paper, steel, coal, and gas stocks may do better in the next bear market. Unless there is massive unemployment, the merchandising and apparel groups also may suffer to a lesser degree than in the last bear market.

Stocks Which Declined More Than 40%

The groups which suffered the most included the radio and television manufacturers, and mining and smelting — which were off 41%. Truck manufacture stocks dropped 42%. Air and rail transportation stocks were off 45%. Copper, lead, and zinc stocks fell 49%; also aluminum stocks. The carpet and rug group declined more than 50%. Over the long run, stocks of natural resource companies should ultimately prove valuable to the investor with patience.

What About Electronics Stocks?

During the last bear market, the electronics stocks were not popular. There was then no attempt to fire long-range missiles, or to circle the moon with rockets. This is something which has developed during the present bull market, which has been in existence for about 10 years. This electronic and space work might change the positions of many of the groups listed above.

My own opinion is that these electronic and space stocks would be listed with those which showed a decline of over 40%. I, of course, am in favor of a gradual reduction in armaments. On the other hand, if gradual disarmament comes about, I fear that the electronic and space stocks could severely suffer. In fact, a good many of the other stock groups mentioned above would do well to hold their record of the last bear market.

Phila. Bond Club 35th Field Day

PHILADELPHIA, Pa. — Morris Lloyd of Drexel & Co., President of The Bond Club of Philadelphia, announced that the 35th Annual Field Day of the club will be held on Friday, Sept. 30, 1960, at Philmont Country Club, Philmont, Pa.

Wilcox Joins Saunders, Stiver

CLEVELAND, Ohio — Starling S. Wilcox has become associated with Saunders, Stiver & Co., Terminal Tower, members of the Midwest Stock Exchange, as manager of the Municipal Bond Department.

Forms Mead, Vail & Howe

(Special to The Financial Chronicle)

ALTADENA, Calif. — Mead, Vail & Howe has been formed with offices at 979 Alta Vista Drive to engage in a securities business. Partners are Albert E. Mead, Thomas E. Vail and Robert H. Howe.

Walls & Mattera

CHICAGO, Ill.—Walls & Mattera is engaging in a securities business from offices at 12803 South Halsted Street. Jean Mattera is a Principal of the firm.

Adolph Thorsen Joins Continental Securities

(Special to The Financial Chronicle)

MILWAUKEE, Wis. — Adolph G. Thorsen has become associated with Continental Securities Corporation, 611 North Broadway. Mr. Thorsen had conducted his own investment business in Milwaukee for almost 30 years.

Robert Shaw Opens

(Special to The Financial Chronicle)

RIVERSIDE, Calif.—Robert Shaw is conducting a securities business from offices at 6370 Magnolia Avenue.

Sachau V. P. Of Blyth & Co.

Blyth & Co., Inc., 14 Wall Street, New York City, has announced that John O. Sachau of its New York office has been elected a



John O. Sachau

Vice-President of that investment banking organization.

Mr. Sachau joined the company in 1935.

Blyth & Co., Inc. was founded in 1914 and has 24 offices throughout the United States.

Hornblower & Weeks To Admit

Hornblower & Weeks, 40 Wall Street, New York City, members of the New York Stock Exchange, on July 1 will admit Albert P. Hinckley to limited partnership.

With H. O. Peet

(Special to The Financial Chronicle)

KANSAS CITY, Mo. — Peter C. Barnes has become connected with H. O. Peet & Co., 23 West 10th Street, members of the New York and Midwest Stock Exchanges. Mr. Barnes was formerly with Hayden Stone & Co. in New York City.

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June 22, 1960

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Persistent Revaluation Talk of the German Mark

By Paul Einzig

Possibility of the German mark revaluation or widening of the spread between upper and lower limits of D.-Mark-dollar fluctuation, and the strange contrast between the firmness of the German currency and high level of interest rates are analyzed by Dr. Einzig. Germany's refusal to allow the inflow of gold to act upwards upon the price level is judged by Dr. Einzig to be a source of weakness in the Free World. The columnist advises Germany to overcome its aversion for moderate inflation.

LONDON, England—After several months of peace and quiet in the Foreign Exchange market there are indications of a revival of activity. The possibility of a revaluation of the German mark is busily canvassed in banking circles on the continent. The D.-Mark has been very firm and there has been a considerable influx of gold as a result of the German official buying of dollars to keep it within support points.

The firmness of the D.-Mark has been a persistent feature during most of the time since 1951. Speculative movement foreshadowing its revaluation reached its climax in 1957 when it rose to a substantial premium not only in relation to sterling which was under a cloud but also in relation to the dollar. There was a considerable increase in the gold reserve even though much of it was lost during the following year. There was a setback, but this year the D.-Mark became firm once more and has been firm more or less most of the time. As a result the loss of gold has been more or less recovered and the gold reserve is near its all-time high record.

Influx of Foreign Funds

The German authorities, which were none to eager to discourage the movement in 1957, officially disclaimed any intention to revalue the currency and reimposed the ban on interest on foreign balances and deposits. In addition the sale of German Treasury Bills to foreign buyers has been stopped. All this has failed to prevent the influx, because the attraction is not the yield but the hopes of capital appreciation through revaluation. In any case, foreign holders of D.-Mark balances can earn 7% and more on high-class fixed interest securities. The less speculative among them cover the forward exchange, which again increases the yield on their investment, because forward D.-Marks are at a premium. In theory they risk a capital depreciation on their bonds. In practice the German Bank rate is so high that it is more likely to be lowered than raised, so that the chances are that there will be gains and not losses on the investment.

There is indeed a strange contrast between the firmness of the D.-Mark and the high level of interest rates, due in part to the high bank rate. The German authorities raised their bank rate in order to resist the growing inflationary trend in the domestic economy. In normal conditions they should have caused forward D.-marks to go to a discount, at any rate in relation to the dollar, owing to the recent sharp decline in U. S. interest rates. Since, however, no interest is allowed to be paid on deposits and balances of foreign banks, and they are not allowed to acquire German Treasury Bills, the anomalous situation is not reversed by large foreign arbitrage demand for short-term investment with the forward exchange covered. Evidently the amount of influx attracted by high yield on long-term bonds, substantial as it must be judging by the gold influx, is not sufficient to reverse the trend of interest rates or of forward rates.

The explanation of the situation lies in the persistent revaluation talk, or alternatively in the anticipation of a widening of the margin between the upper and lower limits of D.-Mark-dollar fluctuations. The government is anything but pleased by the unwanted influx of gold which makes it even more difficult to resist domestic inflation.

Favors Moderate Inflation Remedy

Needless to say, the remedy lies in the hands of the German authorities themselves. It consists of allowing the influx to produce a certain degree of inflation which would reduce if not eliminate the embarrasing balance of payments surplus, and would reverse the influx of funds. This is what would have happened under an automatic gold standard. Although Dr. Erhard is very orthodox in his economic policies, his belief in allowing natural economic forces to produce their effect does not go sufficiently far to induce him to take this course. Pathological fear of inflation inherited from the generation of 1923 is sufficiently strong to rule out the natural solution. The official view is that inflation must be prevented at all costs, just in case it should get out of control. Yet a very moderate degree of inflation would be sufficient to check the present trend which is liable to develop into a major embarrassment both nationally and internationally if allowed to continue.

At the moment the outflow of gold from the United States has come to a halt. Should West Germany continue to attract funds at the present rate in addition to the effect of the export surplus, a very large proportion of the gold is likely to be attracted from the United States.

The root of the trouble lies in the development of a wage inflation in West Germany. For a long time the German workers were willing to work very hard for wages which compared very unfavorably not only with corresponding wages in the United States but also with corresponding wages in Western Europe. There are now signs, however, that the patience of German trade unions is exhausted, and they are pressing for their wage demands. In face of this situation suggestions of higher taxation and increased investment in underdeveloped countries are not likely to provide a satisfactory solution. The remedy is for Germany to overcome its aversion for moderate inflation. Sooner or later German wages are likely to catch up with other Western European wages. Meanwhile, however, the situation is likely to cause much trouble and is a source of weakness in the economic picture of the Free World. And that is the last thing Germany should assist in bringing about.

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FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

There seems to be a strange calm in official Washington, notwithstanding the pundits, radio and newspaper, who insist we are in a state of crisis. The withdrawal of Mr. Eisenhower's visit to Tokyo, we are told, was a catastrophe, a second Pearl Harbor, and the loss of an important battle in the Cold War.

No one in authority in Washington, in Congress, or in the uptown branch of the government seems to believe that.

And, on the basis of a cold analysis of the facts, it just isn't true. No casualties were suffered in what is described as this Second Pearl Harbor and no battleships were lost.

We are not yet on rationing. There has been no OPA set up. We are at a loss to find out what the excitement of the pundits is all about.

Mr. Eisenhower wanted to go to Japan. His invitation was withdrawn because it was afraid the Government couldn't give him adequate protection. So what? An inconvenience to Mr. Eisenhower, no doubt. But a loss of prestige by us in the world? That's the bunk.

In the first place, there is no doubt that we could have preserved order. The Japanese have an army and we have got an army stationed there.

There is not the slightest doubt that we could have quelled those shouting demonstrators. The Japanese could have done it alone, had their police been allowed to use even their clubs, not to mention their guns. No police in the world were held under greater restraint. This is partly due to the establishment of the democracy which Gen. McArthur set up. There was never again to be any semblance of the despised police state.

The disorder that occurred is silly when you come to think of it. Had it succeeded in preventing the ratification of the treaty, the old treaty would have remained in effect. The old treaty is much more stringent than the new one. The new treaty liberalizes the status of Japan.

As to our losing face in the world, is there a nation on the globe that thinks it could attack us with impunity? Is there a nation on the globe that will not continue to take our handouts?

One sort of wonders why, is Eisenhower wanted to go to Japan, American troops or even Japanese troops were not used to line the parade march and with drawn guns and bayonets fixed hold the unruly mob at a safe distance. But what our USIA has to worry about is that even if one demonstrator was hurt there would be the damnedest outcry in the Communist press. It seems to me, though, that if we really want to do anything, we should do it and not worry about what the Communist press says.

We are afraid to do anything about Cuba, for example, because of fear of what the Communist press will say.

In the meantime, Congress goes right along continuing the excise taxes which were passed to help finance us in the second world war. Korea has now been over for eight years and there are taxes which were imposed to help us fight that war and the second world war still on the books. Practically everybody admits that something should be done to help the railroads. Yet when Senator Smathers, of Florida, offered an amendment to repeal the 10% tax on transportation, freight and passengers, he was voted down 55 to 29. Some of our best Republicans voted against the Smathers' amendment.

By a vote of 54 to 30 the amendment to repeal the telephone and telegraph excise taxes of 10% was voted down. The Treasury needs the money and was against any changes in the status quo.

But why not get the money somewhere else instead of continuing taxes that were levied for the duration of the emergency?

Strauss V.-P. of Lehman Corp.

Wilbur J. Strauss has been elected a Vice-President of The Lehman Corporation, One William Street, New York City, it was announced by Robert Lehman, President.



Wilbur J. Strauss

Mr. Strauss was formerly a Vice-President of Affiliated Fund, Inc., and American Business Shares, Inc., both of which are managed by the firm of Lord, Abbet & Co., of which he had been a partner since 1949. Prior to entering the investment management field, Mr. Strauss was engaged in investment banking.

Pistell, Crow Formed in N.Y.C.

Richard C. Pistell, President, announces that Thomas S. Crow has been elected to the board of directors of Pistell, Schroeder & Company, Inc. and that the name of the firm has been changed to Pistell, Crow, Inc.

In announcing the appointment and the expansion of the firm's activities, Mr. Pistell stated that new main offices have been opened at 50 Broadway.

Chairman of the Board is W. W. Schroeder, who founded the firm in 1934. It is a member of the American Stock Exchange and also conducts a large Over-the-Counter business.

Prior to joining the firm in 1959, Mr. Crow was associated with J. A. Hogle & Company. He was also an officer of the Pittsburgh National Bank (formerly The Peoples First National Bank & Trust Company).

Copeland Opens

CHAMPAIGN, Ill.—Benny Copeland, Jr. is conducting a securities business from offices at 1207 West Park.

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The Dollar Surplus Problem

By Dr. Marcus Nadler,* *Professor of Finance*
New York University

Noted monetary economist and banking consultant praises our successful cure of the world's dollar shortage, strengthening of the free world and expansion of trade and services, and prescribes a cure for our own balance of payments problem. At the outset Dr. Nadler declares we cannot afford to cut down on foreign aid and mutual security and opposes raising of tariffs or adding other restrictions. Instead he looks forward to these curatives: improved money-capital interest rate structure; lowered barriers to U. S. exports; greater productivity and efficiency without an offsetting wage spiral; legislated inducements to stimulate more capital spending; improved credit terms; and increased receipts from our investments abroad and foreign tourists here. Taking as a sign of confidence the foreign accumulation of a large holding of short term assets, Dr. Madler cautions on the need to maintain the dollar's integrity and to avoid measures that would undermine confidence in the dollar. The surest way to rectify our problem, he concludes, is to increase our receipts from abroad.

The dramatic change from a perpetual dollar shortage to a dollar surplus, as evidenced by the outflow of gold during 1958 and 1959 and the accumulation by foreigners of large amounts of short-term dollar assets, came as a surprise to many who for years believed a solution of the dollar shortage to be well nigh impossible. Yet this development, as the avowed foreign economic policy of the United States of America, revealed how well spent were the billions of dollars of taxpayers' money sent abroad to rehabilitate a war-torn world. An economically strong free world not only is a vast and growing market for American products and services but also is a strong bulwark against subversion by international Communism.



Marcus Nadler

The elimination of the dollar shortage and the resulting increase in the international liquidity of the leading central banks made possible the external convertibility of many currencies and thus the restoration of the international money market. This is an event of great importance, for it ties together the economies of practically all the leading free nations and subjects them to the same disciplines inherent in the operation of the gold standard prior to the outbreak of World War I.

Praises Discipline of Gold

In a period when the demand on the Treasury to spend public funds for all kinds of purposes is very great and when pressures are brought to bear on the central bank to follow a policy of credit ease and low money rates, this discipline imposed by an impersonal element such as the international movement of gold and of funds is highly desirable. The loss of international liquidity gives the same warning to a nation as the reduction of liquid assets in a period of strong credit demand gives to a commercial bank.

Instead, therefore, of considering the outflow of gold and the accumulation of large, foreign-owned, short term assets in this country as a calamity, it should be regarded as a wholesome and normal development, as a sign of the restoration of the economies of many countries, and as an event that augurs well for the solid expansion of international trade and services. It is of particular importance to the commercial banks of the nation, for it has opened new spheres of activity and new sources of revenue.

In contrast to the period shortly after World War I, when the leading banks of the nation entered the field of international finance without previous experience and without trained personnel and consequently suffered substantial losses, the banks at present are well prepared for this task. They have highly efficient international departments and, some of them, a multitude of branches in foreign countries.

While the elimination of the dollar shortage is a wholesome development, it is quite clear that the adverse balance of payments of the U. S. cannot continue at the rate which prevailed during the past two years, lest confidence in the integrity of the dollar be undermined and foreign governments and central banks be induced to convert a substantial portion of their dollar assets into gold. This could be embarrassing to the U. S. and to the rest of the world, for it could lead to agitation to solve the problem by unsound measures. It would also reduce the international liquidity of the free world, for central banks on the dollar exchange standard consider short term dollar assets as equivalent to gold.

A loss of confidence by foreigners in the dollar would lead to the abandonment of the dollar exchange standard, a reduction in international liquidity, and ultimately to the curtailment of international trade or even to a return to a policy of exchange and trade restrictions by many countries. In a period of high international political tensions that are likely to continue for quite some time, and while the Soviet bloc is increasing its economic penetration all over the world, such a development would be a great disaster for the free nations.

Solution of Dollar Surplus

An analysis of the causes of the adverse balance of payments of the U. S. will also indicate the solution. Simply stated, the adverse balance of payments of the U. S. A. is due to the fact that the excess of exports over imports and the receipts derived from the various current account items were substantially below the outpayments caused by: (1) our military expenditures abroad, (2) the economic and military aid granted by the U. S. to foreign countries, (3) the large investments made by American individuals and corporations abroad, and (4) the large American tourists' expenditures in foreign lands. Thus the cure to the dollar surplus lies either in reducing the payments abroad or increasing the receipts from the rest of the world.

It is often stated that the easiest way to cure the adverse balance of payments of the country is to reduce defense expenditures abroad and curtail foreign economic and military aid. Such a measure in the long run would do more harm than good. The free world is engaged in a life-and-death struggle with international Communism. The Soviet leaders are diverting a large portion of the productive capacity of Russia and its satellites to the manufacture of war materials and defense-supporting industries at the expense of the standard of living of the people. They are using every means at their disposal to subvert the people in the economically retarded areas. Under these circumstances, to cut defense expenditures abroad and foreign military aid would be courting trouble, and would lead to much larger defense expenditures later on. In view, however, of the balance of payments of the country, it is of the utmost importance that these expenditures be husbanded carefully and that waste be eliminated.

The same principle applies to foreign economic aid. Many of the newly created countries have substantial natural resources, but they have neither the means nor the knowledge to develop them. The standard of living of the people is exceedingly low, and abject poverty is widespread. Poverty and ignorance are the strongest allies of international Communism. It has been argued that the industrial nations of the free world should take over a part of the burden now carried by the U. S. The assistance rendered by them to less fortunate countries is increasing, but this should supplement the aid granted by the U. S. and not substitute for it. That a portion of the foreign military and economic aid did not always bring the best results, that waste and inefficiency prevailed, are facts only too well known, but this is no reason to curtail this vital work.

Moreover, the development of economically retarded areas will benefit the entire free world. It will create new sources of raw materials and new markets for the industrial products of the economically advanced nations. The higher the standard of living of a country, the greater is its trade with the rest of the world, as the example of Canada, Japan, Germany, and many other countries will testify.

Export of U. S. Capital

The export of capital from the U. S. takes two forms: portfolio and direct investments. The former consists of the sale of foreign dollar bonds in this country and the purchase by Americans of foreign securities, mainly equities. Portfolio investments depend on the prevailing costs of money in the various countries and on the status of the equity market. So long as money rates were substantially lower here than abroad, there was a strong incentive for foreigners to borrow in this country. Now that long-term rates of interest are more equalized, the volume of foreign dollar bonds offered in this country has decreased. Similarly, the downward adjustment of stock prices in the U. S. is likely to cause a return flow of American equity investments from Europe.

By far, the largest portion of the export of capital is in the form of direct investments. In this field, two definite trends can be discerned—a tendency to reduce American investments for the purpose of developing foreign natural resources because of the current oversupply of some products, and an increase of investments in Western Europe in order to participate in the growing markets of the respective countries and to take advantage of lower costs of production. This latter type of capital export has been criticized by some on the grounds that it constitutes an export of American jobs and is harmful to American labor, hence to the American economy.

This criticism is not valid. The formation of the Common Market and the Free Trade Area and the possible unification of the two groups will create a huge economic unit embracing 260 million people, with vast natural resources, and comprising the greatest pool of skills that exists anywhere in the world. The removal of tariffs among the various members will lead to a material increase in the interchange of commodities and labor among them and to higher living standards. It is only natural that American business concerns should endeavor to participate in this development. Furthermore, the removal of exchange restrictions and the gradual reduction of tariffs tend to knit the various countries together in the same manner as the pressure by the Soviet Union caused them to form closer political and economic ties.

Under such conditions, international competition is bound to be keen; and those whose wages have increased beyond what was warranted by the rise in productivity or whose prices have risen materially above the world level are bound to suffer the consequences. The flow of capital to countries where the opportunity for a higher return exists imposes a discipline on the capital-exporting country. This in general is whole-

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Chemical Industry's Problem —Inadequate Profits

By Carl A. Gerstacker,* *Vice-President, Dow Chemical Company*
Midland, Michigan

Chemical industry's alarming profit decline, held to be capable of strangling the industry, may come as a shock to those imbued with the erroneous impression that many industries are envious of profits in the chemical industry. Mr. Gerstacker outlines the factors said to be responsible for shrinking profits, ranging from a "staggering array of cost increases" to overcapacity, and points out how this alarming trend constitutes the industry's principal financing problem. To this he couples the warning that aggressive research and new product development—the yeast of the industry's growth—is endangered.

In considering the general area of financing there is a related subject some discussion of which I think perhaps is relevant. That is the question of profitability. The only economic justification for the investment of capital funds is the expectation of a return on that investment. I will go further and say an **adequate** return with full recognition that this allows for differences of opinion as to what is or is not "adequate." For, after all, that is a major area of management decision. In any event, a given investment is relatively more or less attractive according to the level of return it is reasonable to expect from it.



Carl A. Gerstacker

I well recall some years ago our planning to build a major production plant. But when the time for authorization showed up on our tentative timetable, we cancelled our plans. In the intervening period construction and operating costs had risen considerably while the selling price of the product had been held down. Result—the return on the proposed capital investment was much less attractive than the original planning had indicated. We decided we could use our capital more profitably in some other line.

Well, that is a concrete example of an influence that has been growing more potent in the chemical industry for several years—rising costs of all kinds without compensating increases in selling prices. As a consequence profit margins have been shrinking and it is becoming ever more difficult to justify investments, not only in certain facilities but in research as well.

Rugged Life for Chemical Industry Today

Life is rugged in the chemical industry today. There was a time when other industries looked jealously at our profit margins . . . when companies with cash on hand were urged to make chemicals—any kind of chemicals —because everybody made money on chemicals . . . or when a new company could get capital merely by announcing it was going into chemicals. Such is not the case today.

Partially because of this background and partially because of large expansions by the old-line chemical companies there is a great deal of overcapacity in the industry today—at least in the U. S. chemical industry. This being true, competition is so fierce that prices just haven't risen.

It seems almost fantastic but the index of chemical prices in the United States is sitting right where it was in 1951. The index hit a high that year at 110.0. In 1952 it dropped back to 104.5, then went upward gradually to a new high of 110.4 in 1958—and as of the first quarter of this year was back down to 110 again.

My own company has fared less well than the chemical industry as a whole in this regard. Our own price index is down about 2% from a year ago and more than 8% from the levels of 1952. The answer, I suppose, is somewhere in our particular product mix.

Anyway, by comparison, the price index for all commodities other than farm products also reached a peak at 115.9 in 1951, dropped back about 2½ points in 1952 and as of first quarter 1960 had reached a new high of 128.7. This represents a net gain of a little more than 11% over 1951 versus no gain whatever for the chemical industry.

Profit Decline Threat to Chemical Industry

Now, I am not trying to claim that there is **no** profit left in the chemical business, but I think these figures indicate that we have a problem that is not common to all industry. Further, while there is still some profit left it is getting sufficiently thin that it is in danger of strangling what has been a rapidly growing and progressive industry.

What are some of the factors involved? Well, some apply primarily to the U. S. chemical industry but many are significant also to the Mexican and the world-wide industry.

I mentioned overcapacity. Ammonia, plastics and petrochemicals are good examples. A few years back everybody built ammonia plants — oil companies, brand new companies, co-ops, as well as the traditional ammonia producers. All fought for the same ton of business and prices fell to ridiculous levels. Demand has risen, to be sure, but capacity is still being expanded because new producers hope to take customers away from their present sources.

We have seen a similar thing happen in plastics. New producers have gone into the manufacture of major plastics such as polystyrene, polyethylene and polyvinyl chloride—often by merely purchasing processes. Result—plastics prices have declined as much as 25% to 50%. The old producers, with research costs to recover, have been able to hang on only by virtue of high volume and ability to improve processes.

Iodine sells for about half what it did a few years ago. Big tonnage items such as caustic soda and soda ash, thankfully, have not declined — but neither have they gone up—in line with other non-chemical commodities.

Pricewise, we seem to be bumping our heads against a ceiling that refuses to give. Well, with prices staying constant or even declining in some cases, what about costs? Here we have a staggering array of cost increases.

Manpower costs represent an example that is little short of alarming. In the United States the chemical worker's pay for an hour's work has been rising at a compound rate of 6% to 7% per year—and despite some pious hope to the contrary there is little sign that this rise will level off.

What does this mean? Well, other things being equal—which of course they never are, but you have to make the assumption for the sake of mathematics—other things being equal, this increase in direct manpower costs alone amounts to a decrease in profits of more than 10% per year. So it means that unless management is able to raise prices or effect economies in other directions, at the end of 10 years it will be making no profit at all.

Terms Trend Alarming

We naturally hope for some of both, but that is why I don't think it is too much of an overstatement to call the trend "alarming."

Perhaps I threw that curve about profits declining 10% a year because of wage and salary increases a little too fast. Let's take an example. Assume wage and salary costs are 30% of sales. Employees are given a 7% raise. Thirty per cent times 7% equals 2.1% of sales decline in profits—which is more than 10% of the pretax profit of most chemical companies.

Well . . . let's take materials. Prices of purchased raw materials likewise continue to rise—steel, aluminum, natural gas, benzene . . . and you can just as well throw in everything from cans and drums and tank cars to plants and laboratories. And they rise substantially because, again, virtually all of their cost is made up of labor in one form or another.

The same thing is generally true of transportation. Freight rates don't go down. They only go up, and it's just a question of how far and how fast. So you try to find cheaper methods of shipping—perhaps you can ship by water instead of rail, for example. We've done a lot of that, but it takes capital investment in terminal facilities. And recently we made our first bulk shipment of polystyrene granules in a freight car—just like wheat—as an experiment in low cost handling. But obviously there is a limit to what you can do.

Taxes? In the United States we have a sort of competition between cities, counties, states and the Federal Government to see who can spend the most, raise taxes the fastest and beat the other arms of government to the taxpayers. We have tax upon tax until almost no one can determine the true magnitude. Like the other costs I have mentioned, taxes never seem to go down; they only go up.

There are also costs related to government that do not take the form of direct levies but are every bit as real. I am thinking of the various regulations which in one way or another add to our cost of doing business. It costs money to prepare a report, for example. And governments seem to demand more and more of them.

Then there are regulations designed to protect the consumer and the public which seem particularly to affect the chemical industry more than some others. A great deal of time and money must be spent in testing new products in the areas of agricultural chemicals and food additives before they may be marketed. And there are close limits on air and water pollution, requiring extensive facilities to treat our wastes.

Now, I am not complaining about these things. Most of them we would do voluntarily as responsible business people, good corporate citizens, and fellow consumers. But as a fact of life the many years of testing and controls add greatly to the cost of doing business. Also, as with other things, the rules only tighten; they do not relax.

Well, we are talking about financing today—here is another cost that is rising. Long term interest rates have doubled in the U. S. and many of the terms and conditions are more onerous than they used to be. And most countries, including Mexico, have even higher interest rates and capital costs than the United States. This is an important item because the chemical industry is one that requires relatively high investments —something more than a dollar of investment per dollar of sales.

Finally, we have a cost, somewhat peculiar to our industry, in the area of customer service. We used to sell chemicals made to certain specifications and didn't know or particularly care what the customer did with them. Now, more and more, we tailor-make chemicals and plastics to fit individual desires. We visit the customer's plant to teach him how to use them and help him with his problems. Perhaps this is a price we pay for being such a progressive industry, but, however we look at it, it is another cost that is rising.

So we find costs rising on every hand and cutting into our profits. And even the profits we have left are overstated because we are not charging enough for depreciation to replace our obsolete or worn-out facilities in an inflationary economy. In this sense we are paying taxes on profits that really don't exist. This situation is true of the chemical industry in the United States and Mexico and pretty much all chemical producing countries of the world, to varying degrees, although it is not, of course, a situation unique to the chemical industry.

Another problem, not directly related to costs but certainly related to profits, is the trend toward lower tariffs. The rapid rise of wages in the United States has already priced our companies out of some products and we are in the process of being priced out of others.

Now, this may sound good to some people — especially those who are taking over our markets —but without some form of protection the same thing can some day happen to them. There is always another country whose people will work for less. Equalizing tariffs would seem the way to build a strong and diversified chemical industry within the various chemical countries. Mexico has a young chemical industry now and needs tariff protection against more advanced chemical countries such as the United States, Germany and Japan. Mexico will always need tariffs because with an eventual highly modern chemical industry, it will still need protection from lower cost production in other countries.

Real Danger Is Threat to Research

What is the real danger in this problem of rising costs and shrinking profits?

The thing that disturbs me most, I think, is that it threatens the aggressive research that has always characterized our industry. Research itself is getting more and more expensive. In the United States, at least, it costs more than twice as much to keep a technical man at work as it did ten years ago, and I would expect the same

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trend to be found in other countries. Dow Chemical—and I assume this would be true of most others—has been doing everything it can to offset this trend. We have provided better engineered laboratories, we have automated data taking and computation processes, and developed new and unique instruments and methods to speed analytical and testing processes. These all help. But basically research is people and you can't automate people.

The problem is this—traditionally in our industry, as you well know, the major portion of research effort and expenditure by a company is in the area of product and process improvement. It is in a sense a defensive effort dictated in large measure by competition. It is the minimum effort needed to remain competitive and stay in business. This we cannot afford to do without.

The question, then—with research becoming more expensive, other costs also rising and profit margins shrinking—is how much can we continue to spend for the research that will develop new products and new concepts of industrial and chemical processing?

This is the kind of research that has been primarily responsible for the dynamic growth of the chemical industry and has permitted it to be of such great service to mankind.

As I see it, new product development research is in increasing jeopardy in the situation in which we now find ourselves—because we simply can't do without defensive research.

If we are to maintain our status as a dynamic, aggressive, progressive industry . . . if we are to continue to take the maximum advantage of our scientific knowledge and abilities . . . if we are to continue to serve society to the full extent of our potential, then we must find an answer to the problem of inadequate profits—for it is throwing roadblocks in the path of progress. The chemical industry, all over the world, must improve its profit margins if we are to realize our glorious heritage.

*An address by Mr. Gerstacker before the International Congress of Chemical Engineering, Mexico City, Mexico, June 22, 1960.

William Bradley Joins Keystone

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — William C. Bradley has become associated with Keystone Custodian Funds, 50 Congress Street. Mr. Bradley was formerly in the Trading Department of the Boston office of New York Hanseatic Corporation and prior thereto was with May & Gannon, Inc.

Darius Moves to Larger Quarters

Darius, Inc. have moved to larger quarters at 80 Pine Street, New York City. Their new telephone number is DIgby 4-6890.

Friedel Joins Ebasco Services

William M. Friedel has joined Ebasco Services Incorporated as Senior Financial Consultant, it has been announced by Harold H. Scaff, Vice-President in charge of the firm's Management Consulting Division.

Mr. Friedel joins Ebasco from Calvin Bullock, Ltd., managers of investment funds, where he was Senior Utilities Analyst. Previously, he was Secretary and Treasurer of Blair Holdings Corporation.

Gold Reserves and the Standing of the Dollar

By Dr. M. A. Kriz,* *Associate Economist, The First National City Bank of New York*

Dr. Kriz's lesson on how to remove threats to our monetary gold stock rejects suggested panaceas that have had considerable publicity and have captured the imagination of some students of international banking. Instead, it centers on non-inflationary, disciplined monetary-fiscal approach to our formidable international payments balance. Also, it suggests we match economic aid and private capital exports to offsetting export surplus. Dr. Kriz explains that the use of more domestic economic discretion does not forbid the use of anti-recession credit policy but, he adds, it does mean we must close the gates to inflation. The author states J. M. Keynes erred in believing the link between domestic economy and gold can be broken; looks forward to internationally sound balance of payments restored by means that enlarge trade, and promote efficient growth. Foreigners who now are increasing their dollar balances here, Dr. Kriz warns, are aware of our efforts to keep economy sound but would act differently if we were to resume inflationary policies.

I
The United States in a World of Competition

Past is prologue. The stage for the new whole era of the 1960's has now been set, In day-to-day economic and financial relationships, the Free World is more closely interlocked than at any time since the early 1930's. International trade and payments have grown much freer than many thought possible only a few years ago; and the exchange, money, and capital markets of Western Europe have been regenerated and are growing in scope and flexibility. After two decades of controls, this is a deeply significant development. It is like a sick man's throwing away his crutches—an unmistakable sign of recovery.



Miroslav A. Kriz

This is, of course, what the United States has sought all along by helping to restore the economic and financial strength of Europe. The rise in output and productivity, the rehabilitation of currencies, the freeing of trade and payments, and the replenishment of gold and dollar reserves in Europe are the most dramatic proof of the success of our international economic and financial policies. As a result, planned and controlled economies have given way to free economic systems, and the productive vigor and economic cohesion of the Free World have been greatly enhanced.

At the same time however, a high degree of mutual sensitivity has been established throughout the Free World. In a world in which market mechanisms—prices, exchange rates, and interest rates—are working once more, the long insulation of the United States from the influences at work through the balance of payments has come to an end.

Above all, the United States can no longer conduct its domestic financial affairs without regard to its ability to supply goods and services at competitive prices. To be sure, there is no clear cut statistical evidence that the United States has priced itself out of world markets; but there are numerous concrete examples of products in which we have become non-competitive, as well as unmistakable indications of intensified competition in world markets and of a growing world capacity to produce goods for export. As Secretary of the Treasury Robert B. Anderson noted in his article in the April issue of **Foreign Affairs**, "the United States has little margin of competitive superiority. This means that we cannot risk any erosion in the stability of United States prices if American producers are to succeed in expanding their exports."

The international money market has also become more competitive. The United States today is more exposed to drains of funds in response to interest differentials between New York and the principal money markets abroad than has been true for many years.

Last but not least, in a world in which capital movements are freer, the United States must preserve a feeling of complete confidence in the dollar by its own people as well as by foreign nations.

II
The U. S. Gold Position

In this world of competition, the U. S. gold position has become a much more important and meaningful guidepost in policy-making, at home as well as in international economic and financial relationships, than at any time in the past quarter of a century.

Even now, after substantial transfers of gold to other countries, the U. S. gold reserve—exceeding $19 billion—is large. The United States still holds almost one-half of the monetary gold stock of the Free World. Ten years ago, it should be recalled, it held two-thirds of the world's stock; in 1928, it held approximately two-fifths, and in 1913 one-fifth. By any comparison with the past, except at the height of the postwar "dollar shortage," the U. S. gold reserve today is large.

The United States needs a comfortable gold reserve fundamentally for two reasons. First, it needs a certain cushion in the event of a recession. Obviously, nobody can foresee how the next cyclical downturn will shape up either here or in other industrial countries, but some loss of gold under such circumstances is highly probable. Yet, as Secretary Anderson pointed out, "substantial changes" in our gold reserve "can be viewed with equanimity only if they are likely to be of relatively short duration and not persistently in one direction."

Second, the United States needs a gold reserve large enough to give confidence to foreign holders of dollar assets that dollars can be converted into gold without restrictions at a fixed price. If the United States Treasury were to stop selling gold to foreign monetary authorities (or, in other circumstances, buying gold from them), the whole system of trade and payments of the Free World would be thrown into confusion. Our Secretaries of the Treasury have repeatedly stressed that the assured interchangeability of dollars and gold at $35 per ounce is a basic element of strength in the international financial structure.

Far-reaching deductions are sometimes drawn from the fact that, out of a gold stock of $19 billion, gold required as cover for currency stands at about $11½ billion and only $7½ billion is thus left "free." On the other hand, our short-term liabilities to foreigners amount to $16 billion. with short-term liabilities to foreigners of $16 billion and "free" gold of only $7½ billion, so runs the argument, the United States will have to restrict gold convertibility and devalue the dollar.

Nothing of the sort is, of course, inevitable. Foreign officials, bankers, and traders are watching us closely; and, on the whole, they have been enlarging, not reducing, dollar balances. They are aware that the United States is a richly-endowed country, with an efficient, productive, and flexible economy; that it remains, even after the rehabilitation of other industrial nations, the world's largest exporter of manufactured products; that it is the world's largest capital exporter, and possesses long-term investments abroad that exceed long-term investments of foreigners in our own country by some $40 billion.

So long as the United States manages its affairs properly, other countries will be satisfied with a gold backing of less than 100% for their short-term dollar claims. If they were to lose confidence in the dollar, they would, of course, seek to transfer funds into more desirable currencies or into gold. Even more important, however, if the idea gained ground that conditions were developing under which a rise in the price of gold would be inevitable, Americans themselves would seek gold. Americans and foreigners, it must be hoped, will not take fright at shadows. More than anything else, however, their willingness to hold dollars is directly and immediately influenced by the monetary, fiscal, and other policies that our government and the Federal Reserve decide to pursue.

Although we are not confronted with an emergency, we must not take our balance-of-payments deficit lightly. For it could not be sustained for many years, nor will it be corrected by the mere passage of time without conscious effort.

III
Institutional Innovations Versus Substantive Policies

Several ideas to help strengthen the U. S. international position

Continued on page 46

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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

The June issue of the "Federal Reserve Bulletin" summarizes general business and financial conditions as follows:

Industrial production advance in May and construction activity was maintained. Employment and unemployment showed mainly seasonal improvement and retail sales receded from the record rate attained in April. Commercial bank credit changed little. Between mid-May and mid-June, yields on Treasury securities declined sharply, and Federal Reserve Bank discount rates were reduced. Wholesale commodity prices remained stable.

Industrial Production

Industrial production in May rose to 110% of the 1957 average, one point above April and a year earlier. Output of consumer goods and business equipment increased to the record rates reached in January but production of materials declined to a rate 3% below the January high, mainly as a result of reductions in inventories of metals.

Among consumer goods, output of apparel, furniture, and television sets continued to increase, and production of appliances expanded after a sharp decline in the first quarter of the year. Auto assemblies rose 5% further, and schedules for June indicate an additional moderate gain. Activity expanded in most equipment industries in May; output of farm machinery changed little, however, at a level one-fourth below a year ago.

Steel mill operations continued to decline—to 70% of capacity in May and 62% in mid-June. Output of coal and crude oil also declined in May, while production of some other nondurable materials and construction materials rose further.

Employment

Employment in nonfarm establistments rose slightly in May to a new high, after allowance for seasonal variation and for the layoff of the Census enumerators hired in March. In manufacturing, employment changed little but the average workweek increased more than seasonally in most industries. Hourly earnings were unchanged and weekly earnings were somewhat higher. The seasonally adjusted rate of unemployment was 4.9% of the civilian labor force, compared with 5.0% in April.

Distribution

Following a 4% rise in April, seasonally adjusted retail sales declined 3% in May. Most lines of trade shared first in the increase and then in the decrease. Sales of new autos, including imports, were at a seasonally adjusted annual rate of about 6.7 million units. In early June, sales at department stores advanced.

Commodity Prices

Commodity prices continued to change little in May and early June. Over the past year, average wholesale prices of both industrial materials and industrial products have been stable. Average prices of foods and foodstuffs in May and early June were at year-earlier levels, following a rise from the seasonal low of last autumn. Altogether, the general level of wholesale commodity prices has shown little change since the spring of 1958.

The consumer price index rose further in April, owing mainly to more than seasonal increases in retail prices of fresh foods. Prices of services continued to rise, but less rapidly than earlier this year. Meanwhile, used car prices declined further, and prices of new cars and household goods generally were stable.

Bank Credit and Reserves

Total commercial bank credit changed little in May. Loans increased moderately further but banks reduced their holdings of U. S. Government securities. A sharp decline in the seasonally adjusted active money supply was associated with an unusually large rise in U. S. Government deposits. Seasonally adjusted turnover of demand deposits increased.

Member bank borrowings from the Federal Reserve and excess reserves both averaged about $450 million during the four weeks ending June 8. Reserves were supplied principally by Federal Reserve purchases of U. S. Government securities and were absorbed by an outflow of currency and other factors. Required reserves declined.

Security Markets

Yields on all maturities of U. S. Government securities declined sharply from mid-May to mid-June, in most cases to new lows for the year. Discount rates were reduced from 4 to 3½% at two Federal Reserve Banks on June 3, and subsequently at the remaining Reserve Banks. On June 6 the Treasury undertook an advance refunding of part of $11 billion of bonds maturing in November 1961. It offered holders the option of an exchange into a four year 3¾% note or an eight year 3⅞% bond.

Yields on long-term corporate and State and local government bonds changed little from mid-May to mid-June. Common stock prices increased substantially, to a level about 4% below the early January high.

Bank Clearings Rise 4.9% for Week Ended June 18 Over Last Year

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the "Chronicle," based on telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, June 18, clearings from all cities of the United States from which it is possible to obtain weekly clearings will be 4.9% above those for the corresponding week last year. Our preliminary totals stand at $29,617,521,128 against $28,238,603,284 for the same week in 1959. At this center there is a gain for the week ending Friday of 15.9%. Our comparative summary for the principal money centers for week ending, June 18 follows:

Week End.	——000 Omitted——		
June 18—	1960	1959	%
New York	$16,667,806	$14,376,517	+15.9
Chicago	1,397,531	1,428,216	— 2.1
Philadelphia	1,173,000	1,226,000	— 4.3
Boston	666,522	803,882	—17.1

Steel Industry Cuts Capital Spending Program

A decline in capital spending plans by the steel industry marred an otherwise bright outlook for plant and equipment spending by the metalworking industry, the "Iron Age" reports.

The national metalworking weekly said that, as a whole, the industry has plans to spend $1.2 billion for capital goods in the months ahead. This is 10% less than the amount set aside in the fourth quarter of 1959, and 25% below the same period a year ago.

The magazine says the dropoff is due almost entirely to the slackening pace of appropriations in basic steel. But if steel is not taken into consideration, spending in metalworking is brighter and, overall, the trend is up.

The "Iron Age" report is based on the quarterly survey of metalworking capital appropriations conducted for the magazine by the National Industrial Conference Board.

The current survey, the second in the magazine's 1960 series, is based on a survey of first quarter metalworking capital appropriations. In metalworking, appropriations lead expenditures anywhere from 9 to 12 months, the magazine adds.

The magazine predicts that a continuing high rate of capital spending through the second half is indicated by the appropriations trends.

A breakdown of the major industry groups within metalworking shows these industries have stepped up their spending plans over the first quarter of 1959:

Fabricated metals are up 19%; non-electrical machinery, up 3%; electrical machinery, up 41%; transportation equipment, up 17%; instruments, up 6%.

The lone exception is the primary metals industry. In this group, a 51% drop from the first quarter 1959 was precipitated by a 59% cutback by the steel industry.

The first quarter steel decline came after a high fourth quarter which itself was topped by huge funds set aside by steel companies in the first quarter of 1959. With two big quarters last year, the steel industry was forced to catch its breath and allow expenditures to catch up with appropriations backlogs, the magazine says.

The "Iron Age" also blames the weak steel market for the decline in steel's capital appropriations.

On the general steel market, the "Iron Age" reports that July is now written off by the steel industry. An uptrend of steel buying by the auto industry for 1961 models is expected to lead an uptrend in production in August.

Orders for steel for 1961 models are beginning to appear, and automakers are giving some idea of early schedules. Some cars will begin to roll off assembly lines in late August, but production is expected to reach its peak in October, when about 685,000 cars are scheduled.

However, the magazine cautions that this may be an optimistic figure and depends on how the first models go over when introduced.

Sees Demand for Steel "Snowballing" in August

Demand for steel will start snowballing in August after automakers begin ordering heavily for their 1961 model runs, according to "Steel," the metalworking weekly.

When the car companies come into the market, leadtimes will lengthen, and lesser buyers will have to protect themselves by raising inventory objectives.

Steelmakers expect July to be their worst month this year by almost any yardstick — order entry, production, or shipments.

It won't be much worse than June, but inventory cutbacks, vacations, and automotive model changeovers are sure to slow the industry's pace — driving sales, output, and shipments to the lowest levels of the year.

Inventory liquidation is continuing, "Steel" reported. At some mills, orders are declining; at others, they're relatively stable but far below the volume that might be expected when users are chewing up steel at a rate equivalent to 75% of mill capacity.

Most of the orders being booked are small ones, and many are marked "urgent," indicating consumers have cut stocks down to minimum working size.

Although automakers are producing cars at a high rate and selling them at the fastest pace since 1955, they aren't releasing steel orders as rapidly as they were a few weeks ago. In Pittsburgh, sales executives were surprised and disappointed when a major automaker asked that part of a July order be held for August delivery.

Largely unaffected by the inventory recession, tin plate producers are operating at capacity. Although the can companies have held up some releases because of bad weather and big inventories held by some of their customers, tin mills are solidly booked for June and July.

Imports of steel mill products dropped sharply in April, "Steel" reported. Latest figures show that 331,000 tons of foreign steel were landed at U. S. ports in April (vs. 464,000 tons in March and 359,000 in April, 1959). Imports in the first four months were 55% higher than they were in the first four months of 1959.

Last week's steelmaking operations were 62.3% of capacity, up slightly. Production was about 1,775,000 ingot tons.

Domestic scrap demand is slow, but exports are continuing in fair volume. "Steel's" price composite on No. 1 heavy melting scrap remained at $31.33 a gross ton.

The aluminum industry still looks for records to be set this year, "Steel" said. Primary output is running at a yearly rate of close to 2.1 million tons vs. 1,963,000 tons last year. Most guessing now is that sales will top 1959's by about 5%, but the gain will depend entirely on the second half. Since users have been chewing up inventories, the industry believes consumption is running ahead of 1959's, and more users will become active buyers in the second half.

This Week's Steel Output Based On 61% of Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *108.3% of steel capacity for the week, beginning June 20, equivalent to 1,739,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compare with the actual levels of *110.5% and 1,775,000 tons in the week beginning June 13.

Actual output for last week beginning June 13, 1960 was equal to 62.3% 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 61%.

A month ago the operating rate (based on 1947-49 weekly production) was *116.4% and production 1,870,000 tons. A year ago the actual weekly production was placed at 2,486,000 tons, or *154.8%.

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

Car Output Hampered by Inventory Adjustments And Labor Strife

The 500,000th '60 model Chrysler Corp. car to be built in the Detroit area was assembled on June 15, "Ward's Automotive Reports" said.

Detroit plants currently supply about two-thirds of Chrysler's car production, and more than half of the Detroit volume is turned out at the Hamtramck facility.

The company's 800,000th '60 model corporate car was scheduled to be completed on June 21, "Ward's" said. Chrysler's entire '59 model production totaled 703,744 cars.

The statistical agency said automobile production in the U. S. declined in the week ended June 18 after a series of inventory adjustments and a labor dispute affected operations at 13 assembly plants.

"Ward's" estimated the week's output at 137,776 units, 1,647 less

Continued on page 24

All of these shares having been sold, this announcement appears as a matter of record only.

NOT A NEW ISSUE June 21, 1960

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Price $56.50 per share

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THE MARKET . . . AND YOU

BY WALLACE STREETE

Industrial stocks continued to waver in what was largely a consolidation phase again this week, the average slipping lower with some, urgent profit-taking in some of the recent skyrockets keeping enthusiasm restrained.

"Rowdy" Electronics

The electronics suffered in spots and some items were definitely rowdy, including Emerson Radio which featured in all manner of unconfirmed rumors and showed erratic price action several times. Occasionally trading in it had to be halted as buyers or sellers ganged up.

* * *

Also erratic at times but exceedingly active was the renamed Standard Kollsman, formerly Standard Coil Products. It was sufficiently wild to force the exchange officials to ban stop orders in it, a device that has been used in the past to tame down the unruly items. With not much more than the name change showing officially on the record, and a poor excuse for excessive price action, the issue that had sold below 13 this year, raced above 30.

* * *

Electronics weren't the only items to suffer from concentrated realizing and such items as IBM, Minnesota Mining, Universal Match and Vick Chemical had their occasional troubles.

* * *

Airlines were buoyant after they were granted a fare boost, but their price action was restrained and they were far short of being sensational. Delta was one of the better movers when company estimates indicated the added profit from the boost would almost cover its dividend commitment.

Signals Confusing

The technical signals were confusing, and the more dour of the signs was that volume had run at a higher level through the two weeks of consolidation than it did in the month's first full week when the industrial average added an unprecedented 25 points. The existing records indicate that this was the largest one-week gain in history.

* * *

But the pickup in activity with the major indices declining was a sign of important liquidation even though, by tradition, the summer rally is supposed to run at least into July.

* * *

There have been years recently when the summer rally ground to a halt either in late July or early August. More favorable was the fact that all the profit-taking could only clip the senior average for around 10 points after seven full sessions, which makes it a grudging retreat.

* * *

There was some stirring in the oils for a new note. Texaco was able to counter down markets with good gains and even Standard of Jersey, a lethargic performer for many months, was able to tack on a full point in one session.

* * *

Utilities generally did a good job of bucking the trend without fanfare and were poised on the brink of nudging their 1960 high a notch higher on any concerted show of strength after their average had succeeded in posting a peak a week ago.

* * *

Another slight weakening of the technical position was the dip in the short interest; with the unusually large short interests in American Motors and Studebaker even making the overall total deceptively high.

* * *

The "standard" stocks that had such a large part in the spirited rally of two weeks ago were back in the doldrums. Figuring out that issues such as Jersey Standard Oil, Anaconda, Illinois Central and Kennecott were anywhere from 40 to 49% under their peaks at a time when the industrial average is only off around 10% from the top, was a popular Street pastime.

* * *

As some of the market analysts were pointing out, these declines in specific issues mean that the market valuations have been slashed drastically, up to $5 billion in Jersey Standard, $1.6 billion in U. S. Steel, etc.

Market Action Contradicts the News

In some cases, the market disinterest is in the face of good expectations. General Motors is 25% under its peak despite the fact that it is headed for the best earnings since 1955 when the high was posted on a profit of well past a billion dollars, which is an all-time high-water mark for any American enterprise. American Telephone has come close to eclipsing GM's record profit figure, but couldn't quite do it in 1959 although it stands a good chance to exceed it eventually.

* * *

Store stocks have been showing signs of stirring, but without showing any drastic action. R. H. Macy, not only the giant of department stores but also one of the more important store chains, seems to be benefiting fully from the consumer's disposition to spend. Profit of $3.20 in 1958 rose to $3.76 last year and is projected to at least $4 this year which makes the $2 dividend well protected.

* * *

Similarly Edison Bros. Stores, a leading women's shoe retailer, earned $3.90 in 1958, $4.94 last year with a bit of nonrecurring profit included, and is seen in the $5 bracket this year.

Merger News Fizzles Market-Wise

Where merger news normally leads to good action, it has drawn a blank in the case of Minerals & Chemicals. This company is working on acquisition of Philipp Bros. which is an important export-import company. Some of the analysts have figured the pro-forma earnings for last year up to $1.70 from the actual $1.01 reported by M&C.

On its own, M&C has been doing well although conditions have been a bit unsatisfactory in the steel and petroleum industries, which are its major customers. Nevertheless, tonnage volume for M&C was higher last year, gross income at a new high, net income up 56 percent, etc. And the improvement in sales and earnings continued into this year.

Minerals & Chemicals stock, however, has hovered in a range that has yet to reach 10 full points, and lately has shown no disposition to do anything better than rest in the approximate middle of the range.

This stock hasn't had an exciting record profit-wise, earnings off from $1.24 in 1956 to 56 cents in 1957 and then worked back to where a change in its fortunes could be clearcut. It did maintain its moderate 20-cent dividend throughout, namely, a cash payment that has been larded each year with a 2% stock dividend. Nevertheless, the stock sold half a dozen points higher in 1957 and 10 points above the 1960 best in 1956.

An Export Beneficiary

Symington Wayne is another company that seems on the point of reporting record sales and good earnings. It has been another slow-moving item recently, and a high-yielding one with an indicated return of better than 6%. It has been selling at some nine times earnings where the glamour issues with 40 to 70 and 80-times multiples are the market features.

The present company is a consolidation of Symington Gould and Wayne Pump and its principal lines currently are gasoline station equipment and railroad castings. The point about the company is its attractive spread to overseas markets which opens up new expansion possibilities. Its foreign operations last year contributed some 45% of net income. With overseas markets growing, and lower costs helping efficiency abroad, its foreign operations are felt to be the big attraction for this company.

[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.]

Form Edmar Securities

ST. JAMES, N. Y. — Edmar Securities, Inc. has been formed with offices at 15 Evon Lane to engage in a securities business. Robert E. Dowler is a principal of the firm.

S. F. Bond Club Honors Witter

SAN FRANCISCO, Calif. — Dean Witter, senior partner of Dean Witter & Co., was named outstanding investment banker of the year by the San Francisco Bond Club at the closing meeting of the organization's 1959-60 term.



Dean Witter

Mr. Witter was presented the Arnold Grunigen, Jr. perpetual trophy by Alan K. Browne, Vice-President in charge of the Municipal Bond Department of Bank of America.

Earlier recipients of the award have been the late Charles R. Blyth, of Blyth & Co.; George W. Davis, of Davis, Skaggs & Co.; Alan K. Browne and Spencer Brush, of Brush, Slocumb & Co.

At the final meeting, Ivan W. Wing, of Weeden & Co., was elected President for the ensuing year, succeeding Gerald F. Brush, of Brush, Slocumb & Co. Brantley M. Eubanks, of Stewart, Eubanks, Meyerson & Co. was elected Vice-President and Clarence F. Edner, of First Western Bank & Trust Co., was elected Secretary-Treasurer.

Directors elected for the new term were James A. Felchlin, of F. S. Smithers & Co.; Frank Bowyer, of Schwabacher & Co.; MacBoyle Lewis, of Harris Trust & Savings Bank; and Rudolph T. Sandell, of Shuman, Agnew & Co.

75th duPont Office

CLEARWATER, Fla.—Francis I. duPont & Co., nation-wide security and commodity brokerage firm, has opened an office in Clearwater, Fla., it has been announced by A. Rhett duPont, Senior Partner. This increases the firm's network of U. S. offices to 75.

C. Henri Champeau and Richard D. Smith have been named co-managers of the new office.

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June 23, 1960

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The Foreign Investment Guaranty Program of ICA

By Charles B. Warden,* *Chief, Investment Guaranties Division, International Cooperation Administration, Washington, D. C.*

Head of our pioneering Investment Guaranty Program explains what it is and provides a step-by-step explanation as to how business can take advantage of the plan. Mr. Warden stresses the non-red-tape, expeditious approach taken by his agency in encouraging investors to invest abroad; submits a progress report; and assesses the Program's shortcomings. He believes real, substantial cooperation of private industry and capital requires a better guaranty system than we now have. The possibilities explored are private loans made by financial institutions with government guaranties, an international Guaranty Program, and more inventiveness in guaranties.

The accumulation of capital and the development of enterprise is astonishingly swift in the United States and inordinately slow in some other parts of the world. We in the United States and in the Western Hemisphere have consciously chosen to make this *our* problem. We, for most sound and ample reasons are taking our capital, our science, our technology and sharing it with those less fortunate.



Charles B. Warden

This does not occur as a result of war, the obligations of alliances or of any other compulsion—this is an act of free people sharing their good fortunes for the mutual good.

Accepting that this is a fact, derived from the American conscience, of solid judgement, or whatever, it follows that the government could and should encourage its citizens to place their private capital of money, skills and science abroad.

Another given factor, well known to all who examine the current scene, is the tendency of the countries most sorely in need of capital to permit an investment climate which is often casual, often unpredictable, and in some cases positively hostile toward foreign capital.

Where capital needs are so clear, one would think that all obstacles would be swept away. The truth, of course, is that nations just like families and business organizations do not always do or know what is the best thing for them. They are not always logical in their reasoning—neither are we.

In this uncertainty, this unpredictable attitude of nations toward the foreign providers of capital, the United States Government has stepped in and offered the novel, unorthodox and interesting idea of insuring the investments of its citizens against non-business risks arising from certain regulations or actions of other governments.

Discribes Guaranties

Thus has grown up the insurance scheme known as the Investment Guaranty Program. This program guaranties against loss to the American investor from three types of so-called political risks.

(1) Inconvertibility of local foreign currency earnings abroad to U. S. dollars;

(2) Expropriation or confiscation of the investment; and

(3) Damage to the physical property from actions of war.

Suppose a government does not have dollars—through some adversity such as crop failures or price decline due to dependence on a one-commodity economy — the U. S. investor is then assured of continued transfer of earnings, of loans being repayable on time, of credit preserved until dollars may flow again.

Events may shake the credit responsibility and respectability of an entire region to the extent that no investor will want to invest, yet American investors, protected by the Investment Guaranty Program, at least can work with some confidence and do business when others cannot.

However, before considering investment guaranties it is assumed that a company will have made a survey of its overseas needs and possibilities. Of course there will be some countries which you will continue to supply on the basis of export. These are no doubt a company's traditional markets. There are, however, others which, because of shortage of exchange or high tariffs or costs, indicate the advantages of local manufacture or the licensing of a local manufacturer.

If a firm undertakes a licensing arrangement, we can issue investment guaranties which will assure it the conversion of its earnings to dollars over the usual lifetime of the licensing agreement. This is an important and somewhat little known aspect of our program.

Manufacture represents a different story of course. This will require much larger sums of money—many more decisions on the part of the company and the direct usage of company personnel in a foreign country.

Taking the First Step

It is here that the guaranties are most frequently used and are of greatest interest. It is during this second stage of the selection and judging of an overseas investment that an appraisal of the risks involved is necessary. It is here also that a company should make its first contact with the Investvestment Guaranties Division in the ICA. At this point no doubt a study has been undertaken of the means to make the investment in the country, the size of the market, the amount of capital required, the number of personnel, the method of financing, the source of supply and machinery and equipment. Now there is a possibility that events may be well in motion—the company may be in contact with potential partners within the foreign country. Drafts of agreement may be in preparation. It is even possible that the company may be close to making the investment arrangement or final investment commitment.

Here the company must **STOP** and make preliminary application for guaranties before commitment. THIS IS IMPORTANT! A waiver may be obtained from our office to last for six months. What this means in effect is that if the firm makes any commitment or contract of investment its eligibility for guaranties is protected.

Most investors from this point on proceed with the investment in the normal course. Machinery is ordered, final arrangement for the financing takes place, engineers move in with the drawings and other requisite work.

As soon then as the investment becomes actual; i.e., capital is moving abroad, the company can make up its mind finally whether it wants to take out the guaranty contract. This the firm should try to do toward the end of the six months waiver period—but earlier if it can of course. As far as the preliminary application itself is concerned it need not be specific at the beginning—as a matter of fact it would be difficult to do so when the form of the investment is probably still under negotiation. It is sufficient for us that we know of the proposed investment in broad strokes — approximately how much money the company intends to invest, approximately when the investment will take place, that it will be in the form of equity or a combination of equity and loan, etc.

Consult the Investment Guaranty Handbook or call our office for details for filing an application. When we return a waiver we explain at the same time whom to see in the host government to secure approval of the project for investment guaranty purposes. The company is expected then to make application to that government office in the foreign country on its own behalf. When the project is approved a copy of the approval will be sent to our Embassy and forwarded to the ICA Investment Guaranties Division.

Then we are ready to enter into a contract covering guaranties.

By this time we should have received specific information in regard to the investment so that we can submit a contract in draft for the company's approval. After the company reviews the contract in draft we put it in final form, return it for signature and a check for the first year's fees. When these are returned, the final steps of securing a guaranty takes place—the contract is given final approval by the Director of the ICA and is sent to the Board of Export-Import Bank for execution.

Generally, the actual time devoted to the usual type of guaranty contract is very short, but a word is necessary on the unusual and difficult forms of investment and the guaranty contracts for those. Occasionally we are asked to supply guaranties on a housing project in Israel, or an expropriation contract in Bolivia or Algeria, or the investment itself may be exceptionally complicated and difficult for all concerned. These will take more time and I have seen instances where groups of lawyers have worked for days on end before completing a satisfactory contract.

In some of these the stakes are very large for both the contractor and the Government. Care is necessary and time is necessary I am quite sure that those trained in the law recognize that guaranties of both expropriation and convertibility are difficult and unusual fields. They are unlike loans—as a matter of fact, usually we have no precedent to which we can go for guidance on most of the problems we have to face.

Offers Some Suggestions

At this point I'd like to make some suggestions on how to work with the Investment Guaranties Division in the best fashion.

(1) Use the telephone. If in doubt as to whether the investment is one which can be covered by guaranties, a telephone call to us can make reasonably sure as to its eligibility.

(2) It is not always necessary to write a complete detailed application — a general letter will suffice as well, if it gives the information.

(3) Occasionally it is possible, in countries such as Argentina for example, to establish government approval in the decree authorizing the investment. This is a valuable assist and advantage should be taken of it whenever possible.

(4) It is possible when time does not permit of applying for a waiver to set forth in the letters of agreement that the investment is contingent on receiving guaranties from the ICA.

Since our assignment is to encourage investors through the use of guaranties to make investments abroad, we are trying to make the process as reasonable and expeditious as possible. Upon request we will try to maintain eligibility for guaranties as long as the project is alive.

As of today we have written 371 investment guaranty contracts. We hope we have eliminated any red tape and useless paper work there may have been. We have a small staff of specialists who are as uninterested in red tape as are businessmen.

Gives Statistics on Program's Progress

Now let us consider the prospects of the Investment Guaranty Program for the next two to three years or longer. No good idea or program stands still. It must improve or wither away.

An inventory of the position of the Program shows that:

Forty-six countries have undertaken the agreement with the U. S. to institute the Program.

Thirty-three of these are what might be called underdeveloped and they will constitute the backbone of the program in the future.

The financial community was somewhat reluctant to accept the program in the beginning and to learn how to use it. As a consequence, progress was slow. However, in fiscal year 1959 we set a record of $225 million in contracts written.

We have today approximately $1 billion in applications for projects in countries where we have agreements and can proceed with contracting as soon as the investors are ready to go ahead.

In addition, we have in excess of $400 million in applications for countries not yet in the Program.

There have been no losses and no claims are pending.

Areas of Possible Improvement

In practically all other fields of finance we can look to precedents in Europe; however, here is one instance where the U. S. Investment Guaranty Program is the pioneer program. As many know, about two years ago the Japanese established an investment guaranty program modeled closely after the American one. Last fall the Hermes Corporation initiated in Germany an investment guaranty program which in many respects is a parallel to our own program. It goes somewhat further, however, and covers revolution and insurrection. Also, they can cover political "actions which have an effect similar to confiscation." This is an unusual formulation which offers protection for the unspecified type of risk which may have the same effect as confiscation. As to what the Germans will ultimately do with this I do not know, but we want to see how they develop their contracts. This program will bear watching. It may be very good. I'm sure we will be able to learn something from them.

There are some who believe it would be better to avoid attempting to specify the political risks for which we now offer guaranties. **They** say that we should consider offering guaranties of repayment of loans, perhaps to 50%, 60% or 70%—that this would be more useful than the specific political risk guaranties—that it would have the effect of reducing the cost of money, and yet would be an approximate offset to the political risks in an investment.

It is worthy of note that the DLF and the Eximbank as lending institutions can offer guaranties of repayment.

There are some experts who believe that we have not made the best use of our private institutions in the amount of overseas capital and that we could get a better performance if we used more

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NEW ISSUE **June 22, 1960**

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guaranties and less direct loans. Here is a problem for the international economists. Germany, for instance, is relying on guaranties and not on government loans. This is the opposite of our practice. I respectfully submit this is a subject for consideration.

It is tremendously important that Japan and Germany have undertaken investment guaranty programs of their own. We would hope that the Netherlands, Belgium and perhaps Italy and the United Kingdom may do likewise.

We would hope too that at some time we and they could work together and develop an International Guaranty Program. I do NOT think we will ever secure really substantial cooperation of private industry and capital without a better guaranty system than we now have.

Let me illustrate. Governments such as ours can make direct loans to other governments for development purposes, or this government can make direct loans to private companies. Some people think a better plan, however, would be to have our financial institutions in the first instance make the loans to private companies going abroad, with government guaranties.

Now what would the difference be? The difference would be the skills, engineering and abilities of private financial institutions working with private companies on these development projects—supported only contingently by the government. As long as the project did well, the government would not be concerned. This might be the ideal situation to hope and work for.

It is a very simple truth that if the first-rate minds and abilities of a hundred more American private institutions could be added to what we now have working abroad, we would get a much greater total result.

It is my belief that we have not yet learned all that can be done with guaranties—they have simply not been fully tried in the U. S.

We know, however, that we have invented more government lending institutions than most other countries. We have not been as inventive in guaranties. I believe it is this area of discussion and thought which is necessary for all of us to consider for the future.

*From a talk by Mr. Warden before the International Business Conference, University of Michigan, Ann Arbor, Mich.

Inv. Association Golf Winners

The following were the winners at the Golf Tournament of the Investment Association of New York held June 17th:

Low Gross: Robert L. Dewar, Eastman Dillon, Union Securities & Co.; Andrew Peck, Clark, Dodge & Co., runner-up.

Low Net: Henry Nelson, Merrill Lynch, Pierce, Fenner & Smith, Inc.; Peter Voight, W. H. Morton & Co., runner up.

Net Best Ball (Twosome): Robert Dewar, Eastman Dillon Union Securities & Co., and Otis Bradley, Spencer Trask & Co.

Gross Best Match Play vs. Par: James Osborn, Dominick & Dominick.

Fewest Putts: J. G. Peterkin, Gregory & Sons., David McMillan, Spencer Trask & Co., James Carroll, Butler, Herrick & Marshall.

Longest Drive: Philip Dresdner, J. R. Williston & Beane.

Closest to the Hole: Richard Tierney, Blyth & Co., Inc.

Highest Gross: William T. Reynolds, Merrill Lynch, Pierce, Fenner & Smith Inc.

F. J. Pflugfelder Opens

Frederick J. Pflugfelder is conducting a securities business from offices at 61 Broadway, New York City.

Graham-Conway Co. Formed

LOUISVILLE, Ky.—Graham-Conway Co. has been formed with offices in the Kentucky Home Life Building, to conduct a general investment business specializing in Kentucky municipal bonds. Officers are Thomas Graham, Chairman of the Board, Powhatan M. Conway, President, and Willard P. McNair, Secretary-Treasurer. All were formerly officers of the Bankers Bond Company.



Thomas Graham



P. M. Conway

Mr. Graham who has been in the investment business for 33 years is president of the City of Louisville Sinking Fund Commission. He is a past governor of the Investment Bankers Association of America, past president of the National Security Traders Association, and first president of the Bond Club of Louisville. Mr. Conway, who has been in the investment business for 26 years, is a past president of the Bond Club of Louisville and a former chairman of the Ohio Valley Group of the Investment Bankers Association.

N. Y. Municipal Women's Outing

The Municipal Bond Women's Club of New York held its 10th annual outing June 17 at the Rock Spring Club, West Orange, N. J.

Prizes of U. S. Savings bonds were awarded to: $500 to Emma B. Brehm, of R. W. Pressprich & Co.; $100 to Barbara Klishewich, of The Bond Buyer and $50 each to Elaine Haggerty, of Phelps, Fenn & Co., and Mrs. Betty Hanser, of Hemphill, Noyes & Co. The 20 bonds of $25 each went to: Joan M. Murray, of Drake & Company; Ann McManus, of Dominick & Dominick; two to Mrs. Phyllis Nicholson, of McDonnell & Co.; Justina V. Taylor, of The Chase Manhattan Bank; Mrs. Jean M. Davies, of Wainwright & Ramsey, Inc.; Alayne Spanier, of Tilney & Company; Virginia Ramsdell, of Morgan Guaranty Trust Company; Barabara Klishewich, of The Bond Buyer; Mrs. Sara P. Powers of R. D. White & Co.; Elaine Haggerty, of Phelps, Fenn & Co.; Louise Bullwinkel, of Tripp & Co., Inc.; Emma B. Brehm, of R. W. Pressprich & Co.; Mary M. Hickey, of Kean, Taylor & Co.; Maureen T. Cates, of Kuhn, Loeb & Co.; Elizabeth A. Klauss, of Weeden & Co.; Mrs. Pierrine J. Manfredi, of Coffin & Burr, Inc.; Jeanne C. Skippon, of Adams, McEntee & Co., Inc.; Maureen A. Gough, of J. J. Kenny Company; and Cathleen K. Morin, of Smith, Barney & Co.

Other prizes were donated by Adams, McEntee & Co., Inc.; Mr. Gene Marx, of Bear, Stearns & Co.; The Bond Buyer; Harry Downs & Co.; Drake & Co.; R. W. Ellwood & Co.; Mr. Harry Groll; McDonell & Co.; Mitchell, Pershing, Shetterly & Mitchell; The Municipal Bond Women's Club of New York; Phelps, Fenn & Co.; R. W. Pressprich & Co.; Roosevelt & Cross; John Small & Co.; Tilney & Co.; Tripp & Co., Inc.; Chas. E. Weigold & Co.; Wertheim & Co.; R. D. White & Co., and one anonymous donor.

Members of the Outing Committee were: Naomi Christiansen, Wertheim & Co., Chairman; Rosemary Gleason, of A. G. Becker & Co., Inc.; Patricia Macklin of Phelps, Fenn & Co.; Zita Millett, of Merrill Lynch, Pierce, Fenner & Smith; Phyllis Nicholson, of McDonnell & Co.; and Virginia Ramsdell, of Morgan Guaranty Trust Company.

J. J. Kenny Co., contributed the services of the bus which took the members to and from the Rock Spring Club. Mitchell, Pershing, Shetterly & Mitchell, provided the accordionist who played during the cocktail hour and dinner.

Wilber Downes Donahue, Coe V.-P.

Wilbur B. Downs has been elected a Vice-President of Donahue & Coe, Inc., 1271 Avenue of The Americas, New York City. Mr. Downes is Account Executive on the Holland - America Line and Turner Construction Co. accounts. He has been associated with steamship and travel advertising for the past 30 years.

James Talcott Names McGann

Thomas J. McGann, Vice-President of James Talcott, Inc., has been named to head the company's Factoring Division, and has been appointed to the firm's executive committee, it was announced by James Talcott, Chairman, and Herbert R. Silverman, President. He succeeds Joseph A. Amato, who passed away suddenly two weeks ago.

The Factoring Division is the company's oldest division, started shortly after the firm was founded in 1854. Today it is considered to be one of the largest old-line factoring organizations in the country.

To Be Homans Partner

Effective June 23 Sheppard H. C. Davis acquires a membership in the New York Stock Exchange, and becomes a partner in the Exchange member firm of Homans & Co., 65 Broadway, New York City.

$100 Million Bonds of New York State Power Authority Offered to Investors

Dillon Read, Halsey Stuart, Kuhn Loeb, W. H. Morton head underwriting group.

A nationwide syndicate of 261 investment banking firms, managed by Dillon, Read & Co. Inc., Halsey, Stuart & Co. Inc., Kuhn, Loeb & Co. and W. H. Morton & Co. Incorporated, publicly offered on June 21 an issue of $100,000,000 Power Authority of the State of New York, general revenue bonds, series H.

The issue consists of $80,000,000 of 4⅛% term bonds due Jan. 1, 2006, priced at 100%; and $20,000,000 serial bonds maturing on each Jan. 1 from 1965 to 1980, priced to yield from 3.25% in 1965 to 3.80% in 1980.

Net proceeds to the Authority from the present financing, amounting to $98,139,700 will be used to pay part of the cost of construction of the Niagara Project, including payment of $14,110,075 into the Authority's temporary interest fund, representing interest on the bonds of series H through Dec. 31, 1963. After the sale of the series H revenue bonds, the Authority will have issued $620,000,000 out of $720,000,000 which is estimated to be required to complete the Power Authority's Niagara Project now under construction. The Niagara Project will be physically interconnected by means of a tie-line with the Authority's $335,000,000 Saint Lawrence Project. When the Niagara Project is completed, these two projects will form one of the largest hydro-electric developments in the world. The Saint Lawrence Project is completed and is now in full operation with the last of the 16 generating units having been installed in July, 1959. Commercial production of power started in July, 1958, and, as of May 31, 1960, the Authority had produced and sold approximately 9.3 billion kilowatt-hours, of which approximately 5.8 billion kwh. were sold during the 12 months ended that date.

Construction of the Niagara Project was approximately 60% completed as of May 15, 1960. Initial generation at the Lewiston Plant is scheduled to begin early in 1961 with systematic additions until installation of all of the units by Dec. 31, 1962.

The bonds are subject to redemption, as a whole or in part, at any time on or after Jan. 1, 1970 as set forth in the Authority's official statement.

The present trustees of the Authority are: Robert Moses, Chairman; William Wilson, Vice-Chairman; and A. Thorne Hills, Finla G. Crawford and Theodore Hill, Jr. William S. Chapin is General Manager and Chief Engineer of the Authority.

The bonds are exempt as to interest from Federal income taxes and New York State income tax, and are legal investments under New York State law for insurance companies, banks and trust companies, savings banks and certain trust funds, in the opinion of bond counsel.

Among those associated with Dillon, Read & Co. Inc., Halsey, Stuart & Co. Inc., Kuhn, Loeb & Co. and W. H. Morton & Co. Incorporated in the offering are:

Blyth & Co., Inc.; Drexel & Co.; Eastman Dillon, Union Securities & Co.; The First Boston Corporation; Glore, Forgan & Co.; Goldman, Sachs & Co.; Harriman Ripley & Co. Incorporated; Kidder, Peabody & Co.; Ladenburg, Thalmann & Co.; Lazard Freres & Co.

Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Incorporated; Morgan Stanley & Co.; R. W. Pressprich & Co.; Shields & Company; Smith, Barney & Co. Incorporated; Stone & Webster Securities Corporation; B. J. Van Ingen & Co. Inc., and White, Weld & Co.

Dempsey-Tegeler Branch

WINONA, Minn.—Dempsey-Tegeler & Company has opened a branch office in the Exchange Building, under the management of Fred Goth. Mr. Goth was formerly with the firm in Minneapolis.

This advertisement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering is made only by the Prospectus.

NEW ISSUE June 21, 1960

300,000 Shares

ALSIDE, INC.

Common Stock

(No Par Value)

Price $11 Per Share

Copies of the Prospectus may be obtained in any State in which this announcement is circulated from only such of the underwriters, including the undersigned, as may legally offer these securities in compliance with the securities laws of such State.

Reynolds & Co., Inc.

Eastman Dillon, Union Securities & Co. Hornblower & Weeks

W. C. Langley & Co. Paine, Webber, Jackson & Curtis

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MUTUAL FUNDS

BY ROBERT E. RICH

The Billion That Wasn't There

As badly buffeted cyclical stocks rallied last month, many Wall Streeters had no difficulty in coming up with an explanation. "The funds," said they, "are coming back into the market."

Now, as a pretty general rule, the men who make the investment and divestment decisions for the open-end and closed-end investment companies possess the happy faculty of keeping their own counsel in advance of any gambit in the marketplace. And last week, when the returns for May were in, it appeared that there would have to be a better explanation for the market rebound than the role of the funds.

For the National Association of Investment Companies reported that when its 158 open-end members closed up shop in May their holdings of cash, U. S. Governments and short-term bonds toted up to nearly $1 billion. And that, in terms of absolute figures, is the highest in history. That's a rise of nearly $25 million in the liquid position compared with the preceding month and over $313 million more than the figure at the close of May, 1959.

The truth, of course, is that the funds never were out of the market and a billion in liquid assets leaves these companies still very heavily invested when it is considered that their total net assets amount to nearly $15.8 billion. They're simply not aggressive buyers at this juncture. Like a lot of other people who earn their livelihood in the market, they're cautious and given to reassessing positions.

The public, which pumps millions of dollars daily into mutual funds, likewise has shown less aggressiveness. Thus, sales of mutual-fund shares last month continued to decline. Amounting to $159.6 million, the total was $7 million under the April figure and off more than $21 million from a year ago. Indeed, sales of shares last month were at the lowest level since December of 1958. And redemptions in May ran slightly ahead of the previous month.

While the drab story of the performance of the cyclical stocks in the first half of 1960 generally is being translated into lower asset value of the shares of most of the 4,500,000 shareholder accounts, a quite different tale is unfolding for the entrepreneurs who saw and acted on the opportunities afforded by the fast-growing economy of Europe. A year ago Eurofund was founded here with the avowed aim of seeking capital appreciation through investment in diverse European companies. J. Russell Forgan, President, and S. Sloan Colt, Chairman, are telling Eurofund stockholders on the occasion of the company's first anniversary that net asset value has soared from $18.04 a share to $21.18, a rise of 17.4%. Of 78 companies in its portfolio, they report 61 have appreciated in value since acquisition.

Apparently, Europe has its glamor stocks, too. Eurofund waxes lyrical over Olivetti, up 121%; Radiotechnique, up 110%, and Pirelli, up 84%. Eurofund cites another 17 stocks that have gained from 33% to 75% in value since they were acquired. As one Eurofund official notes, Europe's Common Market in the decade of the 1950's boosted its industrial production almost 100%, or about twice as fast as the U. S. True enough, Europe started from a low base following the devastation of World War II and received massive aid from this country, but there is no mistaking the new look of the European economy. As Eurofund emphasizes: while the U. S. averages a 3% annual growth in the gross national product, for Germany it's 8.4%, France 5.8%, Italy 5.5%, Holland 4.6% and Belgium 3.4%.

Unless the unrest that has made itself evident in such far-flung lands as Turkey, Cuba, Japan and Korea spreads, we are in for a *foreign vogue*. Given the social stability to which Americans are accustomed at home and in the British Empire nations, it is unreasonable to suppose that sophisticated investment leaders will continue to overlook business opportunities in other countries. It may not be as easy to sell to the man in the American hinterland a Philips and Unilever, as it is to trade on a General Electric or Procter & Gamble, but the record could be a powerful convincer.

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The Funds Report

Wellington Fund has crossed the 300,000 mark in number of shareholders, it was announced by Walter L. Morgan, president and founder of the Fund and its investment adviser, Wellington Management Co.

In calling attention to the fund's all-time peak in shareholders, Mr. Morgan noted that only four of America's leading corporations listed on the New York Stock Exchange have more shareholders than Wellington Fund—American Telephone & Telegraph, General Motors, Standard Oil (New Jersey) and General Electric. He contrasted the fund's broad shareownership — more than 300,000 men, women, trust accounts, and institutions, in every state and 38 foreign countries—with the handful of shareholders when the fund began operations in the summer of 1929. At that time, there were just 15 holders of its shares—principally Mr. Morgan's friends, relatives and investment counsel accounts.

Mr. Morgan, one of the deans of the mutual fund industry, with 32 years of service as Wellington's president, recalled that the fund's first common stock purchase in 1929 was 20 shares of Texaco. He noted that the growth in the fund's shareholders had paralleled in some measure the growth in the fund's holdings of Texaco common stock, which now total 142,800 shares.

The Wellington Management Co. executive stated that, in terms of assets, Wellington Fund has grown from initial capital of $100,000 at its formation, to a current total of more than $1 billion. He said, "the prime reason for this growth has been the ability of the fund's investment manager and sponsor to create, develop and maintain the goodwill and confidence of investment dealers, shareholders and the public, by following the strictest principles of integrity and trusteeship in the administration of the affairs of the Funds."

Mr. Morgan emphasized that a mutual fund is the vehicle through which the investment manager offers its services to the investing public, and pointed out that, "mutual funds can continue their successful pattern of growth in the future only through the continuation of successful sponsorship and management policies."

* * *

Wellington Equity Fund has just issued a capsule review of some of its portfolio holdings. Included are brief write-ups of 24 of the Fund's 59 equity investments, including a company description and a few of the reasons why each has been chosen by the fund's manager.

Wellington Equity Fund's principal objective is long-term growth of capital and future income.

The companies described in this latest Wellington Equity Fund's bulletin are:

American Broadcasting - Paramount; American Greetings; American Potash & Chemical; Avon Products, Inc.; Cessna Aircraft; Collins Radio; Eastman Kodak; Farbenfabriken Bayer; Friden; General Electric; Haloid Xerox; International Business Machines; Kawecki Chemical; Litton Industries; Norwich Pharmacal Co.; Papercraft; Polaroid; Sanders Associates; Scott & Fetzer; Smith, Kline & French; Spencer Chemical Co.; Stauffer Chemical Co.; Texas Instruments; Transitron Electronic.

Total net assets of **National Growth Stocks Series** have passed $100 million, it was announced by Henry J. Simonson, Jr., President of National Securities & Research Corporation. The investment company sponsors and manages the National Securities Series of mutual funds.

Assets of Growth Stocks Series rose from $82,001,894 on Jan. 1 and the increase was attributed to both market appreciation and new purchases by investors. Net asset value per share, adjusting for a capital gain distribution paid in April, closed at $9.41 last week compared to $9.01 at the start of the year. Mr. Simonson reported sales for the first five months of 1960 increased 70% over the same period last year.

The 10 largest holdings, in order of size, are International Business Machines, Texas Instruments, Merck, Litton Industries, Corning Glass, Minnesota Mining & Manufacturing, Dow Chemical, Motorola, Hewlett-Packard and Owens-Corning Fiberglas.

* * *

Sales of $140,227,248 were produced during the month of May by the sales force of **Investors Diversified Services, Inc.** and **Investors Syndicate Life Insurance and Annuity Co.**, Joseph M. Fitzsimmons, president of both companies, announced. This amount represented a 30% increase over sales of $107,554,519 in May last year.

Dollar volume of sales of face-amount and participation investment certificates and of shares in five mutual investment funds managed and distributed by Investors Diversified Services, Inc. totaled $94,429,143 during May this year.

Investors Syndicate Life insurance sales for the month amounted to $45,798,105.

* * *

Keystone Low-Priced Bond Fund, Series B-3, and **Keystone Lower-Priced Common Stock Fund,** Series S-4, have declared regular distributions from net investment income of 45c and 10c, respectively. Keystone Lower-Priced Common Stock Fund, Series S-4, has also declared a special distribution from net realized profits of 30c. All distributions are payable on July 15 to holders of record at the close on June 30.

* * *

Income Foundation Fund reports it has increased holdings of the following common stocks: Addressograph - Multigraph, American Tobacco, General Precision Equipment, General Time, Hartford Fire Insurance, Insurance Co. of North America, Ohio Edison, Parke Davis, Pitney-Bowes and Statham Instruments. New additions to the fund include Georgia Pacific and Robertshaw-Fulton Controls. In this period (the three months ended May 31) Income Foundation reduced holdings of Federated Department Stores to 1,500 shares from 2,500 and eliminated its 2,000-share holding of Maine Public Service.

* * *

Atomic Development Mutual Fund, Inc. reports that as of March 31 net asset value was $5.07 a share, a decline of 6.1% from the end of 1959.

* * *

Composite Bond & Stock Fund reports that at May 31 common stocks represented 36% of its portfolio, a decline from the more than 43% figure that prevailed six months earlier. Over the same span the fund has reduced holdings of preferred stocks around 12% from over 13% while convertible bonds have been cut back to 3.3% from 6.1%. The fund has increased the percentage of total assets in Government and short-term notes to 16.7% from 11.5% and non-convertible bonds to 29% from 22%.

* * *

Composite Fund announced that on April 30 common stocks accounted for 57% of total assets, compared with 65% a year earlier. Convertible preferred, accounting for 2% of holdings a year ago, has been eliminated and convertible bonds trimmed to 3% from 20%. Government and short-term notes have been boosted to 33% from 10% and cash and receivables to 7% from 3%.

First Nat'l R'tly Stock Being Off'd

H. Hentz heads a group of investment firms which is publicly offering today (June 23) 150,000 shares of cumulative convertible preferred stock (par $8) of First National Realty & Construction Corp. and 150,000 shares of its 10c par value common stock, in units, each consisting of one share of cumulative convertible preferred stock and one share of common stock, at $10 per unit. The respective securities in the unit may not be detached until Aug. 1, 1960.

The preferred stock is redeemable by the company on or after June 15, 1963 at $10 per share. Each share of preferred stock is initially convertible into three shares of common stock. Dividends are cumulative at the rate of $0.60 per share per annum from June 16, 1960. Dividends may be paid in whole, or in part, from paid-in surplus and to such extent may be a distribution of capital.

Opens N. Y. C. Office

Banner Securities, Inc. is now conducting its securities business from offices at 26 Broadway, New York City.

Harvey Aluminum Shares Offered

A public offering of 750,000 shares of A Common Stock of this Torrance, Cal., corporation, one of the six producers of primary aluminum in the United States, was made on June 22 by an underwriting group headed by Kuhn, Loeb & Co. and Tucker, Anthony & R. L. Day. The stock is being offered at $22.75 per share.

The offering makes securities of Harvey Aluminum available to the public for the first time. Since its founding in 1914, the company has been wholly-owned by members of the Harvey family who are retaining their entire holdings of 4,000,000 shares of B common stock.

The entire net proceeds from the offering will be added to the general funds of the Company for application to the expansion program now in progress and scheduled to be completed by the end of 1960, and, to the extent not so applied, to working capital and as such will be used for the payment of indebtedness and other corporate purposes. The expansion program provides for an increase in capacity of the company's aluminum reduction plant at The Dalles, Oregon; the addition of billet casting, wire rod and related facilities at The Dalles; and an increase in capacity of the fabricating plant at Torrance by the addition of a merchant bar and rod rolling mill and facilities for producing aluminum conduit.

In addition to producing primary aluminum and fabricating aluminum products, the company also produces zirconium products for use in nuclear reactors and titanium products for sale primarily to the aircraft and missile industries. Consolidated net sales in the fiscal year ended Sept. 30, 1959, totaled $60,886,000 and net income was $4,481,000. During the six months ended March 31, 1960, sales were $28,828,000 and earnings were $2,257,000, compared with $29,676,000 and $2,038,000, respectively, in the six months ended March 31, 1959.

Outstanding capitalization as of May 16, 1960, adjusted to reflect issuance of the shares offered today and payment of certain bank indebtedness, consisted of $34,650,000 of long term debt and 750,000 A common shares and 4,000,000 B common shares.

Ammidon Heads Red Cross Comm.

The appointment of Hoyt Ammidon, President of the United States Trust Co., as Chairman of the New York Red Cross Building Fund Committee, has been announced by J. Albert Woods, New York Chapter Chairman.

Mr. Ammidon will lead a campaign for $5,250,000 in capital funds to finance construction of a new Red Cross operations and service center in Lincoln Square, where a site was acquired in February, 1958, at a slum-clearance price.

Form Vickers, Christy

Vickers, Christy & Co., Inc., has been formed with offices at 15 William Street, New York City, to engage in a securities business. Sydney G. Vickers, Jr. is a principal of the firm.

New Hutton Office

NEW ORLEANS, La.—E. F. Hutton & Co. has opened a branch office at 212 Loyola Avenue under the management of Eugene B. French.

Powell, Kistler Branch

MYRTLE BEACH, S. C.—Powell, Kistler & Co. has opened a branch office in the Flat Iron Building with Lewis K. Denning and Richard T. Chesson as co-managers.

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NEWS ABOUT BANKS AND BANKERS

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

E. Sherman Adams, will join **The First National City Bank of New York** as a Vice-President on July 1. He will be associated with the bank's senior management in general administration. From 1933 to 1949, Mr. Adams was with the **Hanover Bank, New York.**



Dr. E. S. Adams

* * *

Webster E. Pullen of **The First National City Bank of New York** was appointed Vice-President June 21 at the regular meeting of the Board of Directors. Formerly a resident Vice-President, Mr. Pullen continues in charge of First National City's nine branches in Puerto Rico. With the bank since 1930, Mr. Pullen has been an officer in the Puerto Rico branch organization for 25 years.



Webster E. Pullen

* * *

Juan D. Sanchez of **The First National City Bank of New York** was appointed Vice-President June 21 at the regular meeting of the Board of Directors. Formerly a resident Vice-President, Mr. Sanchez continues in charge of the 11 First National City Branches in Cuba. Prior to his assignment to Cuba in 1958, he was resident Vice-President in charge of branches in Colombia, South America.

* * *

Election of David Gibson as an Assistant Vice-President of **Morgan Guaranty Trust Company of New York** was announced by Henry C. Alexander, Chairman. Mr. Gibson is assigned to the international banking division and will join the staff of Morgan Gauranty's London office in July.

Mr. Gibson in 1952 joined **Guaranty Trust Company of New York,** which merged with **J. P. Morgan & Co. Incorporated** last year to form Morgan Guaranty. He became an Assistant Trust Officer and until recently had served in personal trust administration.

J. Luther Cleveland, Chairman of the Executive Committee of **Morgan Guaranty Trust Company of New York,** will retire from that position on July 1, continuing as a member of the bank's Board of Directors.

Mr. Cleveland's withdrawal from officership in the company comes in the 50th year of a banking career that began in his native Southwest and led to prominence in the nation's financial center, New York. He started in banking in 1910 at the **American National Bank of Muskogee, Okla.** Later he moved to the **American National Bank of Oklahoma City, Okla.**

In 1923 Mr. Cleveland came to New York to join **Guaranty Trust Company.**

Mr. Cleveland became a Vice-President of Guaranty in 1928 and was elected President in 1944. He became Chairman of the Board and Chief Executive Officer in 1947. Last year, when Guaranty and **J. P. Morgan & Co. Incorporated** merged to form Morgan Guaranty, he became Chairman of the Executive Committee of the merged institution.

* * *

The appointment of Ralph H. MacKinnon, as a Vice-President of **Manufacturers Trust Company, New York,** is announced by Horace C. Flanigan, Chairman of the Board.

Mr. MacKinnon began his banking career with the old **Chatham Phenix National Bank and Trust Company, New York** in 1930 and joined Manufacturers Trust Company through its merger with that bank in 1932. From 1950 to 1959 he was assigned to the bank's Empire State Office in the Empire State Building. Mr. MacKinnon is officer in charge of the Brooklyn Trust Office of Manufactures Trust Company, 177 Montague Street, Brooklyn.

Appointment of Frank R. Abell as an Assistant Vice-President was also announced by Mr. Flanigan.

Mr. Abell came to the bank in 1950 and in 1955 was appointed as Assistant Secretary. He is assigned to the Security Analyis Department at the bank's head office.

Appointment of John A. Bauer as an Assistant Secretary was also announced by Mr. Flanigan.

Mr. Bauer came to the bank in 1934. He is assigned to the bank's Yorkville office.

* * *

Bankers Trust Company, when it asks its stockholders next July 13 to vote on the merger of **The South Shore Bank of Staten Island,** will also ask them to authorize an increase of the capital stock of **Bankers Trust, New York** by an additional 400,100 shares. These shares will be less than 5% of the present 8,059,900 shares of $10 par value stock outstanding. 18,000 of these new shares will be used to acquire The South Shore Bank; the remaining 382,100 shares will be held as authorized but unissued stock, to be issued only to make similar acquisitions of small banks in the future. Such future acquisitions would have to be approved by the Board of Directors of Bankers Trust Company, as well as by the State and Federal bank supervisory authorities, but would not involve the cost and inconvenience of special stockholders meetings in each case.

When this proposal is approved, Bankers Trust Company will become the first New York bank, in recent years at least, to have authorized but unissued stock available for the purpose of acquisitions. The New York State Banking Department has indicated informally that the stock increase will be approved in view of the fact that no more than 5% of the bank's total capital stock is involved, and that the stockholder approval will provide that the stock may be issued only in connection with bank acquisitions which, in each case, will require the further specific approval of the Superintendent of Banks.

* * *

Henry C. Brunie, President of **Empire Trust Company, New York** announced that Walter G. Schaerer, Howard R. Pugh and Don C. Wheaton, Jr. have been elected Vice-Presidents of the bank. All had formerly been Assistant Vice-Presidents.

Mr. Wheaton will remain in his present capacity with the bank's chemical department, and Messrs. Schaerer and Pugh will continue their activities in the bank's uptown office.

* * *

Long Island Trust Company, Garden City, New York is offering to its stockholders of record on June 14, the right to subscribe to 61,413 shares of Capital Stock at $23 per share on the basis of one new share for each eight shares held. Rights to subscribe will expire on July 1.

When the above mentioned 61,413 additional shares of Capital Stock have been issued, there will be outstanding 552,719 shares of Capital Stock of the par value of $5 per share. No stock, except for said Capital Stock, is authorized or outstanding.

* * *

William F. Fortunato has been elected an Assistant Vice-President of the **Long Island Trust Company, Garden City, New York** it was announced by Frederick Hainfeld Jr., President. He will be in charge of the Trust Company's new Melville office when it opens in the near future at Walt Whitman Road between Northern State Parkway and Jericho Turnpike (Town of Huntington).

* * *

The First National Bank of East Islip, East Islip, N. Y., increased its common capital stock from $350,000 to $400,000 by a stock dividend and from $400,000 to $500,000 by the sale of new stock effective June 7. (Number of shares outstanding—20,000 shares, par value $25.)

* * *

The common capital stock of the **Scarsdale National Bank and Trust Company, Scarsdale, New York** was increased from $500,000 to $750,000 by a stock dividend effective June 8. (Number of shares outstanding—75,000 shares, par value $10.)

* * *

The Windsor National Bank, Windsor, New York with common stock of $25,000, was merged with and into **Marine Midland Trust Company of Southern New York, Elmira, New York,** under the charter and title of "Marine Midland Trust Company of Southern New York," effective May 5, 1960, in accordance with the applicable provisions of Federal and State Statutes. The filing of the proposal with the New York State Banking Department was given in the May 12 issue of the "Chronicle," page 2054.

* * *

The New Canaan Savings Bank, New Canaan, Conn. elected James R. Thomas, President.

* * *

K. S. Nickerson, President of the **First National Bank of Jersey City, N. J.** has announced the promotion of Charles Fiumefreddo, Jr. to Assistant Vice-President and the appointments of William P. Farley, Francis G. Kane, and Seymour Paget as Assistant Cashiers of the bank.

* * *

Directors of the **Citizens National Bank of Englewood, N. J.** and of the **Bergenfield National Bank and Trust Company, Bergenfield, N. J.,** have approved plans to merge under the name and charter of the Citizens National Bank

* * *

The First Pennsylvania Banking and Trust Co., Philadelphia, Pa. has received approval of both Federal and state banking authorities to acquire the Virgin Islands National Bank. Through this acquisition, First Pennsylvania becomes Philadelphia's only bank with overseas banking facilities.

The announcement that the First Pennsylvania had agreed to buy the Virgin Islands National Bank was given in the May 5 issue of the "Chronicle," page 1950.

* * *

The consolidation of the **Woodburn State Bank, Woodburn, Ind.,** into the **Fort Wayne National Bank, Fort Wayne, Ind.,** has been approved by stockholders of both banks subject to the approval of State and Federal authorities.

Four shares of Fort Wayne National common stock would be exchanged for each outstanding share of Woodburn State common, increasing the Fort Wayne bank's outstanding common by 20,000 shares to 260,000 shares.

* * *

By a stock dividend the **Wheaton National Bank, Wheaton, Illinois,** increased its common capital stock from $100,000 to $200,000 effective June 7. (Number of shares outstanding—20,000 shares, par value $10.)

* * *

Ten officer promotions were announced by Donald F. Valley, Chairman, and Henry T. Bodman, President of the **National Bank of Detroit, Mich.**

James E. York, Credit department, was promoted from Assistant Cashier to Assistant Vice-President. Trust department promotions were: James E. Adams, Robert R. Gerity, William E. Jackson and Walter F. Stahlbush from Assistant Trust Officers to Assistant Vice-Presidents and Assistant Trust Officers.

Also in the Trust department, Ralf A. Crookston, Jr., Raymond T. Huetteman Jr., Thomas N. McLean, James E. Robertson and Earle A. Tomes, Jr., were elected Assistant Trust Officers.

* * *

Edwin E. Adams, President of **The Bank of California, N. A., San Francisco, Calif.,** June 14 announced the following promotions in the official staff of the bank:

At Head Office John M. Schutt was elected Vice-President; Harold Matscheck, Edward H. Davis and William E. Sheehan were elected Assistant Trust Officers; and John A. Avazino and Roger D. Newell were elected Assistant Secretaries.

Sherman W. Peters, John A. Tarbell and James R. Bellamy were elected Assistant Cashiers at the Martinez, Oakland and Tacoma offices of the bank respectively.

* * *

The office of the Comptroller of the Currency issued a charter to the **Valley National Bank, Sunnymead, Sunnymead, Riverside County, Calif.** The President is Herbert W. Morrison and the Cashier is Monte R. Hedman. The bank has a capital of $200,000 and a surplus of $100,000.

With Axe Securities

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Bruce F. Wilcox has become associated with Axe Securities Corporation, 430 North Camden Drive. He was formerly with Lester, Ryons & Co. and prior thereto with National Securities & Research Corporation.

Now Pohlman Co.

SAN FRANCISCO, Calif. — The firm name of L. H. Easterling & Co., 235 Montgomery Street, has been changed to S. C. Pohlman Company.

This offering is made only by the applicable Prospectus.

NEW ISSUES June 23, 1960.

JAMES TALCOTT, INC.

$20,000,000

5½% Senior Notes, due June 1, 1980

Price 99%

Plus accrued interest from June 1, 1960

150,000 shares Common Stock

($9 Par Value)

Price $56.50 Per Share

Copies of the Prospectus may be obtained from the undersigned, and the other underwriters, only in states in which they are qualified to act as dealers in securities and in which the Prospectus may legally be distributed.

F. EBERSTADT & CO. WHITE, WELD & CO.*

**Notes offering: White, Weld & Co.: Stock offering: White, Weld & Co. Incorporated*

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Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The money and capital markets, despite the strong demand for equities which is continuing to draw funds away from fixed income bearing obligations, are digesting fairly well the recently offered 3¾s and 3⅞s. And, at the same time, they are making at least some guesses as to what the Treasury will offer in the way of new securities in its first money raising of the coming fiscal year which starts on July 1.

The Treasury, in its first "advance refunding" operation, was able to exchange a sizeable amount of the 2½s due Nov. 15, 1961, into the 3¾s of May 15, 1964, with the 3⅞s due May 15, 1968 issue being taken only in a very small way. It is evident that Government bonds are not going to have appeal to investors until they meet the going competitive rates.

The demand for short-term issues, that is principally Treasury bills, continues to be sizeable and this is in spite of the opinions that near-term obligations are to be expected in the impending Government financing.

"Advance Refunding" Moderately Successful

The first venture of the Treasury into the realm of "advance refunding" brought a favorable response even though the maturity extension itself was not too significant. Holders of $4,874,000,000 of the 2½s due Nov. 15, 1961 accepted the Treasury's offer to exchange them into the 3¾% notes due May 15, 1964, and the eight-year 3⅞% bond due May 15, 1968. Subscriptions for the notes aggregated $4,553,000,000 and, hence, far exceeded those for the bonds. This meant that subscriptions in excess of $25,000 were allotted on the basis of 85%. Subscriptions to the new bond amounted to only $321,000,000 which was well below the total of $1,500,000,000 which the Treasury would have accepted had this amount of the 2½s of 1961 been turned in for the new bond.

This "forward refunding" operation of the Treasury, however, did cut down the Nov. 15, 1961 maturity from about $11,200,000,000 to around $7,000,000,000, thus greatly easing the Treasury's refunding problem. Even though the Government received a favorable response to its "advance refunding" offer, it does not seem as though there will be a real honest to goodness "forward refunding" operation until there is either a lowering of interest rates on long-term obligations or the interest rate limit of 4¼% is raised, or eliminated entirely, on Federal securities with a maturity of more than five years.

The cutting down of the size of specific issues by means of an extension of the maturity date by, say, four years (in the present case) does not appear to be the method that most money market specialists have in mind concerning a real "advance refunding." It is evident that a long-term Treasury bond with a coupon rate high enough to meet the existing competition is what most of them look upon as the way to put over an important "advance refunding" operation.

New Money Offering on Short-Term Issues

The new money raising venture of the Treasury will be coming along soon and the financial district looks for between $2,500,000,000 and $3,000,000,000 to be picked up by the Government in this operation. There is no doubt but what there will be short terms in this new money offering, with the intermediate term range likely to be used also by the Treasury in its first new money raising of the coming fiscal year. The dismal failure of the 4¼s of 1985 as a new money raising bond, and the very lukewarm reception which was given to the eight-year 3⅞% bond due May 1968 in the recent exchange offer, should mean that there will be no long-term securities in the impending new money undertaking of the Treasury.

Important Credit Changes Forecast

In spite of statements to the contrary, there is more than a passing amount of opinion in the financial community that the prime bank rate will be reduced in the not too distant future. The demand for loans is expected to be on the decline and this most likely will bring about a reduction in the rate which the banks charge their largest and best credit risk customers.

There is still strong talk about a reduction in margin requirements and, along with this, comes the opinion that reserve requirements of the member banks in the Central Reserve cities of New York and Chicago will also be lowered shortly. A decrease in the reserves of the large money center banks to bring them in line with those in reserve cities would not be unfavorable to the money market as a whole.

Rauscher, Pierce Names Officers

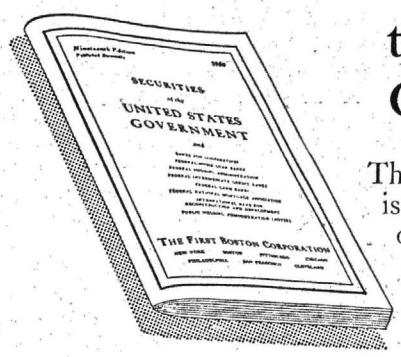
DALLAS, Tex.—Rauscher, Pierce & Co., Inc., Mercantile Dallas Building, members of the New York Stock Exchange, and other leading Exchanges, has announced that Julian Bobo has been elected Vice-President. Morris A. Dudley Jr. was promoted from Assistant Vice-President, and Marion A. Beatie was appointed Assistant Secretary, and Joe E. Klecka Assistant Treasurer.

Form Anderson & Robbins

(Special to THE FINANCIAL CHRONICLE)

MINNEAPOLIS, Minn. — Anderson & Robbins Co. has been formed with offices at 2106 55th Avenue, North, to engage in a securities business.

19th edition of our booklet



"Securities of the United States Government"

This comprehensive reference volume is designed for use by investment officers, institutional investors and others interested in United States Government securities. Included in this 142-page handbook are discussions of:

- Credit and Debt Management Factors Influencing the Government Securities Market 1958-1960
- Public Debt of the United States
- Government Securities Market
- Securities of Government Corporations and Credit Agencies and The International Bank for Reconstruction and Development
- The Budget
- Ownership of the Public Debt
- Factors Affecting Commercial Banks
- Taxation of Income from Securities
- Prices and Yields of Treasury Securities

Institutional Investors and Securities Dealers are invited to write for copies.

The FIRST BOSTON CORPORATION

15 BROAD STREET · NEW YORK 5

BOSTON PITTSBURGH CHICAGO
PHILADELPHIA SAN FRANCISCO CLEVELAND

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Cooperation

Satisfied clients are this way because they not only find that it is profitable to do business with a broker but that it is also pleasant. Bookkeeping and cashiering departments are a vital part of the investment business. When customers receive their statements and balances on time; when dividends are collected and remitted promptly; when confirmations are correct; when deliveries are prompt; customers are pleased. When this situation is reversed (which happens all too often) such a business relationship becomes annoying. Many otherwise well satisfied customers have shifted their account from one firm to another because of lax and incompetent handling of the securities they are buying and selling and the bookkeeping attendant thereto.

Personal Incentive Often Lacking

There is only one way to build a loyal, efficient organization and that is to select able people and to recognize merit. This can be done by listening to suggestions for improvements in the bookkeeping department procedures and by paying these people an adequate salary. Advancement in many other lines of business also comes from the recognition of meritorious service. It can also be effective in the securities business. As for compensation, it is true that we haven't seen the Scotch weeks that were so prevalent years ago when business turned sour for a while but many firms still overwork and underpay their clerical help. Long hours without adequate compensation, and extra work on Saturdays, is still the menu with some firms and the Christmas bonus isn't the answer to this problem.

Although people need adequate compensation, and they respond to it, there is something just as important that is often missing and that is that each one of us wants to be recognized. The best work is done by people who feel that they are part of a team. They want to know that the work they do is important to the overall success of their firm. Certainly the work of the cashier's department is important. The sales department cannot function without it, neither can buying, or any other phase of the investment business for that matter.

When a man or a woman comes to work every day, year after year, and handles the routine duties of a clerk or executive in a cashier's department, it can become a pretty dull affair, if there are no other compensations besides the check that comes to them at the end of the week. It is no wonder that mistakes are too often made and that the work is handled in a routine way. "Who cares whether the customer gets his stock this week or next—nobody cares about me—I only work here!"

Must Come From the Top

Where there is an understanding of the personal relationships and the hopes and incentives of the individuals involved, there is usually a much better functioning organization from the top down. Regular meetings should be held between the sales and cashiering departments. Ideas and suggestions for improving service and communications should be encouraged and recognized. (It works in other lines of business.) If there is inadequate compensation or understaffed departments, these things should be corrected, possibly at the expense of other LESS IMPORTANT areas of a business. Customers would rather deal with a firm that helps them to make money and sends them correct confirmations than with one with a fancy office, for example, that does just the opposite.

If anyone doubts the truth of what I have said, let them talk to some of the disgruntled customers that every security salesman has to meet day after day—the problem is not an isolated one by any means.

Fed. Int. Credit Bks. Debs. Offd.

The Federal Intermediate Credit Banks on June 21 offered a new issue of approximately $165,000,000 of 3.80% nine-month debentures, dated July 5, 1960, and maturing April 3, 1961. Priced at par, the debentures are being offered through John T. Knox, fiscal agent, and a nationwide group of securities dealers.

It was also announced that $5,000,000 Sept. 1, 1960, $7,000,000 Oct. 3, 1960, $2,000,000 Nov. 1, 1960, and $4,000,000 Jan. 3, 1961, outstanding maturities were reopened and sold at the market for delivery July 5, 1960.

Proceeds from the financing will be used to refund $136,000,000 of 5¼% debentures maturing July 5, 1969.

Doolittle & Co. To Admit Partners

BUFFALO, N. Y.—Doolittle & Co., Liberty Bank Building, members of the New York Stock Exchange, on July 1st will admit Gerald L. Miller and Frank W. Tindle to both general and limited partnership.

Associated Investors

Associated Investors International Corporation has been formed with offices at 15 William Street, New York City, to engage in a securities business. Officers are Murray Polonsky, President; Jay B. Polonsky, Secretary-Treasurer.

Specialists in

U. S. GOVERNMENT

and

FEDERAL AGENCY SECURITIES

AUBREY G. LANSTON & CO. INCORPORATED

20 BROAD STREET
NEW YORK

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CHICAGO BOSTON

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Elwood Boynton Forms Own Co.

The formation of E. D. Boynton & Co., Inc., with offices at 111 Broadway, New York City, has been announced by Elwood D. Boynton, President. The new company will conduct a corporate financing and investment securities business.



Elwood D. Boynton

Mr. Boynton has been associated with several major investment banking firms during the past 25 years, most recently having organized and directed the corporate business of C. F. Childs & Company. Prior to this he was for a number of years manager of the institutional department of Hallgarten & Co.

According to Mr. Boynton, the new company, in addition to its general underwriting activities, will specialize in financing small businesses.

Oslo (Norway) Bonds Offered

Public offering of $10,000,000 City of Oslo (Kingdom of Norway) 5¾% sinking fund external loan bonds due June 15, 1975, was made on June 22 by an underwriting group headed by Kuhn, Loeb & Co.; Harriman Ripley & Co., Inc.; Lazard Freres & Co., and Smith, Barney & Co. The bonds were priced at 99% plus accrued interest, to yield 5.35%.

The bonds are direct, unconditional and general obligations of the City of Oslo, which is the capital of Norway and the Kingdom's economic, financial and shipping center.

Interest on and principal of the bonds are payable in New York City in United States dollars or, at the option of the purchaser, in London in British pounds at a fixed rate of exchange.

An annual sinking fund amounting to $900,000 principal amount of bonds will commence in 1965 and will retire 90% of the issue prior to maturity. The bonds are not redeemable prior to maturity except through operation of the sinking fund.

The Norwegian kroner equivalent to the net proceeds to be received by the City of Oslo from sale of the bonds will be advanced by the City's Loan Fund to the Oslo Electricity Works, the Oslo Harbor Authority and the municipal tramway companies, revenue-producing municipal enterprises of the city, for use in their continuing capital expenditure programs.

The offering is the second for the city in the United States since World War II. The previous offering, comprising $11,000,000 principal amount of sinking fund and serial bonds, was made in 1958.

Application will be made to list the bonds on the New York Stock Exchange.

Southern Underwriters

ATLANTA, Ga. — Southern Underwriters, Inc. is engaging in a securities business from offices in the Candler Building. Officers are Porter M. Strickland, President and Chairman of the Board; Ulys G. Anderson, Vice-President; Theodore E. Williams Jr., Vice-President and Treasurer, and Robert L. Marchman III, Secretary.

With Blue Ridge

Raymond W. Hofmann, President of Blue Ridge Associates, Inc., has announced the appointment of Clarence E. Irvine as New England wholesale representative for the Blue Ridge Associates, Inc., the Sponsor and Distributor of Blue Ridge Mutual Fund, Inc. and Capital Program Corporation, the Sponsor of Blue Ridge Monthly Accumulation Programs.

Mr. Irvine was formerly associated with King Merritt & Co., Inc. in their West Boyleston, Mass. office.

Meyerson Opens

Martin H. Meyerson is engaging in a securities business from offices at 401 Broadway, New York City, as M. H. Meyerson & Co., Ltd.

McDonnell Heads Cont. Capital Off'g

Public offering of 235,000 shares of Continental Capital Corporation capital stock was made on June 22 by McDonnell & Co., Inc. and associates. The price is $14 a share. Net proceeds from the financing will be used by the company for investment in small business concerns.

Continetal Capital Corporation, with headquarters in Northern California, is a Federal licensee under the Small Business Investment Company Act of 1958. The company is also registered as a closed-end, non-diversified management investment company under the Investment Company Act of 1940. The principal business of the company is to provide equity capital and long-term loans to a diversified group of small business concerns. The company may offer managerial and counselling services to small business concerns on a fee basis.

Upon completion of the current financing there will be outstanding 250,350 shares of capital stock.

Morton Underwriters

BOSTON, Mass. — B. C. Morton Funds Underwriters Company has been formed with offices at 131 State Street.

Stapleton Opens Offices

DORCHESTER, Mass. — James J. Stapleton is conducting a securities business from offices at 14 Woodfield Street.

Joins Keon Staff

(Special to THE FINANCIAL CHRONICLE)

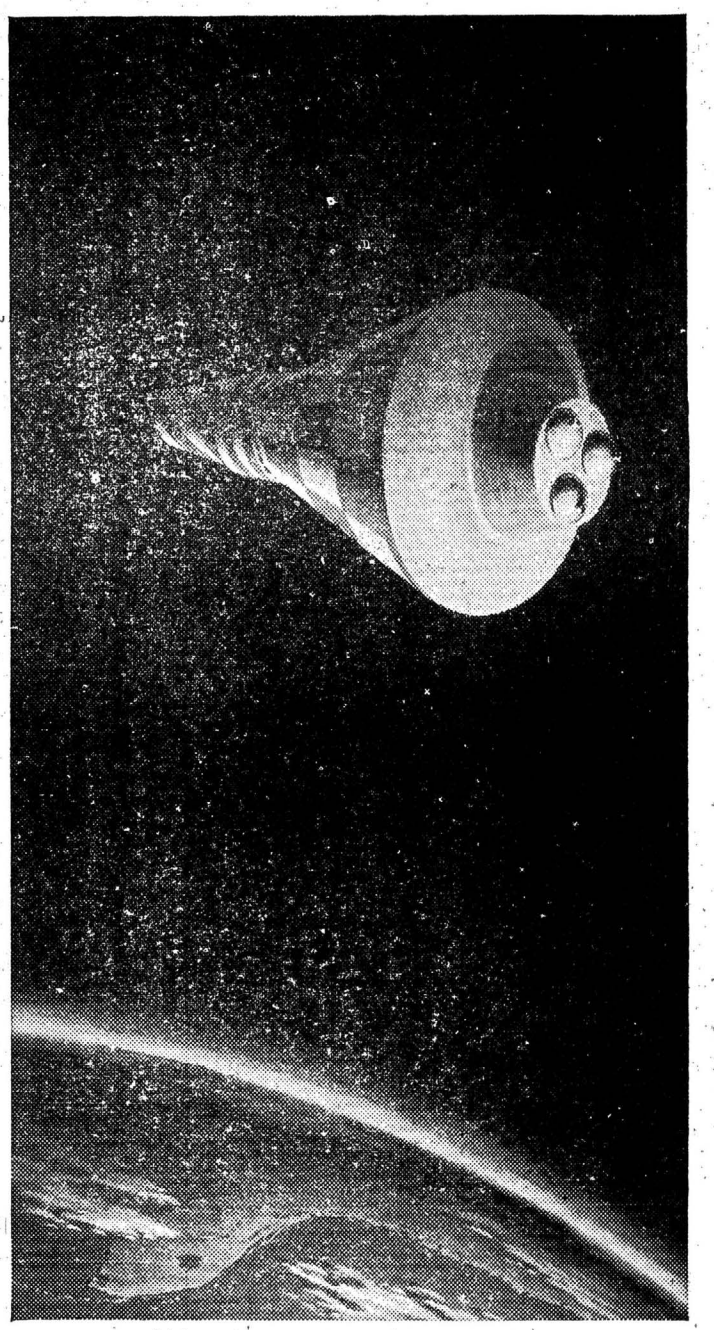
LOS ANGELES, Calif. — Walter Sedach has joined the staff of Keon & Company, 639 South Spring Street. He was formerly with Morgan & Co. and Marache, Dofflemyre & Co.

Form Samet & Co.

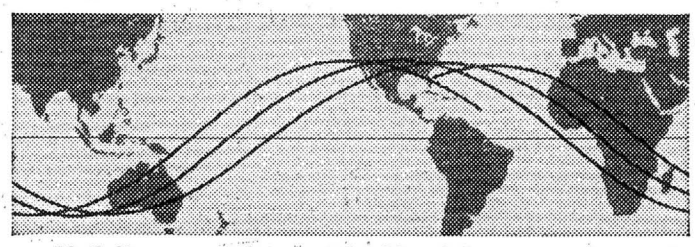
FLUSHING, N. Y.—S. S. Samet & Co., Inc. has been formed with offices at 224-24 Union Turnpike to engage in a securities business. Officers are Sidney S. Samet, President and Marguerite P. Samet, Secretary-Treasurer. Mr. Samet was formerly with Sutro Bros. & Co. and Bache & Co.

Space-age Communications

BELL TELEPHONE SYSTEM



An artist's conception of the astronaut's capsule in orbit



Black lines represent expected orbits of the astronaut's capsule. Project Mercury ground stations will be close to the orbital path

is helping to create the world-wide communications and tracking network for America's first man into space

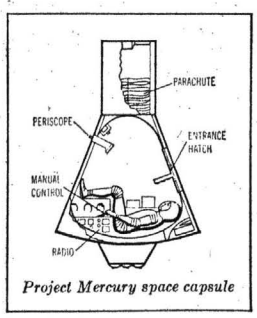
Another epoch-making space communications assignment was recently given to the Bell System.

Because of our experience in this field, we have been asked to set up a communication, telemetry and tracking network which will girdle the globe and maintain contact for Project Mercury—America's effort to put a man into orbit.

Western Electric, the Bell System's manufacturing and supply unit, heads an industrial team which will design and build this network for the National Aeronautics and Space Administration.

In all, 18 stations around the world are being constructed for the network, using existing radar and communication facilities where possible. The network's mission: to track and monitor the flight of the space capsule, transmit signals to its operating instruments, and provide a dependable voice channel between the astronaut and his colleagues on earth.

Creating communications systems for the space era which are as reliable as man can make them is familiar work for the Bell System. It's a natural development of the telephone system which serves you so well today, and will serve you still better in the future.



Project Mercury space capsule

BELL TELEPHONE SYSTEM

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The State of Trade And Industry

Continued from page 16

than last week but 7% ahead of production for the same week in 1959.

A wildcat walkout at Ford's Lorain, O., Comet and Falcon plant halted operations for a full day there and resulted in a production loss of about 2,500 vehicles, "Ward's" said.

Elsewhere in the industry, Imperial at Dearborn, Mich., was idled all week for schedule adjustments as were three Ford car plants. In addition, production cutbacks reduced operations to four days at three Mercury sites, three Buick-Olds-Pontiac plants and the Valiant assembly line at Hamtramck, Mich.

"Ward's" said cumulative passenger car production for calendar 1960 now stands at an estimated 3,560,742 units, or 16%, more than 3,078,053 built through the same week last year.

Truck production of 675,745 units also has advanced 16% ahead of production for the same period in 1959 (583,695).

"Ward's" noted that the five-millionth car of the '60 model run had been built by the end of last week.

Electric Output 5.4% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, June 18 was estimated at 14,053,000,000 kwh., according to the Edison Electric Institute. Output was 287,000,000 kwh. above that of the previous week's total of 13,766,000,000 kwh. and showed a gain of 722,000,000 kwh., or 5.4% above that of the comparable 1959 week.

Freight Car Loadings 8.6% Below 1959 Week

Loading of revenue freight for the week ended June 11, 1960, totaled 648,463 cars, the Association of American Railroads announced. This was a decrease of 61,378 cars or 8.6% below the corresponding week in 1959 but an increase of 25,777 cars or 4.1% above the corresponding week in 1958.

Loadings in the week of June 11, were 74,162 cars or 12.9% above the preceding holiday week.

There were 9,505 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended June 4, 1960 (which were included in that week's over-all total). This was an increase of 1,116 cars or 13.3% above the corresponding week of 1959 and 3.945 cars or 71.0% above the 1958 week. Cumulative loadings for the first 22 weeks of 1960 totaled 231,168 for an increase of 63,215 cars or 37.6% above the corresponding period of 1959, and 128,013 cars or 124.1% above the corresponding period in 1958. There were 53 Class I U. S. railroad systems originating this type traffic in the current week compared with 49 one year ago and 40 in the corresponding week of 1958.

Intercity Truck Tonnage Declines 3.1% From 1959 Week

Intercity truck tonnage in the week ended June 11, was 3.1% below the volume in the corresponding week of 1959, the American Trucking Associations, Inc., announced. Truck tonnage was 14.9% ahead of the previous week of this year. This week-to-week gain was largely attributable to the effect of the Memorial Day holiday which occurred during the earlier week.

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 Were 2.2% Below Production in June 11 Week

Lumber shipments of 466 mills reporting to the National Lumber Trade Barometer were 2.2% below production during the week ended June 11, 1960. In the same week new orders of these mills were 4.9% below production. Unfilled orders of reporting mills amounted to 29% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 16 days' production at the current rate, and gross stocks were equivalent to 53 days' production.

For the year-to-date, shipments of reporting identical mills were 4.5% below production; new orders were 7.7% below production.

Compared with the previous (holiday) week ended June 4, 1960, production of reporting mills was 11.8% above; shipments were 13.8% above; orders were 15.5% above. Compared with the corresponding week in 1959, production of reporting mills was 8.0% below; shipments were 9.7% below; and new orders were 0.3% below.

Business Failures Climb Sharply

Commercial and industrial failures climbed 25% to 353 in the week ended June 16 from 283 in the preceding week, reported Dun & Bradstreet, Inc. At the highest level in 11 weeks, casualties exceeded considerably the 267 occurring in the similar week last year and the 290 in 1958. There was also a marked upturn from the prewar toll of 249 in the comparable week of 1939.

Failures involving liabilities of $5,000 or more rose to 309 from 261 in the previous week and 226 a year ago. While small casualties, those with liabilities under $5,000, jumped to 44 from 22 in the preceding week, they were only slightly above the 41 of this size last year. Liabilities exceeded $100,000 for 45 of the businesses failing during the week, as against 27 a week earlier.

Wholesale Food Price Slips for Third Consecutive Week

For the third successive week, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., slipped from a week earlier, and it was down somewhat from a year ago. On June 14 it stood at $5.89, down 0.2% from the prior week's $5.90; and 3.3% below the $6.09 of the corresponding week a year ago.

Higher in wholesale cost this week were flour, rye, oats, bellies, sugar and cocoa. Lower in price were wheat, corn, barley, hams, lard, eggs and potatoes.

The index represents the sum total of the price per pound of 31 raw food stuffs and meat in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Down to Lowest Level Since Early March

Reflecting lower prices on some grains, hogs, lambs and hides, the general commodity price level was down moderately from a week earlier. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., fell to 271.74 (1930-32=100), on June 20 from 272.55 a week earlier. This was the lowest level since the 271.33 of March 4. On the corresponding date a year ago the index was 278.92.

Reflecting an adjustment to a new-crop basis, wheat prices fell noticeably during the week; however, both domestic and export buying was good as were flour

This announcement is not an offering. The offering is made only by the Official Statement.

New Issue

Interest exempt from all present Federal Income Taxes.

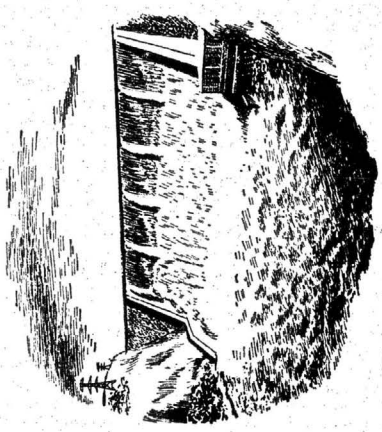
$62,000,000

Oroville-Wyandotte Irrigation District, California

South Fork Power Revenue Bonds
(Second Issue)

Dated: July 1, 1960 — Due: Semi-annually January 1, 1966-85* and July 1, 2010 Callable*

Principal and semi-annual interest (January 1 and July 1) payable at the office of the Trustee, The Bank of America, N.T. & S.A., San Francisco, California, or at the First National City Bank, New York City, New York, or at the Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, or at the Office of the Treasurer of the District in Butte County, California. Coupon Bonds, denomination $1,000; registerable as to principal and interest.



HIGHLIGHTS

These Bonds to be issued to finance the construction of an 87,000 kw hydro-electric Project with the dual purpose of providing irrigation benefits to the district are secured as follows:

(1) These South Fork Power Revenue Bonds are payable exclusively from Bond Revenues of the South Fork Project, such Bond Revenues consisting principally of pledged fixed semi-annual payments to be made by Pacific Gas & Electric Company under terms of the South Fork Project Power Purchase Contract for a period ending July 1, 2010 the final maturity date of the Bonds. These contract payments are considered an operating charge of Pacific Gas & Electric Company.

(2) The Company's obligation to begin these payments on July 1, 1964 and to continue them depends only upon the satisfactory completion of the Project which is assured by—

a. A fixed construction cost with a lump-sum bid in hand.
b. Daily liquidated damage payments to be made by the contractor for failure to complete the Project by July 1, 1963.
c. 100% performance surety Bond and 50% labor and materials surety Bond required of the contractor.

(3) Revenue Replacement Insurance pledged to the Bonds as well as Property Damage Insurance until July 1, 1964. Property Damage Insurance thereafter.

(4) Pacific Gas & Electric Company's obligation to continue the fixed payments pledged to the Bonds and operation and maintenance payments as required shall *continue* until July 1, 2010 whether or not the Project continues to be capable of operation.

Additional Parity Bonds: None permitted. Estimated Completion Date: December 31, 1962. Capitalized Interest: Through July 1, 1963.

Amount	Rate	Due†	Yield
$416,000	6%	1966	3.10%
442,000	6	1967	3.20
469,000	6	1968	3.30
497,000	6	1969	3.40
525,000	6	1970	3.50
558,000	4¾	1971	3.40
585,000	4¾	1972	3.45

Amount	Rate	Due†	Yield
$613,000	4¾%	1973	3.50%
642,000	4¾	1974	3.55
672,000	4¾	1975	3.60
705,000	4¾	1976	3.60
738,000	4¾	1977	3.65
774,000	4½	1978	3.65

Amount	Rate	Due	Price
$47,865,000	4¼%	2010*	104¼%

(Accrued interest to be added)

Amount	Rate	Due†	Yield
$ 809,000	4½%	1979	3.65-3.70%
846,000	4½	1980	3.70
884,000	4½	1981*	3.70
925,000	4½	1982*	3.75
967,000	4½	1983*	3.75
1,011,000	4½	1984*	3.75
1,057,000	4½	1985*	3.75

Municipal Bond Club of New York



Alan K. Browne, *Bank of Americu, N. T. & S. A.*, San Francisco; O. V. Cecil, *Merrill Lynch, Pierce, Fenner & Smith, Incorporated;* Bud Sipp, *Stern, Lauer & Co.*



Ralph Powelson, *Leedy, Wheeler & Alleman, Inc.* (Orlando, Fla.) Meal Fulkerson, *Bankers Trust Company*



Arthur S. Friend, *Folger, Nolan, Fleming-W. B. Hibbs & Co.* (Wahington, D. C.); Ed Riehle, *Barr Brothers & Co.;* Leonard R. Sullivan, *Fitzpatrick, Sullivan & Co.*



Ted Swick, *White, Weld & Co.;* R. A. Schlicting, *Kidder, Peabody & Co.;* William E. Simon, *Weeden & Co.;* Eugene E. Kelly, Jr., *Carl M. Loeb, Rhoades & Co.*



Jerry Burge, *Dean Witter & Co.;* Joseph Bates Wise, *J. A. Hogle & Co.;* F. P. Gallagher, Jr., *Wm. H. Morton & Co., Inc.;* Alfred J. Bianchetti, *J. A. Hogle & Co.*



Wilson D. Lee, *Continental Illinois National Bank & Trust Co. of Chicago* (New York); John G. Thompson, *Morgan Guaranty Trust Company of New York;* Berger Egenes, *Merrill Lynch, Pierce, Fenner & Smith Incorporated;* Charles V. Smith, *Clark, Dodge & Co.*



Wilbur M. Merritt, *First Boston Corporation;* Charles L. Skinner, *Coffin & Burr, Incorporated;* E. B. Rockwell, *Halsey, Stuart & Co., Inc.,* retiring President of the Municipal Bond Club; James G. Couffer, *Drexel & Co.*



Jerry Burke, *Dean Witter & Co.;* John W. de Milhau, *The Chase Manhattan Bank,* Incoming President of Municipal Bond Club; Alfred E. Tonne, *Salomon Bros. & Hutzler;* E. Joseph Scherer, *Wertheim & Co.*



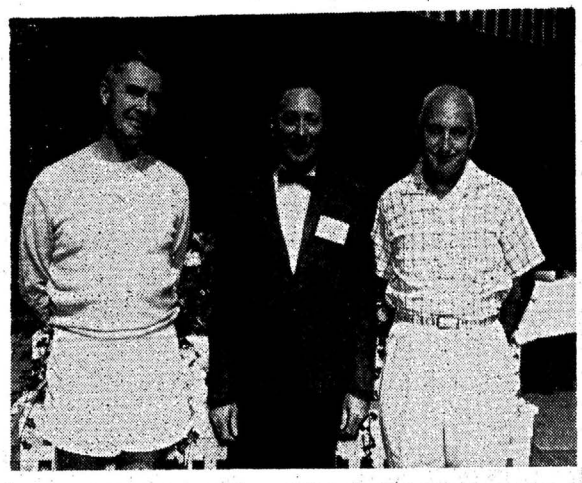
Roswell W. Harriman, *J. D. Topping & Co.;* Ray Herskell, *C. F. Childs & Co.;* George Brooks, *Dick & Merle-Smith;* Philip M. Hiss, *First National Bank of Chicago;* Andrew B. Dott, *Malon S. Andrus, Inc.*

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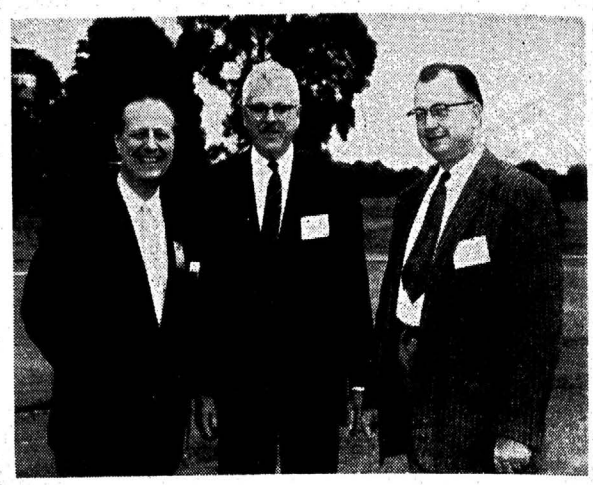
27th Annual Field Day



Edmund G. O'Leary, *Eastman Dillon, Union Securities & Co.;* Walter H. Stohl, *Fidelity Union Trust Company* (Newark, N. J.); William H. Moser, *James A. Andrews & Co., Inc.*



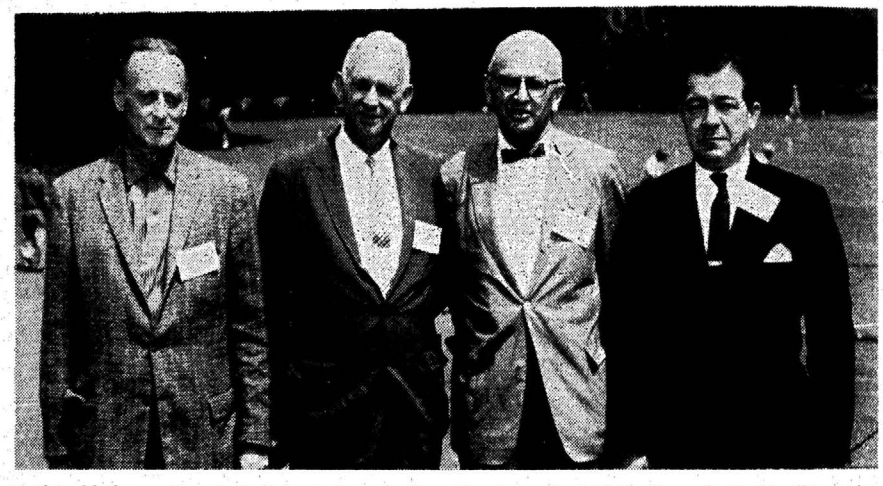
George E. Burnett, *First National City Bank of New York;* Joseph S. Banks, *Ira Haupt & Co.;* Joe Morris, *The Robinson-Humphrey Company* (Atlanta, Ga.)



Edwin L. Beck, *Commercial & Financial Chronicle;* Nelson D. Ginther, *Ginther & Co.* (Cleveland, Ohio); Harold Hutchinson, *Ball, Burge & Kraus* (Cleveland, Ohio)



Clifton A. Hipkins, *Braun, Bosworth & Co., Inc.;* Emil C. Williams, *A. M. Kidder & Co., Inc.;* Malvern Hill, *Malvern Hill & Company, Incorporated;* Reginald M. Schmidt, *Blyth & Co., Inc.*



Arthur Mathews, *Dun & Bradstreet, Inc.;* Carlton Chambers, *F. Brittain Kennedy & Co.* (Boston); Lawrence Illoway, *Penington, Colket & Co.* (Philadelphia); Harvey S. Renton, Jr., *D. H. Blair & Co.*



W. Murray Lee, *Hannahs, Ballin & Lee;* E. B. Wulbern, *Pierce, Carrison, Wulbern, Inc.* (Jacksonville, Florida); Charles F. Kavanagh, *Bacon, Stevenson & Co.;* Malvern Hill, *Malvern Hill & Co., Inc.*



Harry Peiser, *Ira Haupt & Co.;* Byron J. Sayre, *Ira Haupt & Co.* (Chicago); George Shaw, *Wainwright & Ramsey* (Miami, Fla.); William Carrington, *Ira Haupt & Co.;* H. D. Pelhank, Comptroller of Tampa



Rollie Morton, *The Blue List;* John Mitchell, *Caldwell, Marshall, Trimble & Mitchell;* Bill King, *White, Weld & Co.* (Boston); Bill Harding, *Coffin & Burr, Incorporated* (Boston)



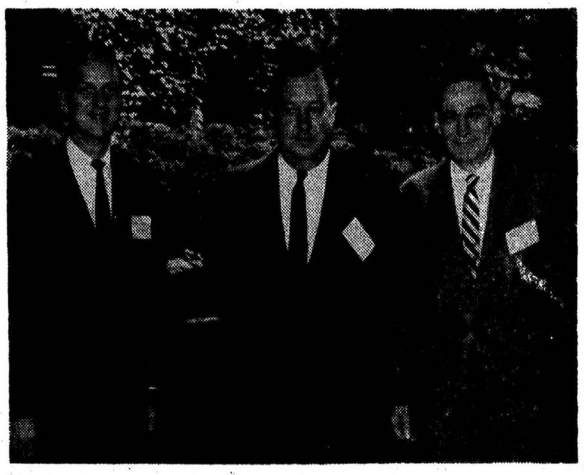
Lee Frank, *Roosevelt & Cross;* Jim Ryan, *Park, Ryan, Inc.;* Bill Burke, *Bacon, Stevenson & Co.;* Gene Frantz, *Frantz Hutchinson & Co.* (Chicago)

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Friday, June 10, 1960



Lou Hauptfleisch, *Halsey, Stuart & Co., Inc.;* Robert R. Krumm, *W. H. Morton & Co., Inc.*



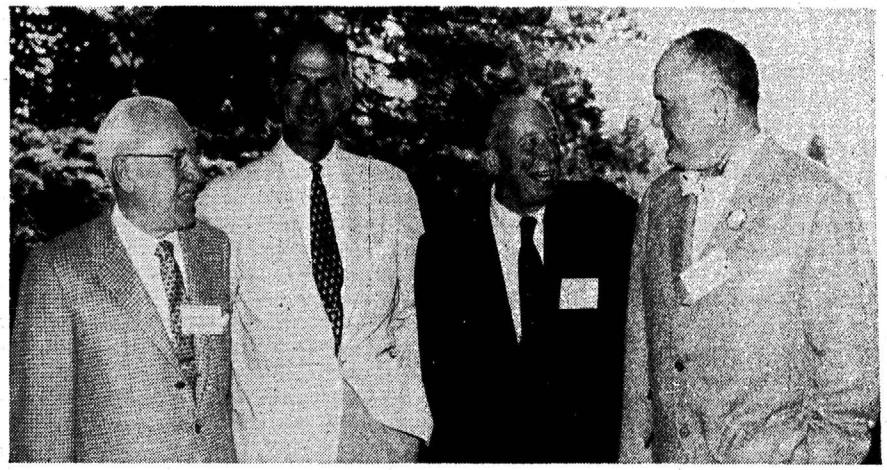
John D. Cooper, *Shields & Company;* Ludwell A. Strader, *Strader & Co., Inc.* (Lynchburg, Va.); Homer F. Locke, *Shields & Co.*



G. Carl Jordan, Jr., *R. W. Pressprich & Co.* (Boston); Edward N. Ganser, *First of Michigan Corp.;* John Small, *John Small & Co.*



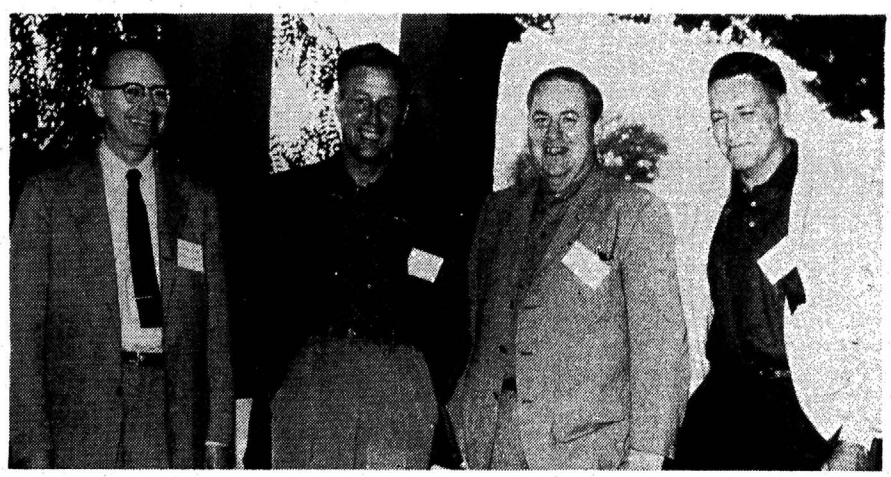
Benedict Jarmel, *Charles King & Co.;* Edward J. Dempsey, *Bacon, Whipple & Co.;* Edward C. Kelly, *Dean Witter & Co.;* C. Courtney Keller, *Wertheim & Co.*



George W. Beaver, *Bacon, Whipple & Co.;* Mark A. Smith, *F. W. Craigie & Co.* (Richmond, Va.); A. W. Phelps, *Phelps, Fenn & Co.;* Thomas Graham, *Graham, Conway & Co.* (Louisville, Ky.)



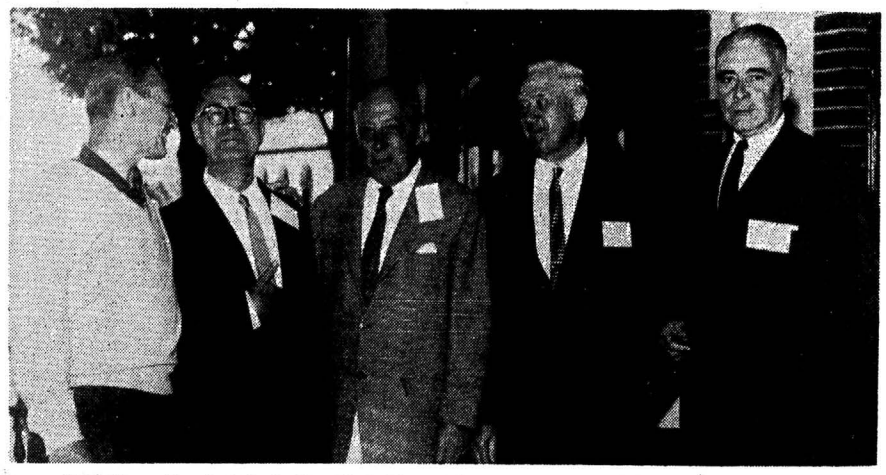
Frank J. Brophy, *R. S. Dickson & Co., Inc.;* David H. Callaway, *First of Michigan Corporation;* James M. Heller, *Shearson, Hammill & Co.;* Donald C. Patterson, *Chemical Bank New York Trust Co.*



Frederick F. Carr, *Herbert J. Sims & Co., Inc.;* William M. Durkin, *First National Bank of Chicago* (New York); James F. Reilly, *Goodbody & Co.;* Joseph F. Meyers, *Spencer Trask & Co.*



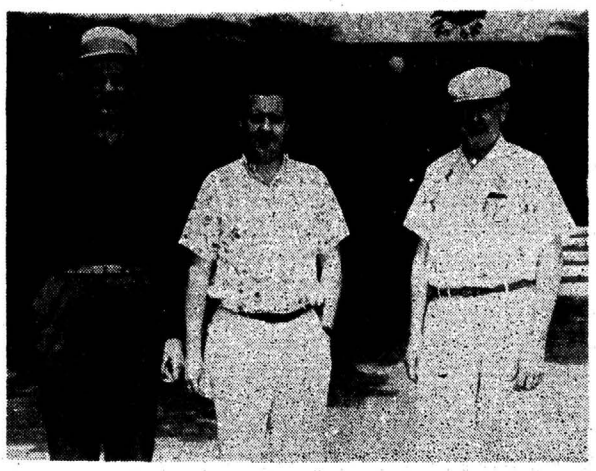
Hugh C. Wallace, *Francis I. du Pont & Co.;* Henry J. Krug, Jr., *Mercantile Safe Deposit & Trust Company* (Baltimore); David C. Kratzer, *Stein Bros. & Boyce* (Baltimore); Dick O'Brien, *Baker, Watts & Co.* (Baltimore)



Leonard S. Allen, *Chemical Bank New York Trust Company;* William J. Riley, *E. F. Hutton & Co.;* D. E. Fitzpatrick, *Fitzpatrick, Sullivan & Co.;* Harold J. Kennedy, *E. F. Hutton & Co.;* Frank R. Cole, *F. R. Cole & Co.* (Newark, N. J.)

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At Westchester Country Club



Joseph Vostal, *Kidder, Peabody & Co.;* Joe McCarthy, *Goodbody & Co.;* Alfred S. Mante, *Smith, Barney & Co.*



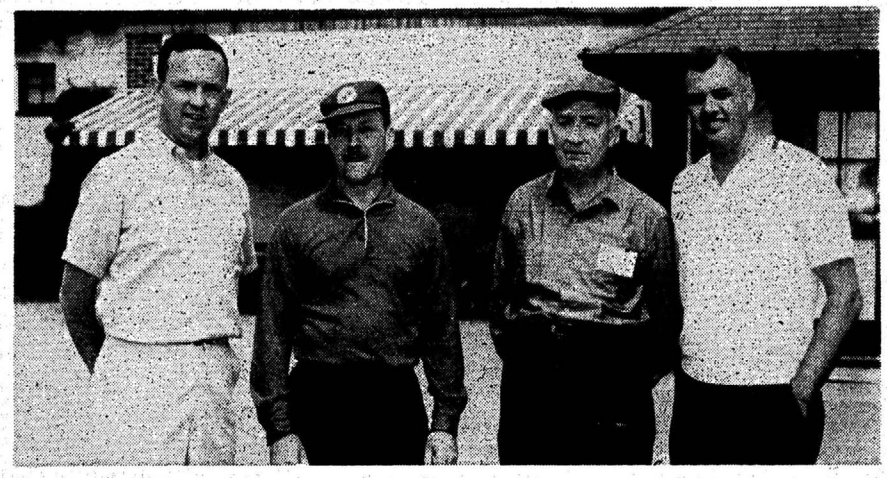
C. Simpson, *Bankers Trust Co.;* E. G. McMahon, *J. Barth & Co.;* J. D. Couig, *Hirsch & Co.;* E. Norman Peterson, *Equitable Securities Corporation*



George Norman Scott, *Estabrook & Co.;* Robert N. Tuller, *Tuller & Zucker*



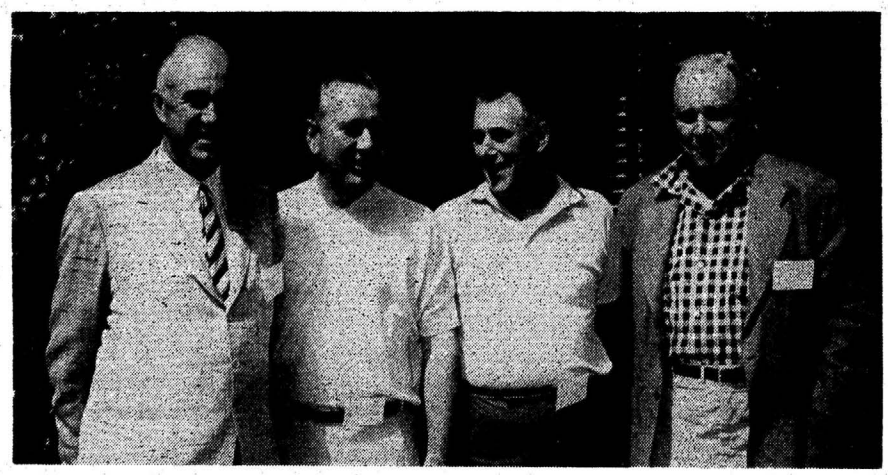
Dick Kezer, *Halsey, Stuart & Co.;* Tom Bourne, *First Boston Corporation;* Bill Ellson, *Morgan Guaranty Trust Company;* Gordon Jamieson, *Blyth & Co., Inc.*



Charles W. Murray, *Drake & Co.;* Jack Perry, *Ira Haupt & Co.;* Richard T. Shanley, *Equitable Securities Corporation;* Ted T. Dilger, *Weeden & Co.*



John H. Cowie, *Moore, Leonard & Lynch;* E. H. Robinson, *Schwabacher & Co.;* L. E. Marx, *Bear, Stearns & Co.;* C. M. Osborne, *Osborne & Lynch*



Paul O. Frederick, *Fahnestock & Co.;* Edmund C. Byrne, *Phelps, Fenn & Co.;* Dana F. Baxter, *Hayden, Miller & Co.* (Cleveland); Davis Kales, *Wood, Gundy & Co., Inc.*



Charles L. Leroy, *Eastman Dillon, Union Securities & Co.;* Carl H. Reusch, *Fox, Reusch & Co.* (Cincinnati); Gilbert Hattier, Jr., *Hattier & Sanford* (New Orleans, La.); Kenneth Moir, *Arthurs, Lestrange & Co.* (Pittsburgh)



Charles Lipscomb, *W. H. Morton & Co.;* J. C. Stevenson, *Bacon, Stevenson & Co.;* Ernest Altgelt, *Harris Trust & Savings Bank;* Lew Lyne, *Mercantile National Bank* (Dallas); Ted Cobden, *Kean, Taylor & Co.*

(Accrued interest to be added)

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bookings. Despite a slight rise in rye flour sales, rye prices were down somewhat from the preceding week.

There was a moderate dip in corn prices as buying weakened and offerings expanded. Oats prices were down moderately and purchases were sluggish; offerings of oats were light. An appreciable decrease in soybean prices occurred, reflecting primarily weakness in the soybean meal market.

Some scattered orders for flour were reported helping prices rise fractionally from the prior week, but most buyers were waiting for new crop offerings. Both domestic and export buying of rice held steady during the week and prices finished the week unchanged.

A marked rise occurred in sugar prices and trading was up noticeably. While transactions in coffee moved up appreciably from a week earlier, prices remained unchanged. Purchases of cocoa were steady and prices edged up fractionally from the preceding week.

There was a fractional decline in hog prices during the week reflecting a dip in trading and somewhat lower supplies. Although offerings of steers moved up, transactions lagged and prices were down somewhat. Wholesalers reported a slight decrease in lamb prices, but purchases remained close to the preceding week.

Cotton trading remained slow during the week and prices on the New York Cotton Exchange were unchanged from the prior period. United States exports of cotton in the week ended last Tuesday came to about 97,000 bales, compared with 43,000 a week earlier and 57,000 in the corresponding period a year ago. For the season through June 14, exports amounted to 6,224,000 bales, compared with 2,542,000 in the comparable period last year.

Better Weather Boosts Retail Sales

An improvement in the weather boosted retail trade slightly over both the prior week and the similar period a year ago in the week ended June 15, but cooler than normal temperatures held volume in summer merchandise somewhat below the hopes of many retailers. Gains over a year ago in apparel, furniture, and new passenger cars offset slight declines in major appliances, linens, and floor coverings.

The total dollar volume of retail trade in the week ended this Wednesday was unchanged to 4% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1959 levels by the following percentages: West South Central +2 to +6; Middle Atlantic and East North Central +1 to +5; West North Central 0 to +4; South Atlantic and Pacific Coast —1 to +3; East South Central and Mountain —2 to +2; New England —3 to +1.

Nationwide Department Store Sales Up 2% June 11 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended June 11, 1960, show an increase of 2% above the like period last year. In the preceding week, for June 4, a decrease of 13% was reported. For the four weeks ended June 11 no change was registered over the same period in 1959 while the Jan. 1 to June 11 period showed a 2% decrease.

According to the Federal Reserve System department store sales in New York City for the week ended June 11 a 5% increase was reported over the like period last year. In the preceding week ended June 4 sales were 16% under the like period last year. For the four weeks ending June 11 a 2% increase was reported over the 1959 period, and from Jan. 1 to June 11 showed a 5% increase over 1959.

Wertheim & Co. Will Admit Two

Wertheim & Co., 120 Broadway, New York City, members of the New York Stock Exchange, on July 1st will admit John Klingenstein to general partnership and Frederick A. Klingenstein to general partnership in the firm.

Donaldson Joins E. F. Hutton Co.

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, Mo. — Ivan J. Donaldson has become associated with E. F. Hutton & Company, 920 Baltimore Avenue. Mr. Donaldson was formerly associate manager of the local office of Dempsey-Tegeler & Co. and prior thereto was with Burke & MacDonald.

Smith, Hague Will Admit

DETROIT, Mich.—Smith, Hague & Co., Penobscot Building, members of the New York and Detroit Stock Exchanges on July 1st will admit George A. Nicholson, Jr. to partnership.

Mr. Nicholson is manager of the firm's investment advisory department.

Now Read, Evans

LOS ANGELES, Calif.—The firm name of Glore, Evans & Co., 1722 Westwood Boulevard, has been changed to Read, Evans & Company.

G. K. Scott in N. Y. C.

G. K. Scott & Co., Inc. is now conducting its securities business from offices at 54 Wall Street, New York City.

To Form Aibel & Co.

Aibel & Co., members of the New York Stock Exchange, will be formed with offices at 120 Broadway, New York City, effective July 1. Partners are Herbert M. Aibel, member of the Exchange, and Benjamin G. Aibel. Herbert M. Aibel has recently been active as an individual floor broker and prior thereto was a partner in Richard E. Kohn & Co.

Forms G. H. Musekamp Co.

(Special to THE FINANCIAL CHRONICLE)

CINCINNATI, Ohio—G. H. Musekamp & Co. has been formed with offices in the Carew Tower to engage in a securities business. Officers are George H. Musekamp III, President and Treasurer; Joan Musekamp, Vice-President; and Thomas F. Rehme, Secretary. Mr. Musekamp was formerly with W. E. Hutton & Co.

William R. Alexander, Jr., formerly with John M. Tait & Associates, is also associated with the new firm.

With Yarnall, Biddle

PHILADELPHIA, Pa. — Yarnall, Biddle & Co., 1528 Walnut Street, members of the New York Stock Exchange and other leading exchanges, announce that Arthur C. Richards is now associated with them as a registered representative.

Mr. Richards has been active in the investment securities business for many years and before joining Yarnall, Biddle & Co. was associated with Johnson, Keen & Co.

$21,000,000

***These Bonds are non-callable for 20 years.**

The Bonds are callable as a whole for refunding only with funds from any source on any date on or after July 1, 1980. The Bonds maturing on July 1, 2010 are also callable on any interest payment date from Bond Revenues in the South Fork Project Bond Sinking Fund on and after July 1, 1980. The Bonds are callable at prices ranging from 104½% on or before January 1, 1981 to 100% on or after January 1, 1985 as more fully described in the Official Statement.

†Due semi-annually January 1, and July 1, each year in approximately equal amounts.

These Bonds are offered, when as and if issued and received by us, subject to an unqualified approval as to their legality by Messrs. Orrick, Dahlquist, Herrington and Sutcliffe, Attorneys, San Francisco, California.

(Accrued interest to be added)

F. S. SMITHERS & CO. — SALOMON BROS. & HUTZLER

LADENBURG, THALMANN & Co. — DOMINICK & DOMINICK — WOOD, STRUTHERS & Co. — HAYDEN, STONE & Co. — BACHE & Co.

FRANCIS I. DUPONT & Co. — ALLEN & COMPANY — RITER & Co. — STROUD & COMPANY Incorporated — W. E. HUTTON & Co. — GOODBODY & Co.

W. C. LANGLEY & Co. — RAND & Co. — STEPHENS, INC. — STIFEL, NICOLAUS & COMPANY Incorporated — FAHNESTOCK & Co. — BAXTER & COMPANY

E. F. HUTTON & COMPANY — THE ILLINOIS COMPANY Incorporated — JOHNSTON, LEMON & CO. — BURNS BROS. & DENTON, INC. — CRUTTENDEN, PODESTA & CO.

GREEN, ELLIS & ANDERSON — HERBERT J. SIMS & CO., INC. — SWISS AMERICAN CORPORATION — SHELBY CULLOM DAVIS & CO.

STEIN BROS. & BOYCE — VAN ALSTYNE, NOEL & CO. — ROBERT W. BAIRD & CO. Incorporated — EMANUEL, DEETJEN & CO. — ERNST & CO. — HARKNESS & HILL Incorporated

J. B. HANAUER & Co. — CUTTER, BENNETT & Co. — WILLIAM S. MORRIS & Co. — BARRET, FITCH, NORTH & Co. Incorporated

FOLGER, NOLAN, FLEMING-W. B. HIBBS & CO., INC. — G. C. HAAS & CO. — LUCAS, EISEN & WAECKERLE Incorporated — McDOUGAL & CONDON, INC.

STERN, FRANK, MEYER & FOX — McCORMICK & CO. — WALLACE, GERULDSEN & CO. — J. C. WHEAT & CO. — BAKER, WATTS & CO.

BUTCHER & SHERRERD — FULTON, REID & CO., INC. — GRANGER & COMPANY — LEEDY, WHEELER & ALLEMAN Incorporated — MOORE, LEONARD & LYNCH

PARK, RYAN, INC. — RAFFENSPERGER, HUGHES & CO. Incorporated — SCHMIDT, ROBERTS & PARKE — JOHN SMALL & CO., INC.

STRANAHAN, HARRIS & COMPANY — TULLER & ZUCKER — WOOD, GUNDY & CO., INC. — GEORGE K. BAUM & COMPANY — FRED D. BLAKE & CO.

DAVIS, SKAGGS & CO. — HALLOWELL, SULZBERGER, JENKS, KIRKLAND & CO. — HOWARD, WEIL, LABOUISSE, FRIEDRICHS and Company — I. M. SIMON & CO.

M. B. VICK & COMPANY — THE WHITE-PHILLIPS COMPANY, INC. — ARTHUR L. WRIGHT & CO., INC. — WOODCOCK, MOYER, FRICKE & FRENCH Incorporated

BLEWER, GLYNN & Co. — C. F. CHILDS AND COMPANY — DEWAR, ROBERTSON & PANCOAST — CLEMENT A. EVANS & COMPANY Incorporated

FIRST SOUTHEASTERN COMPANY — ROBERT GARRETT & SONS — INTERSTATE SECURITIES CORPORATION — JOSEPH, MELLEN & MILLER, INC.

PENINGTON, COLKET & Co. — RYAN, SUTHERLAND & Co. — SEASONGOOD & MAYER — R. JAMES FOSTER & CO., INC.

FOX, REUSCH & CO., INC. — M. M. FREEMAN & CO., INC. — GRUSS & Co. — RAMBO, CLOSE & KERNER — SHANNON & COMPANY

FIRST CALIFORNIA COMPANY Incorporated — MULLANEY, WELLS & COMPANY — DREYFUS & Co. — GRANBERY, MARACHE & CO. — KORMENDI & CO., INC.

MACKEY, DUNN & CO., INC. — CHACE, WHITESIDE & WINSLOW, INC. — FEDERMAN, STONEHILL & Co. — GEORGE P. FOGG & CO.

A. E. MASTEN & COMPANY — H. J. STEELE & CO. — ABROMS & CO. — THE CINCINNATI MUNICIPAL BOND CORP. — COUGHLIN & COMPANY, INC.

DOLL & ISPHORDING, INC. — DORSEY & CO., INC. — GROSS & Co. — POHL & COMPANY, INC. — SHAUGHNESSEY & COMPANY, INC.

STIX & Co. — WATLING, LERCHEN & Co. — THE WEIL, ROTH & IRVING Co. — WESTHEIMER & COMPANY — EVANS & CO. Incorporated

SWENEY CARTWRIGHT & Co. — LOKER, SPARROW & Co. — MID-SOUTH SECURITIES Co. — CALDWELL, PHILLIPS Co.

ROBERT L. CONNERS & Co. — EINHORN & Co. — J. A. OVERTON & Co. — WEIL INVESTMENT COMPANY — WHITE & Co. — F. S. YANTIS & Co. Incorporated

BYRD BROTHERS — BURGESS & LEITH — CAMPBELL & ROBBINS, INC. — FRIDLEY & FREDERKING — HOWARD C. TRAYWICK & COMPANY, INC.

June 23, 1960.

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PUBLIC UTILITY SECURITIES *BY OWEN ELY*

Iowa Electric Light & Power Company

Iowa Electric Light & Power of Cedar Rapids, Iowa, has a long history, a predecessor company having been incorporated in August, 1882—only about two years after Thomas Edison had set up the Pearl Street Station to serve a few customers in downtown New York. There have, of course, been numerous changes in the corporate structure, including a recapitalization plan in 1950. Since that year the company has acquired, through merger or purchase, the properties of three local companies which served at retail 218 communities with electricity and 25 with gas. Now the company serves 377 Iowa communities and rural areas with electricity; its gas operations are more diversified, including 34 communities in Iowa, one in Minnesota, six in Nebraska and one in Colorado. It also sells steam to industrial customers.

The service area represents about one-quarter of the population of Iowa, and includes the central Iowa corn belt, considered the nation's richest farming area. Manufacturing activities include meat packing; processing of corn and milk; manufacture of plastics, truck trailers, radio and electronic equipment; and fabrication of iron and steel. The Cedar Rapids metropolitan area, with a population of about 130,000, is the outstanding growth area in the state. Local industries include the food processing plants of Quaker Oats, Penick & Ford, Wilson Packing, National Oats and others, as well as the main plant of Collins Radio employing some 8,500 people.

The company's revenues are almost equally divided between residential and rural, and commercial and industrial. Electric revenues contribute 69% of the total, gas 28%, and steam, hot water and miscellaneous 3%. Since 1950 revenues have almost tripled and peak electric demand has increased 118%. Gas revenues have gained more than tenfold—from $1.1 million to $11.9 million—largely reflecting house heating sales and extension of the service area. Last July the FPC approved an allocation of gas for 25 towns in which service will begin during 1960-61 (profits, however, will have to be built up over a period of several years).

Despite its rapidly growing gas business the company has started a campaign for electric house-heating and has established a new low rate for such service. The "all-electric home" has become quite popular in the company's area and a number of meetings have been held to acquaint company personnel, appliance dealers and electric heating and building contractors with all details of the program. National advertising is tied into local press, radio and TV publicity regarding the "live better electrically Medallion home." This whole program has been very successful and last year 82 Gold Medallion and 85 Bronze Medallion Homes were connected.

Since 1950 the company has nearly doubled its generating capacity to 388,000 kw at the end of 1959. An 82,500 kw unit will be added a year from now and according to present plans the next unit will be installed in 1966. The company is a member of the Iowa Power Pool which permits construction of larger units under an integrated construction program. The company also operates the 96,000 kw station owned by Central Iowa Power Cooperative under a long-term operating agreement, this station being integrated into the company's system.

There is no public utility commission in Iowa, electric and gas rates being regulated by each town council, subject to court appeal. In general, the electric and gas utilities have favored creation of a state commission, but in the past the telephone companies and REAs have been opposed. A number of bills have been introduced to create a commission, and one is before the legislature currently. Some Iowa utilities have encountered difficulties with municipalities in obtaining gas rate increases to offset the steady rise in cost of gas from pipeline suppliers. However, Iowa Electric was successful last year in obtaining increases from municipalities totaling about $1.4 million per annum, of which about $850,000 applied last year with the balance of $550,000 effective in 1960. The company has been earning about 5.45% on its gas rate base and 6.33% on electric, making an average return of 6.22% on net plant cost. The Iowa courts have sustained a fair value rate base, and of course the earned return would be lower on fair value.

The company's construction program, and the estimated resulting credits for interest on construction, have been forecast as follows:

	Construction (Millions)	Credit for Interest on Construction Per Share
1959	$9.3	5c
1960E	16.2	28
1961E	11.5	38
1962E	10.0	6
1963E	10.0	NA

E Estimated. NA Not available.

Capitalization ratios at the end of 1959 were as follows: Long-term debt 46%, preferred stock 14% and common stock equity 40%. The construction program in 1959 was financed with available cash assets. Construction in 1960 will require about $10 million of new money.

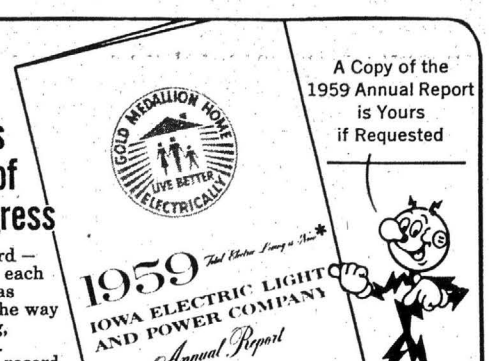
Earnings per share have increased from $1.64 in 1950 (adjusted for shares issued to acquire merged properties) to $2.40 in 1959 and $2.59 for the 12 months ended April 30, 1960. A forecast of $2.70 has been made for calendar 1960, reflecting a jump in the interest credit for construction as indicated above. President Sutherland Dows, in a recent talk before New York security analysts at India House, stated that management estimates for the years 1961-62 indicated earnings in excess of $3 a share for those years, while 1964 might reach $3.35. He warned, however, that such long-range forecasting may not be too accurate. An important reason for the anticipated uptrend in per-share earnings is the present high equity ratio. By permitting this to recede from 40% to 35%, all financing during 1960-64 can be done with senior financing, it is anticipated—hence there would be no dilution from additional shares. The company does not use flow-through of tax savings from accelerated depreciation.

At its recent price around 42½ (up from the 1960 low of 33½) the stock yields 4.2% based on the $1.80 dividend. The price-earnings ratio based on the $2.70 estimate is 15.8.

Total Electric Program Paces Another Year of Growth & Progress

● Always going forward — never turning back — each year of our program has continuously pointed the way to better electric living, truly *modern* progress.

We are proud of our record of the past but confidently anticipate surpassing it in future achievements. May we show you our 1959 Report — which portrays our plans for the future?



A Copy of the 1959 Annual Report is Yours if Requested

77 Years of Serving the Heartland of a Great State

IOWA ELECTRIC LIGHT AND POWER Company
An Iowa Corporation

Timken Shares in Secondary Off'ing

A secondary offering of 125,000 shares of Timken Roller Bearing Co. common stock at a price of $56.50 per share was made on June 20 by a group of underwriters headed by Shearson, Hammill & Co., Clark, Dodge & Co. and White, Weld & Co. Incorporated. Timken is the world's largest manufacturer of tapered roller bearings, which account for about two-thirds of total sales. The company is also a major producer of alloy steels and operates several plants abroad.

In 1959 sales and profits reached an all-time high with earnings of $5.60 per share on sales of $262 million. At the close of the first quarter of 1960, the company reported earnings of $1.79 per share compared with $1.26 for the corresponding period last year.

Timken has important foreign properties located in England, and since July 1, 1959 British Timken's results have been consolidated with those of the American company. Manufacturing operations are also maintained in France and Australia. A major expansion program is under way in France and a new plant which will be completed in 1961 is being built in Brazil.

Texaco Shareholder



Walter L. Morgan, President and Founder of the Wellington Fund (left) reveals that the Fund's first common stock purchase in 1929 was 20 shares of Texaco, Inc. Today Wellington Fund has 142,800 shares of Texaco. At the right is Augustus C. Long, Chairman and Chief Executive Officer of Texaco.

Zeal for Rapid Growth Could Be Self-Defeating

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mum economic growth in real terms."[1] Later in his testimony he presented a model national prosperity budget "to project the capabilities and needs of the American economy. These projections utilize an over-all economic growth rate of about 5% annually after maximum production and employment have been achieved, and a higher growth rate until then."[2]

In sharp contrast with his optimum annual growth rate of 5%, Mr. Keyserling found the average annual rate of growth in the economy during the period 1920-1958 to be about 3%, and during 1953-1959 to be about 2.3%.[3] This visionary program of approximately doubling our rate of growth by manipulating a few economic valves, to say the least, taxes one's credulity to the utmost.

The main prescriptions that Mr. Keyserling offers for vaulting to this new height are a substantial enlargement of Federal spending programs, increases in wage rates, more liberal farm and other subsidies, and an easy money policy by the Federal Reserve.[4] Moreover, he plans to accomplish all this, strangely enough, without commodity price inflation, and without direct price and wage controls, both of which he opposes in principle.[5]

(B) *Growth as a Federal Reserve Objective*

One of the most important official recognitions of economic growth as a national goal is that of the Board of Governors of the Federal Reserve System. Whenever objectives have been discussed during the postwar years, the Board has explicitly emphasized growth. This concept has been variously stated as "orderly economic growth," "stable economic progress," "steady development of the nation's resource," "rising standard of living," "rising level of consumption," and "sustainable economic progress."[6] Whether it is wise for the monetary authorities to embrace a policy of aggressively promoting economic growth is an issue which requires discussion at a later point.

Attention should here be called to the fact that economic growth is not mentioned explicitly in the Federal Reserve Act, the Employment Act of 1946, or in any other Act of Congress as an objective of monetary policy. The founders of the Federal Reserve System viewed its aims quite narrowly as overcoming the inelasticity of money, the concentration of legal reserves in large city banks, poor public supervision, and other banking defects. Even as amended, the Federal Reserve Act contains nothing but vague and general criteria such as "maintenance of sound credit conditions," "accommodation of commerce, industry, and agriculture," and prevention of "injurious credit expansion or contraction."[7] The Employment Act of 1946 "declares that it is the continuing policy and responsibility of the Federal Government—to promote maximum employment, production, and purchasing power."[8] To my knowledge the Federal Reserve authorities never specifically proclaimed economic growth to be an aim of policy until after the Second World War. Whether their explicit adoption of this aim since the war is justified is a debatable point. A reasonable supposition is that if Congress had intended that growth should be one of the major monetary goals, there would at least be some mention of this concept in the guiding legislation. But there is not; instead, the idea of growth is conspicuous by its absence.

(C) *Growth as a Treasury Objective*

Economic growth as a goal of Federal debt management was also officially recognized by the Treasury in the early postwar years. For example, in 1952, Secretary John W. Snyder stated as one of the major objectives of the Treasury: "To use debt policy cooperatively with monetary-credit policy to contribute toward

1 Hearings before the Joint Economic Committee, U. S. Congress, on Employment, Growth, and Price Levels, March, 1959, Part I, p. 95.
2 Ibid, p. 119.
3 Ibid, p. 105.
4 Ibid, pp. 153, 154, 175, 179.
5 Ibid, pp. 132, 151. The above pronouncement of Mr. Keyserling is representative of a group that would in general accept his analysis and point of view. Space does not permit additional references.
6 See Board of Governors of the F. R. System, *The Federal Reserve System* (Washington, D. C., 1954) pp. 1 and 121; Federal Reserve Bulletin, June, 1957, p. 649.
7 Section 4, par. 8; section 19, par. 6.
8 Section 2.

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healthy economic growth—."[9] This statement was doubtless fairly representative of postwar Treasury policy until the end of 1952. However, a considerable change in attitude toward growth as a positive goal was expressed by Secretary Robert B. Anderson last summer in Hearings before the Joint Economic Committee. He said:

"Some in our country express a belief that Government should undertake the primary role in promoting economic growth. It is my belief that in our system the Government is not the predominant factor in our Nation's economic advancement. It must foster and facilitate economic progress; it cannot force it."[10]

(D) *Recent Exaltation of Economic Growth*

At this point the question arises: How explain the recent surge of enthusiasm for economic growth? Three main reasons for this phenomenon at once come to mind. First, it represents a natural reaction from the decade of depression that preceded the Second World War when a spirit of abject pessimism prevailed. Many people completely lost confidence in the ability of a private enterprise economy to provide high-level employment and output. Professor Alvin Hansen's mature economy thesis became widely accepted. The war economy demonstrated what can be done when all resources are put to work, and the amazing vigor of private enterprise during reconversion instilled new hope and confidence. Statesmen, businessmen, and economists came to believe that positive action by government and business could prevent a repetition of the Great Depression. This belief also led them to think in terms of robust development of the economy which had been suppressed during the prewar years.

Second, the so-called Keynesian revolution in economics, that followed publication of *The General Theory of Employment, Interest and Money* in 1936, definitely turned theoretical analysis in the direction of growth. Economists since that time, whether or not in agreement with Keynes, have given much greater attention to aggregative analysis—so much so that the terms "macro" and "micro" economics have been added to the nomenclature.

Last, perhaps the greatest prod of all has been provided by the Russians. We have quite properly been disturbed not only by their apparent lead in the space age, but also by the rapid growth of the Russian economy. In an authoritative study just published by the Joint Economic Committee, Professor Morris Bornstein states:

"—since 1950 Soviet national product has been growing at approximately twice the U. S. rate—at an average annual rate of over 6% as compared with a rate of over 3% for the United States. These rates apparently represent a continuation of differential trends observed in the growth of Soviet and U. S. national product in the last three decades. A growth rate of 5 to 7% has been estimated for the U. S. S. R. during the 'more normal' years of this period by various authors, while the U. S. long-term growth rate since 1929 has been between 3 and 4%."[11]

Unquestionably the threat to the free world posed by the possibility of eventual Soviet military and economic supremacy, has sparked much of the new-found interest in growth.

II

Background Issues Pertaining To Growth

(A) *Nature and Measurement of Economic Growth*

Before proceeding further it is desirable to analyze with some care the meaning of economic growth. The most common measure is Gross National Product in real terms; that is, GNP in dollars of constant purchasing power. Net national product is theoretically more acceptable since allowance is made for the using up of capital in the productive process. But the inaccuracy of estimates of capital consumption, and especially the lack of comparability of such estimates among nations, accounts for the prevailing use of GNP. Total real national product, in either the gross or net sense, is acceptable when the object of inquiry is the aggregate flow of output, including the influence of growth of population and of the labor force.

When attention is focused on over-all performance after allowance for population changes, or on standards of consumption, it is necessary to express national income on a per capita basis—GNP per capita, NNP per capita, or disposable personal income per capita. It should be noted, however, that the per capita basis can be misleading in comparing over-all growth rates of different countries, owing to varying rates of population change. For example, Country A may show the highest growth rate on a per capita basis. But real GNP of Country A may be increasing at a slower rate than that of Countries B and C if A's population is at a standstill or is increasing much more slowly than in B and C.

Another aggregate concept that may be useful for some purposes is that of productive capacity; that is, the idea of *potential* real output, instead of actual output. Attention is thus focused on availability of basic productive resources.

Then, again, in contrast with the aggregate approach, emphasis may be on the *quality* or *type* of production. For example, what is the rate of growth of (a) consumer durable goods, (b) consumer nondurables, (c) services, (d) private capital investment, and (e) public capital investment? In a wartime economy, what is the output and rate of growth of missiles, airplanes, warships, and other war goods; and what is the output and rate of growth of essential consumer goods as compared with non-essential goods? There is also the problem of waste and mistakes in production. Should excess coffee that will be dumped in the sea, and surplus wheat that will be given away or sold far below cost by the government be included as part of economic growth? How about an ill-conceived turnpike whose revenues pay only part of fixed charges, or a factory doomed to abandonment because of poor location? How

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9 Joint Committee on the Economic Report, Monetary Policy and the Management of the Public Debt, 82nd Congress, 2nd Session, Senate Document No. 123, part 1, p. 13.

10 Hearings before the Joint Economic Committee, Employment, Growth, and Price Levels, U. S. Congress, 1st Session, Part 6 A, pp. 1088 and 1093.

11 Morris Bornstein, "A Comparison of Soviet and United States National Product," published by Joint Economic Committee, U. S. Congress, Comparisons of the United States and Soviet Economies, Part II, pp. 391-392.

PRESIDENT'S REPORT

FROM NORTHERN STATES POWER COMPANY



Owned by 77,900 shareholders, and serving over 600 communities in Minnesota, No. Dakota, So. Dakota, and Wisconsin

The business climate's healthier in the NSP area because industry is diversified

75 out of 78 kinds of industries located in NSP's 4 states

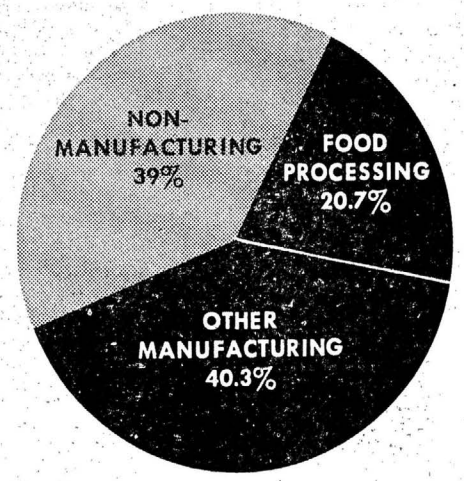
Diversification of industry is a big factor in the healthy growth with stability in Wisconsin, Minnesota, North Dakota and South Dakota.

Only three kinds of industries of the 78 listed in the Standard Industrial Classification Manual are not represented.

These three are anthracite and bituminous coal mining and tobacco manufacture.

But, almost everything else that is manufactured or distributed comes from the area served by Northern States Power Company.

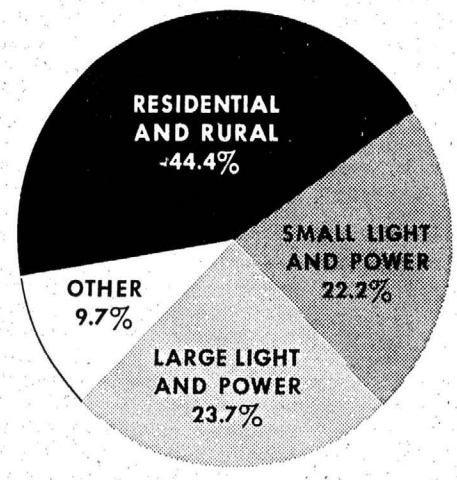
This broad diversification helps spread our kilowatt-hour revenue...helps make our economy more stable.



Percent of NSP Industrial Electric Revenues, 1959

Note in the graph above that 61% of NSP 1959 industrial electric revenue comes from manufacturing. Almost a third of this revenue was from food processing industries which also help stabilize our economy.

Not only is industry diversified, but in 1959, 44.4% of our electric revenue came from residential and rural customers. This is desirable business.



Percent of NSP Total Electric Revenues, 1959

This high ratio of individual customers to company customers helps give us a "built-in stability."

Our labor force is highly intelligent, which serves to attract electronic firms--one of the faster growing industries today.

In Minnesota alone, there are now more than 100 electronic firms with annual sales of more than $500 million.

Other new industries have also become important in recent years. These include oil refineries, chemical plants and insurance companies. In the Minneapolis-St. Paul area alone there are 43 insurance companies with annual premiums exceeding $420 million.

Industry, as a whole, is becoming more and more aware of the advantages of this area, and from indications, the steady growth of industry into this area will continue.



Allen S. King

President,
Northern States Power Company
Minneapolis 2, Minnesota

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Zeal for Rapid Growth Could Be Self-Defeating

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about production of near-obsolete war goods that will soon be scrapped? In most analyses of economic growth no allowance is made for waste, and for production of things that people do not want; it is assumed either that the right things have been produced, or that the proportion of waste output remains constant.

(B) *Main Features of Economic Growth*

"Growth" and "development" are such *good* words that many people accept a program for economic growth without asking many questions. Growth implies progress, forward movement, rising living standards as opposed to retrogression and declining personal welfare. But this represents a far too sanguine attitude toward growth since, like most things in life, it involves costs. Growth implies change—replacing the old with the new. Creation of new products, new technologies, new industries involves widespread destruction of existing products, machines, industries, jobs, even communities. Much debris is necessarily strewn along the path. Economic growth occurs only when the costs are covered with something to boot; that is, when there is a net contribution to output or capacity of the economy. Economic growth also involves the painful process of not consuming; that is, of saving part of current income so that basic resources may be diverted from production of consumer goods to production of factories, machines, highways, and other capital goods.

(C) *Optimum Economic Growth*

This brings us to the difficult question: what is the optimum rate of growth, and how shall it be determined? In other words, how can the rate at which the returns from the last increment of growth just balance the costs be ascertained? In a free economy under peacetime conditions, the optimum rate is the one that emerges automatically from the decisions of individuals and businesses to work, spend, save, invest, borrow, and undertake the risks of enterprise. This does not mean that policies and actions conducive to healthy growth should not be brought to bear by a democratic government. Public opinions and attitudes should be influenced by informed citizens whether they be government leaders or private individuals. But in the final analysis the decisions should be made by consumers and businesses as opposed to an arbitrary decision by some board or commission in Washington, or elsewhere.

Who is wise enough to say whether the over-all growth target shall be 2%, 4%, 6%, or some other figure? Past performance, it may be contended, provides a good basis for a sophisticated estimate. An authoritative study by Moses Abramovitz for the National Bureau shows the average rate since the Civil War to have been about 3.5%, and the average per capita rate to have been 1.9%. But while the average over-all rate was 3.5%, the upward trend was not a steady one; it varied markedly in succeeding decades between about 1.5% and 7.5%.[12] Thus, past performance gives only a very rough indication of what the secular trend of the period just ahead should be. First, there is no way to know whether basic conditions are currently supporting slow growth or rapid growth. Also, the fact that we have in the past achieved a certain average rate does not mean that this is the optimum rate for the future. This follows from the facts that future conditions are certain to be different, and that past performance would not provide an ideal rate even if there were no change in conditions.

At one extreme, few people would advocate no improvement in the standard of life of the average person; that is, for output of consumers' goods to increase no faster than population. At the other extreme, some would set the growth target so high that inordinate costs and sacrifices fall on the current generation which may be subjected to temporary loss of jobs and other difficult adjustments that necessarily accompany rapid change. They may be forced to save so much and to consume so little that life is a dreary and forbidding struggle. In fact, growth may be pressed so vigorously and relentlessly that the cost is undue suffering —even starvation, as under one five-year plan in Russia and more recently in China.

Thus, while the optimum rate lies somewhere between these extremes, there is no definitely correct answer. Any rate set by a government body must by the nature of the problem be subjective and arbitrary. We return, therefore, to the proposition that the optimum rate of growth in a free society is the one that emerges as a result of the economic choices and decisions of individuals and businesses — with the qualification that these decisions should be made in a governmental environment that nurtures the basic conditions of growth as listed in the next paragraph.

(D) *Basic Conditions of Healthy Growth in a Free Society*

We now come to the most basic question of all: What are the essential conditions of healthy growth in a free society? Space precludes more than a listing of these conditions, as follows:

(1) Political, economic, social, and religious institutions that foster freedom of the individual and equality of opportunity.

(2) Continuous improvement in the amount and quality of education.

(3) A population that responds energetically to the basic human urge to improve its lot.

(4) A labor force with constantly rising abilities and motivations to work efficiently.

(5) Ready availability of good natural resources.

(6) A growing number of enterprising people with special abilities to undertake the risks and responsibilities of production.

(7) A rising amount of real savings by individuals, businesses, and governments.

(8) Sufficient confidence in long-range profit prospects on the part of entrepreneurs to commit the flow of current savings to producers' capital goods.

(9) Vigorous programs of pure and applied scientific research by businesses, government, universities, and other institutions, with the object of promoting new inventions, discoveries, and technologies.

(10) A private enterprise economic system guided largely by consumers' choices, and characterized by competitive markets and the absence of unregulated monopoly.

(11) A strong democratic system of government that performs its functions efficiently and pursues policies conducive to expansion. Taxation programs in particular should encourage, not deter, growth.

(12) Monetary and fiscal policies that foster high-level employment, business stability, and a relatively stable price level.

III

Economic Growth and Monetary Policies

After this background in regard to the nature and conditions of economic growth, we should be in better position to visualize the proper role of monetary policy. There are two broad highways which lead in divergent directions. On one, money is cast in a facilitating or supporting role; on the other, money is given a leading and aggressive role. Let us view in more detail the nature of the countryside traversed by these two roads.

One of the main theses of this paper is that monetary policy makes its maximum contribution to sustained long-range growth when it follows the first, or facilitating, road; that is, when it fosters high-level employment, business stability, and a relatively stable price level, but stops short of aggressively promoting growth. Convincing support for this conclusion is provided by the list of essential conditions to growth listed just above. Eleven of the 12 are non-monetary in character, and are concerned with more basic aspects of human nature and of society than is the institution of money.

However, a sound monetary system directly and indirectly contributes to realization of many, if not all, the non-monetary conditions. This follows from the fact that an efficient monetary system is one of the keystones of a robust and dynamic free economy. In particular, a facilitating monetary policy makes its largest contribution to economic growth through condition number seven —a rising amount of real savings —and through condition number eight — an increasing amount of business investment.

Job of Monetary Policy

A rising flow of savings is most assured by an expanding real national income out of which savings must be made. It is the job of monetary policy to promote maximum real income, business stability, and a dollar of relatively stable value—the very conditions for maximum voluntary savings. After employment and production attain high levels, it is obvious that a depression would curtail both incomes and savings; hence business stability makes a positive contribution to average savings. It is also reasonable to believe that a relatively stable dollar fosters maximum income— and hence maximum savings—by removing one of the important uncertainties of doing business. Long-range expansion plans, as well as current operating plans, can be made with greater assurance, and are more likely to be followed without downward revision.

In addition, the prospect of commodity price inflation constitutes a strong deterrent to real savings. The bulk of personal saving normally takes the form of fixed dollar obligations of intermediary institutions, such as banks, life insurance companies, and savings and loan associations. When people come to fear that the purchasing power of fixed-dollar claims will shrink in their hands, they are no longer disposed to save in this form. The savings media with which they are most familiar, which command confidence, and which are most convenient, are no longer attractive. Consequently, many persons choose to spend a larger part of income on consumption; that is, to save a smaller part. Others redirect their savings to common stocks, real estate, and other appreciative-type assets. In general, the solid objectives of safety and income are replaced with the dubious goals of capital appreciation and of protection of real purchasing power. The propensity to speculate gains at the expense of the propensity to save.

A facilitating monetary policy, as opposed to an aggressive one, also contributes directly to growth by encouragement of capital investment. Long-range programs for expanding business investment spring from a confident outlook for sales and net profits. Such an outlook is enhanced by the belief that monetary policies will be guided by the goals of high-level employment, business stability, and a steady price level. Government policies that remove or minimize uncertainties in regard to the levels of business and prices not only encourage long-term plans, but also add to the likelihood that such plans will be carried out.

Warns Against Aggressive Monetary Policy

When monetary policy follows the second road—the one that assumes aggressive responsibility to achieve some arbitrary and excessive rate of growth—real dangers lie ahead. These dangers are the various unwanted by-products of destructive price inflation. When the stage of capacity output is reached, further additions to the stock of money should parallel the rate of real expansion in the economy, modified by allowance for the trend of money velocity. This rate of increase in the stock of money should approximately maintain the existing price level. But if, with the object of spurring growth, the monetary dosage is increased, the almost certain result when output reaches capacity is a rise in the general price level. Moreover, the rate of growth of money will largely determine the trend of increase in prices.

The inflationary process may be summarized as follows: The Federal Reserve provides abundant legal reserves to the member (commercial) banks by expansion of Reserve Bank credit, or by lowering legal reserve requirements. Commercial banks then zealously strive to convert their non-earning excess reserves into earning assets—loans and/or investments. Here it is important to note that one dollar of high-powered reserve money serves as a base in the banking system for a multiple expansion (about five on the average) of total loans and investments, but for the present deposits. The quantitative end result is the same whether expansion takes the form of loans or of investments, but for the present purpose we may assume that expansion is in the form of loans, and that there is a strong and elastic demand for loans.

Finding abundant excess reserves in their possession, the banks lend freely to customers at low rates and on favorable terms. Under these circumstances, customers borrow more heavily, so that new money is created as loan proceeds are credited to their checking accounts. The new deposit money is spent by borrowers for the myriad purposes which motivated their borrowing operations — whether for inventories, labor, equipment, consumer durables, or other products and services. At this point the new money enters the bank balances of sellers and becomes part of their gross income. They, in turn, finding their balances larger than normal, purchase goods, services and securities. And again the sellers, who receive the money in this and succeeding series of transactions, continued the spending-saving-investment process.

In the course of a year the average new dollar will have added some $25 to aggregate expenditures and about $3.3 to gross national product—on the assumption that it does the same money work as other existing dollars in 1959. Price inflation takes place because the newly created dollars are spent for the limited supply of goods and services which the economy can provide when operating at capacity. Prices are bid up to a level at which the gross national product in current dollars is just enough to purchase the real current output. A higher price level must emerge since, by assumption, the amount of money already in existence was consistent with a stable price level. Hence, monetary expansion is almost certain to find outlet in higher prices.

Other Forced Draft Devices

If the foregoing inflationary process should fail to provide the desired stimulus to growth, other devices may be employed. Lending by banks and other intermediary financial institutions may be encouraged by Government guarantee or insurance to protect the lender against loss. The Government may make direct loans in certain sectors where private lending appears to be inadequate. There is also the possibility of issuing legal tender Treasury notes to meet enlarged expenditures.

There is no place, it should be observed, in such an aggressive growth policy for tight money conditions to check inflationary booms. The rapid-growth enthusiasts abhor tight money which always stands in the way of attaining some aspect of their program—general over-employment, elimination of that last pocket of unemployment, revival of depressed industries and areas, assistance to small business, encouragement of residential building, more liberal welfare payments, and promotion of public capital improvements. Thus, they would remove what has in fact been our strongest bulwark against erosion of the dollar since the Second World War.

Most analysts believe that there is at least a moderate inflationary bias in the economy under present circumstances. If to this is added a program of forced-draft growth by monetary means, the moderate upward bias might be extended to an inflation of serious proportions. Space precludes detailed discussion of the evils of price inflation. But the plight of people in many countries ravaged by inflation during and after both World Wars is well known to this generation—general economic disorganization; reduced production and consumption; disruption of price and cost relationships; heavy losses to all owners of fixed-dollar obligations; injustices to all groups whose incomes rise less rapidly than prices; breakdown of international trade; government regulation of prices, wages, and productive resources; and in some cases, loss of political freedom.

An Additional Danger Cited

In addition to the danger of inflation, the active use of monetary policy to spur growth is in conflict with the goal of business stability. Moderately tight money conditions created by the Federal Reserve in 1952-1953, 1956-1957, and again in 1959 have been the principal check on over-expansion. In the absence of this check-rein, the inflationary boom would doubtless have reached an appreciably higher level in each case before the advent of a cyclical correction. If this be true, the accumulation of maladjustments would have been more serious, and the subsequent declines would have been deeper and longer—depressions rather than recessions. Thus, there is good reason to believe that another cost of aggressive pursuit of growth by monetary means would be wider cyclical swings in the economy.

Finally, it is necessary to con-

12 See Moses Abramovitz, "Resources and Output Trends in the United States Since 1870," National Bureau of Economic Research, Occasional Paper 52, pp. 7; 19-22.

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sider a highly practical problem of administration, namely: Can a sufficiently precise criterion of the desired rate of growth be developed to guide the monetary authorities? If the previous analysis of the meaning, nature, and measurement of growth is correct, the answer is in the negative. Growth is difficult to define and hard to measure. Any target rate set by the Federal Reserve or another government body, say 5%, is necessarily subjective and arbitrary.

Since the basic conditions that determine growth have varied from decade to decade, resulting in slow-growth periods followed by rapid-growth periods, the authorities would not be justified in setting a fixed target. To do so would lead to price inflation in slow-growth periods and to suppression of growth in rapid-growth periods. Moreover, there is no way to know with any certainty the present state of basic growth conditions—whether consistent with slow-growth, average-growth, or rapid-growth objective. If the goal of growth must remain general and vague, and if no definite or precise criterion can be developed, then the aggressive goal as such should be abandoned. A far wiser course is to facilitate and support growth as a by-product of pursuing the other accepted, and more modest, monetary objectives.

IV

Economic Growth and Fiscal Policies

Much that has already been said about monetary policy and economic growth applies also to fiscal policies and Treasury debt management. Aggressive pursuit of growth is not a proper objective of *quantitative* fiscal policy or of Federal debt management. As in the case of monetary policy, the general criterion of growth is too vague and indefinite to serve as a guide in practice. Quantitative fiscal policies make their greatest contribution indirectly by promoting the basic conditions of healthy growth, including high-level employment, business stability, and a dollar of steady purchasing power.

Fiscal measures occupy a central place in the programs of Mr. Keyserling and others who advocate a planned step-up in the rate of growth. Federal expenditures in general and for selected programs would be materially expanded as a stimulus to grow at the maximum possible rate. Such enlarged expenditures would not, in all probability, be matched by a corresponding rise in tax revenues, so that a sizable deficit would result. In addition to enlarged Federal spending, private expenditures would tend to rise even though the deficit were financed by borrowing current savings. But if the deficit were met by borrowing at commercial or Federal Reserve banks, new money would be created, and a powerful additional stimulus to spendings for output would be unleashed.

Thus the aggressive use of quantitative fiscal measures to attain an excessive rate of growth involves the same broad hazards as the use of monetary policies for this purpose. That is, there is the real danger of serious commodity price inflation, and there is the likelihood of promoting wider cyclical fluctuations in the economy.

To this point the use of monetary means and of fiscal measures have been considered separately. If these two powerful stimulants were applied simultaneously in heavy doses with a view to matching Russia's alleged rate of growth, the end results would indeed be tragic. In such an event the well-intentioned program would be self-defeating. Long-term growth would be impaired instead of hastened, and gross inequities would be created by a rapid rise in prices. Even more tragic would be the almost certain extension of Government controls to prices, wages, materials, investment, and other areas of the private economy. That is, in our zeal for rapid growth, we would face the danger of losing our heritage of economic and political freedom.

Movielab Film Stock Offered

An underwriting group headed by Granbery, Marache & Co. on June 21 offered publicly 100,000 shares of Movielab Film Laboratories, Inc. class A common stock, $1 par, at $10 per share. Of the total, 37,500 shares are being sold by Saul Jeffee, who is chairman, president, and a director of Movielab Film.

The company will receive no part of the proceeds of the sale of 37,500 shares, which represent Mr. Jeffee's entire holdings of class A common. He will continue to own 100% of the company's 212,500 shares of class B stock, $1 par.

Proceeds from the sale of the 62,500 shares will be used by the company for (1) a new color developing machine; (2) additional electronic control centers for film printing machines; and (3) for additional cutting and editing rooms and film and tape storage rooms. These additions are estimated to cost $200,000. The balance of the proceeds will be added to working capital.

Movielab Film is one of the major motion picture and television film processing laboratories in the U. S. The company develops and prints 16mm and 35mm black and white and color film for theatrical, motion picture, television, educational, scientific, and commercial use. The company also leases editing and cutting rooms, vault space, and a theatre for professional viewing of films.

Net sales for fiscal 1959, ended Jan. 2, 1960, totaled $4,221,299 and net income amounted to $149,660. For fiscal 1958, the comparable figures were $3,481,355 sales, and $79,747 net income.

The company has been financed out of retained earnings and no dividends have been paid heretofore. The board has declared a cash dividend of 10¢ a share on the class A stock payable Aug. 1, 1960, to stockholders of record July 25. The board intends to establish a policy of paying quarterly dividends, but no representation is made as to future dividends.

Giving effect to the sale of the 100,000 shares capitalization of the company as of May 2, 1960 was: 100,000 shares of class A common stock outstanding; 212,500 shares of class B common stock outstanding.

AS WE SEE IT *Continued from page 1*

then obviously democracy in that nation has not taken hold or does not know how to defend itself against such uprisings.

Need Our Markets

All this and more we have been told, and are being told, day-by-day by observers around the globe, some of whom are professional students of Japan and the Japanese. We have no doubt that it is all true and pertinent to any analysis of the current state of affairs in Japan. Yet there is another matter which rarely finds expression but which lies athwart our path whenever we approach the Japanese nation and, in one degree or another, is likewise a problem in our effort to become a world leader among the other nations of the world. We make a great deal of our foreign aid payments and count on them to give us an influential standing among many peoples. We do not intend at this place to undertake any extended discussion of the importance or the effect of these "unilateral transfers" at the expense of the taxpayers of this country, but whatever may be said of their value and their wisdom, there are countries—and Japan is very definitely one of them—which would find free access, or reasonably free access, to our markets immensely more valuable than all the aid that we are now granting or are likely to grant in the future.

Japan is, of course, an island country which is not very abundantly supplied with raw materials. It is densely populated. It is even more dependent upon trade with other countries than was Britain during the nineteenth century when that country was possessed of an Empire upon which the sun never set—and still has a Commonwealth of Nations which serves her purposes well. Japan simply must have trade with other countries or her population will inevitably suffer, and she now exists in a world given over very largely to protectionism—and we are, of course, among the leaders of that faith. She has made a remarkable recovery from World War II and has reached a stage where markets are more than ever essential to her continued progress. Her trade relations with the Asian continent are hardly normal at the present time and as an ally of ours are not very likely soon to become so.

Under Serious Handicaps

We as world leader work under a terrible handicap so long as our markets are not at least reasonably open to countries which need markets as never before. Yet—and this is a disheartening aspect of the situation—the matter is not easily and simply resolved by tariff reductions and other concessions to foreign sellers. We may as well face the fact that free access by Japan, or other nations for that matter, to some of our markets would all but put our domestic industry dependent upon such markets out of business. We may shout all we have a mind to about "slave labor" or "starvation wages" abroad, and say all we wish to say about safeguarding the American standard of living. The fact remains that the impediments placed in the path of other nations who could and would place large amounts of goods in our markets weaken our position of leadership in the world and, in cases such as Japan, can not be compensated for by foreign aid payment no matter how large.

It is true enough that price increases have in effect reduced the burden of many if not most, or possibly all, of the specific rates of duty imposed upon imports from foreign countries. It is likewise a fact that tariff agreements have likewise done something to relieve a situation which by this time would have been quite unendurable otherwise. Careful studies have also shown that our greater access to many raw materials and our genius for productive organization and our expenditures of capital upon the most modern of machinery and equipment have often made headway in reducing the inability of our producers to compete with foreign industries on an even footing.

The fact remains, however, that foreign competition even under present conditions is a matter about which our industry in many instances must be concerned—to say nothing of the situation that would exist if tariff protection were drastically reduced.

Labor Costs

The problem is, of course, labor costs, and equally well known is the fact that labor costs are high in this country not only by reason of higher wages, but by reason of various work restrictions and so-called "fringe benefits" which business must now carry in this country. And politically speaking, this situation is even more untouchable than are the tariff arrangements now placing heavy burdens upon imports. Our balance of payments difficulties of late years have, of course, made the whole subject of letting in more imports doubly difficult, at least from a political standpoint. It is unfortunate that all this is so seldom recognized as one of the basic difficulties with which we have to contend in playing the role of world leader—filling the vacuum left by the decline of the British Empire as it is so often termed. It would be unfortunate indeed if this impasse in Japan does not result in a better understanding of some of these fundamentals.

Talcott Notes, Common Offered

An underwriting group managed jointly by F. Eberstadt & Co. and White, Weld & Co. offered for public sale on June 22 a new issue of $20,000,000 of 5½% senior notes, due June 1, 1980, at 99% and F. Eberstadt & Co. and White, Weld & Co. Inc. offered with associate underwriters a second new issue of 150,000 shares of $9 par value common stock of James Talcott, Inc., at $56.50 per share.

Proceeds from the sale of senior notes and common stock will be added to the general funds of the company and will be available for general corporate purposes. Talcott previously announced it has negotiated an agreement to merge First Acceptance Corp., Minneapolis, Minn., into Talcott and part of the proceeds of the current offering may be used to discharge funded and current debt of First Acceptance.

James Talcott, Inc., 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, rediscounting, factoring and equipment leasing. Offices and subsidiaries are located in New York, Chicago, Detroit, Boston, Atlanta and Los Angeles.

In the year ended Dec. 31, 1959, the amount of receivables processed by the company amounted to $1,015,553,000, compared to $846,448,000 in the previous year, and net income totaled $3,286,957, equal to $3.16 per share, compared with $2,265,171, or $2.63 per share, in 1958. In the first three months of 1960, net income totaled $990,275, or 93¢ a share, vs. $719,814, equal to 71¢ a share, in the comparable period a year ago based on the outstanding shares at the end of the respective periods.

The company has paid cash dividends on the common stock in each year since 1924. Current payments amount to 40¢ per share quarterly.

The company, which as of Mar. 31, 1960 had aggregate assets of $254,493,000, will have 1,223,665 shares of $9 par value common stock outstanding after giving effect to the sale of the common stock and the issuance of 111,904 shares in connection with the acquisition of First Acceptance Corp.

Big Laurel, Inc. Securities Off'd

Pursuant to a prospectus dated June 6, Pearson, Murphy & Co., Inc., of New York City, and Mackay & Co., of Reading, Pa., offered 400,000 shares of Big Laurel, Inc. 7% cumulative preferred stock (par $2.80) and 400,000 shares of common stock (par 10 cents) in units, each unit consisting of one share of preferred stock and one share of common stock which will be transferable separately upon issuance. The units were offered at $3 per share, as a speculation.

Big Laurel, Inc. was organized under the laws of the State of Delaware in May, 1959 for the purpose of acquiring and developing real property. Its present intention is to operate principally in North Carolina in the vicinity of the Great Smoky Mountains National Park. It now owns property located in Swain County, N. C. This property, known as "Big Laurel," consists of four contiguous tracts containing in the aggregate approximately 2,100 acres. The company also owns a 160 acre tract located near Big Laurel.

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Stabler to Join Lazard Freres

C. Norman Stabler, for 35 years with the financial news department of the New York *Herald Tribune* and its financial editor from 1929 to 1951, will become associated with Lazard Freres & Co., 44 Wall St., New York City, members of the New York Stock Exchange, in an advisory capacity. He will assume his new duties July 1.



C. Norman Stabler

Mr. Stabler joined the *Herald Tribune* in 1925, covering railroads and public utilities. He was appointed Assistant Financial Editor in 1928 and Financial Editor in 1929, just prior to the great panic. He held this post until 1951 when he became a syndicated columnist, writing first under the title "Inside Wall Street" and more recently under the title "Stabler Views."

He has been a member of the Board of Managers of Swarthmore College for 12 years and serves on its Committee on Trusts. He is a co-author of the book, "What to do When War Comes," and is author of "How To Read the Financial News," a book designed primarily for high school and college students.

He is one of the founders, and a former president, of the New York Financial Writers Association, an actor in its annual lampooning show, and last month completed a term as President of the Society of the Silurians, an organization of veteran New York City newspapermen.

He was graduated from Swarthmore College in 1923, and during that year and part of 1922 was a reporter on the Philadelphia "Bulletin," later coming to New York with the Latin American staff of the Associated Press, then moving to the New York *Journal of Commerce*.

Asiel & Co. Will Admit Sandbach

On June 30th Robert J. Sandbach will acquire a membership in the New York Stock Exchange, and will be admitted to partnership in Asiel & Co., 20 Broad Street, New York City, members of the New York Stock Exchange.

Prescott & Co. To Admit Partner

CLEVELAND, Ohio — Prescott & Co., National City Bank Building, members of the New York Stock Exchange, on July 1st will admit Nelson S. Talbott to partnership.

Comparison & Analysis

FIRE & CASUALTY INSURANCE STOCKS

Bulletin on Request

LAIRD, BISSELL & MEEDS
Members New York Stock Exchange
Members American Stock Exchange
120 BROADWAY, NEW YORK 5, N. Y.
Telephone: BArclay 7-3500
Bell Teletype NY 1-1248-49
Specialists in Bank Stocks

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Insurance Stocks

For fire-casualty underwriting performance, seasonal hazards generally tend to be more pronounced during the first quarter of the year due to more adverse weather, fire, and accident experience. This first quarter dip cannot of course be relied upon as a certain trend due to the very nature of insuring uncertain risks. Even though 1960 underwriting performance shows a set-back for the first quarter period from the improved quarters of the last nine months of 1959, the dip is modest as compared with the sharp drop experienced during the first quarter of 1959. The table presented clearly shows a sharp relative improvement from a year ago.

The outlook for 1960 is a brighter one for insurance stocks. At least a modest improvement is expected. Supporting factors include increased application of higher rates, improvements in expense control, and stepped-up growth in investment income from insurance companies' managed portfolios. Investment income, up 10% for the industry in 1959, should achieve a comparable gain in 1960. The continuing increases in net investment income are significant to the investor since the increases in dividends tend to be related to such gains. As noted in the table, several companies already have increased cash dividend payouts and favorable action by several others can be anticipated during 1960. Frequent stock dividend distributions of course are not uncommon for fire-casualty stocks.

Leading Fire-Casualty Insurance Stocks

	Approx. Bid Price Range 1960-1959	Recent Mean Price	1959 Invest. Income	Divid.	Yield	Profit Margins 1st Quarter 1960	1959
Aetna Casualty	86- 66	80	$4.37	$1.20	1.5%	2.8%	— 1.5%
Aetna (Fire)	80- 61	76	7.27	2.60	3.4	1.3	—12.7
Agricultural	38- 27	34	3.24	1.60	4.7	—2.8	—13.4
American Insurance	32- 23	27	2.03	1.30	4.8	—2.8	— 9.0
Boston Insurance	36- 31	35	2.78	1.80	5.1	—3.7	—13.0
Continental Casualty	77- 55	75	2.46	1.20	1.6	—2.5	— 3.8
Continental Insurance	60- 45	53	3.45	2.00	3.8	—4.4	— 9.0
Federal Insurance	69- 53	58	1.80	1.00	1.7	5.8	3.5
Firemen's Fund	54- 42	55	3.73	1.80	3.3	—1.6	— 3.6
Glens Falls	40- 28	36	2.96	1.00	2.8	—1.9	— 9.5
Globe & Republic	23- 15	20	2.27	1.00	5.0	—7.0	—15.8
Gov't Employees	88- 68	84	1.38	1.00	1.2	--	--
Great American	48- 35	45	4.05	1.60*	3.6	2.4	— 9.1
Hartford Fire	53- 42	48	2.36	1.10*	2.3	0.1	— 2.0
Home Insurance	58- 46	58	3.91	2.20*	3.8	—2.6	— 7.7
Ins. Co. of N. Amer.	74- 57	67	2.70	1.80*	2.7	1.6	— 5.6
Maryland Casualty	43- 31	37	2.95	1.50	4.1	0.4	— 1.0
Merchants Fire	42- 29	33	2.15	1.20*	3.6	--	--
National Fire	149-110	150	8.45	2.00	1.3	2.3	— 3.6
New Hampshire	56- 41	52	4.70	2.10*	4.0	2.3	4.5
Northern Insurance	52- 40	42	2.54	1.50*	3.6	2.0	— 3.3
Ohio Casualty	34- 24	25	0.93	0.64*	2.6	7.0	8.9
Phoenix Insurance	85- 71	78	6.53	3.00	3.8	—0.6	—11.9
Providence Wash.	25- 18	21	2.38	0.80*	3.8	1.4	— 4.3
Reliance Insurance	54- 41	53	4.81	2.20	4.2	0.6	—10.8
St. Paul F & M	61- 52	58	2.35	1.30*	2.2	0.8	1.0
Springfield	37- 28	34	1.64	1.00	2.9	—0.2	— 7.0
Standard Accident	64- 45	49	5.89	2 00	4:1	—6.8	— 1.4
U. S. Fidelity & G.	42- 29	42	2.26	1.00	2.4	1.9	— 2.0
Western Casualty	47- 35	45	1.79	1.40*	3.1	2.9	0.2

*Increased cash dividend payouts during 1959-1960 period.

In 1959 an underwriting profit margin for the entire year, at 2.5%, was the first since 1955 for the stock fire-casualty industry. Heavy losses from such lines as Automobile Bodily Injury, due to the high incidence of traffic accidents and costly claim settlements, and Workmen's Compensation, plagued by rising costs, may still limit overall underwriting profits below a normal 5% margin for the industry. Nonetheless company experience in any insurance line can differ sharply from the industry's experience. Such diverse trends depend on the degree of success in careful selection of risks, markets served, control of expenses, alert property loss adjustments, and expansion of premium volume.

Competition has increased considerably from the headway made by concerns operating under independent rates and under direct merchandising methods. Only a handful of direct insurance writers has captured an estimated 30% of the private passenger automobile insurance business by the end of 1959 in a relatively short time. Their success is due to the ability to offer lower rates to customers by reducing operating overhead, such as acquisition expenses, and by careful selection of risks to minimize loss hazards.

Orthodox insurance companies are attempting to meet this direct writer competition but such recent steps as merit rating auto insurance, direct billing, package policies, and more modern marketing methods generally. Fundamental changes have been underway in the fire-casualty companies. Probably the most significant long-term adjustment is the development of "all lines" underwriting through the affiliation of life insurance companies, by acquisition or by organization. High premium rates, improved merchandising, and better control of expenses support the more favorable near-term results.

The broad scope of the insurance field offers to the investor varying combinations of growth, stability, income and indirect participation in the general bond and stock market. Some companies hold a high percentage in common stocks while others concentrate on bond holdings in their portfolios. Aetna Insurance and Boston Insurance are examples of the latter. Most insurance stocks sell at a considerable discount from their liquidating values. Predominantly property insurance stocks seldom hold forth strong growth potential; investor interest tends to center on cyclical recovery appreciation, attractive yields and sizable discounts from net worth.

For the investor inclined toward long-term investment, equities of those multiple-line insurance companies known for their superior earning power ability on rapidly increasing new premium volume hold the greatest potential. Although the quality stocks may appear high priced in the current market relative to the more cyclical issues, the evaluation is one based on outlook for profits and growth, rather than the seeking of depressed bargains for recovery prospects. Dividend increases are often more frequent, though such increases represent smaller percentage payouts of earnings. Casualty and life insurance markets, being less saturated, point the way toward faster growth.

Factors Influencing the Interest Rate Structure

Continued from page 3

struction alone required more than $54.3 billion. Of this amount, Federal, State and local construction was $16.0 billion, while residential construction was $22.3 billion (a large rise for this item) and other private construction was $15.0 billion. The total of $54.3 billion was much more than the 1958 sum of $48.9 billion, which had been the previous record.

The state and local capital outlays of 1959 were so large as to require the sale to investment dealers and investors of a record amount of long-term bonds, specifically $7.7 billion. Although debt retirements may have amounted to $2.5 billion, the net increase in the amount of outstanding bonds probably was the largest yearly increase to date.

In 1959, sales of corporate securities were even larger than those of state and local bonds. Corporate bonds, preferred stock, and common stock so issued totaled $9.6 billion, to which may be added net sales of investment company stock amounting to $1.6 billion.

Business loans and other loans made by commercial banks mounted upward almost steadily throughout 1959, moving by a net of $12.6 billion to a balance of $110.8 billion. In large part, the banks made these loans by steadily reducing their holdings of United States Government securities, cutting such holdings by $7.5 billion to $58.9 billion. There need be no criticism of this action, because a primary function of commercial banking is to satisfy the essential requirements of industry, business and other customers.

The demand for mortgages resulting from residential and commercial construction was met principally by savings and loan associations, life insurance companies, and savings banks. All holdings of such mortgages rose almost $20.0 billion, reaching a new high of $191.0 billion.

Financing was also needed last year to provide consumer credit. All types of consumer credit increased appreciably, despite good repayments of maturities of installment credit. The outstanding balance of all kinds of consumer credit was up $5.4 billion to $52.0 billion at the end of the year.

Furthermore, although the Federal Government began its current fiscal year on July 1, 1959, with prospects of a balanced budget, the next six months were the leaner period of the year. Thus, although the heavy deficit in the fiscal year ended June, 1959 is not being repeated, the net outflow for current account during the months of July through December, 1959, required an increase in the Federal debt of $6.1 billion. To raise this amount was difficult, not only because of the condition of the money market but also because the refinancing of maturing Treasury obligations was a formidable task aggravated by an arbitrary statutory restriction on the interest rate which may be paid on Treasury bonds.

In the face of demands for both short and long-term financing for all of these numerous purposes—that is, for state and local, corporate, individual and federal needs—demand overran the supply of capital available at the interest rates which had been quoted at the beginning of the year. This caused the values of bonds and other fixed income securities to decline in most months of 1959. The downward action of the market for United States Government obligations was harmful to other bonds, of course, since Government obligations are "bellwethers" for other kinds of bonds. But other bonds suffered not only as a result of the decline in Government security prices, but also because of the direct impact on them of stringent money market conditions.

This was true of all American and Canadian municipal bonds. Each of the various indexes of municipal bond yields published in the two countries reflected this deterioration. The lowest points in the American market (expressed by the highest yields) occurred in June, July, and September, when the index compiled by the "Daily Bond Buyer" registered 3.81%. Despite a moderate improvement in the fall of the year, the index was as high as 3.77% at the close of the year.

In Canada, a good index of Canadian provincial bonds closed at 6.12%. A similar index of Canadian municipals then read 6.60%. The former was almost 1% per annum, and the latter 1¼%, worse than the figures for the close of 1958.

The 1959 year-end American index of 3.77% may be compared to 3.38% at the close of 1958.

Parenthetically, while we are talking about indexes, I should like to say that the several commonly used indexes of American municipal bond yields are based upon specified names and certain maturities of obligations—but the latter in numerous cases are hypothetical. The indexes are the product of the market judgment of those who prepare them. Although they are carefully prepared and they are valuable as current bench marks, it should be understood that they are primarily useful in showing only the direction and duration of general market movements.

The indexes relate only to a very limited number of issues. In my opinion, they should not be used by officials of states or municipalities to determine the interest rates which those officials should expect to obtain for an issue of their bonds. Each bond issue has a market of its own. The indexes are general reflectors of market trends, but they are inadequate for judging the rate at which a single issue, particularly a large issue, may be placed with investors. Thus, officials who recently have been making public comparisons between bids submitted for their bonds, and such indexes, expressing dissatisfaction with the bids, are overlooking certain fundamental conditions affecting the market value of their offerings.

Increases in the yields of all kinds of bonds in 1959 were the means by which the free market attracted additional investors with capital. The most dramatic illustration of this occurred in the market for United States Government obligations. Last fall the Treasury's position was so acute that it sought subscriptions for 5% notes due August 15, 1964. This interest rate diverted many investors from their preoccupation with the stock market, and it may have prompted some consumers into their first buying of marketable bonds. Certainly, the offering induced numerous consistent savers to withdraw moneys from savings banks and savings and loan associations, in order to buy the notes. This caused temporary —although not serious—problems to those institutions. The Treasury offering really sparked action on the part of individuals. The $2.3 billion of these notes which were allotted to all subscribers well deserve the nickname "the magic 5's."

This rate opened the eyes of many people to the fact that the bull market in common stocks, which exceeded all previous highs

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in 1959, might have run ahead of a logical current plane. Common stock prices, in the main, had risen so much that the dividends-to-prices ratio was down to 3.18% at the end of 1959. Indeed, as early as 1957, dividend ratios had dropped below the quoted average yields of taxable corporate bonds of *fourth* quality. In the next year, such average dividend ratios dropped below the yield index of corporate bonds of even the *highest* quality. Thereafter, as bond yields further increased, the spread between dividends and bond yields became appreciable. At the end of 1959, the corporate bond yield index for highest quality bonds was 4.58%, and for fourth quality bonds 5.28%, both being much higher than the average dividend rate of 3.18% previously mentioned.

Historically, the only other times when this phenomenon has prevailed were the extra-ordinary periods of 1928-29, and 1933-36. Let's not be mislead, however. Although I am not a stock market bull, I do not assert that the current dividend rate and bond yield relationship will soon reverse itself to the more common pattern, even if bond yields should recede more than they have so far in 1960. The investing public is still so imbued with the desire for capital gains that many buyers will continue to choose equities.

Interestingly, however, bond market sentiment changed abruptly in January, 1960, amid much rejoicing by both issuers and municipal bond dealers. Before any change in underlying economic conditions could be definitely ascertained, a spirit of optimism took hold of numerous institutional investors. The initial event which promoted this optimism was the announcement by the President of the United States that the Federal budget for the fiscal year beginning July 1, 1960, would show a surplus of some $4 billion. This challenged the concept of recurring Federal budget deficits, which generate inflationary developments and a consequent unwelcome brood of problems in all sectors of the economy.

The change in sentiment made many common stock buyers apprehensive concerning the level of stock prices. The Dow-Jones index of certain stocks traded on the New York Stock Exchange had been as high as 685 on Jan. 5, 1960. This index receded to approximately 599 early in March, and after a slight rally, it again receded to 599 early in May, as many buyers turned from stocks to fixed income securities.

As investors more confidently bought bonds this spring, the yields of all types of bonds declined somewhat. In keeping with this development, many public bodies have been able to come into the market and borrow more advantageously than last summer. The exceptions to this generalization are those public bodies which, for one reason or another, have heavily saturated the market with frequent large offerings. I must say, however, that the interest rate trend this spring was not consistently downward. For instance, the American municipal bond market backed and filled during unusually short periods of time. Without detailing all of the minor changes, the 1959 year-end figure of 3.77% of the "Daily Bond Buyer" index, went to 3.50% by March, and subsequently reversed, the index becoming 3.62% at the end of May. In Canada, it was not until March and April that interest rates declined noticeably. Then the improvement was about 0.50% —that is, ½% per annum.

Very importantly, beginning in January, the Open Market Committee of the Federal Reserve Board appreciably helped monetary conditions by its operations. The Committee apparently purchased enough Treasury bills, or otherwise provided funds, to ease the position of the commercial banks. The latters' position has also been helped by a moderate decline in the outstanding balances of their loans. The commercial banks had been borowing for many months from the Federal Reserve Banks in such volume that their aggregate borrowings exceeded the total of reserves which all commercial banks are required to maintain with the Federal Reserve System. Such borrowings in excess of reserves are called a "negative reserve" position.

The recent actions by the Open Market Committee in the short-term money market caused a reduction in negative reserves from levels approximating $500 million early in January, to approximately $100 million in the middle of May. Indeed, several weeks ago negative reserves were eliminated; this for the first time in 14 months. In other words, the commercial banks as a group went on a free reserve basis. Although last week's figures again showed a negative reserve position, it was small.

Why did the Federal Reserve so move to aid the easing of monetary conditions? In part probably because of the diminution of obvious inflationary psychology. While that psychology had prevailed, the Board exerted a conservative force to minimize or prevent a runaway spiral of prices. When the fever of speculation was subsiding, the Federal acted carefully to ease the monetary stringency. The Federal aims to promote the equilibrium of business conditions. This being so, its action may have been prompted by questions concerning the business outlook which arose early in the year. Despite the high degree of activity in which we are now engaged, there has been some concern about the possibility of a relapse. This concern arises from a slight adverse movement in the index of industrial production and uncertainties as to a few lines of business. Steel output has been disappointingly low this year. A report last week showed steel output as low as 67% of capacity. Furthermore, new housing starts have been lower this year than during comparable months of 1959. Yet, gross national product was $500.2 billion in the first quarter of 1960.

The recent easier short-term monetary conditions have played a part in causing a moderate reduction in long-term interest rates. The change, however, was marked by fluctuations up to last week. This indecisiveness reflected conflicts in opinion as to the degree of business activity which may be expected during the remainder of the year.

Of course, three weeks or so ago all of us were seriously concerned about the effects of the disruption of the planned summit-conference. Earlier expectations of some benefits to be derived from the meeting had been so widespread that we were unprepared for the porcine politics played in Paris by the mendacious Muscovite. Such antics were a distinct shock and the immediate reactions in the United States affected both the stock and bond markets. In the belief that events now require the United States to expand defense measures, many persons proceeded to bid actively for the common stocks of aircraft, missile, electronic and similar companies, and the prices of those stocks rose sharply. While this buying also spread to other classes of stocks, the various average price indexes of stocks on the New York Stock Exchange have moved up only moderately. For example, the Dow-Jones index recently reached approximately 6.29, an increase of 18 points above the close on the Friday preceding Mr. K's antics.

According to news reports, certain members of the United States Senate propose to vote for sizably larger appropriations for defense, although the House Appropriations Committee seems to be more conservatively minded. There is a nice question as to whether much additional money can now be efficiently spent for such purposes. At any rate, the highest estimate of increased appropriations for defense purposes which has been responsibly quoted has been $3 billion, on top of the current Defense Department appropriation of approximately $41 billion. In considering the suggested increase, it should not be forgotten that the early estimate of a surplus for the Federal fiscal year beginning July 1, 1960, was somewhat in excess of $4 billion, so that an increase of the mentioned amount would not cause a deficit.

The Federal Administration apparently takes the position that the current and proposed budget estimates for the Defense Department had anticipated all essential needs, and that the developments of the middle of May do not substantially alter the perspective.

So far as the municipal bond market is concerned, the immediate effect of the disruption of the summit conference was some hesitancy by investors. Since then, the inventory of bonds in the hands of dealers, which is quite heavy, has moved fairly well.

Most of the issues which newly came into the market since the mentioned event have been distributed satisfactorily, and generally the market brushed off the international situation in an encouraging manner.

The big news on Thursday, June 2, was the action of the Federal Reserve Banks of Philadelphia and San Francisco in cutting their rediscount rates from 4% to 3½% per annum. This is the rate charged by them to commercial banks on the latters' borrowings from them. Beyond any possible dispute, this is good news, indeed, in favor of improved bond prices. It is freely predicted in the Street that the ten other Federal Reserve Banks will soon make similar cuts. [*Ed. Note:* The lower rate was subsequently adopted by the other Reserve Banks.]

Beyond the action by the Federal Reserve, we should watch the trend in general business conditions. Any easing of business conditions probably will bring about some further improvement in interest rates.

It is axiomatic that a slight margin of excess demand for money, or conversely, a slight excess in the supply of money, can have an appreciable effect upon interest rates. The marginal demand, or, oppositely, the marginal money, is so active in bidding for attention that there is a cumulative effect.

While the immediate outlook has been made rosier by Federal Reserve action, it seems appropriate to say that we are probably in a decade in which interest rates will not decline materially from the present level, except during periods of monetary ease stemming from unusually stable economic conditions or from recessions. The recessions of the past decade—namely, 1954 and 1957-58 —were short, and there are few who would venture the opinion that any in the near future will be other than of a similar character.

While many people are talking now about the "soaring sixties," we should not forget that the raising of large families places a financial burden upon earners. It is demographic fact that the number of births in the United States has risen with each year, with few exceptions, since 1940. Moreover, the children of the 1940's will soon reach maturity. The number of women of marriageable age will be much larger during the next decade than heretofore. This leads to the conclusion that new family formations will soon again increase. Municipal officials will know the effect of increased population upon the need for additional schools, roads, water systems, sanitary systems, and other public improvements. If, before long, the local public facilities in particular communities may be large enough to serve for some years to come, it is likely that many areas now devoted to farmland will become new and expanding municipalities, requiring services and public works to be newly provided.

In short, the economies of both the United States and Canada must assume heavier debt burdens to provide these improvements. If the supply of new capital is sufficient to meet the fresh demands, interest rates need not rise further, but there is no doubt that the demand for capital will be heavy.

Admittedly, the volume of bonds issued by American states and municipalities so far this year is less than during a comparable period last year. Specifically, the volume for the first five months of 1960 has been $3.1 billion, a decline of 14.7%. The lower volume may be a feature of our market throughout 1960, because local units' construction estimates were quite moderate at the beginning of the year. I believe, however, that this is only a mild lull in a long-term trend of volume which will be generally upward, because of the anticipated population growth.

To return to the factors which could be watched for indications of the trend of municipal bond interest rates in the near future, I should also mention two in addition to those heretofore discussed:

(a) The unsold inventory of investment dealers, as reflected by the *Blue List*, a trade publication listing dealers offerings, and

(b) The volume of bonds scheduled for sale during the next 30 days, as continuously reported by the *Daily Bond Buyer*.

Both of these items are given daily attention by most investment dealers.

There is another factor which has originated within the last two years and which has not been given as much consideration as it deserves. That is the adverse balance of trade in the United States. Canada, too, has a similar balance of trade problem.

Within the last two and one-half years the United States has had a sufficiently adverse balance of trade so as to cause a heavy outward movement of gold, reducing the gold stock by $3.4 billion to $19.3 billion. This is not a development which in itself should precipitate excessive alarm, but it reflects a condition which cannot continue indefinitely. Among other things, it could prejudicially affect interest rates. It is of sufficient concern to have prompted the Secretary of the Treasury of the United States to write a comprehensive article entitled, "The Balance of Payments Problem" which appeared in the magazine, *Foreign Affairs*, in April, 1960. Various commentators have urged that industry increase its exports to rectify the adverse trend, but this is easier said than done, in view of high wage levels in the United States.

Very recently, the balance of trade in Canada has been running against that nation quite severely, so I am told by Canadian bankers. This may be the principal cause of the decline of the Canadian dollar from a March quotation of $1.0515 in terms of United States currency, to a recent quotation of $1.0190. The decline in the price of the Canadian dollar is not unwelcome, according to some of my friends in the Dominion, as it should help to promote the further movement of investment moneys from the United States to Canada. Naturally, however, responsible Canadians do not wish the decline to go so far as to cause unsuitable effects within that nation.

If, in either country, artificial influences of political origin are exerted, during any considerable period of time, in an effort to reduce interest rates, the result would ultimately be a most serious economic maladjustment—in short, a smash of disastrous consequences. Thus, in our individual and collective thinking, we should affirmatively maintain the necessity for the natural operation of economic laws in order to permit the continued adequate growth of our nations.

Unfortunately, one item of an artificial nature has won a good deal of support in the Congress of the United States. Some legislators would continue the arbitrary interest rate limit of 4¼% per annum as the maximum at which the United States Treasury may issue its bonds maturing in more than five years.

It is quite imperative that the Treasury fund or refund a considerable amount of the national debt for a longer time than five years. The total debt is huge, amounting to some $289.1 billion. Of the total, $187.6 billion is marketable debt of which 80% matures within five years. This ratio contrasts with 50% in 1946 and 67% at the end of 1952. Even though the Federal Government's budget will be balanced, the Treasury must cover a net cash outflow in the six months beginning in July. Moreover, it must refinance obligations outstanding in the hands of the public which mature within the next 12 months in the amount of some $80 billion. Such operations place a strain on the money markets. The large volume of short-term obligations adds unnecessarily to the potentials of inflation. This is true because the holders of short-term securities can readily let them "run off at maturity," in order to obtain cash for goods or services.

Regrettably, last month one of the associations of local public officers adopted a resolution encouraging Congress to allow the 4¼% rate limit on bonds of more than five years' duration, to remain on the statute books. Their argument was that, if the Federal Government could not issue long-term bonds in quantity at the stipulated maximum rate, there would be more investment money available for municipal bonds. This is a short-sighted policy. If sound Federal credit management is further jeopardized, there ultimately will be reactions prejudicial to local government credit. Local officials should stay out of the Treasury's backyard, so as not to interfere with its essential operations.

At the same time, the Treasury should stay out of local backyards. It has shown a tendency to ignore a vital rule of the game of American progress—the constitutional rule of separate spheres of jurisdiction for the Federal Government, on the one hand, and the states' and local governments, on the other hand. At various times in the past under different Administrations, it has requested the Congress to strike down the immunity of states and their instrumentalities from Federal taxation. Of course, the Treasury has not been the only party that has sought such an objective. The objective is popular with numerous persons who wish to see greater and greater degree of centralization of American government in Washington.

The idea that local affairs can be better run from Washington by bureaucratic influence or direction, is a pernicious belief which imbues the thoughts of too many persons. Usually they do not acknowledge their objective, hiding it behind other arguments. They have been so sufficiently clamorous for attention that last November the House Committee on Ways and Means held hearings on two broad propositions of vital concern to local officials. These were, first, the possibility of Federal taxation of the interest on

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Factors Influencing the Interest Rate Structure

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state and municipal bonds, and, second, the taxation of the income of states and their subdivisions, particularly the income of their utilities. These were included among a number of other topics considered by the Committee at its public sessions, following the filing of many papers submitted by its invited witnesses. The papers are available in printed form.

Some of the critics of tax immunity are well regarded gentlemen of solid attainments in academic and professional pursuits, whose earnestness cannot be deprecated. In their willingness to ignore a fundamental concept upon which this Republic is based, they astonish me. They seem studiously to ignore the merits and values of local government.

With similar avoidance of pertinent relationship, the critics of tax immunity decline to face the importance of local administration, the enormity of the tasks which must be performed within each state and each municipality, to meet the requirements of an expanding population, and the necessity for preserving the administrative and fiscal means by which local government has proved its ability to achieve constructive results.

My reason for referring to this topic is that tax immunity is of distinct advantage in broadening the market for municipal bonds. Without this immunity, local governments would pay decidedly higher interest rates on their bonds. Without belaboring the point at this time, let me point out that there are literally thousands of issues of smaller American municipalities and school districts, coming into the market each year, which are not rated by the investment rating services. More than any others, they need tax immunity as a means of providing marketability to their bonds. Sincerely, I believe that these issuers would not be able to borrow at all within existing statutory interest rate limits during times of monetary stringency, if interest on their bonds were taxable by the Federal Government.

Heretofore, the Congress has wisely adhered to the doctrine of reciprocal immunity, so that the United States might not burden local governmental activities, and neither the states nor municipalities might tax Federal Governmental activities. I feel confident that the Congress will wish to continue this well-conceived doctrine, but municipal officers must be alert to unmask proposals which often are so subtly phrased that their encroachments on state and local government are not apparent.

The immunity of the American states and their municipalities from Federal taxation is neither a privilege nor a subsidy granted by the United States. Such immunity may not be altered without the consent of the states, given by ratification of a constitutional amendment to that effect.

The transcendent importance of the doctrine of reciprocal immunity was well-emphasized some years ago by Justice Black of the Supreme Court of the United States, who was joined by Justice Douglas in the following declaration in the *Saratoga Springs* case:

"A tax is a powerful, regulatory instrument. Local government in this free land does not exist for itself. . . . If the Federal Government would place the local government on its tax collector's list, the capacity to serve the needs of their citizens is at once hampered or curtailed. . . . The power to tax lightly is the power to tax severely. The power to tax is indeed one of the most effective forms of regulation. And no more powerful instrument for centralization of government could be devised. . . . The power of one sovereign to tax another is an innovation so startling as to require explicit authority if it is to be allowed. If the power of the Federal Government to tax the States is conceded, the reserved power of the States guaranteed by the Tenth Amendment does not give them the independence which they have always been assumed to have. They are relegated to a mere servile status. They become subject to interference and control both in the functions which they exercise and the methods which they employ. They must pay the Federal Government for the privilege of exercising the powers of sovereignty guaranteed them by the Constitution, whether, as here, they are disposing of their natural resources, *or tomorrow they issue securities* or perform any other acts within the scope of their police power. . . ." (326 U. S. 593, 595).

***An address by Mr. McGee before the Municipal Finance Officers Association of the United States and Canada, New York City, June 8, 1960.**

Nathan Joins Brager & Co.

WASHINGTON, D. C.—Robert R. Nathan, former economic advisor in the Roosevelt and Truman Administrations, will head a major American effort in the sale of Israeli securities, in the United States, it is announced.

One of the country's leading economists, Mr. Nathan was elected Chairman of the Board of the newly organized firm of Brager & Company, 1218 Sixteenth Street, N. W., specialisis in Israeli securities.

Harry E. Brager, formely head of Harry E. Brager Associates, was named President of the new firm which reorganized to participate in the State of Israel's five-year master plan for $250,000,000 in private investments from the United States.

President of his own firm, Robert R. Nathan Associates, Mr. Nathan has been economic advisor to France, Burma, Korea, Puerto Rico and Colombia and is a widely read author of books on the American and Israeli economic scene. He was chairman of the planning committee of the War Production Board and a deputy director of the Office of War Mobilization. He is also a member of the National Board of Governors of the Israel bond organization.

Russell Slade With J. R. Holt Co.

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Russell Slade has become associated with J. R. Holt & Company, 1700 Broadway. Mr. Slade was formerly an officer of Purvis & Company and in the past conducted his own investment business in Denver.

Baird & Clark Open

ROCHESTER, N. Y.—William C. Baird and Robert A. Clark are engaging in a securities business from offices at 3140 Monroe Ave.

V. J. Rockler Opens

(Special to THE FINANCIAL CHRONICLE)

MINNEAPOLIS, Minn. — Vernon J. Rockler & Co. has been formed with offices at 2727 Dean Boulevard to engage in a securities business.

Edwards Joins National Securities

James B. Edwards has joined National Securities & Research Corporation, 120 Broadway, New York City, as a wholesale representative in the Eastern territory, it was announced by E. Waln Hare, Vice-President in charge of sales.



J. B. Edwards

In his new position, Mr. Edwards will be under the executive supervision of Vice-President G. Sellers Smith and will assist John M. R. Morton, Resident Vice-President, in the Eastern territory. Before joining National, Mr. Edwards was with Harris, Upham & Company and Auchincloss, Parker & Redpath. He also was associated with a leading mutual fund distributor in a wholesaling capacity.

McFadden V.-P. of North Amer. Secs.

Brian M. McFadden has been named a Regional Vice-President for North American Securities Company, sponsors of the Commonwealth group of mutual funds. Mr. McFadden maintains headquarters at 44 Wall Street, New York City as Regional Representative for the distribution of Commonwealth Investment Company, Commonwealth Income Fund and Commonwealth Stock Fund shares.

Elect Officers

W. Brewster Southworth of Nichols & Co., Boston, Mass., was re-elected President of the Wool Associates of the New York Cotton Exchange, Inc. at the Annual Election. Re-elected 1st Vice-President is Irving Weis of Irving Weis & Co., New York City. Re-elected 2nd Vice-President is Elliot W. Brown of the National Wool Marketing Corp., Boston, Mass. Re-elected Treasurer is Bruce S. Lachlan, Jr. of New York City.

Those elected to the Board of Governors are: James J. Caires, Boston; Marshall N. Cohan of Cohan and Company, Boston; Georges A. Florin of Prouvost Lefebvre of Rhode Island, Inc., Boston; Eugene M. Grummer of New York City; E. Bradford Keith of The Top Company, Inc., Boston; W. Gordon MacCabe of J. P. Stevens & Co., Inc., Greenville, S. C.; William Reid of Bache & Co., New York City; Charles R. Rudd of Marriner, Reed & Co., Lawrence, Mass.; George M. Thurmond of Thurmond & Co., Inc., Boston; William G. Wigton of Orvis Brothers & Co., New York City and John M. Williams of Royce & Co., New York City.

With the exception of Mr. Grummer, all of the others were members of the retiring Board who were re-elected.

Women Accountants Elect

CHICAGO, Ill.—Miss Elenore M. Kuberske, Harris Trust and Savings Bank, Chicago, has been elected President of the Chicago chapter of the American Society of Women Accountants.

With Hayden, Stone

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Willard H. Lea has become affiliated with Hayden, Stone & Co., 5657 Wilshire Boulevard. He was formerly with Binder & Co., and Alkow & Co., Inc.

$62 Million Oroville-Wyandotte Dist. Revenue Bonds Offered to Investors

Revenue obligations of California municipal unit being distributed by group jointly managed by F. S. Smithers & Co. and Salomon Bros. & Hutzler.

F. S. Smithers & Co. and Salomon Bros. & Hutzler are joint managers of the group that publicly offered on June 21 a total of $62,000,000 Oroville-Wyandotte Irrigation District, California, South Fork Power revenue bonds, second issue. The bonds consist of $47,865,000 of 4¼% term bonds, due July 1, 2010, which are being reoffered at 104¼%, which represents a current yield of 4.076%, a yield to first call in 1980 at 104½% of 4.086%, and a yield to maturity of 4.051%; and $14,135,000 of 6%, 4¾% and 4½% serial bonds which are being reoffered to yield from 3.10% for bonds due in 1966 to 3.75% for the 1982-85 maturities.

The group was high bidder for the bonds at competitive sale on a bid of 105.09 for the combination of coupons.

Rated A-1 by Standard & Poor's, the bonds are payable, both principal and interest, exclusively from the bond revenues of the district's South Fork Project. Under an agreement with Pacific Gas and Electric Co., the company will make semi-annual payments for the purchase of power of $1,564,000, which equal principal and interest requirements. Additional monthly payments by the company are provided to meet all necessary costs of operation and maintenance.

The Oroville-Wyandotte Irrigation District was formed in 1919 and has operated certain irrigation and water supply facilities continually since that time, serving an area of approximately 24,000 acres in Butte County, about 175 miles north of San Francisco. The South Fork Project is a multi-purpose project designed for the conservation of waters of the South Fork of the Feather River and Slate Creek for irrigation and domestic purposes, and for the generation of electric energy. Principal project features are four storage reservoirs, three power plants, diversion dams, tunnels, and certain irrigation facilities. The bonds were authorized at an election held on Dec. 16, 1958 to provide funds for the South Fork Project.

Among those associated with F. S. Smithers & Co. and Salomon Bros. & Hutzler in the offering are:

Ladenburg, Thalmann & Co.; Dominick & Dominick; Wood, Struthers & Co.; Hayden, Stone & Co.; Bache & Co.; Francis I. duPont & Co.; Allen & Company; Riter & Co.

Stroud & Company Incorporated; W. E. Hutton & Co.; Goodbody & Co.; W. C. Langley & Co.; Rand & Co.; Stephens, Inc.; Stifel, Nicolaus & Company Incorporated; Fahnestock & Co.; Baxter & Co.

THE SECURITY I LIKE BEST...

Continued from page 2

puter applications the recorders are used for automatically providing graphic solutions to test problems. With accessories they become key part of computer set-up.

(c) *Precision Amplifiers*—13% of sales. These instruments are vital to many measuring applications. Amplifiers take tiny electrical signals and magnify them for use with other instruments.

There are large requirements for operation in missile check-out systems and laboratory use, as well as applications in medical and process control fields. Three new models were developed in 1959.

(d) *Systems* — 15% of Sales. The company makes up and sells systems employing various combinations of proprietary items supplemented with equipment such as electric typewriters, printers, tape punches, card punches and magnetic type devices. Generally, these systems select, measure, store and compare voltages against prescribed standards and indicate proper function requiring correction.

The largest area of application is in pre-flight automatic check-out equipment for missiles and aircraft weapons systems.

New systems developed during the past year are concerned with testing of capacitors, diodes and transistors. Systems will contribute a much larger percentage of sales in the future.

(e) *EI Scopes* — Was newly formed to handle oscilloscopes products. These will be special purpose types which will feature transistorized circuits for miniaturized applications. This line will be operational in 1960.

Customers and Sales Breakdown

(a) Missile programs such as Atlas, Titan, Polaris and Thor use EI products for testing effectiveness of electronic components. Other missile programs such as Nike and Minuteman also employ the company's test equipment.

(b) Company has employed its own sales force from the start, on both the East and West Coasts.

(c) Commercial application of EI products has not been extensive. However, indication of possible installations in connection with quality control have come from a broad cross-section of industry.

(d) The company is not substantially dependent on any single purchaser, although 85% of its product is destined for military end-use. The missile industry takes 65% of the company's volume and electronics 12%.

Research

Electro Instruments in its search for wider product applications, introduced 32 new products in the third quarter of 1959 including lines of microwave test equipment and oscilloscopes; both important growth areas. It is significant that all of the company's current products were not in existence three years ago.

An even more important factor that augurs well for the future is the exceptional proportion (15%) of sales plowed back into research and development. This fact is more encouraging considering that profits and margins are maintained at such a high level.

Sales and Earnings—Year-End May 31

Year	Sales (Mil.)	Earns. Per Share
1961 (est.)	$15.0	$2.25
1960 (est.)	9.5	1.50
1959	6.0	1.06
1958	3.6	0.70
1957	3.4	1.08*
1956	0.94	0.15
1955	0.25	0.07

***$0.55 under normal profit margin.**

Earnings have been compounding at a 40-50% growth rate since 1957.

Electro Instruments is capitalized in the market at $30 million,

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twice the $15 million sales estimated for the next full year and 23 times earnings.

Management

Top management has always been the foundation on which superior companies grow from and Electro Instruments is fortunate in having people who are leaders in their field. 20% of the personnel are engineers.

Capitalization

The capitalization of 602,000 shares outstanding (management owns 52%) is small enough to take full advantage of important developments in the company.

Future of Business

The company is just starting to explore the wide industrial applications of its products and will rapidly increase its non-military business in the next two years. The potential market for digital instrumentation should triple in the next four years.

Acquisitions

Electro Instruments hopes to derive new sources of revenue from its two 1959 acquisitions, Transformer Engineers (transformers and magnetic components) and International Electronics (world-wide sales organization). It is actively looking for other companies in related fields.

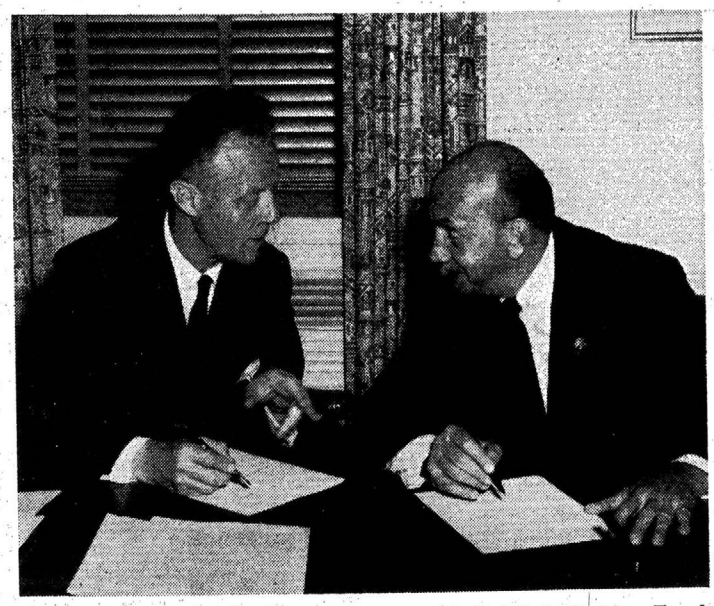
Financial Position

The company's position is good with current assets 2.2 times current liabilities.

During the first five years, Electro Instruments has compiled an excellent record of growth. The next five years should be just as rewarding. The stock is traded in the Over-the-Counter market.

Signing City of Oslo, Norway, Bond Offering Agreement

Egil Storstein (left), Chief Municipal Administrator (Finance) of the City of Oslo, Kingdom of Norway, and J. Emerson Thors, partner of the investment banking firm of Kuhn, Loeb & Co., are shown signing the agreement of sale relating to the public offer-



ing June 22, 1960, of $10,000,000 City of Oslo 5¾% Sinking Fund External Loan Bonds due 1975.

The bonds are being offered by an underwriting group headed by Kuhn, Loeb & Co.; Harriman Ripley & Co., Incorporated; Lazard Freres & Co., and Smith, Barney & Co. at 99% plus accrued interest.

The Norwegian kroner equivalent of the net proceeds to be received by the City of Oslo from issuance of the bonds will be advanced by the City's Loan Fund to the Oslo Electricity Works, the Oslo Harbor Authority and the municipal tramway companies, for use in their continuing capital expenditure program.

The signing took place at the offices of Kuhn, Loeb & Co.

Reynolds Heads Alside Offering

An underwriting group headed by Reynolds & Co., Inc. offered on June 21, 300,000 shares of Alside, Inc. common stock priced at $11 per share. The company proposes to use the proceeds from the sale to provide consumer financing by purchasing consumer paper from the company's distributors and dealers.

Alside, Inc. was incorporated in Ohio in 1947. Although it is an operating company, a substantial portion of its business is conducted through wholly-owned subsidiaries. It manufactures and distributes aluminum lap siding and vertical paneling in a baked enamel finish, together with a variety of related aluminum accessories. The company's products are used primarily for improving existing residential structures and, to a growing extent, for new construction.

While the aluminum siding industry has not as yet developed an accurate reporting system for industry sales, the company estimates that it is the largest manufacturer of aluminum siding in the U. S. Its primary supplier of aluminum is Reynolds Metals Co.

For the four months ended Jan. 31, 1960, the company reported net sales of $5,988,318, and net income of $269,700. This compares with $3,868,545 and $144,495 for the corresponding period a year ago. For the year ended Sept. 30, 1959, net sales were $19,674,534 and net income was $1,204,046.

Capitalization, after giving effect to this sale, will consist of 300,000 shares of common stock without par value and 1,564,480 shares of class B common stock without par value.

The Dollar Surplus Problem

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some, for its constitutes a powerful anti-inflationary force.

Warns Against Protectionism Policies

The increased competition from abroad has created a demand to raise tariffs and to impose quotas on many imported commodities from manufacturers and workers who have been adversely affected by this development. While it is quite clear that U. S. industry and labor must be protected against a flood of goods from countries where wages and living standards are very low, a general policy of trade restriction is not only economically unsound but also politically dangerous. Raising tariffs and imposing quotas are a double-edged sword, for they lead to retaliation by countries adversely affected by them. This in turn leads to general trade restrictions followed by exchange control and to a general decline in business activity. Developments during the early 1930's have fully demonstrated the consequences of the policy of trade restrictions.

Furthermore, a nationalistic foreign trade policy of the U. S. would drive the countries most affected by it into the arms of the Soviet Union. This would weaken the free world and make it easier for the Soviet bloc to intensify economically the cold war. The fact must be borne in mind that the ability of the Soviet Union and the countries dominated by it to absorb manufactured goods is enormous and that in their exports, cost of production and profits are far less important than political considerations.

The answer to international competition is not higher tariffs and more quotas but a general reduction of trade and payment barriers. As far as the U. S. is concerned, the answer lies in inducing foreign nations to remove restrictions on dollar imports, in greater productivity and efficiency, more emphasis on the quality of goods, a policy by the government and Congress to stimulate larger investments in plant and equipment, and a realization on the part of some labor leaders that increases in wages, beyond those warranted by productivity, invite foreign competition and lead to the loss of jobs.

The above comments should not be interpreted as a plea for free and unrestricted international trade. While wage and cost differentials in the various countries are as great as they are today, this obviously is impossible. It goes without saying that American industry and labor must be protected, but not to a point where it encourages inefficiency and featherbedding and leads to retaliatory measures by other countries. After all, imports into this country create the means to pay for exports which create jobs and profits.

Increasing Receipts From Abroad

Since a reduction in defense expenditures and foreign economic and military aid is under present conditions impossible, and since a curtailment of capital exports and of imports of goods is not desirable, it follows that the only way to cure the adverse balance of payments is through an increase in receipts from abroad through larger exports of goods and services. In part, this is already taking place. Average monthly commercial exports from the U. S. during the first quarter of 1960, aggregated $1,538,000,000, as compared with monthly exports of $1,368,000,000 during 1959. While, to some extent, this increase may be due to temporary factors, at least in part it reflects the reduction of restrictions by several countries against dollar imports. With the disappearance of the dollar shortage, there are no more reasons for the discrimination against American goods. The U. S. Government is fully cognizant of this fact and is endeavoring to achieve further liberalization. The demand for American products abroad is great. Their quality is well known; and as the standard of living of the various nations rises, this demand will be intensified. It will, however, require greater efforts than are made today on the part of American manufacturers and exporters to broaden the market for their products.

International competition is based not only on quality and price but also on the term of sales and on the length of credit that the exporter can extend. This is in part the function of the commercial banks. Ways and means must be found by the banks of the country and the government to enable American exporters to grant the same or even better terms than are offered by European manufacturers. This already is taking place, and the recent efforts made by the government and the banks are bound to bring the desired results. The large exports of capital of the past year will lead to a constant increase in receipts from abroad in the form of interest, dividends, and profits.

There is also a good possibility that foreign tourist expenditures in the U. S. may increase in the coming years. Restrictions on foreign travel in many countries have been eased or entirely eliminated. Some regulations which annoyed seekers of American tourist visas have been eliminated, and numerous suggestions have been offered to make it even easier for foreigners to visit this country. In time, the increased receipts from exports from American investments abroad and foreign tourists plus the repayment of some outstanding loans will rectify the balance of payments of the country. The deficit need not necessarily be converted into a surplus. In fact, a moderate deficit is desirable, for it leads to a continuous increase in international liquidity of many countries.

Conclusion

The changed international financial position of the U. S. A. is in part the result of the efforts of this country to rehabilitate the war-torn economies of the countries of the free world. It does not reflect a weakness of the American economy nor indicate that its products have lost their competitive position in the world. The accumulation of a large amount of short term American assets in the hands of foreign governments, central and private banks, while the result of the large adverse balance of payments during the past two years, is a sign of confidence in the dollar which for many government and central banks has taken the place of gold. It has increased the international liquidity, has made possible the return to limited convertibility by many countries, has restored the international money market which had remained practically inoperative since the collapse of the gold standard in the early 1930's, and has led to the removal of many trade and payment restrictions imposed during the period of the dollar shortage.

The dramatic shift in the balance of payments of the U. S. A. is only one of the many startling postwar economic and political changes. The formation of the Common Market and the Free Trade Area is a sign of the times and a realization that economic nationalism can only serve the purposes of international Communism and undermine the resistance power of the free world. Close economic cooperation among the leading industrial nations will not only be to their own advantage but will also better enable them to assist the underdeveloped countries in raising their output and thus the living standards of their people.

The rehabilitation of the Western European countries and Japan and the reestablishment of the international money market with all that this implies offer the U. S. A. new opportunities and a new challenge. They open up new markets for American products and know-how. They create new transactions to be financed by the American banks and an opportunity to participate in the economic growth of the various nations. It also constitutes a serious challenge. First and foremost, while the balance of payments is still adverse, every effort must be made by the Congress, the Administration, business and labor leaders to maintain the integrity of the dollar at home and abroad and to avoid taking measures which might undermine confidence in the dollar.

Second, the only and surest way under present world conditions to rectify the balance of payments is through an increase in the American receipts from abroad and not through raising of tariffs and the imposition of new quotas. The latter measures, if adopted, could destroy all the benefits achieved through the massive aid of the American people to the free world.

Finally, the failure of the Summit Conference has revealed in a glaring light the imperative necessity of economic and political cooperation among the leading nations of the free world. In this, the commercial banks of the country can play a leading role. Not only can they assist in financing the international trade of the free world, and in granting short term loans to foreign banks and governments, but they also can contribute materially to provide some of the economically retarded countries with banking facilities and banking know-how. International finance is therefore a field of great interest to the bank officers, particularly of the larger institutions.

*An address by Dr. Marcus Nadler before The Stonier Graduate School of Banking of the American Bankers Association, Rutgers — The State University, New Brunswick, N. J., June 17, 1960. This is the third annual Harold Stonier Memorial Address, made in commemoration of the contributions made to The Stonier Graduate School of Banking by the late Harold Stonier, founder of the School.

Deans Director Of Channing Corp.

The election of Robert B. Deans, Jr., as a director of The Channing Corporation has been announced by George Carleton, Jr., President of the holding and operating company with financial subsidiaries supervising eight U. S. and Canadian mutual funds; insurance companies, and a ball-bearing manufacturing division.

Mr. Deans, who joined the Channing organization in 1957, is a vice-president and member of the Investment Committee of Van Strum & Towne, Inc., a director of Van Strum & Towne (Canada) Ltd., research and management companies of the Channing group of mutual funds, and a Director of Economic Analysts, Inc.

Mr. Deans has had extensive experience in the fields of investment banking, securities analysis and foreign banking. He started his business career with the New York Trust Co. in 1946; was with Economic Analysts, Inc. from 1947 to 1949; with Lehman Brothers, 1949-51; recalled to active duty with the Marine Corps in 1951-52; joined the Chase Manhattan Bank in 1952, and in 1957 he became associated with The Channing Corp.

Roy J. Adams Co.

SPOKANE, Wash.—Roy J. Adams is now conducting his investment business under the firm name of Roy J. Adams Company. Offices are at W. 524 Riverside.

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Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

• A. K. Electric Corp. (6/24)
May 4 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—231 Front St., Brooklyn, N. Y. **Underwriter**—Hilton Securities, Inc., 580 Fifth Ave., New York, N. Y.

Agricultural Research Development, Inc.
May 23 (letter of notification) 120,000 shares of common stock (par five cents). **Price**—$2.50 per share. **Proceeds**—For construction of buildings, purchase of equipment and for working capital. **Address**—Wiggins, Colo. **Underwriter**—Ladet & Co., Inc., Denver, Colo.

Allied Bowling Centers, Inc.
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 offering has been postponed.

Airport Parking Co. of America (6/27-7/1)
April 27 filed 42,574 shares of class A common stock (no par), including 25,000 shares to be issued and sold by the company and 17,574 shares which are outstanding and will be offered by the holders thereof. **Price** — To be supplied by amendment. **Proceeds**—Principally for various leasehold improvements. **Office**—1308 Prospect Ave., Cleveland, Ohio. **Underwriters**—L. F. Rothschild & Co., New York, and Murch & Co., Inc., Cleveland, Ohio.

Alaska Empire Gold Mining Co.
April 12 (letter of notification) $300,000 of 6% income notes to be offered in multiples of $100 each. **Price**—At face value. **Proceeds**—For mining expenses. **Address**—Juneau, Alaska. **Underwriter** — Stauffer Investment Service, 1206 N. W. 46th Street, Oklahoma City, Okla.

• Alderson Research Laboratories, Inc. (7/11-15)
May 26 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—48-14 33rd St., Long Island City, N. Y. **Underwriter** — Morris Cohon & Co., New York, N. Y.

Allegheny Pepsi Cola Bottling Co.
June 9, 1960, filed 200,000 shares of common stock and $500,000 of first mortgage bonds, due 1963 through 1972. **Price** — $5 per common share, and bonds at 100% of principal amount. **Proceeds**—To purchase the outstanding shares of the Cloverdale Spring Co., and the balance for the general funds. **Office**—Guildford Ave., Baltimore, Md. **Underwriter**—Weil & Co. of Washington, D. C.

• Ameco Electronic Corp.
May 19 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—37 E. 18th Street, New York, N. Y. **Underwriter**—Palombi Securities Co., New York, N. Y. **Offering**—Expected in late July.

American Bowla-Bowla Corp. (6/27-7/1)
April 15 filed 100,000 shares of common stock and warrants for the purchase of an additional 50,000 shares, The company proposes to offer these securities for public sale in units consisting of two shares of stock (par 25 cents) and one warrant. **Price**—$6.25 per unit. **Proceeds**—To cover an initial installment on the purchase price of two additional bowling centers; for furniture and fixtures thereon; and the balance to be added to working capital and be available for general corporate purposes. **Office**—400 38th St., Union City, N. J. **Underwriter**—Hill, Thompson & Co., Inc., New York.

★ American Can Co.
June 16, 1960, filed 12,000 shares of 7% cumulative preferred stock (par 25), and 264,000 shares of common stock ($12.50 par). **Price**—To be supplied by amendment. **Proceeds**—To the estate of Paul Moore, selling stock-

Continued on page 35

OUR SHAREHOLDER EXPLOSION

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NEW ISSUE CALENDAR

June 24 (Friday)

A. K. Electric Corp.—Common
(Hilton Securities, Inc.) $300,000

Doak Pharmacal Co., Inc.—Common
(Ross Securities, Inc.) $300,000

General Drive-In Corp.—Common
(Paine, Webber, Jackson & Curtis) 180,000 shares

Lasco Industries—Common
(Holton, Henderson & Co.) $300,000

Miles Laboratories, Inc.—Debentures
(Offering to stockholders—underwritten by The First Boston Corp) $8,300,000

Ramo Investment Co.—Common
(First Trust Co. of Lincoln) $9,600

June 27 (Monday)

Airport Parking Co.—Common
(L. F. Rothschild & Co. and Murch & Co., Inc.) 42,574 shares

American Bowla Bowla Corp.—Units
(Hill, Thompson & Co., Inc.) $312,500

American International Aluminum Corp.—Common
(Hardy & Co. and Filor, Bullard & Smyth) 400,000 shares

American Rubber & Plastics Corp.—Common
(Hornblower & Weeks) 200,000 shares

Arkansas Western Gas Co.—Common
(Snow, Sweeney & Co., Inc. and A. C. Allyn & Co., Inc.) 50,000 shares

Atlas Bowling Centers, Inc.—Common
(Keller & Co.) 100,000 shares

Automatic Cafeterias for Industry, Inc.—Common
(Richard Gray Co.) $126,600

Bevis Shell Homes, Inc.—Debentures
(G. H. Walker & Co. and Beil & Hough, Inc.) $1,600,000

Bevis Shell Homes,, Inc.—Common
(G. H. Walker & Co. and Beil & Hough, Inc.) 1,000,000 shares

Brook Labs. Co., Inc.—Common
(Sandkuhl & Company, Inc. and J. J. Magaril Co.) $297,000

Cabana Pools, Inc.—Common
(Mandell & Kahn, Inc.) $300,000

Cellomatic Battery Corp.—Units
(Willis E. Burnside & Co., Inc.) $300,000

Chemical Packaging Co., Inc.—Common
(Mainland Securities Corp. and Jeffrey-Robert Corp.) $287,500

Chemtree Corp.—Common
(Havener Securities Corp.) $262,750

Compressed Concrete Construction Corp.—Common
(Capital Accumulation Corp.) $300,000

Edgerton, Germeshausen & Grier, Inc.—Common
(Kidder, Peabody & Co.) 120,000 shares

Edwards Engineering Corp.—Common
(Sandkuhl & Company, Inc.) $297,500

Equitable Leasing Corp.—Common
(Courts & Co.) $100,000

Espey Mfg. & Electronics Corp.—Common
(Sutro Bros. & Co.) 80,000 shares

Farrington Manufacturing Co.—Debentures
(Cyrus J. Lawrence & Sons and Brawley, Cathers & Co.) $6,000,000

Federal Steel Corp.—Common
(Westheimer & Co.) $295,000

Federated Electronics, Inc.—Common
(J. B. Coburn Asscciates, Inc.) $300,000

Franklin Corp.—Common
(Blair & Co., Inc.) $10,000,000

Garrett Corp.—Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 100,000 shares

Gem International, Inc.—Common
(Bosworth, Sullivan & Co., Inc. and Scherck, Richter Co.) 150,000 shares

General Atronics Corp.—Common
(Harrison & Co.) $544,810

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

Gulf States Utilities Co.—Bonds
(Bids noon EDT) $17,000,000

Hamilton Cosco, Inc.—Common
(Smith, Barney & Co., Inc. and City Securities Corp.) 300,000 shares

Hampshire Gardens Associates—Units
(B. C. Morton & Co., Inc.) $376,000

Hotel Corp. of America—Debentures
(Bache & Co. and Bear, Stearns & Co.) $1,500,000

I C Inc.—Common
(Purvis & Co. and Amos C. Sudler & Co.) $1,500,000

Illinois Beef, L. & W. S., Inc.—Common
(Amos Treat & Co., Inc.) $2,000,000

Interstate Finance Corp.—Common
(Goldman, Sachs & Co.) 150,000 shares

Lamtex Industries, Inc.—Common
(Finkle, Seskis & Wohlstetter) $500,000

Lee Motor Products, Inc.—Common
(Godfrey, Hamilton, Magnus & Co., Inc.) $501,000

McGowen Glass Fibers Corp.—Common
(Simmons, Rubin & Co., Inc.) $300,000

Montgomery Ward Credit Corp.—Debentures
(Lehman Brothers) $50,000,000

Navigation Computer Corp.—Common
(Drexel & Co. and Townsend, Crouter & Bodine) 50,709 shares

Nebraska Consolidated Mills Co.—Common
(Offering to stockholders—no underwriting) $1,119,510

Obear-Nester Glass Co.—Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 210,045 shares

Oxford Manufacturing Co., Inc.—Common
(W. C. Langley & Co. and Courts & Co.) 240,000 shares

Polycast Corp.—Debentures
(M. L. Lee & Co., Inc. and Milton D. Blauner & Co., Inc.) $400,000

Polycast Corp.—Common
(M. L. Lee & Co., Inc. and Milton D. Blauner & Co., Inc.) 20,000 shares

Progress Electronics Corp.—Common
(Binder & Co., Inc.) $300,000

Pyramid Electric Co.—Common
(No underwriting) $291,443.75

Reeves Broadcasting & Development Corp.—Com.
(Laird & Co. Corp.) $2,336,960

Rosauer's Super Markets, Inc.—Preferred
(Foster & Marshall) $294,000

Saucon Development Corp.—Common
(P. Michael & Co.) number of shares unknown

Sea-Highways, Inc.—Common
(John R. Maher Associates) $300,000

Service Instrument Corp.—Common
(Pearson, Murphy & Co., Inc.) $300,000

Sierra Electric Corp.—Common
(Marron, Sloss & Co., Inc.) $900,000

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

Stelma, Inc.—Common
(Amos Treat & Co., Inc.) 175,000 shares

Swimming Pool Development Co., Inc.—Common
(Marron, Sloss & Co., Inc.) $1,250,000

Triumph Storecrafters Corp.—Common
(Hardy & Hardy and First Southeastern Co.) 145,000 shares

United States Boat Corp.—Common
(Richard Bruce & Co., Inc.) $700,000

Waltham Precision Instrument Co., Inc.—Common
(Offering to stockholders—underwritten by Schweickart & Co.) 700,000 shares

Whitmoyer Laboratories, Inc.—Common
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $510,000

Whitmoyer Laboratories, Inc.—Debentures
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $500,000

Willer Color Television System, Inc.—Common
(Equity Securities Co.) $242,670

Win-Chek Industries, Inc.—Class A
(Michael G. Kletz & Co.) $450,000

June 28 (Tuesday)

Bausch & Lomb Inc.—Debentures
(Offering to stockholders—underwritten by Stone & Webster Securities Corp.) $6,657,900

Bruce National Enterprises, Inc.—Common
(George, O'Neill & Co., Inc.) $2,010,000

Friendly Frost Inc.—Common
(No underwriting) $1,125,000

Liberian Iron Ore Ltd.—Units
(White, Weld & Co., Inc.) 30,000 units

Northwest Natural Gas Co.—Preferred
(Lehman Brothers) 60,000 shares

Safticraft Corp.—Common
(George, O'Neill & Co., Inc.) $825,000

Tampa Electric Co.—Bonds
(Bids 11:00 a. m.) $25,000,000

West Ohio Gas Co.—Common
(Offering to stockholders—no underwriting) $753,340

June 29 (Wednesday)

Southern Union Gas Co.—Debentures
(A. C. Allyn & Co., Inc. and Snow, Sweeney & Co., Inc.) $12,000,000

Wallace Properties, Inc.—Units
(Harriman Ripley & Co., Inc.) 120,000

Western Maryland RR.—Equip. Trust Ctfs.
(Bids noon EDT) $3,735,000

June 30 (Thursday)

Texas Capital Corp.—Common
(Dempsey-Tegeler & Co.) 350,000 shares

July 1 (Friday)

Central Illinois Electric & Gas Co.—Bonds
(Bids to be invited) $10,000,000

Dalto Corp.—Common
(No underwriting) 134,739 shares

July 5 (Tuesday)

American Sterilizer Co.—Common
(Glore, Forgan & Co. and Fulton, Reid & Co., Inc.) 150,000 shs.

Arco Electronics, Inc.—Common
(Michael G. Kletz & Co., Inc.) 140,000 shares

Associated Testing Laboratories, Inc.—Common
(Drexel & Co.) 75,000 shares

Buzzards Bay Gas Co.—Common
(Coffin & Burr, Inc.) 27,000 shares

Commercial Credit Co.—Notes
(First Boston Corp. and Kidder, Peabody & Co.) $50,000,000

Control Data Corp.—Common
(Dean Witter & Co.) 125,000 shares

E. S. C. Electronics Corp.—Common
(Laird, Bissell & Meeds) $300,000

Faultless Caster Corp.—Common
(Hayden, Stone & Co.) 250,000 shares

Futterman Corp.—Class A
(Reynolds & Co.) 660,000 shares

General Sales Corp.—Common
(B. Fennekohl & Co., Inc.) 90,000 shares

Itemco, Inc.—Common
(Morris Cohon & Co. and Schrijver & Co.) $500,000

Kenrich Petrochemicals, Inc.—Common
(First Philadelphia Corp.) $192,500

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Kenrich Petrochemicals, Inc.—**Debentures**
(First Philadelphia Corp.) $175,000

Midwest Technical Development Corp.—**Common**
(Offering to stockholders—underwritten by Shearson, Hammill & Co. and Piper, Jaffray & Hopwood) 561,500 shares

Namm-Loeser's Inc.—**Common**
(Offering to stockholders—Underwritten by Ladenburg, Thalmann & Co.) 217,278 shares

National Packaging Corp.—**Common**
(First Securities Corp.) $360,000

Republic Ambassador Associates—**Units**
(Lee Higginson Corp.) $10,000,000

Wells Industries Corp.—**Common**
(Thomas Jay Winston & Co., Inc.) 300,000 shares

July 6 (Wednesday)

Illinois Bell Telephone Co.—**Bonds**
(11:00 a. m. EDT) $50,000,000

Liberty Records, Inc.—**Common**
(Crowell, Weedon & Co.) $1,200,000

Papercraft Corp.—**Common**
(Offering to stockholders—underwritten by Eastman Dillon, Union Securities & Co.) 130,063 shares

Sierra Pacific Power Co.—**Bonds**
(10:30 a.m. EDT) $3,500,000

July 7 (Thursday)

Gulf Power Co.—**Preferred**
(11:00 a.m. EDT) $5,000,000

Gulf Power Co.—**Bonds**
(11:00 a.m. EDT) $5,000,000

Mississippi River Fuel Corp.—**Debentures**
(Eastman Dillon, Union Securities & Co.) $24,000,000

July 8 (Friday)

Laclede Gas Co.—**Common**
(Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith, Inc.; and Reinholdt & Gardner)
Offering to stockholders—243,600 shares

New Britain Gas Light Co.—**Common**
(Offering to stockholders—underwritten by Putnam & Co.) 16,000 shares

July 11 (Monday)

Alderson Research Laboratories, Inc.—**Common**
(Morris Cohon & Co.) $300,000

American League Professional Football Team of Boston, Inc.—**Common**
(Estabrook & Co.; F. S. Moseley & Co.; Tucker, Anthony & R. L. Day and White, Weld & Co.) 120,000 shares

Aviation Employees Corp.—**Common**
(Sterling, Grace & Co.) $5,000,000

Brockway Glass Co., Inc.—**Common**
(Lehman Brothers & Blyth & Co., Inc.) 162,000 shares

C. F. C. Funding Inc.—**Common**
(Darius, Inc.) $150,000

Commonwealth Development & Construction Company—**Common**
(Vickers, Christy & Co., Inc.; First City Securities, Inc.) $300,000

Conetta Manufacturing Co., Inc.—**Common**
(Pearson, Murphy & Co., Inc.) $500,000

Consolidated Research & Mfg. Corp.—**Units**
(Bertner Bros.) $325,000

Drug Fair-Community Drug Co., Inc.—**Common**
(Auchincloss, Parker & Redpath) 150,000 shares

Drug Fair-Community Drug Co., Inc.—**Units**
(Auchincloss, Parker & Redpath) 500,000

Glass Magic Boats, Inc.—**Common**
(R. A. Holman & Co., Inc.) 68,000 shares

Glass Magic Boats, Inc.—**Debentures**
(R. A. Holman & Co., Inc.) $51,000

Laclede Gas Co.—**Bonds**
(Bids 11:00 a. m. EDT) $10,000,000

Metropolitan Development Corp.—**Capital**
(William R. Staats & Co.; Bache & Co. and Shearson, Hammill & Co.) 1,000,000 shares

Pauley Petroleum Inc.—**Debentures**
(William R. Staats & Co.) $10,000,000

Sav-A-Stop, Inc.—**Common**
(Pistell, Crow Inc.) $450,000

Wheeler Fibre Glass Boat Corp.—**Common**
(Morris Cohon & Co.) $400,000

July 12 (Tuesday)

Skyline Homes, Inc.—**Common**
(Rodman & Renshaw) 115,000 shares

July 13 (Wednesday)

Northern Illinois Gas Co.—**Bonds**
(Bids 10:00 a. m. CDST) $30,000,000

July 14 (Thursday)

Varian Associates—**Capital**
(Offering to stockholders—underwritten by Dean Witter & Co.) 216,645 shares

July 15 (Friday)

Basic, Inc.—**Common**
(The First Boston Corp.) 123,808 shares

July 18 (Monday)

American Electronics, Inc.—**Common**
(Shields & Co.) 300,000 shares

Astrotherm Corp.—**Units**
(Ross, Lyon & Co., Inc. and Globus, Inc.) $616,000

Cubic Corp.—**Capital**
(Hayden, Stone & Co.) 50,000 shares

Custom Craft Marine Co., Inc.—**Common**
(R. A. Holman & Co., Inc.) $255,000

National Patent Development Corp.—**Common**
(Globus, Inc. and Ross, Lyon & Co.) $150,000

July 19 (Tuesday)

New Jersey Power & Light Co.—**Bonds**
(11:00 a.m. EDT) $5,000,000

July 25 (Monday)

Campbell Machine, Inc.—**Common**
(J. A. Hogle & Co.) 102,500 shares

Chicago Musical Instrument Co.—**Common**
(Smith, Barney & Co.) 260,000 shares

Deluxe Aluminum Products, Inc.—**Common**
(R. A. Holman & Co., Inc.) $350,000

Deluxe Aluminum Products, Inc.—**Debentures**
(R. A. Holman & Co., Inc.) $330,000

Gulf-Tex Development, Inc.—**Common**
(Myron A. Lomasney & Co.) $1,250,000

Telephone & Electronics Corp.—**Common**
(Equity Securities Co.) $264,900

Trans Tech Systems, Inc.—**Common**
(Myron A. Lomasney & Co.) $650,000

Variable Annuity Life Insurance Co. of America—**Common**
(John C. Legg & Co.) 1,000,000 shares

July 26 (Tuesday)

Consumers Power Co.—**Debentures**
(11:00 a.m. EDT) $38,101,600

El Paso Natural Gas Co.—**Common**
(Offering to stockholders—White, Weld & Co. Inc.)
1,140,000 shares

Southern Counties Gas Co.—**Bonds**
(Bids to be invited) $22,000,000

August 1 (Monday)

Electri-Cord Manufacturing Co., Inc.—**Common**
(E. M. North Co., Inc.) 299,700

Kings Electronics Co., Inc.—**Units**
(Ross, Lyon & Co., Inc.; Globus, Inc.; Reich & Co.; Harold C. Shore & Co. and Godfrey, Hamilton, Magnus & Co.) $800,000

Lestoil Products, Inc.—**Units**
(Paine, Webber, Jackson & Curtis and Alex. Brown & Sons) $4,125,000

National Capital Corp.—**Common**
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $1,200,000

Pearson Corp.—**Common**
(R. A. Holman & Co., Inc.) 50,000 shares

United Aero Products Corp.—**Common**
(L. C. Wegard & Co.; Street & Co., Inc.; Woodcock, Moyer, Fricke & French; First Broad Street Corp. Russell & Sax and V. S. Wickett & Co., Inc.) $300,000

August 2 (Tuesday)

Southwestern Bell Telephone Co.—**Debentures**
(11 a.m. EDT) $100,000,000

August 8 (Monday)

Narragansett Capital Corp.—**Common**
(G. H. Walker & Co.) $11,000,000

August 15 (Monday)

Gold Medal Packing Corp.—**Conv. Preferred**
(Ernst Wells, Inc.) $400,000

August 23 (Tuesday)

Michigan Bell Telephone Co.—**Debentures**
(Bids to be invited) $35,000,000

Southern California Edison Co.—**Bonds**
(Bids to be invited) $60,000,000

September 13 (Tuesday)

Virginia Electric & Power Co.—**Bonds**
(Bids to be invited) $25,000,000

September 14 (Wednesday)

Utah Power & Light Co.—**Debentures**
(Bids to be invited) $17,000,000

Utah Power & Light Co.—**Common**
(Bids to be invited) $10,000,000

September 20 (Tuesday)

Public Service Electric & Gas Co.—**Bonds**
(Bids to be invited) $50,000,000

September 27 (Tuesday)

Indianapolis Power & Light Co.—**Bonds**
(11:00 a. m. N. Y. Time) $12,000,000

October 4 (Tuesday)

Alberta Gas Trunk Line Co.—**Bonds**
(No underwriting) $65,000,000

October 6 (Thursday)

Columbia Gas System, Inc.—**Debentures**
(Bids to be invited) $30,000,000

October 18 (Tuesday)

Louisville Gas & Electric Co.—**Bonds**
(Bids to be invited) $16,000,000

October 19 (Wednesday)

Union Electric Co.—**Bonds**
(Bids 11 a.m. EDT) $50,000,000

October 20 (Thursday)

Florida Power Corp.—**Bonds**
(Bids to be invited) $25,000,000

November 3 (Thursday)

Georgia Power Co.—**Bonds**
(Bids to be invited) $12,000,000

December 6 (Tuesday)

Northern States Power Co. (Minn.)—**Bonds**
(Bids to be invited) $35,000,000

Continued from page 34

holder. **Office**—100 Park Ave., New York City. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc.; Clark, Dodge & Co.; Glore, Forgan & Co.; Dean Witter & Co. **Offering**—Expected in mid-July.

★ American Can Co.

June 16, 1960, filed $40,000,000 of 30-year debentures. **Price**—Offering price and interest rate to be supplied by amendment. **Proceeds**—For the reduction of short-term loans and the balance for the general funds. **Office**—100 Park Ave., New York City. **Underwriters**—Morgan Stanley & Co. and Clark, Dodge & Co. **Offering**—Expected in mid-July.

American Electronics, Inc. (7/18-22)

June 13, 1960, filed 300,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes including construction and debt reduction. **Office** — 1725 West Sixth St., Los Angeles, Calif. **Underwriter**—Shields & Co., New York City.

American Frontier Life Insurance Co.

Nov. 30 filed 200,000 shares of capital stock. **Price**—$8 per share. **Proceeds** — To increase capital and surplus. **Office**—1455 Union Ave., Memphis, Tenn. **Underwriter**—Union Securities Investment Co., also of Memphis, which will receive a selling commission of $1.20 per share. **Offering**—Imminent.

★ American Homeowners Insurance Co.

May 27, 1960 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—To increase capital and surplus. **Office**—3408 Wisconsin Ave., N. W., Washington, D. C. **Underwriter**—None.

American International Aluminum Corp. (6/27-7/1)

April 13 filed 400,000 shares of common stock (par 25c). **Price** — To be supplied by amendment. **Proceeds** — For general corporate purposes and working capital. **Office**—4851 N. W. 36th Ave., Miami, Fla. **Underwriters**—Hardy & Co. and Filor, Bullard & Smyth, both of New York.

● American League Professional Football Team of Boston, Inc. (7/11-15)

June 3 filed 120,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Proceeds** — For improvement of the Boston University Field, and the balance to pay organization expenses and for working capital. **Office** — 522 Commonwealth Avenue, Boston, Mass. **Underwriters**—Estabrook & Co. and F. S. Moseley & Co. both of Boston, Mass.; and Tucker, Anthony & R. L. Day and White, Weld & Co. both of New York City.

American Mortgage Investment Corp.

April 29 filed $1,800,000 of 4% 20-year collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

American Penn Life Insurance Co.

March 30 filed registration of 127,500 shares of capital stock (par $10) being offered for subscription by stockholders of record on April 28, 1960 with rights to expire on July 11 at 3:30 p.m. (EDST). 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 Rubber & Plastics Corp. (6/27-7/1)

May 11 filed 200,000 shares of common stock. **Price** — To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — La Porte, Ind. **Underwriter** — Hornblower & Weeks, New York City.

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 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 Stereophonic Corp.

April 11 (letter of notification) 50,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—17 W. 60th St., New York, N. Y. **Underwriter**—D. H. Victor & Co., Inc., New York, N. Y. **Offering**—Imminent.

American Sterilizer Co. (7/5-8)

May 20 filed 150,000 shares of common stock (par $3.33⅓). **Price**—To be supplied by amendment. **Proceeds**—Of the net proceeds from the sale, approximately $600,000 will be available to AMSCO Laboratories, Inc., a wholly-owned subsidiary, as an additional advance for the completion of a new manufacturing plant. The balance will be used to reduce short-term bank borrow-

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ings and for additional working capital. **Underwriters**—Glore, Forgan & Co., New York and Fulton, Reid & Co., Inc., Cleveland, Ohio.

Arco Electronics, Inc. (7/5-8)
May 10 filed 140,000 shares of class A common stock. **Price** — To be supplied by amendment. **Proceeds** — $350,000 for general corporate purposes and the balance for working capital. **Office**—New York City. **Underwriter**—Michael G. Kletz & Co., Inc., New York City.

Arden Farms Co.
May 13 filed $4,000,000 of 6% subordinate debentures, series due July 1, 1990 (convertible), 44,278 shares of preferred stock, and 149,511 shares of common stock. The debentures are to be offered for public sale at 100% of their principal amount. The company proposes to offer the preferred shares and common shares initially through subscription warrants. The holders of outstanding preferred stock will be entitled to purchase the new preferred at the rate of one new share for each ten shares held. Common stockholders will be entitled to purchase the additional common shares at the rate of one new share for each ten shares held. The record date is to be the effective date of the registration statements. **Office**—1900 West Slauson Ave., Los Angeles, Calif.

Arkansas Valley Industries, Inc.
June 9, 1960, filed $600,0000 of 6% convertible subordinated sinking fund debentures and 30,000 shares of common stock, $3 par. $200,000 of the debentures will be issued to Arkansas Valley Feed Mills, Inc.; the remainder of the registration will be publicly offered. **Price**—To be supplied by amendment. **Proceeds** — To retire current bank loans and increase working capital. **Office**—Dardanelle, Ark. **Underwriter**—A. G. Edwards & Sons, St. Louis, Mo.

Arkansas Western Gas Co. (6/27-7/1)
May 13 filed 50,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—Together with $1,500,000 to be received from a contemplated private placement of debentures, will be used to retire some $1,000,000 of term bank notes and to defray all or a portion of the cost of the company's anticipated 1960 program of property additions and improvements. **Office** — 28 East Center St., Fayetteville, Ark. **Underwriters**—Snow, Sweeney & Co. Incorporated, New York, and A. C. Allyn & Co., Inc., Chicago, Ill.

Arnoux Corp.
May 23 filed 133,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes and working capital. **Office**—11924 W. Washington Blvd., Los Angeles, Calif. **Underwriter**—Shearson, Hammill & Co., New York. **Offering** — Expected sometime in July.

Associated Testing Laboratories, Inc. (7/5-8)
May 25 filed 75,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds**—To retire $100,000 of short-term bank loans, to provide additional facilities and equipment for plants at Wayne, N. J., and Winter Park, Fla., and the balance will be added to working capital. **Office**—Clinton Road, Caldwell, N. J. **Underwriter**—Drexel & Co., New York and Philadelphia.

Astrotherm Corp. (7/18-22)
May 24 filed $308,000 of 8% subordinated convertible debentures, due July 1970, 154,000 shares of common stock, and 46,200 common stock purchase warrants. The company proposes to offer these securities in units, each unit to consist of $100 of principal amount of debentures, 50 common shares, and 15 warrants exercisable initially at $2 per share. **Price**—$200 per unit. **Proceeds**—To repay loans, purchase new equipment and the balance for working capital. **Office**—Indianapolis, Ind. **Underwriters**—Ross, Lyon & Co., Inc., Globus, Inc., and Harold C. Shore & Co., all of New York City.

Atlas Bowling Centers, Inc. (6/27)
May 2 filed 100,000 shares of class A common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds** — For additional working capital. **Office** — 255 Huntington Avenue, Boston, Mass. **Underwriter**—Keller & Co., Boston, Mass.

Automatic Cafeterias for Industry, Inc. (6/27-7/1)
May 31 (letter of notification) 42,200 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—Dover, County of Kent, Del. **Underwriter** — Richard Gray Co., New York, N. Y.

• **Aviation Employees Corporation (7/11-15)**
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. **Underwriter**—Sterling, Grace & Co., New York City.

★ **Avnet Electronics Corp.**
June 15, 1960, filed $2,000,000 of convertible debentures, due 1975, to be offered for public sale by the issuing company and 150,000 outstanding shares of common stock to be offered for the account of selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—Of the debentures: to repay short-term bank loans, to maintain inventory, and for working capital. **Office**—70 State St., Westbury, Long Island, N. Y. **Underwriter**—Hemphill, Noyes & Co., New York City. **Offering**—Expected in late July.

Bahamas Caribbean Corp. Ltd.
May 25 filed 4,500 shares of common stock, to be offered for sale at $5 per share, and 600 units of 6% promissory notes, to be offered for sale at $212.50. **Proceeds** — To develop a 100 acre tract of land located on Grand Bahama Island in the Bahamas. **Office**—5008 Dodge Street, Omaha, Neb. **Underwriter**—None.

Basic, Inc. (7/15)
May 26 filed 123,808 outstanding shares of common stock, of which 81,161 shares are institutionally held. All shares result from conversion of convertible preference shares placed in 1958. **Price**—Related to the current market price on the American Stock Exchange at time of offering. **Proceeds** — To selling stockholders. **Office**—845 Hanna Building, Cleveland, Ohio. **Underwriter**—The First Boston Corp., New York.

Bausch & Lomb Inc. (6/28-7/13)
May 19 filed $6,657,900 of convertible subordinated debentures due 1980. It is proposed that these debentures will be offered for subscription by common stockholders at the rate of $100 principal amount of debentures for each 13 common shares held. **Price**—To be supplied by amendment. **Proceeds**—About $5,000,000 will be used to construct new facilities in Rochester and the balance will be used for working capital and other corporate purposes. **Office** — 63 St. Paul Street, Rochester, N. Y. **Underwriter**—Stone & Webster Securities Corp., New York.

★ **Begley Drug Co.**
June 7, 1960 (letter of notification) 1,500 shares of common stock (par $100), and 2,000 shares of 6% cumulative preferred stock. **Price**—For common, $130 per share; for preferred, at par ($25 per share). **Proceeds**—To purchase a minority drug store interest, for moving costs, to establish three subsidiary dry cleaners, and other miscellaneous purposes. **Office**—201 E. Irvine St., Richmond, Madison County, Ky. **Underwriter**—None.

Bevis Shell Homes, Inc. (6/27-7/1)
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 unit. **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**—G. H. Walker & Co., New York City and Beil & Hough, Inc. of St. Petersburg, Fla., as co-managers.

• **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. **Offering**—Imminent.

Brockway Glass Co., Inc. (7/11-15)
May 19 filed 162,000 shares of common stock (par $5), of which 32,000 shares are now outstanding and are to be offered for public sale by the present holders thereof and 130,000 shares are to be offered by the issuing company. **Price**—To be supplied by amendment. **Proceeds**—To be applied toward the cost of building and equipping a new glass container plant at Rosemount, Minn., near St. Paul and Minneapolis, estimated at $5,750,000. The balance of the cost of the plant will be paid from the company's funds. **Office**—1200 Wood Street, Brockway, Pa. **Underwriters** — Lehman Brothers and Blyth & Co., Inc., both of New York.

Brook Labs. Co., Inc. (6/27-7/1)
May 31 (letter of notification) 108,000 shares of common stock (par 10 cents) of which 28,000 shares are being sold for selling stockholders. **Price** — $2.75 per share. **Proceeds**—For general corporate purposes. **Office**—650 Lincoln Place, Brooklyn 16, N. Y. **Underwriters**—Sandkuhl & Company, Inc., New York City and Newark, N. J. and J. J. Magaril Co., 37 Wall St., New York, N. Y.

• **Bruce National Enterprises, Inc. (6/28-7/1)**
April 29 filed 335,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Proceeds**—For reduction of outstanding indebtedness; to pay off mortgages on certain property; for working capital and other corporate purposes. **Office**—1118 N. E. 3rd Avenue, Miami, Fla. **Underwriter** — George O'Neill & Co., Inc., New York.

Buzzards Bay Gas Co., Hyannis, Mass. (7/5)
June 7 filed 27,000 outstanding shares of common stock, to be offered for sale by American Business Associates. **Price** — To be supplied by amendment. **Underwriter**—Coffin & Burr, Inc., Boston, Mass.

Byer-Rolnick Hat Corp.
May 9 filed 100,000 outstanding shares of common stock. **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—601 Marion Drive, Garland, Tex. **Underwriters** — Dallas Rupe & Son, Inc., Dallas, Texas and Straus, Blosser & McDowell, Chicago, Ill. **Note**—This offering has temporarily been postponed.

• **C. F. C. Funding Inc. (7/11-15)**
May 6 (letter of notification) 75,000 shares of common stock (par 10 cents), **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—90 Broad St., New York 4, N. Y. **Underwriter**—Darius Inc., New York, N. Y.

• **Cabana Pools, Inc. (6/27-7/1)**
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.

★ **Campbell Machine, Inc. (7/25-29)**
June 20, 1960, filed 102,500 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Foot of Eighth Street, San Diego, Calif. **Business**—The company conducts a shipyard business which consists of repair and maintenance of U. S. Navy and commercial vessels. **Underwriter**—J. A. Hogle & Co., Salt Lake City, Utah.

Capital Shares Inc., San Francisco, Calif.
May 3 filed 1,100,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To increase capital and surplus and for working capital. **Underwriter**—None.

★ **Carlock Investment Corp.**
June 10, 1960 (letter of notification) 300,000 shares of class A common stock. **Price** — At par ($1 per share). **Proceeds**—For legal fees, printing offering circular, general office and miscellaneous expenses and for investment purposes. **Office**—1522 E. Pierson, Phoenix, Ariz. **Underwriter**—None.

★ **Castleton's, Inc.**
June 13 (letter of notification) 160,000 shares of common stock (par $1). **Price**—$1.25 per share. **Proceeds**—For working capital. **Office**—1350 Foothill Road, Boulevard, Salt Lake City, Utah. **Underwriters**—Potter Investment Co. and Whitney & Co., Salt Lake City, Utah.

★ **Cavitron Corp.**
June 17, 1960, filed 40,000 shares of common stock. **Price** $15 per share. **Proceeds**—To finance the company's anticipated growth and for other general corporate purposes. **Office**—42-15 Crescent St., Long Island City, N. Y. **Unwriter**—None.

Cellomatic Battery Corp. (6/27-7/1)
May 20 (letter of notification) $270,000 of 6% guaranteed 5-year convertible notes and 6,000 shares of common stock (par 10 cents) to be offered in units consisting of a $90 note and two shares of common stock. **Price**—$100 per unit. **Proceeds**—For working capital. **Office**—300 Delaware St., Archibald, Pa. **Underwriter**—Willis E. Burnside & Co., Inc., New York, N. Y.

Central Illinois Electric & Gas Co. (7/1)
June 1 filed $10,000,000 of first mortgage bonds series due 1990. **Proceeds**—To be used to provide a portion of the funds required for present and contemplated construction program of the company and to provide for the payment of some $5,000,000 of bank loans incurred or to be incurred for such purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., Kidder, Peabody & Co. Inc. and White, Weld & Co. (jointly); Blair & Co. Incorporated, Merrill Lynch, Pierce, Fenner & Smith Inc. and Stone & Webster Securities Corp. (jointly). **Bids**—Expected to be received on July 1.

• **Chemical Packaging Co., Inc. (6/27-7/1)**
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.

Chemtree Corp. (6/27-7/1)
April 19 (letter of notification) 262,750 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—100 W. 10th Street, Wilmington 99, Del. **Underwriter**—Havener Securities Corp., New York, N. Y.

★ **Chicago Musical Instrument Co. (7/25-29)**
June 15, 1960, filed 260,000 shares of common stock (par $1), of which 40,000 are to be offered for public sale by the company and 220,000 are outstanding and are to be offered for the account of present holders. **Price**—To be supplied by amendment. **Proceeds**—From the public offering, will be used for normal expansion and possible acquisitions. **Office**—7373 North Cicero Ave., Chicago, Ill. **Underwriter**—Smith, Barney & Co. of Chicago, Ill. and 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.

Cold Lake Pipe Line Co., Ltd.
Feb. 5 filed 200,000 shares of common stock. **Price**—At the market, at time of offering. **Proceeds**—For general corporate purposes. **Office**—1410 Stanley St., Montreal, Canada. **Underwriter**—Michael Fieldman, New York.

• **Columbia Technical Corp.**
May 6 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — 61-02 31st Ave., Woodside, L. I., N. Y. **Underwriters**—Diran, Norman & Co., Inc., V. S. Wickett & Co., Inc., and Cortlandt Investing Corp., New York, N. Y. **Offering**—Imminent.

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.

Commercial Credit Co. (7/5-8)
June 9, 1960, filed $50,000,000 of senior notes, due July 1, 1979. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—300 St. Paul Place, Baltimore, Md. **Underwriters**—First Boston Corp. and Kid-

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der, Peabody & Co. (managing the books), both of New York City.

Commonwealth Development & Construction Co. (7/11-15)
May 24 (letter of notification) 60,000 shares of common stock (par five cents). **Price**—$5 per share. **Proceeds**—For working capital. **Office**—11th & Main Sts., Pennsburg, Pa. **Underwriters**—Vickers, Christy & Co., Inc., 15 William St., New York, N. Y. and First City Securities, Inc., New York, N. Y.

Compressed Concrete Construction Corp. (6/27-7/1)
May 9 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — 313 W. Jericho Turnpike, Huntington, L. I., N. Y. **Underwriter**—Capital Accumulation Corp., Franklin National Bank Bldg., Roosevelt Field, Garden City, N. Y.

Conetta Manufacturing Co., Inc. (7/11-15)
June 3 filed 125,000 shares of class A common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes including the reduction of indebtedness, the purchase of machinery and equipment, and for working capital. **Office**—73 Sunnyside Ave., Stamford, Conn. **Underwriter** — Pearson, Murphy & Co., Inc., New York City.

Connecticut & Chesapeake, Inc.
April 29 filed $585,000 of 4½% promissory notes and 2,250 shares of common stock. It is proposed to offer these securities for public sale in units, each consisting of $260 of notes and one share of stock, provided that the minimum purchase shall be 10 units for a minimum consideration of $3,600 ($2,600 of notes and 10 shares of stock). **Price**—$360 per unit. **Proceeds**—For repayment of certain advances made to the company. **Office**—724-14th Street, N. W., Washington, D. C. **Underwriter**—Shannon & Luchs Securities Corp.

Consolidated Realty Investment Corp.
April 27 filed 2,000,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To establish a $250,000 revolving fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp., Little Rock, Ark.

Consolidated Research & Manufacturing Corp. (7/11-15)
May 27 filed 50,000 shares of class A and 50,000 shares of class B stock (par 10 cents). The company proposes to offer these shares in units of one share of each class. **Price**—$6.50 per unit. **Proceeds**—For equipment, sales expansion, increased advertising and marketing program budget, and working capital and general expansion. **Office** — 1184 Chapel Street, New Haven, Conn. **Underwriter**—Bertner Bros., New York.

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.

• **Consumers Power Co. (7/26)**
June 15, 1960, filed $38,101,600 of convertible debentures, due 1975, to be offered for subscription by holders of record July 26, at the rate of $100 of debentures for each 25 shares of stock then held with rights to expire on Aug. 12. **Price**—100% of principal amount. **Proceeds**—For the company's construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; First Boston Corp. and Harriman Ripley & Co. (jointly); Kuhn, Loeb & Co. and Ladenburg, Thalmann & Co. (jointly). **Bids**—Expected to be received on July 26 at 11:00 a.m. (New York Time). **Information Meeting**—Scheduled for July 22 at 11:00 a.m. at the Bankers Trust Co., 16 Wall St., New York City, 12th floor.

Control Data Corp. (7/5-8)
June 2 filed 125,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To repay $1,500,000 of bank loans and the balance to be used for working capital and general corporate purposes. **Office**—501 Park Avenue, Minneapolis, Minn. **Underwriter**—Dean Witter & Co. of Minneapolis, Minn. and New York City.

Cosmopolitan Insurance Co.
March 30 (letter of notification) 58,000 shares of capital stock (Par $1). **Price** — $5 per share. **Proceeds** — For general corporate purposes. **Office**—4620 N. Sheridan Road, Chicago, Ill. **Underwriter**—Link, Gorman, Peck & Co., Chicago, Ill.

Country Club Corp. of America
April 29 filed 200,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For repayment of outstanding debt, including payment of mortgages, taxes, notes, and miscellaneous accounts payable; for general corporate purposes and construction of new facilities. **Office** — 1737 H. Street, N. W., Washington, D. C. **Underwriter**—A. J. Gabriel Co., Inc., New York.

Cubic Corp. (7/18-22)
June 8, 1960, filed 50,000 shares of capital stock, of which 25,000 shares are being offered for the account of the company, and 25,000 shares for the account of selling stockholders. **Price**—At-the-market at time of offering. **Proceeds**—For additional working capital. **Office**—5575 Kearney Villa Road, San Diego 11, Calif. **Underwriter**—Hayden, Stone & Co., New York City.

Custom Craft Marine Co., Inc. (7/18-22)
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.

Dalto Corp. (7/1)
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. J. **Underwriter**—None.

★ **Dechert Dynamics Corp.**
May 31, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For expenses of offering, to pay instalment contracts, for electronics research and sales promotion, and other general purposes. **Office**—713 W. Main St., Palmyra, Pa. **Underwriter**—Plymouth Securities Corp., New York, N. Y. **Offering**—Expected in late July.

★ **Delta Gamma Fraternity**
June 8, 1960 (letter of notification) $300,000 of 4% cumulative 10-year Delta Gamma Youth bonds to be offered in units of $100. **Price**—At face amount. **Proceeds**—To be loaned to various chapters of the fraternity for the purpose of constructing, remodeling or improving a chapter house. **Office**—1820 Northwest Blvd., Columbus 12, Ohio. **Underwriter**—None.

Deluxe Aluminum Products, Inc. (7/25-29)
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.

Detroit Tractor, Ltd.
May 26 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed $3 per share. **Proceeds**—To be applied to the purchase of machine tools, payment of $95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

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.

Diversified Realty Investment Co.
April 26 filed 250,000 shares of common stock. **Price**—$5 per share (par 50 cents). **Proceeds** — For additional working capital. **Office**—919 18th Street, N. W., Washington, D. C. **Underwriter**—Ball, Pablo & Co., Washington, D. C.

• **Doak Pharmacal, Inc. (6/24)**
April 28 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—99 Park Avenue, New York, N. Y. **Underwriter**—Ross Securities, Inc., 99 Wall Street, New York 5, N. Y.

Drug Associates, Inc.
May 6 (letter of notification) 100 units of $100,000 of 7% sinking fund debenture bonds and 10,000 shares of common stock (par $1) to be offered in units consisting of one $1,000 debenture and 100 shares of common stock. **Price**—$1,100 per unit. **Proceeds**—For general corporate purposes. **Office**—1238 Corlies Ave., Neptune, N. J. **Underwriter**—Fidelity Securities & Investment Co., Inc., Asbury Park, N. J. **Offering**—Imminent.

Drug Fair-Community Drug Co., Inc. (7/11-15)
June 10, 1960, filed $500,000 of subordinated sinking fund debentures, due Sept. 15, 1975, with attached warrants for the purchase of 25,000 shares of common stock A, $1 par, and 150,000 additional shares of said stock. These debentures and warrants will be offered in units consisting of a $500 debenture and a warrant for the purchase of 25 shares of stock. **Price**—$500 per unit, with the price of the stock to be supplied by amendment. **Proceeds**—Of the stock issue, the proceeds from the sale of 50,000 shares will go to selling stockholders. The proceeds from the remainder of the registration will be added to the issuer's working capital and, together with other funds, will be used to repay indebtedness and to open 15 new stores in 1960-61. **Office**—1200 South Eads St., Arlington, Va. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

Durox of Minnesota, Inc.
April 11 filed $650,000 of 7% first mortgage bonds and 120,000 shares of common stock (par $1). The offering will be made in units of one bond ($100 principal amount) and 20 shares of common stock or one unit of 50 bonds at principal amount plus accrued interest. **Price**—To be supplied by amendment. **Proceeds**—For additional plant and equipment and to provide working capital to commence and maintain production. **Office** — 414 Pioneer Bldg., St. Paul, Minn. **Underwriters**—Irving J. Rice & Co., Inc., St. Paul, Minn. and M. H. Bishop & Co., Minneapolis, Minn.

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. **Offering**—Imminent.

E. S. C. Electronics Corp. (7/5-8)
May 17 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes. **Office** — 534 Bergen Boulevard, Palisades Park, N. J. **Underwriter**—Laird, Bissell & Meeds, New York, N. Y.

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.

Edgerton, Germeshausen & Grier, Inc. (6/27-7/1)
May 5 filed 120,000 shares of common stock (par $1) of which 20,000 shares are now outstanding and are to be offered for public sale by the holders thereof and 100,000 shares are to be offered by the company. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office** — 160 Brookline Ave., Boston, Mass. **Underwriter**—Kidder, Peabody & Co., New York.

★ **Educators' Development Corp.**
June 16 (letter of notification) 104,500 shares of common stock (par 50 cents). **Price**—$2 per share. **Proceeds**—For working capital. **Office** — 630 Boyd Building, Cheyenne, Wyo. **Underwriter**—None.

Edwards Engineering Corp. (6/27-7/1)
April 8 filed 85,000 shares of common stock of which 70,000 shares are to be offered for the account of the issuing company and 15,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—$3.50 per share. **Proceeds**—For general corporate purposes including salaries, sales promotion, moving expenses, and research and development work. **Office**—715 Camp Street, New Orleans, La. **Underwriter**—Sandkuhl & Company, Inc., New York City and Newark, N. J.

★ **El Paso Natural Gas Co. (7/26)**
June 21, 1960, filed 1,136,669 shares of common stock. Company proposes to offer the shares for subscription by common stockholders of record July 26, 1960, at the rate of one new share for each 15 shares then held. **Price**—To be supplied by amendment. **Proceeds**—To be used in part to repay not less than $10,000,000 of current bank loans and the balance will be used largely for investment in the notes and common stock of subsidiary companies, principally El Paso Natural Gas Products Co. **Underwriter**—White, Weld & Co., Inc. (managing), New York City.

★ **Electri-Cord Manufacturing Co., Inc. (8/1)**
June 15 (letter of notification) 99,900 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—2554 E. 18th Street, Brooklyn, N. Y. **Underwriter**—E. M. North Co., Inc., New York, N. Y.

Electronic Specialty Co.
June 2 filed 150,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds in anticipation of capital requirements, possibly to include acquisitions. **Office**—5121 San Fernando Road, Los Angeles, Calif. **Underwriters**—Reynolds & Co., Inc., of New York, and Bateman, Eichler & Co. of Los Angeles, Calif. **Offering**—Expected in early August.

Equitable Leasing Corp. (6/27-7/1)
May 9 (letter of notification) 50,000 shares of common stock (no par). **Price**—$2 per share. **Proceeds**—For working capital. **Office**—246 Charlotte St., Asheville, N. C. **Underwriter**—Courts & Co., Atlanta, Ga.

Espey Mfg. & Electronics Corp. (6/27-7/1)
April 29 filed 80,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Saratoga Springs, N. Y. **Underwriter** — Sutro Bros. & Co., New York.

★ **Evans Rule Co.**
June 17, 1960, filed 145,000 shares of common stock (par $1), of which 40,000 shares will be sold for the account of the company and 105,000 shares for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Business**—The company manufactures and sells precision steel measuring tapes and wood folding rules. **Proceeds**—To be used by the company to purchase two leased plants in Elizabeth, N. J. The balance of the proceeds will be added to working capital and will be available for general corporate purposes. **Office**—Elizabeth, N. J. **Underwriter** — McDonnell & Co. Inc., New York City. **Offering**—Expected in late July.

• **Fairmount Finance Co.**
May 6 (letter of notification) 58,000 shares of class A common stock (par $5). **Price**—At par ($5 per share). **Proceeds**—For working capital. **Office**—5715 Sheriff Road, Fairmount Heights, Md. **Underwriter**—J. T. Patterson & Co., Inc., 40 Exchange Place, New York, N. Y. **Offering**—Imminent.

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.

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★ **Farms, Inc.**
June 13 (letter of notification) $298,000 of 10-year 5¾% debentures, to be offered in denominations of $1,000, $500 and $250 each. **Price**—At face value. **Proceeds**—For working capital. **Office**—818 17th Street, Denver 2, Colo. **Underwriter**—Wayne Jewell Co., Denver, Colo.

● **Farrington Manufacturing Co. (6/27-7/1)**
March 25 filed $6,000,000 of subordinated convertible debentures due 1970. **Price**—To be supplied by amendment. **Proceeds**—$2,000,000 to be applied to the payment of bank loans; $2,800,000 to the scanner program in 1960, including (a) $1,000,000 for expenditures by Farrington Electronics, Inc., a newly-formed date processing subsidiary, for inventory, 250,000 to purchase and test equipment for producting scanners and $250,000 as working capital; and (b) $1,300,000 for research and development. **Office**—77 A St., Needham, Mass. **Underwriters**—Cyrus J. Lawrence & Sons, New York City; and Brawley, Cathers & Co., Toronto, Ontario, Canada.

Faultless Caster Corp. (7/5-8)
May 13 filed 250,000 shares of common stock (par $1), of which 200,000 shares are to be offered for the account of the present holders thereof and 50,000 shares are to be offered for the account of the issuing company. **Price**—To be supplied by amendment. **Proceeds**—$300,000 will be used to purchase new presses and other production equipment and the remainder will be used as working capital. **Office**—1421 North Garvin St., Evansville, Ind. **Underwriter** — Hayden, Stone & Co., New York City (managing).

● **Federal Steel Corp. (6/27-7/1)**
March 30 (letter of notification) 59,000 shares of common stock (no par). **Price**—$5 per share. **Proceeds**—For an expansion program. **Office**—3327 Elkton Ave., Dayton 3, Ohio. **Underwriter**—Westheimer & Co., Cincinnati, Ohio.

Federated Electronics, Inc. (6/27-7/1)
April 25 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—139-14 Jamaica Avenue, Jamaica, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York, N. Y.

● **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. **Note**—This statement was withdrawn June 17.

★ **Flagstaff Foundation For Industrial Development**
June 13 (letter of notification) 50,000 shares of common stock. **Price**—At par ($5 per share). **Proceeds**—To develop the vicinity for industrial purposes. **Office**—101 W. Santa Fe Avenue, P. O. Box 1240, Flagstaff, Ariz. **Underwriter**—None.

Florida Capital Corp.
June 9, 1960, filed 500,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To finance the issuer's investments in small business concerns, which will be engaged in land development or electronics. **Office** — 1201 Harvey Bldg., West Palm Beach, Fla. **Underwriter**—A. C. Allyn & Co., Inc., Chicago, Ill. **Offering**—Expected sometime in mid-July.

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.

● **Ford Electronics Corp.**
May 25 (letter of notification) 75,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To purchase tooling, a 20% interest in Arizona Biochemical Corp. and for working capital. **Office**—c/o John N. Valianos, 4465 Petit Avenue, Encino, Calif. **Underwriter**—Thomas Jay Winston & Co., Inc., Beverly Hills, Calif. **Note**—The underwriter states that the amount of this offering is to be increased.

Foto-Video Electronics Corp.
April 26 filed 125,000 shares of class B stock. **Price**—$4 per share. **Proceeds**—$100,000 for research and development, $200,000 for working capital, and the balance for sales promotion expenses. **Office** — Cedar Grove, N. J. **Underwriter**—D. F. Bernheimer & Co., Inc., New York City. **Offering**—Expected in mid-July.

Franklin Corp. (6/27-7/1)
April 26 filed 1,000,000 shares of common stock (par value $1). **Price**—$10 per share. **Proceeds**—For investment. **Office** — 925 Hempstead Turnpike, Franklin Square, New York. **Underwriter**—Blair & Co. Incorporated, New York.

● **Friendly Frost, Inc. (6/28)**
April 5 filed 150,000 shares common stock (par 10c). 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. (7/5-8)
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.

Garrett Corp. (6/27-7/1)
May 5 filed 100,000 shares of common stock (par $2). **Price**—To be supplied by amendment. **Proceeds**—To reduce presently outstanding indebtedness. **Office**—9851 Sepulveda Blvd., Los Angeles, Calif. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Gem International, Inc. (6/27-7/1)
Mar. 29 filed 150,000 shares common stock (par $1). **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 Atronics Corp. (6/27-7/1)
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 Crude Oil Co.**
June 6, 1960 (letter of notification) 10,047 shares of common stock, to be offered to employees pursuant to the Stock Purchase Plan for Employees. Said stock is to be purchased on the open market for the benefit of the employees, with the total amount of the offer to be $218,522. **Price** — At the median between the bid and asked prices on June 1, 1960. **Proceeds**—For general corporate purposes. **Office** — 420 Bank of the Southwest Bldg., Houston, Tex. **Underwriter**—None.

● **General Drive-In Corp. (6/24-28)**
April 29 filed 180,000 shares of common stock (no par) of which 50,000 shares will be offered for public sale by the company and 130,000 are outstanding and will be offered by the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For expansion. **Office**—480 Boylston St., Boston, Mass. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston and New York.

● **General Meters, Inc.**
May 11 (letter of notification) 104,703 shares of common stock (par $1) to be offered for subscription by stockholders of record for a seven day period on the basis of ¾ of a share for each share held. **Price**—$1.50 per share. **Proceeds**—For construction, purchase of equipment and working capital. **Office**—287-27 Road, Grand Junction, Colo. **Underwriter**—Peters, Writer & Christensen, Inc., Denver, Colo. **Note**—This statement was effective on June 21; books were closed on June 22.

● **General Sales Corp. (7/5-8)**
April 28 filed 90,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—$75,000 will be used for additional working capital, inventories and facilities for the Portland Discount Center; $75,000 for the same purposes in the Salem Center; and $50,000 to provide working capital for General Sales Acceptance Corp. for credit sales to member customers. The balance of the proceeds will be used to open two new stores in Oregon and Idaho. **Office** — 1105 N. E. Broadway, Portland, Ore. **Underwriter** — Fennekohl & Co., Inc., New York.

Glass Magic Boats, Inc. (7/11-15)
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.

Glass Marine Industries, Inc.
April 25 filed 200,000 shares of class A stock and 100,000 shares of common stock. The class A stock is to be offered at $2.25 per share and the common at 75 cents per share; and the class A and common shares are to be offered in units consisting of two class A and one common. **Price**—$5.25 per unit. **Proceeds**—To develop the necessary production facilities to produce the company's boats. **Office**—Humboldt, Iowa. **Underwriters**—Leason & Co., Inc., Chicago, Ill.; William B. Robinson & Co., Corsicana, Texas; and Bala William & Co., Wichita Falls, Texas.

Goelet Corp. (6/27-7/1)
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. (8/15)**
June 17, 1960, filed 100,000 shares of 25c convertible preferred stock (par $4). **Price**—At par. **Proceeds**—Approximately $150,000 will be used to discharge that portion of its obligation to Jones & Co. pursuant to which certain inventories are pledged as collateral. The indebtedness to Jones & Co. was initially incurred on June 15, 1960 in connection with refinancing the company's obligations to a bank. In addition, $15,000 will be used for the construction of an additional smokehouse, and the balance will be used for general corporate purposes. **Office**—614 Broad Street, Utica, N. Y. **Business**—The company is engaged in the processing, packing and distribution of meats and meat products, principally sausage products, smoked meats, bacon, and meat specialties. It also sells certain dairy products. **Underwriter**—Ernst Wells, Inc., 15 William Street, New York City.

Greenbelt Consumer Services, Inc.
April 28 filed 40,000 shares of series A common stock and 160,000 shares of series B common stock. **Price**—$10 per share. **Proceeds**—$400,000 will be used in payment of bank loans made in January to finance the purchase of equipment for two new supermarkets which are planned to be opened in May and June, 1960. Approximately $200,000 will be used for the purchase of inventory for the two new stores. The company contemplates opening four additional supermarkets within the next two and one-half years. Approximately $1,200,000 of the proceeds of the offering will be used to finance the purchase of equipment and inventory for such stores. The balance of approximately $182,000 will be added to general working capital. **Office**—10501 Rhode Island Ave., Beltsville, Md. **Underwriter**—None. **Offering**—Expected in July.

Gross Furnace Manufacturing Co., Inc.
March 30 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Proceeds** — For advertising, equipment and working capital. **Office**—c/o Joseph J. Gross, 2411 Sunnybrook Road, Richmond, Va. **Underwriter**—Maryland Securities Co., Inc., Baltimore, Md.

Guardian Central Trust, Inc.
June 3 filed 484,862 shares of common stock, of which 200,000 shares are to be publicly offered, and the remaining shares are reserved for the acquisition of the stock of Guardian Discount Co. **Price**—$6 per share. **Proceeds**—From the public offering, to be invested in Guardian Discount Co. **Office**—1415 Union Avenue, Memphis, Tenn. **Underwriter**—James N. Reddoch & Co., Memphis, Tenn.

Gulf Power Co. (7/7)
May 27 filed $5,000,000 of first mortgage bonds, due 1990. **Proceeds**—Together with other funds, will be used for property additions and improvements and for payment of $3,092,800 of bank loans. **Office**—75 North Pace Boulevard, Pensacola, Fla. **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 at 3:30 p.m. New York Time, at the office of the Chase Manhattan Bank, Room 238, 43 Exchange Place, New York City. **Bids**—Expected to be received at the office of Southern Services, Inc., Room 1600, 250 Park Avenue, New York 17, N. Y., before 11 a.m., New York Time on July 7, 1960.

Gulf Power Co. (7/7)
May 27 filed 50,000 shares of cumulative preferred stock (par $100). **Proceeds**—Together with other funds, will be used for property additions and improvements and for payment of $3,092,800 of bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Harriman Ripley & Co., Incorporated; 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 at 3:30 p.m. New York Time, at the office of The Chase Manhattan Bank, Room 238, 43 Exchange Place, New York City. **Bids**—Expected to be received at the office of Southern Services, Inc., Room 1600, 250 Park Avenue, New York 17, N. Y., before 11 a.m., New York Time on July 7, 1960.

Gulf States Utilities Co. (6/27)
May 25 filed $17,000,000 of first mortgage bonds, series due 1990. **Proceeds**—To pay some $15,000,000 of short-term notes issued under revolving credit agreements to provide funds for construction purposes, and the balance will be used to carry forward the construction program and for other corporate purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received on June 27 at 12 noon (EDT) at 70 Broadway, Room A, New York City. **Information Meeting**—Scheduled for June 23 at 11:00 a.m. EDT at the Hanover Bank.

Gulf-Tex Development, Inc. (7/25-29)
March 30 filed 250,000 shares of common stock. **Price**—$5 per share. **Proceeds**—For purchase of Pelican Island;

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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.

Hamilton Cosco, Inc. (6/27-7/1)
May 11 filed 300,000 shares of common stock. **Price** — To be supplied by amendment. **Proceeds**—To members of the Hamilton family (company founders), selling stockholders. **Office** — Columbus, Ind. **Underwriters** — Smith Barney & Co. Inc., New York City, and City Securities Corp., Indianapolis, will co-manage the group.

● **Hampshire Gardens Associates (6/27-7/1)**
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.

★ **Haze-A-Way Products, Inc.**
June 15 (letter of notification) 140,000 shares of common stock (par $1) of which 4,998 shares are reserved for the exercise of an option. **Price**—For 135,002 shares, $2 per share; for the remainder, $1.75 per share. **Proceeds**—For working capital. **Address**—Boulder, Colo. **Underwriter**—None.

Helicopters, Inc.
May 19 (letter of notification) 60,000 shares of common stock (par $1). **Price** — $5 per share. **Proceeds** — For purchase of equipment, tools, inventory and working capital. **Office**—Heliport, Stapleton Airfield, Denver 2, Colo. **Underwriter**—Insurance Stocks, Inc., Denver, Colo.

Hotel Corp. of America (6/27-7/1)
May 17 filed $1,500,000 of convertible collateral trust debentures, due July 1, 1972, secured by the common stock of the company that operates the Hotel Mayflower in Washington, D. C. and of Fred Fear & Co. **Price**—To be supplied by amendment. **Proceeds** — For expansion program. **Office**—New York City. **Underwriters**—Bache & Co. and Bear, Stearns & Co., both of New York.

★ **Hydrometals, Inc.**
June 16, 1960 filed $2,500,000 of convertible debentures due 1972. The company proposes to offer the debentures for subscription by stockholders. **Price**—To be supplied by amendment. **Proceeds**—Approximately $490,000 will be used to retire loans made to furnish working capital and to finance the company's Hydro-T-Metal program, and $300,000 will be used to retire a loan made to finance the acquisition of a license to practice an electrothermal process for the production of metals from oxides and ores. The balance of such proceeds will be added to the general funds of the company. **Office** — 405 Lexington Ave., New York City. **Underwriter**—H. M. Byllesby & Co., Inc., Chicago, Ill.

I C Inc. (6/27-7/1)
June 29 filed 600,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver Colo.

Illinois Beef, L. & W. S., Inc. (6/27-7/1)
April 29 filed 200,000 shares of outstanding common stock. **Proceeds**—To selling stockholders. **Price**—$10 per share. **Office**—200 South Craig Street, Pittsburgh, Pa. **Underwriters**—Amos Treat & Co., Inc., New York, and Bruno Lenchner, Inc., Pittsburgh, Pa.

Illinois Bell Telephone Co. (7/6)
June 9, 1960, filed $50,000,000 of first mortgage bonds, series G, due 1997. **Proceeds**—For construction purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Glore, Forgan & Co. and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received on July 6 up to 11 a.m. (EDST)

Illinois Bell Telephone Co.
May 12 filed 3,047,758 shares of common capital stock (par $20) being offered for subscription by stockholders of record May 27, 1960, in the ratio of one new share for each ten shares then held, with rights to expire on June 30. **Price**—$20 per share. **Proceeds**—For general corporate purposes, including property additions and improvements, and repayment of advances to American Telephone & Telegraph Co. **Office**—212 W. Washington St., Chicago, Ill. **Underwriter**—None.

★ **Inter-County Telephone & Telegraph Co.**
June 16, 1960 filed 125,000 shares of common stock (par $4.16⅔). **Price** — To be supplied by amendment. **Proceeds**—$1,500,000 will be used to liquidate outstanding short-term bank loans and approximately $600,000 will be applied to reduction of accounts payable in connection with the company's continuing construction program. The remainder will be used to pay a portion of the 1960 construction expenditures estimated at $3,000,000. **Office**—1517 Jackson St., Fort Myers, Fla. **Underwriter**—Dean Witter & Co., New York.

★ **International Telephone & Telegraph Corp.**
June 21, 1960, filed $10,000,000 of debentures due July, 1977. **Price** — 100% of principal amount. **Office** — New York, N. Y. **Underwriter** — Bear, Stearns & Co., New York.

● **Interstate Finance Corp. (6/27-7/1)**
May 11 filed 150,000 shares of common stock. **Price** — To be supplied by amendment. **Proceeds**—For general funds and working capital. **Office**—Evansville 8, Ind. **Underwriter**—Goldman, Sachs & Co. (managing) New York City.

★ **Investors Funding Corp. of New York**
June 17, 1960 filed $400,000 of 10% subordinated debentures (half due December 1964 and half due December 1965); $1,000,000 of 10% subordinated debentures (with common stock purchase warrants), due serially 1966-1970; and warrants for the purchase of 30,000 common shares, exercisable initially at $10 per share. **Price**—The debentures (including those with warrants) are to be offered for sale at 100% of principal amount. **Proceeds**—To be used primarily for the purchase or improvement of additional parcels of real estate, and some may be used to discharge debentures maturing in August, 1960. **Office**—511 Fifth Ave., New York. **Business**—The company's primary business is that of purchasing, developing, financing, investing in and selling real estate. **Underwriter**—None.

Itemco, Inc. (7/5-8)
April 29 filed 200,000 shares of common stock. **Price**—$2.50 per share. **Proceds**—For repayment of outstanding debt, for instrumentation and automation of laboratory equipment, for expansion of existing manufacturing facilities and the acquisition or establishment of additional facilities, and the balance for working capital. **Office**—18 Beechwood Avenue, Port Washington, N. Y. **Underwriters**—Morris Cohon & Company and Schrijver & Co., both of New York.

Kenrich Petrochemicals, Inc. (7/5-8)
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.

Kings Electronics Co., Inc. (8/1-5)
May 26 filed 200,000 shares of common stock (par 10 cents) and 100,000 common stock purchase warrants. The company proposes to offer these securities for public sale in units, each consisting of one share of common stock and one-half common stock purchase warrant. **Price**—$4 per unit. **Proceeds**—$165,000 will be applied to the repayment of certain loans, $75,000 for development and design work by a subsidiary in the field of infra-red instrumentation, $100,000 for continued research in the design, development and production of components for microwave instruments, and the balance for working capital. **Office**—40 Marbledale Road, Tuckahoe, N. Y. **Underwriters** — Ross, Lyon & Co., Inc.; Globus, Inc.; Reich & Co.; Harold C. Shore & Co. and Godfrey, Hamilton, Magnus & Co., all of New York City.

Laboratory for Electronics, Inc.
April 20 filed 63,656 shares of common stock (par $1), being initially offered to its stockholders at the rate of one share for each 10 shares held of record June 9, with rights to expire on June 30 at 3:30 p.m. Boston Time. **Price**—$35 per share. **Proceeds**—For additional working capital and expansion, and the balance if any, to reduce bank loans. **Office**—1079 Commonwealth Avenue, Boston, Mass. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston and New York.

Laclede Gas Co. (7/11)
June 1 filed $10,000,000 of first mortgage bonds. **Proceeds** — Together with the proceeds from the sale of common stock, will be applied towards the repayment of bank loans incurred in connection with the company's construction program for additions to the company's working capital, to be used for construction and general corporate purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Lehman Brothers, Merrill Lynch, Pierce, Fenner & Smith Inc. and Reinholdt & Gardner (jointly); Eastman Dillon, Union Securities & Co. **Bids**—Expected to be received on July 11 up to 11:00 a.m. EDT. **Information Meeting**—Scheduled for July 7 at 10:30 a.m. EDT at the Bankers Trust Co.

Laclede Gas Co. (7/8)
June 1 filed a maximum of 243,600 shares of common stock (par $4), to be offered to stockholders on the basis of one additional share for each 14 shares of common stock held of record at the close of business on July 8, 1960. **Price**—To be supplied by amendment. **Proceeds**—Together with the proceeds from the proposed sale of the first mortgage bonds will be applied toward repayment of bank loans incurred in connection with the company's construction program and for additions to the company's working capital, to be used for construction and other corporate purposes. **Underwriters** — Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York, and Reinholdt & Gardner, St. Louis, Mo.

Lamtex Industries, Inc. (6/27-7/1)
May 13 filed 100,000 shares of common stock. **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office** — Motor Ave., Farmingdale, Long Island, N. Y. **Underwriter**—Finkle, Seskis & Wohlstetter, of N. Y. City

● **Lasco Industries (6/24-28)**
April 29 (letter of notification) 150,000 shares of common stock (no par). **Price**—$2 per share. **Proceeds**—To pay for a new building. **Office**—2939 S. Sunol Dr., Los Angeles, Calif. **Underwriter**—Holton, Henderson & Co., Los Angeles, Calif.

Lee Motor Products, Inc. (6/27-7/1)
May 6 filed 167,000 shares of class A common stock (par $1). **Price**—$3 per share. **Proceeds**—$150,000 will be used to repay existing obligations to banks incurred in March of 1960 to retire trade accounts and for other working capital purposes; approximately $50,000 will be used to finance expansion of warehouse facilities; and the balance of $207,000 will be added to the company's general funds and used as working capital. **Office** — 4701 Gladstone Ave., Cleveland, Ohio. **Underwriter**—Godfrey, Hamilton, Magnus & Co.. Inc.. New York.

★ **Lestoil Products, Inc. (8/1-5)**
June 17, 1960 filed 275,000 shares of class A stock and 275,000 shares of common stock (par $1), to be offered for public sale in units, each consisting of one class A and one common share. **Price**—$15 per unit. **Proceeds**—To discharge certain indebtedness, and the balance will be added to working capital and be available for general corporate purposes. **Office**—Holyoke, Mass. **Business**—Company's principal products are Lestoil and Lestare. **Underwriters** — Paine, Webber, Jackson & Curtis, New York and Boston, and Alex. Brown & Sons, Baltimore, Md. and New York.

Liberian Iron Ore Ltd. (6/28)
May 19 joined with The Liberian American-Swedish Minerals Co., Monrovia, Liberia, in the filing of $15,000,000 of 6¼% first lien collateral trust bonds, series A, due 1980, of Lio, $15,000,000 of 6¼% subordinated debentures due 1985 of Lio, an unspecified number of shares of Lio capital stock, to be offered in units. The units will consist of $500 of collateral trust bonds, $500 of debentures and 15 shares of capital stock. **Price**—For units, to be supplied by amendment, and not to be in excess of par. **Proceeds**—To make loans to Lamco. **Office**—97 Queen St., Charlottetown, Prince Edward Island, Canada, N. S. **Underwriter**—White, Weld & Co., Inc., New York.

● **Liberty Records, Inc. (7/6)**
April 1 filed 150,000 shares of common stock (par 50c). **Price**—Approximately $8.00 per share. **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.

Magnasync 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.

Majestic Utilities Corp.
April 29 filed $300,000 of 6% convertible 10-year debentures, $250 face value, 30,000 shares of common stock, and options to purchase an additional 30,000 shares. It is proposed to offer these securities for public sale in units (1,200), each consisting of $250 face amount of debentures, 25 shares of common stock, and options to to purchase an additional 25 common shares. **Price**—$350 per unit. **Proceeds**—To be applied in part payment of a $250,310 bank loan and the balance to be added to working capital and used for general corporate purposes. **Office** — 1111 Stout Street, Denver, Colo. **Underwriter**—Purvis & Company, Denver, Colo. **Offering**—Expected sometime in July.

★ **Marbro Associates**
June 6, 1960 (letter of notification) $220,000 limited partnership interests to be offered in units of $5,000. **Proceeds**—To pay the balance of the purchase price to the sellers, real estate brokerage commission, refund of deposit paid by general partners, legal fees, adjustments and for miscellaneous funds. **Office** — 38 Chesterfield Rd., Scarsdale, N. Y. **Underwriter**—None.

● **Martin-Perry Marine Corp.**
May 10 (letter of notification) 240,000 shares of common stock (par 10 cents). **Price**—$1.25 per share. **Proceeds**—For general corporate purposes. **Office** — 415 Madison Ave., New York, N. Y. **Underwriter**—Edward H. Stern & Co., 32 Broadway, New York 32, N. Y. **Offering**—Expected in late July.

Maule Industries, Inc.
June 15, 1960, filed 254,322 shares of common stock, to offered to holders of the outstanding common at the rate of one new share for each three shares held. **Price**—$7 per share. **Proceeds** — For plant and modernization expenses. **Office**—Miami, Fla. **Underwriter**—None.

McCormick Selph Associates, Inc.
April 15 filed 130,000 shares of capital stock, of which 100,000 shares will be offered for public sale by the issuing company and 30,000 shares, being outstanding, by the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To reduce outstanding indebtedness, to reduce accounts payable, and for additional working capital. **Office**—2308 San Felipe Rd., Hollister, Calif. **Underwriter**—Wilson, Johnson & Higgins, San Francisco, Calif.

● **McGowen Glass Fibers Corp. (6/27-7/1)**
April 27 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds** — For general corporate purposes. **Office** — 829 Newark Avenue, Elizabeth, N. J. **Underwriter**—Simmons, Rubin & Co., Inc., New York, N. Y.

Metropolitan Development Corp. (7/11-15)
June 8 filed 1,000,000 shares of capital stock. **Price**—To be supplied by amendment. **Proceeds**—To complete payments on the company's property, for repayment of loans, and the balance to be added to the general funds for construction purposes and acquisitions. **Office**—Los Angeles, Calif. **Underwriters**—William R. Staats & Co., of Los Angeles, Calif., and Bache & Co. and Shearson, Hammill & Co., both of New York City.

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Miami Tile & Terrazzo, Inc.
March 11 filed 125,000 shares of common stock (par $1). **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.

Midwest Technical Development Corp. (7/5-8)
May 17 filed 561,500 shares of common stock, to be offered to holders of the outstanding common on a one-for-one basis. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Minneapolis, Minn. **Underwriters**—Shearson, Hammill & Co., New York City, and Piper, Jaffray & Hopwood, Minneapolis.

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. **Price**—$17 per share. **Proceeds**—For working capital. **Address**—Cincinnati, Ohio. **Underwriter** — W. D. Gradison & Co., Cincinnati, Ohio.

Miles Laboratories, Inc. (6/24)
May 18 filed approximately $8,300,000 of convertible subordinated debentures due 1980. The company proposes to offer to the holders of its outstanding common stock of record on or about June 24, 1960, rights to subscribe for the debentures in the ratio of $100 principal amount of debentures for each 16 shares of common stock then held; the subscription offer will expire July 11, 1960. The new debentures which will be convertible into common stock until maturity, unless previously redeemed, will be entitled to an annual sinking fund commencing July 1, 1966, sufficient to retire approximately 93% of the debentures prior to maturity. **Proceeds**—For repayment of short-term debt. **Underwriter**—The First Boston Corp., New York, managing.

Mississippi River Fuel Corp. (7/7)
June 1 filed $24,000,000 of sinking fund debentures due 1980. **Price**—To be supplied by amendment. **Proceeds**—To be applied toward the reduction of outstanding bank loans. **Office** — St. Louis, Mo. **Underwriter** — Eastman Dillon, Union Securities & Co., New York.

● **Mister Service, Inc.**
April 11 (letter of notification) 80,000 shares of common stock (par 20 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—338 Lafayette Street, Newark, N. J. **Underwriter**—General Securities Co., Inc., New York City. **Offering**—Imminent.

Model Finance Service, Inc.
May 26 filed 100,000 shares of second cumulative preferred stock—65c convertible series, $5 par—and $1,000,000 of 6½% junior subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general working funds. **Office**—202 Dwight Building, Jackson, Mich. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill.

● **Monowall Homes, Inc.**
April 22 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To pay an outstanding note, purchase of land, equipment and for working capital. **Office**—546 Equitable Building, Baltimore 2, Md. **Underwriter**—American Diversified Securities, Inc., Washington, D. C. **Offering**—Imminent.

Montgomery Ward Credit Corp. (6/27-7/1)
May 5 filed $50,000,000 of debentures, 1980 series. **Price**—To be supplied by amendment. **Proceeds**—To be added to general funds and will be available for the purchase of deferred payment accounts from Montgomery Ward & Co., Inc. **Office**—100 West Tenth St., Wilmington, Del. **Underwriter**—Lehman Brothers, New York.

Mustang Lubricant, Inc.
May 9 filed 80,000 shares of class A common stock. **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office**—Denver, Colo. **Underwriter**—To be supplied by amendment.

Namm-Loeser's Inc. (7/5-8)
April 27 filed 217,278 shares of common stock (par $1). The company proposes to offer 108,000 shares of new common stock for subscription by holders of outstanding stock of record May 31, at the rate of one new share for each three shares held. Arebec Corp., of New York, which owns 109,278 common shares, has entered into an agreement to sell said shares to the underwriter. **Price**—To be supplied by amendment. **Proceeds**—To be added to company's general funds and will enable it to use all or part of the proceeds in the reduction of bank indebtedness. **Office** — 2301 Woodward Ave., Detroit, Mich. **Underwriter**—Ladenburg, Thalmann & Co., New York.

★ **Narragansett Capital Corp. (8/8-12)**
June 21, 1960, filed 1,000,000 shares of common stock (par $1). **Price**—$11 per share. **Proceeds**—For investment. Office—10 Dorrance Street, Providence, R. I. **Business**—This non-diversified closed-end management investment company intends to provide equity capital and to make long-term loans as contemplated by the Small Business Investment Act of 1958 to a diversified group of small business concerns. **Underwriter**—G. H. Walker & Co., New York.

National Capital Corp. (8/1-5)
June 9, 1960, filed 240,000 shares of class A common stock (par $1). **Price**—$5 per share. **Proceeds**—For reduction of indebtedness, working capital, and general corporate purposes. **Office** — 350 Lincoln Road, Miami Beach, Fla. **Underwriters**—J. A. Winston & Co., Inc., and Netherlands Securities Co., Inc., both of New York City.

National Fountain Fair Corp.
May 27 (letter of notification) 75,000 shares of common stock (par $1). **Price** — $4 per share. **Proceeds** — For general corporate purposes. **Office** — 3000 Hempstead Turnpike, Levittown, L. I., N. Y. **Underwriter**—General Investing Corp., New York, N. Y.

National Lawnservice Corp.
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. **Offering**—Expected sometime in July.

● **National Old Line Life Insurance Co.**
April 12 filed 128,329 shares of class BB (non-voting) common stock, of which 43,329 shares are to be offered for the account of the issuing company and 80,000 shares representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes. **Office** — Little Rock, Ark. **Underwriter** — Equitable Securities Corp., Nashville, Tenn. **Offering**—Imminent.

National Packaging Corp. (7/5-8)
March 30 filed 60,000 of common capital stock (par $1). **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**—First Securities Corp., 212 W. Jefferson St., Ft. Wayne, Ind.

★ **National Patent Development Corp. (7/18-22)**
June 8, 1960, filed 150,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—Net of this sale in combination with cash on hand will be used to finance the client and sales solicitation program, and the balance for general corporate purposes. **Office**—68 William St., New York City. **Underwriters** — Globus, Inc. and Ross, Lyon & Co., both of New York City.

★ **National Pool Equipment Co.**
June 20, 1960, filed $1,000,000 of 6% convertible subordinated notes due 1974 and 66,666 shares of common stock into which the notes are convertible, to be offered for public sale by the 15 holders thereof. The said notes, initially issued on June 10, 1959, are convertible at the option of the holder into common stock at their principal amount at a conversion price of $15 per share. In addition, the company is registering 21,000 shares of common stock subject to warrants at $1 per warrant on June 10, 1959 in connection with the issuance of the notes and exercisable at $15 per share. **Price**—To be supplied by amendment. **Proceeds**—In the amount of $315,000 received upon exercise of the 21,000 warrants will be used for general corporate purposes. **Office**—Lee Highway, Florence, Ala. **Business**—The company is engaged in the business of designing, manufacturing and selling component parts of swimming pools for public and private use and in manufacturing and selling swimming pool equipment, accessories, chemicals and supplies. **Underwriter**—None.

Navigation Computer Corp. (6/27-7/1)
May 18 filed 50,709 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and used for general corporate purposes. **Office**—1621 Snyder Ave., Philadelphia, Pa. **Underwriters**—Drexel & Co. and DeHaven & Townsend, Crouter & Bodine, both of Philadelphia, Pa.

Nebraska Consolidated Mills Co. (6/27-7/1)
May 11 filed 111,951 shares of common stock, to be offered for subscription by holders of outstanding common, at the rate of one new share for each four shares held. **Price** — $10 per share. **Proceeds** — To be added to the general funds of the company and will be used to finance larger inventories and accounts receivable. **Office**—1521 North 16th St., Omaha, Neb. **Underwriter**—None.

New Britain Gas Light Co. (7/8)
May 18 filed a maximum of 16,000 shares of common stock (par $25), to be offered to holders of the outstanding common on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—To discharge bank loans, for construction, and for general corporate purposes. **Office**—New Britain, Conn. **Underwriter**—Putnam & Co., Hartford, Conn.

New Jersey Power & Light Co. (7/19)
May 24 filed $5,000,000 of first mortgage bonds, due 1990. **Proceeds**—For construction and reduction of indebtedness. **Office**—Denville, N. J. **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 up to 11 a.m. EDT. **Information Meeting** — Scheduled for July 15 at 67 Broad Street, between 10:00 a.m. and 12 noon.

North American Merchandising Co.
May 26 (letter of notification) $300,000 of 7% convertible sinking fund debentures due July 1, 1965. **Price**—At face amount. **Proceeds**—To repay short-term loans and for working capital. **Office**—118 Cole Street, Dallas, Texas. **Underwriter**—Parker, Ford & Co., Inc., Dallas, Texas.

North Washington Land Co.
May 3 filed $1,600,000 of first mortgage participation certificates. **Price**—The certificates will be offered at a discount of 17.18% from face value. **Proceeds**—For the primary purpose of refinancing existing loans. **Office**—1160 Rockville Pike, Rockville, Md. **Underwriter**—Investor Service Securities, Inc.

● **Northern Illinois Gas Co. (7/13)**
May 27 filed $30,000,000 of first mortgage bonds due 1985. **Proceeds**—To be applied to the retirement of not to exceed $5,000,000 of bank loans to be obtained for temporary financing of part of the company's new construction and to increase working capital for application to construction expenditures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc. group. **Bids**—To be received on July 13, up to 10:00 a.m. CDST. **Information Meeting** — Scheduled for July 6 up to 11:00 a.m. EDT, at Bankers Trust Co., 16 Wall St., New York City, 12th floor, room 12A.

Northwest Natural Gas Co. (6/28)
May 25 filed 60,000 shares of preferred stock (par $100). **Price**—To be supplied by amendment. **Proceeds**—To retire $5,000,000 of bank loans and the balance for construction purposes. **Office**—Portland, Ore. **Underwriter**—Lehman Brothers. New York City.

Norwalk Co., Inc.
June 6 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To reduce indebtedness, purchase machinery and equipment, and add to working capital. **Office**—North Water Street, So. Norwalk, Conn. **Underwriter**—Myron A. Lomasney & Co., New York City.

Nuclear Engineering Co., Inc.
April 18 (letter of notification) 30,000 shares of common stock (par 33.3 cents). **Price**—$10 per share. **Proceeds**—To replace bank financing, reduce accounts payable, purchase machinery and equipment and for working capital. **Office**—65 Ray St., Pleasanton, Calif. **Underwriter**—Pacific Investment Brokers, Inc., Seattle, Wash.

Obear-Nester Glass Co. (6/27-7/1)
April 14 filed 210,045 shares of common stock (no par). **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—Broadway and 20th, East St. Louis, Ill. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

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.

★ **Olin's Rent-A-Car System, Inc.**
June 10, 1960 (letter of notification) 200,000 shares of class A stock (par five cents). **Price** — $1.50 per share. **Proceeds**—To pay for closing, rentals, leasing rental cars, and for working capital. **Office**—2830 N. E. 2nd Ave., Miami, Fla. **Underwriter**—Robert Edelstein Co., Inc., New York, N. Y.

Oxford Manufacturing Co., Inc. (6/21-7/1)
May 3 filed 240,000 shares of class A common stock (par $1), of which 160,000 shares are now outstanding and are to be offered for public sale by the present holders thereof and the remaining 80,000 shares will be offered by the issuing company. **Price** — To be supplied by amendment. **Proceeds**—$150,000 will be used for the purchase of additional machinery and equipment to be installed in certain new manufacturing plant facilities, construction of which has been completed; the balance of the proceeds will be used for general corporate purposes. **Office**—151 Spring Street, N. W., Atlanta, Ga. **Underwriters**—W. C. Langley & Co., New York; and Courts & Co., Atlanta and New York.

Pacotronics, Inc.
June 2 filed 150,000 shares of common stock. **Price**—$4 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness and research and development expenses. **Office** — 70-31 84th Street, Glendale, L. I., N. Y. **Underwriter**—Myron A. Lomasney & Co., New York City. **Offering**—Expected in mid-July.

Papercraft Corp. (7/6)
June 2 filed 130,063 shares of common stock (par $1), to be offered initially to stockholders of the corporation at the rate of one additional share for each eight shares presently held. **Price**—To be supplied by amendment. **Proceeds**—To retire bank loans incurred in connection with the recent acquisition of LePage's Division of Johnson & Johnson. Any balance will be added to the company's general funds. **Office**—Pittsburgh, Pa. **Underwriter**—Eastman Dillon, Union Securities & Co., New York.

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. **Offering**—Expected sometime in August.

★ **Patton Engineering Corp.**
June 3, 1960 (letter of notification) 19,000 shares of class B common stock (no par). **Price**—$5 per share. **Proceeds**—For working capital. **Address** — Bert Lane, North Hampton, N. H. **Underwriter**—Eastern Investment Corp., Manchester, N. H.

Pauley Petroleum Inc. (7/11)
May 27 filed $10,000,000 of subordinated debentures (convertible) due 1976. **Price** — To be supplied by amendment. **Proceeds**—$7,000,000 will be applied to the payment of bank borrowing incurred in connection with the company's Mexican Tidelands operations and to the

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reduction of current liabilities. The balance will be added to the general funds of the company and will be available for general corporate purposes. **Office**—717 No. Highland Avenue, Los Angeles, Calif. **Underwriter**—William R. Staats & Co., Los Angeles, Calif.

Pearson Corp. (8/1-5)
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.

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.

★ **Plastics & Fibers, Inc.**
June 14 (letter of notification) 150,000 shares of common stock (par 20 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—Whitehead Avenue, South River, N. J. **Underwriter**—Pearson, Murphy & Co., Inc., New York, N. Y.

Polycast Corp. (6/27-7/1)
May 19 filed $400,000 of 6½% convertible subordinated debentures and 71,364 shares of common stock, of which the debentures and 20,000 shares of common stock will be offered publicly; 15,000 shares are issuable upon the exercise of warrants and the remaining 36,364 shares are issuable upon conversion of the debentures. **Price**—For debentures, 100%; price for common stock will be supplied by amendment. **Proceeds**—To be used in part ($325,000) to purchase equipment, and the balance will be used for working capital purposes. **Office**—69 Southfield Ave., Stamford, Conn. **Underwriters**—M. L. Lee & Co., Inc. and Milton D. Blauner & Co., Inc., both of New York.

★ **Powertron Ultrasonics, Inc.**
June 20, 1960 filed 205,000 shares of common stock. **Price**—$2 per share. **Proceeds**—$143,668 will be used to retire three short-term notes, and the balance of approximately $256,832 will be used to provide additional working capital. **Office** — Roosevelt Field Industrial Park, Garden City, L. I., N. Y. **Business** — Company develops and markets a variety of electrical and electronic products incorpoarting ultrasonic principles. **Underwriter**—None.

★ **Process & Instruments Corp.**
June 13, 1960 (letter of notification) 3,000 shares of common stock (par $1). **Price**—$100 per share. **Proceeds**—For general corporate purposes. **Office**—15 Stone Ave., Brooklyn, N. Y. **Underwriter**—None.

• **Progress Electronics Corp. (6/27)**
May 25 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—To develop and produce proprietary items in the electronics field. **Office**—1240 First Security Building, Salt Lake City, Utah. **Underwriter**—Binder & Co., Inc., 541 South Spring Street, Los Angeles, Calif.

• **Provident Fund for Income, Inc.**
Dec. 23 filed 400,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For investment. **Office**—3 Penn Center Plaza, Philadelphia, Pa. **Underwriter**—Provident Management Corp., same address. **Offering**—Imminent.

★ **Putnam (J. L.) Co., Inc.**
June 16, 1960 (letter of notification) 50,000 shares of class B common stock (par $1). **Price** — $4 per share. **Proceeds** — For general corporate purposes. **Address**—Biddeford, Maine. **Underwriters** — J. L. Brady & Co., Worcester, Mass. and David G. Means, Bangor, Maine.

Pyramid Electric Co. (6/27-7/1)
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.

• **Rajac Self-Service, Inc.**
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. **Note**—This statement is to be withdrawn, and a new filing of 150,000 shares at $3 per share will be made shortly.

Ramo Investment Co. (6/24)
June 2 (letter of notification) 9,600 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To go to selling stockholders. **Office**—8401 Building, Omaha, Neb. **Underwriter**—First Trust Co. of Lincoln, Lincoln, Neb.

Reeves Broadcasting & Development Corp. (6/27-7/1)
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.

★ **Reilly-Wolff Associates, Inc.**
June 14, 1960 (letter of notification) 43,000 shares of class A stock (par one cent). **Price**—$5 per share. **Business**—The company is an integrated furniture manufacturer, specializing in outdoor and office types of furniture. **Proceeds**—For general corporate purposes. **Office**—120 E. 32nd St., New York, N. Y. **Underwriter**—Arden Perin & Co., Inc., New York, N. Y. **Offering**—Expected sometime in August.

• **Republic Ambassador Associates (7/5-8)**
April 29 filed $10,000,000 of Limited Partnership Interests, to be offered in units. **Price**—$10,000 per unit. **Proceeds**—To purchase hotels in Chicago from a Webb & Knapp subsidiary. **Office**—111 West Monroe Street, Chicago, Ill. **Underwriter**—Lee Higginson Corp., New York.

• **Republic Graphics Inc.**
April 29 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes. **Office** — 134 Spring Street, New York, N. Y. **Underwriters**—Theodore Arrin & Co., Inc., 82 Beaver Street, New York, N. Y.; T. M. Kirsch & Co., and Robert A. Martin Associates, Inc., New York, N. Y. **Offering**—Imminent.

★ **Rixon Electronics, Inc.**
June 7, 1960 (letter of notification) 2,850 shares of common stock (par $1). **Price**—$17.50 per share. **Proceeds**—To purchase equipment, fixed assets and for working capital. **Office** — 2414 Reedie Drive, Silver Spring, Md. **Underwriter**—None.

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**—4435 Woodley Ave., Encino, Calif. **Underwriter**—To be supplied by amendment.

Rosauer's Super Markets, Inc. (6/27-7/1)
June 1 (letter of notification) 28,000 shares of 6% cumulative convertible preferred stock (par $10). **Price**—$10.50 per share. **Proceeds**—To purchase fixtures, equipment and inventory for two proposed new super markets. **Office**—Spokane, Wash. **Underwriter**—Foster & Marshall, Seattle, Wash.

Roto American Corp.
May 27 filed 75,000 shares of common stock (par $1) to be offered for cash sale to the public, and 44,283 shares to be issued in exchange for common and preferred shares of four subsidiaries. **Price**—To be supplied by amendment. **Proceeds**—To be used largely for reduction of accounts payable, as well as for new tooling, research, repayment of an officer's loan, and general corporate purposes. **Office**—93 Worth Street, New York. **Underwriter**—Morris Cohon & Co., New York. **Offering**—Expected in mid-July.

• **S.A.F., Ltd.**
May 6 filed $303,000 of partnership interests, to be offered for sale in units. **Price**—$500 per unit. **Proceeds**—To acquire fee title to certain land in St. Augustine, Fla., upon which will be constructed a 54-unit Howard Johnson Motor Lodge and restaurant, swimming pool and related facilities. **Office**—60 East Coral Center, Fort Lauderdale, Fla. **Underwriters**—Radice Securities Corp. and Jerry Thomas & Co., Inc., Palm Beach, Fla. **Offering**—Imminent.

• **Safticraft Corp., Patterson, La. (6/28-7/1)**
April 29 filed 275,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—The company proposes to use $50,000 to expand its efforts in the sale of Safticraft boats nationally; $250,000 for reduction of short-term borrowings; and the remaining $293,500 to be advanced to du Pont, Inc. as additional working capital necessary in the financing of increased inventories and receivables incident to the increased sales volume of Dupont. **Underwriter** — George, O'Neill & Co., Inc., New York.

Saucon Development Corp. (6/27-7/1)
April 28 (letter of notification) an undetermined number of shares of common stock (par $1) not to exceed $300,000. **Price**—To be supplied by amendment. **Proceeds**—For mining expenses. **Office** — c/o Wallace F. McQuade, Pres., 246 Beaconsfield Blvd., Beaconsfield, Quebec, Canada. **Underwriter**—P. Michael & Co., 69 Passaic St., Garfield, N. J.

Sav-A-Stop, Inc. (7/11-15)
May 27 filed 100,000 shares of common stock (par 10 cents). **Price**—$4.50 per share. **Proceeds**—For working capital. **Office** — 2202 Main Street, Jacksonville. Fla. **Underwriter**—Pistell, Crow Inc., of New York City, formerly Pistell, Schroeder & Co.

• **Sea-Highways, Inc. (6/27-7/1)**
May 9 filed 150,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For working capital. **Office**—Pan-American Bank Bldg., Miami, Fla. **Underwriter**—John R. Maher Associates, of New York.

Seaway Shopping Centers, Inc.
May 20 filed 90,000 shares of $.50 cumulative convertible preferred stock, ($.01 par) and 90,000 shares of class A common stock ($.01 par). It is proposed to offer these shares in units, each consisting of one share of preferred at $7 per share and one class A share at $3 per share, or $10 for the unit. **Proceeds**—To complete construction of new shopping centers. **Office** — 619 Powers Bldg., Rochester, N. Y. **Underwriter**—John R. Boland & Co., Inc., New York. **Offering**—Expected mid-to-late July.

• **Service Instrument Corp. (6/27-7/1)**
March 23 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds** — For general corporate purposes. **Office** — 693 Broadway, New York, N. Y. **Underwriter** — Pearson, Murphy & Co., Inc., New York, N. Y.

Sierra Electric Corp. (6/27-7/1)
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 (par $1). **Proceeds**—To reduce bank loans and for working capital. **Office**—Gardena, Calif. **Underwriter**—Marron, Sloss & Co., Inc., New York City.

Sierra Pacific Power Co. (7/6)
May 26 filed $3,500,000 of debentures due July 1, 1985. **Proceeds**—To pay some $2,300,000 of outstanding bank loans and for construction expenditure. **Office** — 220 South Virginia St., Reno, Nev. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Stone & Webster Securities Corp. and Dean Witter & Co. (jointly). **Bids**—Expected to be received on July 6, at 49 Federal St., 8th floor, Boston, Mass., up to 10:30 a.m. EDT. **Information Meeting**—Scheduled for July 1 at 11:00 a.m. EDT. at 90 Broad St., 19th floor, New York City.

★ **Sig Laboratories, Inc.**
June 8, 1960 (letter of notification) 24,975 shares of common stock (no par). **Price**—$10 per share. **Proceeds**—For officers and salesmen's salaries, purchase of inventory, advertising and miscellaneous expenses. **Office** — 710 Archer(Marshall, Ill. **Underwriter**—None.

Sire Plan Normandy Isle, Inc. (6/27-7/1)
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.

• **Skyline Homes, Inc. (7/12)**
April 15 filed 115,000 shares of class A common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's working capital and used for general corporate purposes. **Office**—2520 By-Pass Road., Elkhart, Ind. **Underwriter**—Rodman & Renshaw, Chicago, Ill.

Smith, (Herman H.) Inc.
May 24 (letter of notification) 82,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—2326 Nostrand Ave., Brooklyn, N. Y. **Underwriters**—First Broad Street Corp.; Globus, Inc.; Russell & Saxe, Inc., V. S. Wickett & Co., Inc., and Street & Co., Inc., all of New York.

★ **Soren Mining & Milling Corp.**
June 7, 1960 (letter of notification) 1,000,000 shares of common stock. **Price**—25 cents per share. **Proceeds**—For necessary equipment for mining operations. **Address**—Sedro Woolley, Wash. **Underwriter**—None.

Sottile, Inc. (Formerly South Dade Farms, Inc.)
July 29 filed 2,000,000 shares of common stock (par $1), of which 1,543,000 shares are to be issued and sold for the account of the company, and 457,000 shares, representing outstanding stock, to be sold for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To retire 70% of the common stock outstanding at the date of the stock offering; to invest in the capital stocks of six of the company's seven bank subsidiaries; to repay a bank loan of $6,400,000; to add to working capital; to retire certain long-term indebtedness; and to develop citrus groves. **Office**—250 South East First Street, Miami. Fla. **Underwriter**—Bear, Stearns & Co., New York. **Offering**—Indefinite.

• **Southern Union Gas Co. (6/29)**
May 24 filed $12,000,000 of sinking fund debentures, due 1985. **Price**—To be supplied by amendment. **Proceeds**—To be applied in part to the repayment of $4,000,000 of bank borrowings for construction purposes, and the balance will be used for further construction expenditures in 1960. **Office**—Fidelity Union Tower, Dallas, Texas. **Underwriters**—A. C. Allyn & Company, Incorporated, New York and Chicago, and Snow, Sweeney & Co., Inc., New York.

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. **Underwriter** — Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

(A. G.) Spalding & Bros., Inc.
May 2 filed 85,484 shares of common stock, being offered for subscription on the basis of one new share for each 10 shares held of record June 13, 1960. **Price**—$20 per share. The Pyramid Rubber Co., the largest individual stockholder, owning 178,978 shares, has agreed to purchase at the offering price within five days after the expiration of the subscription offer (June 30, 1960), all of the stock not sold to the company's stockholders. Pyramid Rubber may within 30 days thereafter resell for investment at the offering price some of the stock it shall acquire to other persons (not exceeding 15) who may be stockholders, officers or directors of the company. **Office**—Chicopee, Mass. **Underwriter**—None.

Stelma, Inc. (6/27-7/1)
May 10 filed 175,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — Stamford, Conn. **Underwriter**—Amos Treat & Co. Inc., New York City.

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Super Food Services, Inc.
May 10 filed 60,000 preferred shares-convertible series ($1.50 annual cumulative dividend), $1 par. The company proposes to sell 50,000 shares through a group of underwriters headed by Wm. H. Tegtmeyer & Co., Chicago, Ill. on a firm commitment basis; and by a pre-offering subscription Central Securities Corp. has conditionally agreed to purchase 10,000 such shares. **Price**—$25 per share for public offering. **Proceeds**—To provide the funds to exercise an option to purchase 72,600 of the 113,003 issued and outstanding shares of common of Progressive Wholesale Grocery Co., at a maximum aggregate price of $1,333,333. **Office**—Chicago, Ill.

Swimming Pool Development Co., Inc. (6/27-7/1)
April 15 filed 250,000 shares of common stock (par $1). **Price** — $5 per share. **Proceeds** — Principally for additional working capital. **Office**—Florence, Ala. **Underwriter**—Marron, Sloss & Co., Inc., New York.

System Meat Co.
June 2 filed 150,000 shares of common stock. **Price**—$5 per share. **Proceeds** — For payment of employees' salaries, first mortgage installment, accrued officers' salaries, and the balance for working capital. **Office** — Newcastle, Wyo. **Underwriter**—Purvis & Co., Denver, Colo. **Offering**—Expected sometime in July.

Talley Industries, Inc.
June 14, 1960, filed 150,000 shares of common stock. **Price** — To be supplied by amendment. **Proceeds** — For general corporate purposes, including the reduction of indebtedness, research and development expenses, and the acquisition of machinery and equipment. **Office**—Cheshire, Conn. **Underwriter**—Adams & Peck, New York City.

Tampa Electric Co. (6/28)
May 19 filed $25,000,000 of first mortgage bonds, series due July 1, 1990. **Proceeds**—To be used to pay some $24,000,000 of bank loans and for 1960 construction expenditures. **Office**—111 North Dale Mabry Hwy., Tampa, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Goldman, Sachs & Co. **Bids**—Expected to be received up to 11 a.m. on June 28 at 90 Broad St., 19th floor, New York City. **Information Meeting**—June 24 at 11:00 a.m.

★ **Telephone & Electronics Corp. (7/25-29)**
June 14, 1960 (letter of notification) 52,980 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office**—7 East 42nd St., New York 17, N. Y. **Underwriter**—Equity Securities Co., New York, N. Y.

● **Texas Capital Corp. (6/30-7/1)**
May 4 filed 350,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To be used to provide investment capital and management services to small business concerns. **Office**—705 Lamar Blvd., Austin, Texas. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

Texas Eastern Transmission Corp.
April 11 filed $25,000,000 of debentures, due 1980. **Price**—To be supplied by amendment. **Proceeds**—For the reduction of indebtedness and for construction expenses. **Office**—Houston, Texas. **Underwriter**—Dillon, Read & Co., Inc., New York City. **Note**—This offering has been indefinitely postponed.

Thurow Electronics, Inc.
March 28 filed 200,000 shares of class A common stock, (par $2.50) 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. **Offering**—Imminent.

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.

● **Trans Tech Systems, Inc. (7/25-29)**
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.

● **Tri-Point Plastics, Inc.**
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. **Underwriter**—Martinelli, Hindley & Co., Inc., New York, N. Y. **Offering** — Imminent.

Triumph Storecrafters Corp. (6/27-7/1)
May 18 filed 145,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Houston, Texas. **Underwriters**—Hardy & Hardy, New York City, and First Southeastern Co., Atlanta, Ga.

Underwriters National Assurance Co.
May 12 filed 240,000 shares of common capital stock. **Price**—$7.50 per share. **Proceeds**—For general corporate purposes, including payment of operating expenses, the carrying on of the insurance business, and for working capital (and including $50,000 which will be certified to State authorities for investigation and examination by it to procure the certificate of authority to transact insurance business). **Office**—1939 North Meridian St., Indianapolis, Ind. **Underwriter**—David L. Johnson & Associates, Inc., Indianapolis, Ind.

★ **United Aero Products Corp. (8/1)**
June 15, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The manufacture of precision metal products for use in the aircraft, missile and electronics industries. **Proceeds**—For an additional plant, machinery and equipment, the repayment of loans, and the balance for working capital. **Office**—Burlington, N. J. **Underwriters**—L. C. Wegard & Co. of Levittown, N. J.; Street & Co., Inc. of New York City; Woodcock, Moyer, Fricke & French of Philadelphia, Pa.; First Broad Street Corp., Russell & Saxe and V. S. Wickett & Co., Inc. all of New York City.

● **United Components, Inc.**
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. **Note**—This statement was withdrawn on June 16.

★ **United Sheet Metal Co., Inc.**
June 16, 1960 filed 170,000 shares of common stock (no par), of which 85,000 shares are for public offering and 85,000 are outstanding and are to be offered for the account of present holders. **Price** — To be supplied by amendment. **Proceeds**—Of the public sale, for working capital and general corporate purposes. **Office** — 883 North Cassady Ave., Columbus, Ohio. **Underwriter**—R. W. Pressprich & Co., New York City. **Offering**—Expected sometime in August.

United States Boat Corp. (6/27-7/1)
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.

Universal Marion Corp.
April 15 filed 435,120 shares of common stock (no par), being offered for subscription by common stockholders of record June 10, at the rate of one new share for each four shares or fraction thereof with rights to expire on July 11 at 3:30 p.m. (EDT). **Price** — $13.50 per share. **Proceeds**—To be added to the general funds of the company and be available for use in developing the company's tract of land near Tampa, Fla., for working capital and for possible acquisition of other properties. **Office**—602 Florida Theatre Bldg., Jacksonville, Fla. **Underwriter**—None.

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 Theater Bldg., Jacksonville, Fla. **Underwriter**—None.

★ **Variable Annuity Life Insurance Co. of America (7/25-29)**
June 16, 1960 filed 1,000,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Proceeds**—Primarily to develop and expand the company's business. **Office**—1832 M St., N. W., Washington, D. C. **Underwriter** — John C. Legg & Co., Baltimore and New York.

Varian Associates (7/14)
May 24 filed 216,645 shares of capital stock to be offered for subscription by stockholders of record July 14, at the rate of one new share for each 15 shares held. **Price** — To be supplied by amendment. **Proceeds** — For construction, new machinery, the retirement of outstanding bank loans, and the balance for working capital. **Office**—Palo Alto, Calif. **Underwriter**—Dean Witter & Co., San Francisco, Calif.

★ **Video Corp.**
June 8, 1960 (letter of notification) 60,000 shares of common stock (no par). **Price**—$5 per share. **Proceeds**—To pay notes, for expansion, and equipment, and the balance for working capital. **Address**—San Diego, Calif. **Underwriter**—Norman C. Roberts Co., San Diego, Calif.

● **Wallace Properties, Inc. (6/29)**
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.

● **Waltham Precision Instrument Co., Inc. (6/27-7/1)**
April 15 filed 700,000 shares of common stock (par $1). It is proposed that this offering will be on a subscription basis to the company's present common stockholders. **Price**—To be supplied by amendment. **Proceds**—$600,000 to pay the balance of the purchase price for Boesch Manufacturing Co., Inc. stock; $350,000 to pay the 5% chattel mortgage note held by the Secretary of the U. S. Treasury as assignee of the Reconstruction Finance Corp.; $200,000 to pay the 6% secured notes issued as part payment for the stock of Electro-Mec Laboratory, Inc.; and the balance for working capital and other corporate purposes. **Office**—221 Crescent St., Waltham, Mass. **Underwriter**—Schweickart & Co., New York.

● **Wells Industries Corp. (7/5-8)**
Jan. 29, 1960 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** — Thomas Jay Winston & Co., Inc., 9235 Wilshire Boulevard, Beverly Hills, Calif. and A. T. Brod & Co., New York City.

★ **Wenwood Organizations Inc.**
June 17, 1960 filed $550,000 of 7½% subordinated sinking fund debentures due July, 1970 (with common stock purchase warrants). **Price**—100% of principal amount. **Proceeds**—$100,000 will be used for payment of a bank loan incurred to help finance the disposal plant and an estimated additional $50,000 to complete the plant; $109,000 to retire 10% debentures issued in payment of certain obligations of the company for services rendered; $25,000 for a sales program in connection with the Florida homes; and the balance for working capital to finance the continued development of the residential community in Sarasota and the construction of homes in West Palm Beach, and the development of a shopping center in Selden, L. I. **Office**—526 North Washington Blvd., Sarasota, Fla. **Underwriter**—Michael G. Kletz & Co., Inc., New York.

● **West Ohio Gas Co. (6/28)**
May 19 filed 43,048 shares of common stock. The company will offer this stock for subscription by its common stockholders of record June 28, 1960, at the rate of one new share for each 10 shares then held with rights to expire on or about July 22. **Price** — $17.50 per share. **Proceeds**—To be added to the company's general funds and will be used for property additions and improvements. An additional $300,000 is to be provided through long term financing during the current year. **Office** — 319 West Market Street, Lima, Ohio. **Underwriter**—None.

★ **Western Publishing Co., Inc.**
June 17, 1960 filed 362,114 shares of common stock (par $1,) of which 150,000 shares are to be offered for the issuer, and the remaining 212,114 shares are outstanding and will be offered for the account of selling stockholders. **Price** — To be supplied by amendment. **Office**—1220 Mound Avenue, Racine, Wis. **Underwriter**—Goldman, Sachs & Co. of New York City. **Note**—This company was formerly called the Western Printing and Lithographing Co. **Offering**—Expected in late July.

Westmore, Inc.
May 9 (letter of notification) 150,000 shares of common stock (par $2). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—137 South Ave., Fanwood, N. J. **Underwriter**—Jacey Securities Co., New York, N. Y.

Wheeler Fibre Glass Boat Corp. (7/11-15)
May 19 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—$35,000 for purchase of machinery and equipment; $18,000 for required deposits on the company's lease, insurance and utilities; $185,000 for working capital and the balance for expansion of production facilities. **Office**—450 Zerega Avenue, Bronx, N. Y. **Underwriter**—Morris Cohon & Company, of New York.

● **White Avionics Corp.**
June 6, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—Terminal Drive, Plainview, L. I., N. Y. **Underwriters**—Commonwealth Securities Co., Inc., Philadelphia, Pa. and Planned Investing Corp., New York, N. Y. **Note**—The underwriter states that the letter has been withdrawn and a full filing is expected to be made.

Whitmoyer Laboratories, Inc. (6/27-7/1)
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.

Wilier Color Television System, Inc. (6/27-7/1)
Jan. 29 (letter of notification) 80,890 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City.

Win-Chek Industries, Inc. (6/27-7/1)
April 26 filed 150,000 shares of class A stock to be publicly offered, 15,000 shares to be issued pursuant to a restricted stock option plan, and 21,500 shares being registered but not offered at this time. **Price**—$3 per share (par 25 cents). **Proceeds**—To purchase additional inventory and equipment and the balance to improve the company's working capital position. **Office** — Moonachie, N. J. **Underwriter**—Michael G. Kletz & Co. (managing).

WonderBowl, Inc.
April 14 filed 3,401,351 shares of common stock (par $2). **Price**—$2 per share. **Proceeds**—For purchase of certain property, for constructing a motel on said property and various leasehold improvements on the property. **Office**—7805 Sunset Boulevard, Los Angeles, Calif. **Underwriter**—Standard Securities Corp., same address.

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Yuscaran Mining Co.
May 6 filed 1,000,000 shares of common stock. **Price**— $1 per share. **Proceeds**—It is expected that some $100,000 will be used to purchase and install a mill for the processing of ore; $60,000 for rails, ties, rail cars and related equipment; $10,000 for rebuilding roads; $30,000 for transportation equipment; and $655,000 for working capital. **Office**—6815 Tordera St., Coral Gables, Fla. **Underwriter**—None.

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.

Alberta Gas Trunk Line Co. (10/4)
June 1 it was announced that the company is planning to offer in October four security issues totaling $110,000,000. $65 million first mortgage bonds will be sold in the United States and the balance of the financing in Canada.

Brooklyn Union Gas Co.
May 10 it was announced that the company plans no more financing this year, but there would be some in 1961, although the form it is to take has not as yet been determined.

Columbia Gas System, Inc. (10/6)
June 13, 1960, it was reported that the company plans to sell $30,000,000 of debentures. **Proceeds** — For construction. **Office**—120 E. 41st St., New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.; Shields & Co.; R. W. Pressprich & Co. and Carl M. Loeb, Rhoades & Co., all of New York City. **Bids**—Expected to be received on Oct. 6.

Columbus & Southern Ohio Electric Co.
June 13, 1960, it was reported that this utility plans the sale of about 200,000 shares of common stock to raise approximately $8-$9,000,000, with the timing set for the last quarter of this year, sometime after the November elections. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio.

Consolidated Edison Co.
May 15 it was indicated by H. C. Forbes, Chairman, at the annual meeting of stockholders, that common stockholders may get rights to subscribe to convertible debentures or common stock in the Fall. This type of financing would be contingent upon the ability of the company to get its presently outstanding 4% debentures converted into common stock. Con Edison this year will spend about $225,000,000 on new construction compared with $222,000,000 in 1959 and $189,000,000 in 1958. For the five years through 1964, Mr. Forbes estimated that the utility would spend $1.2 billion for plant expansion. To finance the five-year program he said the company will have to issue some $800 million of securities of one kind or another.

● **Consumers Power Co.**
April 29 the company asked the Michigan Public Service Commission for permission to issue and sell securities with base value of $73,101,600. The company proposes to issue and sell first mortgage bonds in the amount of $35,000,000 maturing not earlier than 1990 for the best price obtainable but not less favorable to the company than a 5¼% basis. The mortgage bonds are expected in the last quarter of the year, perhaps in October. **Proceeds**—To be used to finance the continuing expansion and improvement of the company's electric and gas service facilities in a 65-county area outside of Greater Detroit. **Underwriter**—To be determined by competitive bidding. Probable bidders: For bonds—Halsey, Stuart & Co. Inc.; White, Weld & Co., and Shields & Co. (jointly); Morgan Stanley & Co.; The First Boston Corp., and Harriman Ripley & Co., Inc.

Florida Power & Light Co.
June 1 it was announced that the company anticipates further financing in 1960 approximating $25,000,000 and estimates that in 1961 it will require approximately $50,000,000 of new money. This company on May 31 floated a 400,000 common share offering through Merrill Lynch, Pierce, Fenner & Smith Inc. and associates at a price of $59.125 per share.

Florida Power Corp. (10/20)
March 10 it was reported that $25,000,000 of first mortgage bonds will be sold by this utility. **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). **Information Meeting**—Scheduled for Oct. 17 at 11:00 a.m. at Morgan Guaranty Trust Co. **Bids**—Expected to be received on Oct. 20.

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.

Harcourt Brace & Co. Inc.
June 13, 1960, it was reported that a secondary offering of 500,000 shares of common stock is expected to be filed, probably during the last week in June. **Proceeds**—To selling stockholders. **Office**—750 Third Ave., New York City. **Underwriter**—White, Weld & Co., New York City.

★ **Hawaiian Electric Co., Ltd.**
June 22, 1960, it was reported that this company is planning to issue some type of additional securities, perhaps during the third quarter of this year. It may possibly take the form of a $5,000,000 preferred stock offering, and a $4,500,000 issue of common stock to be issued on a rights basis. **Office**—900 Richards St., Honolulu, Hawaii.

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.

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 sometime in the fall. **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.

Indianapolis Power & Light Co. (9/27)
April 18 it was reported that the company will issue and sell $12,000,000 of 30-year first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Goldman, Sachs & Co., and The First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co.; White, Weld & Co., and Shields & Co. (jointly); Blyth & Co., Inc.; Equitable Securities Corp. **Bids**—Expected to be received up to 11 a.m. New York Time on Sept. 27. **Information Meeting**—Scheduled for Sept. 22 at 11:00 a.m., at the Chase Manhattan Bank, 43 Exchange Place, New York City, Room 238.

International Mining Corp.
It was announced June 1, 1960 in the 1959 Annual Report of International Mining Corp. that the corporation intends to issue $10,830,000 of 7% secured serial notes in connection with its merger with Canton Co. of Baltimore, which will be the name of the surviving corporation. It is expected that the notes will be issued shortly at par, and will mature at the rates of $1,000,000 annually for one to three years, $500,000 annually for four to nine years, and $4,830,000 the 10th year after the merger. **Office**—535 Fifth Avenue, New York City. **Underwriter**—None.

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.

K.V.P. Sutherland Paper Co.
May 11 it was reported that a secondary offering of common stock is presently being discussed. **Proceeds**—To selling stockholders. **Underwriter** — Lehman Brothers, New York.

Laclede Gas Co.
May 10 it was announced that in addition to the $15,000,000 of new capital expected to be provided by the July bond-equity financing, $33,000,000 will come from later sale of securities other than common stock and from retained earnings.

Long Island Lighting Co.
June 13, 1960, it was reported that the company is discussing the sale of approximately $20-$30,000,000 of debt financing, probably to occur sometime this Fall. **Proceeds**—For construction. **Office** — 250 Old Country Road, Mineola, New York. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Smith, Barney & Co. and First Boston Corp., all of New York City.

● **Long Island Trust Co.**
May 26 the directors of this bank voted to recommend the issuance of 61,413 new shares of capital stock (par $5). Having been approved by the stockholders at a special meeting held at 8 p.m. on June 14, 1960, the new shares are being offered to stockholders on June 14, 1960, on the basis of one new share of stock for each eight shares then held, with rights to expire at 3:30 p. m. EDT on July 1. **Price**—$23 per share. **Proceeds**—To increase capital and surplus. **Office**—82 Seventh Ave., Garden City, L. I., N. Y. **Underwriters**—A. M. Kidder & Co., Inc. of New York City and Brown, Lisle & Marshall of Providence, R. I.

Louisville Gas & Electric Co. (10/18)
April 27 it was reported that this company plans the issuance and sale of $16,000,000 of first mortgage bonds. **Proceeds**—For construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Lehman Brothers and Blyth & Co., Inc. (jointly); Kuhn, Loeb & Co., American Securities Corp. and Wood, Struthers & Co. (jointly); Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly); Kidder, Peabody & Co. and Goldman, Sachs & Co. (jointly). **Bids**—Expected to be received on Oct. 18.

Mercantile Discount Co. of Chicago
May 25 it was reported that this company plans the filing of 128,000 shares of its common stock. **Office**—Chicago, Ill. **Proceeds**—For working capital. **Underwriters**—H. M. Byllesby & Co., Inc. and Rodman & Renshaw, both of Chicago, Ill.

Michigan Bell Telephone Co. (8/23)
May 23 it was announced that the company plans to come to market in August for the sale of $35,000,000 of debentures. **Proceeds**—For construction, costs of which are currently about $103,000,000 per year. **Office**—Detroit, Mich. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.

Midland Enterprises Inc.
April 8 it was stated in the company's annual report that it contemplates the issuance on or before March 31, 1961 of a bond issue in an aggregate amount not to exceed $4,000,000. **Proceeds** — To finance river transportation equipment presently on order and expected to be ordered. **Office**—Cincinnati, Ohio.

Mohawk Insurance Co.
March 16, 1960, it was announced that the company expects to register its first public offering sometime soon. The offering will consist of 75,000 common shares. **Price**—To be supplied by amendment. **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.

Northern States Power Co. (Minn.) (12/6)
May 11 it was reported that the company plans the issuance and sale of $35,000,000 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., Kidder, Peabody & Co. and White, Weld & Co. (jointly); The First Boston Corp. and Blyth & Co., Inc. (jointly); Lehman Brothers and Riter & Co. (jointly); Equitable Securities Corp. and Eastman Dillion, Union Securities & Co. (jointly). **Bids**—Expected to be received by Dec. 6.

Orange & Rockland Utilities, Inc.
April 18 it was stated that the company presently expects that such part of its construction program through 1962 and the refunding of $6,442,000 series B bonds maturing in 1961 as is not financed by the sale of the company's 39,165 shares of its convertible cumulative preferred stock, series E, 5% (par $100) will be financed from the proceeds of sale in 1961, subject to market conditions, of $10,000,000 of its first mortgage bonds, from depreciation and retained earnings and, to the extent of any remaining balance, from the proceeds of additional short-term borrowings.

Pacific Lighting Corp.
May 11 it was announced that this company, in order to finance additional pipeline distribution systems, plans to sell $30,000,000 of first mortgage bonds and $20,000,000 of preferred stock later this year.

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.

Panhandle Eastern Pipe Line Co.
April 19 it was reported that this company might sell about $65,000,000 of debentures, possibly in the third quarter of this year. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co., both of New York.

Philadelphia Aquarium Co.
June 15, 1960, it was reported that the company plans to sell about $2,000,000 of debentures and common stock to finance an aquarium in Fairmont Park, Philadelphia, which would be city-owned and company-operated under a lease. **Underwriter**—Stroud & Co., Inc. of Philadelphia, Pa. and New York.

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).

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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.

Public Service Electric & Gas Co. (9/20)
May 18 directors of this company took preliminary steps for the sale of $50,000,000 in first and refunding mortgage bonds with a maturity of not more than 30 years. **Proceeds** — To pay all or part of company's short-term indebtedness incurred for construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Kuhn, Loeb & Co., and Lehman Brothers (jointly). **Bids**—Expected to be received on Sept. 20 up to 11 a.m., in Newark, N. J. **Information Meeting**—Scheduled for Sept. 15 at 11:00 a.m. at the Chase Manhattan Bank, 43 Exchange Place, New York City, Room 238.

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.

San Diego Gas & Electric Co.
April 8 it was reported that $25,000,000 of bonds is expected to be sold sometime in the third quarter of this year. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp., Eastman Dillon, Union Securities & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Salomon Bros. & Hutzler (jointly).

Scantlin Electronics Co.
June 13, 1960, it was reported that the filing of about $2,000,000 of common stock is being discussed, with no time indication as yet. **Office**—Los Angeles, Calif. **Underwriter**—Carl M. Loeb, Rhoades & Co. and Paine, Webber, Jackson & Curtis (jointly).

(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.

★ **Southern California Edison Co. (8/23)**
June 16, 1960, it was announced that the company directors had approved a plan to issue $60,000,000 of first and refunding mortgage bonds. **Proceeds**—To retire outstanding short-term borrowings and to finance the company's construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp. and Dean Witter & Co. (jointly). **Bids**—Expected to be received on Aug. 23.

Southern Counties Gas Co. (7/26)
May 16 it was reported that the company contemplates the issuance and sale of approximately $22,000,000 of first mortgage bonds. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; The First Boston Corp.; White, Weld & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—Tentatively expected on July 26. **Information Meeting**—Scheduled for July 22 at 10:00 a.m. EDT at the Bankers Trust Co.

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 Nevada Power Co.
June 15, 1960, it was reported that in order to meet $8,300,000 of property expenditures scheduled for 1960, the company has arranged a $6,000,000 revolving bank credit. It will borrow about $5,100,000 under this agreement by October, at which time it expects to sell about $5,500,000 of bonds and $3,000,000 of an undetermined type of stock, with preferred being considered, possibly with rights to purchase common shares at specified prices. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc. Eastman Dillon, Union Securities & Co. and Kidder, Peabody & Co. (jointly); White, Weld & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.

Southwestern Bell Telephone Co. (8/2)
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. 2 up to 11:00 a.m. EDT.

Steck Co.
May 4 it was reported that the company plans the filing of 60,000 shares of common stock. **Office**—Austin, Texas. **Registration** — Sometime in June. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas, Texas.

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. May 13 it was announced that about $50,000,000 of additional revenue bonds will be offered in the Spring of 1961. The type of bond issued will depend on market conditions. **Proceeds**—To finance construction of new generating capacity. Power Financing Officer: G. O. Wessenauer. Financial Advisor: Lehman Brothers. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., First National City Bank of New York, Equitable Securities Corp. and Smith, Barney & Co. (jointly); First Boston Corp., Lazard Freres & Co., Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler (jointly); Chase Manhattan Bank and Morgan Guaranty Trust Co. of N. Y. (jointly); and Blyth & Co. and J. C. Bradford & Co. (jointly).

Trans World Airlines, Inc.
April 8 it was announced that the company plans to offer to its stockholders $100,000,000 of subordinated income debentures with detachable common stock purchase warrants, and Hughes Tool Co. (parent) will purchase not only its pro-rata portion ($78,000,000) but also enough of any debentures not taken up by others to provide TWA with at least $100,000,000. **Proceeds** — Together with $190,000,000 proposed private placement which is presently being worked on by this company's bankers, will be used for expansion of the company's jet fleet. **Underwriters**—Dillon, Read & Co., Inc., Lazard Freres & Co., and Lehman Brothers, all of New York.

● **Union Electric Co. (10/19)**
March 16, 1960, it was announced by Dudley Sanford, Executive Vice-President, that the company plans an offering of approximately $50,000,000 of 30-year first mortgage bonds. **Proceeds**—To meet construction expenses. **Office**—315 No. 12th Blvd., St. Louis, Mo. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp. and White, Weld & Co. (jointly); Lehman Brothers, Blyth & Co. (handling the books), Eastman Dillon, Union Securities & Co. and Bear, Stearns & Co. (jointly). **Bids**—Expected to be received on Oct. 19 up to 11 a.m. EDT. **Information Meeting**—Oct. 17 at 3:00 p.m. at the Bankers Trust Co.

Utah Power & Light Co. (9/14)
June 1 it was reported that $17 million of debt securities and $10 million of common stock is expected to be sold sometime in the third quarter of this year. **Proceeds**—For construction purposes and repayment of bank loans. **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. **Bids**—Expected to be received on Sept. 14. **Information Meeting**—Scheduled for Sept. 12 at 2 Rector St., New York City.

● **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. **Information Meeting**—Scheduled for Sept. 8 at 11:00 a.m. N. Y. time, at The Chase Manhattan Bank, 43 Exchange Place, New York City, Room 238.

Waldbaum, Inc.
May 11 it was reported that public financing is being contemplated by this supermarket chain. No confirmation was obtainable. **Office**—2300 Linden Blvd., Brooklyn, New York.

Waterman Products Co., Inc.
June 15, 1960, it was reported that approximately 100,000 shares of common stock is expected to be filed shortly. **Office**—Philadelphia, Pa. **Underwriter**—Stroud & Co., Inc., of Philadelphia, Pa. and New York.

● **Western Maryland RR. (6/29)**
June 13, 1960, it was reported that this Road is planning the sale of $3,735,000 of equipment trust certificates on June 29. **Underwriter**—To be determined by competitive bidding. Bidders: Halsey, Stuart & Co. Inc. and Salomon Bros. & Hutzler. **Bids**—To be received up to 12 noon EDT on June 29.

Western Pacific RR.
June 13, 1960, it was reported that this Road is contemplating the sale of $3,720,000 of equipment trust certificates, probably sometime in July. **Underwriter**—To be determined by competitive bidding. Bidders: Halsey, Stuart & Co. Inc. and Salomon Bros. & Hutzler.

Winter Park Telephone Co.
May 10 it was announced that this company, during the first quarter of 1961, will issue and sell approximately 30,000 additional shares of its common stock. This stock will be offered on a rights basis to existing stockholders and may or may not be underwritten by one or more securities brokers. Future plans also include the sale of $2,000,000 of bonds in the second quarter of 1961. **Office**—132 East New England Ave., Winter Park, Fla.

Yardney Electric Corp.
May 9 it was reported that sometime in July this company expects to file an as yet undetermined amount of common stock. **Office**—40 Leonard St., New York City. **Underwriter**—To be named.

M. A. Lomasney Offers Figurette Class "A" Stock

Myron A. Lomasney & Co., of New York City, is publicly offering today (June 23) 100,000 shares of class A common stock (par 50 cents) of Figurette, Inc. at a price of $6 per share.

Figurette, Ltd. and its nine wholly-owned subsidiaries operate a chain of salons engaged in the rendering of various beautifying, body development and health services to women, principally in Florida and Massachusetts. As of June 14 the chain consisted of 12 units.

The net proceeds from the sale after deducting expenses, will be $480,000 and, as currently estimated, will be added to the general funds of the company and will be used to

(a) discharge an aggregate of $9,800 in short-term loans and salary accruals due to officers, directors and promoters of the company (such loans having been incurred since August 1, 1959, the proceeds therefrom having been used to provide additional working capital);

(b) finance the opening ($30,000) of new salons (two of which are currently planned);

(c) finance the purchase ($25,000) of additional equipment for use in existing and new salons; and promote the sale ($100,000) of health and exercise equipment for home and institutional use pursuant to an exclusive contract entered into on Feb. 11, 1960, such proceeds to be applied in accordance with the monthly obligations of the company pursuant to the agreement with Slendercycle Corp. and;

(d) realize additional working capital ($150,000) sufficient for the company to obtain increased bank credit and thereby to enable the company to discount more of the time payment obligations received by it from some of its clientele, in order that the company may expand the scope of its business.

New Blair Branch

MARSHFIELD, Wis.—Blair & Co. Incorporated has opened a branch office in the Professional Building under the management of James H. Southard.

Ald, Inc. Stock Offered

Dean Witter & Co. on June 22 headed a group of investment firms which publicly offered 335,880 shares of Ald, Inc., common stock (par $1) at a price of $19.50 per share. Of the shares offered, 210,880 are outstanding shares being purchased by the underwriters from certain selling stockholders of the company and 125,000 shares are authorized but unissued shares being purchased from the company.

The company is engaged in, and has become a leader in the development of, what is popularly known as the "automatic" or self-service laundry industry. The principal business of the company and its subsidiaries is the furnishing of all equipment necessary for the installation and operation of automatic, self-service laundry installations, known as Laundromat stores, throughout the United States and Canada. The company also assists prospective owners in finding a suitable location for a new store, prepares complete plans and specifications for the layout of the equipment, wiring, plumbing and ventilation, supplies other contract services, and provides for the financing of a substantial portion of its sales through the discount of the instalment paper generated by such sales.

The self-service laundry industry is a relaitvely new one and the company (and its predecessor, which started business in 1945) has been a pioneer in the field. It is estimated that there are between 20,000 and 25,000 self-service laundries now operating in the United States and the company has sold the equipment and planned the layouts for approximately 10,000 of these installations. The rate of growth of the company and its subsidiaries is indicated by the increase in annual consolidated net sales which have increased in each of the past ten years from $2,553,000 for the fiscal year ended Sept. 30, 1950, to $37,005,000 for the latest fiscal year ended Sept. 30, 1959.

Form Gothic Securities

BALTIMORE, Md.—Seymour Bress is engaging in a securities business from offices at 3101 Betlou James Place under the firm name of Gothic Securities.

Form Reserve Funds

VALLEY CITY, N. D.—Reserve Funds, Inc. has been formed with offices at 605 Eighth Ave., N. E. to engage in a securities business. Officers are Gorman King, President; William Witteman, Jr., Vice-President; Raymond Vendsel, Secretary; Gordon K. Gray, Treasurer; and Leslie Gunning, Assistant Secretary.

With Lee Higginson

Lee Higginson Corporation, 20 Broad Street, New York City, members of the New York Stock Exchange, announce that John M. Bucher has become associated with the firm as a registered representative.

Joins Reynolds Staff

PHILADELPHIA, Pa.—Reynolds & Co., 1526 Chestnut Street, announce that J. Willison Smith, III, is now associated with them as an account executive.

R. C. Cotton Opens

MARION, S. C.—Russell C. Cotton is engaging in a securities business from offices at 419 McEachern Heights.

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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)	June 25	§61.0	*62.3	65.6	87.8
Equivalent to—					
Steel ingots and castings (net tons)	June 25	§1,739,000	*1.775,000	1,870,000	2,486,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	June 10	6,771,560	6,780,960	6,793,810	7,009,975
Crude runs to stills—daily average (bbls.)	June 10	¶7,836,000	7,961,000	8,034,000	8,020,000
Gasoline output (bbls.)	June 10	28,939,000	28,943,000	27,964,000	28,667,000
Kerosene output (bbls.)	June 10	2,605,000	2,276,000	2,496,000	1,952,000
Distillate fuel oil output (bbls.)	June 10	12,443,000	12,245,000	11,762,000	12,287,000
Residual fuel oil output (bbls.)	June 10	5,749,000	6,229,000	6,065,000	6,605,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	June 10	207,935,000	209,908,000	216,059,000	201,508,000
Kerosene (bbls.) at	June 10	25,768,000	25,017,000	21,947,000	26,151,000
Distillate fuel oil (bbls.) at	June 10	101,123,000	*96,667,000	85,933,000	106,505,000
Residual fuel oil (bbls.) at	June 10	40,394,000	*39,733,000	38,263,000	54,612,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	June 11	648,463	574,301	639,954	709,841
Revenue freight received from connections (no. of cars)	June 11	523,235	494,631	541,622	581,076
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	June 16	$583,200,000	$482,000,000	$498,000,000	$546,100,000
Private construction	June 16	370,900,000	232,200,000	289,200,000	228,000,000
Public construction	June 16	212,300,000	249,800,000	208,800,000	318,100,000
State and municipal	June 16	180,400,000	187,100,000	178,200,000	184,600,000
Federal	June 16	31,900,000	62,700,000	30,600,000	133,500,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	June 11	8,725,000	*7,855,000	8,255,000	9,124,000
Pennsylvania anthracite (tons)	June 11	355,000	294,000	296,000	408,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	June 11	144	131	134	141
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	June 18	14,053,000	13,766,000	13,468,000	13,331,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	June 16	253	283	313	267
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	June 14	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	June 14	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	June 14	$31.50	$31.50	$33.17	$38.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	June 15	32.600c	32.600c	32.600c	31.100c
Export refinery at	June 15	30.250c	29.725c	30.225c	28.250c
Lead (New York) at	June 15	12.000c	12.000c	12.000c	12.000c
Lead (St. Louis) at	June 15	11.800c	11.800c	11.800c	11.800c
‡Zinc (delivered) at	June 15	13.500c	13.500c	13.500c	11.500c
Zinc (East St. Louis) at	June 15	13.000c	13.000c	13.000c	11.000c
Aluminum (primary pig. 99.5%) at	June 15	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	June 15	101.375c	101.000c	99.625c	104.750c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	June 21	86.40	86.82	84.50	83.67
Average corporate	June 21	85.20	85.20	84.81	86.11
Aaa	June 21	89.64	89.51	89.23	89.37
Aa	June 21	87.59	87.59	87.32	87.86
A	June 21	84.94	84.81	84.17	85.98
Baa	June 21	79.01	79.25	78.90	81.78
Railroad Group	June 21	83.03	83.15	82.52	85.33
Public Utilities Group	June 21	85.46	85.46	85.20	85.20
Industrials Group	June 21	86.91	86.91	86.65	87.86
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	June 21	3.91	3.86	4.12	4.12
Average corporate	June 21	4.77	4.77	4.80	4.70
Aaa	June 21	4.44	4.45	4.47	4.46
Aa	June 21	4.59	4.59	4.61	4.57
A	June 21	4.79	4.80	4.85	4.71
Baa	June 21	5.27	5.25	5.28	5.04
Railroad Group	June 21	4.94	4.93	4.98	4.76
Public Utilities Group	June 21	4.75	4.75	4.77	4.77
Industrials Group	June 21	4.64	4.64	4.66	4.57
MOODY'S COMMODITY INDEX	June 21	376.8	376.3	381.7	388.9
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	June 11	328,895	327,221	303,573	308,729
Production (tons)	June 11	327,206	289,565	311,066	330,025
Percentage of activity	June 11	96	85	94	98
Unfilled orders (tons) at end of period	June 11	482,631	480,507	468,803	528,417
OIL, PAINT AND DRUG REPORTER PRICE INDEX— 1949 AVERAGE=100	June 17	110.23	110.31	110.29	110.34
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	May 27	2,480,310	3,462,440	2,107,250	2,342,330
Short sales	May 27	490,050	690,460	396,730	339,770
Other sales	May 27	2,023,480	2,744,410	1,753,490	1,964,580
Total sales	May 27	2,513,530	3,434,870	2,150,220	2,304,350
Other transactions initiated off the floor—					
Total purchases	May 27	431,930	600,680	347,180	355,620
Short sales	May 27	53,600	171,220	63,550	19,500
Other sales	May 27	364,150	511,800	375,050	487,650
Total sales	May 27	417,750	683,020	438,600	507,150
Other transactions initiated on the floor—					
Total purchases	May 27	823,821	1,037,225	697,700	653,696
Short sales	May 27	135,210	183,280	125,120	128,737
Other sales	May 27	752,697	959,878	681,124	714,591
Total sales	May 27	887,907	1,143,158	806,244	843,328
Total round-lot transactions for account of members—					
Total purchases	May 27	3,736,061	5,100,345	3,152,130	3,351,646
Short sales	May 27	678,860	1,044,960	585,400	488,007
Other sales	May 27	3,140,327	4,216,088	2,809,664	3,166,821
Total sales	May 27	3,819,187	5,261,048	3,395,064	3,654,828
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	May 27	1,812,704	2,057,726	1,743,783	1,699,004
Dollar value	May 27	$92,972,593	$100,648,152	$81,603,149	$102,830,427
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	May 27	1,712,859	1,917,146	1,477,449	1,540,555
Customers' short sales	May 27	10,090	12,115	17,408	8,114
Customers' other sales	May 27	1,702,805	1,905,031	1,460,041	1,532,441
Dollar value	May 27	$83,897,433	$93,315,084	$69,299,389	$85,730,911
Round-lot sales by dealers—					
Number of shares—Total sales	May 27	514,540	556,360	419,560	463,170
Short sales	May 27	------	------	------	------
Other sales	May 27	514,540	556,360	419,560	463,170
Round-lot purchases by dealers— Number of shares	May 27	607,840	663,470	612,180	579,690
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	May 27	826,340	1,188,650	739,730	585,290
Other sales	May 27	15,672,170	19,301,760	14,700,580	15,379,860
Total sales	May 27	16,498,510	20,490,410	15,440,310	15,765,150
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	June 14	119.6	*119.6	119.8	119.4
Farm products	June 14	89.1	*89.2	90.7	90.0
Processed foods	June 14	107.5	107.5	107.3	107.8
Meats	June 14	97.1	*98.1	97.4	103.1
All commodities other than farm and foods	June 14	128.3	*128.3	128.4	127.0

*Revised figure. ¶Includes 1,044,000 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
AMERICAN IRON AND STEEL INSTITUTE:			
Steel ingots and steel for castings produced (net tons)—Month of May	8,832,000	9,777,857	11,600,581
Shipments of steel products (net tons)—Month of April	6,741,809	7,965,881	8,602,526
AMERICAN RAILWAY CAR INSTITUTE—			
Month of May:			
Orders for new freight cars	2,234	5,551	5,203
New freight cars delivered	5,931	5,579	3,358
Backlog of cars on order and undelivered (end of month)	36,106	41,003	36,869
AMERICAN TRUCKING ASSOCIATION, INC.—			
Month of April:			
Intercity general freight transport by 437 carriers (in tons)	6,587,852	7,108,948	6,864,792
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of May:			
Manufacturing number	229	215	119
Whole number	135	140	93
Retail number	564	674	567
Construction number	214	220	172
Commercial service number	131	121	104
Total number	1,273	1,370	1,135
Manufacturers' liabilities	$31,963,000	$18,483,000	$10,835,000
Wholesale liabilities	6,784,000	11,420,000	4,846,000
Retail liabilities	17,588,000	18,563,000	19,638,000
Construction liabilities	10,877,000	13,661,000	12,262,000
Commercial service liabilities	6,095,000	7,065,000	3,336,000
Total liabilities	$73,307,000	$69,192,000	$50,917,000
COAL EXPORTS (BUREAU OF MINES)—			
Month of April:			
U. S. exports of Pennsylvania anthracite (net tons)	110,117	90,204	78,512
To North and Central America (net tons)	100,502	87,400	66,465
To Europe (net tons)	3,421	2,804	5,668
To South America (net tons)	509	------	------
To Asia (net tons)	5,685	------	6,379
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK— As of May 31 (000's omitted)	$920,000	$888,000	$791,000
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of April 30:			
Total consumer credit	$52,169	$51,162	$45,708
Instalment credit	40,265	39,648	34,762
Automobile	17,218	16,876	14,810
Other consumer goods	10,022	9,940	8,755
Repairs and modernization loans	2,736	2,706	2,364
Personal loans	10,289	10,126	8,833
Noninstalment credit	11,904	11,514	10,946
Single payment loans	4,247	4,222	3,812
Charge accounts	4,451	4,118	4,160
Service credit	3,206	3,174	2,974
COPPER INSTITUTE—For month of May:			
Copper production in U. S. A.—			
Crude (tons of 2,000 pounds)	119,255	*119,660	114,169
Refined (tons of 2,000 pounds)	147,050	153,053	135,031
Deliveries to fabricators—			
In U. S. A. (tons of 2,000 pounds)	108,266	129,663	135,135
Refined copper stocks at end of period (tons of 2,000 pounds)	65,328	63,373	86,132
EDISON ELECTRIC INSTITUTE—			
Kilowatt-hour sales to ultimate consumers—Month of March (000's omitted)	55,964,582	55,416,776	51,426,626
Revenue from ultimate customers—Month of March	$929,481,000	$932,712,000	$858,995,000
Number of ultimate customers at April 30	57,645,721	57,640,881	56,425,214
MOODY'S WEIGHTED AVERAGE YIELD—100 COMMON STOCKS—Month of May:			
Industrials (125)	3.47	3.56	3.08
Railroads (25)	5.70	5.70	4.39
Utilities (not incl. Amer. Tel. & Tel.) (214)	3.97	3.97	3.92
Banks (15)	3.87	3.92	3.73
Insurance (10)	2.97	2.93	2.67
Average (200)	3.60	3.68	3.25
NEW CAPITAL ISSUES IN GREAT BRITAIN MIDLAND BANK LTD.—Month of May	£52,546,000	£29,944,000	£43,775,000
RUBBER MANUFACTURING ASSOCIATION INC.—Month of April:			
Passenger and Motorcycle Tires (Number of)			
Shipments	9,871,502	8,578,397	9,576,465
Production	9,164,701	9,679,058	6,990,931
Inventory	23,511,713	24,144,386	17,618,111
Truck and Bus Tires (Number of)—			
Shipments	1,242,960	1,158,457	1,429,683
Production	1,352,248	1,436,191	1,038,769
Inventory	3,889,308	3,777,038	3,275,554
Tractor Implement Tires (Number of)—			
Shipments	403,064	359,974	441,270
Production	313,059	327,486	302,512
Inventory	945,955	1,029,625	795,096
Passenger, Motorcycle, Truck and Bus Inner-Tubes (Number of)—			
Shipments	3,305,838	3,281,836	3,928,264
Production	3,627,995	4,240,827	3,379,754
Inventory	10,495,261	10,112,657	7,218,761
Tread Rubber (Camelback)—			
Shipments (pounds)	39,702,000	35,233,000	44,867,000
Production (pounds)	36,676,000	33,617,000	37,728,000
Inventory (pounds)	24,655,000	27,776,000	27,407,000
RYE CONDITION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE— As of June 1	88%	89%	84%
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of May:			
Net sales	------	------	------
Net purchases	$21,829,500	$16,355,500	$53,131,900
UNITED STATES GROSS DEBT DIRECT AND GUARANTEED—(000's omitted):			
As of May 31	$289,499,974	$288,919,076	$286,410,441
General funds balance	7,510,814	6,294,154	5,888,203
Net debt	$281,989,160	$282,624,922	$280,522,238
Computed annual rate	3.327%	3.325%	2.853%
U. S. GOVT. STATUTORY DEBT LIMITATION—As of May 31 (000's omitted):			
Total face amount that may be outstanding at any time	$295,000,000	$295,000,000	$288,000,000
Outstanding—			
Total gross public debt	289,366,525	288,787,347	286,302,940
Guaranteed obligations not owned by the Treasury	133,449	131,729	107,500
Total gross public debt and guaranteed obligations	$289,499,974	$288,919,076	$286,410,441
Deduct—Other outstanding public debt obligations not subject to debt limitation	406,533	407,970	418,814
Grand total outstanding	$289,093,441	$288,511,106	$285,991,626
Balance face amount of obligations issuable under above authority	5,906,558	6,488,893	2,008,373
WINTER WHEAT PRODUCTION—CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—As of June 1 (bushels)	1,019,282,000	991,618,000	923,449,000

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Gold Reserves and the Standing of the Dollar

Continued from page 15

have recently captured the imagination of some students of international banking and have received considerable publicity here as well as in Europe.

One suggestion is that Congress abolish the 25% legal gold requirement against Federal Reserve note and deposit liabilities. Another is that the U. S. Government guarantee against devaluation all dollar balances in the hands of foreign treasuries and central banks so that dollars held by foreign monetary authorities would become as good as gold.

Still another proposal is that dollars held as reserves by foreign treasuries and central banks be transferred to a reformed International Monetary Fund — an arrangement that would remove once and for all the threat of a run on our gold. Another variant seeks to ease the access to the resources of the International Monetary Fund as presently constituted; this would enable members, including the United States, to regard at least a part of their drawing rights on the Fund as an addition to their own reserves.

And, finally, there is the perennial recommendation to raise the U. S. gold price, in conjunction with a worldwide gold appreciation, this time specifically designed to write up the U. S. gold reserve and thus re-establish an allegedly more sustainable relationship between our short-term liabilities to foreigners and our gold.

The proponents of these ideas are, of course, fully aware of the overwhelming need for monetary stability in the United States. For my part, however, I strongly doubt whether the policies necessary to maintain monetary stability would be implemented more promptly, more courageously, and more effectively if we were to eliminate our legal gold reserve requirement or dispense with the use of the dollar as an international reserve currency.

To deal with our external deficit effectively and responsibly, we must concern ourselves with the substance of difficult and delicate problems. There is, I think, genuine danger that changes in our present institutional arrangements and practices might mistakenly be regarded as substitutes for substantive policies. The fundamental task we face is to secure as much economic growth, and as high a standard of living as is attainable with reasonable monetary stability. We would deceive ourselves by thinking that mere changes in our institutional arrangements and practices would help to solve these fundamental problems for us.

IV

The Standing of the Dollar in the World Today

Since our problems cannot thus be disposed of, we must face them squarely.

The task of bringing our balance of payments into reasonable equilibrium is truly formidable. For two years in a row, the United States had a balance-of-payments deficit of the order of $3.5 billion. This year, there are signs of some improvements as U. S. exports are benefiting from booming business conditions in Europe and Japan, from the lowering of barriers against dollar goods, and from the increased foreign sales efforts made by American manufacturers disappointed with domestic sales volume. More fundamental measures undertaken earlier have quieted recurrent rumors that the dollar might be headed for devaluation: the rebalancing of the budget, the Federal Reserve's effective credit policy, the Treasury's efforts to improve the Federal debt structure (although much more remains to be done in this regard), and the steel industry's resistance to wage-price spiraling.

Our efforts are rightly being directed toward strengthening our ability to supply goods and services at competitive prices and to preserve a feeling of complete confidence in the dollar by Americans as well as by bankers, finance ministers, and investors abroad. As the leading international trader, the United States would lose by slashing imports, for these enable foreign nations to buy American goods and to service their debts.

To finance ministers and central bankers abroad, there is reassurance in the very fact that American opinion so widely recognizes that balance-of-payments deficits of $3-4 billion a year cannot be sustained indefinitely.

As our balance of payments is righted, as it must be, our international poistion will remain sound, provided that our defense outlays abroad and our grants and loans to other nations are matched by an export surplus. For the money we send overseas must have a counterpart in goods shipped or services provided. Otherwise, the result is an increase in our short-term indebtedness to foreigners, which represents a claim upon the U. S. gold stock.

Gold and dollars that foreign nations have acquired from the United States have been the largest single factor in the growth of their monetary reserves during the past decade. This source of reserves will necessarily dry up as our international payments are brought into balance. But the reserve position of foreign nations has by now improved so much that the disappearance of the U. S. payments deficit—or at least its reduction to more manageable levels — would not leave them pinched. Clearly, gold and dollars that foreign nations have acquired through transactions with the United States will remain outside the United States so long as the rest of the world does not incur deficits with us, as in the earlier postwar years; there are currently no signs of this. Therefore, even after the United States has succeeded in righting up its balance of payments, the rest of the world —and, above all, Europe, where most of the gold and dollars supplied by the United States have gone—will be reasonably well off, at least for some time, with regard to its monetary reserves.

An entirely new situation has thus arisen in the world economy and finance. The era of "dollar shortage" has been closed. In the next decade, some of the responsibility for economic and financial leadership—as well as for providing hard cash for defense and development—will fall on Europe, which has remarkably increased its productive strength internally as well as in relation to the other continents. European currencies are now convertible for most practical purposes; some of them are convertible completely while others may well become fully convertible before long. They are thus comparable in strength to the U. S. dollar. By the same token, however, convertibility enhances the need for monetary discipline since each of the newly convertible countries wants to maintain—and further improve—the position it has now attained.

Basically, this is a most promising development — provided that our trading partners remove obstacles to trade. Direct quantitative restrictions on dollar goods have now been largely dismantled in countries with ample, if not overflowing, reserves. But it is also important to review tariffs, which in many countries are much higher than in the United States, and to remove the potential discrimination against outsiders, including the United States, implied in the new regional arrangements in Europe. To cope with trade and payments problems of the 1960's, it is essential to restore a sustainable payments balance throughout the **whole** world by means that enlarge trade and promote economic growth and efficiency.

At the same time, however, the substantial advance toward free multilateral trading and payments — and, hence, competition — may cause us new difficulties. While our gold stock is still abundant and the dollar remains the strongest currency in the world, the United States is much more exposed to external influences than until quite recently.

Our policies will, therefore, have to be adjusted to the changed international environment. To be sure, balance-of-payments considerations should not be the only guide for our domestic policy-making. From now on, however, we shall have to pay more attention to the levels of labor costs, interest rates, and prices here and in other industrially and financially advanced nations.

This does not mean that we cannot take reasonable measures, including easier credit conditions, to deal with business recessions. Nations abroad would expect us to undertake such measures, as they would do in similar circumstances. They themselves have a large stake in the maintenance of business activity in this country, which provides the biggest import market in the world.

But it is clear that we will need to exercise more discretion in the use of economic stimulants than at some times in the past. Specifically, we can no longer afford to carry cheap money to extremes or loosen the reins on government spending. As Professor Arthur F. Burns of Columbia pointed out recently, we need to find fiscal policies, such as tax reforms, which can check recessions and stimulate creative effort and growth without opening the floodgates in inflation.

V

Problems of International Equilibrium in the 1960's

In a world in which market mechanisms are once again working domestically as well as internationally, the United States, like any other nation, is subject to balance - of - payments discipline. Indeed, in the past year or so, the United States has had to take very much the same steps as other countries to halt the decline in its gold reserve — in particular, measures to balance the budget and restrain credit.

A generation ago, the British iconoclast, the late J. M. Keynes, resented the link between the domestic economy and gold on the ground that it took the control of domestic economic and financial affairs out of a country's own hands. He dismissed gold as a "barbarous relic" and advocated "scientific" monetary management. As time has passed, however, it has become abundantly clear that domestic economic and financial affairs cannot be divorced from a country's international reserve position.

Postwar experience offers many striking examples of the consequences of domestic conditions and developments for the country's international reserves. Indeed, whenever a country loses gold and foreign exchange in large amounts, there is reason to believe that it has faulty domestic policies. It may tolerate inflation, which brings about excessive spending on imports or deflects exportable goods into the domestic market; it may fail to check cost increases and thus price its exports out of world markets and make imports relatively cheap; and, because of expectations of further monetary and fiscal disorders, it may suffer from loss of confidence in its currency. When, on the other hand, a country restricts domestic demand and prevents or moderates the rise in domestic costs—and thus expands exports, holds down imports, and maintains confidence in its currency—the result has been shown to be an improvement in its balance of payments.

To be sure, the balance-of-payments problem of a given country is not necessarily a mere by-product of inflation; it may also stem from structural problems of production, productivity, and foreign trade. But even though these structural problems are important, they cannot be dealt with realistically without checking inflation, which greatly aggravates such problems.

This, in a nutshell, is what most Continental European countries began to realize as far back as the early postwar years; England did so during the sterling crises of the 1950s; certain Latin American and Asian countries in the last few years; and the United States in 1959.

In the world of the 1960s in which currencies of the principal trading nations are convertible for most practical purposes and may well become convertible completely, the need for monetary discipline is even more real, and penalties for its disregard even more direct, than has been true for many years. From now on, no country will be able to inflate with inpunity, as in the earlier postwar years when the consequences of inflation for the balance of payments were offset by inflation elsewhere.

It is true that most of the less developed countries are consuming and investing more than they are producing. But this spree can continue only so long as there is a kind fairy from without to make good the balance-of-payments deficit. The act of charity hurts the kind fairy in her turn if, like the United States today, she fails to match her economic aid and private capital exports by a trade surplus.

By and large, therefore, the balance of competitive advantage between the United States and other economically and financially advanced countries will depend more and more on the vigilance, skill, and courage of those responsible for economic and financial policy-making, and on the popular response to the policies they pursue. Which country will have the more flexible monetary policy? Which will be more alert to the need of managing its public debt in ways that will help maintain monetary stability? Which will conduct its fiscal policies more effectively, and above all, devise a tax system that will provide for the most effective incentives to savings and productive investments? Which will be more alive to the need of avoiding rigid price and cost structures?

Whether or not the United States will, during the decade ahead, manage its economic and financial affairs better than other economically and financially advanced nations, nobody can tell at this time. One thing is certain, however: if we do not want to let our competitive power deteriorate, success will have to come the hard way—by raising output and productivity without at the same time allowing the purchasing power of the dollar to be whittled away bit-by-bit. This calls, above all, for financial discipline and responsibility.

*An address by Mr. Kriz before the National Industrial Conference Board, New York City.

$50 Million Alabama Education Auth. Capital Improvement Bonds Marketed

Public offering of $50,000,000 Alabama Education Authority Capital Improvement, Series B, bonds due July 1, 1962-1980 was made June 21 by an underwriting group managed by Lehman Bros., Halsey, Stuart & Co. Inc., The First Boston Corporation, Smith, Barney & Co., and C. J. Devine & Co. at prices to yield 3% to 3.95%. The group submitted the only bid for the issue, offering to pay par for a combination of 5%, 4½%, 4% and 3.90% interest rates, representing a net interest cost of 3.9955% to the Authority.

Bonds maturing in 1966 and thereafter will be subject to redemption at the option of the Authority on and after July 1, 1965.

The bonds offered constitute a part of an authorized issue of $100,000,000, of which $20,000,000 principal amount has previously been issued and is outstanding. The bonds were authorized in 1959 by the Legislature of Alabama for the purpose of providing for the acquisition of sites for and the construction and equipping of buildings for educational purposes.

Among other members of the offering group are:

Allen & Co.; A. C. Allyn & Co., Inc.; Bear, Stearns & Co.; Blair & Co. Inc.; Blyth & Co. Inc.; Dominick & Dominick; Drexel & Co.; Eastman Dillon, Union Securities & Co.; Equitable Securities Corp.; Glore, Forgan & Co.;

Goldman, Sachs & Co.; Harriman Ripley & Co. Inc.; Ira Haupt & Co.; Hornblower & Weeks; Kidder, Peabody & Co.; Kuhn, Loeb & Co.; Ladenburg, Thalmann & Co.; Lazard Freres & Co.; Carl M. Loeb, Rhoades & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc.;

John Nuveen & Co. Inc.; Paine, Webber, Jackson & Curtis; Phelps, Fenn & Co.; R. W. Pressprich & Co.; L. F. Rothschild & Co.; Salomon Bros. & Hutzler; Shields & Co.; F. S. Smithers & Co.;

Sterne, Agee & Leach; Stone & Webster Securities Corp.; B. J. Van Ingen & Co. Inc.; Weeden & Co.; Wertheim & Co.; White, Weld & Co.; Dean Witter & Co.; Hendrix & Mayes, Inc.; Stubbs, Watkins & Lombardo, Inc.; Thornton, Mohr & Farish.

Two With A. C. Best

MILWAUKEE, Wis.—Fremont O. Breitengross and Oswald E. Breitengross have joined the staff of A. C. Best & Company, 757 North Broadway. Both were formerly associated with Adolph G. Thorsen.

With Kidder, Peabody

PHILADELPHIA, Pa. — Kidder, Peabody & Co., Fidelity Philadelphia Trust Building, announce that J. Jeffries Eyster has become associated with their firm as a registered representative.

Forms Inv. Service

EAST ORANGE, N. J. — Edward H. Becker is conducting a securities business from offices at 19 North Harrison Street, under the firm name of Pension-Profit Sharing Investment Service.

Forming Andresen

On June 30 John A. Andresen will acquire a membership in the New York Stock Exchange and in partnership with William D. Whitlaw, general partner, and Oscar Kimelman and Zephrene Andresen limited partners, will form Andresen & Co. with offices at 30 Broad Street, New York City.

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Businessman's BOOKSHELF

Chartcraft Point & Figure ASE Service — 64 page textbook and six week trial subscription, $10 — Chartcraft Inc., Dept. C-1, 1 West Avenue, Lachmont, N. Y.

Consumer and Commercial Credit Management — Cole and Hancock —Richard D. Irwin, Inc., Homewood, Ill., $9.

Consumer and the New Business Cycle—Report by Foundation for Research on Human Behavior, Ann Arbor, Mich. (paper), $2.00.

Convention Locations—A digest of hotels and resorts represented by Robert F. Warner, Incorporated and Glen W. Fawcett Incorporated — Warner Publications, 17 East 4th Street, New York 17, N. Y. (paper).

Economic Point of View—Israel M. Kirzner — Van Nostrand Co., 120 Alexander Street, Princeton, N. J. (cloth), $5.50.

Employment Problems of Older Workers—Arthur M. and Jan N. Ross—Institute of Industrial Relations, University of California, 201 California Hall, Berkeley 4, Calif., (paper).

Energy and Man: A Symposium —Allan Nevins, Robert Dunlop, Edward Teller, Edward S. Mason and Herbert Hoover Jr.—Appleton-Century-Crofts, Inc., 35 West 32nd Street, New York 1, N. Y., cloth $3.75.

Financial Institutions, Third Edition—Roland I. Robinson, Erwin W. Boehmler, Frank H. Gane & Loring C. Farwell — Richard D. Irwin, Inc., Homewood, Ill., cloth $9.00.

Guides for Advertising Allowances and Other Merchandising Payments — National Association of Wholesalers, 1001 Connecticut Avenue, N. W., Washington 6, D. C., (paper).

Guiding Principles for Life Underwriters and Investment Companies—Outline of public responsibility of investment companies and life insurance underwriters—National Association of Investment Companies, 61 Broadway, New York 6, N. Y. (paper), on request.

How I Made $2,000,000 in the Stock Market — Nicolas Darvas—American Research Council, 2 East Avenue, Larchmont, N. Y. (cloth), $4.95.

Industry as a Local Tax Base—Bureau of Business and Economic Research, University of Maryland, College Park, Md. (paper)

Inflation: Its Causes and Cures—Gottfried Haberler — American Enterprise Association, 1012 Fourteenth Street, N. W., Washington 5, D. C. (paper), $1.00 (quantity prices on request).

Investment Companies 1960—20th Edition — Containing information on 333 U. S. and Canadian investment companies—Arthur Wiesenberger & Company, 61 Broadway, New York 6, N. Y., $25 (quarterly supplement service, $5 additional).

Iowa Electric Light & Power Co. —Annual Report — Iowa Electric Light & Power Co., Cedar Rapids, Iowa.

Manpower: Challenge of the 1960's — U. S. Department of Labor — Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 25 cents.

Monetary Decisions of the Supreme Court—Gerald T. Dunne—Rutgers University Press, 30 College Avenue, New Brunswick, N. J., cloth $4.50.

New York Hanseatic Corporation Observes Fortieth Anniversary

The investment firm of New York Hanseatic Corporation, 120 Broadway, New York, a major dealer in U. S. Government securities and one of the largest over-the-counter trading organizations in the country, is currently observing its 40th year of operations. The corporation is active in every phase of the securities business including underwriting, distribution and retailing.



Kurt H. Grunebaum

Incorporated on June 23, 1920 New York Hanseatic Corporation started operations with an initial capitalization of $50,000. The substantial growth recorded by the firm since its founding is attested to by the fact that its capitalization had risen to $2,512,182 as of the close of its last fiscal year on Oct. 31, 1959. At that time, total assets were in excess of $75,000,000, of which $48,720,119 represented U. S. Government securities owned.

The company was originally organized by a group of leading American businessmen for the express purpose of shipping vitally needed foodstuffs and raw materials to war-torn Central Europe following the close of World War I. Under the legal guidance of the father of the present board chairman, Erich O. Grunebaum and his brother Kurt H. Grunebaum, president, the firm soon moved into the essential business of raising capital funds and arranging long-term loans which were urgently required by European industrial trade and public bodies.

New York Hanseatic Corporation, working closely with several of the large corporate banks and private banking houses, both in this country and abroad, then was instrumental in providing venture capital and loan funds for large European industrial enterprises. And in 1926, the corporation began to operate in the field of domestic securities in the U. S.

From a staff of four or five employees at its original headquarters at 42 Broadway, the firm's far-flung activities now require about 250 employees. Its securities trading activities encompass the securities of the U. S. Government and its instrumentalities, tax exempt obligations, the shares of bank and insurance companies and stocks and bonds of utilities and industrial corporations.

Dealing in the main directly with banks, brokers, dealers and institutional investors, in this country and abroad, the firm currently maintains markets in approximately 600 unlisted and listed issues, ranking it with the largest over-the-counter dealers in the U. S. On some days, the volume of business transacted in the securities trading department of the New York Hanseatic Corporation compares favorably with the number of transactions executed on all but the major registered stock exchanges.

The firm is now headquartered in spacious, efficiently equipped offices at 120 Broadway, New York City and to facilitate the handling of its increasing volume of business, offices have been established in Boston, Chicago, Philadelphia and San Francisco. A private wire system connects the main office with its branch offices, and with such important cities as Atlanta, Cleveland, Houston, Los Angeles, Louisville, Ky., New Haven, Conn., Pittsburgh, Portland, Ore., Providence R. I., and San Antonio.

With its activities in finance and commerce extending not only to most important cities in the U. S. but also around the world, the firm has built up many valuable connections in major financial markets across the globe and has correspondents in Europe, Central and South America, Canada, the Far East and Australia. Several of the top officers and a number of the employees have served with the organization for periods ranging as high as 35 years, and one of the founding directors is still a member of the board.

Italian Branches

The international firm of Bache & Co., members of the New York Stock Exchange and other leading securities and commodity exchanges, has opened new offices in Rome and Milan, Italy, it was announced by Harold L. Bache, managing partner.

A newly-formed and wholly-owned subsidiary, Bache & Co. (Italia) S.P.A., will operate the two new branches, both located in modern, completely air-conditioned buildings, one at 11 Via Parigi, in the heart of the city of Rome, and the other at 10 Via Montenapoleone in Milan.

Mr. Bache is Chairman of the Board of Directors of the newly-formed subsidiary, Bache & Co., Italia) S.P.A.; Gustavo Ajo, partner in charge of the Foreign Division of Bache, New York, is managing director and President of the new foreign affiliate; John Leslie, partner in charge of the audit and law division of the parent organization, is a director. Count Ferdinand Pecci Blunt and Count Ascanio G. Cicogna, managers of the Rome and Milan offices, respectively, are both Vice-Presidents and members of the board of directors of the new subsidiary. Morton Llewellyn has been named assistant manager of the Rome branch.

D. H. Blair Partner

On July 1 Arnold A. Saltzman will become a limited partner in D. H. Blair & Company, 42 Broadway, New York City, members of the New York Stock Exchange.

Reimer Co. to Admit

Reimer & Co., 52 Wall Street, New York City, members of the New York Stock Exchange, on July 1 will admit Richard C. Wolfe to partnership.

Stearns Partner

On July 1 Muriel F. Siebert will be admitted to partnership in Stearns & Co., 72 Wall Street, New York City, members of the New York Stock Exchange. Eugene Greenberger will withdraw from partnership on June 30.

A. A. Maxwell With Allan Blair & Company

NEW ORLEANS, La.—Arthur A. Maxwell has become associated with Allan Blair & Company of Chicago, as Southern Division Manager. Mr. Maxwell formerly conducted his own investment business in New Orleans.

Form Belpat Management

Belpat Management Co. has been formed with offices at 21 Maiden Lane, New York City, to engage in a securities business. Partners are Joel J. Bloch, Newton W. Mandel, and Stanley M. Gruss.

Form Cocchione Co.

Mario R. Cocchione & Co., Inc., has been formed with offices at 56 Beaver Street, New York City, to engage in a securities business.

Forms Capital Planning

FOREST HILLS, N. Y.—George S. Friedman is engaging in a securities business from offices at 98-26 Sixty-fourth Avenue under the firm name of Capital Planning Company.

DIVIDEND NOTICES

CITY INVESTING COMPANY

25 Broad Street, New York 4, N. Y.

The Board of Directors of this company on June 15, 1960, declared the regular quarterly dividend of 12½ cents per share on the outstanding Common Stock of the company, payable August 15, 1960 to stockholders of record at the close of business on July 20, 1960.

JOHN A. KENNEDY,
Vice President & Secretary

CANADIAN PACIFIC RAILWAY COMPANY

Dividend Notice

—oOo—

At a meeting of the Board of Directors held today a dividend of seventy-five cents per share on the Ordinary Capital Stock was declared in respect of the year 1960, payable in Canadian funds on August 1, 1960, to shareholders of record at 3:30 p.m. on June 24, 1960.

By order of the Board.

T. F. TURNER,
Secretary

Montreal, June 13, 1960

DIVIDEND NOTICE

PACIFIC POWER & LIGHT COMPANY

Dividend Notice

Quarterly dividends of $1.25 per share on the 5% preferred stock, $1.13 per share on the 4.52% serial preferred stock, $1.54 per share on the 6.16% serial preferred stock, $1.41 per share on the 5.64% serial preferred stock, and 40 cents per share on the common stock of Pacific Power & Light Company have been declared for payment July 11, 1960, to stockholders of record at the close of business June 30, 1960.

PORTLAND, OREGON
June 15, 1960

H. W. Millay, *Secretary*

FEDERAL

FEDERAL PAPER BOARD CO., Inc.

Common & Preferred Dividends:

The Board of Directors of Federal Paper Board Company, Inc. has this day declared the following quarterly dividends:

50¢ per share on Common Stock.
28¾¢ per share on the 4.6% Cumulative Preferred Stock.

Common Stock dividends are payable July 15, 1960 to stockholders of record at the close of business June 29, 1960.

Dividends on the 4.6% Cumulative $25 par value Preferred Stock are payable September 15, 1960 to stockholders of record August 29, 1960.

ROBERT A. WALLACE
Vice President and Secretary

June 14, 1960
Bogota, New Jersey

DIVIDEND NOTICES

WOODALL INDUSTRIES INC.

The regular quarterly dividend of 30c per share on the Common Stock has been declared payable July 16, 1960, to stockholders of record June 30, 1960.

M. E. GRIFFIN,
Secretary-Treasurer

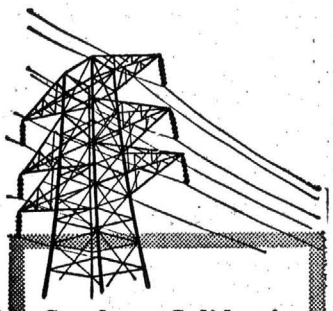
Pacific Gas and Electric Company

DIVIDEND NOTICE
COMMON STOCK
DIVIDEND NO. 178

The Board of Directors on June 15, 1960, declared a cash dividend for the second quarter of the year of 65 cents per share upon the Company's common capital stock. This dividend will be paid by check on July 15, 1960, to common stockholders of record at the close of business on June 24, 1960.

K. C. CHRISTENSEN,
Vice President and Treasurer
San Francisco, Calif.

P·G·and E·



Southern California Edison Company

DIVIDENDS

The Board of Directors has authorized the payment of the following quarterly dividends:

COMMON STOCK
Dividend No. 202
65 cents per share;

PREFERENCE STOCK,
4.48% CONVERTIBLE SERIES
Dividend No. 53
28 cents per share;

PREFERENCE STOCK,
4.56% CONVERTIBLE SERIES
Dividend No. 49
28½ cents per share.

The above dividends are payable July 31, 1960 to stockholders of record July 5. *Checks will be mailed from the Company's office in Los Angeles, July 30.*

P. C. HALE, *Treasurer*

June 16, 1960

Edison

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WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—The Rockefeller bandwagon which many Republicans had hoped would start rolling, and the Stevenson bandwagon which many Democrats had hoped would begin to roll, are all bogged down.

As a matter of fact, neither wagon has made much more than some squeaky noises because they have lacked some solid axle grease. Of course this does not mean that the names of Republican Governor Nelson A. Rockefeller of New York and former Gov. Adlai E. Stevenson of Illinois will not figure in the Presidential nominating conventions of the two parties.

Both have been accused of doing some political double talk about their unannounced candidacies for the nomination of their respective parties. Yet both men apparently are still hoping that political lightning will strike at the big shindigs just around the corner.

As of now neither Mr. Rockefeller nor Mr. Stevenson is in the picure. Mr. Stevenson twice has had his chance, but he is hoping for a third and, as he has told some close intimates, "when I would not have to run against a national hero" as was the case in 1952 and 1956 when he opposed President Eisenhower.

Here in the Nation's Capital some of the old Republican pros are looking at Governor Rockefeller with a jaundiced eye. Some Republicans are confiding to their Democratic colleagues in the cloakrooms at the Capitol that Governor Rockefeller is a bit too New Dealish for them. Numerous Congressional Republicans are saying in effect:

"Governor Rockefeller might very well Out Deal the New Deal, if given a chance. Unquestionably he would be a favorable vote getter for us, but his philosophy seems more comparable to that of the New Deal Democrats than to the traditional Republican conservatism."

Nixon the GOP Choice

As of today, there appears to be little doubt that the next President of the United States will be either Richard M. Nixon, or California; Senator John F. Kennedy of Massachusetts, or Senate Majority Leader Lyndon B. Johnson.

However, by Democratic Convention time when all the delegates and alternates begin mingling and mixing and holding caucuses, the Democratic picture could very well begin to change. Nevertheless, the Republican nomination appears fairly certain to be within the grasp of Mr. Nixon.

Perhaps Mr. Rockefeller might surprise many people with his delegate strength, but the final result seemingly will be the nomination of Nixon.

Kennedy vs. Johnson

There is no question from the old Democratic professionals about the fact that Senator Kennedy is ahead for the Democratic nomination. Concievably he could have 761 delegate ballots, the minimum required for nomination, by the second ballot. Naturally, the rival camps do not think so, and with some justification.

Senator Lyndon B. Johnson, who got his inspiration as a young Congressman from the late President Franklin D. Roosevelt, is on Mr. Kennedy's heels.

From the Potomac River to the Rio Grande the overwhelming majority of the delegates are going to Los Angeles to cast their votes for Mr. Johnson. Although some state delegations are going to the Democratic convention uninstructed and with their hands free, the Texan will be the first choice.

Not too many months ago the political stock of Senator Johnson was at a rather low ebb in some sections of the South, but he has made a comeback. In some Southern states his support will be unanimous.

President indications are that there will be only one favorite son in Dixie when the roll is called. The Florida delegates are scheduled as of now to cast their first ballot for Senator Claude Smathers.

Alabama, the lead-off state in the roll call traditionally, yields to other states to make a nomination. However, one time Alabama led off with "Alabama casts 24 votes for Oscar W. Underwood" who was a favorite son.

Strong Johnson Advocates

As of now, however, Alabama is not likely to yield to other states in announcing its choice. Alabama, which will not vote under the unit rule, will give a majority of its delegate votes to Johnson; some to Kennedy, and a handful for Senator Stuart Symington of Missouri. Governor John Patterson of Alabama for nearly two years has been beating the drums for Senator Kennedy. He was the nation's first chief executive to publicly endorse the New Englander.



"It's embarrassing being the last number in the bottom row on the annunciator board!"

Perhaps few people recall it, but four years ago the Texas and Mississippi delegations voted from start to finish for Senator Johnson. Incidentally, predictions from the Lone Star State from a few qualified observers say that unless Senator Johnson gets the nomination, Texas is likely to go Republican on Nov. 8. The Texas GOP convention is on record to support Nixon for the Presidency and Arizona Senator Barry Goldwater for Vice-President.

The delegation from Virginia is going to the convention instructed to "stay with Johnson." However, some of the foremost distinguished political personalities of the Old Dominion, like Senator Harry Flood Byrd, and former Governor William M. Tuck, are passing up the convention this year.

With the Kentucky and Oklahoma delegate majorities backing Johnson and some scattered support in the Western States, the predictions are that Senator Johnson will show up at Los Angeles in the neighborhood of 500 votes.

Where will he get the additional 250 or more needed? That is the big unanswered question.

The endorsement of Senator Kennedy by Michigan Governor G. Mennen "Soapy" Williams perhaps means that the Michigan delegation of 51 votes, mostly dominated by the United Auto Workers union, will back Kennedy.

Kennedy a V.-P. Choice?

The Kennedy support in New York, New Jersey and all through New England, plus support in states like Pennsylvania, Ohio, and his scattered strength in the West, makes the New England Senator the candidate to beat.

Should, however, he fail to get the nomination for the Presidency, he appears to be in line for the Vice-Presidential nomination, if he would accept it. It is unlikely he would not accept the No. 2 spot. Four years ago he came within a political eyelash of getting the Vice-Presidential nomination before it went to Senator Estes Kefauver.

It turned out to be a fortunate result for Senator Kennedy. If he had been the Vice-Presidential nominee in 1956 he would have been defeated by the Eisenhower - Nixon ticket. Instead, Senator Kefauver jubilantly got the nomination. Now the senior Senator from Tennessee has a battle on his hands to get reelected to the Senate.

Senator Kennedy has reason to believe that he will have at least 600 early ballot votes at the convention. Personally, he believes that his strength is increasing all the time, and that assertedly makes him confident that he will be able to win over Senator Johnson, whom he regards as his No. 1 opponent.

Nevertheless, Senator Symington and his most distinguished supporter, former President Harry S. Truman, are strongly hopeful a deadlock will result between the two front runners, and that Symington will be the man that the delegates will turn to challenge the Republicans who have occupied the White House for eight years.

[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.]

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COMING EVENTS

IN INVESTMENT FIELD

June 24, 1960 (Philadelphia, Pa.)
Investment Association of Philadelphia annual outing at the Whitford Country Club, Whitford, Pa.

June 25, 1960 (Chicago, Ill.)
Security Traders Association of Chicago outing at Nordic Hills Country Club.

June 25-28, 1960 (Santa Barbara, Calif.)
California Group of Investment Bankers Association meeting.

July 10-Aug. 5, 1960 (Evanston, Ill.)
Fundamentals of Investment Banking—4 week resident summer course at Northwestern University sponsored by Investment Bankers Association.

Aug. 12, 1960 (Detroit, Mich.)
Basis Club annual summer outing at the St. Clair Inn and Country Club, St. Clair, Mich.

Sept. 9-11, 1960 (Portland, Oreg.)
Pacific Northwest Group of Investment Bankers Association annual meeting at the Sheraton-Portland.

Sept. 11-14, 1960 (Sun Valley, Idaho)
National Security Traders Association Annual Convention.

Sept. 12-13, 1960
Association of Stock Exchange Firms meeting of the Board of Governors at the Statler - Hilton Hotel, Hartford, Conn.

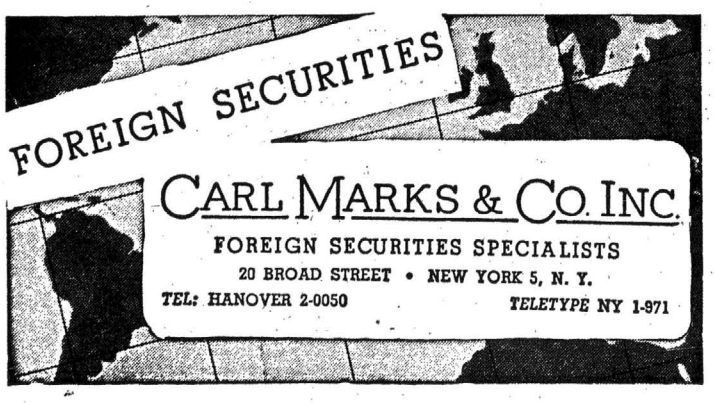
Sept. 12-13, 1960 (Denver, Colo.)
Rocky Mountain Group of Investment Bankers Association meeting.

Sept. 15-16, 1960 (Cincinnati, Ohio)
Municipal Bond Dealers Group of Cincinnati annual outing — cocktails and dinner Sept. 15 at Queen City Club; field day Sept. 16 at Kenwood Country Club.

Sept. 21-23, 1960 (Santa Barbara, Calif.)
Board of Governors of Investment Bankers Association fall meeting.

Sept. 30, 1960 (Philadelphia, Pa.)
The Bond Club of Philadelphia 35th Annual Field Day at the Philmont Country Club, Philmont, Pa.

Oct. 5, 1960 (New York City)
New York group of Investment Bankers Association of America annual dinner at the Waldorf-Astoria.



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