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Editorial AS WE SEE IT

rotectionism, whether by means of a tariff or some more irect method, is, of course, an old, old subject of disussion. The safeguarding of our "infant industries" as one of the cares of the authorities of this country at he very beginning. Long after our industries had passed heir infancy, the principle was again and again invoked y those who had become protectionists almost by nature. conomists of various nations have had a great deal to ay on the subject in their texts and their treatises from ime immemorial. Our farmers, by tradition more or less ree traders, at length turned protectionists as they egan to believe that they, too, needed help from govrnment as Al Smith shrewdly perceived in 1929. There ave been a great many analyses of the changes that ave taken place in the world and our place in it during he past few decades and their bearing upon the wisdom f a protectionist policy on our part. We ourselves have pon occasion pointed to the basic inconsistency of proectionism on our part at a time when we were professng to be greatly interested in building industry in various other lands.

The reason for our return at this time to this wellworn subject is a most remarkable discourse upon the subject by one of our leading businessmen, H. E. Humphreys, Jr., Chairman of the United States Rubber Company delivered the other day before the Manufacturing Chemists' Association. So worthy a study did this address appear to us that we printed it in full in our issue of July 7. Generally speaking, in the past active business executives have either remained rather silent on the subject or else said what they thought was necessary to encourage protection of domestic industry. Indeed, Mr. Humphreys himself at one point says quite bluntly that "if a company already has tariff protection — as mine does on various rubber products — I would fight persistently to keep it," his reason being that producers competing with his products pay very low wages for very long hours of work. Had Mr. Humphreys stopped there or merely continued along (Continued on page 19)

Marketing of Municipal Bonds Can Be Considerably Improved

By Alan K. Browne,* *Vice-President, Municipal Bond Department, Bank of America, N.T. & S.A.*

A leading municipal underwriter's survey of the overall and Californian tax-exempt picture provides advice on improving marketability and strengthening a State's credit — even in the face of adverse market logistics. Alarmed by Federal threat to local government independence, Mr. Browne declares resort to Federal funds is not necessary or desirable. He flays those States that issue industrial revenue bonds and declares they are the Achilles heel undermining the tax-immunity principle of State and municipal bonds.

PART I

Volume of Municipal Bond Financing

To emphasize the importance of municipal financing, let us look at the record for the past ten years. The sale of municipal bonds to provide long-term financing for the construction of public facilities has steadily increased over the past ten years and reached a record high in 1959, as evidenced by the following list of sales of new issues of municipal bonds during each of those years: 1950, $3,693,604,000; 1951, $3,278,153,000; 1952, $4,401,317,000; 1953, $5,557,887,000; 1954, $6,968,641,000; 1955, $5,976,503,000; 1956, $5,446,419,000; 1957, $6,958,152,000; 1958, $7,400,367,000; 1959, $7,669,008,879.

Alan K. Browne

A high level of financing for public facilities has continued this year when the sale of new issues of municipal bonds in the first four months (January-April, 1960) aggregated over $2,577,000,000. Any discussion on the subject of problems pertaining to municipal bond financing should point out trends that insidiously threaten our local governments. To alert members of the Investment Bankers Association of America, The Municipal Securities Committee stated the problem and the potential dangers in an interim report which I presented on May 14, 1960. I think that it is appropriate to read from this report as follows:

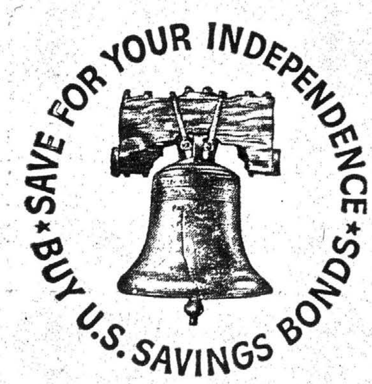
"The attention of all persons who support our dual system of constitutional government, in which strong and independent local government is an essential part, must be focused on the danger in certain proposals that would undermine the strength and independence of local governments by creating reliance on the Federal Government for financing for the public facilities of local governments.

"If local governments rely on the Federal Government for assistance in financing their public facilities, it is apparent that the Federal Government could determine what facilities would be financed and what local governments would receive Federal assistance. The independence of local governments would be eroded through reliance on Federal assistance, and the result would be centralized Federal Government. Some advocates of Federal financial assistance to local governments openly recognize and endorse this result while others fail to recognize the end result of their efforts to provide Federal financial assistance on the mistaken claim of strengthening local government.

"The usual basis of proposals for Federal financial assistance to local governments is that (a) some 'crisis' exists in a particular type of public facility and the public welfare of our country demands that the Federal Government provide the financial assistance to remedy the situation, or (b) that local governments are unable to obtain funds in the general market, or (c) that local governments cannot obtain funds at reasonable rates in the general market. The facts disprove each of these contentions.

"There is no public clamor for Federal financial assistance to local governmental units, but the pressure for such assistance (Continued on page 22)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 26.



The Security I Like Best . . .

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

VAN V. MIDGLEY

Mason Brothers, Oakland, Calif.

Members Pacific Coast Stock Exchange Oakland, Calif.

U. S. Servateria Corporation

The company is a specialized supplier of non-food items to supermarkets and other retail outlets in the general area of Southern California, Arizona, and Southern Nevada. Stock is currently available around 10 and pays a dividend of 50¢ a share annually.

Van V. Midgley

If one looks favorably on the growth of the chains of supermarkets particularly in the fast growing area of Southern California, one can only look favorably on the growth potentials of U. S. Servateria. As the supermarkets expand, so does U. S. Servateria which serves them.

In the six months to Dec. 26, 1959, which is the first half of the current fiscal year, sales climbed to $7 million from $5.7 million in the like period a year earlier. Profits rose moderately to 40¢ a share against 39¢ a year earlier. Earnings were held down by nonrecurring cost involved in starting up a new soft-goods line and in expanding Servateria's operations in the full 200 stores in the Los Angeles division of Safeway Stores (it previously served only 80% of the units).

For all of the fiscal June 26, 1960 year, sales are expected to reach a peak of $14 million, up from $11.7 million the previous year. Net may approximate 85¢ to 90¢ a share—a new high compared with 77¢ in previous like period. What's more, further gains are anticipated in fiscal 1961 — volume may top $18 million and earnings could top $1.

United States Servateria is a successor to a business known as U. S. Hardware & Paper Company, formed in 1927 to distribute to hardware, stationery, and similar retail outlets a variety of inexpensive products. Today the Company serves no less than 1,700 establishments, including almost 1,000 food stores.

The 5,000-odd items distributed are sold to retailers out-right, usually on 30 day credit terms. U. S. Servateria, however, assumes responsibility of setting up the display of the items offered for sale and maintaining proper inventories. Thus, the retailer is required only to handle the items at the sales counter, since the U. S. Servateria driver-salesmen are responsible for stocking the shelves and price marking the items.

United States Servateria serves most of the leading Super-Market Chains and Independents in the Southern California trading area, among which are included the following:

A & P Markets
Alpha Beta Markets
Boys Markets
Daylite Super Markets
Food Giant Markets
Gelsons Markets
Hughs Markets
Lucky Stores
Mayfair Markets
Safeway Stores
Shoppers Markets
Yor-Way Markets
Vons Markets

The company also supplies many products to department stores, major drug chains, hardware and variety stores including Broadway Department Stores, The May Company, Rexall Drug, Sav-On-Drug, Thrifty Drug Stores, and numerous others.

The bulk of U. S. Servateria's business is done with the food chains, which find the wider profit margins on non-food items particularly attractive.

In this connection, U. S. Servateria has been benefiting handsomely from the rapid expansion of such chains in the fast growing West. At the same time the Company has been boosting volume by broadening its line. Thus, soft goods, a recent addition, are expected to contribute roughly $500,000 to 1960 fiscal sales. Gift lines, too, are being increased substantially, particularly in moderately priced cooking glassware and ceramics. The 1958 sales volume showed 46% came from hardware and houseware items; 42%—drugs, cosmetics, and lotions; 10%—paper products and the remainder, other items.

Expansion is taking a turn in another direction — acquisitions. Negotiations are believed currently underway with three other similar western firms, the combined annual volume of sales of which is almost equal to the Company's fiscal 1959 sales.

Dividends are paid at the quarterly rate of 12½¢ per share. Any increase in the dividend will probably come in the form of stock dividends.

Finances are strong with a current ratio of 3.2 to 1.

Capitalization consists solely of 550,000 shares of stock, slightly over half of which is held by the founding family. Public ownership of stock was first made in March, 1959, when 275,000 shares were sold at $9.50 per share.

With expansion of supermarkets and chain drug stores, which are customers of U. S. Servateria, and the proposed acquisitions the Company has in mind, it seems entirely reasonable that U. S. Servateria will enjoy growth, both in gross income and net earnings. The stock is traded in the Over-the-Counter Market.

CURTIS V. TER KUILE*

New York City

Hercules Powder Company

Hercules Powder $2 class A convertible stock is selling on the New York Stock Exchange at 63 to yield 3.17%. The high and low for 1960 are 64½-55½. These shares were issued in March, 1960, in connection with the acquisition by Hercules Powder of the Imperial Color Chemical & Paper Corp. They are rated A by Fitch. The dividend rate is $2.00 per share, payable Sept. 25 and quarterly and cumulative. The class A stock ranks senior to the common stock, is entitled to $35 per share on liquidation, has no sinking fund or preemptive rights, is voting, callable at 55 on April 1, 1965 and then on a scale to 45 starting April 1, 1975, and convertible into 8/10 share of common stock with protection against dilution.

Curtis V. ter Kuile

Hercules Powder common stock is selling at 68 on the N. Y. S. E. to yield 1.91% on the present dividend rate of 1.30 per share. The high and low for 1960 are 74⅞-61⅜ and 74¾-50 for 1959. The shares are rated BBB by Fitch, have paid a dividend since 1913 and are held by 146 institutions. They have pre-emptive rights. The last split was 3-for-1 in 1956.

On the balance sheet of Dec. 31, 1959, adjusted proforma to the acquisition of Imperial Color Chemical & Paper, cash and securities amounted to $37,226,313; the current ratio was 3.15 to 1, and net working capital $82,660,411. There was no debt. Capitalization consisted of 96,194 shares of $5.00 preferred stock par $100, 509,802 shares of class A stock, no par, and 8,463,229 shares of common stock par value $2 1/12th. On July 5, 1960, due to conversions, there were outstanding 157,832 shares of class A stock and 8,864,418 shares of common stock.

The income account for the year 1959, adjusted as above, would have shown net sales and revenues of $310,783,000 and net income of $25,334,000, or $2.81 per share of common stock assuming that all class A stock had been converted into 458,822 shares of Hercules common stock at the original conversion rate of 9/10 share per share of class A, which conversion changed to 8/10 share on June 30, 1960.

In recent years Hercules Powder has achieved a far greater rate of growth than DuPont, from which it was separated in 1912. In the five years ending Dec. 31, 1959 the net income of Hercules increased 65.5% as against 21.5% for DuPont. In 1959 Hercules raised its net income 33.6% over that of 1958 compared with 22.6% for DuPont

Although the net income of Hercules is only 6% of that earned by DuPont, nevertheless Hercules is proportionately just as strong financially, and with certain exceptions, such as Nylon, the line of products is quite similar. One important point regarding Hercules is its intensive drive for diversification. In 1959, $11,600,000 was spent on research, or about 4% of sales, and the company has 40 new products in the laboratory stage, 12 in pilot plant production, and four in the introductory sales stage. In 1959 construction expenditures amounted to $20,800,000 and this item will probably approach $43,000,000 for this year.

The convertible class A stock yields 1.26% more than the common, yet is senior to it in assets and earnings, non-callable for five years, and permanently convertible into common stock at a figure only 7.4% away from parity. It probably will not enjoy an active

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*The writer is a graduate mechanical engineer, Cornell University. He has been engaged in engineering and the investment business for many years and is a member of the Cornell Engineering Society and the New York Society of Security Analysts.

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

This Week's Forum Participants and Their Selections

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U. S. Servateria Corp. — Van V. Midgley, Mason Brothers, Oakland, Calif. (Page 2)

U. S. Economy in the 1960's

By Charles E. Silberman, Associate Editor, "Fortune"*

The consumer market of the 1960's will be one of staggering proportions, with unparalleled opportunities and challenges principally because of the veritable revolution in income distribution. Basing this conclusion on "Fortunes" study findings, Mr. Silberman depicts the top income group comprising the real mass market in the late 1960's—pushed by income and population growth—with more than half the disposable income being discretionary. The evolution of the inverted income pyramid is found to be supporting a growing diversity in the consumer spending pattern rather than the other way around.

I'd like to discuss the exciting prospects we at *Fortune* see for the economy of the 1960's. Since in a very real sense for fortunes of all business firms depend on what happens in the consumer market, I'll concentrate on the character of that market, and particularly on the implications for all business firms of the changes we expect in consumer incomes, tastes, and spending patterns.

Charles E. Silberman

Let's look first at the probable size of the consumer market, before considering the even more significant changes in its character. One useful measure of size is the number of customers — and there will be over 20% more of them by 1970 than there are now. That is, the population of the U. S. will approach 210 million, compared to 180 million now. Births were up last year, along with everything else, but the baby boom will level off soon, because there aren't enough new mothers to go around; the birth rate will be stable for several years. But a new baby boom will start around 1965, when the babies born in the early postwar years reach marrying age.

Consumer Spending Power

What counts in a market, however, is not so much the number of customers as the number of dollars they have to spend. By 1970, in this latter sense, the U. S. economy probably will be nearly 50% larger than it is today, for the gross national product is likely to expand from about $508 billion this year to roughly $750 billion in 1970—in today's prices. As a result, output per person—the quantity of goods and services available for use — will rise by one-third over the next decade. This is twice as fast a rate as the average of the past 50 years.

If this were all, however—if the 1960's were simply a much bigger version of the 1950's—the decade now beginning might loom as a profitable, but not necessarily as a particularly challenging or exciting period. It will be all three, for the consumer market not only will be much bigger, it will be very different, with very different needs and opportunities. These differences will spring from some deep-rooted changes in the distribution of incomes and in the kind of work Americans do to earn those incomes.

The changes in income distribution can be understood best, I think, against the perspective of the revolution in income distribution that occurred during the last 25 or 30 years. As we described it six years ago in the "Changing American Market," the most crucial aspect of this revolution was the emergence of the middle income group—families with cash after-tax incomes of $4,000 to $7,500 a year — as the dominant income group. Some 42% of all family units were in this group in 1953, compared to 20% in 1929 —in comparable 1959 dollars. The bottom income group, on the other hand—family units receiving less than $4,000 a year in after-tax income—declined from 71% of all family units in 1929 to 42% in 1953.

The income revolution is still going on—but its course has been changing in a very significant way. Indeed, the figures I'm going to give measure trends in the economy that — more than anything else — will determine the potentials for all business in the next 10 years.

Big Change in Family Units Over $7,500

Now, to get back to the actual trends. The under-$4,000 a year income group — 21 million — has not grown in numbers, and so has shrunk in relative size, from 42% of all family units in 1953 to 38% in 1959. (These figures, remember, are in constant 1959 dollars.) The middle income group, surprisingly, has hardly increased in number; some 40% of all family units are in this group, a slightly lower proportion than in 1953.

The big change, therefore, has been in the number of family units receiving more than $7,500 of income a year. The total number has grown from 8,600,000 in 1953—17% of all family units—to 12,300,000 in 1959—22% of all family units.

This is the group to keep one's eye on, for this group—families with more then $7,500 of after-tax income a year — are rapidly becoming the principal market—the mass market — in the U. S. By 1970, there will be nearly 25 million family units — 37% of the total—in this over $7,500 group, and they will be receiving over $300 billion out of the $500 billion of total after-tax incomes. In dollar terms, therefore, families with more than $7,500 a year after-taxes will constitute considerably more than 60% of the market; in numbers, they will represent nearly 40% of the market. Back in 1929, just to give you a little more perspective, there were only 3,300,000 family units — 9% — in the top bracket. By 1970, to re-

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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 economy appeared to be moving along a high plateau as the second quarter of 1960 ended, the Federal Reserve Bank of New York observed in its July *Monthly Review*. Although current economic indicators show signs both of strength and of weakness, the outlook remains favorable for some further expansion of economic activity.

Both business capital outlays and consumer spending appear to be at near-record levels and probably served to keep June employment at the May high. On the other hand, the absence of a strong expansionary thrust in any important economic sector has raised the question in many analysts' minds whether over-all production will expand sufficiently during the months ahead to cut down on the still large number of unemployed and to absorb expected net additions to the labor force.

The increase in business spending for fixed capital so far this year has been substantial, the *Review* article pointed out. Actual outlays in the first quarter were up $1.6 billion over the fourth quarter of 1959, according to the latest survey of businessmen's plans by the Commerce Department and the Securities and Exchange Commission. Plans for a further $1.8 billion rise to $37.0 billion were found to be about unchanged from the previous survey. Plans for the rest of the year, however, point to a much slower rate of advance in the third and fourth quarters. Other signs that capital outlays may lose momentum later are found in a somewhat lower level of machinery orders in recent months and a decline in new business spending appropriations as revealed in a survey conducted by the National Industrial Conference Board.

Retail sales set a new record in April, and in May, despite a 2.7% decline, remained above the volume of either March or the previous peak in October 1959. Export sales and the firm demand of the investment sectors were also factors in the small but widespread gains in industrial production in May. The total production index rose in May by one point to 110% of the 1957 base (seasonally adjusted). Total employment rose to the record level of 67.1 million persons in May while personal income edged up to a seasonally adjusted annual rate of nearly $400 billion.

In a second article "Time and Savings Deposits at Member Banks," the New York Reserve Bank noted that such deposits have grown far more rapidly than demand deposits in the postwar period. The share of time and savings deposits in total deposits climbed to 29% at the end of 1959 compared with only 18% in 1945.

Time deposits — i.e. funds placed for a specified period of time (30, 60, 120 days or more)—increased eightfold between June 1945 and June 1958. Savings deposits, which do not have specific maturities and are in practice withdrawable on demand, doubled over the same period. Savings deposits, however, have shown a much steadier growth trend, as time deposits, more sensitive to interest rate differentials, have fluctuated rather widely.

Bank Clearings Rise 7.1% Compared With Last Year

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, July 9, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 7.1% above those of the corresponding week last year. Our preliminary totals stand at $23,284,910,440 against $21,746,572,466 for the same week in 1959. Our comparative summary for the principal money centers for week ended July 9, was as follows:

	(000 omitted) 1960	1959	%
New York	$12,611,280	$10,702,910	+17.8
Chicago	1,137,499	1,139,973	— 0.2
Philadelphia	1,038,000	946,000	+ 9.7
Boston	673,656	660,093	+ 2.1

Limited Steel Operations in the 50's Expected to Continue Into August

Delays in shipments requested by automakers have hit the expected recovery of steel operations, *The Iron Age* reports.

The national metalworking weekly says that two of the three major auto companies have set back some August tonnage into September. This means that introductions of 1961 models have been delayed or initial production rates have been cut back.

Because the automotive steel market has been the only strong point, the setbacks in tonnage for August are causing more than usual concern. In addition, they come at the bottom of the seasonal ebb and add more gloom to the market picture.

The magazine comments that the immediate recovery from the July 4 bottom in steel operations will be less than expected. And operations in the 50's (as a per cent of capacity) are expected to continue into August.

The rate of incoming orders at the mills is now running no better than 45 to 50% of a capacity rate. Orders for many products are much lower than 40% because of the relatively high level of flat-rolled business.

For example, the magazine cites one mill with an order rate of 50% of capacity. This mill reports its sheet bookings are 70%. This illustrates how bad the books look on products other than flat-rolled.

There are a few scattered signs of improvement. Wire orders at one mill are exceeding forecasts. Pickups are reported for tubing specialties and standard pipe.

Inventories are now down to the point where new orders for steel reflect the state of business of consuming industries. This will result in some general improvement as seasonal effects subside.

Another factor contributing to the delay in recovery is the prompt delivery of steel from the mill. Because most mills are carrying in-process stocks or even stocks of finished products, and can promise quick delivery, steel users are in no hurry to place orders.

This even extends to steel warehouses, which are now engaged in cutting their own stocks to the low limit. Service center business itself is slow and the price situation there is best described as chaotic.

Gradual Recovery Period Ahead Seen for Steelmakers

Seven weeks of gradual recovery lie ahead for the steel industry *Steel*, the metalworking weekly, said on July 11 after noting that the industry's operating rate fell last week to the lowest level of the year.

The worst is over, but steelmakers have no illusions about a quick recovery, the magazine said. It asserted that new orders will be hard to get until: (1) Vacation shutdowns end. (2) Automakers start producing next year's models. (3) Other consumers stop liquidating inventories.

Production plummeted last week as steelmakers extended July 4 shutdowns. Furnaces were operated at 42.7% of capacity, 10.3 points below the previous week's revised rate. Output was about 1,218,000 ingot tons, lowest tonnage for a nonstrike period since the '49 Independence holiday week.

Scarcely any rebound was noted when the market hit bottom, *Steel* commented. The reason was obvious: Lack of support from the big buyers—service centers, construction, converters, appliance manufacturers, and the oil and gas industry. In most cases, the problem is one of inventory adjustment.

Orders placed in June for July delivery are being deferred until August or September. In the East, requests for delayed delivery are coming from converters, furniture and appliance makers, and fabricators of shipping containers and boilers.

Steel service center inventories are at an all-time high of 3.8 million tons—100,000 tons larger than they were before the strike. In January, it was believed service centers would ship about 8.5 million tons this year. Now, trade

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OBSERVATIONS...

BY A. WILFRED MAY

SOME SOUR NOTES FROM THE CONVENTION

LOS ANGELES—The hokum surrounding our nominating conventions has been quite fully realized, before and since the magnificent debunking of our quadrennial Midsummer Madness by H. L. Mencken a quarter century back. Likewise, the shortcomings and absurdities in our entire democratic process (ordeal) of picking our nation's leader are depicted. As is no great secret (except perhaps to Mr. Truman though not to Mrs. Roosevelt), an open convention is a convention made notable by the fact that the party bosses have been able to rule out only eight of the leading ten contenders, rather than nine of the ten (cf. Alan L. Otten's "Handy Glossary for Conventions"). Again, the air here is rife with charges, along with the "rigging" slogan, of venality in nomination-buying, as via putting key delegates on Pop's payroll.

Now, completely dwarfing the importance of the traditional foibles is an entirely different kind of abuse, highlighted here, whose implications extend to our very national survival.

* * *

Exploiting the Khrushchev Issue

At Senator (Candidate) Symington's press conference on his arrival here, queried about the significance of K.'s Cuba blast, he quickly replied that, while he had not read the news yet, this once more evidenced the facilitation to the Kremlin's blackmailing tactics given by our defense "blunderings." To a succeeding question concerning Defense Secretary Gates' announcement of a 5-month missile lag, this military authority —now engaged in chasing the Presidential nomination—pronounced his verdict that the Defense Chief was underrating the shortcomings, and our country's predicament, by many months.

Exploitation by the Maestros

A perfect demonstration by the political Pro's of the cynical exploitation, for partisan profit, of the democratic right to criticize was furnished to this naive observer, on the eve of this week's Convention shennanigans, at a private meeting of A-1 Party members, at the home of a former front-rank Ambassador, Cabinet member, and Governor. In "going to town" on *l'affaire U-2* and Summit collapse as "just one more instance of the foreign policy stupidities" of our President, much was made of some prevalent objections registered against the right to criticize; with the very material omissions of accompanying partisan political motivation as the nub of the practice objected to. (Incidentally, whereas the President was excoriated for having violated the tradition of lying in espionage matters, can one imagine the outbursts from these critics, had he actually himself told untruths?)

Two Types of Criticism

It was suggested to the Chairman of the Foreign Relations Committee, who was among the participants in this private meeting that there are two types of criticism. In the case of one, a documented critique of the *U-2* affair, by his Committee, there might have been a right for the "Loyal Opposition" to get into the brawl. But, how about the category of Governor Stevenson's charging our President with "crow-bar wrecking" of the Summit? What constructive purpose does this sort of slur serve, (other than the candidate's) to compensate for the great hindrance inflicted on the conduct of our foreign policy, as notable, in the titanic effort necessary to curb the Communist Left Wing in Japan? And why not an affirmative word of praise for our ingenuity and skill in thus having protected ourselves against surprise attack over the past four years?

For such brashness, stupidity and naivete, the questioner was, figuratively, thrown out.

Adlai in Candidate's Clothing

The questioner had stressed that there was no intention of singling out Mr. Stevenson for criticism (although in the 1956 Campaign he had found himself similarly crowded into making some seemingly insincere pronouncements, as in demanding unilateral disarmament). Our purpose has been to show that even so high-minded a gentleman, when wearing the hat of Adlai the Candidate, also finds himself constrained to political trafficking in the nation's international struggle — as others have done with our military security over the months.

Our Plague on Both Houses

And, of course, we fully realize that such "public relations" is not the monopoly of any particular Party. The Administration G.O.P.-ers had been grossly over-selling with distortion the image of the President as having tamed Mr. K. at and with Camp David; the benefits of his traveling diplomacy; and Nixon's bouts with the tough Dictator before the klieg lights in the ring outside the Kremlin walls.

Of course, the truth is also distorted by the Dictators; but usually for the envisioned strategic benefit of their country, not to satisfy the public relations tailoring fitting their own political fortunes.

* * *

Sabotage on the Domestic Scene

Likewise in basic domestic issues, principally the economic, are our sabotaging politicos unceasingly "going to town." Ominously presaging the kind of "good to the country" that is going to emerge from the Third Political Convention — the reconvened Congress sional session in August — is the $750 million surrender to the Federal employes' pressure group by the over-riders of the President's responsible veto, including even Chairman Fulbright, who is so concerned over our world-wide security.

Our Post-Alamo Age

The reminder, "There were no ghost writers at the Alamo," currently given us by Russell Birdwell, magnificently puts the finger on our moral decline. But vastly adding to the significance of the implications threatening our very survival, are the tremendous and intervening changes in our international ways of life. Can the Nuclear Sixties, with Khrush and Chou, and at least their monolithic nonstop propaganda warfare, afford us the luxury of tailoring our foreign policy moves to political "images" and to ever-enhanced Monday morning quarterbacking on the home *"front"?*

Can we afford a Second Front at home—obliging our leaders and administrators to fight on two fronts simultaneously?

Only Harmless "Campaign Oratory"

Is Mrs. Eleanor Roosevelt's amazing citation of both the religious and colored issues as alleged bases of Kennedy's election vulnerability, going down in political history as a tragic, though wholly unintentional, descent to low whispering-campaigning?

Hot Financial Issue—Of All Things

Running into Governor Pat Brown, we mentioned to him his endorsement for the Presidency by the Lewis and John Gilbert stockholder - defense cohorts because of his favoring—of all things—*cumulative voting.* Governor Brown assured us that his withdrawal as a Favorite Son does not indicate any change in his enthusiasms for this bit of corporate democracy. Incidentally, we can report that, expectations to the contrary, Governor Brown does understand what cumulative voting is.

This "issue" also came up during our trans-continental trip, Congressman Multer being on our Jet. The Brooklyn legislator, who has done a practical solo in pushing cumulative voting proposals before the Congress, asked us to convey his feeling of insult to Mr. Gilbert on having endorsed Governor Brown, in lieu of himself for the nomination.

One of the Convention's Higher Lights

Governor Robert Meyner and the New Jersey Delegation to the Democratic National Convention were recipients this afternoon of the most unique International Airport reception yet accorded a key Democratic official arriving for the conclave.

As the Governor stepped from his plane at 2:30 p.m., two of Disneyland's most famous citizens . . . Alice In Wonderland and her companion the White Rabbit . . . stepped forward to greet him. Alice presented the Governor with a bouquet of red roses.

Following a press conference at the Airport, Governor Meyner was [sic] led to his limousine by the costumed Disneyland characters and a band.."—Press Release from Disneyland, July 9, 1960.

Thus apparently justifying former President Truman's inclusion of Governor Meyner on his Presidential Eligibles Master List—in lieu of Messrs. Kennedy and Stevenson.

Werle Chman. of Natl. Bible Week

Edward C. Werle, Chairman of the Board of Governors of the New York Stock Exchange, and a partner in Scheffmeyer, Werle & Company, will serve as National Chairman for this year's observance of National Bible Week. The announcement was made by Charles R. Sligh, Jr., President of the Laymen's National Committee, the interfaith organization which sponsors the Week. "I am deeply honored to accept the Chairmanship of the 20th National Bible Week observed this year from Oct. 17-23," Mr. Werle said.

Edward C. Werle

"It is most gratifying to be so closely associated with such a worthy and inspiring occasion.

"As individuals and as a nation, the Scriptures provide us with guidance, solace and strength to meet the awesome problems of a nuclear age.

"Through the pages of the Holy Bible flows the timeless message of faith and conduct that is crucially important for each of us today."

This year marks the 20th anniversary of the founding of the Laymen's National Committee, whose purpose is to reawaken religious thought, to conduct a campaign of Bible reading and study, and to encourage church, synagogue, and Sunday School attendance.

The theme for the Week will be: *"The Bible — Strength of Our Nation."*

Bolgiano Opens

BALTIMORE, Md. — Ralph Bolgiano is conducting a securities business from offices at 411 East 25th Street.

Joins Dean Witter

(Special to The Financial Chronicle)

ST. LOUIS, Mo. — William H. Griesedieck has joined the staff of Dean Witter & Co., 314 North Broadway. He was formerly with Dempsey-Tegeler & Co.

Tinted Profits

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

Some observations on the magnitude and growth of the business in cosmetics and toiletries, together with a report on three interesting equities in the field.

Long before the white man arrived on this continent the Indians had become expert in cosmetics. They called it war paint. Before that the Egyptians had developed the arts of facial powder, rouge and perfume to such an extent that a single gifted practitioner, Cleopatra, was able to turn the course of the Roman Empire and of history, assisted by her curvaceous competence in cosmetics. For centuries however, this business of beautifying by glistening hair, glowing cheeks, and painted lips was confined to the courts of rulers and the palaces and resorts of the rich. Most women were too busy working long hours at dreary tasks and too poor to acquire costly cosmetics even if they knew about them. And there was no radio, TV or Vogue magazine to tell them about how gorgeous they might look with just a few dabs of lipstick, rouge, nail polish or a transforming hair rinse.

Today all that is different. Modern women have the money, the leisure and the zeal to beautify themselves continuously. From ribbon clerks to ranees our ladies want to look slim and trim, sleek and chic, polished, perfumed, waved and wonderful. And by these endeavors they have created a great and expanding industry. Retail sales of cosmetics and toiletries have expanded from $1 billion in 1953 to probably $1¾ billion this year and some exceedingly profitable companies have emerged in this industry.

Revlon, Inc.

One of the most amazing companies in this fiercely competitive business is Revlon, Inc. It started out, right after the Great Depression, as a quality producer of nail polish enamel and expanded this line to include many shades and varieties. Next came lipstick which Revlon cleverly matched with identical shades of nail polish. By 1949 Revlon was grossing $17 million and had established its unique talents for creating new beauty products and for merchandising them. In 1950, "Touch and Glow" liquid make-up was introduced and in 1953 a new compact make-up "Love Pat," and a hair spray "Silken Net" were marketed. Then came the really big years, 1955 and 1956. The $64,000 question which reached its height of popularity in 1955 proved a fantastic advertising medium. Sales rocketed, aided by successful introduction of a number of new products: "Living Lipstick," "Futurama" lipstick holders, "Satin Set" hair spray, "Silicare" a skin lotion and a sun tan preparation "Sun Bath."

Sales which were only $17 million for 1949 had grown to almost $125 million in 1959. Not only new products but new companies were added. Aerosol "Spray Mist" was introduced in 1957, and in the same year Knomark Manufacturing Co., makers of "Esquire" shoe polish was acquired, and a pharmaceutical division was opened. In 1958 penetration of the men's toiletry field was begun with the "Top Brass" hair grooming and shaving lotion line. Last year three new companies were acquired: Bressard Distributors, specialists in hair coloring, Pinex Company, and Asthma Nefrin Company, producers of proprietary drugs. Only recently Revlon purchased Realistic Co., maker of beauty salon products. The drug division has come forward with two highly successful products, Spectran-B cold tablets and Delimine, a soother of nerves.

The remarkable thing about this continuous parade of new products is the uniform success thereof. Revlon seems to have the unique knack of determining in advance, what the public will buy either in a brand new product or in substantial improvements or embellishments of existing ones. This demonstrated capacity for successful products expansion is achieved by (1) constant and extensive research; (2) a terrific flair for advertising and promotion and willingness to spend money thereon; (3) effective nationwide merchandise distribution; (4) insistence on product quality.

In Dec., 1955, Revlon stock was first offered to the public at 12 a share. The offering was an outstanding success and six months later the stock was split 2-for-1. Per share earnings have risen spectacularly from $1.37 in 1955 to $4.19 for 1959; and dividends have risen from 10 cents in 1955 to the current rate of $2. There are 2,667,800 common shares (combined common and class B) preceded by $15,717,965 in long term debt.

The outstanding performance of Revlon at the cash register, the managerial brilliance in evidence, and the remarkable growth in earning power suggest that Revlon may continue an exciting and rewarding equity for those willing to accept the risks of a fiercely competitive and semi-luxury type industry. Revlon common, listed on the NYSE now sells at 65 to yield just over 3%.

Helene Curtis Industries, Inc.

Helen Curtis started out in 1928 and for 20 years remained a producer of products for beauty shops. In 1949 it decided to serve the retail trade as well; and in the past decade not only continued its position as the major supplier of preparations to beauty shops and salons, but has become the third largest factor in the toiletries trade.

Within the same decade milady has substantially increased her expenditures on hair care. This is where Helene Curtis shines. About three-quarters of its business is in hair preparations. It has the popular Suave line of hair dressings; Tempo and Spray net sprays to set the coif beautifully in place; and it offers perhaps the best known dandruff remedy, the Enden shampoo.

Helen Curtis believes strongly in the future of men's toiletries. In 1956 it acquired the "King's Men" line of after shave lotions; Lentheric with a high quality line of aromatic men's lotions; and the Stopette deodorants. Bain d'Or, a producer of bath preparations was added in 1959.

House - to - house selling has proved highly successful in the cosmetics business and in that area, Helene Curtis recently acquired Studio Girl, doing business in California, and capable of substantial expansion in its geographical sales coverage. Curtis Pharmacal division was started in 1957 to merchandise proprietary drugs.

All of this expansion within the past ten years has been effectively translated into increased profitability. Net income rose from $500,000 in 1957 (fiscal year ends 2/28) to $2.9 millions for the year ended Feb. 28, 1960. On a per share basis this has meant an increase in the period, from 28 cents to $1.45.

Helene Curtis Industries Inc. is traded over-the-counter, currently quoted around 22, paying 70 cents. This merger - minded company benefits from aggressive and imaginative management. By increasing net profits 135% in six years the stock qualifies as a growth equity.

Helena Rubenstein, Inc.

This highly regarded cosmetic enterprise has been in business for more than half a century and earned a net profit in each year since incorporation in 1928, excepting 1947. An illustrious line of women's toiletries and cosmetics, includes Color Lift Hair Rinse (guaranteed to last through five shampoos) and Crowning Color, a cream hair tint that offers milady the hair color of her choice with a natural look about it, and almost automatic application.

Helena Rubinstein Inc. has demonstrated both durability and expansion in its earning power. For fiscal year ended June 30, 1959 sales were $27 million and net, $4.51 per share. For the 12 months just ended sales increased about 30% with an indicated net of around $5.40 per share. At 49 this equity sells at the lowest price earnings ratio in the business (about nine times) and the $1.80 dividend plus a customary 10% stock annual dividend substantially reward the stockholders.

Because cosmetic companies derive their incomes for so-called discretionary spending in an "affluent society," some may argue that earnings in this industry might dip sharply and swiftly, in a recession. Against that view is the determination of the modern woman to spare neither time nor money in an effort to be more beautiful, attractive to men, and pulchritudinously competitive with other women. As we have noted today, beauty and profit go hand in hand.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The municipal bond dealers continued to accumulate inventory during the past week. Whereas the *Blue List* total of municipal bonds was $445,723,900 as represented by dealers offerings on July 7, the total is reported at $458,775,200 on July 13. This increase is relatively small, but the average total during the past month has been more than can be comfortably handled by the industry.

However, the trend of the general bond market seems unquestionably toward higher prices. An easier money condition has been generating over the last few months and the tendency seems well established for at least a period of months. It seems accepted that the general economic situation, as well as the political temper of the nation, combine with other factors in this financial transition toward easier credit.

Treasury Market Buoyant

Although the Treasury market was easy at last week's close (Friday), there has been renewed buying interest early this week that has put prices up throughout this list. The $1,500,000,000 of one year bills sold on Tuesday fetched discounts averaging 3.26%. Yesterday morning the bills traded as high as 3.08%. Long bonds, during Tuesday's session and at the opening Wednesday, were up close to one point. Government traders seem certain that higher levels lie ahead.

Municipal bond dealers are confident that the same trend must prevail for their tax-exempt offerings and they have been confidently bidding up the new issues that have been coming to market in heavier volume. Buyers, although interested in offerings even at today's relatively high levels have been backing away in a show of good trading because of the market glut.

Cautious Bidding On New Issues

Dealers generally decided to bid with less competitive fervor for the several new issues that were up for competitive bidding this week. Bidding for the $27,062,000 Nassau County, New York, issue was moderate to a level 10 or 15 one hundredths below what might have prevailed a week ago. As a result the offering scaled out to 4.00% is reported almost all sold. The same procedure obtained in connection with two Anne Arundel County, Maryland issues totaling $14,150,000. The bids were down a point or so from recent levels. This was true also of the $5,000,000 University of Texas issue. As a result reluctant investors were tempted to a greater degree than has been general for weeks.

Chicagos Go Slowly

On Thursday, July 7 the $37,000,000 Chicago, Illinois issue was bid for by two wide-spread groups. The Chemical Bank New York Trust, Glore, Forgan & Co., Kuhn, Loeb & Co., White, Weld & Co. headed the winning syndicate. The issue maturing from 1962-1979 was scaled to yield from 2.40% to 3.65%. Although seeming attractive, the issue did not get a good investor reception initially. About $15,000,000 bonds have been sold out of the account.

A sizable New York State School District issue was sold on July 8. $4,536,000 Yorktown, New Castle and Cortlandt, Central School District No. 2 in Westchester County, New York bonds (1961-1989) were awarded to Halsey, Stuart & Co., Inc., George B. Gibbons & Co., Bacon, Stevenson & Co., Roosevelt & Cross, First of Michigan Corp. and several others. The bonds were scaled to yield from 2.30% to 4.05%. A fairly good reception was given the issue. More than half the bonds were sold on the initial offering.

Nassau County Offering Highly Successful

On Tuesday of this week several important municipal issues were up for bids, the largest being $27,062,000 Nassau County bonds. In very close bidding, the group headed jointly by The Chase Manhattan Bank and Morgan Guaranty Trust Co. of New York and including Bankers Trust Co., Drexel & Co., Blyth & Co., Inc. and many other important underwriters won the award. The issue matures 1961-1989 and is priced to yield from 2.20% to 4.00% with a 3.90% coupon. A warm investor reception was accorded this attractive offering. The issue at last report is sold out.

Two large Maryland County issues also came to market on Tuesday. Anne Arundel County awarded $9,750,000 of general obligations (1962-1985) bonds to the group headed by The Chase Manhattan Bank and including Bankers Trust Co., Drexel & Co., White, Weld & Co., Harris Trust and Savings Bank and many others. The bonds were priced to yield 2.50% to 3.90%. Anne Arundel County, Maryland awarded $4,400,000 Sanitary Commission (1962-1990) bonds also to The Chase Manhattan Bank group which included Bankers Trust Co., Drexel & Co., White, Weld & Co., Harris Trust and Savings Bank and several others. This issue was priced to yield from 2.50% to 4.00%. These issues are reported to be about one-half sold.

Tuesday's calendar also included an issue of $5,000,000 Board of Regents of the University of Texas (1961-1980) bonds. This issue was awarded to a group headed jointly by Bear, Stearns & Co., Eastman Dillon, Union Securities Corp. and included R. W. Pressprich & Co., F. S. Moseley and several others. The bonds were priced to yield from 2.00% to 3.20%. This unusually high grade obligation is secured by a first lien on and pledge of interest of the University of Texas Permanent University Funds. The group reports a balance of $2,770,000.

Some important West Coast financings came into the municipal bond picture on Tuesday. Santa Clara County, Calif., a highly rated credit, asked for bids on $11,498,000 of serial (1961-1985) bonds. The issue was bought by the Bank of America group and included The Chase Manhattan Bank, Wells Fargo Bank American Trust Co., The First Boston Corp., Smith, Barney & Co. and others. The issue was scaled to yield from 2.20% to 3.65% and apparently went well with investors.

The City of Sacramento, Calif. offered $6,000,000 water revenue (1962-2000) bonds at public sale. This high rated issue was bought by the Halsey, Stuart & Co., Inc. group in very close bidding. The bonds were scaled to yield from 2.50% to 3.95%. No report on sales is yet available.

Yield Index Lower

As measured by the *Commercial and Financial Chronicle's* high grade municipal 20-year bond Index, the market improved during the past week less than ¼ of a point. The yield Index on July 6, was 3.415% and, as calculated on July 13, it is 3.408%. Although it is thought that new issue bidding is currently less aggressive than it was a week ago, the secondary offerings from which the Index is derived remained but little changed from last week.

The dollar quoted municipal revenue issues were generally off about one-half point during the week. However, the Smith, Barney & Co. Turnpike bond Index, which includes all of the important turnpike revenue issues that are outstanding, is made public every Thursday. Last Thursday, July 7, the Index stood at 3.94% as against 3.93% on June 30. Our estimate of the current lower market average is based upon the ease developed since the July 7 figure and not yet regained.

The immediate success of the large Nassau County financing seemed to enliven dealer's expectations. Expression throughout the Street seems more confident than it was a few days back. Dealers even seem fearful in many instances of making a bid for a new issue that might obviously sell a sizable portion of the bonds under consideration. This type of thinking has played into the hands of the larger bond buyers and has resulted in excessively large inventories and some unwarranted price cutting with resultant losses.

Business on the Horizon

During the balance of July the important issues on the new issue calendar include $25,500,000 Eugene, Oregon, Electric system revenue (1965-2004) bonds. This issue in all likelihood will be competitively sought. On July 20, the Washington Toll Bridge Authority (Second Lake Washington Toll Bridge revenue) plans to borrow $30,000,000 by means of a 40-year term bond. This is also a competitive situation. The only negotiated issue likely to come to market in the immediate future (possibly about August 2) is the $200,000,000 Chesapeake Bay Bridge and Tunnel District issue which has been under consideration for about a year.

"Bird in Hand," Etc.

The lethargy involved in summer investment programs, particularly in view of the heavy inventory in street hands and the fairly heavy summer calendar, should commend a moderate approach to new issue bidding. It should seem apparent that being right on individual issues is more profitable than being right on a long-term trend too soon. It's also less clumsy.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.90%	3.75%
Connecticut (State)	3¾%	1980-1982	3.45%	3.35%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.35%	3.25%
New York (State)	3%	1978-1979	3.15%	3.05%
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	3.45%	3.35%
Cincinnati, Ohio	3½%	1980	3.40%	3.30%
New Orleans, La.	3¼%	1979	3.65%	3.55%
Chicago, Ill.	3¼%	1977	3.75%	3.60%
New York City, N. Y.	3%	1980	4.00%	3.95%

July 13, 1960 Index=3.408%

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.*

July 14 (Thursday)			
Iron County, Utah	1,200,000	1960-1974	7:30 p.m.
University of Puerto Rico	5,440,000	--------	Noon
Waterloo, Junius, etc., Central Sch. District No. 1, New York	1,751,000	1960-1987	2:00 p.m.
Wayne County, Michigan	2,348,000	1962-1980	11:00 a.m.
July 18 (Monday)			
Cook County Community Consol. School District No. 62, Illinois	1,475,000	1962-1979	8:00 p.m.
July 19 (Tuesday)			
Albuquerque, New Mexico	5,430,000	1961-1980	10:00 a.m.
California	3,000,000	1965-1984	10:00 a.m.
Erie County Institution Dist., Pa.	2,925,000	1961-1990	11:00 a.m.
Eugene, Oregon	25,500,000	1965-2004	--------
Laconia, New Hampshire	1,773,000	1961-1680	11:00 a.m.
July 20 (Wednesday)			
Broward County, Florida	4,000,000	1966-1990	Noon
Central Missouri State College, Missouri	4,158,000	1961-2000	2:00 p.m.
East Gary Sch. Bldg. Corp., Ind.	1,050,000	1963-1987	2:00 p.m.
Hempstead Union Free Sch. Dist. No. 5, New York	2,763,000	1961-1990	11:00 a.m.
Quincy Comm. School Dist., Mich.	1,425,000	1961-1989	8:00 p.m.
Washington Toll Bridge Authority, Washington	30,000,000	2000	9:00 a.m.
Winchester, Massachusetts	1,200,000	1961-1980	11:00 a.m.
July 21 (Thursday)			
Davis & Salt Lake Counties Sewer District, Utah	1,750,000	1963-1990	8:00 p.m.
Edina-Morningside Ind. Sch. Dist. No. 273, Minnesota	2,000,000	1963-1990	8:00 p.m.
Westbrook, Maine	1,000,000	1961-1980	Noon
July 22 (Friday)			
Carlsbad, New Mexico	1,950,000	1961-1970	3:00 p.m.
July 26 (Tuesday)			
Alhambra City School Dist., Calif.	1,000,000	1961-1979	9:00 a.m.
DeKalb County, Georgia	2,200,000	1962-1990	1:00 p.m.
Florida St. Bd. of Education, Fla.	7,770,000	1962-1981	9:30 a.m.
Lake County Special Tax School District No. 1, Florida	5,600,000	1962-1979	11:00 a.m.
Milwaukee, County, Wisconsin	6,000,000		11:00 a.m.
Thibodaux, Louisiana	1,500,000	1963-1990	3:00 p.m.
July 27 (Wednesday)			
Assumption Parish S. D. No. 1, La.	1,400,000	1963-1985	2:00 p.m.
Houston, Texas	10,525,000	1961-1985	10:00 a.m.
Maryland State Road Comm., Md.	1,684,000	1961-1975	11:00 a.m.
July 28 (Thursday)			
Delaware Co., Pennsylvania	5,150,000	1961-1990	2:00 p.m.
Delaware Co., Institution District, Pennsylvania	3,150,000	1961-1990	2:00 p.m.
July 29 (Friday)			
Farmington School District, Mich.	1,500,000	1962-1986	8:00 p.m.
Aug. 1 (Monday)			
Seattle, Washington	4,500,000	1962-1980	10:00 a.m.
Aug. 2 (Tuesday)			
*Chesapeake Bay Bridge and Tunnel District, Va.	200,000,000	2000	--------
*Negotiated underwriting to be handled by The First Boston Corp., Allen & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., Willis, Kenny & Ayres, Inc.			
Hartford, Connecticut	1,805,000	--------	Noon
Mississippi	3,000,000	1964-1994	10:00 a.m.
Aug. 3 (Wednesday)			
Wichita School Dist. No. 1, Kansas	2,500,000	1961-1980	9:00 a.m.
Aug. 9 (Tuesday)			
New Ulm Independent School District No. 83, Minnesota	1,100,000	1963-1980	2:00 p.m.
Aug. 10 (Wednesday)			
Terrebonne Parish, Louisiana	1,300,000	1961-1980	10:00 a.m.
Aug. 23 (Tuesday)			
Iberville Parish, Louisiana	1,000,000	1962-1985	2:30 a.m.
San Mateo Jr. College Dist., Calif.	5,900,000	--------	--------
Sept. 8 (Thursday)			
Los Angeles, California	4,000,000	--------	10:00 a.m.
Sept. 14 (Wednesday)			
Greenwood Metro. Sewer District, South Carolina	1,600,000		

With William Milius

(Special to THE FINANCIAL CHRONICLE)

CLAYTON, Mo.—John O. Shields has joined the staff of William B. Milius & Co., 101 South Meramec. Mr. Shields, who has recently been conducting his own business, was formerly with Stix & Co. and John F. Lynam & Co.

Named Director

Donald J. Singer, a partner in the investment banking firm of Porges, Singer & Co., New York City, has been elected a director of the Lionel Corporation, it was announced by Roy M. Cohn, chairman.

With Jaffee & Co.

Jaffee & Co., 2 Broadway, New York City, members of the New York Stock Exchange, announced that Harold Charno and Fred P. Werbel are now associated with their firm as registered representatives.

British Export Prospects

By Paul Einzig

Britain's export prospects are of concern to Dr. Einzig who takes into consideration the production of smaller cars in the U. S. A., the non-extension of higher E. C. M. preferences to outsiders, the rise of imports, and the possible failure of his country's disinflationary drive. The economic expert explains that the influx of arbitrage funds due to high interest rate do not lend real strength to sterling, and he hopes the disinflationary program arrests excessive wage increases so that Britain's balance of trade turns favorably.

LONDON, England.—The firmness of sterling that followed the turn of the half year gave rise to a wave of optimism about the prospects. Prior to the end of June the pressure caused by window-dressing repatriations of continental balances from London prevented the high bank rate from producing its full benefit on sterling. But now that the funds that were temporarily withdrawn are returned sterling displays a firm tone. As a result many people are now inclined to assume that the outlook has definitely improved and that there is very little to worry about. Unfortunately that optimism is unwarranted.

The basic factor that determines the strength of sterling is the trade balance. An adverse balance may be offset for some time by an influx of funds for interest arbitrage, but such an influx does not represent an addition to sterling's inherent strength. The resulting increase of the gold reserve is offset by a corresponding increase of the international floating indebtedness, so that on balance there is no real gain. It seems certain that sterling's firmness is entirely due to the influx of arbitrage funds attracted by the high interest rates and made possible by the inadequate extent to which the discount on forward sterling widened as a result of the rise in London interest rates. As far as the trade balance is concerned, they are believed to remain far from satisfactory.

Direction of British Trade Balance

There is growing concern about the change in the trend of British trade with the dollar area. It is expected that when the figures for June are published they will show that the adverse balance shown in May has continued. Reports about British automobile sales in the United States are not very reassuring. It seems that the advantage gained by British and other European exporters of automobiles to the United States as a result of the inexplicable misjudgment of the change in American demand by the American automobile industry two years ago is gradually declining. It may soon become evident that the firmness of sterling during 1958-60 was largely the result of this freak circumstance and not of any fundamental cause.

The Government has embarked once more on one of its periodically repeated campaigns of exhortation to induce industrial firms to concentrate on their overseas markets. This time, however, exhortation has been reinforced by a disinflationary drive which tends to increase the difficulty of selling in the home market and to force industry to concentrate on exports. It is largely a matter of competitive costs. In spite of the stability of the cost of living in Britain during the last two years, industrial cost of production has increased as a result of wage increases. They more than absorbed in many instances the benefit derived from the installation of modern equipment. Even so, in a number of lines British prices are definitely competitive. Once the capital investment program which has been planned for 1960-61 is completed there will be more labor-saving. The question is whether it will be absorbed once more by fresh wage increases.

Concern Over Exports to Western Europe

The development of the European Common Market is also causing much concern. On July 1 the preference between members of the Common Market has been increased from 10% to 20%. While the first 10% has been extended to outside countriees, there are no indicaions that this will be done also for the second 10%, which will be followed by a third 10% on Jan. 1, 1961. Britain is bound to lose ground in its Western European markets unless some agreement is reached in the not too distant future under which discrimination against British exports is reduced. The advantages gained from preference under the European Free Trade Association do not adequately compensate British exporters for their prospective losses in the Common Market.

At the same time, there seems to be an invasion of the British market by continental goods of the kind that have never been seen here before. German, Italian and French products are encountered everywhere in wide variety. One of the inevitable consequences of prosperity is the widening of consumers' choice. The same psychological influence which has been partly responsible for the American buying of British automobiles is now responsible for British buying of German and Italian automobiles, typewriters, etc.

If the disinflationary drive succeeds in arresting the excessive wage increases it is well on the cards that the balance of payments turns once more in Britain's favor. Otherwise the moderate increase of unemployment, reduction of overtime and curtailment of the working week would not go very far towards stimulating exports, for the resulting reduction in domestic consumer demand will be more than offset by the increase in consumer purchasing power through higher wages, unaccompanied by a corresponding expansion of the output. All depends, therefore, on the resistance of British employers to wage demands during the next few months.

No Settlement in Sight

Hopes that price reductions might be attained through customs tariff reductions have declined considerably as a result of the difficulties in the way of a settlement between the two Western European trading groups. Nothing important is likely to happen in that direction in the near future. The attitude of both sides has stiffened, and there is less talk about the possibility of sweeping tariff concessions on the occasion of the GATT meeting in the autumn.

However, as far as sterling is concerned the policy of dear money is likely to bring here and keep here enough foreign funds to remove the likelihood of an autumn crisis. Meanwhile possibly the measures will have produced their effect on wage trends and the balance of payments. So the temporary gains of foreign funds mean a gain of time.

Edw. Hirsch With Brukenfeld Co.

Brukenfeld & Co., 80 Pine Street, New York City, members of the New York Stock Exchange, announced the opening of an unlisted trading department under the management of Edward A. Hirsch. Mr. Hirsch was formerly with Bear, Stearns & Co. in their unlisted trading department.

Clugston With Baum

(Special to The Financial Chronicle)

PITTSBURGH, Kans.—Donald L. Clugston has become associated with George K. Baum & Co. of Kansas City, Mo. Mr. Clugston was previously with Dempsey-Tegeler & Co. and prior thereto was Pittsburgh division manager for Frank N. Warren & Company, Inc.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Air Transportation Industry—Review—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are reviews on **Falconbridge Nickel** and **North American Aviation**, and a selected list of **Over the Counter Stocks.**

Atomic Letter No. 58—Discussing users of radioisotopes and predictions of atomic energy in the next 10 years — Atomic Development Securities Co., 1033 Thirtieth St., N. W., Washington 7, D. C.

Canadian Oil and Mining Stocks—Review in July "Blue Book" — Draper Dobie and Company Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada.

Canadian Securities — Review — Walwyn, Stodgell & Co., Ltd., 44 King St., West, Toronto, Ont. Canada.

Cement Industry — Memorandum — L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Chartered Bank Loans — Discussion — Wills, Bickle & Company Limited, 44 King Street, West, Toronto 1, Ont., Canada.

Cigarette Stocks—Analysis—**Blair** & Co., Incorporated, 20 Broad St., New York 5, N. Y. Also available are analyses of **Daystrom, Inc.** and **Warner-Lambert Pharmaceutical Company.**

Drug Stocks — Comparative figures—Joseph Walker & Sons, 30 Broad Street, New York 4, N. Y.

Favored Common Stocks — Quarterly review — Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y.

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

Japanese Electric Cos. — Review with particular reference to **Yokogawa Electric Works** and **Hokushin Electric Works Ltd.**—Yamaichi Securities Co. of New York Inc., 111 Broadway, New York 6, N. Y.

Japanese Market — Review — Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reports on **Maruzen Oil Co., Ltd., Koa Oil Co., Ltd., Showa Oil Co., Ltd.**, and **Mitsubishi Oil Co., Ltd.**

Japanese Stock Market — Survey —Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is a discussion of the new administrative amendment to the foreign investment law of Japan and analyses of **Sony, Mitsui Bussan, Fuji Electric Manufacturing, Nippon Steel Tube, Isuzu Motor, Toyo Rayon, Toyota Motor, Mitsui Chemical Industry,** and **Kirin Breweries.**

Life Insurance Company Stocks—Data on 22 selected companies—The First Boston Corporation, 15 Broad Street, New York 5, N. Y.

Mid Year Reappraisal — Stock market review—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

Missile Launching Systems and **Macco Corporation**—Report—Leason & Co. Incorporated, 39 South La Salle Street, Chicago 3, Ill.

Money Supply — Report — New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Movie Makers—Bulletin—Bache & Co., 36 Wall Street, New York 5, N. Y.

New York City Bank Stocks — Mid-year earnings comparison of leading banks—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

New York City Banks—Quarterly figures on 10 largest banks in New York City — Bond Department, Bankers Trust Company, 16 Wall Street, New York 15, N. Y.

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

Politics & the Stock Market — Analysis — Auchincloss, Parker & Redpath, 60 Park Place, Newark, N. J.

Residential Housing Prospects 1960-61—Review—Peter Morgan & Co., 149 Broadway, New York 6, N. Y. In the review is an analysis of **Seaboard Plywood and Lumber Corp.**

Securities Industry in New York — Growth or Decline — study — New York Stock Exchange, Dept. G, 11 Wall Street, New York 5, N. Y.

Selected Stocks—Lists of issues in various categories—Amott, Baker & Co. Incorporated, 150 Broadway, New York 38, N. Y.

Smog Fighters — Companies involved in research to prevent smog formation — "Investors Reader," Merrill Lynch, Pierce, Fenner & Smith, Incorporated, 70 Pine Street, New York 6, N. Y. In the same issue are data on **American & Foreign Power, American Metal Climax, Commercial Solvents, General Telephone & Electronics Laboratories, Martin Company, Morrison-Knudsen, R. J. Reynolds Tobacco, Stouffer Corp., Vanadium Alloys Steel Co.,** and **Vending Stocks.** Also available are memoranda on **Corning Glass Works, Western Air Lines** and **Wyandotte Chemicals Corp.**

* * *

Allied Small Business Investment Corp. — Memorandum — Jones, Kreeger & Co., Cafritz Building, Washington 6, D. C.

American Crystal Sugar Company —Analysis—Pitman & Company, Milam Building, San Antonio 5, Texas.

American Land Company—Analysis—Equitable Securities Corporation, 322 Union Street, Nashville 3, Tenn.

American Machine & Foundry Co. —Review—Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Public Service Electric & Gas Co.**

American Potash & Chemical Corp.—Report—A. M. Kidder & Co. Inc., 1 Wall Street, New York 5, N. Y. Also available is a report on **Red Owl Stores, Inc.** and a mid year review of leading **New York City Bank Stocks.**

Anheuser Busch Inc.—Analysis—Cruttenden, Podesta & Co., 209 South La Salle Street, Chicago 4, Ill. Also available is an analysis of **Stepan Chemical Company.**

Belock Instruments—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y. Also available is a review of **Jonathan Logan.**

Diamond National Corporation — Analysis—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available is an analysis of impact of investment ratings on **Growth Stock** valuations, and data on **Indianapolis Power & Light, Raytheon Co., Max Factor & Co., High Yield Railroad Bonds, Kaiser Industries,** and **Hertz Corporation,** and a selected list of Convertible Debentures.

Dominion Stores Limited—Report —James Richardson & Sons, Inc., 14 Wall Street, New York 5, N. Y. Also available is a review of **Canadian Chartered Banks.**

Dun & Bradstreet, Inc. — Data — Alfred L. Vanden Broeck & Co., 55 Liberty Street, New York 5, N. Y. Also available are data on **A. C. Nielsen Co., Public Service of Colorado** and **Toledo Edison Co.**

Ekco Products—Analysis—Freehling, Meyerhoff & Co., 120 South La Salle Street, Chicago 3, Ill.

Financial General Corporation — Report—$2.50 per copy—Arthur Wiesenberger & Company, 61 Broadway, New York 6, N. Y.

First National Stores—Memorandum — Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y. Also available is a memorandum on **American Motors.**

Food Machinery & Chemical Corp. — Memorandum — Kidder, Peabody & Co., 17 Wall Street, New York 5, N. Y.

Fruehauf Trailer — Analysis — A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill.

General Bankshares — Memorandum—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y.

General Development Corp. — Analysis — Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y. Also available is an analysis of **Morton Manufacturing Company.**

Gilette Company — Analysis — Schirmer, Atherton & Co., 50 Congress Street, Boston 3, Mass.

Hires — Memorandum — Goldman & Co., 120 Broadway, New York 5, N. Y.

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

Marine Midland Corp.—Review—Van Alstyne, Noel & Co., 40 Wall Street, New York 5, N. Y. Also available is a review of **Ryder System.**

Martin Company—Report—Courts & Co., 11 Marietta Street, Atlanta 1, Ga.

Mill Factors Corporation—Analysis—Hallgarten & Co., 44 Wall St., New York 5, N. Y.

National Distillers & Chemical Corp. — Memorandum — R. W. Pressprich & Co., 48 Wall Street, New York 5, N. Y. Also available is a memorandum on **Plough, Inc.**

New York Air Brake Company—Analysis — Carreau & Company, 115 Broadway, New York 6, N. Y.

Norris Thermador Corporation — Analysis — William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif. Also available is an analysis of **Trans World Financial Corp.**

Parker Hannifin—Memorandum—Winslow, Cohu & Stetson, Incorporated, 26 Broadway, New York 4, N. Y.

Pennsylvania Railroad Company — Analysis — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

River Brand Rice Mills—Analysis —H. Hentz & Co., 72 Wall Street, New York 5, N. Y. Also available is a Mid-Year market **Review** and analysis of **Collins Radio Co.**

St. Paul Fire & Marine—Data—Penington, Colket & Company, 70 Pine Street, New York 5, N. Y. Also available are data on **Maryland Casualty, Great American Insurance, Manufacturers Trust Co., First America Corp.,** and **Pacific Finance.**

Siegler—Memorandum—Joseph D. Goodman & Co., 1526 Chestnut Street, Philadelphia 2, Pa.

Singer Manufacturing Company—Review — Sutro Bros. & Co., 80 Pine Street, New York 5, N. Y. Also available is a review of **Haveg Industries, Inc.**

Standard Financial — Memorandum — Glore, Forgan & Co., 45 Wall Street, New York 5, N. Y.

Steel Improvement & Forge Co.—Memorandum — Fulton, Reid & Co., Union Commerce Building, Cleveland, Ohio.

Swift & Co. — Analysis — Hornblower & Weeks, 40 Wall Street, New York 5, N. Y.

Traid Corp.—Memorandum—Sincere and Company, 231 South La Salle Street, Chicago 4, Ill.

Traileruncho Corp. — Analysis — Woolrych, Currier & Carlsen, Incorporated, 233 A Street, San Diego 1, Calif.

United Aircraft—Memorandum—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

U. S. Borax and Chemical Corporation—Analysis—Morgan Davis & Co., 63 Wall Street, New York 5, N. Y.

Universal Oil Products Company — Analysis — Schweickart & Co., 29 Broadway, New York 6, N. Y.

Woolworth — Memorandum — Emanuel, Deetjen & Co., 120 Broadway, New York 5, N. Y.

Zenith Radio—Review—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are reviews of **Union Oil Company of California, Ohio Oil, Baltimore Gas & Electric, U. S. Vitamin & Pharmaceutical,** and **General Instrument.**

The Security I Like Best

Continued from page 2

market and it may be rather difficult to purchase a quantity of class A shares. However both the class A and common stock appear to be attractive for investment. According to the latest figures from the Department of Stock List of the N. Y. S. E., as of July 5, 1960, there were outstanding 157,832 shares of Hercules Powder class A stock, and 8,864,418 shares of the common stock. Therefore it may be difficult to purchase a block of the class A.

Hercules Powder is a faster growing situation than DuPont, is more flexible due to its smaller size, has ambitious plans for expansion, both at home and through its new International Department created only last December. It is a high grade company with capable management and excellent prospects for the future.

J. E. Carpenter With National Secs. & Research

J. Earl Carpenter, Jr. has joined National Securities & Research Corp. as a wholesale representative in the Southern territory, it was announced by E. Waln Hare, Vice-President in charge of sales. In his new position, Mr. Carpenter will assist L. L. Moorman, Vice-President in charge of the Southern territory. He has been associated in sales management capacities with leading investment firms in the Southern states.

New Bache Branch

ENCINO, Calif. — Bache & Co., members of the New York Stock Exchange and other leading security and commodities exchanges, has opened a new branch office at 16033 Ventura Boulevard, it was announced by Harold L. Bache, managing partner of the investment firm. Robert Lowitz, formerly a registered representative in Bache's Beverly Hills, Cal. office, has been named manager of the Encino branch.

Near-Term Steel Outlook

By L. S. Hamaker,* *Assistant Vice-President in Charge of Sales, Republic Steel Corporation, Cleveland, Ohio*

Lowered margin of steel operation notwithstanding, steel sales officer insists capital improvement investment projects will continue. His scrutiny of the economy's inventory situation, including that of steel, as well as the outlook for major steel consuming industries such as automobiles and industrial equipment, convinces him that neither the steel industry nor the economy ought to find themselves in a downturn in 1961.

With full awareness of the hazards of short-term forecasting, I will detail briefly our appraisal of the outlook for both steel and automobiles during the last half of 1960.

L. S. Hamaker

In the first quarter of 1960 the industry shipped 24 million tons of steel products; the second quarter will total about 18 million tons. We expect third quarter shipments to equal the second quarter and pick-up in the fourth quarter to 21 million tons. This is finished steel, not ingots. Yield from the ingot is approximately 72%, so this should give us an ingot year of 115 million tons. The record year, 117 million tons occurred in 1955.

It should be noted that 117 million tons in 1955 represented an average operating rate for the year of slightly over 90%. This year a tonnage figure that closely approaches the record will give us an average operation of 77%. Total capacity was 126 million ingot tons in 1955. Today it is just under 150 million tons.

We estimate steel consumption by projecting the rate at which the major steel-consuming industries will function in any given period. We modify this by our appraisal of inventory actions these industries may be taking during the same period and decide on the level of steel shipments which will be required to satisfy the demands of the economy.

Gross National Product for the first quarter of 1960 reached an annual rate of $500 billion, or about $17 billion above the fourth quarter of 1959. Recognizing that $10½ of this $17 billion represented increases in inventories of every kind there is still a net gain in final consumption. A further gain in Gross National Product seems assured for the second quarter. Further additions to inventories we think may account for $2 to $5 billion dollars in the current quarter. Consumption nevertheless is holding up and with further inventory gains during the remainder of 1960 probably being quite limited, we should see a level of Gross National Product higher at the year end than it was at the beginning and an average for the year of around $510 billions.

Many observers feel depressed because they believe the effects of the current inventory adjustment in certain industries, including our own, strikes hard at consumer earning power. Actually employment overall is at an all time high and workers in those fields which suffered production cutbacks in recent months are a small proportion of the total work force. The steel industry, big as it is represents slightly over one percent of people gainfully employed.

The inventory adjustment which has been going on in the second quarter has been very harsh on the companies and industries directly involved. In total there is no severe imbalance of inventories when related to sales. A recent release by the National Industrial Conference Board indicates that in April the inventory to sales ratio in retailing was the lowest for any month since 1947. If the average inventory-sales ratio in manufacturing over the past ten years can be considered normal, manufacturing stocks at the end of April were $1.4 billion below normal.

Under the circumstances, combined with the recent easing of credit by the Federal Reserve, we can't buy the idea that a downturn in general business will develop in the last half of 1960.

Outlook for Automobiles

In our study of steel-consuming industries we check automobile prospects carefully as this industry represents the largest single area of steel consumption. The automobile industry is having its best year since 1955. Production of passenger cars will run 3.7 million in the first half and we expect 3.0 million in the second half. The normal production ratio between first and second halves is about 60-40 but this year it looks like 55-45, which should provide good support for second half steel production. Production may reach 6.7 million because inventories in dealers hands at year end should be up about 200,000 units from a year earlier because of the great number of new lines and new models. This 6.7 million units, if reached, would compare with 5.6 million in 1959 and 4.4 million in 1958. This latter figure barely matched the scrappage rate.

Roughly 28% of 1960 production will be the so-called compacts, which require some 20% less steel per unit than the standard cars. While this may look unfavorable for the steel industry it is worth noting that the compacts seem to have put an end to the rapid growth in automobile imports. Last year 610,000 foreign built cars entered this country. The estimate for this year is 530,000 units. Foreign cars represent little or no steel business for us.

Among other major steel consuming areas, construction looks good for 1960 even though home-building will be off 8 to 10%. Home building represents about one-third of total construction dollars. We look for good gains in private non-residential construction, particularly in the industrial field and expect public construction to remain relatively stable. This pattern will require 10% more steel than used in 1959 even though total construction dollars will be off slightly. Home-building requires relatively little steel.

A third major steel consuming field that looks good for 1960 is industrial equipment. Capital outlays for plant and equipment were at a $35 billion annual rate in the first quarter, should reach a $37 billion rate in the second quarter and $37.5 billion in the third quarter. This capital expenditure situation brings us up to levels previously reached when we were going through an expansion boom. Present programs differ in the sense that for the most part they are not directed toward increases in capacity. There is ample reserve capacity for almost everything already in being. When capital expenditures are primarily for added capacity they tend to halt abruptly when programs are completed. Capital spending in 1960 is directed principally toward reduced costs or better and more competitive product. This is particularly true of the steel industry. There is no end to the need for such spending and there is consequently less boom and bust built into such a capital pattern. The level of $37 billion we will achieve in 1960 represents, in our opinion, a normal and relatively stable supporting factor which could continue for some time.

No Downturn Seen for 1961

With this good but unspectacular performance in 1960 we do not believe either the steel industry or the entire economy will find themselves in a position at the year end which would make a downturn in 1961 inevitable or even likely. Extremely competitive periods like the present stimulate greater efficiency in production, more aggressive merchandising and intensified research and development. The steel industry is demonstrating its ability to make a profit at lower rates of operation. The margins may not be all we would like to support our capital spending program but we will be well on the right side of the ledger and our improvement projects will continue.

*An address by Mr. Hamaker before the Chamber of Commerce of the United States Business Outlook Conference, Washington, D. C., June 24, 1960.

Venture Capital Firm Opens

Formation of a new firm which will function in the investment banking field notably as an intermediary in the supplying of venture capital to "small business" is announced. Partners in the new firm, Andresen & Co., are John Andresen, who was formerly associated with Riter & Co.; William Whitlaw, previously with Sun Life Insurance Company of Canada in their investment department; Oscar Kimelman who will serve as a limited partner while continuing to maintain his own accounting firm in New York; and Mrs. A .S. Andresen who will be a limited partner. The firm will also operate in the general investment field with membership in the New York Stock Exchange and associates of the American Stock Exchange.

A primary aim of the new firm will be the raising of venture capital for soundly situated small companies with unusual possibilities for development through research.

The firm has offices at 30 Broad Street, New York City.

Shrago With Hentz & Co.

MIAMI BEACH, Fla.—Melvin M. Shrago has become associated with H. Hentz & Co., 414 Seventy-first Street. Mr. Shrago was formerly with J. R. Williston & Beane.

R. C. Dottore With Saunders, Stiver & Co.

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Raymond C. Dottore has become associated with Saunders, Stiver & Co., Terminal Tower Building, members of the Midwest Stock Exchange. Mr. Dottore was formerly with Murch & Co., Inc. and prior thereto was in the trading department of J. N. Russell & Co., Inc.

Canada Must Expand Savings Beyond the Present High Rate

By H. W. Thomson, President, Canadian Bankers' Association, and General Manager, Imperial Bank of Canada, Toronto, Canada*

Recent decline in Canada's short-term interest rate can be expected to make itself felt in increased pressure for bank loans according to Mr. Thomson who cautions business borrowers, however, that bank credit availability remains materially unchanged—unless the Central Bank increases the money supply. The representative of Canada's bankers expresses misgivings about the rise in government spending —despite the welcomed small surplus recently achieved—and the balance of payments situation. Recalling the admonition of the late James Muir, Mr. Thomson calls for expanded savings beyond the present high level so that a larger proportion of capital works is financed from domestic financial sources.

In thus looking back and attempting to assess the significance of the recent past, it seems to me that a most important occurrence has been the increase in the interest of the general public, and particularly, of course, the business community, in the financial affairs of this country. Subjects which used to be the fields of specialists only, bankers, investment dealers and economists, have suddenly become of interest and material concern to the whole public. With this increase in interest has come, of course, a considerable increase in knowledge and understanding which I am sure can only be an advantage to the financial community and to the country as a whole.

I believe that there are few thinking Canadians today who hold the chartered banks responsible for so-called "tight money." The great majority of Canadians are aware that the Bank of Canada controls the money supply and that this money supply is the source of the loanable funds of the banks. Many are conscious that this money supply has been held more or less constant since the end of Conversion Loan in the fall of 1958.

The nature of the problem with respect to the small borrower is also now better understood by all concerned. We trust that most people now feel that the small and medium-sized customer gets fair treatment from the banks. It would be surprising if it were not so, when all the circumstances are considered. Recognizing the immense administrative difficulty inherent in a fair and equitable distribution of a limited amount of credit over a vast number of claimants, we feel that no device could cope with the difficulties so well as the Canadian multibranch banking system; and in addition that no other system could produce a better distribution amongst the various competing physical regions of the country.

Aid Small Customer

In addition to the conscious desire of the banks to serve the country in this manner, it is now generally realized that it is to a bank's competitive advantage to consider very seriously the needs of each small customer, for today's small customer is tomorrow's large customer. And many too would realize the dangers in denying credit to today's large customers, for each large borrower passes on its borrowings to a host of small sub-contractors and suppliers in ever widening circles.

The statistics which have received wide publicity show that there are enough bank loans on our books to provide one for every fourth family in Canada. More than a quarter of the total dollars loaned is loaned to individuals and farmers. In numbers of loans these loans to individuals and farmers represent 86% of all bank loans in the country.

While I am speaking of the number of customers it is perhaps appropriate, as it has become a custom, to mention certain other figures. The number of deposit accounts in this country will always seem to me an amazing, a slightly unbelievable figure; 12,171,719 with an increase of 701,571 during the year. There are now in Canada 4,905 branches of Canadian banks with 192 new branches opened during the year; 65,000 employees of the banks and 98,143 shareholders, each figure showing healthy growth. So long as the Canadian banks remain convinced that their competitive growth is directly linked with the amount and character of the service that they render to the Canadian people, there can be little to fear for their future.

Other aspects of the money supply situation have received less publicity than those I have been discussing. In the period of 20 months since our money supply has seen material change, the volume of business transacted with this money supply has seen important increases, perhaps as much as 10%. Since price levels have not moved materially in this period, we can only deduce that the money supply has been used more frequently, or in the words of the economist, the velocity of circulation has increased. How much farther is it posible to operate an expanding economy on a fixed supply of money and without too much creaking of the machinery is one of the big questions to which we do not know the answer. We do know that high short-term interest rates have been a factor in this increase in the velocity of circulation. The recent decline in short-term rates, since it is probably not a result of a decline in volume of business or in prices, will presumably shortly make itself felt in some increase in pressure for bank borrowing.

Bank of Canada Is Key

It would appear to be desirable that the business community should realize that the recent decline in short-term interest rates does not indicate a material change in availability of bank credit. Whereas some additional resources are available for borrowing, the chartered banks are in no position to allow total loans to return to the uncomfortable level of last summer, much less to any higher level. Resources of such magnitude will not be available until the Bank of Canada sees fit to increase the money supply.

There is some difference of opinion, I think, as to what has happened to the wave of demand for bank credit which we were experiencing a year ago. Some believe that most of the unsatisfied demand was unnecessary, in the sense that it was not really needed or was capable of alternative solution. Others believe that much of the unsatisfied demand is still pent-up, active need which is waiting only for some sign of availability to become clamorous again.

Closely related to these questions is the fundamental problem of inflation. Though there appears to be no immediate danger, we know that in this area constant vigilance is necessary, for once the water has overflowed the dyke, it it is almost impossible to get it back again. This force will not be contained unless, in the words of Mr. Coyne, "the will to contain it is strong." Though the tools of monetary and fiscal management may be technically adequate to produce reasonably full employment with growth of our economic resources *and* a stable unit of currency, it is certainly safe to say that these ends will not all be achieved together without enlightened effort and the best unselfish intentions from all of the elements of our economic life.

The fact that the federal budget for 1960-61 shows a small surplus is probably the most reassuring financial news that we have had for many months, but I am concerned, and I think most Canadians should be concerned, that the balance has been achieved not by reducing expenditure but simply through the growth of income. Though fiscal control of the business cycle is supposed to increase government expenditure in recessions *and* decrease expenditure in boom times, it seems that all we ever have are increases, maybe lesser increases, but still increases.

Big Inflationary Factor

This persistent growth in total national expenditure is one of the strong long-term inflationary factors in our financial system.

Another aspect of public financial affairs which has been brought to the attention of the general public in recent months is the question of our balance of foreign payments. First I feel that it is appropriate to commend the Governor of the Bank of Canada for his stand in drawing attention in such a forceful and skillful manner to this rather unpopular subject.

Of course, it is possible that those who would prefer to believe that there is no real problem are correct. Those holding that view say that many undeveloped countries such as our own are doing everything possible to attract foreign investment capital and that we are fortunate in having succeeded in attracting it. With this success usually comes an adverse balance of trade during the period in which the capital is flowing in. We are now in such a period. So why, they ask, should we be surprised that we have an adverse balance of payments?

Again we must consider the nature of our imports. Out of imports of $5½ billion in 1959, about a third were investment goods. The total of these investment goods was much greater than our deficit on current account; and greater than the total of foreign direct investment in Canada. Is it surprising that we should import capital goods while there is a flow of capital into the country?

Trouble Ahead?

But it has been suggested, by informed responsible sources, that in fact we are heading for serious trouble, and that there is no automatic brake, no built-in device to stop us in this downward path; in fact there does not appear to be even any automatic warning device to tell us of the approaching danger. How can these very different points of view be reconciled, or at least explained? Is it a question of trying to do too much too soon in developing our country in relation to our base, or is it a problem of how to increase our national savings to be closer to our national investment, or is it a question of increasing exports and decreasing imports to adjust our balance of payments? Many informed authoritative sources have expressed different points of view and what the Canadian citizen is asking is "What is the answer? What are the markers to tell us that we are on the right path?"

Much has been said and written about our foreign exchange relationships with other countries. The government has stated that for all practical purposes the foreign exchange worth of the dollar is beyond their control. We should be careful not to attempt by artificial or regulatory means to control the price of the Canadian dollar in world markets. A foreign investor who has invested his capital here in a free market should have assurance that when the need to take the capital home arises, he can do so through the medium of a free market.

Surely the problem of foreign exchange is directly tied up with that of national saving. I do not speak just of savings deposits but of true total saving. It would appear that in a growing country such as ours saving should be expanded even beyond the present high level. Canadians should be prepared to finance a larger proportion of capital works from within their own financial resources. It is important for all to realize that the day when a few wealthy men could undertake a great part of the needed personal saving of the nation is past. Let us then as a people try to regain some of the careful, frugal and thrifty attitudes of the pioneers. To use the words of the late James Muir—"Let us cut out the frills, the junk, and the gingerbread and we shall find perhaps that our real enjoyments are actually increased."

*An address by Mr. Thomson before the Annual Meeting of the Canadian Bankers' Association, New York City, June 23, 1960.

Robert W. Fisher

Robert Wells Fisher, 52, Vice-President of Blyth & Co. Inc., investment banking firm, died suddenly at his home on July 2.

Born in Salt Lake City on Aug. 8, 1907, Mr. Fisher graduated from the University of Chicago and joined Blyth & Co. Inc. in 1936, where he served successively as a salesman, sales manager and a vice-president. He was governor of the Investment Bankers Association of America, an organizer of the Association's joint committee on education and a past president of the New York Chapter of the IBA. He was a member of the Lawyers Club, the Bond Club of New York, the Apawamis Club of Rye, N. Y., and a member of the Sons of the American Revolution.

Three With Musekamp

(Special to The Financial Chronicle)

CINCINNATI, Ohio — Thomas R. Angus, G. Ronald Smith, and Othmar F. Stenger have become affiliated with G. H. Musekamp & Co., Carew Tower.

Babcock Partners

L. D. Babcock & Co., 120 Broadway, New York City, members of the American Stock Exchange, on July 1 admitted George Reichhelm and Francis R. Santangelo to partnership.

Bernard Morgenstern With Golkin, Bomback & Co.

Bernard Morgenstern has become associated with Golkin, Bomback & Co., 25 Broad Street, New York City, members of the New York Stock Exchange, as head of the investment research department.

Investment Firm Mgmt. Course

The first formal course ever given in the management of an investment firm will be held this fall in New York under the sponsorship of the Investment Bankers Association, it was announced by H. Lawrence Bogert, Jr., Chairman of the Education Committee of the New York Group of the IBA and partner of Eastman Dillon, Union Securities & Co.

The course in brokerage and investment company management will be divided into three sessions: (1) Planning and Organization; (2) Control and Review; (3) Directing and Coordinating.

The New York Group of the Investment Bankers Association, of which Edward Glassmeyer, Blyth & Co., Inc., is Chairman, is sponsoring the course. The program, itself, has been prepared under the direction and guidance of James O. Rice Associates, Inc. Sessions will be held Oct. 6 and 7, Oct. 20 and 21 and Nov. 3 and 4, all at the Hotel Commodore in New York. Faculty members have been recruited from the investment banking industry, itself, colleges, management consulting firms and industrial corporations.

Mr. Bogert described the course as being "of special interest to the firm that wishes to establish the basis for a continuing review and up-dating of its managerial practices and policies and for those individuals in the firm who carry, or are soon to carry, designated managerial responsibility."

Europe's Luxury Hotels And Resorts Described

The fifth annual edition of the "Digest of Distinguished Hotels of Europe" describes 75 independently-operated luxury resorts and hotels in seven European countries. It is a valuable aid and pocket guide for the business man traveling "on his own" or planning a trip at any time of the year.

It presents pertinent data on each hotel in concise form, including description, rates, season, management, telephone number and also a photograph of the property.

Each hotel varies in location from popular capital cities such as London, Rome, Paris, Madrid, Brussels, Berne, and Copenhagen to off-beat resorts typified by Arosa and Vitznau in Switzerland, Lacco Ameno on the island of Ischia and Stresa on Lake Maggiore in Italy, and the Canary Islands off the African coast, which are owned by Spain.

Free copies are available from Robert F. Warner, Inc., international hotel consultants, 17 East 45th Street, New York 17, N. Y.

Blyth Adds to Staff

BOSTON, Mass. — George H. Whitney, Jr., is now associated with Blyth & Co., Inc., 75 Federal Street.

Bache Adds to Staff

(Special to The Financial Chronicle)

GREENSBORO, N. C. — Gary C. Lane has been added to the staff of Bache & Co., 108 West Market Street.

New Lewis Office

PROVIDENCE, R. I. — John H. Lewis & Co. has opened a branch office at 57 Eddy Street under the management of Wisner H. Townsend, resident partner.

Yarnall Opens Branch

ALLENTOWN, Pa.—Yarnall, Biddle & Co. has opened a branch office in the Commonwealth Building under the management of C. Vaughn Converse. Mr. Converse was formerly local manager for Golkin, Bomback & Co.

J. A. Hogle Co. Opens New Office

CORONA DEL MAR, Calif.—J. A. Hogle & Co., members of the New York Stock Exchange, have opened a new branch office at 3435 East Coast Highway. C. Jerome Cable will be resident partner in charge, with Peter Montgomery, Jr., Manager, and Robert H. Schock, resident Assistant Manager.

Also associated with the new office are Dwight Leslie, Harold B. Smith, Louis J. Stone, E. Gordon Swain, and C. W. Travers.

Named Partners Of Putnam Mgmt.

BOSTON, Mass.—Jackson W. Goss and Robert E. Riley have been admitted as partners of the Putnam Management Co., Manager of the George Putnam Fund of Boston and the Putnam Growth Fund. Mr. Goss will make his headquarters in New York City.

To Demonitize Silver Would Be Economic Folly

By Robert M. Hardy, Jr., *President, Sunshine Mining Company, Spokane, Washington*

Silver miner opposes congressional bills (S-3410 and HR 11744) which would repeal our Silver Purchase Laws. Those who would demonitize silver are accused of favoring unsound monetary principles, of being partial to the monetization of debt via Federal Reserve notes, and of wanting to raid the Treasury's silver revenue for private gain. Mr. Hardy says silver supply is falling short of demand and, therefore, necessitates a higher price for the metal. He similarly advocates a higher price for gold and declares the increased production of both metals would "cure the ills of our monetary system."

In April of this year, companion bills were introduced in the Senate of the United States and in the House of Representatives in an effort to repeal the basic silver laws of the country. The bills are identified as S. 3410, sponsored by Senators Green, Pastore, Bush and Dodd, and H.R. 11744, introduced by Mr. Hiestand.


Robert M. Hardy, Jr.

Similar legislation has been introduced many times in the past and has failed to clear the committees to which assigned. Each time the bills are entered there is a great outcry of subsidy and unsound monetary practice stemming from manufacturers in New England who see an opportunity to reap private gains and whose appeal is to emotion rather than to reason and logic. They are sometimes joined by various economists of the armchair variety whose advocacy of a totally managed currency stumbles when it encounters the principle of intrinsic value, the only monetary theory that has been successful throughout all the history of mankind despite periodic efforts to dispense with it.

The subject of monetary economics can be viewed from many angles but in the final analysis boils down to two divergent views. One is based upon the creation of money of value in itself and the other that of money based upon promises and debt, leading inevitably to inflation and eventual disruption of the entire system.

Favors Present Bi-Metalism Ratio

The laws for which repeal is currently sought are the acts of 1934, 1939, and 1946, which express the policy of the United States that the proportion of silver in the monetary stocks should be one-fourth of the monetary value of such stocks, and which provide for the execution of that policy by the monetization of 70% of the silver purchased from domestic producers with the remaining 30% being available for subsidiary coinage and sale to industry, the latter provision being particularly concerned with reconversion and the building up of employment in industry incident to the post World War II period. The proposed legislation would not only repeal these laws which have so ably stabilized a portion of our currency, but would also place a further burden upon our slipping gold reserve through the replacement of silver certificates with Federal Reserve notes which are legally required to have backing of gold to the extent of 25% of their face value, though in fact more gold than we now possess is obligated to satisfy foreign credits. With the United States gold reserve inching away month by month, it could be suicidal to our monetary system to extract the one pillar of its foundation which has not been obligated to other nations.

Silver certificates are the circulating money which are backed by silver on deposit at the Treasury and are payable in silver on demand, a discipline which managed currency exponents abhor. They prefer a circulating money such as Federal Reserve notes which are, in essence, backed by debt, an act of magic. The replacement of silver certificates by Federal Reserve notes, such as is proposed by the legislation introduced, would create more fiat money or credit through the operation of the theory known as "monetizing the debt." With the gold reserve already obligated, the presence of the silver reserve hinders the complete management of money through debt monetization and impedes the inflation that might be brought about otherwise. This discipline is apparently irksome to those who would dispose of all controls despite the experience of history.

Argues for Higher Silver Price

The current movement directed toward repeal is occasioned by the avarice of the manufacturers who see a silver shortage coming about throughout the world and a means for private gain by raiding the Treasury of its silver reserve. For several years the consumption of silver, world-wide, has exceeded production to a marked degree and supply was kept in balance with demand until lately by demonetization of silver coinage in other nations. With many countries now returning to silver coinage, the sales of so-called free silver by the U. S. Treasury have balanced supply and demand in recent months. However, that supply will be depleted in the near future so that new sources of the white metal must be found. The age-old laws of supply and demand could bring that about by an increase in the price of silver unless the proponents of repeal are able to stall the process by raiding the Treasury.

The status of silver in the free world is best understood by reference to statistics of production and consumption as compiled by Handy & Harman in *The Silver Market in 1959:*

(Data in Millions of Ounces of Silver)

	1955	1956	1957	1958	1959
World Consumption (Partial)	245.4	266.7	297.2	250.5	296.0
Less U. S. Coinage from stocks	8.2	31.2	52.0	36.2	40.7
	237.2	235.5	245.2	214.3	255.3
World Production (Partial)	198.4	199.5	204.6	211.3	195.6
Deficit	38.8	36.0	40.6	3.0	59.7

The trend is unmistakable and remarkable in that even the depression year of 1958 did not change its course. Prior to 1959 the imbalance was supplied by demonetization and subsequently by sales of non-monetized silver from the U. S. Treasury at unrealistic prices, so that one can readily see that exhaustion of those two sources can bring about the needed reform, an increase in price to attract additional production.

To tamper with that process by extracting one of the pillars of our monetary system will, through lack of foresight, only postpone the inevitable and render much more drastic the needed adjustment. And when one realizes that the proponents of repeal, the silver users, are the ones who might immediately profit to the future detriment of the remainder of the country, their proposals become repugnant.

As in the past, the Congress will probably see through these concealed desires and protect the national treasure, maintaining it as one of the bulwarks of our monetary system. The armchair economists will groan because of its disciplinary restrictions while the people can take pride in the realization that one segment of our money is what it says it is, money that is backed intrinsically by the metal it represents.

Finds World Returning To Gold and Silver

All of which leads one to speculate upon the future of monetary economics. Initially, money consisted of articles of real value and dependence soon descended to the precious metals, gold and silver. Throughout the ages they have dominated money, being troubled now and then by the schemes of short-sighted planners who have had recourse to the printing press. Even today they are the only money of consequence, gold for larger denominations and silver for smaller, and no other substance can permanently take their places. For short periods of time various schemes have been attempted though none has succeeded. After several years of experimentation, the world today shows signs of returning to intrinsic value in money as evidenced by the course of events in many nations.

In the United States, managed currency holds sway over gold, but not silver, for which we should be duly thankful. Our gold reserves are dwindling as shown by the following tabulation of Treasury gold stock (in millions of dollars):

Year		Month	
1948	$24,244	1959, Jun.	$19,705
1949	24,427	July	19,626
1950	22,706	Aug.	19,524
1951	22,695	Sep.	19,491
1952	23,187	Oct.	19,585
1953	22,030	Nov.	19,566
1954	21,713	Dec.	19,456
1955	21,690	1960, Jan.	19,444
1956	21,949	Feb.	19,421
1957	22,781	Mar.	19,408
1958	20,534	Apr.	19,360
1959	19,456	May	19,352

It is blindly assumed that this gold represents the backing of our currency, but that is not the case. Although Federal Reserve notes are supposed to have a 25% reserve in gold, we have obligated more gold than we own to satisfy foreign claims and credits. In other words, we have overdrawn the account.

To demonetize silver and place an additional burden on these decreasing gold stocks would be economic folly. A better course would be that of utter realism about our monetary affairs such as determining that we need more gold for the required solvency of our larger currency and more silver to supply the needs of smaller currency and subsidiary coinage. Since economic progress depends upon productivity which in turn hinges upon the utilization of natural resources through human energy and tools, the course is again evident: Produce more gold and silver to cure the ills of our monetary system.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The money market has been able to digest fairly well the first new money and refunding operations of the Treasury for the 1960-61 fiscal year, because there is a growing supply of short-term funds seeking investment in the most liquid obligations. The opinions around seem to indicate that quite a few money market specialists believe that interest rates will ease and the supply of money and credit will continue to increase. The policy of "neutrality" which is used to characterize the current action of the monetary authorities, in the opinion of many financial experts, will continue to be altered enough to bring further ease in the money and capital markets. Business conditions would give the answer as to how far the powers that be will go in making more money and credit available and, for the foreseeable future, it looks as though the trend is in the direction of modest ease.

Successful Transaction

The Treasury was able to sell at auction $3,500,000,000 of 252-day tax anticipation bills at an average (favorable) yield of 2.823% in its first money raising venture of the new fiscal year because the demand for near-term liquid issues continues to be very sizable. In addition, the use of the Treasury tax and loan account by deposit banks in the payment of these new money tax bills helped the Government in obtaining a good rate for this flotation. It is expected that the deposits created thru the issuance of the 252-day tax bills will stay on the average with the commercial banks for 30 days. This means that the banks can reinvest these funds so that additional income will be obtained.

Accordingly, some of the deposit banks sold out their holdings of the new money raising bills at once and the yield went substantially above the 2.823% cost to the Treasury. It is indicated that the return on these new bills could go in the neighborhood of 3⅛% and be sold by the underwriting banks and they would still not show a loss. The $500,000,000 of the new money which will be used to pay off a similar amount of the July 15th Treasury bills seems to indicate to not a few money market specialists that the yearly Treasury bills will all be cut down to the $1,500,000,000 level.

Dual Investor Attraction

The demand for short-term Government obligations is on the uptrend since corporations, banks and certain institutional investors continue to put larger amounts of their funds into such issues. Fresh evidence of this fact is the 3.265% average yield obtained by the Treasury on July 12 for the new 12-month bills. This was the lowest rate received so far for this type of obligation.

The return which is available in near-term Governments is still good enough so that the bulk of these funds are going into Treasury bills, although there are instances in which some of these monies are being invested in short-term agency obligations and tax-exempt issues. There are indications that the tax-sheltered securities are attracting more of these short-term funds, but it is not expected that this competition with Treasury bills will increase very much because there is not the size or supply in the tax-free near-term market to take care of the demand.

Intermediates Acting Well

The intermediate-term Governments have been enjoying a better market, although it is evident that a degree of professionalism has been creeping into these obligations. On the other hand, not a few of the commercial banks with very sizable savings deposits have been buyers of selected issues in the middle-term area. However, these commitments have not been too large since the feeling apparently is strong that the August refunding will be provided for thru a package deal and part of this will be an intermediate-term obligation, which could have attraction for these institutions.

Thin Market for Long Bonds

The longer-term Governments have been improving in price, because there has been a modest amount of pension fund buying (states principally), a lesser amount of institutional commitments, and a good sized amount of professionalism. It should be remembered that positions in most of the long-term Government bonds are pretty much on the thin side, and it does not take much in the way of buy orders to have a marked effect on prices on the way up. On the other hand, it is just about as thin on the way down. From a competitive angle Government bonds are not as attractive as corporates or tax-exempt issues and as long as the yield spread favors the non-federal bonds, the bulk of the interest will be in the latter obligations.

Vacha Joins Cruttenden Co.

CHICAGO, Ill.—James C. Vacha has joined the trading department staff of Cruttenden, Podesta & Co., 209 South La Salle St., members of the New York Stock Exchange, Robert A. Podesta, managing partner, has announced.


James C. Vacha

Mr. Vacha, a veteran of several years on La Salle Street, comes to the Chicago-based, coast-to-coast investment firm from Doyle, O'Connor & Co.

Powell, Kistler Branch

KINSTON, N. C.—Powell, Kistler & Co. has opened a branch office at 130 East Gordon Street, under the management of Erskine Duff, resident partner.

Form Aloha Secs.

HONOLULU, Hawaii—Aloha Securities Co. has been formed with offices at 184 South King Street to engage in a securities business. Partners are Walter G. Asmus; Bung Yin Yim, and William L. Wong. All were formerly with Anderson, Randolph & Co.

With Wetheimer & Co.

WHEELING, West Virginia — Mrs. Margaret L. Rinderer has joined Westheimer & Co., 1210 Market Street, as an account executive.

A National Purpose Program For Commercial Banking

By J. Henry Neale,* *Retiring President of the New York State Bankers Assn., and President, Scarsdale National Bank & Trust Co.*

Retiring head of New York commercial bankers' group decries what he terms pseudo-banking competition developing from almost all directions. The competitive situation is said to have placed commercial banks at an unfair disadvantage. In answer to the questions "what happens now?" and "what can be done?" Mr. Neale proposes an eight point "National Purpose Program for Commercial Banking."

We have witnessed many substantial changes in the financial system in the past three decades—the omnibus banking act in New York State this year is but a symptom of a problem that grows more demanding of solution with each passing day.

When the National Banking Act was amended in 1933, everything was nice and neat. Commercial banks furnished the banking requirements of the country and the Federal Reserve acted as overseer. Time is not static, however, and with its passing banking's dominant role in the financial system has diminished, and with it the ability of the Federal Reserve to act as overseer.

We have watched the spectacular growth of savings and loan associations, mutual funds, credit unions and savings banks. We have seen Treasury bills and commercial paper of various sorts serve as substitutes for time deposits of various foreign and domestic accounts. Bankers know this and have felt the impact.

Credit Union Impact

Today, commercial banking, in the scheme of things, is being relegated to a role of lessening importance. There are developments throughout the country that bode ill-will for our industry. I was shocked to learn recently that the Army has issued a directive to all of its installations declaring "it is the policy of the Department of the Army to encourage the organization of credit unions." Further, it is directed, "that commanding officers will assist and guide military personnel, and civilian employees who are interested in organizing such credit unions." And the Army doesn't stop there. . . . It orders commanding officers to indicate that they "strongly favor" such establishments. The Army regulation provides that, free of charge, office space, personnel, and all the necessary services for the business operation be placed at the disposal of the credit union. The Navy and Air Force have issued similar regulations. The Department of Agriculture, not to be outdone, has been active in this movement as well. It serves as a self appointed public information vehicle for the credit union movement within the agricultural community. Numerous pamphlets and guides advocating the establishment of credit unions have been distributed.

Bemoans S. & L. Association Pseudo-Banking Competition

Coming to Federal Savings and Loan Associations, the Home Loan Bank Board, under whose auspices they operate, permits unbridled competition to exist between these pseudo-banking institutions and other segments of the financial community. This type of competition is having an adverse effect on the structure of banking and finance in the various states throughout the country, as when we witness State laws being written on the basis of this unchecked competition, as when the pattern of interest rates may be influenced not by earnings but by such competition, and when day after day we see advertisements by savings and loan associations from other states, soliciting funds at higher rates. It will be a sad day for New York State and for banking when competition of this nature is allowed to set the pace, make the policy and establish the guide lines.

It is disheartening to me, and I am sure to many others, to see advertisements by savings banks virtually offering checking account and personal loan services. We have, indeed, come a long way. What makes it worse is the demand deposit position of commercial banks. We all know, insofar as the demand deposit structure is concerned our growth is regulated and controlled. In our savings business also we are handicapped by the rate, tax and reserve structures. Certainly, a partial solution lies in the suggestion of President Hayes of The Federal Reserve Bank of New York, that "The time has come for a study of the possible differences in the basic characteristics between time deposits and savings deposits of commercial banks."

Intensive Study Urged

The injustices of the competitive situation have not gone unnoticed. For the past fifteen or twenty years, the New York State Bankers Association has vigorously opposed expansionist efforts that would place commercial banks at an unfair disadvantage in the competitive situation. At the same time the Association has continuously urged that in the public interest an important study of the situation be made. For instance: On March 22, 1955 the Association wrote to the Governor and to other state legislative officials and declared:

"The delineation of fields of activities of the various financial institutions is no longer clear. As a result, there has developed considerable overlapping of functions with attendant confusion and misunderstanding in the public mind.

"Recognizing this serious situation, the governing body of this Association, which represents the commercial banks of the State, believes that the best interest of the people would be served by the creation by the Legislature of a committee to make a full study of the functions, respective areas of activities and, generally, the business of the various financial institutions operating in this State, and to make appropriate recommendations with respect thereto."

The banking industry can be proud of those men who have served on the various Association committees over these years and for the magnificient manner in which they have fought the fight of commercial banking. Today, fortunately, other voices are being raised in protest, not only in New York but throughout the country.

Program for Banking

You may ask "What happens now? What can be done?" I would like to suggest this eight-point program. Call it a "National Purpose Program for Commercial Banking" if you will:

(1) We must rededicate our belief in commercial banking as the principal banking system for this country.

(2) We must not think of ourselves as state banks or national banks, as independent banks or branch banks, as small banks or big banks, as city banks or country banks—we must think of ourselves as commercial banks—full service banks.

(3) We must excite our personnel in the jobs they do and the industry in which they serve. Too few of the 85,000 men and women who work in commercial banks in New York State have a full realization of the importance of their jobs and the indispensable role they and their banks play in the economic well-being of the community.

(4) We must participate more actively in community affairs. Not only senior officers but other officers and staff members must be encouraged along these lines.

(5) We must interest ourselves in government to the end that the best-qualified exponents of private enterprise are elected to office—and then kept properly informed.

(6) We must become more articulate spokesmen for our industry—by being more active locally, more active in our county and clearing house efforts, more active in the State programs of our Association, and more active in the industry's national effort — The Foundation for Commercial Banks.

(7) We must urge the appropriate authorities to exercise the necessary degree of restraint and control over these other kinds of financial institutions.

(8) We must continue to advocate that an intensive, independent study be made of the banking and financial system to the end that the role of each segment is understood and directed toward a productive and prosperous economy with full employment for all.

If we do this we can stem the tide in time. Continued cooperation and effort, however, is required.

*From a talk by Mr. Neale before the New York State Bankers Association's 64th Annual Convention, Lake Placid, New York.

With Vance, Sanders

SAN FRANCISCO, Calif.—John E. Lotspiech of Los Angeles, has become associated with Vance, Sanders & Co., Inc., it has been announced by Henry T. Vance, president of the mutual fund distributing firm. Mr. Lotspiech, who formerly was associated with Dean Witter & Co. and the Atomic Development Securities Co., Inc., will work out of the San Francisco office of Vance, Sanders, 127 Montgomery Street. He will serve as a sales representative, working with investment dealers in Northern California and the Pacific Northwest.

Canadian-Am. Commodity

The Canadian American Commodity & Share Corporation has been formed with offices at 6 Harrison Street, New York City, to engage in a securities business. Officers are Rocco G. Cancellare, President, and Gladys Zuza, Secretary-Treasurer. Mr. Cancellare was formerly with Daniel F. Rice & Co. and Sirota & Co.

Prospective Growth of Mtge. Debt in the Decade Ahead

By Leon T. Kendall,* *Economist, United States Savings and Loan League, Chicago, Ill.*

Now that the past ten years of residential housing has established itself as a growth area, what of the future? Mr. Kendall's answer furnishes the facts and figures supporting and describing continued growth in the next 10 years. An average of 1.3 to 1.4 million housing units starting annually—based on former method of compiling housing data, a $247 billion expenditure for new housing and repairs in the 1960's—compared to $163 billion in the past decade, and almost a doubling in mortgage debt in 1970 since 1960 are some of the predictions made. Mr. Kendall admits this will entail a greater share of personal income in 1970 than in 1959; expects keener competition as the interest spread between mortgage rate and other rates narrow with improved national marketability of mortgage instruments; prefers to let the free market decide whether too much savings are or are not going into mortgages; and draws the implications of all this to consumer spending, product sales, financing opportunities and profits.

Let me begin by citing my overall conclusions: Residential mortgage debt at the beginning of 1960 totaled $148 billion. By 1964, the amount American consumers owe on their homes will reach $200 billion; and by 1970, it should touch $300 billion. Thus, before the decade is out, we will double the amount of mortgage debt outstanding. Today, for every American household, there is $2,800 of mortgage debt. By 1970, the debt per a greater number of households will be $4,900 per household. Mortgage payments and expenditures for housing will take a relatively greater share of personal income in 1970 than in 1959.

These numerical estimates are based on a two-year study of the residential financing and housing demands facing the United States and its capital markets during the coming decade. The study was conducted by the School of Business of Indiana University under the direction of Dean Arthur M. Weimer. It was underwritten by the United States Savings and Loan League[1] in order to gain some insight into the potential growth prospects and tasks in home financing facing savings and loan associations and other lenders during the coming decade.

Historical Perspective

Let's look backward briefly. For example, what you would see in 1946 is this: the housing stock of the nation was inadequate and depleted. During the depression, few homes were added. The total number of housing starts between 1930 and 1940 were 2,700,000 units. (We added almost an equivalent number in the years of 1958 and 1959.) World War II prohibited the erection of anything but emergency homes. Thus, in 1946, next to the general problem of economic stability, housing was the number one domestic issue facing the American people. Public housing was held out as the number one solution to the problem. Its advocates said we could not trust the task of producing the 12 million new homes we would need in the next 10 years to a housing industry which had to rely on the private builder seeking a contract, a construction worker seeking a job, a real estate man seeking a commission, and a financial institution seeking an investment.

You would also see that the mortgage loan as an investment was held in disrepute. Insurance companies, mutual savings banks, and other institutional lenders, looking back on the record of the 1930s, simply avoided home mortgages. The machinery through which they might develop a mortgage business was at a low ebb.

To see what happened next, let's follow the record of mortgage debt. Total mortgage debt outstanding at the end of 1946 was $28 billion. In five years, by mid-1951, the amount of such debt outstanding doubled, totaling $56 billion. It doubled again by 1957 reaching $112 billion. This time the process took six years. Moving into the 1960s, by the end of 1965, mortgage debt will once again double and total $225 billion. This time the doubling process will take eight to nine years.

Although the rate of growth in mortgage debt is slowing, certainly the volume of outstanding debt is not. We can say that a prime characteristic of the postwar capital markets has been the rise in the demand for mortgage debt and the ability of the economy through its financial institutions to provide such funds.

Before attempting to describe the factors which make us feel that such rapid growth can continue, let me attempt to relate the growth in mortgage debt to what has been happening in corporate debt, an area with which many may be more familiar. Between 1946 and the end of 1959 net public and private debt outstanding rose by over $350 billion. Corporate debt and mortgage debt were responsible for most of the increase. Between 1946 and the end of 1958, $110 billion of additional funds flowed into mortgages. If one separates corporate takings of funds into long-term and short-term, mortgages actually grew more than the demands of business in the funds market.

Since most of the competition for mortgages is in the long-term market, this is where corporate treasurers face the greater pressures from mortgage investment. Every year since 1946, except two, 1951 and 1957, more money went into one to four family home debt than into long-term corporate securities. The one fundamental difference between home mortgage debt and corporate financing is that home mortgage financing comes directly from the capital market — the savings stream. Much of corporate financing comes from retained earnings and internal funds of American corporations.

As a post-script to my paper, I would draw the following inference regarding the competition in the capital markets between corporates and mortgages. The mortgage market may be expected to retain and perhaps even further enhance its position relative to other markets during the years ahead. The national character of mortgages should be improved further. The tendency for investors to take greater risks in terms of down payments and maturities will probably push upward the outstanding volume of mortgage holdings. Congress, with its eye constantly on housing, will probably see to it that a continuing large flow of funds finds its way into this sector.

The economy will offer mortgage debt to investors in goodly volume during the years ahead. Those financial institutions accepting such debt and servicing such debt may be expected to grow. Turning back to our estimates of housing demands, during the years ahead, new housing must be constructed:

To house an increasing number of households;

To permit the continued migration of families from farm to city, from city to suburbs, from north and east to south and west;

To replace housing unfit for use, or destroyed, whether by accident or for the purpose of converting land to other use;

To provide second homes for families that wish and can afford them;

To enable American families to improve the quality of their housing as standards of living continue to rise.

While new houses conceivably might be financed without use of mortgage funds, no trends in that direction yet have developed; nor do they appear to be on the horizon. Home construction in the decade ahead undoubtedly will require mortgage financing just as at present and throughout our history.

Mortgage funds also will be needed to finance the purchase of existing houses and to enable families to use some of their equity in their homes for spending or investment.

How Much Mortgage Funds Will Be Needed?

That depends on many things, the most important being people, employment and income, and how much they are willing to spend for housing. The population of this country is expected to increase 33 million in the decade of the '60s, reaching 214,000,000 by 1970. The number of persons employed is expected to increase 13.5 million. This employed force will be more productive and output per employed person is expected to increase approximately 25%. In gross national product terms, this will give us a GNP figure of $750 billion in 1970.

If such expectations come to pass, we can expect an average of between 1,300,000 and 1,400,000 new housing units being started annually. (These figures determined prior to recent revisions in housing statistics.) Total expenditures of the decade of $247 billion for new dwelling units and for alterations and additions compare with $163 billion for the decade of the 1950's. For every $1 spent on home construction in the 1950's we will spend $1.50 in the 1960's.

The big decade of home construction also is based on an estimated increase of over 10 million in the number of non-farm households, an increase of approximately 25% in annual income per household and an increasing proportion of family expenditures going into housing. Housing is going through a cycle similar to autos where we add built-ins, added services, air-conditioning, finished basements, automatic lawn sprinklers, etc.

There will be variations around this average performance from one year to the next. Probably the later years of the 1960s will see higher levels of home building than the earlier years. We might even reach a two million house year before 1970 appears. The average, however, will be closer to 1.3 and 1.4 million units. The number of dollars needed to support such homebuilding will rise more rapidly than the number of units, for Americans have consistently added to the quality of their homes.

The Indiana estimate of residential construction appears to be conservative in the light of some estimates which have already been made. It seems to be a reasonable projection, however, in terms of population growth, gains in income and output and national production.

Between 1961 and 1970 annual average increase in residential mortgage debt will be $15.3 billion. This will be $5 billion or almost 50% over the 1951-60 annual average. Furthermore, by 1970, we will be over that average and be adding $18 billion of mortgage funds to debt to satisfy the homebuilding and home financing needs of Americans. Americans will owe over $300 billion on home mortgages, almost twice the 1960 amount.

Implications for Builders And Others

What are the implications of this growing housing market for builders, building materials supply manufacturers, financiers and others working in this field? As a minimum, these projections should help to establish objectives for the development of any commercial enterprise whose future rests in the home building and residential construction field. The projections should help us to make plans and to achieve these objectives. The one big conclusion the Indiana study points out is that a tremendous potential exists in the home building market in terms of consumer spending, product sales, financing opportunities, and profits. We have before us a growing market. The number of customers will rise. They will have more income to spend. The quality of the product desired will grow.

Despite the fact that such plus factors exist in this market, we might well expect much keener competition during the years ahead. The housing market is now an established and recognized growth area. Ten years ago this was not true.

(1) Builders have come of age. No longer can we describe the home building industry as a group of artisans. A recent survey by the National Association of Home Builders of its membership showed that in 1959 the largest 10% of the builders constructed 59% of all the homes in this country. Each put up an average of over 350 homes. Builders building over 100 homes per year—volume builders — produced 64% of the housing units in 1959. When you start to get an industry of this type, research, experimentation, adaptation of technology, all become possible. And the trend does not appear to have reached its peak.

(2) Materials supply manufacturers are recognizing the status of the housing market. They now work on all aspects of the market, direct and indirect. I will cite only one illustration. The gypsum companies have been attempting to organize something called a "down-payment club." It would be somewhat like a Christmas Club, and its purpose would be to permit individual families to generate downpayment sums more quickly.

(3) For financiers, the more ready acceptance of the mortgage instrument as an investment has been one of the major developments of the 1950's. We are beginning to see additional steps being taken to improve the marketability and national character of the individual home finance contract. Broadly speaking, the competition in the capital markets from residential mortgages should increase. Already the interest spread between the mortgage rate and other rates has narrowed. The mortgage instrument is a considerably more acceptable instrument than it was 10 to 12 years ago as measured by the interest rate differential between, say, a Corporate AAA Bond and mortgages. According to some measurements we have made, the spread between Corporate AAA bonds and residential mortgages in 1947 was 2.40%. By the end of 1958, the spread had narrowed considerably to 1.54%. Although the measurements are crude, they illustrate the change well.

Innovations in mortgage finance are equally possible. At the present time, I understand, a firm is

[1] Copies available upon request to the League.

being organized entitled the National Trade-In Financial Corporation. Its purpose is to develop a capital fund which will finance trade-in of houses during the years ahead.

The problems in the housing area, and some of the stumbling blocks to the fulfillment of my estimates include such things as these: rising home prices, scarcity of land for building in desirable locations, rising real estate taxes, building codes, and other similar problems.

I would turn now to one final subject.

Does too Much Savings Go into Housing?

Those who are not in the housing area may feel that too much of our savings flow goes into housing. Very possibly steps ought to be taken to slow the pace of home building so that the other sectors of the capital market — sectors more closely akin to economic growth and progress—might get a bigger share of the funds. It may be that housing secures "too much credit" relative to other potential uses of savings. The concentration of savings funds in intermediaries, that is, savings and loan associations and others, which support home financing almost exclusively, may keep funds from business investment. Although this concentration may be desirable from the standpoint of supplying much needed funds for residential financing, we must not ignore the question, "Is this the most desirable use of savings funds for economic growth and progress of this country?"

On this issue I will make two points: The kind of debt that is going to be offered depends on the structure of the economy. If mortgage debt is available, investors are going to buy that kind of debt. Market forces, then, will determine through the interest rate mechanism what kind of debt is to grow most rapidly. My second point is, to ask, who is to make the decision as to how a more "appropriate" allocation of funds might be administered? Do we want governmental agencies determining whether Americans should spend their money for housing, steel plants, farm subsidies, schools or sewers?

In a free choice society, individuals are free to work where they choose; dispose of their property as they see fit; and use their incomes as they see fit. They are free to spend for consumer goods or to save; to invest or not to invest.

We must keep alive the possibility of Thomas Edison's famous saying working. He said, "there is a way to do it better. Find it." There are better ways to build and finance houses. A free enterprise environment will provide the stimulus for the Americans of today to discover the ways and means, I'm sure.

It may be that we will need adjustments in our financial institutional structure to tip the scales toward business investment. Perhaps the Small Business Development Corporation, one of our newest financial institutions, will serve such a purpose. If these organizations develop ways and means to tap savings of individuals directly, perhaps they will be able to serve business investment in the same way that savings and loan associations have served the demand for home mortgages.

Conclusion

The growth of home mortgage debt has been accomplished in harmony with the market forces of our economy, permitted the working of the free choice of consumers regarding how they desire to spend their funds, aided greatly in the mobility of the population, and preserved workable competition in the housing industry. These tasks were accomplished with a minimum of governmental aid and support and they were accomplished under the influence of general monetary controls. If the future permits such forces to work, the estimates made regarding residential mortgage debt ought to come fairly close to realization.

*Remarks of Dr. Kendall before the National Industrial Conference Board, New York City.

D. Schuhmann Joins Bache & Co.

Donald M. Schuhmann has joined the investment firm of Bache & Co., 36 Wall Street, New York City, members of the New York Stock Exchange, as administrative assistant to Edward I. duMoulin, partner in charge of branches, it was announced by Harold L. Bache, managing partner.

Mr. Schuhmann was formerly associated with the New York Stock Exchange where he held the post of Manager of the Division of Member Offices and Personnel of the Department of Member Firms. He joined the Exchange in May, 1955 as administrative assistant in the Department of Member Firms, was promoted to assistant manager in November, 1955, and manager in April, 1958.

Jos. Walker Sons Appoint Two

Joseph Walker & Sons, 30 Broad Street, New York City, members of the New York Stock Exchange, announced that Raymond F. Glover has been named manager of their Syndicate Department and McKean Thompson has been appointed manager of the Sales Department. Both have been with the firm for some time.

Wall Street Soft Ball League Results

The Hornblower & Weeks team was the winner in the "longs" division of the Wall Street Soft Ball League, in the season just completed. Carlisle & Jacquelin were winners in the "short" division.

A play-off in the final series will determine the championship.

Three With G. H. Walker

ST. LOUIS, Mo.—It has been announced by G. H. Walker & Co., 503 Locust Street, members of the New York and Midwest Stock Exchanges, that John F. Eades, Albert D. Hanser, and Lewis G. Laughlin have joined the firm as registered representatives.

With Dean Witter

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Arthur Ullman is now with Dean Witter & Co., 632 South Spring Street.

Peters, Writer Adds

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Hugo H. Soll has been added to the staff of Peters, Writer & Christensen, Inc., 724 Seventeenth Street. He was formerly with Earl M. Scanlan & Co.

Investors Stock Brokerage

(Special to THE FINANCIAL CHRONICLE)

CHARLOTTE, N. C. — Investors Stock Brokerage of North Carolina has been formed with offices at 916 East Morehead Street to engage in a securities business. Officers are W. Manning Harris, President; and Alice Falkenberry, Vice-President and Secretary.

Forms Johnson-McNeil

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Alfred A. Johnson is conducting a securities business from offices at 90 Bay State Road under the firm name of Johnson-McNeil & Co.

Important Railroad Mergers Now Under Discussion

By Roger W. Babson

Railroad mergers and consolidations in various parts of the country, plus general advice on when to buy or to sell railroad securities, are discussed by Mr. Babson. The dean of the financial writers is convinced passenger trains are on their way out and he believes "gravity" will influence the course of many rail mergers.

This column first warns readers that the days of passenger trains are nearly over. Several roads now operate only one passenger train a day; while passenger service is being cut by all railroads. This is further hastened by talk of railroad mergers. Let me give you some illustrations.

The Gravity Roads

The first recent important railroad consolidation was that of the Norfolk & Western and the Virginian Railway. These two high-grade roads did not need to consolidate for financial reasons. However, they both serve the soft-coal fields of West Virginia, hauling coal to the seaboard at Norfolk, Virginia. Merger was thus very natural; in fact, the Virginian perhaps should never have been built.

I have been especially interested in the above two roads because they profit so much from Gravity, which readers know is a hobby of mine. Gravity not only enables the trains to "coast" down from the West Virginia mines, but Gravity also generates some of the electricity used in bringing the empty cars back. I believe Gravity will be a factor in many other railroad consolidations. At present, it is used industrially only in connection with water power. It surely will sometime be used for irrigation and small power requirements.

B. & O.—Chesapeake & Ohio

One of the largest railroads is the Baltimore & Ohio; this road duplicates the service of the Chesapeake & Ohio. The two roads can be consolidated with considerable savings to both shippers and investors. If the I. C. C. gives a "green light," and if the stockholders of the two roads and other interested railroads agree, such a consolidation will take place.

The Chesapeake & Ohio stockholders now feel that the Baltimore & Ohio needs them, rather than vice versa; they believe the Chesapeake & Ohio stock is worth considerably more than the Baltimore & Ohio is offering in exchange.

New York Central Situation

Ever since the suicide of Robert Young, the New York Central has been a great disappointment to its stockholders. In view of the previous fight for control, most stockholders felt that the stock was very valuable and refused to sell it. This was a great mistake. (Incidentally, a proxy fight often affords a good opportunity for stockholders to take profits, as the price usually declines afterward.)

In looking for a friend, the New York Central officials have flirted with the Pennsylvania Railroad, the Baltimore & Ohio, The Chesapeake & Ohio, and the Erie, but nothing concrete exists at the moment.

Florida Railroads

Negotiations between the Atlantic Coastline and the Seaboard have proceeded almost to the point of final agreement. There is no doubt but what the Florida East Coast should also merge with the above two roads.

Both the Atlantic Coast Line and the Seaboard are in excellent financial condition. The history of the Seaboard is, from an investment point of view, truly miraculous. Large amounts of money were made by the purchase of Seaboard stock directly after the reorganization. In fact, only directly after reorganizations do I buy railroad stocks.

Northwestern Roads

There is always talk of a consolidation of the Northern Pacific, the Great Northern, and the Burlington. At one time merger was almost certain, but it was stopped by a court fight that triggered the panic of 1907. There also is constant talk of merging the Boston & Maine, the Maine Central, and the New Haven; but no one now seems to want the New Haven. All of these New England railroads are "short line" roads which are being avoided by careful investors.

Railroad officials blame the I. C. C. for holding up these mergers. But the truth is that every consolidation means that certain officials, employees, and directors will be thrown out of jobs. The labor unions therefore insist on being heard, as well as certain of the small-town shippers. Such opposition, however, is largely motivated by personal selfishness rather than by consideration for the good of the nation as a whole.

MUTUAL FUNDS

BY ROBERT E. RICH

Irrepressible Prophets

The Keystone Company of Boston, like any other group of serious-minded investment trustees, needs no crystal ball to foresee that changes over the next decade "will be so rapid as to be almost revolutionary." Over the horizon, Keystone envisages growing interest in new power sources, fuel cells and thermionics; in metallurgy, vacuum technology and high-temperature and high-pressure alloys; in distribution, automated warehouses and food preservation through irradiation, and in transportation, containerization and hydrofoils.

Of the factors determining investment policy, Keystone says: "The professional investor evaluates them in relation to more fundamental changes, fashioning a sound investment instrument aimed at attaining an investment objective in tune with the times but looking beyond today well into tomorrow."

The investment manager in this fast-changing world has an unenviable task. He and the people around him must be economists, geopoliticians, sociologists, scientists and, incidentally, students of the stock market. They would doubtless nod a hearty assent to James Russell Lowell, who once wrote: "My gran'thers rule was safer 'n 'tis to crow: Don't never prophesy—onless ye know."

Of course, toiling as a market analyst for her bean and cod, the lady Mr. Lowell adored would never have lived to become a grandmother. That way lies, if not madness, then surely malnutrition. In modern-day Wall Street analytical powers command respect, but unless they are accompanied by prophetic visions the toiler will get scant attention. And the game is a good deal safer than the philosophy of Mr. Lowell's grandma would lead you to believe. For the audience has a marvelously short memory.

If the forgetful folk would only hark back to last December when analysts, who had diversified by taking on prophesy, were writing glibly about "the Soaring Sixties," they would have little difficulty in restraining their enthusiasm for the current output of the crystal-ball gazers. Looking back now, it seems that nearly every soothsayer, in and out of Wall Street, knew what was ahead for the next 10 years, only it turns out they didn't know what the first six months held in store. But though the halo is askew, the output remains abundant.

So one prophet, who is not without honor nor error, says unhesitatingly: ". . . it is my conviction that many of the staid old ladies of the marketplace are not so desirable as investments as they were formerly." Unfortunately, this drum-beating for the glamour stocks came at the very time that they were under pressure and the oldline cyclical stocks, notably steels and motors, were enjoying a sharp run-up. But tomorrow is another day.

Then there's the highly respected brokerage house which seems something quite different in its crystal ball. Its spokesman has told a national magazine that the firm is extremely bearish on the electronic issues. This commentary was made some weeks ago and won't even break print until August, so it is clear at least that in the Space Age, the crystal balls too are vastly improved.

And they're custom-made too. Fellow on the same Street says: "We think the most important movement in today's market is not the trend of the averages but the shift of billions of dollars of aggressive investment funds out of the 'mature' equities into the exciting growth potential issues of the future."

Sweet to the ears is the small voice crying in the Wall Street wilderness: "I don't know what this market is going to do in the next 30 minutes, so don't ask me about the next 30 days." This is a competent professional investment manager speaking. All he can point to pridefully, though he doesn't, is a record of sound management of other people's savings.

The Funds Report

Sales of both **Wellington Fund** and **Wellington Equity Fund** shares in June set all-time records for that month. Total Wellington Fund sales were $11,666,000, an increase of 4% from a year ago. Wellington Equity Fund sales were $919,000, or 29% greater than in June of 1959.

* * *

Newton I. Steers, Jr., President of **Atomic Development Mutual Fund, Inc.**, announced that the Fund's Board of Directors has declared a capital gains distribution of 32¢ per share, payable Aug. 15, to stockholders of record at the close of business July 11, 1960. Mr Steers pointed out that the capital distribution is the 6th paid by the Fund during the approximately 6½ years it has been in existence. The current payment of 32¢ per share is the largest capital distribution ever made by the Fund.

A year-end income distribution of 5¢ per share was also declared with the same payment date as the capital distribution. Mr. Steers also indicated that total income dividends for the current fiscal year amounted to 17¢ per share, also a record high since the Fund's establishment.

* * *

General American Investors Co., Inc. reports net assets at June 30 were $52,235,429, equal to $26.40 per common share. This compares with $26.62 a share on March 31 and $30.52 at the close of 1959. During the three months ended June 30 the company bought 6,000 shares of Dominion Stores Ltd. and sold 7,500 shares of American Research & Development Corp., 10,000 shares of Consolidation Coal Co. and 3,000 shares (net) of Haloid Xerox.

* * *

A record six-month sale of $82,783,000, capped by June high of 14,059,000, was reported by **Investors Planning Corp. of America.** Walter Benedick, President, said the first half total "just about equaled" the business written during all of 1958. The number of I. P. C. mutual fund contractual plans in force meanwhile rose to 97,843, a gain of over 39% in the 12-month span.

* * *

Total net assets of **Investors Variable Payment Fund, Inc.,** mutual fund affiliate managed by Investors Diversified Services, Inc., rose to $142,129,651 as of May 31 from $125,968,051 on Nov. 30, 1959, up 12.8% for the first half of the current fiscal year. However, net asset value per share slipped to $5.78 from $5.97. At the close of the period the fund's larger investments were in business machinery and equipment, chemicals, drugs, electrical equipment and electronics, insurance, oil and gas, and public utilities.

* * *

Delaware Fund and **Delaware Income Fund** have adopted "comparatively defensive attitudes, felt partially justified by the unimpressive business outlook," reports Delaware Management Co., Inc., the fund's investment adviser. The $93 million Delaware Fund, according to the report, has continued adding to its holdings of non-cyclical consumer-goods stocks, and has partially liquidated some others, largely in more cyclical categories. Sales have somewhat outweighted purchases, it goes on, and as a result an increasing proportion of funds has been placed in short-term (15 months and less) Government Agency securities which now total $8.2 million. Together with current receivables and cash, they represent 10% of the fund's current total net assets.

In the case of Delaware Income Fund, however, it points out that the return from government securities (currently down to about 3.6%) would be inadequate for its objectives, so instead of increasing that fund's position, the proportion of preferred stocks and bonds has been raised to about 40%.

* * *

Mutual Trust reports that in the quarter ended May 31 it increased holdings of American Telephone & Telegraph, First National City Bank of New York, Marine Midland Corp. and Youngstown Sheet & Tube. Holdings of Aluminum Co. of America, Denver & Rio Grande Western Railroad, Chicago and St. Louis Railroad, Revlon and St. Regis Paper were decreased. Mutual Trust eliminated holdings of Champion Spark Plug, City Stores, Motorola and Pullman.

Form Amico Inc.

LITTLE ROCK, Ark.—Amico, Inc. is engaging in a securities business from offices at 212 Center Street. Officers are Orval K. Bush, President; Forest E. Long, Vice-President; and Arthur F. Mueller, Secretary-Treasurer.

Cooper Joins Hornblower & Weeks in L. A.

LOS ANGELES, Calif. — The investment banking firm of Hornblower & Weeks has announced the appointment of William M. Cooper as manager of the stock department of the new Los Angeles branch of that firm, 650 South Spring Street (formerly Revel Miller & Co. Inc.).

Mr. Cooper's affiliation with Hornblower & Weeks dates back to 1925 when he joined the Chicago office as statistician. He has held various posts in the Chicago office and for many years has been a member of the stock department of that office. Mr. Cooper is a former president of the Stock Brokers Association of Chicago.

NSTA NOTES

NATIONAL SECURITY TRADERS ASSOCIATION INC.

N. S. T. A. YEAR BOOK

The N. S. T. A. wishes to salute Louis E. Walker, National Quotation Bureau; Maurice Hart, New York Hanseatic Corporation; Herbert Singer, Singer, Bean & Mackie, Inc., and Col. Oliver J. Troster, Troster, Singer & Co., all of whom have renewed their


Maurice Hart


Herbert Singer


Oliver J. Troster


Louis Walker

half-page advertisements in the National Security Traders Association Official Year Book Supplement of the *Chronicle*. The Association is most grateful for their usual staunch support.

N. S. T. A. NOTES

The National Advertising Committee of the National Security Traders Association has announced that Norman Nagle, Sincere & Company, 231 South La Salle Street, Chicago 4, Illinois, is the new Advertising Chairman for Chicago. Howard Levine, the previous Chairman who has always done a wonderful job, is transferring to New York and has therefore been obliged to resign.

SECURITY TRADERS ASSOCIATION OF NEW YORK

The Security Traders Association of New York will hold its annual Fall Dinner Dance, Oct. 15, in the Grand Ballroom of the Biltmore Hotel. Lewis H. Serlen, Josephthal & Co., is Chairman of the Arrangements Committee. Saul Golkin, Golkin, Bomback & Co., is in charge of entertainment. Tariff is $30 per couple.

BOND CLUB OF DENVER

The "Summer Frolic" of the Bond Club of Denver, which annually attracts national interest, has been scheduled for Thursday and Friday, Aug. 18th and 19th. Plans for this "fun fair" include cocktails, dinner, gin-rummy contest and stage show on Thursday night at the Petroleum Club, and golf, lunch, cocktails and dinner at Columbine Country Club on Friday.

Inquiries or reservations should be directed to Richard H. Burkhardt, c/o Boettcher and Company, 828 17th Street, Denver 2, Colorado.

THE MARKET . . . AND YOU

BY WALLACE STREETE

At the end of last week the bulls were heartened when the Dow Jones industrial average moved out of its triangular formation and broke the 640-642 level on the upside. The rails did not quite confirm this action and failed to exceed their 142-143 trend lines, but they were so close to it, that some statisticians were of the opinion that at least for the short term, the technical pattern of the market had been improved and that a summer rally might be at hand.

Indeed, it might well have been had not the sudden worsening of the international situation over the weekend brought in some sharp selling early this week. With the exception of the "War Stocks" and the Copper Producers which might benefit from the halting of copper production in the Congo, most groups were lower. Although the industrial averages dropped over 12 points in two days, the daily volume for Monday and Tuesday was not over three million shares, so that it was apparent that there was no wholesale liquidation by the public.

Whether the public psychology will settle down in the next week or so to give the bulls a summer rally remains to be seen. In the last five election years the average summer gain from the May low to the pre Labor Day high has been 10%. So far this year we have already had a gain of this amount. The gain in the last six months of each election year has averaged 2½% and the decline from the election year high to the low of the following year has averaged 15½%. So far 1960 gives every indication of following an historical pattern and it is unlikely that the trend should vary too much.

The Investor's Quandary

As an investor tries to make up his mind as to what should be bought he is confronted with innumerable unsettling conditions. Steel production last week plunged to 42% of capacity yielding the lowest non-strike output in 11 years. Operations should pick up this week and may run in the neighborhood of 52% capacity. Nevertheless, not much good news can be expected in this industry much before September. Whether the individual companies will show sufficient earnings to cover their current dividends remains to be seen. Jones & Laughlin has recently announced that profits did cover the dividend for the first half.

At present any projected pick-up in the steel rate for the fall seems largely predicated on buying for the new 1961 automobiles, and the feeling that steel inventories are presently being reduced by manufacturers. Sales of the 1960 cars have not been up to expectations and automobiles in dealers hands are close to an all-time record. How successful the 1961 models will be might seem to hinge on how quickly a clean up in the current models is made.

Higher Defense Outlays Likely

The other business indicators remain generally uninspiring, although the industrial production index and personal income figures are remaining at high levels. However, there is no question that the business and world situation has made a lot of people jittery. It is unlikely that a major war is in the offing but there is always that one mistake that might cause some kind of a "brush war." Tension will undoubtedly be of some help to the economy as any thoughts of a cutback in military spending have now been dashed and most certainly there will be some increase in the money spent in the military field.

At present the defense budget is around $40-$41 billion. The armaments group in general has been in the dog house for over a year but there are several companies that do seem to warrant further attention. One might look at North American, Martin Company, Aerojet, Northrup and Lockheed.

"Discounting the Hereafter"

The electronics group will undoubtedly continue to benefit from further increased spending with the continued emphasis on basic space and electrical research. Most of the popular electronic stocks seem to have moved into a position where they are discounting the hereafter as well as the future. However, it is still the glamorous field and as such will probably continue to attract investors. There are undoubtedly Texas Instruments of tomorrow that are selling at $15 or $20 a share and it is just a question of digging them out.

There are apparently well over 4,000 electronic firms in the country today so that the investor who is interested certainly has his work cut out for him.

Distant Opportunities?

For many investors there is an unwillingness to invest in companies outside of our own shores. However, the recovery abroad has been such that certainly everybody who is investing should give some consideration to the better European securities. Since 1953 industrial production in Europe has increased by 70% in the Common Market area as against only 20% in the United States. For those who are unfamiliar with the Common Market, it is a trading block made up of Belgium, the Netherlands, West Germany, Italy, Luxembourg and France. The eventual aim of these countries is to reduce tariffs and customs regulations between themselves so that ultimately there will be a free flow of goods and people across their common borders.

So far the results in these countries have exceeded their wildest expectations. Trade within the group rose 32% last year even though tariffs in the common market so far have only been reduced 10%. Business men seem to be anticipating the full Common Market before it even really exists. The recent success has been so heartening that the countries involved have recently announced another 50% tariff cut by the end of next year. This will give a tremendous incentive to investments by firms and to over-all economic expansion.

The possibilities are enormous. The Common Market encompasses approximately 170 million people. Within this group there are fewer than 100 automobiles per thousand inhabitants compared to more than 300 in the United States. There are 250-300 radios per thousand people compared to 890 here. There are 300 television sets per thousand people in this country as compared to 22 in France and 40 in Germany. There are nearly 400 telephones per thousand here as compared to only 45 in France and 88 in Luxembourg. The same figures can apply for other items such as refrigerators, washing machines, etc.

It seems undeniable at the present time that the rate of growth in Europe will continue to exceed that of the United States for certainly the next decade. In fact the prosperity that has taken place there may eventually cause "Common Europe" to form its own "Marshall Plan," for other underdeveloped countries. This undoubtedly will further the already existing boom.

Attractive Foreign Equities

Of all of the European corporations, certainly one of the most attractive is Philips Lamp. The 50 Guilder shares are presently quoted in the Over-the-Counter Market at $158. This is the third largest electronic company in the world and has shown a truly remarkable rate of growth. Earnings last year amounted to $6.20 per share against $4.60 in 1958, and estimates this year which were originally placed at $8.00 a share are being reevaluated by many at an even higher rate. Some are projecting $8.50 to $9.00. Although the cash dividend is not high, the company in the last two years has been paying an annual 5% stock dividend and there is no reason to believe that the recent policy will not be continued.

Another attractive electronic company is Siemens & Halske. Although this company has 30% of its assets in West Berlin, if one concludes that any Russian move into Berlin would start World War III, the chances are that these assets are safe at least for the foreseeable future. This company's growth record has been based on the West German tax laws which make it possible for a company to report for tax purposes only such per share earnings as are necessary to cover the dividend, if the remaining earnings are plowed back into the company. Hence, the reported earnings of the corporation are just a fraction of what they actually are. The stock sells at about 84 and experienced analysts who have tried to break down the West German accounting system came up with earnings of between $5 and $7 per share.

The list of some other good European companies goes on with Unilever, the German Farben Bayer, and France's Machines Bull, and Michelin. These are just some of the leaders and certainly wise investors should take a look and give them some consideration for their own portfolio.

[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.]

Secs. Industry In New York

New York State's financial industry employs 300,000 people with an annual payroll of $1.8 billion a year, according to a study published by the New York Stock Exchange.

Annual revenue to the City and State from the securities business alone in 1959 amounted to $160 million in direct taxes.

In releasing the report, Keith Funston, Exchange President, said that while the financial industry is making sizable economic contributions to the City and State, it is being jeopardized by restrictive tax policies which are encouraging the growth of the industry outside the State—at the expense of New York's securities business.

The report—"The Securities Industry in New York. Growth or Decline?" — traces the inroads made in New York's securities business by out-of-state exchanges and singles out the State stock transfer tax as a major contributing factor.

In 1959, the booklet reports, out-of-state regional exchanges did 61% of their total business in issues available for trading on both the New York and regional exchanges. This compares with 50% in 1944. Also, volume in these issues on regional exchanges increased 286% against an increase of 225% on the New York Stock Exchange from 1944 to 1959.

The booklet states that the New York stock transfer tax "weakens the industry by penalizing its customers. People, no matter where they live, must now pay a premium for selling their securities in New York. This levy is added to another stock transfer tax at the Federal level. Of all the States where stock exchanges are located, New York is the only one loading the investor with a special State transfer tax on top of the Federal tax."

The continuation of the tax, according to the booklet, also threatens billions of dollars worth of commerce directly dependent on the financial industry.

Typical of the vast complex of business and commerce revolving around the New York securities markets are the following:

3,000 financial agencies employing 126,000.

40,000 real estate firms with 120,000 employees.

11,000 accounting, bookkeeping and legal firms with a payroll of 42,000.

Almost 6,000 printing firms with 168,000 employees.

In addition, the booklet points out, Wall Street is the world's biggest telephone customer—making and taking a staggering five million calls a day—with a weekly telephone bill often more than $1 million. And the securities and financial industries spend an estimated $150 million a year for local and national advertising—much of it placed with media within the State.

The booklet suggests that the State stock transfer tax and other fiscal policies such as the New York City tax on gross income of financial bsuinesses, seriously threaten New York's economic health and should be reviewed and revised.

"Only in this way—through aggressive action — can farsighted officials check the economic drift away from New York and encourage new businesses to settle here."

"The Securities Industry in New York. Growth or Decline?" is now being distributed to State and City officials and opinion leaders. Individual copies may be obtained by writing to the Stock Exchange, Dept. "G," 11 Wall Street, New York 5, N. Y.

Geneser & Co. Formed in Houston

HOUSTON, Tex.—Geneser & Co., Inc. has been formed with offices in the South Coast Life Building to engage in a securities business. Officers are Jack S. Geneser, President; Thomas M. French, Jr., and B. B. Geneser. Mr. Geneser was formerly an officer of Liberty Income Fund and of Texas Fund.

PUBLIC UTILITY SECURITIES

BY K. HOLLISTER*

Consolidated Natural Gas

Operating subsidiaries of Consolidated Natural Gas form one of the largest natural gas distributing systems in the United States. Retail service is provided in over 800 communities in central and northern Ohio, western Pennsylvania, West Virginia, and major portions of western New York State are served at wholesale. The territory consists of many rapidly growing urban areas including Cleveland, Akron, Youngstown in Ohio, a part of Pittsburgh and Altoona and Johnstown in Pennsylvania, and Clarksburg and Parkersburg, West Virginia. Population growth in most of the urban territory has been above average and industrial expansion being undertaken supports the view that this trend will continue. At the end of 1959 the system served 1,175,000 residential and commercial customers. Over the past five years the company has added an average of 32,000 customers annually, and last year, including a small property acquisition, the figure was just below the average.

Of the total number of residential and commercial customers now connected to the company's lines about 88% use gas for heating purposes compared with about 80% five years ago. Practically all new home construction in the service area has gas heating installed and conversions from other fuels is continuing at a better rate than expected. By 1965 saturation estimate is to reach 92%. Nonetheless, over the coming several years, Consolidated, as well as most other gas distributors, will depend increasingly on the level of new home construction for additional customers. Recognizing this fact the company has embarked on a sizable sales promotion program designed to stimulate consumer purchases of a widening list of gas appliances. The entire industry has been aided by the manufacture of a full line of appliances by Whirlpool Corporation to be distributed on a national scale and the intention of the Norge Division of Borg-Warner Corp. to do the same. Results of the company's program thus far are encouraging as both incremental uses for gas have been stimulated and new markets, such as water heating and drying in laundromats are being developed. Wholesale deliveries also are increasing and expansion programs of the New York utilities purchasing from the system indicate there will be sizable further growth in this market over the coming several years.

The Consolidated system operates in one of the major industrial centers of the nation and sells to over 1,100 customers in this category. At the end of 1959 the iron and steel industry accounted for about 42% of total sales, glass and ceramics 24% and others 34%. Despite the 116 day steel strike last year total industrial sales increased 18% over the previous year, while total sales rose 9%. Thus far this year sales have about equalled the first half of 1959 as continued increases in residential and commercial deliveries have about offset a decline in industrial purchases (reflecting the precipitous drop in the steel operating rate in the second quarter of this year). Depending on the level of steel activity for the remainder of this year, total sales could rise an amount equal to last year, but an increase of 5% to 6% now seems more likely.

About three-quarters of the company's gas supply is purchased from southwestern pipelines and the remainder bought or produced from owned wells in the Appalachian area. Last year approximately 12% of gas requirements was produced from owned wells. In conjunction with Mississippi River Fuel and others, the company produces and purchases gas in Louisiana for transmission by Texas Gas Corporation and ultimate use in the Consolidated system. At present these quantities are small but the group is continuing to acquire leases and develop reserves in the southwest. The Consolidated system also operates one of the largest networks of underground storage fields in the east and has adequate supplies to meet foreseeable needs for several years to come. On the basis of current sales, reserves are sufficient for 25 years.

Construction expenditures, excluding funds for exploration and development in Louisiana, were $65 million last year and are estimated at $58 million for 1960. Over the coming several years the level of construction is uncertain but under circumstances similar to the recent past probably will average $60 million annually. In addition the company through its subsidiary, Hope Natural Gas, has participated in successful exploratory drilling in Louisiana and recently agreed to participate in an offshore venture. The cost to Consolidated this year is approximately $6.7 million. While future projects may be undertaken, the size and cost cannot be estimated at this time.

The capital structure of the Consolidated Natural System is exceptionally conservative by utility industry standards. At the end of 1959 debt accounted for 40% of total capitalization and equity (common stock and surplus) 60%. While this represents a decline in the equity ratio from 80% ten years ago, it still is unusual an industry where 35% is considered "standard." (Consolidated should not be compared with the thin equity (15-20%) transmission companies because of different operating and cost characteristics.) Construction expenditures probably can be financed without the need for additional sale of common stock before 1963, and without materially altering the present capital ratios.

Subsidiaries of Consolidated are subject to varying local regulation as well as Federal control in some cases. During 1959 rates in Ohio, especially the City of Cleveland, were the major problem. Under Ohio law negotiations are undertaken with municipalities and the state Public Utility Commission usually receives cases only if the parties are unable to agree. East Ohio Gas, the largest of the system's subsidiaries attempted for many months to obtain a satisfactory new rate ordinance from Cleveland. A formula proposed by the City was considered inadequate, but finally accepted because of the extended period of time required for an appeal, during which the company would be paying substantially higher prices for gas. At present the pipelines are collecting $34.4 million annually (from Consolidated) in higher rates which are awaiting adjudication by the Federal Power Commission. One of these cases dates back to 1955, but $11 million annually is based on 1960 applications of the pipelines. Faced with this problem, East Ohio agreed to a four year settlement with a provision that the rate question could be reopened after two years.

In view of the continuing rises in gas costs it appears certain that higher rates will be sought shortly before the end of 1961. In other states the subsidiaries have generally been able to offset higher costs and maintain their earned return. West Virginia recently authorized an automatic price adjustment clause which is especially beneficial in this respect. The transmission subsidiary of the system, New York State Natural Gas, is collecting $6.8 million annually, subject to a final ruling by the Federal Power Commission.

Earnings for 1959 were $3.01 compared with $2.93 the previous year on a smaller number of shares and excluding 8¢ and 21¢ respectively of non-recurring capital gains from property sales. Because of the rising gas costs and the inability to offset them fully in Ohio, earnings for 1960 are expected to be almost the same as last year, although there may again be some additional income from property sales. Over the longer term as the rate situation is settled, sales growth potential of the Consolidated system should provide a sound base for regular, though moderate, increments to per share earnings. The management has been mindful of the dividend payout, raising the annual rate when it became possible to do so. This issue at the present price of 46 is selling at 15 times a conservative estimate of 1960 earnings of $3.10 and yields 4.7% on the present $2.20 annual dividend. At this level the stock is attractive for accounts desiring a high quality issue providing above average yield and reasonable prospects for long term earnings improvement.

*Substituting for Owen Ely.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

There Are Reasons Why Some Men Are Successful Salesmen.

I have just returned to my desk from a trip. While on vacation, I visited several offices where good friends of mine were busily engaged in tending to their business and I had an oportunity to observe some of the top men in the securities selling profession in action. Let me tell you some of the things that impressed me the most about these top flight producers.

One man I have known only a short while is the leading salesman in a busy New York sales department; he also stands way up at the top in a national sales organization of over 150 salesmen. His production has been high up in the top brackets for many years. He has his own private secretary and his hours of work are much longer than many men who are considerably younger than is he. He handles large and small accounts and all types of securities. He's a very busy man and must like his work because, quite frankly, I am sure he does not have to put the hours and effort into his business that often keeps him at his desk after others have gone home.

We had lunch and after an interesting chat about almost everything but business he turned to me and said, "I hope you'll excuse me but I have a little package here that I want to give to a friend of mine who has done me several favors." I noticed that he had a gift box in his hand. Then he told me that many times a certain officer in a bank had done favors for him and, when he was in his favorite haberdashery shop the other day, he had picked up a remembrance for his friend. The latter he added just recently had done him another favor that was over and beyond the call of duty. My friend was not too busy or too important to say "Thank You" in a most gracious way.

Do It Yourself

Another salesman that is also right up in the top production with his firm was busy at his desk and we chatted a while as he worked. I noticed a large record book that he was using and also a card system. I asked him if he kept his own records and he said that he always did so. He explained that, when he posted the sales and purchases of his accounts in his file, that he would often remember certain trades that should be made. He refreshed his memory of each account and it helped him to more intelligent work with his customers.

When a salesman has a large number of accounts it is very easy to overlook securities that should be sold, averaged, or discussed. Here again was a very successful and busy man who took the time to post his own records even if he could have had it done by a secretary. Some salesmen have more time on their hands than they know what to do with but both of these men were not too busy or too important to do the things NOW that should be done, whether it is writing a bread and butter letter, or saying "Thank You" with a little gift, or keeping records.

And A Busy Research Man Finds Time for Everything

Another interview was with the head of research of an important member firm. The half hour we spent together was filled with information that was given to me clearly, succinctly, and without equivocation. Three telephone calls were answered during that half hour and yet I obtained information pertaining to fourteen special situations that was most valuable to me. As we got up from his desk and walked to another office, I asked this man if he had any time for his family or some hobbies. "Sure do," he replied, "I teach in a University several nights a week where I have some adult education classes in securities, and I also do a little target shooting." It turned out that he heads up a championship target pistol club — which isn't such a bad pastime for a Wall Street analyst. When we said goodbye and he hurried off to another appointment I had the feeling that here was another man that enjoyed his work and that he had time for everything that goes into a busy day and some outside activities as well.

The men who succeed in business — the professions — or salesmanship all have one thing in common. They like what they are doing to the exclusion of all other activities. To them their job is IMPORTANT and everything that they put into that job has to be done as well as they can do it. The man who competes with himself never thinks of competing with others because he is too busy improving his own score, and his own life, to be concerned about the next fellow. Their motto— "Do It Well!"

American Can Co. Securities Off'd

Secondary offerings of 264,000 shares of common stock and 12,000 shares of 7% cumulative preferred stock of American Can Co. were made on July 12 by Merrill Lynch, Pierce, Fenner & Smith Inc.; Clark, Dodge & Co.; Glore, Forgan & Co. and Dean Witter & Co. The common stock is priced at $39⅝ per share, and the preferred stock at $37 per share.

None of the proceeds from the sale of the common and preferred shares being offered will accrue to the company as the stock is being sold for the account of the estate of Paul Moore. After giving effect to the sale of the common and preferred shares, the estate of Paul Moore will own no shares of either class.

The company incorporated under the laws of New Jersey in March, 1901 is, and for many years has been, the leading manufacturer of metal cans and also a principal manufacturer of paperboard milk containers and composite containers. In addition, the company is an important producer of can closing machinery for sale or lease to other companies. It has broadened its activities in recent years through the acquisition of Dixie Cup Co., manufacturer of paper drinking cups and food cups, and of Marathon Corp., maker of paper wrappers, paperboard packaging and household paper goods. Other smaller companies acquired are engaged in the manufacture of collapsible metal tubes, plastic squeeze tubes and bottles, and other products. The company is planning to extend its operations to the manufacture and sale of glass containers.

For the year 1959, the company and its consolidated subsidiaries had consolidated net sales of $1,107,361,000 and consolidated net income of $40,891,000, equal to $2.42 per common share. At April 30, 1960, outstanding capitalization of the company consisted of $215,000,000 of long-term debt; 1,649,332 shares of 7% cumulative preferred stock and 15,729,286 shares of common stock.

Miss. River Fuel Debens. Are Offered

Eastman Dillon, Union Securities & Co. and associates offered for public sale on July 7 a new issue of $24,000,000 Mississippi River Fuel Corp.'s 20-year 5⅜% sinking fund debentures, priced at 99.70% and accrued interest to yield approximately 5.40% to maturity.

The proceeds from the sale will be applied to the payment of $24,000,000 outstanding bank loans. The company, incorporated in 1928, has two operating divisions, namely the Pipe Line Division and the Gas and Oil Division, and a wholly-owned subsidiary, Milwhite Mud Sales Co., which manufactures and markets oil and gas drilling additives.

The sinking fund for the debentures, commencing July 1, 1965 is calculated to retire more than 66% of the issue prior to maturity. The sinking fund redemption price is 100%. Optional redemption prices range from 105.08% to the principal amount. The issue is non-refundable for five years.

The company owns and operates a natural gas line system connected with United Gas Pipe Line Co. which distributes gas in the greater St. Louis area. The Natural Gas and Oil Co. engages in exploration, development, production and sale of crude oil, natural gas, and condensate in Louisiana, Texas, Kansas and other states.

The company's consolidated capitalization as adjusted to give effect to the sale of the debentures and payment of bank loans show long term debt of $60,597,000 and 3,596,565 shares of common stock of $10 par outstanding.

For the three months ended March 31, 1960 the company reported revenues of $21,679,000 and income before interest expense of $19,010,000 compared with $21,633,000 and $19,322,000 for the corresponding period last year.

Atlas Bowling Stock Offered

Keller & Co., of Boston, Mass., on June 27 publicly offered 100,000 shares of Atlas Bowling Centers, Inc. common stock class A (par 10 cents) at $4 per share.

The company was incorporated under Delaware law on March 28, 1960. The company has its executive offices in Boston, Mass., and proposes to engage in the business of operating centers for tenpin bowling.

The net proceeds to the company from the sale of the shares are estimated at approximately $332,250. Such net proceeds, added to the $64,684 paid or to be paid in by others will become the working capital of the company, and the company intends to apply them to the acquisition (by lease or otherwise), equipping, and operation of tenpin bowling centers.

Put & Call Brokers

Samuel Gomberg & Co., 42 Broadway, New York City, has been formed to continue the investment business of Samuel Gomberg, dealer in put and call option contracts. Partners are Samuel Gomberg and Bernard J. Gomberg. Samuel Gomberg has been a member of the Put and Call Brokers Association since 1926.

New Carlson Branch

BESSEMER, Ala.—Carlson & Company has opened a branch office in the Realty Building, under the management of Gus Lafakis.

AS WE SEE IT Continued from page 1

the same general line there would have been nothing worthy of special attention in what he had to say.

Looks Ahead Realistically

But that he did not do. Instead, he added that "if one takes a realistic long-term view, one realizes that high protective tariffs have no permanent place in free world markets," and therefore "our plans must be based less and less on protection and more and more on the self-reliance of higher productivity." In the development of his thesis the speaker points out the remarkable development of industry postwar in Western Europe resting upon the very latest technological advances and embodying the latest in automation and the like. We ourselves have advocated and in fact often financed and, broadly speaking, advised in the application of these principles. He notes too that the competitive strength of Japan is on the rise and that similar competition from a number of other countries is in the cards.

He describes Western Europe as having a rise in productivity which exceeds the rise in wages; its industries are operating where inflation "has ceased to be a problem;" home markets are rapidly broadening; overseas trade is expanding; capital is becoming more easily available; excellent technological progress is being made; currencies are stable; and many industrial plants are ultramodern—having been built within the past fifteen years. He speaks with authority and vividness since he has recently visited Europe and seen much of all this with his own eyes—and doubtless has felt the results of it upon occasion in his own business. Neither does he overlook the possibility that before a great lapse of time we shall have active competition from Russia and China.

Now, all of this sounds like a preparation for a demand for more protection for home industry. It could very well have been spoken by any one of a large number of protectionists in American industry who would have at once interpreted it all as evidence of the necessity for a strong policy of protectionism. But Mr. Humphreys does not fail to perceive that such a policy in such circumstances fails by a wide margin to provide the answers that American industrialists are seeking. These advances in foreign industry are here to stay. They have been accompanied by an intellectual awakening which seems to make it certain that something really new is taking place in the world. Unless we are prepared to limit ourselves largely to our own domestic market—and of course in consequence greatly limit our future development—if not to condemn ourselves to ultimate stagnation, then some other mode of meeting this situation has to be found and applied.

To His Eternal Credit

It is to Mr. Humphreys' eternal credit that he perceives that the creation of mass production industries abroad must also create mass consumption markets. The process is, he says, as a matter of fact already under way. These developments he describes at length, therefore, are to be regarded as an opportunity at least in the long run as well as (or perhaps rather than) a menace. "These great new mass markets now opening up at a rapid rate can be our markets as well as the markets of our competitors abroad. This is actually the dawn of a new era in which the desire for a higher standard of living has been implanted in the minds of added millions of people in many parts of the world. And they have been given the economic opportunity to achieve that higher standard of living. . . . The only question for us is how we can take advantage of this great new opportunity." The practical man that he is, the speaker has some suggestions, and they are worthy of the most careful study by us all, "One course is, he says, to produce quality goods in the United States for export at competitive costs. The other is to invest and produce abroad, to become a part of the economy of other countries." He thinks that we should do both, as well as adapt our business operations more skillfully to the requirements of foreign markets.

As Mr. Humphreys is doubtless well aware, the first of the suggestions will take a good bit of doing. "Competitive costs" is a goal which we must reach, we suspect, if we are not little by little to be pushed out of a great many markets we enjoy today. To reach any such goal, the speaker is certain that we must "strongly resist inflation at home—both wage inflation and government spending inflation." He takes note of the fact that the government is making "an earnest effort" to hold inflation in check, but we are sure that he is too much of a realist not to realize how little real pressure is being exerted in Washington upon government to curb outlays and to do all the other things which are necessary to "hold inflation in check." He is too experienced a practical businessman not to realize what is involved in trying to hold the demands of monopolistic unions in check. But to an executive of this calibre difficulties are but a challenge. He sees what we as a nation must do—and does not hesitate to speak up.

Blyth Opens New Corp. Trading Rm.

Blyth & Co. Inc. has just opened a new corporate trading room at its offices at 14 Wall Street, New York City, one that has been expanded yet remains compact. Its novel five-sided shape brings the 14 traders into closer contact with one another and increases speed, control and accuracy of the overall operation, by at least 20%, according to Paul Devlin, Senior Vice-President.

New and improved equipment installed in the corporate trading room includes:

18 high-speed conveyor belts that now connect each trader with the bank of teletype machines. An important innovation is that these belts turn corners so that traders can sit on four sides of a "pentagon," permitting closer contact and control. The fifth side is the quotation board.

The number of firm market quotations maintained on the board has been expanded by approximately 50 issues.

A new hook-up of teletype machines links the firm's 15 major offices with synchronous firm markets on the securities traded. Use of this facility allows traders in the firm's coast-to-coast offices to quote uniform instantaneous firm markets under control of New York.

The teletype machines have been speeded up from 75 words to 100 words per minute.

Traders have direct telephones to 110 other dealers and institutions.

Latest design in push-botton trading desk equipment permits traders faster and more efficient telephonic communication with these dealers and institutions.

Air-conditioning and soundproofing promotes comfort and cuts down on distractions during trading.

The trading room has four sets of teletype machines. One of these enables instantaneous transmission of markets to all 15 major offices and eliminates three relays previously necessary. Another connects Chicago, Los Angeles, San Francisco, Seattle, Portland and Spokane. A third machine is tied into Chicago, Cleveland and Pittsburgh, and a fourth connects Boston and Philadelphia to the New York office. The other nine offices are connected to the trading room by telephone and TWX.

The teletype machines and the immediately adjacent conveyor belts are recessed four feet below the trading desks, reminiscent of the Chicago grain pit. Through this arrangement, traders are afforded an unobstructed view of the quote board, retaining at the same time visual contact with the teletype operators. The 18 conveyor belts run uphill from the teletype operators to the traders.

Kaufmann Alsberg To Admit Partner

Kaufmann, Alsberg & Company, 61 Broadway, New York City, members of the New York Stock Exchange, on Aug. 1st, will admit Richard Solomon to partnership.

NEWS ABOUT BANKS AND BANKERS

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

The Chase Manhattan Bank, New York has appointed William H. Beatty Jr. and Edward E. Williamson, Vice-Presidents in the international department, George Champion, President, announced July 12.

Mr. Beatty joined the Bank in 1946. He was appointed Assistant Manager in 1948 and advanced to Assistant Vice-President in 1958.

Mr. Williamson, who joined the Bank in 1945, was appointed Assistant Manager in 1948. He was promoted to Assistant Vice-President in 1956.

The promotion of three men to Assistant Vice-President in the international department also was announced. They are: Martin R. Hansen, Ernest C. Hoechner and Charles F. Sauer.

Edward J. Endias, Daniel E. Kelly, John C. Philpot and Walter J. Rogers were appointed Assistant Treasurers.

* * *

Election of Sidney G. Butler and Charles d'Ursel as Vice-Presidents of **Morgan Guaranty Trust Company of New York** was announced today by Henry C. Alexander, Chairman of the Board.

Mr. Butler is assigned to Morgan Guaranty's international banking division. He was employed in 1952 by J. P. Morgan & Co. Incorporated, which last year merged with Guaranty Trust Company of New York to form Morgan Guaranty. He became an Assistant Treasurer in 1955 and an Assistant Vice-President in 1958.

Mr. d'Ursel will join Morgan Guaranty's office in Brussels on July 18.

Also announced was the election as Assistant Vice-Presidents of A. Bruce Brackenridge, Abram Claude, Jr., John M. Eldridge, Louis V. Farrar, Clinton J. Gregory, and David L. Hopkins, Jr., all assigned to the general banking division; Carl W. Klemme, trusts and investments division; Charles M. Eckert, securities trading; and Edwin R. Deuchar, custody.

Mortimer J. Gleeson, David F. Jardine, William L. O'Dea, and Robert D. Tacchino were elected Assistant Treasurers. Robert L. Van Roten was elected an Assistant Secretary, and Richard A. M. C. Johnson an Investment Research Officer.

* * *

Assistant Vice-Presidents, Joseph C. Swayze and George F. Valentine have been elected Vice-Presidents of the **Bankers Trust Company, New York.**

Mr. Swayze joined the Bank in 1935 and was elected an Assistant Vice-President in 1951.

Mr. Valentine joined the Bank in 1929 and was elected an Assistant Vice-President in 1951.

Robert D. Jay, John C. Ketcham, Loren D. Keys, Jr. and John B. Young were elected Assistant Vice-Presidents.

* * *

COMMERCIAL BANK OF NORTH AMERICA, NEW YORK

	June 30,'60	Mar. 31,'60
Total resources	$181,048,886	$172,065,547
Deposits	159,050,043	145,312,354
Cash & due from banks	29,017,665	19,404,286
U. S. Govt. security holdings	43,470,556	41,979,670
Loans and discts.	92,522,246	95,862,010
Undivided prof.	3,548,323	3,460,915

* * *

THE STERLING NATIONAL BANK AND TRUST COMPANY, NEW YORK

	June 30,'60	Mar. 31,'60
Total resources	$150,205,171	$150,099,351
Deposits	132,714,380	132,584,415
Cash & due from banks	30,671,084	29,959,965
U. S. Govt. security holdings	23,738,283	26,458,829
Loans and discts.	92,658,207	89,754,547
Undivided prof.	1,968,265	1,935,638

UNDERWRITERS TRUST COMPANY, NEW YORK

	June 30,'60	Mar. 31,'60
Total resources	$57,062,654	$47,957,284
Deposits	51,763,613	43,592,922
Cash and due from banks	9,045,851	10,149,706
U. S. Govt. security holdings	21,394,221	20,688,911
Loans & discounts	22,586,781	13,154,091
Undivided profits	1,837,241	1,787,829

* * *

THE CORPORATION TRUST COMPANY, NEW YORK

	June 30,'60	Dec. 31,'59
Total resources	$5,578,965	$4,328,481
Deposits	1,846,699	525,666
Cash and due from banks	3,024,812	1,871,452
U. S. Govt. security holdings	600,204	600,151
Undivided profits	720,111	539,768

* * *

THE MEADOW BROOK NATIONAL BANK OF FREEPORT, NEW YORK

	June 30,'60	Dec. 31,'59
Total resources	$461,805,469	$449,684,050
Deposits	420,479,138	411,469,876
Cash & due from banks	54,602,567	51,713,809
U. S. Govt. security holdings	101,120,059	94,268,368
Loans and discts.	273,406,962	269,843,766
Undivided prof.	3,491,146	2,777,784

* * *

SECURITY NATIONAL BANK, LONG ISLAND, NEW YORK

	June 30, '60	Dec. 31, '59
Total resources	$198,557,311	$191,234,140
Deposits	181,176,144	173,978,750
Cash & due from banks	24,737,266	23,247,450
U. S. Govt. security holdings	43,449,735	47,029,750
Loans and discts.	70,451,565	96,530,040
Undivided profits	742,664	716,333

* * *

LINCOLN ROCHESTER TRUST COMPANY, ROCHESTER, N. Y.

	June 15,'60	Dec. 31,'59
Total resources	392,703,647	$399,643,243
Deposits	354,112,143	364,201,006
Cash & due from banks	71,578,916	53,198,200
U. S. Govt. security holdings	95,750,914	94,936,283
Loans and discts.	201,607,726	168,359,275
Undivided prof.	5,114,926	4,559,171

* * *

By the sale of new stock, **The Scarsdale National Bank and Trust Company, Scarsdale, N. Y.,** has increased its common capital stock from $750,000 to $1,000,000, effective June 29. (Number of shares outstanding — 100,000 shares, par value $10).

* * *

Elected Directors of the **Marine Trust Co. of Western New York, Buffalo, New York,** were Herbert D. Clay, Robert E. Rich and J. Frederick Schoellkopf, IV.

* * *

As of June 24, the date the Office of Comptroller of the Currency issued a merger certificate approving and making it effective, **The Thomaston National Bank, Thomaston, Maine,** with common stock of $100,000, and **The First National Bank of Bath, Bath, Maine,** with a common stock of $200,000, have merged into the **First National Bank of Portland, Portland, Maine,** with common stock of $2,475,000, and capital stock of $2,935,000, divided into 146,750 shares of common stock of the par value of $20 each.

* * *

The common capital stock of the **Arlington National Bank, Arlington, Mass.,** has been increased from $150,000 to $200,000 by a stock dividend and from $200,000 to $300,000 by the sale of new stock, effective June 28. (Number of shares outstanding — 3,000 shares, par value $100).

* * *

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

	June 30,'60	Mar. 15,'60
Total resources	$326,343,983	$325,419,784
Deposits	277,574,316	279,038,984
Cash & due from banks	40,531,541	51,151,086
U. S. Govt. security holdings	75,484,957	73,717,796
Loans and discts.	189,717,806	178,649,124
Undivided prof.	3,964,423	3,827,792

THE FAIRFIELD COUNTY TRUST COMPANY, STAMFORD, CONN.

	June 30,'60	Mar. 31,'60
Total resources	$186,010,048	$177,830,318
Deposits	167,176,136	159,634,475
Cash & due from banks	19,220,572	15,223,507
U. S. Govt. security holdings	37,948,147	36,841,201
Loans and discts.	108,969,997	105,597,356
Undivided prof.	1,633,983	1,247,270

* * *

It was announced July 8 that Wilbur Purrington, Executive Vice-President of the **Riverside Trust Company, Hartford, Conn.,** since 1947, has been elected President of the bank.

* * *

The Monmouth County National Bank, Red Bank, N. J., with common stock of $1,000,000 and the **Atlantic Highlands National Bank, Atlantic Highlands, N. J.,** with common stock of $200,000 have consolidated, as of June 24. The consolidation was effected under the charter and title of **The Monmouth County National Bank, Red Bank,** with capital stock of $1,268,000, divided into 1,268,000 shares of common stock of the par value of $1 each.

* * *

NEW JERSEY BANK AND TRUST COMPANY, PATERSON, N. J.

	June 30,'60	Dec. 31,'59
Total resources	$279,380,265	$287,129,732
Deposits	249,124,546	262,129,370
Cash & due from banks	41,989,738	47,591,858
U. S. Govt. security holdings	49,272,369	54,650,876
Loans and discts.	68,686,479	64,852,368
Undivided prof.	4,358,399	4,054,952

* * *

Appointment of two men to the Advisory Board of the North Side offices of the **Pittsburgh National Bank, Pittsburgh, Pa.,** has been announced by Frederick A. Uphoff, Vice-President in charge.

They are Hiram P. Ball, and Donald F. Klanke.

* * *

On June 24, the Office of Comptroller of the Currency issued a Charter approving and making effective, as of the close of business June 24, the merger of **Shiremanstown State Bank, Shiremanstown, Pa.,** with common stock of $50,000, into **The Harrisburg National Bank, Harrisburg, Pa.,** with a common stock of $1,025,390,625. The banks have merged under the name of the **Harrisburg National Bank.** The new bank has capital stock of $1,050,390,625, divided into 42,015,625 shares of common stock of the par value of $25.

* * *

The consolidation of the **First National Bank of Lawrence County at New Castle, New Castle, Pa.,** with common stock of $1,000,000 and **Union Trust Company of New Castle, New Castle, Pa.,** with common stock of $1,080,000, was effected under the charter and title of **First National Bank of Lawrence County at New Castle,** with capital stock of $1,350,000, divided into 135,000 shares of common stock of the par value of $10 each.

* * *

The consolidation of the **Fidelity-Baltimore National Bank, Baltimore, Md.,** and the **Maryland Trust Company Baltimore, Md.,** under the title of the **Baltimore National Bank** has been approved. The proposed merger was given in the June 30 issue of the *Chronicle*, Page 2820.

* * *

The Office of Comptroller of the Currency, on June 30, issued a charter to the **Security National Bank, Baileys Cross Roads, Baileys Cross Roads, P. O. Falls Church, Fairfax County, Virginia.**

The President of the bank is Otto N. Ballance, and the Cashier is William D. O'Neil, Jr. The bank is starting with a capital of $600,000 and a surplus of $300,000.

* * *

A merger certificate was issued June 30 approving and making effective, as of the close of business June 30, the merger of **Woodburn State Bank, Woodburn, Indiana,** with common stock of $100,000, into **Fort Wayne National Bank, Fort Wayne, Indiana,** with common stock of $2,400,000. The merger was effected under the charter and the title of **Fort Wayne National Bank,** with capital stock of $2,600,000, divided into 260,000 shares of common stock of the par value of $10 each.

* * *

The Office of the Comptroller issued June 30 a merger certificate enabling **The State Bank of West Terre Haute, West Terre Haute, Indiana,** with common stock of $100,000, into the **Terre Haute First National Bank, Terre Haute, Indiana,** with common stock of $1,000,000. The consolidated bank has a capital stock of $1,080,000, divided into 54,000 shares of common stock of the par value of $20 each.

* * *

CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, ILLINOIS

	June 30, 1960	Dec. 31, 1959
	$	$
Total resources	2,595,160,041	2,722,698,442
Deposits	2,264,904,839	2,387,106,515
Cash and due from banks	530,431,838	602,550,198
U. S. Govt. security hold'gs	416,540,112	559,037,770
Loans & discts.	1,400,292,551	1,289,840,819
Undivided prof.	24,380,393	22,181,608

* * *

By a stock dividend, the **National Bank of Austin, Chicago, Illinois,** has increased its common capital stock from $600,000 to $750,000, effective July 1. (Number of shares outstanding—15,000 shares, par value $50.)

* * *

The Union National Bank and Trust Company of Elgin, Elgin, Illinois, has increased its common capital stock from $300,000 to $350,000 by a stock dividend and from $350,000 to $400,000 by the sale of new stock, effective June 29. (Number of shares outstanding—20,000 shares, par value $20.)

* * *

The First National Bank in Harvey, Harvey, Illinois, has increased its common capital stock from $200,000 to $300,000 by a stock dividend, effective June 30. (Number of shares outstanding—12,000 shares, par value $25.)

* * *

By a stock dividend, **The American National Bank of Valley City, Valley City, North Dakota** has increased its common capital stock from $100,000 to $200,000, effective June 29. (Number of shares outstanding — 2,000 shares, par value $100.)

* * *

The merger certificate has been issued approving and making effective, as of the close of business June 30, the merger of **The Brookville State Bank, Brookville, Kansas,** with common stock of $50,000, into the **Farmers National Bank of Salina, Salina, Kansas,** with common stock of $200,000. The new bank has a capital stock of $225,000, divided into 4,500 shares of common stock of the par value of $50 each.

* * *

The consolidation of the **Security National Bank of Greensboro, Greensboro, North Carolina** with a common stock of $3,875,000 and the **American Commercial Bank, Charlotte, North Carolina** with a common stock of $4,200,000 into the **North Carolina National Bank** with a capital stock of $9,344,500 divided into 1,868,900 shares of common stock of the par value of $5 each has been approved. The proposed merger was given in the June 16 issue of the *Chronicle*, page 2631.

* * *

The merger of the **First National Bank of Kings Mountain, Kings Mountain, North Carolina,** with common stock of $100,000, into the **First Union National Bank of North Carolina, Charlotte, North Carolina,** with common stock of $2,975,000, was approved and made effective on June 24 by the Office of the Comptroller of the Currency. The merged banks have a capital stock of $3,050,000, divided into 610,000 shares of common stock of the par value of $5 each.

* * *

The First State Bank of Greggton, Texas, has changed its name to **East Texas Bank & Trust Company, Longview, Texas.**

* * *

Elliott McAllister, Chairman of the Board of **The Bank of California, N. A. San Francisco, California** on July 10 announced the appointment of Donald M. Russell as Vice-President at the bank's Portland, Oregon office. He will assume the duties of the late J. Robert Ridehalgh.

Prior to joining The Bank of California, Russel was serving as Vice-President of the **National Bank of Commerce in Seattle, Washington.** He began his banking career there in 1933 and was appointed Assistant Cashier in 1943. Transfer to the Yakima office followed a year later, when he was promoted to Assistant Vice-President in 1950 and Vice-President and Manager in 1955. Since 1958 he had served as Vice-President at the Seattle head office.

* * *

Bank of America, San Francisco, Calif. will open its first branch on the African continent this August in Lagos, capital city of the Federation of Nigeria.

It will be the first branch of

REPORT OF CONDITION OF

Underwriters Trust Company

of 50 Broadway, New York, New York, at the close of business on June 30, 1960, published in accordance with a call made by the Superintendent of Banks pursuant to the provisions of the Banking Law of the State of New York.

ASSETS	
Cash, balances with other banks and trust companies, including reserve balances, and cash items in process of collection	$9,045,850.89
United States Government obligations, direct and guaranteed	21,394,221.20
Obligations of States and political subdivisions	2,424,105.24
Other bonds, notes, and debentures	481,642.39
Loans and discounts (including $931.72 overdrafts)	22,959,330.88
Banking premises owned, none; furniture and fixtures	245,080.75
Real estate owned other than banking premises	282,412.43
Other assets	230,010.04
TOTAL ASSETS	$57,062,653.82
LIABILITIES	
Demand deposits of individuals, partnerships, and corporations	$21,937,295.30
Time deposits of individuals, partnerships, and corporations	9,527,748.28
Deposits of United States Government	878,757.45
Deposits of States and political subdivisions	18,578,176.32
Deposits of banks and trust companies	841,157.23
Other deposits (certified and officers' checks, etc.)	1,125,814.93
TOTAL DEPOSITS	$52,888,949.56
Other liabilities	336,463.54
TOTAL LIABILITIES	$53,225,413.10
CAPITAL ACCOUNTS	
Capital †	$1,000,000.00
Surplus fund	1,000,000.00
Undivided profits	1,837,240.72
TOTAL CAPITAL ACCOUNTS	$3,837,240.72
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	$57,062,653.82

†This bank's capital consists of common stock with total par value of $1,000,000.00.

MEMORANDA	
Assets pledged or assigned to secure liabilities and for other purposes	$15,526,227.49
Loans as shown above are after deduction of reserves of	164,657.35
Securities as shown above are after deduction of reserves of	129,570.00

I, KENNETH W. LANDFARE, Treasurer of the above-named institution, hereby certify that the above statement is true to the best of my knowledge and belief.

KENNETH W. LANDFARE.

Correct—Attest:

CHRISTIAN W. KORELL
SUMNER FORD
JOSEPH B. V. TAMNEY } Directors

a United States commercial bank to operate in West Africa.

The new overseas branch was announced at a press conference at the bank's head office in San Francisco July 5. The Hon. Chief Festus Okotie - Eboh, Nigerian Federal Minister of Finance, presented Bank of America President S. Clark Beise a license to conduct a general banking business in Nigeria.

The branch will be managed by H. P. Thurneysen.

* * *

An increase in the common capital stock of the **City National Bank of Beverly Hill, Beverly Hill, California** from $3,640,000 to $3,822,000 is due to a stock dividend, effective June 30. (Number of shares outstanding — 382,200 shares, par value $10.)

* * *

The Compton National Bank, Compton, California, has changed its name to the **Capital National Bank of Compton,** effective July 1.

* * *

The boards of directors of Lloyds Bank Limited and National and Grindlays Bank Limited announce that discussions are in progress with a view to the merger of the business of the branches of Lloyds Bank Limited in India, Pakistan and Burma with the business of National and Grindlays Bank Limited, in exchange for issue of shares of National and Grindlays Bank Limited to Lloyds Bank Limited.

Class A Stock Of Win-Chek Is Offered

Michael G. Kletz & Co., Inc., is manager of an underwriting group which offered on July 8, 150,000 shares of Win-Chek Industries, Inc. class A stock at a price of $3 per share. The offering marks the first public sale of the company's class A stock.

Net proceeds from the sale of the stock will be used by the company for various corporate purposes, including purchase of additional aluminum siding inventory; to expand and develop its sales territories, to purchase additional van trucks, tractors and trailers. The balance of the proceeds will be used to reduce outstanding accounts payable, payments of indebtedness and to improve the working capital position of the company for its expansion and improvement program.

Win-Chek Industries, Inc., which was incorporated in 1950 under the laws of the State of New Jersey and which changed its name from Jersey Screen & Storm Window Co., Inc. on April 11, 1960, to conform more accurately to the name by which its operations are known to the public, is engaged in manufacturing and distributing aluminum combination storm and screen windows, aluminum combination storm and screen doors, aluminum jalousie windows and doors, and more recently, aluminum clapboard siding. The company's plants and warehouses are located in Moonachie and Hackensack, N. J.; Elk Grove, Ill.; Waltham, Mass.; Rochester, N. Y. and Springfield, Va. Its main offices are in Moonachie, N. J.

For the fiscal year ended Jan. 31, 1960, the company and its affiliates had consolidated sales and income of $8,890,379 and net income of $224,461, equal to 36 cents per share of Class A and Class B stock. Upon completion of the current financing, outstanding capitalization of the company and its subsidiaries will consist of $481,775 of sundry debt; 325,000 shares of class A stock and 450,000 shares of class B stock.

Comm. Credit Co. Notes Offered

An underwriting group managed jointly by The First Boston Corporation and Kidder, Peabody & Co. offered for public sale on July 12 a new issue of $50,000,000 of Commercial Credit Company's 4¾% notes due 1979. The notes are priced at 99% and accrued interest to yield 4.83% to maturity.

The proceeds of the sale will be included in the company's working capital which is used for the purchase of receivables, for advances to or investments in subsidiaries and for reduction of loans.

The new notes may not be redeemed before July 1, 1968. On and after that date the company may, at its option, redeem the notes at 102%, the premiums scaling down to par after June 30, 1976, with provision for reduction or elimination of premiums under certain conditions.

The business of the company and its subsidiaries consists primarily of specialized forms of financing and insurance. In addition, the company has several manufacturing subsidiaries. The finance companies collectively are one of the three largest enterprises in the United States engaged in the business of acquiring instalment obligations, deferred payment obligations, and accounts receivable.

Named Director

Election of Henry Upham Harris, New York investment banker, to the Board of Directors of the Southern Pacific Company has been announced by SP President D. J. Russell.

Mr. Harris has been a general partner with Harris, Upham & Co. since 1929.

Loeb, Rhoades to Admit Mueller

Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York City, members of the New York Stock Exchange, on Aug. 1st, will admit Carl M. Mueller to partnership.

Two With Cliff Rahel

(Special to THE FINANCIAL CHRONICLE)

OMAHA, Neb.—Harold A. Ebner and Judith L. Gray have joined the staff of J. Cliff Rahel & Company, Inc., First National Bank Building.

Financing Municipal Bonds Can Be Greatly Improved

Continued from page 1

comes from campaigns by large organizations which have as a primary objective the obtaining of Federal financial assistance for local public facilities. Contentions that a 'crisis' exists in the need for public facilities of any type in the United States is readily disproved by the fact (in which we take great pride) that the standard of living and the public facilities (including educational facilities) are better in this country than in any other country in the world. The contention that local governments are unable to obtain financing in the general market is readily disproved by the fact that the volume of municipal financing has increased steadily in each of recent years and last year set a record annual volume. The contention that local governments cannot obtain financing at reasonable rates is disproved when the rates paid by local governments for their financing are compared with rates paid by the Federal Government for comparable maturities at the same time.

"In short, the proposals for Federal financial assistance to local governments for the construction of public facilities (such as the proposals for Federal assistance for elementary and secondary school construction and for public facility loans), are unnecessary and undesirable. In addition to the effect that such programs would have in eroding the financial independence of local governments, such programs would aggravate the problems of the Federal Government in managing its debt.

"We well recognize that many local governments have problems in obtaining the revenues needed to finance desired public facilities: but the solution rests in a sound local program rather than in Federal assistance. The duty rests on all citizens and particularly on public officials and investment bankers to assist local governmental units in working out sound financing programs to provide the needed facilities."

Tax Immunity

The tax immunity of municipal bonds is also an essential part of the independence of local governments. This immunity rests on the constitutional doctrine of reciprocal immunity from taxation between the Federal Government and local government. However, aside from the constitutional doctrine, if municipal bonds were not tax-exempt municipalities would have to pay a higher rate of interest for funds and there would probably be a massive Federal program to provide the financing at a rate lower than the money market rate. Then the Federal Government would determine what local governments would receive the assistance and what local facilities would be financed, with the inevitable loss of independence by the local government.

The June, 1960 *Fortune* carries an editorial, "Tax Reform Is Urgent Business." Included among the several tax reforms suggested is—"Income from state and local bonds issued in future should be subject to Federal tax." This is just another manifestation of the several periodic attempts to tax income on municipal bonds. While the possibility of eliminating tax immunity appears remote at this time, politically speaking, still there is evidence that the economics departments of our universities are teaching that such exemption was removed by the passage of the 16th Amendment to the Constitution. Statements made before the Committee on Ways and Means of the U. S. House of Representatives last fall, substantiate this trend. The enactment of the Life Insurance Income Act last year was another straw in the wind.

California, with an expanding population, requiring new and enlarged public facilities, would find its political subdivisions severely curtailed in their ability to borrow or to borrow at reasonable rates if tax immunity was removed. Higher borrowing costs would prevent some from selling securities due to statutory interest rate limitations. This would in turn open up more costly and less desirable methods of obtaining public improvements.

Municipal Industrial Revenue Bond Financing

Periodically, the states and municipalities get the notion that the best interests of their inhabitants require them to lend their credit in aid of private enterprise.

A movement has been under way to authorize municipalities in various states to issue bonds for the purpose of financing construction of industrial plants to be operated by private corporations or individuals under leases made with the municipality. The states of Mississippi, Kentucky, Alabama, Tennessee, New Mexico and Arkansas have already enacted legislation authorizing the issuance of bonds for this purpose, and it is reported that similar legislation is being considered in other states.

No one can question the right of the states to determine for themselves what activities shall be carried on by the states and their local government agencies, including the right to make mistakes.

The lessons of the past seem to be too readily forgotten, and each generation shows a tendency to make the same mistakes which were made by its ancestors.

There have been three periods of serious state and municipal defaults in the history of this country, each caused in a large measure by the subsidizing of private enterprise. In the 1830's large amounts of state and municipal debts were created in aid of banks and canals. This was followed by a period of defaults so serious that many states adopted constitutional amendments prohibiting the state from engaging in works of internal improvement. After the war between the states, there was a regular epidemic of railroad aid bonds, followed by a period of defaults on hundreds of issues and bitterly contested suits in State and Federal courts to enforce the bonds. Again constitutional amendments were adopted in many states this time to prevent the grant of public moneys and the lending of credit to private enterprise. Following World War I many municipalities issued bonds for streets, sidewalks, and water and sewer lines to keep ahead of real estate developments. Many recall the defaults on municipal bonds in the early 30's aggregating something like $2 billion.

The people who promoted the financing which resulted in these serious defaults were just as honest in their efforts and just as confident of the tremendous benefits which would result as are the proponents today of municipal financing of industrial plants. It is this history of defaults which causes municipal bond men, rating agencies, analysts and most public officials to look upon this proposed type of financing with disfavor.

Questions Public Purpose

Another area of serious concern is whether or not such activities constitute a public purpose. It is generally agreed that a municipal corporation cannot, even with express legislation sanction, engage in any private enterprise or assume any function which is not in a legal sense public in nature.

To combat this type of financing, it has been proposed at various times that municipal industrial revenue bonds be subjected to the control and jurisdiction of the Securities Exchange Commission, that the interest on the bonds be taxable and that rentals paid to the issuer be prohibited as business expenses deductible from gross income.

Of the three proposals, the latter seems most feasible. The first two would certainly raise serious questions, considering that municipal bonds are exempt from SEC jurisdiction, except for the fraud and full disclosure provisions and that income is exempt from Federal taxation. Many feel that municipal revenue bond financing is the Achilles heel into which new attacks on tax immunity will be thrust.

Fortunately, California currently is not facing a problem of municipal industrial revenue bond financing. However, there is always a possibility as we review the flow of legislation that is presented at each Session of the State Legislature. There is no substitute for eternal vigilance as it was not so many years ago (1859-72) that California counties were authorized to become stockholders in railroad companies. All of the counties that issued bonds in order to purchase stock, acquired railroad bonds or made outright cash subsidies, found their investments failures. If it hadn't been for a revision in tax laws by the state, bankruptcy faced the affected counties as it was, not all were able to clear their record without state aid.

New Committee Organization

With the objective of creating a number of standing special committees or subcommittees to which problems regarding municipal financing can be immediately referred for action, the following special committees or subcommittees have been organized for 1960:

(1) *Special Committee for Public Education on Municipal Securities;* Walter H. Steele, *Chairman* (Drexel & Co., New York).

(2) *Financial Advisers Subcommittee;* William C. Jackson, Jr., *Chairman* (First Southwest Company, Dallas).

(3) *Liaison and Bond Sale Procedures Subcommittee;* Walter W. Craigie, *Chairman* (F. W. Craigie & Company, Richmond).

(4) *Liaison Subcommittee to American Bridge, Tunnel & Turnpike Association;* William F. Morgan, *Chairman* (Blyth & Company, Inc., N. Y.).

(5) *Metropolitan Area Subcommittee;* Orlando S. Brewer, *Chairman* (Phelps, Fenn & Co., New York).

(6) *Syndicate Operations Subcommittee;* John W. deMilhau, *Chairman* (The Chase Manhattan Bank, N. Y.).

(7) *Trading and Cashiering Procedures Subcommittee;* Lloyd B. Hatcher, *Chairman* (White, Weld & Company, N. Y.).

Various Problems Before the Subcommittees

(1) Supplemental or "B" coupons, (2) Denominations of municipal bonds, (3) Inter-changeability of coupon and registered bonds, (4) Delivery of municipal bond issues, (5) Municipal bond advisory councils, (6) The role of the proxy in municipal underwriting syndicates, (7) Photo copies of photo offset legal opinions, (8) Consolidation of various purpose issues to be sold on a one-block all-or-none basis, (9) Alternate fiscal paying agencies.

Progress on Municipal Securities Committee Projects

(1) Printing legal opinions on bonds, (2) Handbook on "Fundamentals of Municipal Bonds," (3) Proposed handbook for committee members.

PART II

State of California Bond Financing

At first I did not intend to discuss the State of California bond financing but, upon request, I have these comments which should be of general interest.

If the sale on June 28, had been $93 million instead of $75 million, the state of California would have had outstanding $1,996,705,000 general obligation bonds. In addition, there will be authorized, but unissued bonds totaling $1,107,197,000. There will be a $1,750,000,000 water bond issue on the November ballot. A Senate Interim Committee is studying a proposed $100 million elderly persons' home purchase bond act.

Since World War II voters have approved $3,380,000,000 par value of which amount $1,953,300,000 par value have been sold through 1959. This represents 28.4% of the total of $6,876,566,106 par value representing all California municipal bond sales for the period 1946-1959.

Comparison of State of California Bond Sales With Total California Municipal Bond Financing

Year	California	State of California	%
1959	$957,332,800	$257,500,000	26.9
1958	1,078,571,100	400,000,000	37.1
1957	839,693,486	300,000,000	35.7
1956	534,289,696	165,500,000	31.0
1955	664,265,500	150,000,000	22.6
1954	414,855,724	100,000,000	24.1
1953	460,829,530	126,000,000	27.3
1952	431,571,316	125,000,000	29.0
1951	267,014,300	76,500,000	28.7
1950	324,037,600	176,000,000	54.3
1949	303,380,504	31,800,000	10.5
1948	259,246,000	35,000,000	13.5
1947	151,043,000	10,000,000	10.5
1946	190,435,550	20,000,000	10.5
Total	$6,876,566,106	$1,953,300,000	28.4

This does not include $15 million sold Dec. 11, 1945, $225 million sold in 1960 and $75 million sold June 28, 1960.

I think these comparative figures more than any other indicate how sales of State of California bond sales have dominated the California municipal bond market in recent years.

In 1957 agreement was made with state officials that in view of the large authorizations, not more than $100 million should be sold at any one time and a minimum of 90 days between sales.

This procedure was in effect through 1959 except that a small issue of $7½ million harbor bonds was 40 days after a sale of $100 million.

In 1960 things have been different. The sale originally scheduled for December 1959 was postponed to January 13, 1960. This was followed by $100 million on March 9, $25 million on April 19 and attempted sale of $50 million on May 24.

The State Treasurer's desire to have at least two bids and to stimulate lower borrowing costs has been the reason for the unhinging.

Without attempting to go into the pros and cons of the new procedure, I should like to quote from an address which I gave before the Southwestern Group IBA, Kansas City, Missouri, on March 13, 1959:

"This outpouring of state debt, actual and potential, has presented a major marketing problem both to the state as well as Investment Bankers. By the terms of enabling legislation and by the urgency of need, scheduling of bond sales has been far from ideal. Deprived of the usual administrative determination of selecting a date for a bond sale and the amount to be sold, the State Treasurer has of necessity been limited to a very tight schedule. Based on the ability of the market to absorb bonds, sales have been established on a quarterly basis in amounts of not-to-exceed $100,000,000."

The question of a single bid has been raised on several occasions. Again to quote from my Kansas City address:

"The underwriters have done an outstanding job in handling the volume of financing in the face of adverse market logistics. It has required the merging of the two National Underwriting Syndicates in order to insure the broadest possible distribution at a reasonable price to the state. Single bid situations are not always satisfactory, particularly when membership is large. There is a reduction in underwriting liabilities lessening profits. Expenses are increased and the mechanics of allotting bonds and handling orders and deliveries does not always satisfy the dealer or the customer. The issuer feels that without competition there is a tendency to pay a higher rate of interest than the market would indicate.

"Despite all of the obvious objections or criticisms actual or implied, the principal objective of maintaining a continuing satisfactory climate for state of California general obligation bonds so that future financing can be conducted in an orderly manner, has been and is being accomplished."

Problem of One Bid

From discussions with the State Treasurer, I know that he will never be satisfied until he receives more than one bid. However, I do believe he is understanding of the dealer problem and is not as concerned as one might believe. At the recent municipal finance officers conference in New York City, Wade S. Smith, Director of Municipal Research for Dun & Bradstreet, Inc., on reading his paper on scheduling municipal debt issues stated:

"In today's markets less than $1 million isn't likely to attract much competition, while as you approach $50 million you run the risk of merged groups and a single bid."

He was questioned by the State Treasurer on this point. Considering that the statement came from a non-dealer, his answer to the question was quite convincing.

Another point that has bothered underwriters has been the use of the *Bond Buyer* 20-bond average as a basis of comparing interest costs on new issues of bonds. Mr. Cushman McGee, partner with R. W. Pressprich & Company at the same M. F. O. A. meeting, but a later conference, and speaking of municipal indexes, stated:

"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 rate which these 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 one, 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."

[ED. NOTE—cf. *Chronicle*, June 23 for the full text of Mr. McGee's talk to M. F. O. A.]

The postponed sale of $50 million veterans bonds, May 24, evoked some publicity concerning the attitude of bankers (Investment Bankers) towards the California Veterans Program. I believe this was answered satisfactorily in defense of the integrity of the dealer. For the record, I should again like to quote from my Kansas City speech:

"Many thinking people are of the opinion that if the State of California must finance many urgency programs through general obligation bond issues in the next few years, dilution of the market by continued issuance of Veterans' Bonds may raise interest costs to the veteran as well as affecting other borrowing to the point of being not in the public interest. It is contended that the state should adopt a version of the Federal Veterans Administration Program wherein the state guarantees the California Veteran's loan, but the veteran seeks his loan through the usual lending agencies. Preferred rates of interest, insurance, and other California Veterans' loan advantages could be incorporated. This would ease the bond market pressure, but would have little or no effect on California Home and Farm Mortgage activity."

My reason for quoting is only to establish the fact much has been said on the special points that have provoked comment. March 13, 1959 was only a brief period after the new Administration took office in Sacramento.

Time and Volume Schedule

To look ahead to future State of California bond sales and the related marketing problems, we must face up to the fact that we have a major job to do. We cannot shrug off this responsibility, but must face up to the challenge. We know what we face in the way of volume, both actual and potential. To approach this realistically, I proposed to the State Treasurer that a meeting be held between himself and the managers of the various syndicates which have merged on the larger sales. At this meeting, I suggested that he present his schedule of fund requirements over the foreseeable future—up to two years, if possible, indicating approximate dates when funds would be required without regard to purpose. With this information, I told him we could then recommend timing of bond sales and approximate amounts, though the Treasurer would have to make the final decision. I also indicated that with this type of information, it would be possible to enlist the best efforts of the managers to select the most appropriate timing which would not preclude recommendations for postponement or speeding up as the market indicated. The Treasurer was to take this suggestion under advisement and let me know his decision.

From time to time suggestions have been made to improve the marketability of State of California Bonds as well as suggestions to strengthen credit. Many such suggestions require legislative action and some constitutional amendments. Considering the time factor, I have recommended to the Governor that a meeting be called of all interested parties to discuss the matter and develop a legislative program to accomplish this at the next session in 1961. I hope that such a meeting will be called after the conventions.

Outline of Some of the Suggestions to Be Considered

The following are some of the suggested proposals:

(1) Clarify taxing power to apply specifically to debt service. (2) Debt service to be a first lien on general fund. (3) Provide authority to issue bond anticipation and revenue anticipation notes. (4) Exempt income from California Municipal Bonds from bank—corporation franchise tax. (5) Establish trust funds for revenue and repayments, similar to water bonds, for veteran, school building and harbor improvement bonds. (6) Plans to curtail State debt—veterans, harbor, state construction. (7) Permit interest rates to be bid in multiples of 1/4, 1/8 and 1/20 of 1%. (8) (a) Expansion of fiscal paying agencies to Chicago and additional in New York, also San Francisco and Los Angeles. (b) Provide same dates and months of maturity when several bond issues being sold at the same time. (c) Make good-faith deposit a uniform $100,000. (d) Print legal opinion on the back of bonds. (e) Activate procedure for interchangeability of coupon and registered bonds. Issue registered bonds in any denomination. Permit coupon bonds to be issued in denominations of $5,000, $25,000, $50,000 and $100,000. (f) Review maturities and pyramiding of amounts. (g) Review call features. (h) Reduce 24 hour period on bids to 2 hours. (i) Provide issuance of duplicate bonds for mutilated bonds.

Some of the suggestions are as follows:

(1) *Art. XIII* of the State constitution authorizes the state to tax real and personal property, among other forms of property not specifically exempted from taxation, in proportion to its value. This is the basic security behind State of California general obligation bonds, even though the taxing power has not been used for years. Art. IV—Sec. 34a limits the amount to be raised to 25% of the total appropriations from all funds.

Periodically, amendments are introduced during sessions of the legislature to eliminate this power to tax. As a safeguard of the State's credit, an amendment to Art. XIII specifically pledging this power to tax for the payment of principal and interest on the State's general obligation bonds would be in order.

(2) *Art. XIII—Sec. 15* of the State constitution provides that the first lien on State revenues shall be for the support of the public school system and the State University.

Inasmuch as the State's credit is involved and it is imperative that the State meet its obligations, it is recommended by appropriate amendment that general obligation debt service be a first lien on State revenues, to be followed by support of the public school system and the State University.

(3) *Art. XVI—Sec. 1* of the States constitution limits debt incurrence by the State Legislature to $300,000 with certain exceptions, without electoral approval.

In the interest of fiscal flexibility to meet changing money market conditions as well as emergencies, it might be advisable for the State Treasurer to have the power to issue bond anticipation notes not exceeding the amount of authorized but unsold bonds. Such notes should not exceed two years maturity, preferably one year and would have to be repaid out of the first bond sale proceeds. The notes could be refunded if that served a useful purpose.

Gov. Code—Chapter 2—The registering of warrants has not occurred for a number of years. However, there is always the threat of deficit financing. As a means of credit control authorization to issue revenue anticipation notes might be advisable. Such notes should be a lien on specified revenues and should be limited to a conservative percentage of the total. Maturity should not exceed two years.

(4) *Art. XIII—Sec. 1-3/4* of the States constitution establishes exemption from State taxation of all California municipal bonds.

Art. XIII Sec. 16 of the State constitution establishes bank and corporation franchise taxes. In the computation of the franchise tax, interest from Federal, state, municipal or other bonds is included in the net income.

To broaden the market for California municipal bonds and to encourage corporate investors, it is suggested that interest on California Municipal bonds be specifically exempted from the net income base computation of the bank and corporation franchise tax.

(5) *Water Resources Development Bond Act:* Section 12937 B of this act establishes a trust fund for all revenues derived from the sale, delivery or use of water or power and sets forth the purposes for which such funds are to be used and the order thereof.

It is recommended that similar trust funds, applicable to the object for which bonds are issued, be established for various revenue producing state programs as follows: Veterans; School Building; and Harbor Improvement.

In each instance the revenues should be held in trust to service debt and should be available for appropriation by the state legislature. While it is recognized that there is some measure of pledge of veterans repayments and harbor revenues, they are not tied down. The school aid repayments should be definitely earmarked and school districts required to repay their loans.

(6) *Curtailing State Dept.:*

(a) *Veterans Program*—I previously mentioned a method of shifting the borrowing from the bond market to lending institutions.

Another proposal has been to issue revenue debentures. This does not reduce the volume of bond financing, in fact it increases the volume. It could only have an adverse effect on the state's general obligation bond market. Another suggestion to strengthen credit under another heading would eliminate revenue debenture financing as there would be no coverage.

Possibly the best method of dealing with the California veterans program is to re-examine its purpose and its results. It would be interesting to know in what war eligible veterans base their claims and the age groups. It would also be helpful to know the same information concerning those granted loans and those approved. I am sure most of us would like to know what sort of housing has been used by applicants prior to obtaining a California veterans loan and if there has been any hardship.

This information collated with data on all other veterans benefits both Federal and state might shed some light on the problem.

(b) *Harbor Improvement*—There is some question as to whether this is a State function considering all of the municipally owned harbor facilities, not to mention privately owned.

Formation of a San Francisco port district, with taxing power, coterminous with the City and County of San Francisco to lease the State harbor facilities and operate them as well as San Francisco International Airport might be a solution. The district could be expanded to cover San Mateo County or any other area. It might be an answer to the Golden Gate Authority if this bogs down. Numerous attempts have been made to transfer the port of San Francisco, or to create a port district or some type of authority. Since 1935, some 21 acts have been introduced, but none was enacted.

(c) *State Construction Program Bonds*—Prior to 1958 construction of State buildings was accomplished with appropriations from the general fund, with the exception of some $50 million provided by the retirement funds.

With a surplus anticipated, the administration has proposed diverting some of this surplus to construction. Tax conscious individuals have decreed this calling for long term capital improvements to be financed by bond issues already approved. If it is possible to hold bond issues off the market and if surplus funds can be earmarked for construction purposes, the public interest would be served during a period of debt expansion.

The Director of Finance has been working on a plan to substitute lease-rentals for many State departments rather than constructing special purpose buildings. This should be encouraged in the interest of economy as well as a potential reduction in the volume of bond financing.

(7) *Gov. Code—Chapter 4* is the State general obligation bond law. Any constitutional changes that pertain to chapter 4 should be reflected in appropriate amendments.

Sec. 16731 (D) should be amended to permit interest rates

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Financing Municipal Bonds Can Be Greatly Improved

Continued from page 23

in multiples of 1/4, 1/8 and 1/20 of 1%.

Acts authorizing bond issues should recite the same language.

(8) *Bond Sale Provisions and Procedures:*

The following are suggestions which reflect a number of recommendations from dealers. Some may be permissible without legislation. Others may require some amendments.

(a) *Chapter 4—Gov. Code—Sec. 16734* provides manner and place of paying principal and interest. Currently the State Treasurer is negotiating for alternate fiscal paying agencies in Chicago and New York. This should be helpful. However, it still costs a California holder a collection charge. It is recommended that bonds and coupons be payable in San Francisco and Los Angeles in addition to Sacramento and out-of-state (see also sec. 16670-79).

(b) *Chapter 4,—Gov. Code,—Sec. 16730-31*—pertains to the issuance of bonds—when more than one bond issue is being sold at the same time—similar months and days of maturity and interest payment dates on all issues are helpful in meeting customers needs. Various dates slow down the process of order filling.

(c) *Chapter 4 — Gov. Code — Sec. 16753* specifies the amount of good faith check. In view of the small amount of deposit required and in keeping with the nature of recent sales, it would appear that the best interests of the State would be served to specify at least $100,000 deposit on all issues.

Military and Veterans—Code—Sec. 996.50 should be amended to conform to the State general obligation bond law—all that is required on veterans bonds is $5,000.

(d) *Chapter 4 — Gov. Code — Sec. 16740 & 16760:* Provision should be made to provide for imprinting of legal opinion on back of bonds.

(e) *Chapter 4 — Gov. Code — Sec. 16731* provides for registration of bonds, interchangeability as well as larger denominations.

This procedure should be finalized to permit inter-changeability and issuance of registered bonds in any denomination.

It is also suggested that successful bidders be given seven days from the date of sale to request coupon bonds in denominations of $5,000, $25,000, $50,000 and $100,000.

(f) *Chapter 4 — Gov. Code — Sec. 16732* provides amounts and maturities. There has been some question as to the pyramiding of debt on the major issues as well as exceeding the 25 year maturity as in the case of the new harbor development bonds which run out to the year 2000.

Obviously such debt scheduling compounds the interest costs and will be a greater burden on the general fund in the years to come.

(g) *Chapter 4 — Gov. Code — Sec. 16735 & 16774* provides for redemption prior to maturity. Many have questioned the optional feature on the longer bonds. Apparently there is no anticipated source of funds to call bonds and no provision for issuing refunding bonds. Some review should be made of this in the interest of bond holders.

(h) *Chapter 4 — Gov. Code — Sec. 16754:* The notice of sale provides the Treasurer 24 hours in which to accept or reject bids. Many underwriters have expressed concern over this time limit because of adverse market conditions and related distribution problems. It might be advisable to permit bidders to specify a time limit on their bids, not less than 2 hours from the time set for the bond sale.

(i) *Chapter 3 — Gov. Code — Duplicate Bonds:* Procedure for issuing duplicate bonds to cover mutilated as well as lost or destroyed securities should be incorporated in this section. Standard procedure and minimum cost would be helpful.

I am sure there must be other suggestions which members of the municipal bond fraternity have gained from experience.

Looking forward to future bond sales, there is one area in which we can all help—that is to seek to have fiduciaries raise their limits on the amount of California municipal bonds they will purchase and to induce others to include them on their approved lists.

As I have toured the country and talked with many members of the Municipal Securities Committee, I am convinced there is a sincere desire to grapple with problems and do something about them. Our new subcommittee organization has provided a vehicle for this energy. There is no reason why similar subcommittees cannot be formed by group committees if this seems desirable. It certainly would help to deal with local situations and in turn complement the national committee.

One particular subcommittee—the liaison and bond sale procedures subcommittee—has been so effective that I am sure that a similar subcommittee could help in California. I have in mind liaison with the association of County Treasurers, County Auditors and tax collectors, league of California cities, County Supervisors association and others that are pertinent to our business. It's worth some thought.

***An address by Mr. Browne before the 9th Annual Conference of the California Group, Investment Bankers Association of America, Santa Barbara, Calif., June 25-28, 1960.**

U. S. Economy in the 1960's

Continued from page 3

peat, there will be 25 million. Or to put the matter a little differently, there will be as many family units with incomes above $7,500 a year in 1970 as there were with incomes below $4,000 a year in 1929, which used to be considered a pretty prosperous time.

This under $4,000 group meanwhile—the one that used to constitute the mass market—will have decreased still more, to 17 million, or only 25% of the total. And even this figure understates the true change, for a very large proportion of the under-$4,000 families are families only in the statistical, not the real, sense. That is to say, a large proportion of these "family units" will be single youngsters just starting out on their own, and frequently receiving handouts from home to supplement their meager income. Another large proportion will consist of oldsters—retired couples, widows, etc. — living on social security, corporate pensions, and life insurance benefits, and free, therefore, to spend their entire income without the need to build up savings.

The boom at the top, I might add, is not limited to families just over the $7,500 mark. On the contrary, although the over-$7,500 group taken as a whole will double in size between now and 1970, the $7,500 to $10,000 group will increase by only 50%—from six million family units to nine million. The $10,000 to $15,000 a year bracket, on the other hand, will shoot up from 4.2 million family units to nearly 10 million, and the over-$15,000 group from two million to about 5,700,000!

Top Income Group to Be the Mass Market

To sum up, then: by 1970, three families in four will have incomes of more than $4,000 a year—the point at which discretionary income begins. And two families in five will have income of more than $7,500 a year. It will be the top income group, in short, that will constitute the real mass market of the late 1960's.

It's hard to overestimate the historical significance of this change, for it means no less than that the income pyramid that has traditionally characterized all human societies is being stood on its head in the U. S. Even in 1947, U. S. income distribution was in the shape of a broad-based pyramid, with 50% in the bottom, 40% in the middle, and 10% in the top. By 1959, the pyramid had assumed a diamond shape, with the largest group in the middle, and smaller groups at the bottom and top. By 1970, the pyramid will be inverted, with the largest group at the top, a slightly smaller one in the middle, and the smallest on the bottom.

These changes in income distribution, in turn, will revolutionize the U. S. consumer market—indeed, American society as a whole. Six years ago, we emphasized the explosive growth of the $4,000 to $7,500 income group, because $4,000 a year is roughly the point at which discretionary spending begins. Below $4,000 a year, just about every dollar that comes in is garnished, in effect, for the necessities of life; there's not much left over for hi-fi's, barbecue pits, boats, medical care or medical insurance, and all the other new appurtenances of middle class existence. Above $4,000, families have an ever-widening range of options. It was the emergence of the $4,000 to $7,500 a year group as the dominant income group, therefore, that destroyed the traditional dichotomy between the mass market, on the one hand—mainly for drab, functional necessities—and the small "class" market for luxuries, on the other, and created the gigantic new "mass-class" market.

A New "Mass-Class" Market

The growth of the $7,500 and over group as the dominant income class in the late 1960's will revolutionize the consumer markets all over again, for it will mean an explosive widening of discretionary spending—hence of the range of choice exercised by consumers. Indeed, by 1970, more than half of all disposable income will be discretionary. As a result, the consumer market will be dominated by what, for short, we call "taste." The best commentary on the implications of this change that I've seen was provided by a cartoon that ran in the "New Yorker" magazine sometime ago. In the cartoon, two identically dressed and bearded Russians are walking in step down a bleak Moscow street, and one is commenting to the other, "In a democracy, it would be nothing but choice, choice, choice all the time."

But what kind of choices will consumers make? If consumer discretion and taste will play so profound a role in the market of the 1960's—if the consumer will in fact be king—then it matters tremendously for society what kind of taste he has. To judge by a good bit of contemporary literature, his taste is pitifully low and the outlook therefore is rather grim—for U. S. society if not for business as such. We are told repeatedly that Americans are a herd of conformists and status-seekers with abominably low tastes, that in fact a kind of cultural Gresham's Law is operating in which "Kitsch," or "junk culture," is driving out high culture. Indeed, it has become a cliche of our time that Americans have become a nation of nouveaux riches, starving such necessities as health, education, and social welfare in order to pour more and more of their rising incomes into big-fin Cadillacs, pleasure boats, swimming pools, and other frivolities.

Praises Consumer Spending Pattern

This picture is familiar; it also happens to be badly overdrawn. The fact is that for all their wealth, Americans spend their money in remarkably sober fashion. Outlays for medical care, education, and "personal business" (i.e. bank service charges, insurance premiums, etc) for example, have been taking a steadily rising share of the consumer's dollar, and personal savings have been running at a consistently high rate. Spending for recreation and leisure, on the other hand, has grown no faster than consumer income over the postwar years.

The widespread impression that there has been a boom in recreational spending is not sheer illusion, of course. Rather, it reflects the profound shift that has been taking place in the way Americans utilize their leisure — a change that reinforces the impression of sobriety and responsibility and improving taste. The shift has been from so-called passive to active forms of recreation. Total expenditures for alcohol, for example, have gone up only 7% as against an 85% rise in disposable income, and expenditures on "spectator amusements" have actually declined. Outlays for active forms of recreation, on the other hand, e.g., sporting goods, golf green fees, and other forms of athletics and outdoor activities, as well as purchase of books, hi-fi sets, art supplies and art lessons, and the like have all been booming. And spending figures can't begin to measure the enormous expenditure of time and energy on serious, in the sense of purposeful, hobbies — music, photography, crafts of one sort or another, painting, boating, etc. The fact is that America is in the midst of a cultural explosion that is one of the dramatic events of our time.

Rising Incomes Lead to Disparate Income

Where, then, did the notions of growing uniformity and mediocrity come from? They came from a misunderstanding of what was happening to consumer spending. What has **seemed** like uniformity in consumer spending patterns, that is to say, has in reality been the reverse: an enormous widening of choice. The reason is simple if fairly subtle. It used to be that there was a sharp and indeed unbridgeable gulf between the spending patterns — the "life styles," as the sociologists like to call it—of the blue collar "working class" and the largely white collar middle class. What has appeared as a growing tendency towards conformity has in fact been nothing less than the destruction of this gulf between the two styles of life. Increasingly, the "workers" and the middle class live alike—in large part because the workers are becoming the middle class. "The man in the Ivy League suit," as my colleague Dan Seligman has written, "may be a millionaire or a carpenter, and so may the man at the wheel of a sports car and the man on the beach in Miami. To the spectator, this may look like a new uniformity; to the carpenter, it involves a new diversity."

And this diversity is bound to grow. We've long since passed the stage where consumer spending was influenced primarily by physical needs. With the income pyramid being turned upside down, we're now passing the stage in which spending is influenced primarily by the desire to emulate the middle or upper income class. When everyone **is** a member of the middle or upper class—when everyone, that is to say, can afford to live like the Joneses—there's no longer any point in trying to keep up with them. On the contrary, as the sociologist Nelson Foote has pointed out, rising incomes will force people to **differentiate** rather than to **emulate.** Nouveaus riches always become prudent and discriminating in time—and so the masses are becoming more discriminating about the way they spend their rising incomes. They tend to use their rising incomes as a way of expanding their individuality — in Foote's phrase, "to regard life as a pursuit of meaning." The way to achieve status, in other words, is to be different—that is to say, to be yourself.

These tendencies will be powerfully reinforced, moreover, by changes in the occupations by which Americans earn their rising incomes. By 1970, the male labor force will be 20% larger than it was in 1957. But there will be 40% more men in professional and managerial occupations. All told, there will be roughly 13.3 million managers, proprietors, and professionals in 1970 — one male worker in four. Including salesmen, whose number will rise by about 30%, **nearly one-third of the male labor force will be in skilled white collar occupations.** The number of skilled craftsman will rise by only 20%, i.e., as fast as the labor force as a whole. But an increasing proportion of these workers will be exercising a highly individualized and frequently quasi-professional skill, e.g., the master mechanics and electricians who keep the jet planes flying.

Rising Educational Level

The educational level will also be rising very rapidly. Since 1948, the average schooling of the labor force has risen from 10.6 years to twelve years — a remarkable achievement. The proportion of people of college age in college has jumped from 14% to 21% just since 1950, and the proportion will rise very rapidly in the next decade. College attendance will climb from 4 million now to at least 7 million by 1970, and quite possibly to as much as 10 million. And these figures don't take into account the tremendous amount of on-the-job training, adult education, correspondence courses, etc. The upshot of all these trends is that by 1970, better than half of the male labor force will be working at jobs that offer a real measure of creative fulfillment and provide a real sense of individual worth.

And so it is likely that the 1960's will see an enormous increase in the quality as well as the quantity of consumer choices. Indeed, it will be impossible to speak of the consumer market as if it were, in fact, a single market. On the contrary, the "consumer market" will be broken up into a large number of discreet and highly specialized markets—each one, however, large enough to be supplied by mass production techniques. This is already happening. The clearest example, perhaps, is the bread and cookie department of any large supermarket, with its racks and racks filled not just with a tasteless, institutionalized white bread, but with an incredible array of white, rye, pumpernickel, raisin, Italian, French, Jewish breads, etc., and with cookies and domestic and imported petits fours of every conceivable type.

This "fractionation" of the consumer market—in contrast to the homogenization characteristic of the 1940's and 1950's—will mean a tremendous intensification of competition for the consumer's dollar. It's not too much of an over-simplification, I think, to suggest that until recently manufacturers of consumer goods were competing principally with firms in their same industry for what seemed to be a fairly stable or at least predictable share of consumer spending. Competition, in other words, was principally among firms within a particular industry. In the 1960's, by contrast, competition **between** industries will be just as intense. Buicks and Chevrolets let us say, will be competing not just with Fords and Ramblers, but with power boats, European or Caribbean vacations, larger homes, stereophonic equipment, etc. They will be competing, also, with a tremendous number of new products and services not yet developed—products that will need advertising if they are to be introduced. And they will be competing with services that we don't ordinarily think of as consumer products, e.g. stocks, mutual fund shares, life insurance.

Staggering Challenges and Opportunities

The opportunities of the 1960's, in other words—as well as the challenges—seem almost staggering. To be sure, the prospects I have described represent a statement of potentials rather than a forecast of what necessarily will come to pass. But in a period in which our capacity for growth has been questioned (and in which the utility of economic growth has also been challenged), it is surely significant that our studies at "Fortune" point to an acceleration rather than a retardation in the rate of economic growth. To say this, moreover, is not to become bewitched with growth as an end in itself—though I think it is easy to underestimate the importance of economic growth. The crucial question facing the U. S. is not just how fast we can grow but what we shall do with the growth, what we want to grow into. "The highest excitement", as "'Fortune" suggested in an editorial a year or so ago, "will lie in Americans' decisions about the uses of abundance." Here, too, the prospects are enormously encouraging. For if recent trends are any indication, there is reason to believe that rising consumer incomes will bring about an enormous improvement not just in material standards but in the whole quality of American life.

*An address by Mr. Silberman before the 10th Annual Business and Finance Forum conducted by First National Bank in St. Louis, Mo.

REPORT OF CONDITION OF

THE CORPORATION TRUST COMPANY

of 120 Broadway, New York, New York, at the close of business on June 30, 1960, published in accordance with a call made by the Superintendent of Banks pursuant to the provisions of the Banking Law of the State of New York.

ASSETS	
Cash, balances with other banks and trust companies, including reserve balances, and cash items in process of collection	$3,024,811.95
United States Government obligations, direct and guaranteed	600,203.75
Corporate stocks	60,000.00
Leasehold improvements	215,835.37
Furniture and fixtures	414,615.49
Other assets	1,263,498.05
TOTAL ASSETS	$5,578,964.61
LIABILITIES	
Demand deposits of individuals, partnerships, and corporations	$1,846,699.01
Other liabilities	2,187,154.98
TOTAL LIABILITIES	$4,033,853.99
CAPITAL ACCOUNTS	
Capital †	$500,000.00
Surplus fund	325,000.00
Undivided profits	720,110.62
TOTAL CAPITAL ACCOUNTS	$1,545,110.62
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	$5,578,964.61

†This bank's capital consists of common stock with total par value of $500,000.00.

MEMORANDA	
Assets pledged or assigned to secure liabilities and for other purposes	109,572.65
Securities as shown above are after deduction of reserves of	1,077.50

I, G. F. LE PAGE, President, of the above-named institution, hereby certify that the above statement is true to the best of my knowledge and belief.

Correct—Attest:

O. L. THORNE
RALPH CREWS
WM. R. WATSON
Directors

Polycast Corp. Secs. Offered

Pursuant to a prospectus dated July 11, 20,000 shares of this firm's $2.50 par common stock were publicly offered at $14.50 per share and $400,000 of its 6½% convertible subordinated debentures, due July 15, 1970, were publicly offered at par plus accrued interest from July 1, 1960. The underwriters were M. L. Lee & Co., Inc., and Milton D. Blauner & Co., Inc. both of New York City.

The corporation was incorporated in Connecticut on Feb. 17, 1955. On June 30, 1959 Optical Plastics Corp., organized in New York on Jan. 9, 1948, was merged into Polycast. The company produces cast plastic sheets, lenses, photographic filters, protective visors and other plastic products.

Of the net proceeds which the company will receive, it is the intention to use approximately $325,000 to purchase additional equipment including ovens, washing machines, kettles, shrink ovens, a still, and other equipment primarily to enlarge the company's capacity of cast Acrylic sheet. Such equipment will be placed in the expanded facilities to be erected. It is intended that all of the new equipment will have been delivered within 18 months. The balance of approximately $260,000 will be initially added to working capital of the company and will be used to finance receivables and an enlarged finished goods inventory.

Rhodes Joining Cotton Exch.

F. Marion Rhodes, formerly associated with the Department of Agriculture for many years, has been appointed to an executive position with the New York Cotton Exchange, it was announced by Tinney C. Figgatt, President. Mr. Rhodes will assume his new position on August 1.

It will be the primary duty of Mr. Rhodes, declared Mr. Figgatt, "to employ his knowledge and experience to bring about agreement on a cotton program approved by, and acceptable to, all segments of the cotton trade, designed to restore cotton to the 'free' market, to preserve equitable income for the producer, and to continuously move cotton into consuming channels so as to put an end to the discrimination in favor of the foreign spinner."

Since 1953, Mr. Rhodes has been director, cotton division, commodity stabilization service, of the U. S. Department of Agriculture. In that position, he was responsible for the department's various cotton disposal programs. He was also a member of the U. S. delegation to annual plenary meetings of the International Cotton Advisory Committee, and often served as chief of the delegation.

Named Director

John J. Markham, a general partner in Hornblower & Weeks, has been elected a director of Colorado Milling & Elevator Co. The company, with headquarters in Denver, is a major processor of wheat and other grains.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Bank Stocks

MID-YEAR 1960 RESULTS, MAJOR NEW YORK CITY BANKS

The recently released bank earnings for the first half of 1960 by New York City banks confirm highly satisfactory gains over 1959. The indicated 12% to 18% rise in operating earnings for the full year appears within realization and will continue the average 15% increase registered in 1959 by 10 of New York City's leading banks. At the half-way mark the 1960 gain is 23.2%. It is of considerable interest that the earnings reported thus far already cover the current annual dividends for over half of the banks presented in the table. Morgan Guaranty Trust Company, Bank of New York and the U. S. Trust Company are among the exceptions.

All of the banks continue to show a healthy increase in loans outstanding. From a year ago, total assets declined somewhat for Chemical Bank New York Trust Company and for Manufacturers Trust Company. A slight drop in deposits was recorded by Irving Trust Company, Chemical Bank New York Trust Company, and The Hanover Bank.

Initial steps have been taken by the leading wholesale-retail New York City banks for expansion into the fast growing suburbs of Nassau and Westchester counties. Permission for expansion is given under the new 1960 banking law, which became effective July 1. The three largest banks have applied for branch office expansion, while Bankers Trust Company and Manufacturers Trust Company initially have chosen the purchase of small banks route. Under a recent ruling, the New York State Banking department removed a restriction against banks holding authorized but unissued shares. Provided the increased shares will be used solely to buy smaller banks, commercial banks can have authorized but unissued up to 5% of their shares outstanding. This ruling eliminates the necessity for frequent stockholder meetings for each possible expansion.

Leading New York City Bank Stocks

	Adj. Bid Pr. Range 1960-1959	Recent Mean Price	Yield %	Dividend	1st Half —Earnings— 1960	1959	Earn. Gain %
Chase Manhattan Bank	71 - 55	61	3.9	$2.40	$2.73	$2.19	24.7
First National City Bank	94 - 73	80	3.8	3.00	3.10	2.59	19.7
Chem. Bank N. Y. Tr. Co.	70 - 55	56	4.3	2.40	2.36	2.24	5.4
Morgan Guaranty Trust Co.	118 - 94	102	3.9	4.00	3.57	2.67	33.7
Manufacturers Trust Co.	69 - 51	57	4.2	2.40	2.60	2.25	15.6
Bankers Trust Company	53 - 37	46	3.7	1.72	2.02	1.53	32.0
Irving Trust Company	44 - 37	39	4.1	1.60	1.76	1.32	33.3
The Hanover Bank	55 - 44	48	4.2	2.00	2.08	1.63	27.6
Bank of New York	335 -246	312	3.8	12.00	10.70	8.31	28.8
U. S. Trust Company	98 - 80	97	4.1	4.00	3.36	3.01	11.6

Chase Manhattan Bank reported resources of $8,421.4 million as of June 30, a rise of 4.6% from the same 1959 date. Deposits and loans were up 3% and 9.5% respectively. Initial steps for suburban expansion include filed applications for two branches, at Plainview and Great Neck, in Nassau County.

First National City Bank's combined resources were $8,323 million, a gain of 3.9% from a year ago. Deposits and loans advanced 3.2% and 4.6% respectively. Applications have been filed to the U. S. Comptroller of Currency to establish two branches in Westchester County, at Eastchester and Harrison. Land already has been purchased in Eastchester. The five proposed branches in Nassau County would be located at Freeport, Great Neck Plaza, Levittown, Massapequa and Plainview.

Chemical Bank New York Trust Company's assets and deposits declined somewhat, by 4.1% and 3.7%, to $4,133 million and $3,558 million respectively. Nonetheless loans outstanding increased impressively by 11.7%. Chemical Bank has applied to the State Banking department for permission to establish four branch offices in Westchester, at Eastchester, Peekskill, Pelham Manor and Mamaroneck, and six branches in Nassau, at Massapequa, Great Neck, Merrick, Elmont, Wantaugh, and Plainview.

Manufacturers Trust Company's total resources as of June 30, 1960 were $3,438 million, nearly approximating total resources of a year ago, while deposits declined 2.7%. However, the bank showed the biggest gain in loans, up 12% from the first half of 1959. A special stockholders' meeting has been scheduled for Aug. 3 to obtain stockholder approval to increase authorized shares by 5% to facilitate purchase of smaller banks.

Bankers Trust Company's total resources as of June 30, 1960 were $3,143 million, up 4.6% from a year ago. Total deposits and loans increased 3.7% and 11.4% respectively. At a meeting on July 13, 1960 stockholders are being asked to approve an increase in authorized shares for the purpose of acquiring small banks.

Since the State Superintendent of Banks has stated all applications for new suburban branches will undergo a careful investigation, it is not known how soon the State Banking Board will act on the applications filed. The next scheduled meeting of the State Banking Board is on July 18.

These initial steps to expand the territory to be served are directed mainly toward overcoming the limited deposit growth of New York City banks of the past. Suburban expansion should boost the earning power of the banks during the next several years. The investment outlook for New York City banks is further brightened by the record high operating earnings unfolding for 1960.

Axe Securities Branch

LOS ANGELES, Calif.—Axe Securities Corporation has opened a branch office at 530 West Sixth Street, under the direction of Robert K. Redwood.

MacDonald Opens Branch

PLAINFIELD, N. J. — MacDonald & Co. has opened a branch office at 240 West Front Street under the management of John T. MacDonald.

Phelps Partner In Scudder Firm

The investment counsel firm of Scudder, Stevens & Clark has announced that Thomas W. Phelps has become a member of their partnership. He will be closely associated with the senior partners in over-all investment policy consideration, security selection, and the study of general economics.

Thomas W. Phelps

In October, 1959, Mr. Phelps was elected a director of the Scudder Fund of Canada. Prior to joining the Scudder organization he served for 10 years as assistant to the chairman of the board of the Socony Mobil Oil Co. and was manager of the company's General Economic and Special Studies departments.

Mr. Phelps was formerly city editor of the Minneapolis *Journal*, chief of the Washington Bureau of *The Wall Street Journal*, and editor of *Barron's Weekly*. Later he became a general partner of and economist to Francis I. duPont & Co.

American Can Co. Debens. Offered

An underwriting group headed jointly by Morgan Stanley & Co. and Clark, Dodge & Co. offered on July 13 an issue of $40,000,000 American Can Co. 30-year 4¾% debentures due 1990. The debentures are being offered at 100.80% and accrued interest to yield 4.70%.

The debentures will be non-refundable prior to July 15, 1965. They will be otherwise redeemable at 105.75% to and including July 14, 1961, and thereafter at redemption prices decreasing to 100% after July 14, 1985. Annual sinking fund payments commencing Jan. 15, 1965 are calculated to retire approximately 80% of the issue prior to maturity. The sinking fund redemption price will be 100.65% commencing Jan. 15, 1965 through Jan. 15, 1969 and at decreasing prices thereafter.

The company will use the proceeds from the sale of the debentures for the reduction of current bank loans. Although presently outstanding short-term borrowings are primarily seasonal, approximately $34,000,000 was borrowed in May of this year to purchase The Allison Lumber Company, Inc. The Allison properties include a saw mill used in the production of southern pine lumber and 125,000 acres of timber lands adjacent to the new pulp and paper mill of American Can's Marathon Division at Naheola, Ala.

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.

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.

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. (8/8-12)**
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.

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.

★ **Allied Publishers, Inc.**
June 27, 1960 (letter of notification) 58,106 shares of common stock (par $1) to be offered for subscription by stockholders of record June 30, 1960. **Price**—$2.50 per share. **Proceeds**—To pay a short term loan, for publication, promotion and working capital. **Office**—645 S. E. Ankeny St., Portland, Ore. **Underwriter**—None.

Ameco Electronic Corp. (7/25-29)
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.

American Bowla-Bowla Corp. (7/25-29)
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 Duralite Corp.**
June 30, 1960 (letter of notification) 290,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds** — For inventory, expansion, and to increase accounts receivable. **Address**—Loudon, Tenn. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y. **Offering**—Expected sometime in September.

● **American Electronics, Inc.**
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. **Offering**—Expected sometime in August.

● **American Frontier Life Insurance Co.**
Nov. 30 filed 200,000 shares of capital stock being offered for subscription by holders of common stock of record June 1, on the basis of one share for each six shares then held, with rights to expire at 2:00 p.m. CST on Aug. 30, at $7 per share. Additional shares may be subscribed for at $8 per share. **Price**—$8 per share. **Proceeds**—To increase capital and surplus. **Office** — 1455 Union Ave., Memphis, Tenn. **Underwriter**—Union Securities Investment Co., of Memphis, Tenn.

● **American League Professional Football Team of Boston, Inc. (7/19)**
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. Mose-

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NEW ISSUE CALENDAR

July 15 (Friday)

Powertron Ultrasonics, Inc.________Common
(No underwriting) $410,000

Sav-A-Stop, Inc. ________Common
(Pistell, Crow Inc.) $450,000

Seaway Shopping Centers, Inc.________Units
(John R. Boland & Co., Inc.) $900,000

Westmore, Inc. ________Common
(Jacey Securities Co.) $300,000

July 18 (Monday)

American Stereophonic Corp.________Common
(Hamilton Waters & Co., Inc.) $100,000

Astrotherm Corp. ________Units
(Ross, Lyon & Co., Inc. and Globus, Inc.) $616,000

Automatic Cafeterias for Industry, Inc.___Common
(Richard Gray Co.) $126,600

Aviation Employees Corp.________Common
(Sterling, Grace & Co.) $5,000,000

Basic, Inc. ________Common
(The First Boston Corp.) 123,808 shares

Brook Labs. Co., Inc.________Common
(Sandkuhl & Company, Inc. and J. J. Magaril Co.) $297,000

Chemical Packaging Co., Inc.________Common
(Mainland Securities Corp. and Jeffrey-Robert Corp.) $287,500

Continental Boat Corp.________Common
(J. E. Coburn Associates, Inc.) $300,000

Dwyer-Baker Electronics Corp.________Common
(Frank B. Bateman, Ltd., Hardy & Co. and Jack M. Bass & Co.) $300,000

Edgerton, Germeshausen & Grier, Inc.___Common
(Kidder, Peabody & Co.) 120,000 shares

Espey Mfg. & Electronics Corp.________Common
(Sutro Bros. & Co.) 80,000 shares

Futterman Corp. ________Class A
(Van Alstyne, Noel & Co.) 660,000 shares

Midwest Technical Development Corp.___Common
(Offering to stockholders—underwritten by Shearson, Hammill & Co. and Piper, Jaffray & Hopwood) 561,500 shares

Norwalk Co., Inc.________Common
(Myron A. Lomasney & Co.) 100,000 shares

Oxford Manufacturing Co., Inc.________Common
(W. C. Langley & Co. and Courts & Co.) 240,000 shares

Pyramid Electric Co.________Common
(No underwriting) $291,443.75

Reeves Broadcasting & Development Corp.___Com.
(Laird & Co. Corp.) $2,336,960

Sea-Highways, Inc.________Common
(John R. Maher Associates) $300,000

July 19 (Tuesday)

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

American Rubber & Plastics Corp.________Common
(Hornblower & Weeks) 200,000 shares

Edwards Engineering Corp.________Common
(Sandkuhl & Company, Inc.) $297,500

New Jersey Power & Light Co.________Bonds
(11:00 a.m. EDT) $5,000,000

July 20 (Wednesday)

Atlantic Coast Line RR.________Equip. Trust Ctfs.
(noon EDT) $4,815,000

Control Data Corp.________Common
(Dean Witter & Co.) 125,000 shares

E. S. C. Electronics Corp.________Common
(Laird, Bissell & Meeds) $300,000

Electromagnetic Industries, Inc.________Common
(Flomenhaft, Seidler & Co., Inc.) $300,000

Federal Steel Corp.________Common
(Westheimer & Co.) $295,000

July 21 (Thursday)

Southern Pacific Co.________Equip. Trust Ctfs.
(noon EDT) $6,000,000

July 25 (Monday)

Ameco Electronic Corp.________Common
(Palombi Securities Co.) $300,000

American Bowla Bowla Corp.________Units
(Hill, Thompson & Co., Inc.) $312,500

American Research & Development Corp.____Com.
(Lehman Brothers) 350,000 shares

Arnoux Corp.________Common
(Shearson, Hammill & Co.) 133,000 shares

Associated Testing Laboratories, Inc.______Common
(Drexel & Co.) 75,000 shares

Avnet Electronics Corp.________Common
(Hemphill, Noyes & Co.) 150,000 shares

Avnet Electronics Corp.________Conv. Debentures
(Hemphill, Noyes & Co.) $2,000,000

Bruce National Enterprises, Inc.________Common
(George, O'Neill & Co., Inc.) $2,010,000

Buzzards Bay Gas Co.________Common
(Coffin & Burr, Inc.) 27,000 shares

C. F. C. Funding Inc.________Common
(Darius Inc.) $150,000

Campbell Machine, Inc.________Common
(J. A. Hogle & Co.) 102,500 shares

Cellomatic Battery Corp.________Units
(Willis E. Burnside & Co., Inc.) $300,000

Chicago Musical Instrument Co.________Common
(Smith, Barney & Co.) 260,000 shares

Colorado Real Estate & Development, Inc.___Com.
(Adams & Peck) $750,000

Conetta Manufacturing Co., Inc.________Common
(Pearson, Murphy & Co., Inc.) $500,000

Cubic Corp. ________Capital
(Hayden, Stone & Co.) 50,000 shares

Drug Associates, Inc.________Units
(Fidelity Securities & Investment Co., Inc.) $110,000

Evans Rule Co.________Common
(McDonnell & Co., Inc.) 145,000 shares

Florida Capital Corp.________Common
(A. C. Allyn & Co., Inc.) 500,000 shares

General Sales Corp.________Common
(B. Fennekohl & Co., Inc.) 90,000 shares

Hydrometals, Inc. ________Conv. Debentures
(Offering to stockholders—underwritten by H. M. Byllesby & Co., Inc.) $2,500,000

International Telephone & Telegraph Corp., Sud America________Debentures
(Bear, Stearns & Co.) $10,000,000

Lee Filter Corp.________Capital
(Myron A. Lomasney & Co.) $962,500

Metropolitan Development Corp.________Capital
(William R. Staats & Co.; Bache & Co. and Shearson, Hammill & Co.) 1,000,000 shares

Namm-Loeser's Inc.________Common
(Offering to stockholders—Underwritten by Ladenburg, Thalmann & Co.) 217,278 shares

National Fountain Fair Corp.________Common
(General Investing Corp.) $300,000

National Patent Development Corp.________Common
(Globus, Inc. and Ross, Lyon & Co.) $150,000

Safticraft Corp.________Common
(George, O'Neill & Co., Inc.) $825,000

State Loan & Finance Corp.________Debentures
(Johnston, Lemon & Co. and Eastman Dillon, Union Securities & Co.) $20,000,000

Transnation Realty Corp.________Debentures
(Ross, Lyon & Co., Inc. and Globus, Inc.) $700,000

Transnation Realty Corp.________Common
(Ross, Lyon & Co., Inc. and Globus, Inc.) 70,000 shares

Transnation Realty Corp.________Warrants
(Ross, Lyon & Co., Inc. and Globus, Inc.) 35,000

United States Boat Corp.________Common
(Richard Bruce & Co., Inc.) $700,000

Variable Annuity Life Insurance Co. of America________Common
(John C. Legg & Co.) 1,000,000 shares

Western Publishing Co., Inc.________Common
(Goldman, Sachs & Co.) 362,114 shares

Wheeler Fibre Glass Boat Corp.________Common
(Morris Cohon & Co.) $400,000

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

July 26 (Tuesday)

Consumers Power Co.________Debentures
(11:00 a.m. EDT) $38,101,600

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

El Paso Natural Gas Co.________Common
(Offering to stockholders—White, Weld & Co. Inc.) 1,140,000 shares

Southern Counties Gas Co.________Bonds
(8:30 a. m. PDST) $23,000,000

July 27 (Wednesday)

Seaboard Air Line RR.________Equip. Trust Ctfs.
(Bids to be invited) $3,030,000

July 28 (Thursday)

Black Hills Power & Light Co.________Common
(Offering to stockholders—underwritten by Dillon, Read & Co., Inc.) 32,842 shares

August 1 (Monday)

Custom Craft Marine Co., Inc.________Common
(R. A. Holman & Co., Inc.) $255,000

Dechert Dynamics Corp.________Common
(Plymouth Securities Co.) $300,000

Electri-Cord Manufacturing Co., Inc.________Common
(E. M. North Co., Inc.) 299,700

Inter-County Telephone & Telegraph Co.___Com.
(Dean Witter & Co.) 125,000 shares

Investors Funding Corp. of New York__Debentures
(No underwriting) $1,400,000

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

Liberian Iron Ore Ltd.________Units
(White, Weld & Co., Inc.) 30,000 units

Renmar Construction Corp.________Common
(D. Klapper Associates, Inc.) $300,000

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)

Alderson Research Laboratories, Inc.____Common
(Morris Cohon & Co.) $300,000

Consolidated Research & Mfg. Corp.----------Units
(Bertner Bros.) $325,000

Dalto Corp. ------------------------------Common
(No underwriting) 134,739 shares

Narragansett Capital Corp.----------------Common
(G. H. Walker & Co.) $11,000,000

August 10 (Wednesday)

Capri Pools, Inc.------------------------Common
(Nassau Securities Service) $125,000

International Harvester Credit Corp.----Debentures
(Morgan Stanley & Co., Glore, Forgan & Co. and William Blair & Co.) $50,000,000

August 15 (Monday)

Dunbar Development Corp.-----------------Common
(Netherlands Securities Co., Inc. and J. A. Winston & Co., Inc.) $300,000

Fitchburg Paper Co.-----------------------Common
(White, Weld & Co.) 325,000 shares

Gold Medal Packing Corp.----------Conv. Preferred
(Ernst Wells, Inc.) $400,000

Itemco, Inc.-------------------------------Common
(Morris Cohon & Co. and Schrijver & Co.) $500,000

National Capital Corp.--------------------Common
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $1,200,000

Pacotronics, Inc.--------------------------Common
(Myron A. Lomasney & Co.) $600,000

Roto American Corp.-----------------------Common
(Morris Cohon & Co.) 75,000 shares

Tech-Ohm Electronics, Inc.----------------Common
(Edward Lewis Co., Inc.) $300,000

August 17 (Wednesday)

Harcourt, Brace & Co., Inc.---------------Common
(White, Weld & Co.) 493,425 shares

Natural Gas Pipeline Co. of America-----Cum. Pfd.
(Dillon, Read & Co., Inc.) 150,000 shares

Natural Gas Pipeline Co. of America-------Bonds
(Dillon, Read & Co., Inc. and Halsey, Stuart & Co. Inc.) $25,000,000

August 22 (Monday)

Avionics Investing Corp.------------------Capital
(S. D. Fuller & Co.) $4,000,000

Chematomics, Inc. ------------------------Common
(Pleasant Securities Co.) $564,900

Deluxe Aluminum Products, Inc.-----------Common
(R. A. Holman & Co., Inc.) $350,000

Deluxe Aluminum Products, Inc.------Debentures
(R. A. Holman & Co., Inc.) $330,000

Electro-Tec Corp. ------------------------Common
(Harriman Ripley & Co., Inc.) 135,000 shares

Pearson Corp.-----------------------------Common
(R. A. Holman & Co., Inc.) 50,000 shares

Reilly-Wolff Associates, Inc.-------------Class A
(Arden Perin & Co., Inc.) $215,000

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

August 24 (Wednesday)

Northern Pacific Ry.------------Equip. Trust Ctfs.
(Bids to be invited) $6,270,000

August 29 (Monday)

Sachar Properties, Inc.---------------------Units
(Ross, Lyon & Co., Inc. and Globus, Inc.) $600,000

September 13 (Tuesday)

Virginia Electric & Power Co.--------------Bonds
(Bids to be invited) $25,000,000

September 14 (Wednesday)

Utah Power & Light Co.---------------------Bonds
(Bids to be invited) $16,000,000

Utah Power & Light Co.-----------------Preferred
(Bids to be invited) $10,000,000

September 15 (Thursday)

East Central Racing & Breeders Association Inc. ------------------------------------Units
(No underwriting) $700,000

September 20 (Tuesday)

Public Service Electric & Gas Co.-----------Bonds
(Bids to be invited) $50,000,000

September 21 (Wednesday)

Pacific Power & Light Co.-------------------Bonds
(Bids noon) $20,000,000

Rochester Telephone Co.--------------------Bonds
(Bids to be received) $12,000,000

September 26 (Monday)

Cavitron Corp. ----------------------------Common
(No underwriting) $600,000

September 27 (Tuesday)

Indianapolis Power & Light Co.-------------Bonds
(11:00 a. m. N. Y. Time) $12,000,000

September 28 (Wednesday)

New York Telephone Co.---------------------Bonds
(Bids to be received) $60,000,000

New York Telephone Co.--------------------Common
(Bids to be received) $120,000,000

October 4 (Tuesday)

San Diego Gas & Electric Co.----------------Bonds
(Bids to be invited) $25,000,000

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

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ley & 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 Research & Development Corp. (7/25-8/12)
June 28, 1960, filed 350,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and will be available for investment in accordance with its investment policies, as the management may approve, (a) in new projects, and (b) in company in which the issuer has already invested funds. **Office**—200 Berkeley St., Boston, Mass. **Business**—Registered investment company. **Underwriter**—Lehman Brothers, New York.

● **American Rubber & Plastics Corp. (7/19)**
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. (7/18-22)**
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., has withdrawn as underwriter. New underwriter is Hamilton Waters & Co., Inc., 250 Fulton Ave., Hempstead, N. Y.

● **Arco Electronics, Inc.**
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. **Offering**—Expected in late July or early August.

Arden Farms Co.
May 13, 1960, filed 44,278 shares of preferred stock, and 149,511 shares of common stock. The company is offering the preferred shares at $52 per share, and common shares at $15 per share, 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 10 shares held. Common stockholders will be entitled to purchase the additional common shares at the rate of one new share for each 10 shares held. The record date for both groups is June 23 with rights to expire on or about Sept. 16. **Proceeds** — To repay the equivalent portion of bank loans. **Office**—1900 West Slauson Ave., Los Angeles, Calif.

Arizona-New Mexico Development Corp.
June 28, 1960 (letter of notification) 12,000 shares of common stock (par $4) and 48,000 shares of convertible preferred stock (par $4) to be offered in units of one share of common and four shares of preferred. **Price**—$25 per unit. **Proceeds** — To develop land as a tourist attraction. **Office**—Scottsdale, Ariz. **Underwriter**—Preferred Securities, Inc.

Arkansas Valley Industries, Inc. (7/25-29)
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.

● **Arnoux Corp. (7/25-29)**
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.

Associated Testing Laboratories, Inc. (7/25-29)
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.

★ **Astrex Corp.**
July 12, 1960, filed 100,000 shares of common stock. **Price**—$4 per share. **Proceeds** — For general corporate purposes, including debt reduction. **Office**—New York City. **Underwriters**—Clayton Securities Corp., Boston, Mass., and Maltz, Greenwald & Co., of New York City.

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.

● **Atlantic Bowling Corp.**
June 27, 1960, filed 250,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To furnish and equip additional bowling centers, including the repayment of any temporary indebtedness so incurred, and for working capital. Any balance will be used for general corporate purposes, which may include equipment of additional bowling centers, or the purchase of such centers from others, and the reduction of indebtedness. **Office**—100 Medway Street, Providence, R. I. **Underwriters**—Sutro Bros. & Co., New York and McDowell, Dimond & Co., Providence, R. I. **Offering**—Expected in late August or early September.

● **Automatic Cafeterias for Industry, Inc. (7/18-22)**
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 (7/18-22)**
Feb. 8 filed 2,500,000 shares of common stock. **Price**—$2 per share. **Proceeds**—Together with other funds, will be invested in the shares of the company's three subsidiaries; for general corporate purposes; and the remaining balance will be used from time to time for the purchase of all or a substantial interest in or the formation of one or more other companies engaged in the business of insurance or finance or to further supplement the funds of the three subsidiaries. **Office**—930 Tower Bldg., Washington, D. C. **Underwriters**—Sterling, Grace & Co., New York City and Rouse, Brewer, Becker & Bryant of Washington, D. C.

★ **Avionics Investing Corp. (8/22)**
July 12, 1960, filed 400,000 shares of capital stock (par $1). **Price** — $10 per share. **Business** — The issuer is a closed - end non - diversified management investment company. **Proceeds**—For investments in small business concerns in avionics and related fields, with a proposed limit of $800,000 to be invested in any one such enterprise. **Office** — 1000 - 16th Street, N. W., Washington, D. C. **Underwriter**—S. D. Fuller & Co., New York City.

● **Avnet Electronics Corp. (7/25-29)**
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.

Bal-Tex Oil Co., Inc.
June 17, 1960 (letter of notification) 300,000 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds**—For expenses for development of oil properties. **Office**—Suite 1150, First National Bank Bldg., Denver, Colo. **Underwriter**—L. A. Huey & Co., Denver, Colo.

● **Basic, Inc. (7/18-22)**
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.

● **Benson-Lehner Corp.**
June 27, 1960, filed 75,000 shares of common stock, of which 67,500 shares are to be offered for public sale by the company and 7,500 shares, being outstanding stock, by the present stockholders thereof. **Price** — To be supplied by amendment. **Proceeds**—$950,000 will be used to repay short-term bank loans the proceeds of which

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were used for working capital, $100,000 will be advanced to subsidiaries as working capital, and the balance will be added to the company's working capital. **Office**—1860 Franklin St., Santa Monica, Calif. **Business**—Engaged in the development, manufacture and sale of data processing equipment, research and service in the field of information retrieval, and the development, manufacture and sale of scientific cameras. **Underwriter** — Bear, Stearns & Co., New York. **Offering**—Expected sometime in August.

● Black Hills Power & Light Co. (7/28-8/11)
June 28, 1960, filed 32,842 shares of common stock, to be offered initially for subscription of holders of outstanding common stock on the basis of one new share for each 12 shares held. **Price** — In the aggregate, not in excess of $1,000,000. **Proceeds**—Together with other funds and funds on hand, will cover the remaining cost of the company's fiscal 1960 construction program, including the repayment of interim bank loans obtained for such purpose. **Office**—621 Sixth St., Rapid City, S. Dak. **Underwriter**—Dillon, Read & Co. Inc., New York.

★ Bliss-Davis Corp.
July 5, 1960 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Office**—9722 S. 148th St., Renton, Wash. **Underwriter**—None.

● Bristol Dynamics, Inc.
June 28, 1960, filed 124,000 shares of common stock, of which 69,000 shares are to be offered for public sale for the account of the issuing company and 55,000 shares, being outstanding stock, by the present holders thereof. **Price**—$6 per share. **Proceeds**—$100,000 for expansion and further modernization of the company's plants and equipment; $100,000 for research and development of new products; and the balance (about $123,000) for working capital and other corporate purposes. **Office**—219 Alabama Ave., Brooklyn, N. Y. **Business**—Designing, engineering, manufacturing, producing, and selling electrical and mechanical assemblies, electronic and missile hardware components and special tools and fabrications. **Underwriter** — William David & Co., Inc., New York. **Offering**—Expected in late August or early September.

● Brook Labs. Co., Inc. (7/18-22)
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. (7/25-29)
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.

★ Buckner Finance Co.
June 29, 1960 (letter of notification) $250,000 of seven year subordinated debenture notes to be offered in denominations of $500 or multiples thereof. **Price**—At par. **Proceeds**—For working capital. **Address**—Pontiac, Mich. **Underwriter**—None.

Buzzards Bay Gas Co., Hyannis, Mass. (7/25-29)
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 been indefinitely delayed.

● C. F. C. Funding Inc. (7/25-29)
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.

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.

Capri Pools, Inc. (8/10)
June 23, 1960 (letter of notification) 125,000 shares of common stock (par one cent). **Price** — $1 per share. **Proceeds**—For expansion, tooling, repayment of indebtedness, working capital and inventory. **Office**—2838 N. Naomi Street, Burbank, Calif. **Underwriter**—Nassau Securities Service, New York, N. Y.

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. (9/26-30)
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. **Underwriter**—None.

● Cellomatic Battery Corp. (7/25-29)
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.

Cenco Instruments Corp.
June 23, 1960, filed $5,000,000 of convertible subordinated debentures due Aug. 1, 1980. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company. **Office**—1700 W. Irving Park Rd., Chicago 13, Ill. **Underwriter** — Lehman Brothers, New York. **Offering**—Expected in late July to early August.

Central Illinois Electric & Gas Co. (7/12)
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 12 up to 11:30 a.m..

Chematomics, Inc. (8/22-26)
June 24, 1960, filed 188,300 shares of common stock (par 10 cents), of which 175,000 are to be offered for public sale by the company and 13,300 shares, being outstanding stock, by the present holders thereof. **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** —122 East 42nd Street, New York, N. Y. **Business**—Intends to manufacture and market high heat resistant ion exchange resins. **Underwriter**—Pleasant Securities Co., Newark, N. J.

● Chemical Packaging Co., Inc. (7/18-22)
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.
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. **Offering**—Imminent.

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.

● City Gas Co. of Florida
June 27, 1960, filed 120,000 shares of common stock. **Price** —To be supplied by amendment. **Proceeds** — Together with other funds, will be used for repayment of $2,800,000 of bank loans which are expected to exist in such amount at the time of closing the stock financing, $500,000 to complete the company's conversion and construction program, and the balance for general corporate purposes. **Office**—955 East 25th St., Hialeah, Fla. **Business** — The company and its subsidiaries distribute gas through underground distribution systems in the Miami area which are in the process of conversion from liquified petroleum gas to natural gas systems. **Underwriter** —Kidder, Peabody & Co., New York. **Offering**—Expected in late August.

★ Civic Finance Corp.
July 6, 1960 filed $650,000 of capital notes, series due 1980 (subordinated), with warrants to purchase common shares, and 40,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general funds to provide additional working capital. **Business**—The company is engaged in commercial financing and supplies funds to business concerns in Wisconsin and neighboring states. **Office**—530 North Water St., Milwaukee, Wis. **Underwriter** — Robert W. Baird & Co., Inc., Milwaukee, Wis.

Colorado Real Estate & Development, Inc. (7/25-29)
June 23, 1960, filed 150,000 shares of common stock (par $2). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office** — 704 Midland Savings Building, Denver, Colo. **Business**—Intends to engage in the acquisition of unimproved acreage, the development of that acreage into prepared sites for single-family homes, multiple dwellings and commercial improvements, and the sale of those sites to builders and others. **Underwriter** —Adams & Peck, New York.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

Commonwealth Development & Construction Co.
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.

Computer Equipment Corp.
June 17, 1960 (letter of notification) 150,000 shares of common stock (no par). **Price**—$1 per share. **Proceeds**—For working capital, market analysis, and research. **Office**—1931 Pontius Avenue, Los Angeles, Calif. **Underwriter**—Holton, Henderson & Co., Los Angeles, Calif.

● Conetta Manufacturing Co., Inc. (7/25-29)
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 due Oct. 1, 1991 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. (8/8-12)
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.

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 as of 3:30 p.m.. EDT, July 26, at the rate of $100 of debentures for each 25 shares of stock then held with no oversubscription privilege, and rights to expire on Aug. 12, at 4:30 p.m. EDT. **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.

Consumers Water Co.
June 21, 1960 (letter of notification) 3,500 shares of common stock (par $1). **Price**—$28.25 per share. **Proceeds**—To go to a selling stockholder. **Office**—95 Exchange St., Portland, Me. **Underwriter**—H. M. Payson & Co., Portland, Me.

● Continental Boat Corp. (7/18-22)
June 15, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To purchase raw materials, advertising and for working capital. **Office** — 1815 N. E. 144th St., North Miami, Fla. **Underwriter**—J. E. Coburn Associates, Inc., New York, N. Y.

● Control Data Corp. (7/20)
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.

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. **Offering**—Expected in late July or early August.

● Cubic Corp. (7/25-29)
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. (8/1-5)
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. (8/8-12)**
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. (8/1-5)**
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.

Deluxe Aluminum Products, Inc. (8/22-26)
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.

★ **Drinks, Inc.**
June 30, 1960 (letter of notification) 5,400,000 shares of common stock to be offered for subscription by stockholders on June 30, 1960 at the rate of one share for each nine shares held. **Price** — At par (five cents per share). **Proceeds**—For advertising and sales promotion. **Office**—4000 Water St., Wheeling, W. Va. **Underwriter**—None.

● **Drug Associates, Inc. (7/25-29)**
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.

● **Drug Fair-Community Drug Co., Inc. (7/26-27)**
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.

● **Dunbar Development Corp. (8/15-19)**
June 22, 1960 (letter of notification) 75,000 shares of class A common stock (par 10 cents). **Price** — $4 per share. **Proceeds**—For general corporate purposes. **Office**—237 Sylvester St., Westbury, L. I., N. Y. **Business**—Purchase of land and building of homes. **Underwriters**—Netherlands Securities Co., Inc., and J. A. Winston & Co., Inc., New York, N. Y.

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.

● **Dwyer-Baker Electronics Corp. (7/18-22)**
June 20, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To pay current maturity of mortgage and notes and for working capital. **Office**—7400 N. W. 13th Ave., Miami, Fla. **Underwriters** — Frank B. Bateman, Ltd., Palm Beach, Fla., Hardy & Co., New York, N. Y., and Jack M. Bass & Co., of Nashville, Tenn.

Dynamic Center Engineering Co., Inc.
June 20, 1960 (letter of notification) 37,450 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—To promote the sale of new products, for the purchase of additional equipment and working capital. **Address**—Norcross, Ga. **Underwriter**—Gaston-Buffington-Waller Inc., Atlanta, Ga.

● **E. S. C. Electronics Corp. (7/20-28)**
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.

● **East Central Racing and Breeders Association, Inc. (9/15)**
July 5, 1960, filed 200,000 units of 200,000 shares of capital stock and 200,000 warrants to purchase capital stock. Each unit will consist of one share and one warrant for the purchase of an additional share exercisable within 12 months. **Price**—$3.50 per unit. **Proceeds**—First step in the management's program if this financing is successful and after allocating $10,000 to finishing a training track surface and $25,000 to property accruement and maintenance, is the construction of about 15 stables to accommodate 32 horses each at an estimated cost of $22,500 each. An additional $200,000 has been allocated for construction of a building covering an indoor training track and $74,000 for working capital. **Office** — Randall, N. Y. **Underwriter**—None.

● **Edgerton, Germeshausen & Grier, Inc. (7/18-22)**
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.

● **Edwards Engineering Corp. (7/19)**
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.

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.

● **Electromagnetic Industries, Inc. (7/20-25)**
June 22, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes. **Office**—Greeley Ave., Sayville, L. I., N. Y. **Business**—Manufactures and sells transformers, magnetic components and electric instrumentation and control devices. **Underwriter**—Flomenhaft, Seidler & Co., Inc., New York, N. Y.

Electronic Developments, Inc. of Florida
June 21, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To establish a new office, for salaries, research and development and working capital. **Office**—424 W. Davis Blvd., Tampa, Fla. **Underwriter**—Carr-Rigdon Co., Inc., 4700 Nolensville Rd., Nashville, Tenn.

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. **Underwriter** — Bateman, Eichler & Co. of Los Angeles, Calif. **Offering**—Expected in early August.

● **Electro-Tec Corp. (8/22-26)**
July 1, 1960, filed 135,000 shares of common stock (par 10 cents), of which 75,000 shares are to be offered for public sale for the account of the issuing company and 60,000 shares, being outstanding stock, by the present holder thereof. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general funds and be used for general corporate purposes. **Office**—10 Romanelli Ave., South Hackensack, N. J. **Business**—Design, development, manufacture and sale of slip ring and brush block assemblies, switching devices and relays for electronic equipment. **Underwriter**—Harriman Ripley & Co., Inc., New York.

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, with rights to expire on or about Aug. 11, at 5:00 p.m. (EDT). **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.

● **Equitable Leasing Corp.**
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. **Note** — This offering will be confined to the state of South Carolina. **Offering**—Imminent.

Espey Mfg. & Electronics Corp. (7/18-22)
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. (7/25-29)
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.

Evergreen Gas & Oil Co.
June 20, 1960 (letter of notification) 2,000,000 shares of common stock (par five cents). **Price** — 12½ cents per share. **Proceeds**—For expenses for oil and gas development. **Office**—E. 12707 Valleyway, Opportunity, Wash. **Underwriters**—Standard Securities Corp. and Pennaluna & Co., Spokane, Wash. and Herrin Co., Seattle, Wash.

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.

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.

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.

★ **Federal Finance Corp.**
July 6, 1960 (letter of notification) 150,000 shares of common stock (par 25 cents). **Price**—$2 per share. **Proceeds**—For expense of issue, administrative expenses and to make loans to customers. **Office** — 107 E. Colorado Ave., Colorado Springs, Colo. **Underwriter**—None.

● **Federal Steel Corp. (7/20-21)**
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.**
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. **Note**—The underwriter states that the company has withdrawn this letter.

Fischbach & Moore, Inc.
June 28, 1960, filed 300,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—New York City. **Underwriter**—Allen & Co., New York City.

● **Fitchburg Paper Co., Fitchburg, Mass. (8/15-19)**
June 28, 1960, filed 325,000 shares of class A common stock, of which 217,000 shares are to be offered for public sale for the account of the issuing company and 108,000 shares being outstanding stock by the present holder thereof. **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, will be used to purchase and retire the outstanding preferred stock of the company at a cost not in excess of $114,000; to pay in full the outstanding 5¾% notes held by New England Mutual, the unpaid principal amount of which at June 1, 1960 was $787,500; $1,400,000 for construction of a new and larger plant for the Decotone Products Division; $450,000 for completion of a new office building; and the balance for additional working capital. **Underwriter**—White, Weld & Co., New York.

Florida Capital Corp. (7/25-29)
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.

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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**—Fund Planning, Inc., New York City. **Offering**—Sometime in July.

● Fritzi of California Mfg. Corp.
July 5, 1960, filed 100,000 shares of common stock (par $1) of which 30,000 shares are to be offered for public sale for the account of the issuing company, and 70,000 shares, being outstanding stock, by the present holders thereof. **Price**—To be supplied by amendment. **Business**—Company is engaged in the production and sale of popularly priced blouses and sportswear coordinates for girls and women. **Proceeds**—From the stock sale, and funds from working capital, totalling $293,092.75, will be contributed to the capital of Fritzi Realty, a wholly owned subsidiary, to purchase for cash from 177-First Street Corp. the building presently used by the company. **Office**—167-199 First Street, San Francisco, Calif. **Underwriters**—Bear Stearns & Co., of New York, and Schwabacher & Co., of San Francisco and New York. **Offering**—Expected sometime in August.

★ Funded Security Corp.
July 7, 1960, filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The issuer is a holding company organized under Illinois law in December, 1959. **Proceeds**—$600,000 will be transferred to the general funds of Funded Security Life Insurance Co., a newly organized legal reserve life insurance company wholly owned by the issuer, for investment in income producing securities and expansion through acquisition. **Office**—2812 W. Peterson Ave., Chicago, Ill. **Underwriters**—H. M. Byllesby & Co., Chicago, and Kalman & Co., Inc., St. Paul, Minn.

Futterman Corp. (7/18-22)
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**—Van Alstyne, Noel & Co.

★ Gateway Sporting Goods Co.
July 7, 1960 filed 70,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—Together with the proceeds from an anticipated $700,000 loan from an insurance company, will be used to retire a $425,000 bank loan and to finance the company's expansion program. **Business**—The company is principally a retail organization specializing in sporting goods, photographic equipment, toys, wheel goods, luggage and related recreational lines. **Office**—1321 Main St., Kansas City, Mo. **Underwriter**—Stern Brothers & Co., Kansas City, Mo.

General Sales Corp. (7/25-29)
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.

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.

★ Gray Eagle Mining Corp.
July 1, 1960 (letter of notification) 400,000 shares of common stock. **Price**—At par (25 cents per share). **Proceeds**—For general corporate purposes. **Office**—2 Ryland St., Reno, Nev. **Underwriter**—None.

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-Tex Development, Inc.
March 30 filed 250,000 shares of common stock. **Price**—$5 per share. **Proceeds**—For purchase of Pelican Island; for improvements on said property; and for working capital and other general corporate purposes, including the general development of the property. **Office**—714 Rosenberg St., Galveston, Tex. **Underwriter**—Myron A. Lomasney & Co., New York.

Harcourt, Brace & Co., Inc. (8/17)
June 28, 1960, filed 493,425 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Business**—The company is engaged in the publication and sale of junior high school, high school and college textbooks, workbooks, related materials, as well as general trade books. **Office**—750 Third Avenue, New York. **Underwriter**—White, Weld & Co., New York.

Hawaiian Pacific Industries, Inc.
June 29, 1960, filed $1,350,000 of 6½% convertible subordinated debentures, due September, 1970, and 100,000 shares of common stock. **Price**—Debentures, at 100% of principal amount; common stock, to be supplied by amendment. **Proceeds** — For construction expenses, new equipment, reduction of indebtedness, and the acquisition of properties. **Office** — Honolulu, Hawaii. **Underwriters**—Bosworth, Sullivan & Co. and Lowell, Murphy & Co., both of Denver, Colo.

Heldor Electronics Manufacturing Corp.
June 29, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 238 Lewis Street, Paterson, N. J. **Underwriter**—S. Schramm & Co., Inc., New York, N. Y.

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.

Honey Dew Food Stores, Inc.
June 24, 1960 (letter of notification) $300,000 of 7½% convertible subordinated debentures due July 1, 1970. **Price** — At 100%. These debentures are convertible through June 30, 1965 into capital stock at $2.50 per share to and including June 30, 1962, at $3.33⅓ per share from July 1, 1962 to June 30, 1964 inclusive and at $4 per share from July 1, 1964 to June 30, 1965 inclusive. **Proceeds** — For general corporate purposes. **Office** — 811 Grange Rd., Teaneck, N. J. **Underwriter** — Vickers, Christy & Co., Inc., 15 William St., New York 5, N. Y.

Hydrocraft, Inc.
June 20, 1960 (letter of notification) 180,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase inventory, increase plant capacity by adding additional molds and jigs, research and development and for working capital. **Office**—804 Lake St., Huntington Beach, Calif. **Underwriter**—Wedbush & Co., Los Angeles, Calif.

● Hydrometals, Inc. (7/25-29)
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.

Hyster Co.
June 27, 1960, filed 130,000 shares of its common stock (par 50 cents). Of the total, 50,000 shares are being offered for the company's account and 80,000 shares by certain stockholders. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Business** — The manufacturing and marketing of materials handling equipment. **Underwriter** — Blyth & Co., Inc., New York. **Offering**—Expected in August.

I C Inc.
June 29 filed 600,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo. **Offering**—Imminent.

I. D. Precision Components Corp.
June 29, 1960, (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office** — 89-25 Van Wyck Expressway, Jamaica 35, N. Y. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y. **Offering**—Expected sometime in September.

Illinois Beef, L. & W. S., Inc.
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.

Indian Trail Ranch, Inc.
June 28, 1960, filed $585,000 of 6% convertible promissory notes due 1965; 171,600 warrants to purchase the said notes; and 57,200 common shares issuable upon conversion of the notes. The company proposes to offer its common stockholders rights to subscribe to the notes at the rate of $5 principal amount of notes for each share of common stock held. Each stockholder is entitled to one subscription right for each share held; and three rights are required to subscribe for one note in the amount of $15, the minimum subscription. **Business**—The company is authorized to engage in a general farming and ranching business. **Proceeds** — To enable the company to obtain the necessary funds required to meet various financial commitments in connection with its bank loans, mortgage payments and carrying charges with respect to some 44,000 acres. **Office** — Southern Blvd., West Palm Beach, Fla. **Underwriter**—None.

● Infrared Industries, Inc.
July 6, 1960, filed 135,000 shares of common stock (without par value), 100,000 shares of which are for the company and the balance for the account of certain stockholders. **Price**—To be supplied by amendment. **Proceeds**—Approximately $700,000 will be used to construct and equip the Santa Barbara, Calif. plant for which the company has recently acquired acreage, $450,000 will be used to discharge indebtedness of the company and a subsidiary, and the balance will be used for general corporate purposes including working capital. **Business**—The company produces infrared detectors for most of the infrared systems under procurement by the Armed Forces of the United States and for civilian use as well. **Office**—Waltham, Mass. **Underwriter**—Lehman Brothers, New York City. **Offering**—Expected in early August.

● Inter-County Telephone & Telegraph Co. (8/1)
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 Harvester Credit Corp. (8/10)
July 8, 1960, filed $50,000,000 of debentures, due 1981. **Price** — To be supplied by amendment. **Proceeds** — For general corporate purposes, including debt reduction and the purchase of receivables. **Office**—180 North Michigan Ave., Chicago, Ill. **Underwriters**—Morgan Stanley & Co and Glore, Forgan & Co., both of New York City, and William Blair & Co., of Chicago.

● International Telephone & Telegraph Corp., Sud America (7/25-29)
June 21, 1960, filed $10,000,000 of debentures due July, 1977. **Price**—100% of principal amount. **Proceeds**—For subsidiaries and general funds. **Office**—67 Broad Street, New York City. **Underwriter**—Bear, Stearns & Co., New York.

● Investors Funding Corp. of New York (8/1-5)
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. (8/15-19)
April 29 filed 200,000 shares of common stock. **Price**—$2.50 per share. **Proceeds**—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. **Under-**

writers—Morris Cohon & Company and Schrijver & Co., both of 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.

● **Laclede Gas Co.**
June 1 filed a maximum of 243,600 shares of common stock (par $4) being 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 with rights to expire on July 25. **Price**—$20.25 per share. **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.

★ **Leadville Water Co.**
June 28, 1960 (letter of notification) $220,000 of 20-year 6% series A first mortgage coupon bonds to be offered in denominations of $1,000. **Price**—At par. **Proceeds**—For a mortgage payment, outstanding notes, construction of a new water supply and general corporate purposes. **Office**—719 Harrison Ave., Leadville, Colo. **Underwriter** —H. M. Payson & Co., Portland, Me.

Lee Electronics Inc.
June 14, 1960 (letter of notification) 135,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To expand operations. **Office**—3628 Rhawn St., Philadelphia, Pa. **Underwriter** — Atlantic Equities Co., Washington, D. C.

● **Lee Filter Corp. (7/25-29)**
June 17, 1960, filed 110,000 shares of capital stock (par $1). **Price**—$8.75 per share. **Proceeds**—About $250,000 will be used to discharge bank loans, the proceeds of which were used to provide additional working capital and to discharge other short-term indebtedness; $100,000 for construction and purchase of additional tools, dies and machinery and additions to raw material inventory; and the balance for general corporate purposes. **Office**—191 Talmadge Road, Edison, N. J. **Underwriter**—Myron A. Lomasney & Co., 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. (8/1-5)**
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.

Lifetime Pools Equipment Corp.
July 1, 1960, filed 100,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—Engaged in the manufacture and selling of fiber glass swimming pools. **Proceeds**—$125,000 will be used to purchase machinery and equipment; $200,000 to purchase raw materials, parts and components; $40,000 for sales and advertising promotion; $30,000 for engineering and development; and the balance will be added to working capital. **Office**—Renovo, Pa. **Underwriter**—First Pennington Corp., Pittsburgh, Pa.

★ **Louisiana Gas Service Co.**
June 10, 1960, filed 670,000 shares of common stock (par $10) to be issued by Louisiana Power & Light Co. to stockholders of Middle South Utilities, Inc., on the basis of one share of Louisiana Gas Service Co. common stock for each 25 shares of common stock of Middle South held (with an additional subscription privilege); rights begin in August and expire in September. **Price**—To be supplied by amendment. **Proceeds**—All to be paid to Louisiana Power & Light Co. **Underwriter**—None.

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.

● **Martin-Parry 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. **Note**—This statement was withdrawn.

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.

Mercantile Discount Corp., Chicago, Ill.
June 29, 1960, filed 128,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To be added to the capital fund to allow for the expansion of business and to increase borrowing capacity. Part of the proceeds may be used temporarily to reduce bank borrowings. **Underwriters**—Rodman & Renshaw and H. M. Byllesby and Co. Inc., both of Chicago, Ill.

Metropolitan Development Corp. (7/25-29)
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.

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.

★ **Miami Ventilated Awning Mfg. Co., Inc.**
June 29, 1960 (letter of notification) 150,000 shares of class A common stock (par $1). **Price**—$2 per share. **Proceeds**—To retire loans, purchase new machinery, open a new office and for working capital. **Office**—1850 N. E. 144th St., North Miami, Fla. **Underwriter** — Plymouth Bond & Share Corp., Miami, Fla.

★ **Mideast Aluminum Corp.**
July 1, 1960 (letter of notification) 10,000 shares of common stock (par $2). **Price**—$5 per share. **Proceeds** —For general corporate purposes. **Address**—U. S. 130, Dayton, N. J. **Underwriter**—None.

● **Midwest Technical Development Corp. (7/18-22)**
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) being 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 with rights to expire on July 22. **Price** — $17 per share. **Proceeds**—For working capital. **Address**—Cincinnati, Ohio. **Underwriter**—W. D. Gradison & Co., Cincinnati, Ohio.

★ **Mobile Video Tapes, Inc.**
June 30, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—To purchase equipment and cancel debts and the remainder for working capital. **Office**—1607 N. El Centro, Hollywood, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

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.

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. (7/25-29)**
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. (8/15-19)
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 Film Studios, Inc.**
June 29, 1960 (letter of notification) 150,000 shares of common stock (par 25 cents). **Price**—$2 per share. **Proceeds**—For editorial facilities, screening theatre, purchase equipment, working capital and expense of sale. **Office**—105 11th St., S. E., Washington, D. C. **Underwriter**—None.

● **National Fountain Fair Corp. (7/25-29)**
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 Patent Development Corp. (7/25-29)**
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.

Natural Gas Pipeline Co. of America (8/17)
July 1, 1960, filed $25,000,000 of first mortgage pipeline bonds, due 1980. **Price**—To be supplied by amendment. **Proceeds**—To be applied in part to the payment of outstanding bank loans and the balance used for construction requirements. **Office** — 122 South Michigan Ave., Chicago, Ill. **Business**—Public utility. **Underwriters**—Dillon, Read & Co. Inc., and Halsey, Stuart & Co. Inc., both of New York.

Natural Gas Pipeline Co. of America (8/17)
July 1, 1960, filed 150,000 shares of cumulative preferred stock (par $100). **Price**—To be supplied by amendment. **Proceeds**—To be applied in part to the payment of outstanding bank loans and the balance used for construction requirements. **Office** — 122 South Michigan Ave., Chicago, Ill. **Underwriter**—Dillon, Read & Co. Inc., New York.

● **Nebraska Consolidated Mills Co.**
May 11 filed 111,951 shares of common stock, being offered for subscription by holders of outstanding common of record July 2, at the rate of one new share for each four shares held with rights to expire on July 20 at 3:30 p.m. CST. **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.

● **Needham Packing Co.**
June 28, 1960, filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—Toward the payment of a $2,000,000 bank loan. **Office** — Sioux City, Iowa. **Underwriter** — Cruttenden, Podesta & Co., Chicago. **Offering**—Expected in early September.

● **New Britain Gas Light Co.**
May 18 filed a maximum of 15,893 shares of common stock (par $25) being offered to holders of the outstanding common of record July 6 on the basis of one new share for each five shares held, with rights to expire on July 26 at 3:30 p.m. EDT. **Price**—$39 per share. **Proceeds**—To discharge bank loans, for construction, and for general corporate purposes. **Office**—New Britain, Conn. **Underwriter**—Putnam & Co., Hartford, Conn.

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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, at 10:00 a.m.

● **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. **Offering**—Imminent.

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.

● **Norwalk Co., Inc. (7/18-22)**
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.

Organ Corp. of America
June 28, 1960, (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Proceeds**—For general corporate purposes. **Office**—59 Hempstead Gardens Drive, W. Hempstead, L. I., N. Y. **Underwriters**—J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc., New York, N. Y. **Offering**—Expected in mid-August.

● **Oxford Manufacturing Co., Inc. (7/18-22)**
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. (8/15-19)**
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.

● **Papercraft Corp.**
June 2 filed 125,537 shares of common stock (par $1), being offered initially to stockholders of record July 11, of the corporation at the rate of one additional share for each eight shares presently held with rights to expire on July 26 EDT at 3:30 p.m. **Price** — $31 per share. **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 in early 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.

● **Pearson Corp. (8/22-26)**
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. **Offering**—Expected sometime in September.

★ **Pinewald Finance & Construction Corp.**
July 5, 1960 (letter of notification) 275,000 shares of common stock (par 10¢). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Mailing Address**—P. O. Box 174, Bayville, N. J. **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.

● **Powertron Ultrasonics, Inc. (7/15-20)**
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 incorporating ultrasonic principles. **Underwriter**—None.

Progress Electronics Corp.
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. **Offering**—Imminent.

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.

Puerto Rico Telephone Co.
June 23, 1960, filed 100,000 shares of common stock, to be offered for subscription of holders of its outstanding common stock on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, will be added to the general funds of the company, which will be used in furtherance of a five year expansion and improvement program initiated in 1959, and to repay indebtedness to banks and ITT incurred for the purchase of materials and equipment used or to be used for said program. **Office**—261 Tanca St., San Juan, Puerto Rico. **Underwriter**—None.

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. (7/18-22)
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. **Office**—52 Broadway, New York.

● **Reeves Broadcasting & Development Corp. (7/18-22)**
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. (8/22)**
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.

★ **Renmar Construction Corp. (8/1)**
July 1, 1960 (letter of notification) 75,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds** — To purchase properties for development and sale. **Office**—2943 Broadway, Riviera Beach, Fla. **Underwriter**—D. Klapper Associates, Inc., New York, N. Y.

● **Republic Ambassador Associates**
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.

★ **Rez-Tile Industries, Inc.**
June 29, 1960 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For a new product development and working capital. **Office**—11801 Florida Ave., Tampa, Fla. **Underwriters**—Vickers, Christy & Co., Inc. and First City Securities, Inc., New York, N. Y.

Roliton Corp.
June 28, 1960, (letter of notification) 175,000 shares of common stock (par 50 cents). **Price**—$1 per share. **Proceeds**—For training, advertising, salaries and fees, travel expenses and working capital. **Office** — 1600 Ogden Street, Denver, Colo. **Underwriter**—Copley & Co., Colorado Springs, Colo.

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.

★ **Rotating Components, Inc.**
July 8, 1960 (letter of notification), 100,000 shares of common stock (par 1¢). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—267 Green St., Brooklyn 2, N. Y. **Underwriter**—S. Schramm & Co., Inc., New York, N. Y.

● **Roto-American Corp. (8/15-19)**
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.

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.

★ **Sachar Properties, Inc. (8/29-9/2)**
July 6, 1960, filed $300,000 of 8% subordinated instalment convertible debentures due 1970, 150,000 shares of common stock (par 10 cents) and 30,000 common stock purchase warrants. It is proposed to offer these securities in units, each unit is to consist of $100 principal amount of debentures, 50 common shares, and 10 warrants exercisable at $2 per share until 1965. **Price**—$200 per unit. **Proceeds**—$200,000 to purchase the Second Ave. and E. 82nd St. properties; $51,000 to purchase the New Rochelle property; and the balance for working capital. **Business**—The company intends principally to deal in and with unimproved real property, to sell parcels as building sites, to subdivide and improve parcels and sell same as building sites, and to obtain or prepare building plans and financing arrangements in respect thereof. **Office**—598 Madison Ave., New York. **Underwriters**—Ross, Lyon & Co., Inc. and Globus, Inc., both of New York.

● **Safticraft Corp., Patterson, La. (7/25-29)**
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.
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. (7/15)**
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.

Seaboard Finance Co.
June 23, 1960, filed $40,000,000 of sinking fund debentures due 1980. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and will be available to pay current indebtedness and to carry additional receivables. **Office**—818 W. 7th St., Los Angeles 17, Calif. **Underwriters**—Lehman Bros. and Blyth & Co., Inc., both of New York. **Offering**—Expected in late July to early August.

● **Sea-Highways, Inc. (7/18-22)**
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. (7/15-20)**
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.

● **Seneca Manufacturing Corp., Inc.**
June 23, 1960 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—

To repay unsecured notes, for inventory, purchase of additional machinery and to increase capital surplus. Office—751 W. 8th South, Salt Lake City, Utah. Underwriter—Continental Securities Corp., Suite 627 Continental Bank Bldg., Salt Lake City, Utah. Note—The underwriter reports that the stock has been "pretty well subscribed for."

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.

Softol, Inc.
June 17, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For general corporate purposes. **Office** — 992 Springfield Ave., Irvington, N. J. **Business**—The company manufactures cosmetics and toiletry items. **Underwriter**—Harwyn Securities, Inc., 1457 Broadway, New York 36, N. Y.

★ **Sonex, Inc.**
June 29, 1960 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—For machinery, cost of moving and leasehold improvements and working capital. **Office**—185 W. Schoolhouse Lane, Philadelphia 44, Pa. **Underwriter** — Hess, Grant & Remington, Inc., Philadelphia, Pa.

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 Counties Gas Co. of California (7/26)**
June 23, 1960, filed $23,000,000 of first mortgage bonds. **Proceeds**—To be used to repay in full the company's short-term indebtedness to its parent, Pacific Lighting Corp., which is expected to approximate $14,000,000 as of Aug. 1, 1960. Said indebtedness represents advances made to the company to provide temporary funds for construction and expansion. The balance of the net proceeds will be used to finance in part the cost incurred, or to be incurred, in connection with such program and to reimburse money actually expended from income or from other money in the treasury of the company for similar purposes in 1960 or any prior year. **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**—Expected to be received on July 26 at 8:30 a.m. PDST, at room 1216, 810 Flower St., Los Angeles, Calif. **Information Meeting**—Scheduled for July 22 at 10:00 a.m. EDST at the Bankers Trust Co., 16 Wall St., New York City.

★ **Southwestern Bell Telephone Co. (8/2)**
July 8, 1960 filed $100,000,000 of debentures, due Aug. 1, 1995. **Proceeds**—To repay advances from A. T. & T., the parent company, which are expected to approximate $86,000,000, with the remainder for plant expenditures. **Office**—1010 Pine St., St. Louis, Mo. **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 at room 2315, 195 Broadway, New York City.

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.

Sprayfoil Corp.
June 22, 1960, filed 250,000 shares of common stock. **Price**—$2 per share. **Proceeds**—Approximately $250,000 will be used in the development, engineering and design of new products, approximately $150,000 will be used in the manufacture of the products of the company and for the purchase of necessary tools and equipment, and approximately $93,443 will be added to the company's working capital. **Business**—The company engages in the development, engineering and exploitation of products and uses applying the principles incorporated in patents covering the so-called "Coanda airfoil technique" of atomizing liquids. **Office**—2635 Louisiana Ave., South, Minneapolis, Minn. **Underwriter**—None.

State Loan & Finance Corp. (7/25)
June 22, 1960, filed $20,000,000 of sinking fund debentures due 1980. **Price** — To be supplied by amendment. **Proceeds**—To be added to the company's general funds. **Business** — Engaged in consumer finance (small loan) business. **Office**—1200 Eighteenth St., N. W., Washington 6, D. C. **Underwriters** — Johnston, Lemon & Co., Washington, D. C., and Eastman Dillon, Union Securities & Co., New York.

Steck Co.
June 24, 1960, filed 60,000 shares of common stock, of which 30,000 shares are to be offered for public sale by the issuing company and 30,000 shares are now outstanding and are to be offered by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To supply funds for working capital. **Office**—205 West 9th St., Austin, Tex. **Business**—The company is engaged in the printing and publishing business and in the sale of office supplies and equipment. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas, Tex.

Storm Mountain Ski Corp.
June 30, 1960, filed $500,000 of 8% subordinated debentures due 1975 and 100,000 shares of common stock, to be offered for public sale in units consisting of a $50 debenture and 10 shares of stock. **Price**—$75 per unit. **Proceeds** — To pursue the development of the resort. **Office** — Steamboat Springs, Colo. **Business** — Company was organized for the purpose of developing and operating a ski and summer resort on Storm Mountain on the Continental Divide, about 2 miles from Steamboat Springs. **Underwriter**—None.

Sunbury Milk Products Co.
June 20, 1960 (letter of notification) 20,000 shares of common stock (par $5). **Price**—$15 per share. **Proceeds**—To liquidate short-term bank loans and for working capital. **Office**—178 Lenker Ave., Sunbury, Pa. **Underwriter**—Hecker & Co., Philadelphia, Pa.

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.

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. **Offering**—Expected sometime in August.

★ **Tech-Antares Corp.**
July 7, 1960 (letter of notification) 75,000 shares of common stock (no par). **Price**—$1 per share. **Proceeds**—To repay a note, train technicians, salaries, and for plant and equipment. **Office** — 315 W. 12th St., Wilmington, Del. **Underwriter**—None.

Techno Fund, Inc.
June 24, 1960, filed 400,000 shares of common stock. **Price**—$12.50 per share. **Proceeds**—For investment. **Office**—50 West Gay St., Columbus, Ohio. **Business**—A closed-end, non-diversified management investment company. **Underwriters**—The Ohio Company, Columbus, Ohio and Merrill, Turben & Co., Inc., Cleveland, Ohio.

● **Tech-Ohm Electronics, Inc. (8/15-19)**
June 29, 1960, (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—36-11 33rd Street, Long Island City, N. Y. **Underwriter** — Edward Lewis Co., Inc., New York, N. Y.

● **Telephone & Electronics Corp.**
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. **Offering**—Expected some time in August.

Terminal Electronics, Inc.
June 24, 1960, filed 166,668 shares of capital stock (par 25 cents), of which 83,334 shares are to be offered for public sale for the account of the issuing company and the balance for the account of William Filler, President. **Price**—$6 per share. **Proceeds**—$190,000 is to be used to pay the remaining balance of its obligation incurred in connection with the purchase of Terminal stock from the Estate of Frank Miller; $100,000 to repay a bank loan; and the balance for general corporate purposes, including the obtaining and equipping of an additional retail outlet. **Business**—Wholesale and retail distribution of retail electronics parts and components. **Office**—236-246 17th Street, New York. **Underwriters**—J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc., both of New York. **Note**—Name is to be changed to Terminal-Hudson Electronics, Inc. upon effectiveness of a merger with Hudson Radio & TV Corp., which will take place if and when all of the shares offered hereby are sold. **Offering**—Expected in Mid-August.

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.

★ **Thunderbird Associates**
June 30, 1960 (letter of notification) $300,000 of limited partnership participations to be offered in units of $5,000 and $10,000. **Proceeds**—For working capital. **Office**—51 E. 42nd St., New York 17, N. Y. **Underwriter**—None.

Townsend Investment Co., Inc.
June 20, 1960 (letter of notification) $300,000 of 6% first mortgage bonds and 3,000 shares of common stock (par $5) to be offered in units consisting of one $1,000 bond and 10 shares of common stock. **Price**—$1,000 per unit. **Proceeds**—To pay off a present mortgage and for working capital. **Address** — P. O. Box 68, Townsend, Tenn. **Underwriter**—Davidson & Co., Inc., Knoxville, Tenn.

Transnation Realty Corp. (7/25-29)
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. **Note**—This company was formerly called the Goelet Corp.

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.

★ **Union Texas Natural Gas Corp.**
July 8, 1960, filed 150,248 shares of outstanding class A stock (par $1), and 75,124 shares of outstanding class B stock (par $1). **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office** — 811 Rusk Ave., Houston, Texas. **Underwriters** — Carl M. Loeb, Rhoades & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., and Smith, Barney & Co., Inc., all of New York City. **Offering**—Expected in mid-August.

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 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. (7/25-29)**
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.

United States Bowling Corp.
June 22, 1960, (letter of notification) 112,500 shares of common stock (par 25 cents) and $112,500 of 10-year 6½% convertible debentures to be offered in units of one debenture ($100 principal amount) and 100 shares of common stock. **Price**—$200 per unit. **Proceeds**—For working capital to lease and operate additional bowling centers. **Office**—East 701 First National Bank Building, St. Paul, Minn. **Underwriter** — Irving J. Rice & Co., St. Paul, Minn.

U. S. Photo Supply Co., Inc.
June 23, 1960, (letter of notification) 120,000 shares of common stock (par 50 cents). **Price**—$2.50 per share. **Proceeds**—To pay debts and increase line of credit. **Office**—6478 Sligo Mill Road, Washington 12, D. C. **Underwriter**—Balogh & Co., Washington, D. C.

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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**
May 24 filed 216,645 shares of capital stock being offered for subscription by stockholders of record July 14, at the rate of one new share for each 15 shares held with rights to expire on Aug. 1. **Price** — $44 per share. **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.

Venture Capital Corp. of America
June 29, 1960, filed 275,000 shares of common stock (par $1). **Price** — $7.50 per share. **Proceeds** — To be used to fulfill the $300,000 minimum capital requirements of the Small Business Investment Act. **Business**—A closed-end non-diversified management investment company. **Office**—375 Park Ave., New York. **Underwriters**—Filor, Bullard & Smyth, Hardy & Co., Sprayregen, Haft & Co. and Bregman, Cummings & Co., all of New York. **Offering**—Expected in late August or early September.

Waltham Precision Instrument Co., Inc.
April 15 filed 700,000 shares of common stock (par $1) being offered on a subscription basis to the company's present common stockholders offered June 30 with rights to expire on Aug. 4. **Price**—$2 per share. **Proceeds**—$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 Street, Waltham, Mass. **Underwriter**—Schweickart & Co., New York.

Warner Electric Brake & Clutch Co.
June 29, 1960, filed 154,916 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—South Beloit, Ill. **Business** — Company produces electrically - actuated brakes and clutches used in a wide variety of industrial equipment, electric wheel brakes for mobile homes and trailers, and electric compressor and fan clutches used in automotive air conditioning and cooling systems. **Underwriters**—Blunt Ellis & Simmons and Bacon, Whipple & Co., both of Chicago, Ill.

● **Waterman Products Co., Inc.**
June 24, 1960, filed 100,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—To be used primarily to accelerate the development of the company's proprietary items for the purpose of expanding its commercial business. **Business**—Electronics field. **Office**—2445 Emerald St., Philadelphia, Pa. **Underwriter**—Stroud & Co., Philadelphia and New York. **Offering**—Expected in late August.

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.
May 19 filed 43,048 shares of common stock being offered for subscription by its common stockholders of record June 6, 1960, at the rate of one new share for each 10 shares then held with rights to expire on July 22, at 2:00 p.m. EDT. **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 Factors, Inc.
June 29, 1960, filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

Western Kentucky Gas Co.
June 22, 1960, filed 55,000 outstanding shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholder (Henry L. Hillman of Pittsburgh, Pa.). **Business**—Operating public utility. **Address**—608 Frederica St., Owensboro, Ky.. **Underwriter**—Equitable Securities Corp., Nashville, Tenn., and New York.

Western Land Corp.
July 5, 1960, filed 1,500,000 shares of common stock. **Price**—$2 per share. **Business**—Company proposes to engage in the real estate business, including the purchase and sale of real property and the purchase or construction and development of industrial and other properties, including shopping centers and apartment and office buildings. **Proceeds** — Primarily for real estate investment. **Office**—2205 First National Bank Bldg., Minneapolis, Minn. **Underwriter** — First Western Corp., of Minneapolis, Minn.

● **Western Publishing Co., Inc. (7/25-29)**
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. **Proceeds**—For the general funds for general corporate purposes, including plant improvement and additional equipment. **Office**—1220 Mound Ave., Racine, Wis. **Underwriter**—Goldman, Sachs & Co. of New York City. **Note**—This company was formerly called the Western Printing and Lithographing Co.

● **Westmore, Inc. (7/15)**
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. (7/25-29)
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.

● **Whitmoyer Laboratories, Inc. (7/25-29)**
Jan. 28 filed 85,000 shares of common stock and $500,000 of 6% subordinated debentures, due 1977, with warrants for the purchase of 10,000 additional common shares at $5 per share. **Price** — For the debentures, 100% of principal amount; for the 85,000 common shares, $6 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness, sales promotion, and equipment. **Office**—Myerstown, Pa. **Underwriter**—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia, Pa.

● **Willer Color Television System, Inc. (7/25-29)**
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.

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.

★ **Woodard Research Corp.**
June 30, 1960 (letter of notification) 15,000 shares of common stock (par $2). **Price**—$10 per share. **Proceeds**—For construction of a laboratory and office building, equipment and working capital. **Office**—113 Station St., Herndon, Va. **Underwriter**—None.

★ **Yardney Electric Corp.**
July 11, 1960 filed 254,000 shares of outstanding common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Business**—The company is principally engaged in the development, design, manufacture and sale of silver-zinc primary and rechargeable batteries. **Office**—New York City. **Underwriter**—Kidder, Peabody & Co., New York. **Offering**—Expected in late August.

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.**
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. **Note**—It has since been reported that this will be a private placement .

Alexander's Department Stores, Inc.
July 6 it was reported that this Bronx (N. Y.)-based retail chain is contemplating an issue of common stock. No confirmation was available.

★ **Arkansas Power & Light Co.**
June 20, 1960, it was announced that this subsidiary of Middle South Utilities, Inc. might issue $15,000,000 of first mortgage bonds in December. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.

● **Atlantic Coast Line RR. (7/20)**
Bids will be received up to noon EDT on July 20 by the Road for the purchase from it of $4,815,000 of railroad equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

Bekins Van & Storage Co.
July 6 it was reported that this company is contemplating a common stock issue. **Office** — 1335 So. Figuroa Street, Los Angeles 15, Calif.

Broad Street Trust Co.
June 27, 1960, the bank offered stockholders of record June 22 rights to subscribe for an additional 36,036 shares of its $10 par capital stock at $44 on a 1-for-10 basis to July 15, 1960. **Proceeds**—To increase capital and surplus. **Underwriters** — Stroud & Co. and Hallowell, Sulzberger, Jenks, Kirkland & Co., both of Philadelphia, Pa.

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.

★ **Custom Craft Industries**
July 13, 1960 it was reported that the company plans a regulation "A" filing sometime in mid-August. **Proceeds**—For general corporate purposes. **Office**—Miami, Fla. **Underwriter** — Plymouth Securities Corp., New York City.

● **Florida Power & Light Co.**
June 1 it was announced that the company anticipates further financing in the fall of 1960 approximating $25,000,000 of an as yet undetermined type of security, 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.

Hallicrafters Co.
July 7, 1960, it was reported that this company is contemplating the issuance and sale of approximately 300,000 shares of its common stock. **Business**—Electronics manufacturer. **Office**—Chicago, Ill. **Underwriter**—Paine Webber, Jackson & Curtis, New York. **Registration**—Expected sometime in September.

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.

Iowa-Illinois Gas & Electric Co.
June 23, 1960, it was announced that the company's sale of $15,000,000 of first mortgage bonds in April of this year will carry it through the better part of 1960. The company plans some bank borrowing before the end of the year and expects to be in market again sometime in 1961, probably also for senior debt securities.

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.

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.

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 imminently. 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., 39 Broadway, New York City.

Nedick's Stores, Inc.
Nov. 12 it was reported that the company is contemplating the placing in registration of 17,000 shares of common stock. About 66% of the issue will be sold for the company's account and the remaining 34% balance will be sold for the account of a selling stockholder **Underwriter**—Van Alstyne, Noel & Co., New York.

● New York Telephone Co. (9/28)
June 22, 1960, the board of directors of this company authorized the issuance of an additional series of mortgage bonds in the amount of $60,000,000 and common stock in the amount of $120,000,000, subject to the approval of the New York Public Service Commission. **Proceeds**—To retire short-term bank borrowings used to finance construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.. **Bids**—Expected to be received on or about Wednesday, Sept. 28. **Note** — The stock will be sold to the American Telephone & Telegraph Co. on or about Oct. 1, under preemptive rights.

★ Northern Pacific Ry. (8/24)
July 11, 1960, it was reported that the Road plans to offer $6,270,000 of railroad equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc. and Salomon Bros. & Hutzler. **Bids**—Expected to be received on Aug. 24.

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 Dillon, 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. (9/21)
June 13, 1960, it was reported that this utility plans the sale of $20,000,000 of 30-year first mortgage bonds. **Proceeds** — To retire $20,000,000 of unsecured promissory notes, to mature on or prior to July 31, 1961. The notes will be used to partially finance the 1960-61 construction program, which is expected to total $61,000,000. **Office**—Portland, Ore. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Blyth & Co. and White, Weld & Co. (jointly); Eastman Dillon, Union Securities & Co. **Bids** — Expected to be received on Sept. 21 at 12 noon.

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.

Pik-Quik Inc.
June 29, 1960, it was reported that the company is contemplating the filing of 550,000 shares of common stock sometime in July. **Proceeds**—For acquisitions in Florida. **Office**—Minneapolis, Minn. **Underwriter**—A. C. Allyn & Co., 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).

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.

Ritter Co., Inc.
July 6 it was reported that this company plans to consolidate some $2,500,000 of funded debt, possibly through a private placement, pursuant to which a bond issue may be expected. **Underwriter**—Lehman Brothers, New York City.

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.

● Rochester Telephone Co. (9/21)
June 24, 1960, this public utility petitioned the New York State Public Service Commission for permission to issue and sell $12,000,000 of series "E" first mortgage bonds, which will mature in 33 years, on Sept. 1, 1993. **Proceeds**—The proceeds of this sale would be used to repay bank loans for construction and extension of facilities in service by the date of the proposed sale. **Underwriter**—To be determined by competitive bidding. Probable bidders: First Boston Corp., and Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Kidder, Peabody & Co. (jointly). **Bids**—Expected to be received on Sept. 21, 1960.

● San Diego Gas & Electric Co. (10/4)
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). **Bids**—Expected to be received on Oct. 4.

● Scantlin Electronics, Inc.
June 13, 1960, it was reported that the filing of about $2,000,000 of common stock is being discussed, and may occur sometime soon. The company is currently market-testing a new electronic table-top stock quotation board. The device called "Quotcon" will be demonstrated until July 15 at the offices of Istar, Inc., room 1515, 63 Wall St., New York City, between 9:00 a.m. and 5:00 p.m., by appointment. **Office**—Los Angeles, Calif. **Underwriters** — 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.

Seaboard Air Line RR. (7/27)
Bids will be received on July 27 by the company for the purchase from it of $3,030,000 of railroad equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

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

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Dean Witter & Co. (jointly). **Bids**—Expected to be received on Aug. 23.

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.

● **Southern Pacific Co. (7/21)**
Bids will be received up to noon on July 21 by the company for the purchase from it of $6,000,000 of railroad equipment trust certificates. The issue will mature in 15 annual instalments. **Proceeds**—To partially finance $7,500,000 of new equipment. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

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 $16 million of first mtge. bonds and $10 million (400,000 shares) of $25 preferred stock will be sold. **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.

West Ohio Gas Co.
June 24, 1960, it was announced that the company anticipates, that in order to carry out its 1960 construction program it will consummate long-term financing during the year to provide additional funds in the approximate sum of $400,000.

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.

Businessman's BOOKSHELF

A.B.A. at Work for Your Bank—Publication describing the Associations' departments and their programs — American Bankers Association, 12 East 36th Street, New York 16, N. Y.

American Bureau of Metal Statistics — 39th Annual Year-Book—American Bureau of Metal Statistics, 50 Broadway, New York 4, N. Y. (paper), $4.00; (cloth), $4.50.

American Industry in Europe—A Report on the Arden House Conference on the European Common Market and the American Chemical Industry — Arthur D. Little, Inc., Acorn Park, Cambridge 40, Mass. (paper), $3.00.

Bank for International Settlements — 30th Annual Report — Bank for International Settlements, Basle, Switzerland (paper).

Barriers to Creativity — Third in a series of booklets prepared by Deutsche & Shea, Inc.—Industrial Relations News, Inc., 230 West 41st Street, New York 36, N. Y., $1.50 (quantity prices on request.)

Comparisons of the United States and Soviet Economies — Supplemental Statement on Costs and Benefits to the Soviet Union of Its Bloc and Pact System: Comparisons with the Western Alliance System—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 20c.

Convention Decisions and Voting Records — Richard C. Bain — The Brookings Institution, 722 Jackson Place, N. W., Washington 6, D. C. —(cloth)—$.76.

Creative Selling—Charles Lohse—Charles Scribner's Sons, 597 Fifth Avenue, New York 17, N. Y. (cloth), $4.95.

Demand for Durable Goods—Edited by Arnold C. Harberger—The University of Chicago Press, 5750 Ellis Avenue, Chicago 37, Ill. (cloth), $6.00.

Do You Talk "Computerese"?—22 Page Glossary of Computere terms — Minneapolis-Honeywell Regulator Co., Industrial Division, Philadelphia 44, Pa. (paper).

Effective Report Writing For Business, Industry and Government — Norman B. Sigband—Harper & Brothers, 49 East 33rd Street, New York 16, N. Y. (cloth), $6.75.

Essentially Equivalent to a Dividend—Paul D. Seghers, William J. Reinhart, and Selwyn Nimaroff—The Ronald Press Company, 15 East 26th Street, New York 10, N. Y. (cloth), $10.

Exchange Restrictions—11th Annual Report—International Monetary Fund, Washington, D. C., (paper).

Federal Deposit Insurance Corporation —Annual Report — Federal Deposit Insurance Corporation, Washington, D. C. (paper).

Franklin Letter—Bi-Monthly review of economic conditions in Nassau and Suffolk Counties, Long Island, N. Y., including business index and quarterly survey of business conditions — The Franklin Letter, The Franklin National Bank of Long Island, P. O. Box 47, Franklin Square, N. Y. (on request).

Freeman, July 1960 — Containing articles on Union Power and Government Aid; Tariff Controversy; etc. — Foundation for Economic Education, Inc., Irvington-on-Hudson, N. Y., 50¢ per copy.

Gold and the Dollar Crisis: Proposals to revolutionize the critical debate on international monetary policy—Robert Triffin—Yale University Press, New Haven, Conn., $4.75.

Help Yourself Booklets: Our Company and Our Community; Let's Keep US in Customers; Honesty—The Only Policy—paper—25¢ each —Employee Relations, Inc., 32 North Bayles Avenue, Port Washington, N. Y.

Hotel Operations in 1959—Operating Ratios of 100 Hotels in 53 Cities—Horwath & Horwath, 41 East 42nd Street, New York 17, N. Y. (paper).

How Arbitration Works — Frank Elkouri and Edna Asper Elkouri —Revised Edition — Bureau of National Affairs, Inc., 1231 Twenty-fourth Street, N. W., Washington 7, D. C., $9.65.

Illinois Manufacturers Directory —Manufacturers' News, Inc., 20 East Huron Street, Chicago 11, Ill., $29.95.

Iron Ore 1959 — American Iron Ore Association, 600 Bulkley Building, Cleveland 15, Ohio (paper).

Life Insurance Association of America—Proceedings of the 53rd Annual Meeting — Life Insurance Association of America, 588 Madisonson Avenue, New York 22, N. Y. (paper).

Man in the Economy of the '60s—Reprints of an address by Dean Charles C. Abbott, Graduate School of Business Administration of the University of Virginia—State Planters Bank of Commerce and Trusts, Richmond, Va.

Office Building Construction in New York City 1947-1960—Joseph P. Blitz, Inc., 545 Madison Avenue, New York City (paper).

Pakistan — Brochure — The First National City Bank of New York, 55 Wall Street, New York 15, N. Y. (paper).

Paperboard Industry: 1959 Statistics—National Paperboard Association, 80 East Jackson Blvd., Chicago 4, Ill. (paper).

Price Trends in the 1959 Economy and the Outlook — U. S. Department of Labor, Bureau of Labor Statistics, 341 Ninth Avenue, New York 1, N. Y., 50c.

Protecting Your Contribution Dollar — Community Council of Greater New York, 345 East 45th Street, New York 17, N. Y., (on request).

Quarterly Report to Investors in Puerto Rican Securities—Government Development Bank for Puerto Rico, San Juan, P. R.

States, Contracts and Progress: Dynamics of International Wealth —Harold M. Fleming — Oceana Publications, Inc., 80 Fourth Ave., New York 3, N. Y. (cloth), $3.50; (paper), $1.50.

Statistical Yearbook 1959, United Nations—Columbia University Press, 2960 Broadway, New York 27, N. Y. (paper), $8; (cloth), $10.

Strengthening the Government for Arms Control—National Planning Association, 1606 New Hampshire Ave., N. W., Washington, D. C.—Mimeograph edition, $1.00 (printed edition available July 22nd, $1.00).

Summer in Chicago 1960 — Booklet on the attractions offered by Chicago in the summer—Public Relations Division, American National Bank and Trust Company of Chicago, La Salle at Washington, Chicago 90, Ill.

Tight Money and Rising Interest Rates—And the Damage They Are Doing—Conference on Economic Progress, 1001 Connecticut Ave., N. W., Washington 6, D. C. (paper), 50¢ (quantity prices on request).

Twenty Steps to Successful Test Marketing — Brochure — Food-Drug Industry Relations, A. C. Nielsen Company, 2101 Howard Street, Chicago 45, Ill.

United States Department of Labor—History of the Department and description of its divisions—U. S. Department of Labor, Washington, D. C. (paper).

United States in World Affairs, 1959—Richard P. Stebbins—Council on Foreign Relations, 58 East 68th Street, New York 21, N. Y., $6.00.

What Advertising Agencies Are—What They Do and How They Do It—Reprint of an address by Frederic R. Gamble — American Association of Advertising Agencies, 420 Lexington Avenue, New York 17, N. Y. (paper), single copies on request.

World Bank: Policies and Operations—International Bank for Reconstruction and Development, Washington, D. C., paper.

Northern Ill. Gas Bonds Offered

The First Boston Corp. and associates are offering publicly today (July 14) an issue of $30,000,000 Northern Illinois Gas Co. first mortgage bonds, 4⅝% series due July 1, 1985, at 100.369% to yield 4.60%. The group was awarded the issue at competitive sale on a bid of 99.587% for the 4⅝% coupon.

Net proceeds from the sale of the new bonds will be applied in part to the retirement of up to $5,000,000 of bank loans incurred for temporary financing of new construction, and the balance will be used to increase working capital for application to construction expenditures, which are now estimated, for the five-year period 1960-64, at approximately $200,000,000, most of which will be expended for gas distribution facilities.

The bonds are not refundable at a lower interest rate to the company prior to July 1, 1965. Otherwise, they are redeemable at the option of the company at general redemption prices ranging from 105% for those redeemed prior to July 1, 1961, to 100% for those redeemed on or after July 1, 1984; and at sinking fund redemption prices commencing at 100.36%.

The company is a public utility engaged principally in the purchase, distribution and sale of natural gas in 293 communities and adjacent areas in 20 counties in northern Illinois, including areas in Cook County generally outside the City of Chicago. The population of the company's service area is estimated at approximately 2,530,000.

Operating revenues of the company for the 12 months ended April 30, 1960 amounted to $118,706,641 and net income to $15,665,956 compared with operating revenues of $105,307,251 and net income of $13,419,039 in 1959.

Giving effect to the sale of the new first mortgage bonds, capitalization of the company as of April 30, 1960 was: $119,122,000 in first mortgage bonds; 248,437 shares of cumulative preferred stock, par $100; and 7,178,809 shares of common stock, par $5.

Now With Newhard, Cook

(Special to The Financial Chronicle)

ST. LOUIS, Mo.—Leroy L. Kohm is now associated with Newhard, Cook & Co., Fourth and Olive, members of the New York and Midwest Stock Exchanges. He was formerly with Edward D. Jones & Co.

Wainwright Adds to Staff

(Special to The Financial Chronicle)

BOSTON, Mass.—Philip L. Lowe has become affiliated with H. C. Wainwright & Co., 60 State Street, members of the New York and Boston Stock Exchanges.

B. J. Van Ingen Adds

(Special to The Financial Chronicle)

BOSTON, Mass.—James E. Hoy has joined the staff of B. J. Van Ingen & Co., Inc., 31 Milk Street.

Status-Quo in the Economy and Inventory Low Point Seen

The domestic economy continues to present relatively no marked changes in its plateau-course according to purchasing agents survey group. In a special question dealing with the impact of the foreign situation on procurement policies, 95% of the members provide the surprising answer that the tenser international situation has had no effect at all. The survey also reveals that, though inventories are still diminishing, there are indications the low point in inventories is being reached.

Business continues on a plateau according to the July report of the purchasing agents who comprise the N. A. P. A. Business Survey Committee, whose Chairman is Chester F. Ogden, Vice-President, The Detroit Edison Company, Detroit, Mich.

Generally, business remains satisfactory, while, at the same time, it is still not living up to earlier rosy predictions.

The composite compiled by the National Association of Purchasing Agents finds production and new order figures reflect the "leveling off" phase the economy is in. As has been the case in both of these categories for the past five months, the number of N. A. P. A. members reporting improvement are just about offset by those reporting declines. This month, in telling of new orders, 27% report an increase, while 26% report a decline. Similarly, 24% say production for their company has increased, and 22% say it has been reduced.

No great change has taken place in the Association's other Business Survey criteria. Employment is a little less good than last month. Inventories continue to diminish, but there are indications that we are nearing the low point. Commodity prices are softening as the result of keen competition and the development of a real buyers' market. Buying policy remains cautious, and there is definite evidence that most Purchasing Executives are holding their forward commitment time to a minimum.

While this *status quo* situation apparently exists in domestic business conditions, the international situation grows increasingly tense. With the collapse of the Summit Talks and anti-U. S. feelings being vented in several foreign countries, we decided to poll our members to see if these conditions were affecting their procurement programs. Not a bit, said an overwhelming 95%. In fact, 13% are still following an aggressive policy of further shortening of lead time. Only 5% said possible shortages of materials obtained from abroad or shortages caused by domestic requirements for defense purposes, were causing them to extend forward commitments to protect future needs.

Commodity Prices

The "downs" passed the "ups" this month. More of our reporters said prices were down this month than reported them up. This is the first time this has happened since February, 1958. Reporting prices lower this month were 13%, compared with 11% who said they were up. The bulk, 76%, noticed no change. It is safe to report now, based on the Group's Business Survey charts, that prices are softening and that this trend has continued for several months.

Inventories

Inventory liquidation continues. Again this month, there are substantially more Purchasing Executives reporting lower inventories (31%), than there are telling of increased stocks on hand (18%). One of the reasons quite frequently given for continuing reductions in purchased materials' inventories is the offsetting increasing inventories of finished goods. It is definitely uneconomic to have both of these inventories high. There are a substantial number of our reporting members who feel the bottom has about been reached.

Employment

There has not been much improvement this month over May. While it is true some of our reporting members tell of satisfactory employment levels, the over-all figures actually show a poorer relative position this month. There are 12% reporting higher employment, 63% reporting no change, and 25% who say their employment is down. Summer-help has added to the rolls of some companies. Also, some who report employment as being the same mention shorter hours or shorter work weeks as a hedge against layoffs. To add a cheerful note, however, there are none who say the unemployment situation is critical.

Buying Policy

Here, there is practically no change. The threat of a step-up in the cold war and the demonstrations of anti-U. S. feeling in some foreign countries, have had little effect in causing Purchasing Executives to alter their buying plans.

	Per Cent Reporting— Hand to Mouth	30 Days	60 Days	90 Days	6 Mos. to 1 Yr.
June					
Production Materials	10	33	37	15	5
MRO Supplies	30	41	18	10	1
Capital Expenditures	11	8	10	21	50
May					
Production Materials	8	37	34	16	5
MRO Supplies	29	51	14	5	1
Capital Expenditures	11	5	13	25	46

Specific Commodity Changes

Price fluctuations are noted this month in some highly seasonal items, such as fresh vegetable and dairy products in those geographic areas where climate affects crops and grazing. These are not reported below, since they do not constitute general trends, up or down.

On the **up** side are: Raw sugar, gasoline, some petroleum oils, phthalic anhydride and plasticizers, and multiwall bags

On the **down** side are: Steel scrap, lumber, large electrical equipment, and steel drums.

In **snort** supply are: Maleic and phthalic anhydrides.

With Broad Street Sales

FT. LAUDERDALE, Fla.—C. Dale Keyes has been appointed District Manager of Broad Street Sales Corporation, general distributor of the Broad Street Group of Mutual Funds — Broad Street Investing Corporation, National Investors Corporation and Whitehall Fund, Inc. He will be responsible for serving dealers in Florida, Georgia, North Carolina and South Carolina.

Med-Dent Investment Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—Med-Dent Investment Co. has been formed with offices at 1906 Irving Street to engage in a securities business. Officers are Richard V. Bibbero, President; Herbert Salinger, Vice-President, and Helen P. Bibbero, Secretary-Treasurer. Mr. Bibbero was formerly with Scott, Bancroft & Co.

Form Nation-Wide

BALTIMORE, Md.—Nation-Wide Diversified Services, Inc., has been formed with offices at 10 South Street to conduct a securities business. Officers are Stanford H. Cohan, President; Albert Robbins, Vice-President; and Jerome Rudich, Secretary-Treasurer.

M. F. Sullivan Opens

(Special to The Financial Chronicle)

PASADENA, Calif. — Morris F. Sullivan is engaging in a securities business from offices at 90 South Oak Knoll. In the past he was with Dempsey-Tegeler & Co.

A. C. Walker Opens

COLUMBUS, Ga. — Albert C. Walker is conducting a securities business from offices in the Fourth National Bank Building under the firm name of Walker & Company.

R. D. Witt Opens

(Special to The Financial Chronicle)

ORANGE, Calif.—Richard D. Witt has opened offices at 14432 West La Veta Avenue to engage in a securities business.

Bruns, Nordeman Branch

GREENFIELD PARK, N. Y.—Bruns, Nordeman & Co. has opened a branch office in the Pioneer Country Club under the management of Harold M. Schechter.

New Hentz Branch

BOCA RATON, Fla.—H. Hentz & Co. has opened a branch office at 151-153 North Ocean Drive under the management of John W. Wolf. Mr. Wolf was formerly local manager for J. R. Williston & Beene.

David Kelvin Now With Amer. Diversified Secs.

PHILADELPHIA, Pa.—American Diversified Securities, Inc. announced that David H. Kelvin is now associated with their Philadelphia office, 42 South 15th St.

Mr. Kelvin, who has been active in the investment securities business for the past 12 years, was formerly associated with Bache & Co.

Sol Silverstein, Allen S. Hendler and Frank R. Ficca have also joined the firm's Philadelphia staff.

Now Better Life

LOS ANGELES, Calif.—The firm name of Mutual Funds Sales and Services, Inc., 1533 Wilshire Boulevard, has been changed to Better Life Securities Corporation.

Cacchione & Co.

Mario R. Cacchione & Co. has been formed with offices at 56 Beaver Street, New York City, to continue the investment business of Mario R. Cacchione.

Free World Investment Club Organizational Meeting Held

Investment club representatives from several countries, led by George A. Nicholson, U. S. founder of the investment club movement, form a Free World Federation of Investment Clubs. Though the National Association of Investment Clubs in the U. S. has members in 12 foreign lands, it is hoped that the new world-wide organization will give this development greater growth-impetus.

The ordinary citizen's bid for world peace and prosperity received a boost in London, Eng., last July 6th, 7th and 8th, Representatives of Japan, New Zealand, Australia, Canada, Israel, The United States, Great Britain and several European nations met to set up a new World Organization. They were the members of investment clubs across the world, and they set up a World Organization of Investment Clubs.

C. A. Nicholson, Jr.

The aim of the organization is well stated by George A. Nicholson, Jr., founder of the investment club movement. "Economic freedom is a vital part of the total freedom of man." Because investment clubs are a tool for the mass-production of new owners of industry and have demonstrated a substantial ability to educate their members in the sound principles of investment, they are an effective instrument in building economic freedom. Developing cooperation among investment club folks on a world-wide level, with the interchange of contacts, ideas and money this is bound to bring about, should be a practical step towards strengthening the framework for peace, and the developing ability of thousands of club members to invest wisely should increase the level of prosperity.

Supporters

Secretary of Commerce, Frederick H. Mueller, says, "That this constructive effort is now to be made world-wide is a portant for the sound future economic development of the growing number of free and independent countries, for these require growing numbers of free and independent citizens."

Keith Funston, President of the New York Stock Exchange says, "Investment Clubs are effectively putting stock ownership within the reach of many, and they are doing it in a way that is practical and educational. By their size, soundness and success, clubs have earned a place in our storehouse of investment techniques, particularly for the apprentice investor."

Less than nine years ago, four clubs met in Detroit and organized the National Association of Investment Clubs. Today there are over 20,000 clubs in the United States. In addition, Japan has 10,000 clubs and Canada and Great Britain have over 500 each. The National Association of Investment Clubs has members in 12 foreign countries.

In addition to serving as a means of helping people save money and buy securities in small lots, investment clubs are serving a far broader purpose, according to Thomas E. O'Hara, Chairman of the Board of Trustees of the NAIC. "They have proven themselves to be a real do-it-yourself experience in understanding the workings of modern business and finance. 500,000 Americans through membership in investment clubs have learned what makes modern business successful and have developed some skill in judging the value of securities.

"The growing middle class in other nations have been quick to spot the usefulness of clubs in providing a vehicle for learning about and understanding business operation and the security markets. Some see other potentials in the club movement. The government of Israel has seen the usefulness of the investment club as a means of creating interest both in the securities of its growing industries and as a source of new capital for its industries. Its Investment Authority is actively promoting the organization of clubs in order to spur its usefulness in these areas."

"In Japan," says George Nicholson, "Investment Clubs have grown almost as rapidly as they have in the U. S. Again their real function is that of Education of the small investor.

"In Germany, Austria, India and elsewhere, governments are attempting to build-up a middle-class group of security-holders who can take over ownership of State-owned industries. Investment Clubs can help in the training of small security holders to do this job."

"We believe," Nicholson stated, "that the founding of this new Free World Federation of Investment Clubs may give the movement the same impetus on a world-wide scale as did the founding of the National Association of Investment Clubs in the United States."

J. W. Redmond Co. Opens

WASHINGTON, D. C.—J. W. Redmond and Company has been formed with offices at 734 15th Street, to engage in a securities business. Partners are J. Woodward Redmond, and Sydney S. Netreba. Mr. Redmond was formerly a partner in Mackall & Coe.

Joins Loewi Staff

WAUSAU, Wis.—J. Wesley Wittig has joined Loewi & Co. Incorporated, Wisconsin Investment firm, in their Wassau office, Medical Arts Building, as a registered representative. Previous to joining the Loewi organization, Mr. Wittig was office manager for a furniture company.

With Loewi & Co.

CHIPPEWA FALLS, Wis. — John L. Ritzinger has become a registered representative in the Chippewa Falls office, Northern Hotel Building, of Loewi & Co. Incorporated, Wisconsin investment firm. Mr. Ritzinger has been the Clerk of Circuit Court, Chippewa County, since 1941.

Form G. E. McCormick Co.

(Special to The Financial Chronicle)

ST. PETERSBURG, Fla. — Glenn E. McCormick Co., Inc., is engaging in a securities business from offices at 554 First Avenue, North.

Pittsburgh Hanseatic

PITTSBURGH, Pa. — Pittsburgh Hanseatic, Inc. has been formed with offices at 350 Grant Street to engage in a securities business. William J. Gessner is a principal of the firm.

Kuhner, Vollebregt Branch

HASBROUCK HEIGHTS, N. J.—Kuhner, Vollebregt & Gerald has opened a branch office at 423 Boulevard, under the direction of Oswald A. Fitzpatrick.

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)	July 16	§53.1	*42.2	62.3	38.7
Equivalent to—					
Steel ingots and castings (net tons)	July 16	§1,513,000	*1,203,000	1,775,000	1,097,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	July 1	6,811,260	6,819,860	6,780,960	6,913,775
Crude runs to stills—daily average (bbls.)	July 1	¶8,295,000	8,231,000	7,961,000	7,936,000
Gasoline output (bbls.)	July 1	29,929,000	29,055,000	28,943,000	27,402,000
Kerosene output (bbls.)	July 1	2,557,000	2,223,000	2,276,000	1,788,000
Distillate fuel oil output (bbls.)	July 1	12,959,000	12,688,000	12,245,000	12,768,000
Residual fuel oil output (bbls.)	July 1	5,988,000	6,106,000	6,229,000	6,682,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	July 1	201,716,000	203,242,000	209,908,000	194,989,000
Kerosene (bbls.) at	July 1	27,549,000	27,583,000	25,017,000	27,529,000
Distillate fuel oil (bbls.) at	July 1	111,722,000	*106,887,000	*96,667,000	121,179,000
Residual fuel oil (bbls.) at	July 1	40,592,000	40,592,000	39,733,000	54,405,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	July 2	549,416	641,628	574,301	574,102
Revenue freight received from connections (no. of cars)	July 2	493,046	535,778	494,631	532,315
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	July 7	$518,700,000	$686,400,000	$482,000,000	$578,400,000
Private construction	July 7	250,900,000	298,300,000	232,200,000	318,400,000
Public construction	July 7	267,800,000	388,100,000	249,800,000	260,000,000
State and municipal	July 7	179,500,000	235,900,000	187,100,000	143,600,000
Federal	July 7	88,300,000	152,200,000	62,700,000	116,400,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	July 2	1,760,000	*9,070,000	7,855,000	1,840,000
Pennsylvania anthracite (tons)	July 2	68,000	442,000	294,000	61,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	July 2	125	*124	131	109
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	July 9	13,031,000	14,247,000	13,766,000	13,502,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	July 7	271	278	283	237
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	July 5	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	July 5	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	July 5	$31.00	$31.00	$31.50	$39.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	July 6	32.600c	32.600c	32.600c	31.100c
Export refinery at	July 6	30.975c	30.775c	29.425c	26.800c
Lead (New York) at	July 6	12.000c	12.000c	12.000c	12.000c
Lead (St. Louis) at	July 6	11.800c	11.800c	11.800c	11.800c
‡Zinc (delivered) at	July 6	13.500c	13.500c	13.500c	11.500c
Zinc (East St. Louis) at	July 6	13.000c	13.000c	13.000c	11.000c
Aluminum (primary pig. 99.5%) at	July 6	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	July 6	102.625c	101.875c	101.000c	103.000c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	July 12	86.98	86.75	86.88	83.63
Average corporate	July 12	85.20	85.20	85.20	85.72
Aaa	July 12	89.78	89.64	89.51	89.23
Aa	July 12	87.72	87.59	87.59	87.72
A	July 12	84.94	84.94	84.81	85.33
Baa	July 12	79.01	79.01	79.25	81.05
Railroad Group	July 12	83.15	83.15	83.15	84.94
Public Utilities Group	July 12	85.59	85.46	85.33	84.81
Industrials Group	July 12	86.91	86.91	86.91	87.59
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	July 12	3.84	3.87	3.85	4.12
Average corporate	July 12	4.77	4.77	4.77	4.73
Aaa	July 12	4.43	4.44	4.45	4.47
Aa	July 12	4.58	4.59	4.59	4.48
A	July 12	4.79	4.79	4.80	4.76
Baa	July 12	5.27	5.27	5.25	5.10
Railroad Group	July 12	4.93	4.93	4.93	4.79
Public Utilities Group	July 12	4.74	4.75	4.76	4.80
Industrials Group	July 12	4.64	4.64	4.64	4.59
MOODY'S COMMODITY INDEX	July 12	376.7	375.8	376.5	386.0
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	July 2	317,772	314,504	327,221	289,984
Production (tons)	July 2	308,618	323,223	289,565	275,478
Percentage of activity	July 2	90	94	85	82
Unfilled orders (tons) at end of period	July 2	450,185	435,798	480,507	493,664
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	July 8	109.97	*110.33	110.31	110.63
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	June 17	2,912,540	2,875,840	3,462,440	2,148,710
Short sales	June 17	618,890	570,430	690,460	333,780
Other sales	June 17	2,201,840	2,420,740	2,744,410	1,768,600
Total sales	June 17	2,820,730	2,991,170	3,434,870	2,102,380
Other transactions initiated off the floor—					
Total purchases	June 17	437,770	466,660	600,680	294,550
Short sales	June 17	117,000	63,500	171,220	28,600
Other sales	June 17	370,750	393,580	511,800	285,500
Total sales	June 17	487,750	457,080	683,020	314,100
Other transactions initiated on the floor—					
Total purchases	June 17	780,025	861,976	1,037,225	653,150
Short sales	June 17	113,750	141,970	183,280	94,070
Other sales	June 17	690,895	873,855	959,878	670,660
Total sales	June 17	804,645	1,015,825	1,143,158	764,730
Total round-lot transactions for account of members—					
Total purchases	June 17	4,130,335	4,204,476	5,100,345	3,096,410
Short sales	June 17	849,640	775,900	1,044,960	456,450
Other sales	June 17	3,263,485	3,688,175	4,216,088	2,724,760
Total sales	June 17	4,113,125	4,464,075	5,261,048	3,181,210
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	June 17	2,056,780	1,908,875	2,057,726	1,616,002
Dollar value	June 17	$105,240,348	$98,330,496	$100,648,152	$90,392,330
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	June 17	1,936,738	1,805,585	1,917,146	1,378,050
Customers' short sales	June 17	7,874	6,588	12,115	9,352
Customers' other sales	June 17	1,928,864	1,798,997	1,905,031	1,368,698
Dollar value	June 17	$91,492,427	$88,290,519	$93,315,084	$70,834,338
Round-lot sales by dealers—					
Number of shares—Total sales	June 17	556,820	510,230	556,360	373,480
Short sales	June 17				
Other sales	June 17	556,820	510,230	556,360	373,480
Round-lot purchases by dealers— Number of shares	June 17	670,970	619,350	663,470	635,080
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	June 17	924,740	877,660	1,188,650	552,850
Other sales	June 17	17,511,080	17,262,740	19,301,760	13,144,030
Total sales	June 17	18,435,820	18,140,400	20,490,410	13,696,880
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	July 5	119.5	119.4	119.6	119.4
Farm products	July 5	88.0	*87.7	89.2	89.0
Processed foods	July 5	107.6	107.5	107.5	107.3
Meats	July 5	96.9	96.4	98.1	100.1
All commodities other than farm and foods	July 5	128.4	128.3	128.3	128.2

*Revised figure. ¶Includes 1,013,000 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 PETROLEUM INSTITUTE—Month of April:			
Total domestic production (barrels of 42 gallons each)	239,298,000	250,956,000	243,847,000
Domestic crude oil output (barrels)	211,132,000	220,977,000	217,685,000
Natural gasoline output (barrels)	28,118,000	29,956,000	26,132,000
Benzol output (barrels)	48,000	23,000	30,000
Crude oil imports (barrels)	33,877,000	29,292,000	22,270,000
Refined product imports (barrels)	24,614,000	29,966,000	20,084,000
Indicated consumption domestic and export (barrels)	283,178,000	344,746,000	279,273,000
Increase all stocks (barrels)	14,611,000	34,532,000	6,928,000
AMERICAN ZINC INSTITUTE, INC.—Month of June:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	76,723	79,216	75,544
Shipments (tons of 2,000 pounds)	54,075	62,039	102,162
Stocks at end of period (tons)	187,686	165,038	169,386
COAL OUTPUT (BUREAU OF MINES)—Month of June:			
Bituminous coal and lignite (net tons)	33,760,000	35,760,000	36,599,000
Pennsylvania anthracite (net tons)	1,441,000	*1,262,000	1,777,000
COKE (BUREAU OF MINES)—Month of May:			
Production (net tons)	5,350,095	*5,755,993	6,387,317
Oven coke (net tons)	5,271,154	5,653,858	6,243,859
Beehive coke (net tons)	78,941	*102,135	143,458
Oven coke stock at end of month (net tons)	3,783,199	3,752,298	3,154,278
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of May 31:			
Total consumer credit	$52,831	$52,169	$46,603
Instalment credit	40,740	40,265	35,357
Automobile	17,481	17,218	15,128
Other consumer goods	10,080	10,022	8,887
Repairs and modernization loans	2,786	2,736	2,419
Personal loans	10,393	10,289	8,923
Noninstallment credit	12,091	11,904	11,246
Single payment loans	4,345	4,247	3,925
Charge accounts	4,547	4,451	4,359
Service credit	3,199	3,206	2,962
DEPARTMENT STORE SALES—FEDERAL RESERVE SYSTEM—1947-49 Average=100—Month of June:			
Adjusted for seasonal variation	146	*141	144
Without seasonal adjustment	138	*138	136
METAL PRICES (E. & M. J. QUOTATIONS)—June:			
Copper—			
Domestic refinery (per pound)	32.600c	32.600c	31.102c
Export refinery (per pound)	30.290c	30.302c	28.108c
††London, prompt (per long ton)	£250.750	£248.233	£230.045
††Three months, London (per long ton)	£244.125	£243.006	£230.017
Lead—			
Common, New York (per pound)	12.000c	12.000c	12.000c
Common, East St. Louis (per pound)	11.800c	11.800c	11.800c
††London, prompt (per long ton)	£73.375	£77.412	£69.668
††Three months, London (per long ton)	£74.033	£76.824	£71.281
Zinc (per pound)—East St. Louis	13.000c	13.000c	11.000c
§§Zinc, prime Western, delivered (per pound)	13.500c	13.500c	11.500c
††Zinc, London, prompt (per long ton)	£90.595	£92.097	£78.409
††Zinc, London, three months (per long ton)	£90.193	£91.452	£77.347
Silver and Sterling Exchange—			
Silver, New York (per ounce)	91.375c	91.375c	91.375c
Silver, London (per ounce)	79.250d	79.335d	78.330d
Sterling Exchange (check)	$2.80268	$2.80950	$2.81254
Tin, New York Straits	101.347c	99.518c	104.250c
Gold (per ounce, U. S. price)	$35.000	$35.000	$35.000
Quicksilver (per flask of 76 pounds)	$211.273	$212.000	$240.273
¶Antimony, New York, boxed	32.590c	32.590c	32.590c
Antimony (per pound) bulk Laredo	29.000c	29.000c	29.000c
Antimony (per pound) boxed Laredo	29.500c	29.500c	29.500c
Platinum refined (per ounce)	$82.000	$82.000	$77.000
Cadmium (per pound, delivered ton lots)	$1.40000	$1.40000	$1.20000
Cadmium (per pound, small lots)	$1.50000	$1.50000	$1.30000
Cobalt, 97% grade (per pound)	$1.50000	$1.50000	$1.75000
Aluminum, 99% grade ingot weighted average (per pound)	28.100c	28.100c	26.800c
Aluminum, 99% grade primary pig	23.250c	23.250c	24.700c
Magnesium ingot (per pound)	35.250c	35.250c	35.250c
**Nickel	74.000c	74.000c	74.000c
Bismuth (per pound)	$2.25	$2.25	$2.25

*Revised figure. †Estimated totals based on reports from companies accounting for 96% of primary, 95% of secondary tin consumption in 1957 and 97% of total stocks end of 1957. ¶Domestic five tons or more but less than carload lot boxed. §§Delivered where freight from East St. Louis exceeds 0.5c. **F.o.b. Fort Colburne, U. S. Duty included. ††Average of daily mean and bid and ask quotations per long ton at morning session of London Metal Exchange.

	Latest Month	Previous Month	Year Ago
MOTOR VEHICLE FACTORY SALES FROM PLANTS IN U. S.—AUTOMOBILE MANUFACTURERS' ASSN.—Month of June:			
Total number of vehicles	728,204	730,523	679,104
Number of passenger cars	613,769	612,094	558,337
Number of motor trucks	114,075	118,029	120,482
Number of motor coaches	360	400	285
RAILROAD EARNINGS CLASS I ROADS (ASSOCIATION OF AMERICAN RRs.)—Month of May:			
Total operating revenues	$829,531,026	$823,593,483	$879,438,291
Total operating expenses	648,298,801	634,099,769	667,867,808
Taxes	89,598,908	94,334,886	96,071,338
Net railway operating before charges	61,274,448	65,124,764	87,395,664
Net income after charges (estimated)	47,000,000	48,000,000	72,000,000
RUBBER MANUFACTURING ASSOCIATION INC.—Month of May:			
Passenger and Motorcycle Tires (Number of)			
Shipments	9,980,707	9,871,502	8,510,189
Production	9,457,700	9,164,701	6,855,017
Inventory	22,984,745	23,511,713	15,738,937
Truck and Bus Tires (Number of)—			
Shipments	1,207,233	1,242,960	1,221,535
Production	1,320,877	1,352,248	943,368
Inventory	3,962,095	3,889,308	3,005,897
Tractor Implement Tires (Number of)—			
Shipments	321,763	403,064	345,747
Production	290,254	313,059	222,569
Inventory	914,632	945,955	669,875
Passenger, Motorcycle, Truck and Bus Inner-Tubes (Number of)—			
Shipments	3,329,829	3,305,838	3,273,180
Production	3,611,268	3,627,995	2,752,413
Inventory	10,851,835	10,495,261	6,849,064
Tread Rubber (Camelback)—			
Shipments (pounds)	40,412,000	39,702,000	37,613,000
Production (pounds)	40,182,000	36,676,000	35,821,000
Inventory (pounds)	24,177,000	24,655,000	25,316,000

STATE OF TRADE AND INDUSTRY

Continued from page 4

sources predict 7.5 million to 7.8 million tons (vs. 9.3 million last year).

Cutbacks from the appliance industry have been severe and there are no indications that orders are firming. In January, most appliance makers expected their 1960 sales to top last year's by 5%, so they placed big orders for steel. Now, it's apparent that their hopes will not be realized. Distribution channels are overburdened with unsold finished goods.

The scrap market is resisting further decline, *Steel* said. Its price composite on No. 1 heavy melting steelmaking scrap held unchanged last week at $31.33 a gross ton for the fifth straight week.

A bright prospect was uncovered in a *Steel* survey: U. S. metalworking firms will order 13.6% more capital equipment (dollar volume) in the second half of 1960 than they did in the first half. For the entire year, buying will be up 17.5% over 1959's.

Makers of autos and parts will be heavy buyers of machine tools and material handling equipment. So will aircraft and missile manufacturers. The electrical equipment industry will continue its steady uptrend of equipment buying.

Preliminary estimates indicate order volume in the first half of 1961 will about equal that of 1960's first six months.

This Week's Steel Output Based On 53.1% of Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *94.2% of steel capacity for the week, beginning July 11, equivalent to 1,513,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compare with the actual levels of *74.9% and 1,203,000 tons in the week beginning July 4.

Actual output for last week beginning July 4, 1960 was equal to 42.2% 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 53.1%.

A month ago the operating rate (based on 1947-49 weekly production) was *110.5% and production 1,775,000 tons. A year ago the actual weekly production was placed at 1,097,000 tons, or *68.3%.

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

Strong Sales and Lower Output Cut Dealers Auto Inventory

Strong sales and reduced factory output have halted the rise in the auto industry's record dealer inventory, *Ward's Automotive Reports* said on July 8.

Wards said the new car stockpile was checked at a 46.4 day's supply on July 1, identical to the June 1 count. Cars in dealer's hands or in transit total to 1,060,000 units, only slightly changed from 1,050,000 last month.

Slashing U. S. auto output 26% in the week ended July 9 was the July 4 holiday, a strike at Ford that cut Falcon and Comet output to 2,700 units from 14,796 last week and vacation and inventory shutdowns that closed 13 plants.

U. S. manufacturers turned out an estimated 93,189 cars compared with 125,868 last week. In the same week last year, 123,147 cars were completed.

Ward's said this week marked the lowest production point since Dec. 12, 1959, when only 87,556 cars were assembled due to the steel shortage.

The reporting service said General Motors share of this week's output was 51.34% while Chrysler Corp. accounted for 22.64%, Ford Motor Co., 13.52%, American Motors, 10.41% and Studebaker-Packard, 2.09%.

Ward's said a walkout by 3,800 employes at Ford's Cleveland stamping plant was the reason for the firm's dropoff in production.

For the rest of the industry, *Ward's* said most plants were working four days while American Motors was planning a five-day schedule. However, four plants were closed for vacation and nine were shut all week for inventory adjustment.

Ward's said truck output was 41.3% lower than the previous week. Total volume was 13,984 vs. 23,825. Four truck plants were idled all week for inventory adjustment and three Ford truck plants were shut due to a parts shortage while two plants were on vacation.

Electric Output 3.5% Below 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, July 9, was estimated at 13,031,000,000 kwh., according to the Edison Electric Institute. Output was 216,000,000 kwh. below that of the previous week's total of 14,247,000,000 kwh. and showed a decline of 471,000,000 kwh., or 3.5% below that of the comparable 1959 week.

Car Loadings for July 2 Week 4.3% Below the Corresponding 1959 Week

Loading of revenue freight for the week ended July 2, 1960, totaled 549,416 cars, the Association of American Railroads announced. This was a decrease of 24,686 cars or 4.3% below the corresponding week in 1959 but an increase of 89,071 cars or 19.3% above the corresponding week in 1958. Comparisons are affected by the Independence Day Holiday which fell on Saturday in the corresponding 1959 week and on Friday in the 1958 week.

Loadings in the week of July 2, which included the first week of the coal miners' annual vacation, were 92,212 cars or 14.4% below the preceding week.

There were 11,236 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended June 25, 1960 (which were included in that week's over-all total). This was an increase of 2,099 cars or 23.0% above the corresponding week of 1959 and 5,339 cars or 90.5% above the 1958 week. Cumulative loadings for the first 25 weeks of 1960 totaled 264,739 for an increase of 69,840 cars or 35.8% above the corresponding period of 1959, and 144,175 cars or 119.6% 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 50 one year ago and 40 in the corresponding week of 1958.

Intercity Truck Tonnage for July 2 Week was 1.3% Below 1959 Period

Intercity truck tonnage in the week ended July 2 was 1.7% ahead of the previous week of this year, the American Trucking Associations, Inc., announced. Truck tonnage was 1.3% above the volume in the corresponding week of 1959. The year-to-year increase was influenced by the seasonal decrease in tonnage accompanying the Independence Day holiday occurring on Saturday of the corresponding week a year ago as opposed to Monday of the succeeding week this year.

These finding 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 for Week Ended July 2 Were 16.4% Above Production

Lumber shipments of 440 mills reporting to the National Lumber Trade Barometer were 16.4% above production during the week ended July 2, 1960. In the same week, new orders of these mills were 3.5% above production. Unfilled orders of reporting mills amounted to 28% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 15 days' production at the current rate, and gross stocks were equivalent to 50 days' production.

For the year-to-date, shipments of reporting identical mills were 3.4% below production; new orders were 6.7% below production.

Compared with the previous week ended June 25, 1960, production of reporting mills was 9.4% below; shipments were 7.3% above; new orders were 4.5% below. Compared with the corresponding week in 1959, production of reporting mills was 0.3% below; shipments were 13.3% above, and new orders were 9.6% above.

Business Failures Down in Holiday Week

Commercial and industrial failures dipped silghtly to 271 in the holiday week ended July 7 from 278 in the preceding week, reported Dun & Bradstreet, Inc. Despite the decline, prevailing for the third consecutive week, casualties remained above the 237 occurring in the comparable week last year, and came close to the toll of 275 in 1958. Failures ran some 30% above the pre-war level of 208 in the similar week of 1939.

Casualties involving liabilities of $5,000 or more declined to 239 from 247 a week earlier but they continued above the 209 of this size reported a year ago. Twenty-nine of the businesses failing during the week had liabilities in excess of $100,000 as against 34 in the previous week.

Wholesale Food Price Index Moves Fractionally Higher

There was a fractional rise this week in the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., but it was down moderately from a year ago. On July 5 it rose 0.3% to $5.90 from $5.88 a week earlier, but it was down 2.7% from the $6.06 of the corresponding date a year ago.

Commodities quoted higher in wholesale cost this week were wheat, corn, rye, oats, hams, lard, cocoa, eggs, potatoes and hogs. Lower in price were flour, barley, sugar, and coffee.

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 Down To Lowest Level Since October, 1953

Reflecting lower prices on some grains, lard, wool, cotton, and rubber, the Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., dipped to 270.15 (1930-32=100) on July 11, the lowest level since Oct. 8, 1953, when it was 270.04. The current index compared with 271.10 a week earlier and 277.33 on the corresponding date a year earlier.

Increased harvest activity somewhat discouraged trading in wheat during the week, and prices declined moderately. Rye volume was also influenced by the approaching harvest, and prices showed a fractional dip from a week earlier.

Corn transactions moved up appreciably and offerings were light; this helped boost prices moderately from the preceding week. There was a slight increase in oats prices as volume expanded somewhat. Early in the week a marked rise in soybean trading and prices occurred, but declines prevailed at the end of the period.

Although there were some scattered orders for flour toward the end of the week, prices finished unchanged from a week earlier. Except for some small sales to the Middle East, the Americas, and Holland, flour exports were sluggish.

Although supplies were limited, both domestic and export interest in rice lagged this week and prices were steady. Although trading was quiet, sugar prices moved up moderately during the week. Sugar deliveries for the week ended July 2, totaled 278,512 short tons raw value, compared with 230,858 a week earlier and 183,189 in the comparable week a year earlier. The total for the year to July 2, came to 4,434,000 tons, compared with 4,323,000 in the similar 1959 period, according to the United States Department of Agriculture.

Coffee trading was sluggish during the week and prices finished unchanged from the prior period. A slight dip occurred in cocoa prices, reflecting light trading.

Hog trading moved up appreciably at the end of the week boosting prices somewhat over a week earlier. Hog prices were steady to slightly higher and volume matched the preceding period. Lamb prices edged slightly higher and transactions expanded somewhat.

Trading on the New York Cotton Exchange held within a narrow range and prices finished fractionally lower. United States exports of cotton in the week ended last Tuesday came to about 68,000 bales, compared with 168,000 in the prior week and 24,000 in the similar week last year. For the current season through July 5, exports totaled about 6,542,000 bales, compared with 2,670,000 in the comparable 1959 period.

Retail Trade Up Moderately From Last Year

With Independence Day falling on a Monday this year compared with a Saturday a year ago, overall retail trade moderately exceeded that of a year ago. In addition, extensive clearance sales promotions and warm weather in many areas stimulated interest in Summer apparel, outdoor furniture, and air conditioners. Year-to-year gains also occurred in television sets, linens, and new passenger cars.

The total dollar volume of retail trade in the week ended July 6 was 2% to 6% 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: Middle Atlantic +4 to +8; Mountain +3 to +7; East North Central and South Atlantic +2 to +6; New England, West North Central, and Pacific Coast +1 to +5; East South Central 0 to +4; West South Central —1 to +3.

Nationwide Department Store Sales Up 15% July 2 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended July 2, 1960, show an increase of 15% above the like period last year. In the preceding week, for June 25, an increase of 5% was reported. For the four weeks ended July 2, a 6% increase was registered over the same period in 1959 while the Jan. 1 to July 2 period showed a 3% increase.

According to the Federal Reserve System department store sales in New York City for the week ended July 2 a 24% increase was reported over the like period last year. In the preceding week ended June 25, sales were 15% over the like period last year. For the four weeks ending July 2 a 12% increase was reported over the 1959 period, and from Jan. 1 to July 2 showed a 6% increase over 1959.

Now Garat Polonitza

LOS ANGELES, Calif.—The firm name of Harry C. Polonitza & Co., 8736 Sunset Boulevard, has been changed to Garat & Polonitza, Inc.

Investment Co. of N. A.

COLUMBUS, Ohio—Investment Company of North America is engaging in a securities business from offices at 1500 West Third Avenue. Sigmund Munster is a principal of the firm.

Doyle, O'Connor Co. Opens N. Y. C. Branch

Doyle, O'Connor & Co., Inc. of Chicago, has opened a branch office at 63 Wall Street, New York City, under the management of William B. Denney.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — The decennial census of our country is unfolding a dramatic story of growth and great changes across the face of the nation. It is a tremendous story.

Perhaps only a small percentage of Americans in the Eastern half of the country fully comprehend the tremendous growth that is taking place in the West. This is true of the treeless, Western plains of Texas and on the slopes of the majestic Rockies, East and West, and for 1,000 miles along the Pacific Coast.

Of course nearly everyone knows of the rapid growth in the past decade of California and Florida, but the economic chapters of the growth of many individual communities in the West is a separate story.

Smaller cities like Amarillo, Texas, Albuquerque, N. Mex., Phoenix and Tucson, Ariz., are becoming sizable metropolitan centers even though there is a shortage or potential shortage of fresh water, which is becoming our most precious natural resource.

It is obvious that more and more people want to work and play and live in the sun. It is for this reason, for instance, that Phoenix, Ariz., only a comparatively small city not too many years ago, is a great, throbbing, palm-tree studded city today.

Growth in Population

The overall population picture showed that the nation grew by approximately 28,000,000 people during the past decade. Total population today is about 180,000,000.

The statistical record is clear that people are moving from East to West and are moving from the farms and small towns to the cities and the suburbs. It also shows that in the metropolitan areas people are moving from the central city to the suburbs.

Only three states, the Mountain State of West Virginia; Arkansas and Mississippi and the District of Columbia showed losses in population.

Florida, with a dozen booming cities and scores of smaller fast growing communities, led all states in growth percentage. Florida showed a 76.6% gain and leaped from 18th place to 10th place.

New York remains the No. 1 state with a population of about 16,596,507 persons, up nearly 2,000,000, or 11.9% over 1950.

Next to Florida, Nevada has been the fastest growing state, up 75.8%; Alaska was up 74.4%, and Arizona, up 71.1%.

But fabulous California apparently is the place where more people want to live in the United States than any other. California gained almost 5,000,000 from 1950 to 1960. The Golden States today has a population of 15,537,413.

Even the Bureau of Census will acknowledge that the day is approaching when the Golden State will be bigger than the Empire State.

Los Angeles is a tremendous city, spread out all over creation, and Los Angeles County has replaced Cook County (Chicago) as the largest of all our 3,000 counties. To hear Angelenos speak with pride of their city, they maintain that the day is approaching when Los Angeles will be a larger city than New York.

Such pride may or may not come true, but even if it does it is many years away. But there is no question that the growth is rapid in the vast area.

Decline in Larger Cities

The pattern has been a drop in population for a number of the nation's largest central cities. The population of the District of Columbia, where the Capital of the Western World is situated, followed the pattern and declined by 6.8%. On the other hand, Metropolitan Washington has grown by more than a half million since 1950 and today has a population of almost 2,000,000.

New York, Chicago, Philadelphia, Detroit, Baltimore, Cleveland and San Francisco, while experiencing losses in the central cities, had the loss more than offset by the growth in the suburban areas.

There have been some real enigmas that have cropped up over the enumeration. In San Francisco, unquestionably one of the most interesting cities in the world, there is a puzzling situation.

The enumeration disclosed that while San Francisco's total population dropped 7.7% or 59,748 between 1950 and 1960, its school population showed an increase of 27,719 or 32%. In other words, this fascinating city wonders why and how it could lose 59,748 adults and gain 27,719 children of school age. Incidentally, it was the first time since the gold rush that San Francisco had declined in population.

Other cities also have some enigmas of various kinds—with a rising standard of living, tremendous numbers of families have left the central cities for the suburbas.

Nation's Largest Cities

The 20 largest central cities in order of their standing in size are:

New York, Chicago, Los Angeles, Philadelphia, Detroit, Houston, Baltimore, Cleveland, Washington, St. Louis, Milwaukee San Francisco, Boston, Dallas, New Orleans, Pittsburgh, San Antonio, Seattle, San Diego and Buffalo.

In other words the Southern-Western state of Texas has three of the nation's 20 largest cities, Houston, Dallas and San Antonio, and California, with Los Angeles, San Francisco and San Diego, have three of the largest cities.

It is the great growth of population that is giving the West more and more political power. California is going to elect seven additional Congressmen two years from now, while New York and Pennsylvania will each lose three seats. Even after the loss, however, New York will still have the largest delegation in Congress with 40 representatives, and California will be second with 37.

The largest city in the South is Houston, which has oil, natural gas, cattle and agriculture and numerous industries that are moving into the area. Houston nosed out Baltimore to become the sixth-ranked city.

While Los Angeles is ranked third, it moved ahead of Chicago in metropolitan standing. The Los Angeles-Long Beach area is now second only to New York with a population of almost 7,000,000 as compared with 6,150,532 for metropolitan Chicago.

The greatest single percentage increase in the South as far as areas are concerned, took place at Orlando, Fla., and Miami. Both rolled up huge percentage growths.

The growth of Phoenix, Ariz., is certainly one of the most spectacular in our country. The city grew from 106,818 in 1950 to 430,459 in 1960.

Water Is the Key

No one disputes that the great Golden West with its desert lands appears destined to continue the fantastic growth during the next 10 years. When and if there is a "break through" in desalting sea water at a reasonable cost into fresh water, the growth in the West will be nothing short of fantastic.

New cities will be built on worthless desert lands of California, New Mexico, Arizona and some of the other states, if fresh water can be pumped inland from the Pacific Ocean.

[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.]

"I have to go out to make a speech on the evils of Wall Street capitalism—send for my chauffeur and Rolls Royce!"

B. C. Morton Branch

CLEVELAND CITY, Miss. — The B. C. Morton Organization has opened an office at 805 Seventh Avenue with Karon C. Covington as its resident manager.

COMING EVENTS

IN INVESTMENT FIELD

Aug. 12, 1960 (Detroit, Mich.)
Basis Club annual summer outing at the St. Clair Inn and Country Club, St. Clair, Mich.

Aug. 18-19, 1960 (Denver, Colo.)
Bond Club of Denver annual "Summer Frolic" at the Columbine Country Club.

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.

Oct. 10-13, 1960 (Pasadena, Calif.)
National Association of Bank Women 38th annual convention at the Huntington-Sheraton Hotel.

Oct. 11, 1960 (Detroit, Mich.)
Michigan Group of Investment Bankers Association meeting.

Oct. 12, 1960 (Cleveland, Ohio)
Northern Ohio Group of Investment Bankers Association meeting.

Oct. 13, 1960 (Cincinnati, Ohio)
Ohio Valley Group of Investment Bankers Association meeting.

October 15, 1960 (New York City)
Security Traders Association of New York annual Fall Dinner Dance in the Grand Ballroom of the Biltmore Hotel.

Oct. 28-29, 1960 (Detroit, Mich.)
National Association of Investment Clubs 10th anniversary convention at the Sheraton-Cadillac Hotel.

Oct. 28-30, 1960 Hot Springs, Va.)
Southeastern Group of Investment Bankers Association meeting.

Nov. 3-4, 1960 (Miami, Fla.)
Florida Security Dealers Association annual convention at the Key Biscayne Hotel.

Nov. 10, 1960 (Minneapolis, Minn.)
Minnesota Group of Investment Bankers Association meeting.

Nov. 17-18, 1960 (Chicago, Ill.)
American Bankers Association 29th Mid-Continent Trust Conference at the Drake Hotel.

Nov. 27-Dec. 2, 1960 (Hollywood Beach, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

June 22-25, 1961 (Canada)
Investment Dealers Association of Canada annual meeting at Jasper Park Lodge.

Form Davis O'Brien Co.

The Davis O'Brien Co., Inc. has been formed with offices at 555 Fifth Avenue, New York City, to engage in a securities business. Officers are Philip T. Davis, President; William F. O'Brien, Vice-President and Treasurer; and Alan L. Rosenblum, Secretary.

Form Fund Distributors

SPRINGFIELD, Ill. — Fund Distributors, Inc. has been formed with offices in the Illinois Building to engage in a securities business. Officers are George P. Rodes, President, and Janice A. Rodes, Secretary-Treasurer.