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Editorial AS WE SEE IT

The Senate is back in Washington and the House is scheduled to reconvene at the first of next week. The "target date" for adjournment is September 5, which would give the upper House just 28 days (including Sundays) or 29 days if Labor Day is included too, and the lower chamber just 21 or 22 days at work. Yet some rather rash spokesmen for the Democratic party have had the hardihood to assert in effect that the real party platform will be written in Washington during this brief period and a basis laid for the coming Presidential campaign by their candidates. Of course, it is absurd to suppose that anything of the sort could be done in that length of time, or even a period of a week of two longer, unless that platform and that "basis" are to be purely political buncombe intended to give the party some sort of tactical advantage in the struggle for the November votes of the electorate.

Not even the record smashing rate at which Franklin Roosevelt was able to get laws on the statute books in the early weeks of his first Administration approached any such speed as is thus indicated. It would be simply out of the question to get broad constructive legislation formulated and drafted in any such length of time—assuming that the work is to be well done—to say nothing of maneuvering it through a badly divided Congress and to the statute books. And this would be as true of measures carefully designed to achieve ends quite harmful to the country and unworthy of the party as it would be of laws planned for really constructive purposes. Apparently, certain of the party leaders would have us believe that this short period of post-convention work on the part of Congress was carefully planned that way in order to be able to present to the people a dramatic record of achievement directly, or almost so, before the voting is to take place! We doubt if there are many in the land naive enough to take much stock in such yarns as this.

Hazard in Washington

There is, however, hazard for *(Continued on page 15)*

Balanced Funds Boost Buying; Common Stock Funds Retrench

By A. Wilfred May

Analysis of investment companies' portfolio operations during June quarter's volatile market reveals continued net trend toward buying curtailment; with important exceptions among some balanced funds. Most favored groups included aircrafts, beverages, building, drugs, electronics, fire insurance, utilities, rails, and tobaccos. Somewhat friendlier attitude toward the oils. Textiles widely sold; with some other specified groups eliciting divergent reactions. Most popular issues were North American Aviation and Upjohn. General Telephone & Electronics and RCA most decisively sold. Interest in foreign equities maintained.

Our survey of second quarter portfolio operations by 87 investment companies under 63 managements reveals unprecedented divergence of policy between the several categories.

The general market, as measured by the indexes, in April extended its 1960 decline by about 3%, then rallied by 7% to recoup one-half of the preceding drop from its January all-time high.

The *balanced* open-end funds, surprisingly in the face of their greater freedom of action, generally displayed the least bearishness. In the second quarter their liquidation of commons declined much more sharply than did their acquisitions.

This "bullishness" marked a reversal of the balanced funds' policy in the first quarter. Their purchases of common stocks exceeded sales by 53.9%, against only 15.8% in the March quarter. Their composite portfolio proportion placed in net cash and government bonds declined by 7%.

The open-end *stock* funds, on the other hand, stepped up their selling of commons considerably, with the result here that their buying topped selling by only 19.3%, against 46.7% in first quarter.

Finally, the closed-end companies remained highly defensive, with an increased excess of stock sales over purchases.

In line with the foregoing, the *number of individual funds* acting as net buyers of commons rose from 17 to 21 among the *balanced* units; while net sellers declined from 11 to 9. Among the *stock* funds, net buyers decreased from 30 to 24, whereas net sellers increased from 11 to 14.

[Tables appearing on pages 21 and 27 show Fund's comparative investment positions; total common stock and other securities transactions; and individual common stock transactions by industry groups.]

In the case of the closed-ends, there were only two net buyers of common, namely Dominick Fund and Niagara Share. Since the end of the third quarter of 1959, the number of net buyers has steadily declined, with a corresponding increase in the number of net sellers.

The *redemption* record appears to be a mixed one, both as to its broad significance and as to individual funds. While the dollar amount of fund share redemptions, calculated, as widely publicized, in proportion to current sales, during the quarter increased to 44.7% from 35.5% in the first quarter, the proportion of these redemption totals to outstanding share holdings, a more significant statistic, has remained constantly favorable. In fact, calculated in the latter way, they showed but a minute rise during 1960, and an actual decline from the first two quarters of 1959.

STOCK BUYERS

Prominent among the balanced funds which were on the buying side of commons were the four Axe funds, Boston Fund, Broad Street, Eaton & Howard Balanced, General Investors Trust, Investors Mutual, Loomis-Sayles, Massachusetts Life Fund, Mutual Investment, National Securities Income, Stein Roe & Farnham Balanced, and Wellington Fund.

Stock funds which bought equities on balance were Blue Ridge, Bullock, de Vegh Mutual, Dreyfus, Eaton & Howard Stock, *(Continued on page 20)*

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 32.

The Security I Like Best . . .

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

This Week's Forum Participants and Their Selections

Tractor Supply Co. — Thomas E. King, Manager, Investment Division, Dempsey-Tegeler & Co., Chicago, Ill. (Page 2)

Morningstar-Paisley, Inc. — Hugo Kappel, Jr., Research Department, Boenning & Co., Philadelphia, Pa. (Page 2)

THOMAS E. KING
Manager, Investment Division
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Tractor Supply Co.

Contrary to the opinion widely prevalent today, intriguing investment possibilities can be found outside the high-glamour industries; and some even pop up in industries generally regarded as "depressed."

Thomas E. King

Take farm equipment, for example. Sales of new farm implements are directly related to the gross amount of farm income, which is suffering a long-term decline. But sales of replacement parts are dependent upon the number and age of implements in use. Thanks to this distinction, an outstanding growth record can be claimed by Tractor Supply Company, listed on the New York Stock Exchange. Ranking as the farmers' ally in keeping worn machinery fit for continued service, Chicago-headquartered Tractor Supply Company supplies thousands of new farm equipment replacement parts and accessories through 48 retail outlets and a nationally-distributed mail order catalog.

Since its founding in 1939, the firm has chalked up an unbroken record of sustained growth in annual profits. In the past five years alone, the company has increased sales 129%, boosting net still higher to nearly 3½ times the 1955 level.

In the fiscal year ending Oct. 31, 1959, sales totalled $10,404,000. The company has forecast earnings of "at least" $1.65 for the current fiscal year, compared with $1.51 in the previous 12 months. Sales should total close to $12 million, up 15% over fiscal 1959. These expected totals would mark new all-time highs in both earnings and sales.

TSC management points out there are but two alternatives in making a replacement part: duplicate or make better. It is Tractor Supply's emphasis on improvement which has given the firm its unique character and has accelerated its financial progress.

Among the 6,000 different items Tractor Supply sells to several hundred thousand customers in every state and Canada are numerous replacements parts and attachments developed by its engineering department that actually improve the performance of the original equipment.

One example: the firm's popular tractor conversion kits (selling up to $199.50, a small fraction of the price of a new machine) which provide older engines with the power and economy to meet present-day standards of performance. Another engineered specialty: a single mounting board for grease fittings, permitting farmers with older corn pickers to cut their "down" time for greasing operations to a minimum. (Without such time-saving modernizations, owners of old machines would have little opportunity to harvest their crops.)

A key factor in Tractor Supply's popularity with farmer customers is the ready availability at all outlets of TSC's broad line of items for all makes, all models, affording farmers the convenience of fast, one-stop shopping for parts.

Significant, too, are the firm's low prices. By means of volume buying from cost-conscious suppliers, elimination of middlemen, and frequent supplier-to-store shipments to minimize warehousing costs, Tractor Supply is able to pass important savings along to customers while enjoying a healthy margin. The company retails parts of at least comparable quality at up to 40% less than the list price of manufacturers' dealers.

Several mehods of boosting both volume and income, currently parts of TSC's long-range expansion program:

(1) **Broadening of Product Line.** Initially TSC sales consisted largely of parts and attachments for tractors; today, such sales account for less than half of volume. Within the last year, four pages of hay baler parts have been added to the firm's catalog, and expansion in the combine line has been even greater.

This month, Tractor Supply announced acquisition of Spindle Specialty Company, manufacturer of the patented Lindsay Hi-Barb spindle for cotton pickers. Entry into this important replacement market should have considerable impact on TSC earnings in future years.

(2) **Opening of Additional Outlets.** In fiscal 1959, TSC opened three new stores. The company has already added six in the current fiscal year, including two outlets marking TSC's entry into the nation's leading agricultural state, California.

(3) **Establishment of Credit Sales.** With farming becoming more "big business" minded, the place of credit selling on the agricultural scene is gaining. Earlier this year, TSC initiated credit sales on a trial basis on 10 of its 48 stores. While this volume is still small in dollars and cents, new accounts are being added daily. The firm's store managers conservatively estimate a substantial gain in volume will result from this change in the company's long-established cash-only policy.

The firm's business ratio is a comfortable 3.5 to 1. Selling around 26, TSC stock stands at about 16 times earnings. The regular annual dividend is $1. TSC enjoys a high pre-tax profit margin (23.6% in fiscal 1959) and, since its large volume can be supported with relatively little capital, shows a 27.5% return on investment.

To my mind, Tractor Supply should prove of interest in investors looking for that all-too-rare combination of growth and recession resistance.

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Morningstar-Paisley, Inc.

Morningstar-Paisley is a sound and growing company whose stock is selling at a reasonable price. In today's market, it is a pleasure to write about Morningstar-Paisley because the stock's downside risk is limited while the upwide potential is great. This company, whose products are chemicals, adhesives, and starches, should increase sales in 1960 for the 15th consecutive year and earnings for the 4th consecutive year. Its earnings for 1960 are expected to be about $1.50 to $1.60 a share; yet, at its current price, Morningstar-Paisley stock is selling at only a little under 12 times estimated 1960 earnings. The company pays a dividend of 60 cents a share and has paid cash dividends since 1934.

Hugo Kappler, Jr.

It is interesting to compare Morningstar-Paisley with National Starch, a company whose business is comparable. For the first half of 1960, National Starch earned 78 cents a share as opposed to 71 cents a share for Morningstar-Paisley; yet the stock of National Starch sells at $34 a share as compared to only $18 a share for Morningstar-Paisley. It seems to me that this price discrepancy cannot continue to exist and that the price of Morningstar-Paisley stock will increase; the price increase will be caused by (1) continued growth of earnings and (2) recognition by investors. This should give the stock a higher price-times-earnings ratio.

Besides increasing sales and earnings, the company is making every effort to continue to improve its profit margin. This is especially important; for, since there are only 500,368 shares outstanding, any increase in profit margin will significantly increase share earnings.

The scope of the company's products is unlimited; they are used in such industries as the food, clothing, building, pharmaceutical, entertainment, and educational industries. About half the company's adhesives are sold, for example, to the packaging and paper industries, which, according to *Barron's* consume more than $100 million worth of glues a year. The Morningstar division manufactures starch products (including dextrines), gums, and dry adhesives; the Paisley division manufactures liquid adhesives, polyvinyl acetates, latex compounds, and plastisols. The Paisley Division is the chemical division; it has grown rapidly in the last few years and now accounts for 60% of the entire company's sales.

According to company officials, the use of plastisols is still in its infancy. Plastisol resins are abrasion-resistant, fireproof, greaseproof, waterproof, freeze-resistant, and electrically insulating. They resist oxygen, sunlight, ultraviolet rays, and almost all strong acids and alkalis. Plastisol resins can be used as a protective coating or cured on a mold and

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

Can We Play the Dollar Exchange Standard Game

By Max J. Wasserman, *Visiting Professor, The William Andrew Patterson School of Diplomacy & International Commerce, University of Kentucky*

Commendatory assessment of our "planned" deficit in the balance of payments describes our role, as the world's banker, under the evolving "dollar exchange standard" and its concomitant rules of the game. The shift of American investments abroad is construed to be of greater significance to our economy than the current deficits in our balance of payment—viz., it will bring about an international levelling of factor earnings (profits, wages and interest) not achieved by international trade, and will lower U. S. exports and raise investment income inflow. Professor Wasserman indicates why schemes to reduce our imports would not be helpful; warns against our taking unilateral action in the area of international economic relation; depicts the risks facing us as analagous to those facing a local banker; and finds here a challenging, rewarding assignment deserving the thoughtful attention of all businessmen.

A large bourbon whiskey distilling firm produced a wide variety of whiskies of various proofs and ages; the firm made a whiskey for just about every bourbon taste and pocketbook. In a recent advertising campaign, the displays and copy featured the more expensive whiskies distilled by the firm.

Max J. Wasserman

After the advertising campaign was over, the President of the firm was having lunch with an old friend. "How did your advertising campaign go?" asked the friend. "It went splendidly," replied the President, "we couldn't have asked for better results. We tripled the sales of our cheaper whiskies."

"But I thought that your campaign stressed your more expensive whiskies," countered the friend. "Yes, I know," replied the President, "the sales of the expensive whiskies did not increase but the cheaper ones did. You know, we planned it that way."

We planned it that way! Such is the reply advanced by many when the results of an action appear unusual or startling. And often the reply is factually accurate for surprising results often flow from simple and direct actions.

Well, the United States has been running a deficit on its balance of payments for a number of years now and, believe it or not, we planned it that way. The heavy economic and military aid programs—which have been running at the rate of $3 to $4 billion a year — have made the deficit inevitable. This result has been deliberate ever since the inception of the Marshall Plan in 1947.

Extent of the Balance of Payments Deficits

We are all aware that World War II was largely financed by Lend-Lease. During that conflict, we supplied our Allies with about $41 billion worth of goods and services. And, in passing, it might be worthwhile to note that our Russian Allies received about $11 billion of this total. After VE day, President Truman put an abrupt end to Lend-Lease.

In many ways, President Truman's action was premature. The need of our Allies did not end with the closing of hostilities. Some of them had suffered extensive bombing damages. Most of them had but little output available for export and all of them needed large amounts of imports. The international reserves of the Allies were all but exhausted. Such nations were very poor customers for the products of our industrial machine, unreliable sources of supply, unstable allies and, finally, international communism was knocking at their basement doors and demanding admittance.

Under the Marshall Plan, its predecessor and successor plans as well as its cousin programs, the United States has provided other nations, through loans and grants, a total of almost $75 billion to date — about 80% in grants or gifts and 20% in credits or loans. This total amounts to approximately 17½% of the national income of the American people for 1959 or the income of all Americans for over two months at current rates. It would meet the expenditures of our military establishment for almost two years.

In spite of this aid, foreign nations ran a deficit on their balance of payments amounting, from 1946 to 1949, to $7.1 billion and this deficit was taken out of their holdings of gold and United States dollars, still further reducing their international reserves. Beginning in 1950, however, the foreign nation's deficits ceased, they earned surpluses and the United States, in its turn, started to run a deficit on its balance of payment. From 1950 through 1959, it is estimated that this total deficit amounted to about $21 billion. For the period 1949-1959 as a whole, the net cumulative deficit on the United States balance of payments was approximately $14.2 billion.

During this period, the United States made grants, as gifts, to various foreign countries amounting to about $60 billion. The dif-

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Rexall Drug & Chemical Co.

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

Documenting a profitable swing from retail to manufacturing.

The basic purpose of the business corporation is to make money; and, in general, the more money a company can make on each dollar of sales, and on each dollar of invested capital, the better that company does for its stockholders. Operating on this fundamental logic Rexall Drug & Chemical Co. has demonstrated that, by smart management, by winnowing out less profitable operations and by adding new high profit lines, you don't need big increases in gross businesss to double your profit. To illustrate, for 1953 Rexall sales were $189.2 million and the net profit per share was 90c; for 1958 sales were actually lower, $182.4 million, but per share net had more than doubled to $1.83.

Obviously a company that can build up earning power at this rate must know what it is doing and have a pretty good idea as to where it is going. Rexall does. It has been reducing its own retail operations and building up its far more profitable manufacturing lines.

Vast Retail Outlets

Everyone thinks of Rexall as a nationwide retail drug chain. In essence it is, but instead of extensively owning and operating its own stores, Rexall Drug now has over 11,500 independently owned but franchised drug stores as outlets for its myriad lines of drugs, toiletries, cosmetics, hospital supplies and plastic products. Totally, this franchised chain did, in 1959, about 25% of all the nation's retail drug business. Having such a huge and fabulous "captive" market at its disposal the Rexall management has sought to expand the number, the variety and the profitability of the items it can merchandise through this comprehensive network. Therein lies the formula for Rexall's success.

Six Fold Diversification

Actually Rexall Drug is made up of, and diversified into, six major divisions of operation: (1) retail stores, (2) proprietary drugs, (3) ethical drugs, (4) hospital supplies, (5) plastic and (6) chemicals.

Taking them up in order, the company's owned chain of retail stores has now been reduced to about 170 units operating under the Liggett and Owl names. Retail stores account for around 13% of profits; and expansion of this division seems unlikely since capital employed elsewhere in the company can provide more rewarding returns.

The Rexall Laboratories in St. Louis, recently enlarged and modernized, now produce over 2,300 products in the proprietary drug, cosmetic and toiletry field. These are nationally advertised and sold under the Rexall Trade Marks. They include quality items with high profit margins and heavily promoted proprietary drugs such as "Plenaming" "Cough Center" tablets and "Meltamins Jr." a vitamin concentrate for children. Rexall Laboratories are believed to account for about 35% of total company net profits.

The production of ethical drugs is centered in the Riker Laboratories Division, established 11 years ago. Expansion of this division by merger has included the acquisition of Darwin Laboratories in 1960 for about 30,000 shares of Rexall common. Darwin specializes in glandular extracts and heparin. In June, Schen Labs Pharmaceuticals Inc. was acquired from Schenley Industries in exchange for 120,000 shares of Rexall common. These added properties will ultimately be integrated with Riker Laboratories. They provide entry into broader fields of ethical drugs, greater depth in research talent, and improve the marketing of products by affording the same sales force a wider list of products to be sold. About this division's research, Mr. Justin Dart, President, recently reported that of "three striking leads which we are presently working on, one at least, still gives promise that it may be a major break-through in medical therapy." The generation of new products and the very high profit margins in this division are steadily increasing the importance of ethical drugs to Rexall's future.

The Hospital Supplies division includes The Seamless Rubber Company, in New Haven, Conn., and The Absorbent Cotton Company in Valley Park, Mo., and United Cotton Products Co. Together these produce cotton and gauze, hospital dressings and rubber products — also industrial abrasives. Hospital Supplies deliver about 7% of the corporate net.

Plastics

Plastic products are popular sellers in drug stores, so it was only natural for Rexall to go into plastics in a big way. KraLoy Plastic Pipe Co. was acquired in 1956 and the Tupper Company, two years later. Together, these make non corrosive plastic pipes and fittings, plastic bottles and containers and "Tupperware," the largest selling household plastic line of dishes and containers of all sizes for food storage. In 1959 Rexall further expanded its plastic division by acquiring Injection Molding Company, one of the larger manufacturers of plastic bottles and containers. Chippewa Plastics, integrated with company operations in 1959, makes polyethylene films and has recently perfected a new type of bag sealer.

Chemicals

Being such a large consumer of raw plastics it was only logical for Rexall to seek its own source of supply. To that end it joined forces with El Paso Natural Gas in 1958 in the formation of a polystyrene enterprise, Seamco Chemical Co. to operate a 10 million pound capacity polymer plant. By 1961 the capacity of this company will have been increased sevenfold. On April 29, 1960, Rexall formed a second joint venture with El Paso Natural Gas—a $70 million new plant to be built at Odessa, Texas. With the required petrochemical raw materials at hand, this new property will have an annual polymer capacity, by 1965, of 200 million pounds. It will be a huge complex converting natural gas into the finished polyethylene, polystyrene, and polypropylene products. All of which assures Rexall of a magnificent (and profit laden) supply of raw materials for its steadily expanding plastic manufactures.

There are other smaller affiliate companies which we need not dilate upon, and there are substantial overseas manufacturing facilities, but we've outlined the main panorama of progress at Rexall—expanding capacities in many areas that set the stage for rising profitability.

For 1959, net sales of Rexall were at an all time high — $227 million. Net earnings were also at an all time high, $8,753,000 equal to $2.30 on the 3,832,639 common shares outstanding. Ahead of the common is $30 million in long term debt. Current position is excellent with about $65 million in net working capital at the 1959 year-end.

For 1960 and beyond the Rexall vista appears bright. Earnings for 1960 should rise to around $2.45 and, by 1965, giving effect to full stream production in the petrochemical division, earnings of $4.75 to $5 have been projected by competent analysts. There is ample evidence that Rexall is moving steadily forward as a balanced plastic, pharmaceutical and chemical enterprise of major stature. The common at 48 with a 50c dividend has a forward look about it.

FIF Management Names Officials


J. W. Tempest


C. F. Smith

DENVER, Colorado.—J. William Tempest, Vice-President of FIF Management Corp. and Executive Vice-President of FIF Associates, Inc., has been elected President of both corporations at recent meetings of the boards of directors of the organizations, according to an announcement made by Charles F. Smith. FIF Management Corp. is the principal underwriter and investment management firm for two mutual investment companies, Financial Industrial Fund, Inc. and Financial Industrial Income Fund, Inc. FIF Associates, Inc. is the organization marketing the shares of both funds nationally.

Mr. Smith, founder of all of the above corporations, and President of each since its establishment, will continue as President of the two funds. He was also elected chairman of the boards of directors of FIF Management Corporation and FIF Associates, Inc. at the time of Mr. Tempest's promotion.

Named Director

MIAMI, Fla.—S. George Gianis of the investment banking firm of Myron A. Lomasney & Co., has been elected a director and member of the Executive Committee of Figurette, Ltd., it was announced by Donald G. Saunders, President.

The State of TRADE and INDUSTRY

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

Lack of pronounced strength among various indicators of business activity raises doubts about the probable strength of the widely expected fall rise in business activity, the August issue of *Barometer of Business* of Harris Trust and Savings Bank states.

One of the clues to these doubts, the publication points out, is that five of the eight leading indicators developed by the National Bureau of Economic Research have been declining all year.

Also investigations show that although current inventory/sales ratio in manufacturing does not appear unduly high, order backlogs are declining due to the persistent lag of new orders below sales. In addition, inventories are at a new high, and the ratio of inventories to unfilled orders has risen markedly in the past several months.

Due to an easing in monetary policy, the money supply, another sensitive indicator, increased moderately in June after a protracted decline beginning in mid-1959. The Federal Reserve has provided funds to the banking system through the purchase of Treasury bills. Because of reduced liquidity in the banking system many of these reserve funds were used for reducing debt to the Federal Reserve System. The *Barometer* states that since borrowings from the Federal Reserve have now been reduced substantially, further easing measures by the Federal Reserve are likely to promote monetary growth.

Regarding the current economic activity of the nation, the August business summary indicates tnat it is continuing on a high plateau with weakness in heavy industry largely offset by small increases in other areas.

Gross national product in the second quarter inched upward to a new high of $505 billion. The publication points out that revised figures indicate personal income topped $400 billion for the first time in April and rose to $405.8 billion in June. Industrial production in June edged down to the March-April level. Durable output slipped, nondurable production was stable, but mining and utility output was up slightly, the Harris summary states.

Students in other countries have been influencing the world situation in various ways during the past few months students in the U. S. have also come to the forefront, but in a different way . . . in our economic picture. The Harris Bank periodical states that both employment and unemployment increased more than seasonally in June due to a record influx of students into the labor force. It is difficult to interpret the significance of the sharp rise in the seasonally adjusted unemployment ratio from 4.9% to 5.5% of the labor force since the survey week was later this June than in previous years resulting in more students being out of school and in the labor market.

Changes in nonfarm employment were largely of normal seasonal proportions, says the *Barometer of Business*, except the steel industry where layoffs occurred for the fourth successive month. However, it also points out that seasonally adjusted average work week in manufacturing declined slightly.

In its analysis of gross national product the Harris business summary relates that spending on goods and services by consumers and governments more than offset weakness in private investment in the second quarter.

Consumer durable purchases were stable, but outlays on nondurables and services rose. In addition, Federal spending dipped slightly but state and local outlays advanced. The business periodical also states that weakness in private investment was confined to a slight decline in new construction and a sizable $5.4 billion drop in the annual rate of inventory accumulation from the first quarter high rate of $11.4 billion. Also, net export surplus rose further to $2.5 billion . . . the highest level since the fourth quarter of 1957.

Bank Clearings for Aug. 6 Week 13.1% Above 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, Aug. 6, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 13.1% above those of the corresponding week last year. Our preliminary totals stand at $27,091,925,707 against $23,963,493,677 for the same week in 1959. Our comparative summary for some of the principal cities follows:

Week ended	(000's omitted)		
Aug. 6—	1960	1959	%
New York	$14,707,563	$12,009,927	+22.5
Chicago	1,332,088	1,333,681	— 1.2
Philadelphia	1,071,000	1,054,000	+ 1.6
Boston	792,621	723,039	+ 9.6

Incoming Steel Orders Run Ahead of Shipments

Incoming orders to the nation's steel mills are running ahead of shipments for the first time since March, boosting hopes for an upturn in steelmaking, *Steel* magazine said on Aug. 8.

August bookings will be 10% higher than last month's and prospects are bright for a similar gain in September, predicts the metalworking weekly.

Actual orders on the books don't support the prediction, but steelmakers are getting four to five times as much tonnage booked from late, last minute orders as they were in March and April. Consumers are depending upon the mills to make fast deliveries on short notice. If late orders double again, as they did last month, many plants may find that they can not get "off the tailgate" delivery of their steel.

"We'll see a lengthening of mill leadtimes—the period from the time the order is placed until the steel is delivered," *Steel* forecasted. "With it will come the cessation of inventory cutting, probably early in September."

The inventory buildup will not be large. Most manufacturers will buy only as much steel as they are using, but as manufacturing activity picks up, inventories will gradually increase. Toward year-end, the possibility of higher steel prices, when the steelworkers get the wage increase called for under their labor contract, may stimulate some hedge buying.

Last week, steel mills operated at 55% of capacity, two points above the previous week. Output: 1,570,000 ingot tons.

Scrap prices, a bellwether of the steel industry's operating rate, inched upward again for the third week in a row. Most of the increase in *Steel's* price composite, up 17 cents to $32, was accounted for by increases in the Chicago area. Prices in most districts, however, remained steady.

The pinch on profits of U. S. metalworking firms is likely to continue for the rest of the year, *Steel* commented in its analysis of profit reports for the first half, 1960. Sales have not lived up to earlier expectations and the costs of doing business are rising.

Labor and other costs for most firms have gone up or will increase this year. Aluminum Co. of America, for example, increased the price on most mill products 0.5 to 0.75 cent last week.

Other factors likely to hold profit margins down: Continued buildup of foreign competition, metal firms are still budgeting substantial sums for new equipment and plant modernization in an effort to increase efficiency.

Better Steel Demand Seen

New orders for steel are having trouble getting over the 50% capacity rate, *The Iron Age* reports.

The national metalworking weekly says that the August improvement is less than expected, and far from encouraging to steelmakers. The best that can be said is that business has passed the low point.

But the magazine reports a number of new, though relatively minor, developments in the steel business that indicate the market may be ready to move.

Here are some of the points noted in the market this week:

(1) There has been a slight pickup in orders. The gain, although a small one, has raised the order rate to something around 50% of capacity.

(2) The order pickup is pretty much offset by the running out of old commitments. Backlogs are just about gone.

(3) New orders are mostly for quick delivery. The volume of rush business is increasing. Eventually, it may reach the point where mills cannot fill all demands for fast delivery. However, mill inventories of semi-finished are heavy, and the breaking point is not close.

(4) Forward buying is very light. September orders of one mill are less than the same mill had 30 days ago. Mills do not expect forward booking to increase until the limits of rush delivery are reached.

(5) Flat-rolled business is relatively good. For both July and August, one typical mill is shipping cold-rolled sheet at a rate equal to 60 to 70% of capacity. Galvanized is even stronger. Hot-rolled is down, and tinplate is becoming a question mark.

The Iron Age comments that automakers' steel needs are up in the air. This contributes to added uncertainty about the size and depth of the expected auto upturn.

For one thing, manufacture of compacts will take up the greatest bulk of third quarter output. This includes model runouts of 1960's highly successful small cars. The first production runs of new 1961 lines, particularly General Motors products, are now taking place.

Some in the industry are convinced that this is one reason behind lower-than-expected steel orders from automakers. With four new compacts coming out, compounded by shorter styling of the "regulars," the changes in Detroit are getting more high level attention.

The magazine comments that orders for steel construction are just so-so. But a pickup in housing starts may give some new life to demand for appliances, which has been a big disappointment not only to appliance makers, but as a market for steel.

In spite of the uncertainties, October now looms as the biggest month of the second half for the steel industry. At that, operations may be expected to reach possibly

Continued on page 30

Fear Another Dollar Scare Caused by Coming Election

By Paul Einzig

An earnestly strong plea is made urging the United States and the Free World to avoid a dollar scare between now and our Presidential election. Fearful of what Russia would do if it could engineer — or profit from — a major dollar scare, Dr. Einzig asks: (1) Presidential candidate Kennedy to end misgivings about his economic views held in the foreign exchange market by declaring he does no favor a change in the dollar price of gold; (2) Western Governments to abstain from converting dollars into gold; and (3) American labor to cease wage inflation activities. There's nothing inherently unsound here, and were it not for the Presidential Elections we would not have to prove our determination to defend the dollar's gold parity, Dr. Einzig adds.

LONDON, England — There are indications that the Foreign Exchange markets expect another dollar scare to develop between now and the Presidential Election. In recent weeks the outflow of gold from the United States has increased and it is widely expected to continue on a fairly high level during the next three months. The reason for this pessimism lies in the possibility of the advent of a Democratic Administration. Beyond doubt Mr. Kennedy is a strong candidate, and, as far as it is possible to judge from across the Atlantic, Mr. Nixon will not have an easy task in defeating him. And because, following immediately on his nomination, Mr. Kennedy made a declaration that flavored of New Deal it is widely assumed that, should he be elected, his Administration would adopt economic measures liable to cause an outflow of capital.

In particular, his reference to the need for a higher proportion of capital expenditure and a lower proportion of consumption is widely interpreted as meaning one of three things: (1) An increase of investment in the absence of a corresponding increase in saving would mean inflation. (2) If it is sought to be prevented by means of drastic disinflationary measures it is liable to overstep the limit between inflation and recession. (3) If it is sought to be prevented by means of increased taxation it is liable to cause flight of capital. In either of the three cases, it is apt to cause withdrawals of foreign capital invested in Wall Street.

Fears Russian Moves

There can be little doubt that the Soviet Government is anxious to fish in any troubled waters that are liable to develop in connection with these possibilities. It would suit the Communists down to the ground to engineer a major dollar scare in the hope that if the United States becomes too heavily preoccupied with domestic troubles they might possibly take over West Berlin with impunity. It is, therefore, of the utmost importance not only for the United States but also for the entire Free World to avoid a major dollar scare during this critical period.

To that end it would be very important to persuade both Presidential candidates to come out with most emphatic disclaimers of any intention to raise the dollar price of gold. In particular, Mr. Kennedy ought to make his attitude clear. In his initial statement he was necessarily vague and left ample scope for interpretation. The more categorically he will declare himself against a change in the dollar price of gold the more helpful it would be.

The Western Governments whose countries are likely to gain most of the gold which the United States might lose during the next three months—in the first instance West Germany, Switzerland and Britain—should not only undertake to abstain from converting their dollar reserves into gold but should also make some arrangements, either directly or through the International Monetary Fund, to re-lend to the United States any addition to their gold and dollar reserves they would receive during this period. It should be clearly understood that the full increased resources of the International Monetary Fund are available, and would be used, if they should be needed to check an adverse pressure on the dollar.

An appeal should be made to the American trade union leaders to realize their responsibility in the matter of the dollar. It is essential to bring wage inflation to a halt as a means for strengthening the balance of payments and inspiring confidence in the dollar. If as a result of a devaluation the main obstacle to major inflation should be removed the workers would be affected by it together with the rest of the community.

Above all, there should be no scare mongering. It is very easy to undermine confidence in any currency by the frequent repetition of forecasts that it is likely to be devalued. Possibly one of the ways in which the Soviet Government will try to cause trouble is by running campaigns to disseminate distrust in the dollar, not only in the United States but all over the world. Such activities must be followed everywhere with a watchful eye, and their perpetrators must be identified, denounced and discredited.

No Inherent Unsoundness in the Economy

There is nothing in the American economy that is inherently unsound or out of equilibrium that would call for a change in the gold parity of the dollar. Were it not for the circumstances of the Presidential Election, the United States could well afford to ignore subversive efforts to discredit the dollar. But circumstances being what they are, it is essential to prove the ability and determination of the present Administration and its successor to defend the existing gold parity. From the point of view of prestige, it would be fatal if simultaneously with the so-called "revaluation" of the ruble the dollar should be devalued. Even though that impending revaluation of the ruble is hardly more than a bookkeeping transaction, most people fail to realize this. They would only see the contrast between the apparent rise in the gold value of the ruble and a fall in that of the dollar. It would indeed be a pity to give such a free gift to Communist propaganda all over the world.

Winthrop Forms Corp. Affiliate

Robert Winthrop & Co., 20 Exchange Place, New York City, members of the New York Stock Exchange, has announced the formation of a corporate affiliate, Robert Winthrop & Co. Incorporated. Roderick H. Cushman has been elected a Vice-President.

Joseph Luby With Paine, Webber Co.

Joseph M. Luby has become associated with Paine, Webber, Jackson & Curtis, 25 Broad Street, New York City, members of the New York Stock Exchange, as manager of the Municipal bond department. Mr. Luby was formerly Vice-President and manager of the bond department of the Commerce Trust Company of Kansas City. Prior thereto he was an officer of Barret, Fitch, North & Co. of Kansas City.

Joseph M. Luby

Ferron Now With Hill Richards

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—James F. Ferron has become connected with Hill Richards & Co., 621 South Spring Street, members of the Pacific Coast Stock Exchange. He was formerly in the floor trading department of First California Co.

With Finkle, Seskis

Finkle, Seskis & Wohlstetter, 70 Wall Street, New York City, members of the New York Stock Exchange, announced that Arthur Irwin is now associated with their firm as a registered representative.

TAX-EXEMPT BOND MARKET

*BY GEORGE L. HAMILTON**

There has been little activity in the tax-exempt bond market during the past week and the long-delayed summer doldrums seem to have taken over the market. The combination of a lack of new issues and vacations by many investors and dealers have to date made August a quiet month. However, the market remains in a strong position with prices firm.

Recent Credit Ease Measures

The Federal Reserve Board moved late Monday to increase the lending power of commercial banks by lessening requirements controlling their reserves. The three steps taken include: reducing, effective Sept. 1, the reserve requirements of member banks in New York and Chicago by one-half per cent to 17½% of their net demand deposits; permitting, also effective Sept. 1, banks in reserve cities and central reserve cities to count vault cash in excess of 1% of net demand deposits instead of today's 2%, as part of their required reserves. The final action permits country banks to count as reserves any vault cash held in excess of 2½% of net demand deposits. The present limit is 4%. This is to be effective Aug. 25. No change was made in the reserve requirements for banks in reserve cities which now stands at 16½% of demand deposits.

Reserve board officials estimated roughly that reserves made available by these actions will approximate $600 million, which could account for about $3.6 billion of additional credit extensions.

Yield Index Lower

The *Commercial and Financial Chronicle's* high grade tax-exempt bond yield index as averaged on Aug. 10 at 3.315% stands slightly improved from last week's figure of 3.33%. The *Smith, Barney & Co.* Turnpike and Revenue bond yield index averaged 3.84% on Aug. 4, the last reporting date. This represents a one-quarter point rise as against the previous week's average, 3.86%.

Although the Treasury market was slightly easier at last week's close (Friday), there is at present no pressure on these bonds. Some renewed buying interest early this week, after the lowering of reserve requirements, has again put prices up throughout the list, but at this writing prices have leveled off. Government dealers continue to be optimistic about higher prices in the immediate period ahead.

Recent Awards

Although only few, and of relatively light volume, the new issues sold since we last went to press last week are noteworthy in some respects and we will briefly outline them. On Thursday (Aug. 4), $5,480,000 Boston Metropolitan District bonds (1961-1990) were awarded to the Kuhn, Loeb & Co., Chemical Bank New York Trust Co., Glore, Forgan & Co. group. Priced to yield from 1.80% to 3.53% this very high quality issue was given only a fair reception by investors. Over half the issue remains in account at this writing, but a favorable market should take care of this balance.

On Tuesday, Aug. 9, Los Angeles County, Calif. awarded $11,000,000 various purpose (1961-1980) bonds to the syndicate headed by Bank of America N. T. & S. A. and including as majors the First National City Bank of New York, Harris Trust & Savings Bank, Blyth & Co., First Boston Corp. and The First National Bank of Chicago. The bonds were scaled to yield from 1.70% to 3.45% and more than 95% of the issue was sold upon initial reoffering.

Also on Tuesday the City of Enfield, Conn. awarded $2,098,000 school general obligation (1961-1980) bonds to the Morgan Guaranty Trust Co. and the Chemical Bank New York Trust Co. group. Priced to yield from 1.80% to 3.50% this issue was about 40% sold the first day.

An interesting but not entirely new type of bond also came to market on Tuesday. This issue consisted of $2,330,000 Ohio State University Board of Trustees Dormitory Revenue (1961-1999) bonds. The issue was awarded to a John Nuveen & Co. group on their interest cost bid of 3.92%. Upon reoffering all of the bonds were immediately placed with investors.

This type of state university revenue bond is becoming a more important factor in the bond market, as many of our large state universities are interested in selling such bonds and many have already sold revenue bonds for various college buildings and related purposes. The security behind these bonds is different in each state and university but as they come to market many retail institutions are buying this type of obligation and are taking advantage of the liberal yields that these bonds carry.

Wednesday's only large new issue offering involved $6,600,000 Macomb County, Mich. special assessment drainage district (1960-1989) bonds. The winning group was managed jointly by The First of Michigan and Braun, Bosworth & Co. The reoffering is being made at yields ranging from 1.80% to 4.00%. No report is currently available as to the reception of this issue by investors.

Turnpike Financing To Be Revived

As the new issue calendar continues light and unimportant, dealers and investors look to the future to see what may be in store for them in the way of future financing. For a few paragraphs we will speculate as to what is to be financed in the way of Turnpike Revenue bonds.

The Florida Turnpike Authority plans to extend its present "bob tail" Turnpike northwest about 97 miles to Orlando. This extension will be a new project and must pay out of the earnings of the new road. Shearson, Hammill & Co. of New York City is forming a group to bid on this issue. The cost of this extension is to be about $45 to $50 million.

In two other states new Turnpikes are in various stages of planning and study. Oklahoma has plans to sell late this fall bonds to finance construction of a southwestern Turnpike of about 85 miles. This turnpike would connect Oklahoma City and the Turner Turnpike with Wichita Falls, Texas. Cost of this project has not yet been announced.

The Commonwealth of Kentucky is planning two turnpikes with definite routes in mind. One is an extension to the existing turnpike which will run 120 miles east from Elizabethtown to Princeton and opening access to Western Kentucky. The other proposed Pike would be in the eastern section of the state between Winchester and Campton, a distance of about 45 miles.

These proposed roads have in common the fact that their location is not along the Interstate system route and will not have the worry of competing free roads. Also many of the States, including Oklahoma and Kentucky, have made available supplemental funds to help make these roads possible. In the case of Oklahoma, the passage of a law allowing certain portions of the gas tax for making up deficiencies in interest payments and in Kentucky, the state currently pays maintenance cost of the existing turnpike.

Other turnpikes are also being studied in Maryland and in Delaware but until engineering and feasibility reports are made available, they cannot be discussed.

Not Much on Pending Awards Calendar

The new issue calendar for the coming week is of little importance and includes only one issue of importance. On Aug. 17, the State of California will receive bids for $15,000,000 harbor improvement (1965-1990) bonds. This issue was originally scheduled for sale on June 28, and at that time the bid was rejected. It appears as though this rejection was a wise move and it is expected that the state will receive a much better bid for their bonds this time.

There have been no important additions to the new issue calendar and highly competitive bidding for the few new issues up for sale should continue.

*Substituting for Donald D. Mackey.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.75%	3.60%
Connecticut (State)	3¾%	1980-1982	3.25%	3.15%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.20%	3.05%
New York (State)	3%	1978-1979	3.10%	3.00%
Pennsylvania (State)	3⅜%	1974-1975	3.10%	3.00%
Vermont (State)	3⅛%	1978-1979	3.15%	3.05%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.35%	3.20%
Los Angeles, Calif.	3¾%	1978-1980	3.75%	3.60%
Baltimore, Md.	3¼%	1980	3.45%	3.35%
Cincinnati, Ohio	3½%	1980	3.35%	3.20%
New Orleans, La.	3¼%	1979	3.60%	3.50%
Chicago, Ill.	3¼%	1977	3.75%	3.60%
New York City, N. Y.	3%	1980	3.85%	3.80%

August 10, 1960 Index=3.315%

Victor Dykes Now With Holton Firm

LOS ANGELES, Calif. — Victor Dykes has become associated with Holton, Henderson & Co., 215 West Seventh Street, members of the Pacific Coast Stock Exchange. Mr. Dykes who has been in the investment business for many years has recently been with California Investors. In the past he was an officer of Value Line Fund Distributors and of the Texas Fund of Houston.

Victor Dykes

Preferred Securities

SCOTTSDALE, Ariz. — Preferred Securities, Inc., is engaging in a securities business from offices in the U-R Building. Officers are William M. Liddon, president; Herbert J. Miller, vice president; and Dale L. Moran, secretary-treasurer.

Form F. G. Donnelly Inc.

NEWARK, N. J.—Frank G. Donnelly Inc. has been formed with offices at 24 Commerce Street, to engage in a securities business. Frank G. Donnelly is a principal.

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.

Aug. 11 (Thursday)			
Indiana State Teachers College, Indiana	1,500,000	1962-1986	2:00 p.m.
Lynn, Mass.	1,000,000	1961-1980	Noon
Russellville, Ky.	2,450,000	1962-1981	3:00 p.m.
Schenectady County, N. Y.	1,425,000	1961-1989	2:00 p.m.
Aug. 12 (Friday)			
Ball State Teachers College of Ind.	2,200,000	1962-1997	10:00 a.m.
East Side Levee & Sanitary Dist., Illinois	1,070,000	1963-1980	10:30 a.m.
Aug. 15 (Monday)			
Cabrillo Jr. Union Jr. College Dist., California	2,000,000	1961-1985	11:00 a.m.
Tri-Cities Mun. Water Dist., Calif.	3,000,000	1963-1990	7:30 p.m.
Aug. 16 (Tuesday)			
Dearborn, Mich.	2,850,000	1961-1990	8:00 p.m.
Henderson, Ky.	1,500,000	1961-1998	1:30 p.m.
Niagara Co., Water Dist., N. Y.	4,500,000	1961-1990	-------
Waltham, Mass.	3,050,000	1961-1980	11:00 a.m.
Aug. 17 (Wednesday)			
California (State of)	15,000,000	1965-1990	10:00 a.m.
Fresno Redevelopment Agency, California	1,000,000	1990	11:00 a.m.
Hempstead Central High School District No. 1, N. Y.	3,680,000	1961-1980	1:00 p.m.
Holland S. D., Mich.	3,371,000	1961-1986	8:00 p.m.
Spartanburg County (Liberty-Chesnee-Fingerville Water Dist.), South Carolina	1,100,000	1963-1990	Noon
Aug. 18 (Thursday)			
Ponce, Puerto Rico	2,030,000	1961-1980	11:00 a.m.
Washington Suburban Sanitary Dist., Maryland	4,000,000	1961-1990	11:30 a.m.
Westlake City Sch. Dist., Ohio	2,100,000	1962-1982	1:00 p.m.
Yarmouth, Maine	1,380,000	1961-1980	Noon
Aug. 20 (Saturday)			
Western State College of Colorado, Colo.	1,600,000	-------	-------
Aug. 23 (Tuesday)			
Cherry Hill School District, Mich.	1,200,000	1961-1985	7:30 p.m.
Fresno City Unified S. D., Calif.	4,000,000	1961-1980	10:30 a.m.
Iberville Parish, Louisiana	1,000,000	1962-1985	2:30 a.m.
San Mateo Jr. College Dist., Calif.	5,900,000	-------	-------
Washington	34,000,000	1961-1980	-------
Aug. 24 (Wednesday)			
East Bay Municipal Utility Dist., California	30,000,000	1961-1995	10:00 a.m.
Mona Shores School District, Mich.	2,500,000	1961-1989	8:00 p.m.
South Burlington School Dist., Vt.	1,178,000	1961-1980	11:00 a.m.
Aug. 25 (Thursday)			
Englewood Cliffs School Dist., N. J.	1,050,000	1961-1979	8:00 p.m.
Aug. 30 (Tuesday)			
Berea City School District, Ohio	1,350,000	-------	-------
North Brunswick Twp., S. D., N. J.	1,196,000	1961-1970	8:00 p.m.
Portage Township Sch. Dist., Mich	2,950,000	1962-1989	8:00 p.m.
Tempe, Ariz.	1,630,000	1961-1977	2:00 p.m.
Sept. 1 (Thursday)			
Fort Myers, Florida	2,000,000		
Rochester, New York	9,157,000	1961-1973	
Washington Suburban Sanitary Dist., Maryland	1,000,000	1961-1990	11:30 a.m.
Sept. 7 (Wednesday)			
Alameda—Contra Costa Transit District, California	16,500,000	1961-1980	-------
St. Anthony Indep. School District No. 282, Minnesota	1,000,000	1963-1985	2:00 p.m.
Sept. 8 (Thursday)			
Los Angeles, California	4,000,000	1961-1980	10:30 a.m.
Sept. 12 (Monday)			
Red Wing Indep. School District, Minnesota	1,500,000	-------	2:00 p.m.
San Francisco, California	21,455,000	1961-1975	-------
Sept. 13 (Tuesday)			
Ohio (State of)	31,000,000		
Sept. 14 (Wednesday)			
Greenwood Metro. Sewer District, South Carolina	1,600,000		
Sept. 20 (Tuesday)			
Milwaukee, Wisconsin	10,750,000	-------	-------
Oct. 5 (Wednesday)			
Los Angeles Department of Water and Power, Calif.	12,000,000		
Oct. 18 (Tuesday)			
Los Angeles Co. Flood Control District, California	10,000,000	-------	-------
Nov. 15 (Tuesday)			
Los Angeles City Harbor District, California	12,000,000	-------	-------
*New York State Housing Finance Agency, New York	100,000,000	-------	-------

*Negotiated sale to be underwritten by a syndicate managed by Phelps, Fenn & Co., and including, among others, Lehman Bros., Smith, Barney & Co., Inc., and W. H. Morton & Co., Inc.

Life Insurance Investing a Dynamic Force in Economy

By Victor B. Gerard,* *Vice-President & Treasurer, Commonwealth Life Insurance Co., Louisville, Ky.*

"A new day has dawned for life insurance" and among the reasons ascribed to this is the growing attractiveness of this savings-protection medium. Mr. Gerard explains that it is not solely due to the returning faith in the dollar's purchasing power but that it is also due to the higher interest rate level which permits insurance to compete with other forms of savings. The insurance executive comments on the necessity of life insurance in today's economy, the contribution insurance makes to economic growth, and on the limited role well selected stocks can play in an insurance company's assets.

While the beginnings of life insurance in the United States are most frequently traced to the first annuity policy written in 1759 by the Corporation for Relief of Poor and Distressed Presbyterian Ministers, actually by 1860—or 101 years later—the total amount of life insurance in force was only $200 million. Contrast this figure of 100 years ago with the $500 billion of life insurance that is in force today. Life insurance is truly a relatively modern invention and is as American as steak and potatoes, or apple pie.

Victor B. Gerard

There are doubtless many reasons why life insurance has enjoyed such wide public favor; but two basic considerations, to my mind, have provided the fundamental background for the development of the institution of life insurance. First in importance is that the American people over the years have had confidence in the soundness of the United States dollar. It seems almost self-evident that without this belief that the dollar had fundamental integrity—even though its purchasing power might vary somewhat from year to year—life insurance could hardly have developed so vigorously. Under no other assumption would such a large number of people have been willing to consign such large sums of money for such long periods of time to any institution.

The second basic reason is less apparent; but it is certainly logical that the trend from an agricultural way of life to urban living has built up the need for life insurance protection. A century ago life in the United States was essentially rural, with the majority of people living on farms and earning their living by growing food. In such a way of life the death of the head of the family ordinarily made little difference in the standard of living for the loved ones left behind. The farm and homestead remained; the crops continued to be planted and harvested; the children and neighbors helped out and the milking went on day after day as before. Nobody starved; everyone had a roof over his head.

Changed Economic Status Necessitates Insurance

Today our way of life is vastly different. Four out of every five workers are employees. Proprietors of businesses are few and far between. We have an urban society and a laboristic economy. Almost everyone is dependent on the weekly pay check—not only to satisfy the installments on the television set and the automobile, but for rent and for food. Who today has close relatives on a farm with whom it is possible to live if the going gets rough in the city?

To protect our loved ones it has become necessary to create an estate of money as distinct from real property. Dollars must be available to pay for groceries, for rent, for the education of the children, for the care of one's widow. While there are other forms of savings, life insurance is uniquely suited to our present way of life. It can be purchased through weekly or monthly installments as well as on an annual basis, which dovetails excellently with the American practice of mortgaging our earnings. It provides the only way to create an estate with the stroke of a pen. It converts an uncertainty that a breadwinner will be able to meet his obligations in the event of possible misfortune into a certainty that he will. Only life insurance can provide $1,000 tomorrow for $30 paid today. Only life insurance can provide the future dollars that will be needed whether a person dies too soon or lives beyond his productive years.

Thus our changing way of life has provided the background for the growth of life insurance. To be sure, the trend has been implemented by the development of suitable merchandise—notably the level-premium payment plan—and by an army of dedicated field underwriters which has now grown to 250,000 strong.

The miracle of life insurance in bringing the magic of averages to the rescue of millions—of keeping families together—or providing the wherewithal to educate children — is well known. The other role that life insurance performs is not so widely understood. This is the part which life insurance investing plays in developing the country.

The investments of life insurance companies have been a dynamic force in the economy. Small sums of money collected on a regular basis from an overwhelming majority of the people have been channeled into a variety of productive uses that, in the aggregate, have been a considerable factor in creating the American standard of living. Over 25% of all the long-term institutional savings of the country are made through the medium of life insurance. Life insurance investing is the modern version of that memorable stanza we learned as children:

> Little drops of water,
> Little grains of sand,
> Make the mighty ocean
> And the fertile land.

How Insurance Aids Growth

How does life insurance investing accomplish this feat?

First we must understand how the life insurance business accumulates the funds which it has available for investment. Many years ago a skillful actuary devised a plan to encourage people to continue their insurance as they grow older. In essence this plan—which is called the "level premium payment plan"—requires a person to pay more in the earlier years than it costs to insure him against the hazard of death. These surplus funds are held by the insurance company and are applied in later years to eliminate the necessity of increasing premiums when the insured is older and the chances of his dying are greater. These surplus funds accumulate and are invested each year. The interest that these sums earn is also added to the investment "pool" and compounded annually. These accumulations are called "policy reserves," and constitute the biggest liability (or obligation) on the balance sheet of an insurance company.

As policies become older, they have more reserves behind them; when policies mature, the proceeds are frequently left with the insurance companies under settlement options — sometimes for as long as a generation. To this pattern which creates steady growth should be added the compounding effect of more and more insurance being sold.

Thus the resources of life insurance companies are always increasing. Even in the worst years of the Great Depression there was an increase. As a result, a life insurance company is in the unique position of being a truly long-term investor. Liquidity, so important to investors generally, assumes less significance for life insurance companies because of the substantial excess of "cash inflow" over "cash outgo."

Funds can be invested for 10, 20, 30 years, or in perpetuity, without fear that holdings may have to be disposed of in an adverse market. This ability to invest for the "long haul" is one of the principal reasons for the fine record that the life insurance business has enjoyed over the years. It also permits life insurance companies to undertake types of financing that would be quite unsuitable for other investors. Direct placements, housing developments, leasing of property and productive equipment — these and other unusual forms of investment are all satisfactory for life company portfolios and they supplement the traditional forms of securities which are also acquired in volume. While life insurance companies are interested in the largest and best known corporate credits, they can—and in increasing volume do—extend credit to worthy but small borrowers who might not otherwise have such a ready access to the capital market. The investment banking business is not organized to handle the public sale of small industrial issues—those ranging from $100,000 to $500,000; yet such corporations are often extremely credit-worthy and fulfill an important role in the total business picture.

How Funds Have Been Administered

These are the principal characteristics of the funds which life insurance companies manage for the benefit of their policyholders. Let us now consider how these funds have been administered. We shall see that they have been conservatively handled by capable insurance company managements, which operate under the careful supervision of the various state departments of insurance. While the insurance business might have attempted to use its vast resources to secure a stranglehold on business, the record has been quite the reverse. With few exceptions, every effort has been made to avoid control over business. The only influence that is exercised is that which is necessary to secure a satisfactory rate of return on investments and to provide proper safeguards that will insure the eventual repayment of the money loaned.

In considering the contribution that life insurance investments have made to the development of the nation, we have many choices. We could survey the past and discuss the era of railroad building and the settlement of the West; or examine the present and see how life insurance company investments are providing for the Jet age and atomic power. Perhaps our purpose will be best served by choosing a recent span of years. Let us look at the 15 eventful postwar years—from the end of 1944 to the present—and study what has happened to the investments of the life insurance business during this period.

I would like to invite attention first to the size of the assets held by the United States legal reserve life insurance companies. At the end of 1959 the total volume of assets was $113.6 billion. The size of this figure is difficult to comprehend. Perhaps saying that it is about 40% as much as the entire debt of the United States Government suggests the stature of

Continued on page 42

Assets of U. S. Legal Reserve Life Insurance Companies

	Billions of Dollars 1944*	1959*	Change	Per Cent of Total 1944*	1959*
Bonds:					
U. S. Governments	16.8	6.9	— 9.9	40.9	6.1
State, County & Municipal	1.0	4.1	3.1	2.4	3.6
Other Governments	1.2	0.3	— 0.9	2.9	0.3
Corporate:					
Railroad	2.8	3.8	1.0	6.8	3.3
Public Utility	5.4	16.5	11.1	13.1	14.5
Industrial & Misc.	2.0	25.1	23.1	4.9	22.1
Stocks:					
Preferred & Guaranteed	0.5	1.7	1.2	1.2	1.5
Common	0.1	2.0	1.9	0.3	1.8
Mortgages:					
Farm	0.8	2.8	2.0	2.0	2.5
Residential & Other	5.6	36.5	30.9	13.6	32.1
Real Estate	1.0	3.7	2.7	2.4	3.3
Policy Loans	2.1	4.6	2.5	5.1	4.0
Other Assets	1.8	5.6	3.8	4.4	4.9
Total Assets	41.1	113.6	72.5	100.0	100.0

*At Dec. 31.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

Bank Stocks — 113th consecutive quarterly comparison of leading banks and trust companies of the United States — New York Hanseatic Corp., 120 Broadway, New York 5, N. Y.

Bank Stocks — Discussion in August "Investment Letter"—Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y. Also in the same issue are data on **Growth Capital Inc., Burndy Corp.,** and **Coca Cola Bottling of New York.**

Canadian Electrical Utilities—Review—James Richardson & Sons, Inc., 14 Wall Street, New York 5, New York.

Convertibles and the Bond Market—Review—Hemphill, Noyes & Co., 15 Broad Street, New York 5, New York.

Defense Industry — Appraisal in August "Investment Letter"—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y. In the same issue are data on **Martin Company, North American Aviation, Radio Corp. of America, International Telephone & Telegraph, Collins Radio, Raytheon Company, Amphenol Borg Electronics** and **Lear, Inc.**

Defense Industry — Memorandum —Hooker & Fay, 221 Montgomery Street, San Francisco 4, Calif.

Japanese Market—Review—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are analyses of **Ohbayashi Gumi Ltd.** and **Tokuyama Soda 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 Companies—Comparative study—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available are data on **Air Reduction Co.** and **Lytle Corp.**

Merchandise Chains—Comparison —Harris, Upham & Co., 120 Broadway, 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.

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

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

Philadelphia Bank Stocks—Quarterly comparison of 11 Philadelphia Bank Stocks — Stroud & Company, Incorporated, 123 South Broad Street, Philadelphia 9, Pa.

Public Utility Common Stocks — Comparative figures—G. A. Saxton & Co., Inc., 52 Wall Street, New York 5, N. Y.

Railroad Bonds for return and appreciation — Vilas & Hickey, 26 Broadway, New York 4, N. Y.

Rails—Review—Penington, Colket & Company, 70 Pine Street, New York 5, N. Y.

Savings & Loan Industry—Review —Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y.

Selected Common Stocks — Mid-Year Edition — Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y. Also available are analyses of the **Frito Company, Spartans Industries** and **Hammermill Paper Company.**

Steels — Bulletin — Goodbody & Co., 2 Broadway, New York 4, New York.

Stocks—List of issues in various categories which appear interesting—H. Hentz & Co., 120 Broadway, New York 5, N. Y.

Survival Stocks—Data on six issues—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y. Also available is a review of **Pacific Lighting** and a memorandum on **Decca Records.**

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Aeroquip—Memorandum—White, Weld & Co., 20 Broad Street, New York 5, N. Y.

Alabama Gas Corporation—Bulletin — Georgeson & Co., 52 Wall Street, New York 5, N. Y. Also available is a bulletin on **Berkshire Hathaway Inc.**

Allied Small Business Investment Corporation — Analysis — Charles A. Taggart & Co., Inc., 1516 Locust Street, Philadelphia 2, Pa.

American Airlines—Memorandum —Van Alstyne, Noel & Co., 40 Wall Street, New York 5, N. Y. Also available are data on **Union Bag-Camp Paper** and **Southern Natural Gas.**

American Broadcasting-Paramount Theatres, Inc. — Data in current "ABC Investment Letter" —Amott, Baker & Co., Incorporated, 150 Broadway, New York 38, N. Y. Also in the same issue are data on **Atchison, Topeka & Santa Fe Railway Co., Continental Steel Corporation, Scott & Fetzer Co.** and **Transcontinental Gas Pipe Line Corp.**

American Water Works—Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Arvin Industries, Inc.—Bulletin—Carreau & Company, 115 Broadway, New York 6, N. Y.

Beatrice Foods — Survey — Abraham & Co., 120 Broadway, New York 5, N. Y. Also in the same circular is a survey of **International Shoe.**

Black & Decker—Review—Robert W. Baird & Co., 110 East Wisconsin Ave., Milwaukee 1, Wis. Also available are data on **Detroit Edison** and a tabulation of earnings of **Wisconsin Corporations.**

Burlington Industries, Inc. — Analysis — Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a bulletin on **Electric Utility Common Stocks** traded over-the-counter.

Chesebrough Pond's — Memorandum—Goldman, Sachs & Co., 20 Broad Street, New York 5, N. Y. Also available is a memorandum on **Public Service of Colorado.**

Craig Systems, Inc. — Report—Schirmer, Atherton & Co., 50 Congress Street, Boston 3, Mass. Also available are data on **Phillips Petroleum, American Tobacco Co., Colorado Inter-State Gas Co.,** and **Anheuser-Busch, Inc.**

Dan River Mills — Review — du Pont, Homsey & Company, 31 Milk Street, Boston 9, Mass. Also available are reviews of **Loral Electronics, Chas. Pfizer** and **Grumman Aircraft.**

Dilbert's Leasing & Development Corp.—Analysis—Ira Haupt & Co., 111 Broadway, New York 6, N. Y. Also available is an analysis of **Harsco Corp.**

Directomat — Bulletin — Ronwin Securities, 645 Forest Avenue, Staten Island 10, N. Y.

Electronic Associates, Inc. — Analysis—Woodcock, Moyer, Fricke & French, Inc., 123 South Broad Street, Philadelphia 9, Pa.

Garrett Corporation — Analysis—Schweickart & Co., 29 Broadway, New York 6, N. Y.

General Dynamics Corporation—Review—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

Genesco Inc. — Report — Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 4, N. Y. Also available is a report on **Metropolitan Broadcasting Corp.**

Harbison Walker Refractories—Memorandum—Stearns & Co., 72 Wall Street, New York 5, N. Y.

Imperial Oil Limited—Analysis—Alfred Bunting & Co., Dominion Bank Building, Toronto 1, Ont., Canada.

Kalvar Corporation — Analysis — L. H. Rothchild & Co., 52 Wall Street, New York 5, N. Y.

Kennecott Copper—Data—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available are data on **National Biscuit** and **Zenith Corp.**

E. J. Korvette—Data—Purcell & Co., 50 Broadway, New York 4, N. Y.

Martin — Memorandum — A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill.

Magma Copper—Memorandum—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

McIntyre Porcupine Mines Limited — Analysis — Wills, Bickle & Company Ltd., 44 King St., West, Toronto 1, Ont., Canada.

Mercantile Stores—Memorandum — Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y. Also available are memoranda on **Bowes, American Telephone & Telegraph** and **Tennessee Gas Transmission.**

Metro Goldwyn Mayer Inc. — Analysis—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

Midwestern Instruments—Memorandum — Chilson, Newbery & Co., Inc., 48 Main Street, Kingston, N. Y.

Newport News Shipbuilding & Dry Dock Company — Analysis — Hornblower & Weeks, 40 Wall St., New York 5, N. Y. Also available is an analysis of **United States Lines Company.**

Newport News Shipbuilding — Memorandum — Theodore Tsolainos & Co., 44 Wall Street, New York 5, N. Y.

North American Coal Co.—Analysis—John Lamula Investors Inc., 130 William Street, New York 38, N. Y.

Oroville Wyandotte Irrigation District, Calif.—Data—The Illinois Company, 231 South La Salle St., Chicago 4, Ill. Also available are data on **Washington Toll Bridge Authority** and **City of Elgin, Illinois Motor Vehicle Parking System Revenue Bonds.**

Pacific National Life Assurance Company—Report—Sanford & Company, Russ Building, San Francisco 4, Calif.

Parke, Davis & Co. — Memorandum—Woodcock, Moyer, Fricke & French, Inc., 123 South Broad St., Philadelphia 9, Pa.

Philip Morris Incorporated — Analysis—Green, Ellis & Anderson, 61 Broadway, New York 6, N. Y.

Pitney Bowes Inc. — Review — Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Mercantile Stores Co.**

Robinson Technical Products Inc. —Analysis—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y.

Save-Mor Drugs Inc. — Review — The Stanford Corporation, 2715 Connecticut Avenue, N. W., Washington 8, D. C.

J. M. Smucker Company—Analysis—McDonald & Company, Union Comerce Building, Cleveland 14, Ohio.

Southern New England Telephone Co. — Data — Alfred L. Vanden Broeck & Co., 55 Liberty Street, New York 5, N. Y. Also in the same circular are data on **Pioneer Natural Gas Co., Otis Elevator Co.** and **Pittsburgh & Lake Erie Railroad Co.**

Square D Company — Review — Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available is a review of **Socony Mobil Oil Co.**

Standard Oil of Indiana—Bulletin —Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available are data on **Maryland Casualty Co., Haveg Industries, Apparel Stocks, Helmerich & Payne, American Broadcasting Paramount Theatres, Delta Air Lines** and **Great American Insurance Co.**

Straza Industries—Analysis—J. A. Hogle & Co., 40 Wall Street, New York 5, N. Y.

Syntex—Data—Cooley & Company, 100 Pearl Street, Hartford 4, Conn. Also available are data on **Belock Instruments.**

Tex-Star Oil & Gas — Memorandum—Equitable Securities Corporation, 322 Union Street, Nashville 3, Tenn.

Thrifty Drug Stores — Memorandum—Wiliam R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif. Also available is a memorandum on **Arizona Bancorporation.**

Tollycraft Corporation—Report—Zilka, Smither & Co., Inc., 813 Southwest Alder, Portland 5, Ore.

United Discount Corporation — Review — George, O'Neill & Co., Inc., 30 Broad Street, New York 4, N. Y.

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

Utah Construction & Mining — Memorandum — First California Company, 300 Montgomery Street, San Francisco 20, Calif.

Wesco Financial Corp. — Bulletin — Golkin, Bomback & Co., 25 Broad Street, New York 4, N. Y.

F. I. duPont & Co. Training Program

Twenty-nine young men from 14 states seeking careers in the securities field have been accepted for a six-month course of formal classroom training by Francis I. duPont & Co., 1 Wall Street, New York City, it was announced Aug. 4 by A. Rhett duPont, senior partner.

This is the largest class in the history of the firm's continuing career training program for young men ambitious to qualify as New York Stock Exchange Registered Representatives. The new class includes nine former junior Naval officers.

John Rice, formerly the firm's personnel manager, has been appointed Director of Training for the expanded formal classroom training course.

Members of the new class were selected from several hundred applicants throughout the country in areas surrounding the firm's network of 77 offices from New York to Hawaii. Each is a college graduate with some previous business experience. To qualify he had to pass a series of psychological tests and thorough personal interviews.

Unemployment Insurance Systems Need Restudy

By William Haber,* *Professor of Economics, The University of Michigan, Ann Arbor, Mich.*

Economist butresses plea for Presidential Commission to appraise our unemployment insurance system with labor and management criticisms of our Depression-framed system. Taking Michigan as an example of what our insurance fund is not designed to do, Professor Haber suggests we not tinker with the system but that, instead, it be submitted to a searching, objective reappraisal.

Our employment insurance program is 25 years old. It has expanded rapidly, and now provides protection in case of involuntary unemployment to 46 million wage earners. Nearly $25,000,000 has been disbursed in jobless benefits during the quarter-century; over $4,500,000 during the 1958 recession. While the unemployment insurance system has almost universal acceptance, there is widespread dissatisfaction and criticism.

William Haber

Labor and Management Criticism

Labor unions contend that benefits are too low, providing only about one-third of the wage loss incurred by unemployed wage earners in 1959, compared to about one-half of such wage loss in 1940. The duration of benefits is considered by many as too short; over 2,500,000 wage earners exhausted their benefit rights while still unemployed in the 1958 recession. The conditions of eligibility are considered by many students as too tight; and too many workers are improperly disqualified from benefit rights altogether.

Management is also unhappy with the program. It complains that the costs are too high and that in certain states like Michigan, unemployment insurance costs represent so large a burden that it results in unfavorable consequences to employers because of interstate competition. Many employers feel that too many get too much for too long. And others urge that not enough attention is being given to the stabilization of employment, with far too much emphasis on the payment of benefits.

Yet all agree that the unemployment insurance system is an essential institution in a private enterprise economy. Such a system gives the employer a reasonably free hand, a green light to hire and fire, to make changes in production methods, to curtail or expand working forces, leaving to the insurance fund the responsibility of meeting — in part — the financial loss of wage earners because of layoffs. Freedom to make changes in production methods is essential for economic progress, and it is best preserved by providing reasonably adequate protection against catastrophic economic loss suffered by those who are displaced.

Can It Cope With Growing Unemployment?

The unemployment insurance system now operating in 50 states and the District of Columbia was framed during the Depression. It needs to be re-examined in the light of conditions of the 1950's and the decade of the 1960's. Unemployment appears to be a more persistent problem than was anticipated. The end of each recession in the postwar period left us with a higher percentage of joblessness than the previous recession. We entered the recovery period after the 1949 recession with 3% average unemployment; after the 1954 recession, we had 4% average unemployment. And now, after the 1958 recession, we appear to be accommodating ourselves to 5% average unemployment. The end of the next recession, which all too many expect in late 1961 or 1962, and one definitely appears to be in the making, is likely to leave us with 6% or 7% unemployment—after it is over. Our unemployment insurance system is not designed to deal with such problems. Nor is it capable of doing the job which must be done in areas of persistent and substantial hard-core joblessness. There are too many such areas of economic distress due to the decline of industry or other basic economic changes.

The economy of the 1960's with a rapid growth in the U. S. labor force and a dramatic shift in the age distribution of the labor force, is bound to aggravate the problem in many states. In Michigan, for example, unemployment insurance costs and the straitened conditions of our unemployment insurance fund already represent a serious economic problem to the state.

Does Not Want Palliatives

I suggest that instead of tinkering with the system, the program now, after 25 years' experience should be subjected to a thorough, patient, and objective reappraisal. It needs to be improved to meet the economic strains of future recessions and of the new "normal" times. Countless proposals for doing so are made by management and labor groups. Most of them are palliatives, designed to deal with one or another grievance or gap. Unemployment insurance is too important an economic institution in our society, it is too crucial for the economic welfare of millions of families to be dealt with in the piecemeal fashion of recent years. The issues of duration of benefits, and their weekly amount, and the problem of an interstate reinsurance or equalization fund cannot be wished away. Nor can they best be approached from the viewpoint of the restricted economic interests of either management or labor. Unemployment insurance is the community's approach for dealing with income loss due to joblessness.

It calls for a comprehensive review by a Presidential commission composed of people of the highest caliber, men and women who will be less concerned with the technical issues involved and more with the broad objectives of the entire program.

And the time is now, not when we are in the midst of the next recession and have no other choice but emergency and temporary measures.

*An address by Prof. Haber before the 47th Annual Convention of the International Association of Personnel in Employment Security.

Form Gwynn-Shields Co.

OAKLAND, Calif. — Gwynn-Shields Company has been formed with offices at 306 Fifteenth Street to engage in a securities business. Officers are Charles G. Gwynn, president; William B. Shields, vice president and secretary; and John L. Gwynn, treasurer.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Confidential Report on Recent Visit of Martian Salesman

The information that leaked through security sources during the past few weeks to the effect that a security salesman from the planet Mars visited the offices of one of our leading underwriting and brokerage firms about a month ago persists. The best informed officials of the government deny this, also so do the officers of certain government agencies that deal with and regulate the investment business. But the story continues to be told behind closed doors that this visit actually took place. To the best of my knowledge, and after careful investigation, here are the startling facts—make up your own mind as to how much of this is fiction or fact.

About 10 a.m. one day during the latter part of June a small man about four feet tall, looking very much like an earth man, was deposited on the roof of a downtown New York skyscraper by a small triangular shaped device that immediately disappeared. This creature obviously was well informed because he immediately went to the office of the Senior Partner of one of the nation's leading brokerage and underwriting firms. There he explained in perfect English that there was free enterprise on Mars. He proclaimed he was the champion stock and bond salesman of that planet and that his firm had given him a vacation trip as a prize for the excellent production of business he had accomplished during the past year. [*Ed. Note:* The Martian year begins six months earlier than ours.]

An ordinary person might have been surprised by such an apparition. But, the story goes, this was not true in the case of this senior partner who has seen everything, including the Senate's investigation of J. P. Morgan when they put a midget on his lap. They chatted awhile and it seems that the partner promised to keep the Martian salesman's visit a secret.

But Get This

The story persists that the Martian was such an excellent salesman that he persuaded the big underwriting boss man to allow him to work incognito for two days in the sales force; ostensibly so that the Martian could find out how we underwrite and sell new issues in this country; meanwhile protecting the investor through our use of certain procedures prescribed in what have been called the Securities Acts of 1933 and 1934 etc.

It also happened that there was a very attractive stock issue coming along within a week and the first thing the Martian did was read a preliminary prospectus. Then he took his pencil and he culled the highlights out of it and picked up the telephone to make a few calls upon names that were furnished him. He started to tell these people why they should buy that new issue. He told them about earnings, growth, prospects, financial record, management and some new products they were working on. He was grinding it out to a fair thee well when some of the other salesmen heard him and in great alarm they looked up from their desks in awe. Who was this new fellow? You couldn't talk like that about a new issue. The only information that could be furnished a customer was what was in the prospectus like the lawyers wrote it.

They say a frantic call went to the senior partner and he hurriedly sent a message out to the cubby holes where the salesmen usually sit and he summoned the Martian to his office. "Good God man," he ejaculated. "What are you doing and saying to those customers?" The Martian was completely astounded. "Sir," he dutifully replied, "I am selling that stock. I am telling them why they should buy it and how good it is. Certainly you want me to sell it don't you?" "Sure we do," replied the partner, "but that isn't the way we do it on earth." "How do you do it?" asked the Martian. "Well, it's something like this," replied our Wall Street free enterprise, investment banker. "We have a law in this country. You can't offer a new issue except by the prospectus which is that thick legal document I handed you when you went out to sell. Also, you can't take an order. You only call people and you tell them about the new issue but you *don't* sell them. That's something that you must learn to do if you are going to sell securities in the United States of America. Then the customer says 'yes' but he doesn't say 'yes.' You see you take his *indication* and then on the day of the offering you get his *order.*"

The story goes that the Martian went to the dictionary and looked up the word *indication* and he read—"anything serving to indicate or point out, as a sign, token, etc." Then he looked up the word *order* and he read—"a quantity of goods *purchased.*"

Those Martians are way ahead of us — the guy just vanished! That's the story that is going around boys and I am just giving it to you the way "I Heared it!"

D. S. Farrington Opens

Donald S. Farrington is conducting a securities business from offices at 1 West Sixty-seventh St., New York City.

Savings Banks Problems in The United States Today

By Kilgore Macfarlane, Jr.,* *President, Buffalo Savings Bank, Buffalo, N. Y.*

The increasing competition facing mutual savings banks when viewed, particularly, in the light of the continual aggressive competition of S & L Associations, requires building greater earning power and emphasis on services. In answer to his observation, Mr. Macfarlane scans the possibility of savings contracts and adjustments in investment policy. Taking up still more important problems, the Buffalo banker deals with the tax and direct monetary controls proposals being pressed against mutuals, and the essentiality of extending this form of banking to encourage thrift everywhere.

Mutual savings banking in the United States is confronted by problems more complex and challenging than any it has faced in recent years. First, competition from other thrift media for the saver's dollar has rarely been as aggressive and intense as now. It is likely to continue unabated in the decade ahead, challenging savings banks to adapt services to new patterns of individual thrift. Second, proposals have been made to increase federal income taxation of mutual savings banks and savings and loan associations, which, if enacted, would greatly weaken the American thrift industry. Third, proposals have also been made to extend monetary controls now applied to commercial banks to savings banks and other types of financial institutions. Finally, there is the long-standing problem of geographical limitations that confine mutual savings banks in the United States to only 18 of the 50 states.

K. Macfarlane, Jr.

The problems faced by mutual savings banking are indeed formidable, but problems and challenges are not new to our industry. As the oldest type of financial institution devoted solely to the encouragement of thrift in the United States, savings banks have survived wars, depressions and financial panics in the course of nearly 150 years of history. Indeed, our record of safety and stability during periods of economic turbulence is unmatched. Our industry will, I trust, meet the challenges of the future as we meet those of past decades; by improving and modernizing our services and methods of operation, while adhering to basic savings bank principles and traditions.

Savings Banking and the Business Cycle

The past three years have witnessed remarkable changes in deposit activity of mutual savings banks in the United States. Knowledge of these changes is helpful in appraising the magnitude of the problems confronting the industry.

Net deposit inflows rose from $1.7 billion in 1957 to a record $2.3 billion in 1958; declining to $1.2 billion in 1959. These figures measure both the excess of new money deposited over withdrawals and the amount of interest credited. They show that in the recent period of cyclical change in business activity, deposit inflows into mutual savings banks responded inversely to business cycles, decreasing in periods of prosperity and increasing in the recent recession, as has generally been the case during postwar business cycles.

Changes in deposit activity of mutual savings banks have been all the more dramatic since they have behaved inversely to the general course of individuals' financial saving. Gross financial saving as estimated by the Securities and Exchange Commission varied with—rather than against—changes in business activity. Gross financial saving, which measures increases in financial assets of individuals, declined from the prosperous year 1957 to the recession year 1958, increasing again as the recession gave way to renewed prosperity in 1959. However, net financial saving (gross financial saving less changes in indebtedness) declined during the three year period as mortgage and consumer indebtedness mounted, particularly from 1958 to 1959.

Marked Savings Shift

Perhaps the most important influence on deposit activity of mutual savings banks in the past three years has been rapid shifts between saving in liquid forms and saving in the form of purchases of marketable securities—particularly U. S. Treasury obligations. Between 1957 and 1958 individuals sharply reduced their net purchases of marketable securities, while increasing their additions to liquid assets. This shift in the pattern of saving reflected reactions to the worsening of general business conditions and the decline in yields on marketable securities relative to rates of return offered by savings banks. As recession was succeeded by prosperity in 1959, capital market yields rose and marketable securities became more attractive relative to savings bank deposits. Savings behavior was reversed, with net purchases of marketable securities rising greatly, while the volume of new savings in liquid assets declined.

There were some signs of improvement in deposit activity early in the Spring of 1960, following declines in interest rates on marketable securities and equity prices. It is clear, however, that savings banks still face vigorous competition for savings.

Economic and financial forces also have had a profound effect on investment activity of savings banks in the United States. Savings banks invest funds largely in long-term mortgages and in long-term securities issued by corporations, state and local governments, and the U. S. Government. Total assets now exceed $39 billion. They adjust the composition of investment flows—as between net acquisitions of mortgages and those of corporate and other securities—to changes in current yields and other capital market conditions.

During the postwar years, the composition of savings bank assets has changed greatly. Mortgage investments have increased from about one-fourth of total assets to nearly two-thirds. This change reflected mainly the favorable yields available on mortgages, the lifting of restrictions on lending on properties located beyond the boundaries of the states in which the bank is located, and other factors. Savings bank holdings of corporate, state and local government and other securities also increased in relative importance. At the same time, savings banks have greatly reduced their holdings of U. S. Government securities from the abnormal levels prevailing during the early postwar period.

During these years of change in deposit and investment activity, certain basic trends have continued unabated. Earnings on assets held by savings banks and interest payments to depositors have reached new records. At the end of 1959, according to the latest comprehensive data, more than one-half of all savings banks, representing four-fifths of the total deposits in the industry, offered rates of return to depositors of 3½% or more. Operating expenses have remained at relatively low levels reflecting the spreading use in recent years of automation and other cost-reducing improvements in internal operations.

During most of the 1950's, general reserve positions of mutual savings banks declined. In 1959, however, the ratio of general reserve accounts to deposits increased slightly and at 9.6% was higher than corresponding ratios for commercial banks and savings and loan associations.

Competition and the Changing Pattern of Savings

Recent cyclical changes in deposit activity have dramatized the ability and willingness of individuals to shift among different, competing forms of savings. They also have highlighted the vigorous competition for the savings of the American people in which savings banks are pitted against a variety of other thrift media. Changes in savings behavior of individuals and the vigorous competition among various thrift media seeking to serve them may be even more clearly seen in broad changes during the postwar period in various categories of financial assets held by the people. When we examine these changes, we see that thrift accounts, which include mainly savings held in commercial banks, mutual savings banks and savings and loan associations, increased by about 150% during the period 1947-1959, much less percentage-wise than private pension funds and the market value of corporate stock and investment company shares, but substantially more than other types of savings.

Pension and Mutual Funds

While it is hazardous to project past trends indefinitely into the future, it appears that individuals will continue in the decade ahead to channel savings in substantial amounts into thrift accounts. At the same time in the coming years they may increase their holdings of other types of financial assets even more. Private pension funds, which aggregated only about $6 billion at the end of 1946, have increased six-fold during the period 1947-59. While this phenomenal growth may not be repeated in the future, it does suggest that many individuals are willing to save extensively in contractual or otherwise relatively less liquid forms that will satisfy a basic thrift need which is not met adequately through other means. Moreover, the rapid growth of mutual funds, although due in large part to the postwar rise in stock prices, suggests that increasing numbers of individuals may wish to place part of their savings in equity investments, after accumulating a basic liquid reserve in savings accounts.

Within the field of thrift accounts, mutual savings bank deposits have declined in relative importance in recent years. Of the total amount of savings held in this form the $35 billion of deposits in mutual savings banks account for 22%, while savings and loan associations account for 35%, commercial banks 40%, and credit unions and postal savings the remaining 3%.

The decline in the relative importance of mutual savings accounts in the field of thrift accounts can be largely explained by the fact that savings banks are presently confined to sections of the country where population and income have grown relatively slowly. This is not the only reason, as indicated by the fact that savings banks have declined not only nationally, but in the principal savings bank states as well. Savings and loan associations, in contrast, have greatly increased their relative importance, due to their more attractive rates of return, their more aggressive promotional activities, and the public willingness to assume that funds in savings and loan associations are as well protected as those in banks.

If savings banks are to reverse the decline in their relative standing in the face of continued aggressive competition, they must increase the attractiveness of existing services to savers. In particular, they must build greater earning power through appropriate adjustments in investment policy. Increased earning power will enable them to pay higher rates of return to savers, while providing adequately for the safety of deposits. They should seek also to adopt new services to meet the continual change in individuals' financial needs and preferences. The industry is currently exploring the possibility of adopting new types of savings contracts, which would be quite different from the regular savings account traditionally offered by savings banks.

The Tax Controversy

One of the most complex problems confronting the mutual savings banking industry is that of taxation. Proposals for changes in the federal income tax law have been made by commercial bank groups that would greatly increase taxes paid by mutual savings banks and savings and loan associations, while substantially reducing taxes paid by commercial banks. These proposals, if enacted by the Congress, would compel mutual thrift institutions to reduce rates of return paid to savers and necessary additions to protective reserves. Although it is generally considered unlikely that the Congress will give serious consideration to proposals for increased taxation of mutual thrift institutions this year, there is the possibility of tax legislation at some future time.

In the heat of debate on the tax issue, it is often overlooked that commercial banks, mutual savings banks and savings and loan associations are governed by substantially the same federal income tax laws and regulations, except for provisions relating to bad debt reserves. Each type of institution is permitted in determining taxable income to deduct from gross income expenses including additions to reserves for future bad debts. The only difference is that the Congress has established a formula for mutual thrift institutions that is different from the formula for commercial banks. This difference in treatment is justified by the fact that the long-term, mortgage lending activities of thrift institutions are subject to greater risk of future losses than the short-term lending activities of commercial banks.

The tax treatment of mutual thrift institutions also recognizes that unlike stock-owned institutions, they can accumulate necessary reserves only through the retention of earnings. Proponents of changes in the tax provisions governing mutual savings banks and savings and loan associations persistently ignore these differences, which were only recently reaffirmed by the National Association of Supervisors of State Banks, an impartial group with long experience in the supervision of both commercial banks and mutual savings banks.

Moreover, available evidence suggests that commercial banks pay little if any federal income tax, after all tax deductions and exclusions are taken into account, on their broad thrift activities, which properly include both the marshalling of long-term savings and their investments in mortgages, tax-exempt state and local government bonds and other long-term securities.

Proposals for increased taxation of mutual thrift institutions, if enacted, would weaken the ability of these institutions to stimulate thrift and would tend to reduce the supply of savings available to finance vitally-needed housing and other capital projects. Moreover, reduction in the availability of mortgage funds from private financial institutions probably would call forth increased federal intervention in mortgage and housing markets and put additional strain on the federal budget. The imposition of increased taxation of mutual thrift institutions thus would have serious inflationary consequences.

Proposals for Direct Monetary Controls

Mutual savings banks, as well as other types of financial institutions, are also threatened by proposals advanced by some academic theorists for the application to them of direct monetary controls now applied only to commercial banks. Failure to recognize fundamental differences between commercial banks and other types of financial institutions in function and operations is at the root of these proposals.

It has been long recognized that the unique power possessed by the commercial banking system to expand the supply of check-book money on the basis of fractional cash reserves must be regulated for the general economic benefit. It has also been widely accept that non-commercial bank financial institutions do not possess the same credit-creating power as do commercial banks and hence, are not properly subject to monetary controls. Unlike commercial banks, savings banks are dependent for their loanable funds on the voluntary savings decisions of individuals.

Proposals to extend direct monetary controls to savings institutions also ignore the effectiveness of existing central-bank monetary controls to regulate the activities of all types of financial institutions.

The whole question of monetary controls will be thoroughly explored by the Commission on Money and Credit, established two years ago to conduct a long-range study of the American financial system and monetary and fiscal policies.

Extension of Mutual Savings Banking

Geographical limitations are yet another of the major problems faced by mutual savings banking in the United States. Savings banks are confined to only 18 of the 50 states. Savings banking pioneered in the development of facilities and incentives for savings and should be available to all the American people. The desirability of extending the mutual savings banking system to all 50 states is demonstrated, moreover, by the fact that in states where savings banks are located, per capita holdings of thrift accounts are generally greater than in other sections of the country. A thrift system available to the whole nation instead of only to part would be a powerful stimulus to thrift.

In recent months there has been progress toward the goal of eliminating geographical limitations on savings banking. On April 15, 1959 legislation permitting the establishment of mutual savings banks in the new state of Alaska was signed by Governor William Egan. The National Association of Mutual Savings Banks assisted in the preparation of this legislation and will attempt to support efforts to provide mutual savings banks for the citizens of Alaska and thus contribute to that state's economic development. The National Association, after considerable research and consultation with its members and others in the thrift field and with Federal legislative and administrative groups, has developed a bill which would permit the chartering by a Federal agency of mutual savings banks on a nationwide basis. The prospects for elimination of geographical limitations were enhanced by the proposal to introduce in the Congress a Federal mutual savings bank bill made in a recent address by United States Senator John Sparkman of Alabama:

"I know your representatives have been giving serious thought for the past few years to a system of Federal mutual savings banks. I encourage you to continue your efforts along this line. I believe that a proposal of this kind should be considered by the Congress. At your request, I would be pleased to introduce such a proposal and to give it my sympathetic attention as its merits are developed and debated during the legislative process. Such a system of mutual savings banks may be one of the tools necessary for the achievement of our future housing goals."

Conclusion

It will be apparent from this brief survey that mutual savings banking in the United States is confronted by many challenges. Indeed, the future growth of our industry depends largely on how effectively we respond to these challenges. Moreover, savings bank problems in the United States — and our efforts to solve these problems—may also be of interest to savings bankers from other countries. While our problems are no doubt different in many respects from theirs, we have in common a dedication to thrift and a desire to improve incentives and facilities for personal saving.

In the United States, as in other free world nations, a greatly increased supply of savings will be needed in the coming decade. An expanded volume of savings will be needed to finance housing, hospitals, and highways. It will be needed to finance corporate plant and equipment expansion. It will be needed moreover, for sound financing of capital formation and for economic growth. Without increased thrift we cannot hope to achieve a rate of economic growth necessary for domestic and international needs, and yet avoid inflation.

The existence of healthy, vigorous and progressive thrift institutions can contribute greatly to the necessary expansion of savings in all nations. Through years of service to individual savers the world over, thrift institutions have developed valuable skills and facilities for encouraging and productively investing savings. By gathering together at international meetings and learning from each other's experience, we can contribute to a continual improvement of savings facilities and thus to the goal of greater world-wide thrift.

*An address by Mr. Macfarlane before the 10th International Summer School, Worcester College, Oxford University, London, England.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Political expediency has finally broken President Eisenhower's resistance to more defense spending and a shame it is.

For more than a year the Democrats have been harping away on the charge that he was allowing this country to become second rate, deficient in defense, and that he was neglecting National Defense in the interest of golf. The Democratic nominee, Senator John F. Kennedy, has been a party to this contention but the main proponent was Senator Stuart Symington who tried to ride to the Presidency on it. That he got short shrift should have been a lesson to other sounders of the same cry and hue.

Now it is to cost the American people money simply because more defense spending was made such an issue.

In President Eisenhower's message to Congress on Monday, he asked for $600,000,000 for aid to Latin America and $100,000,000 for the mutual aid security program contingency fund. But the main thing is he said he was turning loose the $700,000,000 which Congress voted for defense before it recessed and which he impounded as unnecessary.

Senator Johnson, the Senate leader and Democratic Vice-Presidential candidate as a political play, has been writing defense officials asking whether they intended to spend this money and if they would spend any additional money which Congress gives them.

President Eisenhower says the foreign situation has worsened and that he is making a re-examination of our defense needs and will ask for more money if it is necessary. More money if necessary? Worry not, it will found to be necessary:

President Eisenhower had stood steadfast against the spenders asserting that our defense was second to none. But as the campaign developed, the heat became too great. Governor Nelson Rockefeller stepped into the controversy saying in effect, that the critics were right, that we should spend $3½ billion more for national defense.

This was direct criticism of Mr. Eisenhower and Rockefeller hoped it would be a direct criticism of Mr. Nixon. Inasmuch as Mr. Nixon was wedded to the Eisenhower program, Rockefeller thought he had him over the rocks.

But Nixon made a surprise visit to Rockefeller and, after a conference, Nixon took the New York governor into camp by claiming there were no differences between them. Nixon himself thought that we were not spending enough money on defense, he told Rockefeller. Whereby the two got together on a set of 14 points and rammed them down the Platform Committee's throat, much to the annoyance of many Republicans at the convention.

Mr. Eisenhower saw what was coming. It was a repudiation of his defense policy. He raised the roof. Nixon is supposed to have pulled off the greatest accomplishment of his career by holding on to both Eisenhower and Rockefeller. The deal he worked out was that the platform wouldn't propose additional defense spending of $3½ billion but the defense spending program would be re-examined in the light of the stepping up of the emergency and if more money was needed it would certainly be asked for.

Since then Nixon has been importuning Eisenhower to ask for more money, saying the Republicans would have ten strikes on them if the people thought our defenses were being neglected.

So, Mr. Eisenhower surrenders and asks for more money, with the promise that more will be asked for if necessary.

Now just rest a moment and consider the need. We are told that one bomb will destroy a country. Certainly five should do a pretty good job. What difference does it make if Russia has 101 bombs or missiles and we have only 100. Presumably if war breaks out, it is the one that gets there first who will be the victor. We have enough missiles and bombs. The job is to get there first and if we are to be asleep, as we were at Pearl Harbor, all the money in the world will not save us.

Perry Blaine With Ball, Burge

(Special to THE FINANCIAL CHRONICLE)

ASHTABULA, Ohio — Perry T. Blaine and Robert T. Blaine have become associated with Ball, Burge & Kraus, members of the New York and Midwest Stock Exchanges. Both were formerly partners in Perry T. Blaine & Co.

Horace E. Cowles, Robert W. Gittrich, Thomas Gog, Clifford W. Henderson, Reuben P. Markijohn, Robert E. Maltby and Raymond M. Winger, formerly with the Blaine Company, have also joined the staff of Ball, Burge & Kraus.

Forms N. Y. Planning

Norman Abraham is engaging in a securities business from offices at 89 Clinton Street, New York City, under the firm name of New York Planning Company.

St. Andrews Co. Opens

OGDENSBURG, N. Y.—Wallace A. St. Andrews is engaging in a securities business from offices at 109 Lafayette Street under the firm name of W. A. St. Andrews Co.

Improving Future Outlook Of Local Transport Carriers

By Hon. Alan S. Boyd, Member, Civil Aeronautics Board, Washington, D. C.*

Local airline carriers are put on notice that class rates will begin January 1, 1961. CAB head terms subsidies an Achille's heel, comments on the inadequate factual knowledge about subsidies, and looks to class rates to diminish markedly the debate on disallowances of claimed expenses and costs. Mr. Boyd reviews the criteria that will determine when service should and should not be discontinued, criticizes in general shortcomings of local air service, and recommends that the industry institute a public relations program to publicize the facts regarding problems and to gain public support.

In looking to the future of the local service carriers, it is obvious that for some time the main concern of those carriers with government regulation will continue to be the level of direct subsidy payments. Subsidy is provided to the locals by Congress to assure the maintenance and development of services which meet the public interest in and need for air transportation of mail, passengers, and cargo over routes and through communities which cannot immediately or soon support airline operations profitably.

Alan S. Boyd

Granted that such services are essential and that subsidy is still necessary to their support. Nevertheless, we who are believers in a self-sustaining free enterprise system must recognize that subsidy is a financial crutch. It is evidence of internal weakness. The sooner the industry is rid of it, the better. Manifestly, this cannot be done tomorrow. But I believe that over a reasonable period of years the local service carriers can be so strengthened within as to become self-supporting, thereby eliminating the need for subsidization.

I am sure that all airlines join me in wanting to see strong, independent local airline companies, free of the necessity to depend on outside priming. Reliance on continued subsidy payments over the long run is risky in itself. The temper of the times goes into the making of such payments. It may be assumed that many persons will insist that the locals at some time throw away the crutch, as did the trunkline operators. Conceivably it could be jerked away by a Congress pressed by the need to appropriate great sums of money for other purposes. As you know, the Executive has already touched on the subject from a budget standpoint.

I personally do not believe that drastic cuts are imminent or desirable now, but I know that the carriers and the Civil Aeronautics Board are expected to come forward with plans which will lead to the end of subsidy. Probably it will go up before it goes down, especially in consideration of anticipated service expansion and the acquisition of costly new flight equipment. An increase in subsidy need can easily be explained. It can be justified, however, only by demonstrating that the increase is the temporary means of accomplishing the final objective, which is subsidy-free, profit-making local service operations, characterized by safety, speed, adequacy and economy.

Subsidy Facts Are Still Not Known

The reconciliation of these many requirements will not be easy of attainment. Nor can it be effected in a haphazard way. A program is needed. Neither Congress, nor the Executive, nor the public, nor the CAB will be long content with the idea of paying out public funds in unknown quantities for an indeterminate number of services. The position will have to be regularized. It is much too loose today. The Board at present is unable with certainty to fix payments that are required by individual carriers until after a lengthy, tedious, ex post facto review of carrier operations and claims. Disallowances and compromises have us all unhappy. It is for these reasons that the Board and its staff are working so diligently with the local carriers to formulate a system of class mail pay rates.

The Civil Aeronautics Board is vested by statute with the authority and responsibility to ascertain the amount and methods by which subsidy is to be paid. It is necessary for the Board to justify to Congress its request each fiscal year for specific sums of money to be used for subsidy purposes. Up to now we have exercised this authority on a somewhat ad hoc basis. In my opinion, this system has not given us the degree of control over the matter that we should have, and intend to have in the future.

By control I mean simply that the Board should be in a position to know in advance what substantially will be the subsidy cost to the Government for the operation of each segment of a carrier's route, depending upon the type of equipment and number of schedules operated. The carriers will have the benefit of the same information. The class rate system as presently conceived should provide carrier management with a sounder basis for operational planning, and should provide the Board with a better understanding of what service will be provided for how much subsidy money during the ensuing year.

Looks Forward to Class Rates

Additionally, it is hoped that the advent of class rates will markedly diminish debate on disallowances of claimed expenses and costs.

The Board feels that it has given full evidence of good faith and a sincere desire to bolster the progress of the local service carriers. The recent announcement of our decision on rate of return is an example. Others include the elimination of various certificate restrictions, and what we trust are beneficial route awards. We must have similar evidence of good faith from the industry.

I ask you to prepare yourselves psychologically for the class rate system. I ask you to help in its development and to use your best efforts to make it work when it is instituted. I am not entirely happy with progress in this connection so far. I will accuse no one of dragging his heels, but I will say this: subsidy is the local service carrier's Achilles' heel and if I were you I would not risk the consequences of moving so slowly as to make a better target of my most vulnerable spot.

The introduction of the class rate system may not be an altogether happy change for all carriers. However, not all carriers are happy with the present arrangement. We are going to devise a system which we feel is equitable. We are going to put it into effect on January 1, 1961. We believe a class rate system will be an improvement in the public interest and in the interest of the local service carriers as a whole. We can and will make it work.

The time is fast approaching for the first large scale review of the "use it or lose it" policy. No doubt, this will involve service at communities you would like to drop and others which you would prefer to continue. In many cases the communities where you want to drop service will themselves want it continued. One of the fundamental questions here will be whether the service actually provided constituted a fair trial to develop the passenger (or cargo) potential.

In these cases carriers should not waste the Board's time in asserting that the burden is on the community to show that it did not have a fair trial. One burden carriers carry under subsidized regulation is that of showing they provided the best possible schedule of service consonant with the other requirements of their system. For the carriers' own best interests they should not attempt to shift this burden; rather they should prepare themselves to carry it candidly.

It is my belief that the Board must act with dispatch in pruning dead limbs from the local service tree. This becomes a necessity in view of the growing volume of the annual subsidy bill. But we do not propose to eliminate a community if it can be shown that the carrier failed to provide reasonably adequate service during the period under review. Nor will we eliminate services only because they are not profit making. Elimination will be based on a showing to the effect that the services are no longer required by the public convenience and necessity.

The application of the "use it or lose it" policy will surely result in the abandonment of some stations, but it does not follow that local service will diminish in the sense that fewer points will be served by local carriers. As below minimum traffic points are eliminated, promising new points will be added to the systems on a trial basis. Many points of proven potential to be abandoned by the trunkline operators will be picked up profitably by the locals. The Board has taken the initiative in putting the issue of suspension of the trunks into the local service the local carriers. The Board has approved suspension of 57 trunkline authorizations. In cases now pending, there are at issue 79 other trunkline points for suspension or deletion.

Goal Is to Build Up Systems

Step by step it is the intention of the Board to build up systems. This will take time. Under the Federal Aviation Act, a point cannot be permanently deleted from a carrier's certificate without a formal hearing. But the Board does have a procedure available to dispose of cases on the pleadings through the means of temporary service suspension of the trunks and exemption to the local carriers. The Board has not and will not hesitate to use this procedure when it makes good sense to follow a policy of suspension and replacement. At the same time, however, it is essential to develop a favorable climate for the local service carriers to ensure an eventual reduction of subsidy. Judicious selection of points and routes to be served by the local carriers, and relaxation of restrictions on their services should go to the accomplishment of the desired end. Longer stage length operations have been made possible by permitting extensive non-stop operations between terminals where there is no competition, and one-stop operations between terminals where there is competition after one or two round-trips a day have been provided to the intermediate points. Effective use of skip-stop authority is a means of improving the economics of operations.

The foregoing views on local services and subsidy therefor lead me into the vital subject of public relations. My impression is that the Association of Local Transport Airlines' relations with Congress are excellent. This is due in large part to the very efficient efforts of its genial Executive Director, General Adams. Mutual acquaintances in Congress speak of him with affection and respect.

The Cost-Benefit study the Association had prepared for Congress earlier this year was a fine piece of work. It was directed at Congress to give a greater understanding of the airlines' operation—in effect a report of stewardship on monies appropriated to the industry. But Congress is composed of a very small segment of the population. In the final analysis it is the general public who provides the crutch to which I referred in the beginning. In my judgement the Association needs a broad public relations program directed at the general public, a program so designed as to advise the public of its problems — to gain public understanding — to obtain public support by showing the public benefits derived from local service operations.

Criticizes Lack of Progress

Why operate DC-3s when others operate jets or turboprop equipment? Why make so many stops? Why only serve my town at five o'clock in the morning? Why not use helicopters? Why not fly on Sunday?

These are examples of many questions to which the public would like to have answers.

Campaign Need Not Cost Money

The kind of public relations I am talking about does not require paying for space in the newspapers or for time on radio or television. The industry is big business in this country and is a legitimate subject for news or magazine articles or station sponsored coverage.

It will require a lot of work to bring this idea to fruition. There is every reason to believe that space can be obtained in magazines such as *Life* or *Look*. The *Saturday Evening Post* has editors constantly looking for worthwhile material. The *American Weekly* comes into millions of homes with the newspaper each Sunday morning. An article in *Reader's Digest* could be of immense value to the industry.

Space like this is not for sale. It is available to people and enterprises which are newsworthy or which have a story of general interest to tell. The local service industry should easily qualify.

The industry got its toehold in the forties. It spent most of the fifties suffering from malnutrition. The decade beginning with 1960 should be one of sustained growth. The burden, of course, is on the industry. It must win the support and sympathy of the general public through national media and through contracts in the communities throughout the nation which it collectively serves. The airlines' intimate knowledge of local needs should make it possible to put the story over and to enlist support. The industry must convince the people on its routes that locally concentrated activities will result in better air service for them. Explain to them the technical why's and wherefore's of trunk suspension and local substitution. Educate them in airport and flight equipment problems and airline economics to the extent that they will willingly back your efforts to replace the trunks.

It can be shown that the industry can meet the greater part of the air transportation needs of smaller cities more effectively than low frequency, or off-hour trunk services, that it will operate the equipment suitable to their needs and their airport facilities, that it must be free of trunk competition between many points in order to build up its financial position. True some communities in losing trunks will have to forego single plane service or non-stop service to distant points, but this transportation does not constitute the bulk of air travel from smaller cities and towns. Given the opportunity to enjoy their full support, it can do a better job for them.

This is the industry's first public relations job. It must follow up by solidifying its position before Congress and the Board. I believe the airlines can do this by cooperating with the implementation of a sound program for the control and gradual elimination of subsidy.

In these endeavors I am sure the industry will have the wholehearted assistance of the Board. I urge the airlines to exert every effort towards their accomplishment and their own reward.

*An address by Mr. Boyd before the Association of Local Transport Airlines, Los Angeles, Calif., July 18, 1960.

Wainwright & Ramsay Appointed

The City of St. Petersburg, Fla., has appointed the firm of Wainwright & Ramsey Inc., New York City and Miami, Fla., consultants on municipal finance, as its financial consultants for the over-all financial planning for that city's public improvement program, George K. Armes, City Manager of St. Petersburg, announced.

To finance its projected improvement program now under consideration the city plans to come to market with two bond issues aggregating $23,000,000 Mr. Armes stated.

Proceeds for the first issue, a $5,000,000 Cigarette Tax Revenue Certificate issue, expected to be sold in mid-September, will be applied toward the cost of a new hospital or additions and alterations to the city-owned and operated Mercy Hospital; street construction and necessary drainage in connection therewith, and to provide for a Cigarette Tax Certificate reserve fund equal to the maximum annual principal and interest requirements occuring in any future calendar year.

The second issue, an $18,000,000 Water Revenue Bond issue, to extend over a period of several years, will raise capital for the construction of wells, collecting mains, treatment plant, transmission main, and pumping facilities, elevated and ground storage facilities, trunk mains, and for the purchase of land for the proposed facilities. The first series of the bonds is expected to be sold early in 1961.

Ross & Hirsch Will Admit Partner

Ross & Hirsch, 120 Broadway, New York City, members of the New York Stock Exchange on Sept. 1 will admit Myron Sayer to partnership.

With Interstate

(Special to THE FINANCIAL CHRONICLE)

WINSTON-SALEM, N. C. — William J. Leinbach has joined the staff of Interstate Securities Corporation, Reynolds Building.

Form Samuel Greenfield

Samuel C. Greenfield & Co. has been formed with offices at 30 Broad Street, New York City, to engage in a securities business.

Political Parlor Magic Can Produce No Real Growth

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

Administration's spokesman contends we are at the "very pinnacle of power" and we are "moving forward with the greatest growth potential of all time" so long as we keep "professional defeatism" and "professional radicalism" from succeeding into government. Mr. Mueller warns that with their entry into government our Federal Reserve will lose its independence, runaway inflation will resume, government spending will surge forward and private industry will again become the number one target. Sketched briefly are the truths about our progress as Mr. Mueller sees it in a plea that we not shut off the "generative force of our marvelous growth." Growth is not the exclusive province of left-wing economists, he adds, in comparing what free enterprise can do as against the prospects offered by "defeatism and radicalism."

The profit incentive has created the economic foundation of America's survival in this war-torn century. It certainly helped build the West. Private competitive enterprise also assures the best guarantee of our country's progress in the years of terrible hazards and limitless opportunities that stretch ahead.

Frederick H. Mueller

What is the situation right now?

The carping critics who are downgrading our country are wrong. The unbiased evidence clearly proves that today the United States is **first** in military might — **first** in economic power—**first** in moral leadership. We have the best chance on earth to maintain this supremacy.

Only our own lack of effort, lack of vision or lack of guts ever can topple us to second place. Only deluded fault-finders ever could appraise the whole picture and still complain that America is on the skids.

Yet right now — when the United States is at the very pinnacle of power and is moving forward with the greatest growth potential of all time—two handicaps to progress are in the way.

Labels Critics—Defeatists and Radicals

These obstacles are the mobilized forces of professioanl **defeatism** and professional **radicalism.** These misguided pseudo - economist could become more dangerous to American supremacy than overseas threats, blackmail or trade wars.

The professional defeatists are those blindfolded pessimists, who fail to appreciate the American economic miracle. They are the faint-hearts, who wail that America is a second rate power. They include those whose initial reaction to Communist propaganda is to sell America short.

The way of the pessimists is to supplant America's traditional optimism with an inferiority complex. The professional radicals are even more disturbing because they are cold, smart and ruthless. From their words and deeds we are clearly forewarned that their plan is to institute the biggest and most costly expansion of Federal services in our history—overloading our economy with self-defeating tax burdens.

They hold out the frightening promise of restoring inflation—despite its tragic world record—as an instrument of Federal government. They even plan to degrade the independent, objective Federal Reserve by making it subservient to the Executive Branch.

I warn you that private industry of all sizes is their Number One target. They seek to brainwash the American people of their respect for the contribution of business to our fabulous standard of living.

The end result would plague business with red tape, rob it of justifiable tax exemptions, burden it with new punitive taxes and strangle it with controls.

Should they dupe the public into supporting their irresponsible policies, the aftermath might well be an eventual runaway inflation followed by a hair-curling depression, as George Humphrey once warned.

If businessmen take this Renaissance of Radicalism lying down, they would deserve the miserable fate of all who fail to fight in self-defense.

Sketches "Some Truths" About U. S. A.

Let those who have faith in Amercian greatness speak up now, lest the fair-minded public be led astray by opportunists who cry havoc and breathe red fire. Let us sketch briefly some truths about the stature of the United States that should rekindle our pride and justify our faith in our institutions and in our country's future.

In three short centuries, under our free political and free economic system we have grown to be the world's greatest power.

Defeatists should take a look at history and at other nations before they cast slurs at their own country.

No nation in history ever has duplicated—or even approached—our record of material and spiritual progress. No people ever have given so much of their own substance to help less fortunate nations remove illiteracy, hunger and disease. America alone, of all nations, spent its blood and treasure to win two world wars and after each victory demanded no indemnities, no territorial grabs, no enslavement of conquered peoples and no domination of their governments.

The United States with less than 10% of the globe's population and land produces and consumes a third of the world's goods and services. We are the world's biggest trader in both exports and imports. We control almost half of the world"s energy output. We are the world's biggest producer of food—more than half as much again as Soviet agriculture.

Are those the earmarks of a decadent economy?

If any other nation on either side of the Iron Curtain ever approached that record, there might be some grounds for apprehension as to our comparative strength. But none has and — if we stay strong and keep free—none can top that record in the foreseeable future.

We must never be complacent, but neither must we be afraid. We must follow the good old American habit of always trying to better our record.

Since 1900 our population has more than doubled but our per capita production has nearly tripled. At the start of the century each American had working for him in machinery the force of two horespower; today about 10 horsepower. Since 1900 the total amount of capital goods per worker has doubled. Businessmen estimate that the American worker today uses tools that represent an average investment of around $12,000.

Is that a sign of economic doldrums?

Measures Growth from 1952 On

We can point with pride also to many more blue ribbons earned by our private enterprise economy. Let's take the period from 1952 to now as a measuring stick.

In that time we have increased jobs from 61 million to 68.6 million. Personal income went up 49%. In 1952 approximately 32 million families owned one or more automobiles; the number is now over 40 million. Today around 73 million cars, buses and trucks are owned by Americans, more than by all the rest of the world combined. That production and sales make thousands of jobs and bring throngs of happy vacationists from California to New York.

Where on earth can left-wing nations match that record?

The scope of personal well-being is further demonstrated by these figures: In addition to Social Security more than 19 million persons are covered by privately financed pension plans. The number of life insurance policy holders has increased since 1952 by about 26%. Share accounts in savings and loan associations in the same period have gone up more than 200%.

Economic security — the dream of all past ages—is steadily coming true in free enterprise America where private capital, labor, and consumer all share the golden harvest of freedom.

These are some of the reasons why the Eisenhower Administration fights tooth and claw to maintain a climate favorable to free enterprise.

Final evidence of the power of private enterprise is found in the Gross National Product, which we compile at the Commerce Department. This summing of total value of goods and services is the "meter bar" by which economists measure economic growth.

Right now the Gross National Product is more than $505 billion —the highest prosperity peak in all human history. It is still climbing and could reach $750 billion by 1970, if we do right and stay right.

In the last seven years Americans have earned higher wages, bought more new homes, constructed more highways, built more schools, hospitals, and churches and invested more savings than in any seven previous years.

The spark plug of this record progress has been **freedom**—freedom from tyranny of dictatorship —freedom in political action—freedom in economic enterprise —freedom that releases all the productive genius of the American people.

The defeatists fail to understand that America not only is the great melting pot of nationalities, it also is the great melting pot of **ideas.** The overwhelming majority of our economic decisions are not made by distant government planners but by private management and private consumers whose desires of yesterday are the products of today.

The managers of our four and a half million independent businesses make their independent decisions, create their own production machine, compete for customer favor and invest for future growth. Freedom in the market place has given Americans the greatest variety of goods and the most widespread prosperity of all time.

Don't boot it away.

Don't swap a dynamic economy spurred by business for a deadend economy stagnated by statism.

What About the Future?

The future can be even more wonderful than the present, if we don't betray freedom. If we don't pull the shut-off switch on the generative force of our marvelous growth, the best years of our lives can be—**not** behind—**but ahead.**

We certainly desire growth. We are determined to have **more** growth. But we want that growth to be a reality and not a disappointing illusion.

Vision is not some new gimmick invented by the present radical star-gazer. Looking forward has been the character trait of Americans since the Mayflower, the covered wagon and the jet airplane.

Growth is not the exclusive sales pitch of left-wing economists. Growth has been the motto of business since the first planter of Colonial Virginia sold his first tobacco. The universal prayer of every American family is that the children can have a better life. But such hope could be nothing but a desert mirage unless the private sector is encouraged to provide the tools for building a better America.

The chain reaction of the current revolution of science and technology is revolutions in production, distribution, transportation, communications, agriculture, medicine, management techniques, education and better means of aid for the sick, the aged and the helpless.

We can use these revolutions to develop sustainable growth. Material goals and the fulfillment of moral obligations **can** be reached if we continue to rely on the source of our past power thrust.

But if we become the copycats of alien socialism, destroy the fiscal integrity of the Federal Reserve, discourage private capital accumulation, and hog-tie business management, then private initiative will shrivel on the vine and economic growth will die.

Should the bough of sound economic strength ever break, down would go job security, national security and all.

Adding a fresh influx of power for economic growth are the fruits of the more than $60 billion invested in research and development during the 50's. This year we will invest $12 billion. At that rate we can put up an additional $120 billion before this decade ends. Then even Buck Rogers would be as outdated as Rip Van Winkle.

Private creative genius has resulted in a stream of new inventions. The Patent Office of the Commerce Department is now receiving approximately 84,000 patent applications a year. This means a tremendous transfusion

Continued on page 14

Channing Corp. Elects Officers

George Carleton, Jr., President of Channing Corporation, 85 Broad Street, New York City, a holding and operating company with fi-

King Merritt

H. Louis Jamieson

Ira Van Vogt

nancial subsidiaries supervising eight United States and Canadian mutual funds; insurance companies, and a ball-bearing manufacturing division, has announced the election of three officers to key sales positions.

King Merritt, a veteran of many years of distributing mutual funds, was elected Channing Vice-President — Sales Financial Division, and Chairman of King Merritt & Co. Inc. and King Merritt & Co. (Canada), Ltd., principal distributors of shares of the Channing group of mutual funds. Formerly President of both King Merritt sales companies, Mr. Merritt is also a director of Channing Corp.

H. Louis Jamieson, previously Vice-President of King Merritt & Co. Inc., was named President of that affiliate. Mr. Jamieson is also President of Hare's, Ltd., a subsidiary underwriting shares of Channing's mutual funds. He was Founder and President of his own West Coast retailing firm, H. L. Jamieson & Co., which was merged with Channing Corp. in 1957.

Ira Van Vogt was elected President of King Merritt & Co. (Canada) Ltd., with headquarters in Montreal. Mr. Van Vogt has been with King Merritt & Co. in Canada since 1956 as Eastern Sales Manager and Executive Vice-President. Prior to joining the Channing organization, he was manager in the Maritime Provinces for Investors Syndicate of Canada. He is a native of Winnipeg, Ontario.

With Josephthal Co.

(Special to The Financial Chronicle)

BOSTON, Mass.—Frank E. Aizley has been added to the staff of Josephthal & Co., 19 Congress St.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Bank Stocks

BANK GROWTH VIA LOWER RESERVES AND MERGERS

Announcement this week by the Federal Reserve Board that bank reserves will be lowered accomplishes further the objectives of the Vault Cash-Bank Reserves Law passed in July, 1959. In order to allow the proper growth of the economy, money supply must of necessity be increased over the long term. It appears likely that reserve requirements will need to be lowered rather than raised over the years.

The step to increase the banking system's lending power will reduce required reserves of Central Reserve Cities (New York and Chicago), now 18% of net demand deposits, to 17½% effective Sept. 1. The differential between reserve requirements of Central Reserve and Reserve City banks is thereby reduced to one percentage point; the differential must be eliminated by July 28, 1962. Also on Sept. 1, Reserve City and Central Reserve City banks will be allowed to count vault cash in excess of 1% of their net demand deposits, instead of the present 2%. Country banks will be permitted to count as reserves their vault cash in excess of 2½% of net demand deposits, effective Aug. 25; the present limit is 4%.

Growth via acquisitions continues to characterize our banking system. Although branch banking greatly aids bank deposit growth, significant gains over a short time are infrequent due to the many limitations to branch expansion. Among the exceptions is the Union Bank of Los Angeles which was able to increase its deposits by 19% during the past 12 month period. As the economy grows bigger its credit needs grow larger. Bank growth and growth in earnings come from increases in deposits which in turn provide credit for local, national and world-wide demand for loans.

Well over sixty bank mergers have occurred in each of the past several years among our major banks. Yet even today only eleven states have at least three banks among the 100 largest in the nation; twenty-three states have no leading banks at all. Small banks frequently are unable to supply the credit needs of growing industry in their localities. The trend toward larger banks not only is competitively sound but economically sound as well. Generally, the larger the bank the greater the interest by the investing public since equity participation depends on the accessibility of common stock.

The table presented includes eight major bank mergers during the past 12 month period—June 30, 1959 through June 30, 1960:

Bank Stocks With Deposit Gains Via Mergers

	Approx. Bid Price Range '60-'59	Recent Price	Yield	*Total Deposits	‡% Gain	Book Value	Shares Outstdg. (000)
Chemical Bk. N. Y. Trust	70-53	55	4.4%	$3,558	16.7%	$47.77	8,477
Wells Fargo Amer. Tr.	58-45	54	3.0	2,300	37.2	39.59	4,330
Pittsburgh Natl. Bank	37-29	39	3.8	849	47.1	29.88	3,026
Wachovia Bank & Trust Co.	22-19	22	2.3	540	13.4	12.22	4,053
Amer. Fletcher Natl.	47-39	45	4.4	463	56.6	43.09	906
Meadow Brook Natl. Bank	31-24	25	2.4	420	16.8	10.11	2,092
North Carolina Natl.	37-30	31	3.5	405	85.2	20.17	1,869
Baltimore Natl. Bank	51-41	50	4.8	387	42.6	39.65	729

*Millions of dollars. ‡June 30, 1960 over June 30, 1959.

Chemical Bank New York Trust Company results from the merger of Chemical Corn Exchange Bank and New York Trust Co. in September, 1959. Third largest in New York City and fourth largest in the nation, over 100 offices are operated for a well balanced wholesale-retail bank. On June 30 total assets were $4.1 billion and loans totaled $2.3 billion. Further expansion steps include applications for six branches in Nassau County and four offices in Westchester County.

Wells Fargo Bank American Trust Company results from American Trust merging with Wells Fargo Bank in March, 1960. Its 120 offices blanket Northern California and the consolidation strengthens competitive position as the third largest bank in California and a well balanced trust business has been achieved. On June 30, total assets were over $2.5 billion and loans were $1.4 billion. The merger of Northern Counties Bank, Marysville, Calif. ($15 million in deposits) is pending.

Pittsburgh National Bank is the result of the consolidation of Peoples First National Bank & Trust Co. and Fidelity Trust Co. in September, 1959. Over 50 offices are operated in Pittsburgh and outlying communities. On June 30, 1960 total resources were $961.8 million and loans totaled $463.4 million. A two-for-one stock split was effected in July, 1960 and the annual dividend rate was increased from $1.40 to $1.50.

Wachovia Bank & Trust Company, based at Winston-Salem, North Carolina, is the largest bank in the Southeast. In May, 1960, it merged Guaranty Bank & Trust Co., Greenville ($45 million deposits). Total assets were $623.5 million on June 30 and loans totaled $316.1 million. The bank recently established an international department. This state-wide bank has over 60 offices to serve the strong industrial growth and diversified agricultural needs of North Carolina.

American Fletcher National Bank and Trust Company merged Fidelity Bank & Trust Co., Indianapolis (deposits, $90 million) in July, 1959. It presently is the largest bank in Indiana and has over 45 offices in downtown Indianapolis and neighboring areas. A rights offering of 226,604 common shares was executed in April, 1960. Total resources on June 30 were $508.6 million and loans were $204.4 million.

Meadow Brook National Bank of Nassau County, second largest bank in this Long Island county, merged Central Bank & Trust Co., West Hempstead in November, 1959. Known for its rapid growth in retail banking, 40 branches presently are operated. On June 30, total assets were $461.8 million and loans were $273.4 million. A second 2% stock dividend during 1960 was paid this month.

North Carolina National Bank is the result of a merger of American Commercial Bank, Charlotte and Security National Bank, Greensboro in June, 1960. Presently the fourth largest bank in the Southeast, 41 branches are operated in eight North Carolina cities. A large volume of correspondent bank business is conducted. On June 30, assets totaled $458 million and loans were $226.2 million. Dual headquarters have been established in Charlotte and Greensboro.

Baltimore National Bank represents the consolidation of Fidelity-Baltimore National Bank and Maryland Trust Co. in June, 1960. Now the largest bank in Maryland, it has the most extensive branch system in the state with 34 offices covering the greater Baltimore trading area. On June 30, total assets were $433.6 million and total loans were $173.1 million. The bank now ranks among the top 75 commercial banks in the nation.

Over a dozen mergers have been made effective since the passage of the new U. S. merger law in May, 1960, thus this legislation for more orderly acquisitions in the banking field is not expected to stifle bank merger progress. As more banks increase their size, an eventual wider distribution of ownership and a broadening of the market for the banks' shares will result in additional bank stock investment opportunities.

Political Parlor Magic Can Produce No Real Growth

Continued from page 13

of new ideas and new products for growth.

Back in 1880 the head of the Patent Office resigned, saying that with the invention of the steam engine, telephone and telegraph, nearly everything had been discovered and there would be hardly any further business for his office.

Back in the 30's one of our leaders said—and I quote—"Our industrial plant has been built . . . our last frontier has long been reached."

How shortsighted were both of them.

How backward are the modern defeatists who are quick to doubt and the modern radicals who are prone to destroy. How blind are those who prefer statism to free enterprise. How stupid would Americans be if we ever took the wild advice of left-wingers and junked a success for a gamble on a previous failure.

For left-wing ideas—all over the world—have failed to match the record of free ideas, free enterprise and free men. Now even the Reds are copying the mass production technique and incentive rewards of American private industry.

This nation itself has sampled halts to sound progress when ever it has put its economic trust primarily in government intervention in the private sector and in the artificial stimulation of huge unwarranted Federal spending programs.

Despite all the dope needle shots given the economy by Washington in the thirties, 17% of the labor force was unemployed on the eve of 1940. It took a war to erase the number of the jobless. The decade that ended in 194[illegible] was the only ten years in our history when the economy did not grow. In the next ten years it took a wave of inflation induced by war to lift the dollar total on output.

Since when is turning back the clock the sign of creative action?

Does it make sense to argue—as some now do—that growth will come by political parlor magic if we revive the discredited doctrines and methods that gummed the works before?

Yet memory is short. Today has arisen another jam session of Pied Pipers playing the antiquated tunes. Today unreliable prophets again are promising growth through **growth in government expenditures, growth in government controls, growth in government debts, growth in government-planned inflation and growth in** axes, which already devour one-quarter of the total national output.

We are determined to have more healthy growth. But we propose to get that growth with a minimum of government planning and regulation of business and a minimum of government interference and competition with business. Real progress does not come from debasing the currency or heaping unnecessary new burdens on the overloaded taxpayer.

One of the best encouragements to growth would be a drastic tax revision that would sharpen incentives, widen the flow of savings and remove barriers to investment. The way to increase business activity and to make jobs is to save, invest and expand.

In conclusion, let me repeat that the prospect confronting the American business community is a powerful revival of defeatism and radicalism. As a former businessman I believe in my heart that American business must battle openly against this trend both in self-interest and from a sense of patriotism.

I urge business to stand up and speak up.

For we are the defenders of the ancient faith that over the centuries has made American great. We battle for the precious heritage of freedom.

We fight for responsible government, balanced budget and a climate favorable to private endeavor. We fight for more opportunities for the coming generation.

We fight for **real growth** through **free enterprise** that will expand our record prosperity, increase individual well-being and strengthen the foundation of peace.

*An address by Mr. Mueller before the Commonwealth Club of California, San Francisco, Calif., Aug. 5, 1960.

Kille Joins Columbian Secs.

TOPEKA, Kans.—Robert J. Kille has become associated with Columbian Securities Corporation, Columbian Building. Mr. Kille was formerly secretary of the Kansas Bankers Association.

Paine, Webber to Admit Partner

On Sept. 1 Alexander R. Piper III will be admitted to partnership in Paine, Webber, Jackson & Curtis, 25 Broad Street, New York City, members of the New York and Boston Stock Exchanges.

Nation-Wide Underwriters

(Special to The Financial Chronicle)

DENVER, Colo. — Nation-Wide Underwriters, Inc., has been formed with offices in the Midland Savings Building to engage in a securities business. Officers are Thomas W. Smeester, president; Conald J. Slocum, vice president; and William J. O'Neil, treasurer.

AS WE SEE IT *Continued from page 1*

the country in the situation as it has developed and is developing. There is every reason to expect the Democratic members of Congress (they are in a clear majority in both houses) to undertake to "make a record" useful to them in the coming election campaigns. If many of them have their way they will present President Eisenhower (and vicariously, Candidate and Vice President Nixon) with the necessity of accepting certain measures or of vetoing them—measures which they hope to be able to convince the voter are both good for the country and of Democratic origin. If they are successful in thus persuading the voter of their excellence, a veto by the President would then be useful not only in elevating themselves but in condemning their opponents as enemies of progress. In very brief, this short period in which a Democratic Congress is to be at work is all but certainly to be devoted intensively to "politicking" in a sense that thoughtful men can hardly approve.

If the Democratic party is really desirous of giving the people a foretaste of what it would do if in full control at both ends of Pennsylvania Avenue next year, let members of Congress start in at once at least to frame legislation that would give effect to some of the planks in their platform. Let them, for example, work out in broad outline the sweeping changes which would give their President full control of the Federal Reserve System. They might, if they really want to reveal their general ideas or at least their trend of thought on the subject, make the Federal Reserve Board a part and parcel of the Treasury Department. There was a time, of course, when under Democratic Administrations the Board of Governors, was hardly much more than that. There was a war, of course, which, for a time, made a good excuse for such a system, but even before the end of Mr. Truman's second term the arrangement became so indefensible in the eyes of the knowledgeable sections of the public that it had to be abandoned.

But there are a number of influential members of the Democratic party and a number of Mr. Kennedy's most vocal supporters who look back nostalgically to those days, and who would have some such system revived at the earliest moment. Without legislation such an achievement now might not be as simple or as easy as it might seem. Of course, in time a new President could "pack" the Board even as President Roosevelt tried so hard to "pack" the Supreme Court, but that would take time, much more time quite possibly than the men in a hurry among the Democrats and their supporters would be willing to give to the matter. At any rate, the straightforward way to go about what these modern Bryan's want would obviously be to legislate the Federal Reserve System into the direct control of the President or the Secretary of the Treasury. Legislation for this purpose would not be a difficult law to frame or to draft. It could doubtless be managed even in the brief time that Congress plans to stay in Washington this summer. Of course, the President would veto any such measure—as he should—but if the Democratic party really big ideas about passing out the funds of the tax- and the like, that ought not to be a cause of worry, but on the contrary a part of a "record" with which to go to the people this autumn.

Party of Spenders

Plainly, the Democratic party is a party of spenders—even more so than Mr. Nixon with his ideas about agriculture can be suspected of being. It is for the most part still under the New Deal spell of supposing that we can spend our way to an economic paradise—and it has plenty of hangers on and others who would be more than pleased to be the beneficiaries of reckless spending. There can be little doubt that the Democratic Congress could find ways of making it clear what they want from the Treasury. The Eisenhower Administration is hardly parsimonious with public funds, but the "opposition" in Congress has really big ideas about passing out the funds of the taxpayers—and of worrying not in the least about deficits and the like. In point of fact, some of the most influential figures in the party as it is now constituted have large and open contempt for fiscal responsibility. One of the things that this Democratic Congress is most likely to do is to pass legislation involving the expenditure of huge funds in the years ahead. Unfortunately, this has become a "respectable" way to buy votes.

Such a course would place the President under a very definite responsibility to veto the legislation. Action of this sort on the part of the Republican President may or may not be just what the Democratic politicians in Congress would like, but however that may be, such fiscal irresponsibility must not be permitted to reach the statute books. We can only hope that the word which comes out of the White House to the effect that vetoes of this sort can be counted upon is accurate. This, we suppose, will inevitably be a purely political part-session of Congress, but that does not mean that it must cost the people of this country the billions that would be involved in many of the schemes known to be on the program of the Democratic party.

Brighter Picture Develops For Our World Trade Balance

Foreign Trade Council's semi-annual revision of its last January's forecast estimates an increase in our export surplus to $3.4 billion, a reduction in imports to total of $15.4 billion, and a decline in the overall U. S. balance of payments deficit to under $2.5 billion.

The Balance of Payments Group of the National Foreign Trade Council recently forecast an export trade surplus of $3.4 billion for the United States this year.

In its semi-annual revision of projections originally made in January, the Group upwardly revised its estimates for exports by $700 million and cut its estimates for imports by $500 million. The result was a far brighter picture of America's international trading position than looked possible at the start of the year.

On the basis of a surge in the first half and the expectation of continued prosperity abroad, with a strong sustained demand for American products during the rest of the year, the NFTC Group estimated that export sales will total $18.8 billion for 1960. It noted that this would be a $2.5 billion gain over 1959 exports.

Increased sales of commercial aircraft, copper and steel products accounted for much of the unexpected boom in the first six months. Part of the gain was attributed also to anticipated special factors: heavy shipments of cotton, steel and jet aircraft carried over from 1959.

Imports for this year were estimated at $15.4 billion, about the same rate they have been running to date and about the same as last year's total.

Decline in Balanced Payments

The country's balance of payments—in which the trade balance is a major factor—will show a smaller deficit than that registered in 1959, the Group said. The expected substantial decline in the annual deficit was attributed not only to the extremely sharp increase in exports but also to the failure of imports to rise. The Group noted, however, that the deficit would still run at a higher rate than is generally regarded as sustainable over a long term.

Overall, the U. S. balance of payments deficit—as measured by the increase in gold and liquid dollar assets held by foreigners—will be under $2.5 billion, the Group predicted. This represents a more optimistic figure than the $2.9 billion deficit looked for by the Group in its annual January forecast.

Made up of economists and other executives of U. S. international companies, the NFTC Balance of Payments Group met last week to revise its provisional January estimates.

In the mid-year revision of its forecast, which represents a consensus among many individual views, the Group took into consideration a sharp pickup in exports recorded during the first half year. Partly estimated on the basis of government statistics, the first-half totals were $9.6 billion for exports and $7.6 billion for imports.

While the economists differed on the question whether exports would maintain this high rate during the next six months, the majority agreed that they would not. However, the prediction of $18.8 billion in exports marks an upward revision from the $18.1 billion January estimate, and a substantial gain over the $16.2 billion of export sales recorded in 1959.

The NFTC Group forecast a favorable balance of $2.8 billion for the United States on all goods and services. This represents the expected surplus of receipts for goods and services (including travel, investment income, etc.), totaling $26.5 billion, over expenditures for goods and services totaling $23.7 billion. This also was a more optimistic figure than the $1.6 billion goods and services balance estimated in January.

Foreign Assets to Rise

Government aid for 1960 was estimated at $1.8 billion; private remittances of $0.5 billion; private investments abroad at $2.3 billion; government loans at $1.1 billion. The total of these dollar outlays, $5.7 billion, overbalances the $2.8 billion of dollar receipts from the surplus on goods and services. The difference of $2.9 billion will be accounted for by the anticipated rise of $2.5 billion in gold and liquid dollar assets held by foreigners, and by an additional $0.4 billion increase in long-term dollar investments held by foreigners.

Two With Caunter

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Henry B. Czerniec and John W. Wyman have been added to the staff of L. A. Caunter & Co., Park Building.

Easy Credit Hinders Housing According to Mtge. Bankers Review

What a boomerang easy credit to stimulate the housing market turned out to be, mortgage bankers' journal discovers, wherein eased credit terms to offset higher costs and other deterrents have led to still higher self-defeating costs and eventually stifled housing rate growth. The journal states, "the old game has been played out, and the old road has come to its end in a bog"; the solution is to attack costs and not to expand demand without having any influence over supply. The current review of the Mortgage Bankers Association notes how housing costs rose while other prices did not and how only in times of meaningful credit restraint building costs abated.

The evidence now appears to be conclusive that the vast infusions of "easy credit" to stimulate the housing market and home ownership during most of the postwar period have not accomplished their objectives and, instead, have contributed to rising prices in other elements that contribute to total costs, says the *Quarterly Economic Review* of the Mortgage Bankers Association of America, published in Chicago, Ill.

"Henceforth easier credit cannot be looked to as the means for expanding the housing market. Future expansion must be gained in another way. That way is a direct attack on building costs. The emphasis must shift from the field of finance to the fields of design, invention, building products, and construction methods. The importance of cost reduction has been long recognized, but the drive for it has been weakened by the supposed effectiveness of easy money in achieving the same objective. The drive should gain strength from the necessity that can no longer be avoided."

Describing the credit changes of the postwar years, the *Review* said:

"The course we have pursued runs like this: as costs have risen following the easing of credit terms, credit terms have been further eased and infusions of government credit, usually at bargain interest rates, have been used to compensate for increased cost; and, as a consequence, costs have received an additional boost."

Comments on Typical Proposals

"In the present Congress, proposals have been offered to give the wheel another turn. One of these would provide $1 billion of Treasury funds for the purchase of FHA and VA mortgages up to an individual amount of $13,500. Others would eliminate downpayments altogether for FHA-insured mortgages up to $13,500 in amount (a figure close to three times the average mortgage amount in 1947) and extend the maximum amortization period from 30 to 35 years. Still others would create special facilities for using government-backed or tax-exempt credit for financing houses for 'middle-income' families and elderly families.

"While none of these proposals is likely to pass, the very fact that they were introduced indicates that we still have to learn that the push of costs cannot be halted or even balanced by an easing of terms, but that, to the contrary, an easing of terms adds to the push. We ought also to be learning that, carried far enough, this process stifles growth, and that perhaps such a stifling may already be taking place. The slowness of this year's recovery in the rate of house building offers disturbing testimony in this respect.

"The extension of loan-to-value ratios and maturities has been pushed to the practicable limit. Interest rates will not be materially reduced so long as the demand for funds remains high, and any efforts to combat their level by putting government agencies into the market to supply funds for mortgages can only aggravate the difficulty. The old game has been played out, and the old road has come to its end in a bog."

Continuing, the *Review* details how other costs have soared while tremendous doses of easy credit were being administered to the home building economy:

"The trends in mortgage financing during the past decade have greatly increased the demand for housing by increasing the ease of borrowing. There have been other consequences.

"One of these is the rise in interest rates. The rising demands for funds from all sectors of the economy, among which home finance has been the most vigorous and persistent contender, has completely reversed the positions of borrower and lender that generally prevailed from the early 1920's through the early 1940's. This earlier period was on the whole characterized by falling interest rates. During the 1930's the surplus of savings in respect to investment outlets was so great that there was even talk of 'negative' interest rates and other penalties on saving."

Creates Demand But Not Supply

"With the restored vitality of the economy following World War II, the situation changed. Throughout the period, with minor relapses in 1954 and 1958, the trend in interest rates has been upward as investment demand has rather consistently run ahead of savings supply. Borrowers could no longer be assured that the money they needed would be available at terms pretty much of their choosing. 'Tight money' became the recurring theme song of the last decade. Without doubt, the trends toward lower downpayments and longer maturities for home mortgages, by expanding demand without having any influence on supply, contributed to this situation in a large way.

"A second concomitant of the effort to make home borrowing easier in face of vigorous demand has been a sharp increase in the cost of building. Land costs have doubled or trebled. Residential construction costs appear to have risen about 96% during the postwar period. For comparison, wholesale prices have risen 74%, and consumers' prices 62%. Moreover, while prices generally have remained stable over the last several years, house building has continued to be increasingly expensive. The rise in building cost last year for example was about 3%. Wholesale prices showed a slight downdrift during the year. Consumers' prices rose less than 1%.

"The increased cost is reflected in the average prices of new properties. For single-family houses financed with FHA-insured mortgages, the rise from 1947 through 1959 was from $7,817 to $14,650 and for those with VA-guaranteed mortgages, from $7,000 to $14,590, or 87% and 108%, respectively. While part of this increase may be attributed to enlargement of size and improvement of quality, the importance of the strictly inflationary component is evidenced by the fact that the prices of existing houses financed through FHA and VA and of conventionally financed houses as a whole have risen at the same or slightly higher rates.

"In short, it appears that effort to make borrowing easier has ended in making houses more costly both absolutely and in comparison with other things that families buy. This conclusion is borne out by the fact that the only years when the rise in building costs abated were the years in which the effects of credit restraint were greatest, 1949, 1954 and 1957."

Insurance Firm Stock Offered

Public offering of 1,000,000 shares of common stock of Variable Annuity Life Insurance Co. of America at a price of $12 per share was made on Aug. 10 by John C. Legg & Co. and associates.

Net proceeds from the sale of the common shares will be used by the company to expand and develop its business and to provide it with a substantial capital and surplus. Part of the net proceeds of the offering, estimated at not more than $300,000, will be invested in Government bonds to be used for statutory deposits to meet the licensing requirements of the additional jurisdictions in which the company may be licensed.

Variable Annuity Life Insurance Co. of America, a stock life insurance company, with its home office in Washington, D. C., has been engaged in the business of issuing variable annuities, life insurance and disability insurance in combination. It also plans to take steps to enable it to write substantially all forms of life insurance. The company offers individual, pension trust and group variable annuity contracts which fall into three general categories: (1) installment purchase payment deferred contracts; (2) single purchase payment deferred contracts, and (3) single purchase payment immediate contracts. The company is licensed as an insurance company in the District of Columbia, Arkansas, Kentucky, New Mexico and West Virginia. The company intends to apply for licenses to do business in other jurisdictions, and eventually to operate in all jurisdictions where the company can be licensed to sell variable annuity contracts.

Upon completion of the current financing, outstanding capitalization of the company will consist of 1,325,000 shares of common stock, $1 par value.

Coffee & Sugar Exchange Elects

The Board of Managers of the New York Coffee & Sugar Exchange, Inc., has elected two new members of the Exchange. They are: Charles W. Leister of the Coffee Commodity Corp. and John A. McCarthy of C. E. Bickford & Company.

Davis Named by Small Business Group

NASHVILLE, Tenn.—Lee Davis, President, Tennessee Investors, Inc., has received notice from the National Association of Small Business Investment Companies in Washington of his appointment as a member of a five-man Committee on Public Relations for the Association. The other members of the new Committee are: Irve L. Libby, Chairman, Miami, Florida; Ralph A. L. Brogan, Chicago, Illinois; George W. DeFranceaux, Washington, D. C.; Thomas H. Quinn, New York City.

T. W. Lewis Co. Formed

T. W. Lewis & Co., Inc., has been formed with offices at 60 East 42nd Street, New York City, to engage in a securities business. Officers are Thomas W. Lewis, president and treasurer; George G. Hynson, Jr., vice president and secretary.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Stocks did a lot of coasting this week with the market ignoring the latest moves to ease credit while copper shares, long neglected, were given a whirl on prospects that strife in the Congo will remove that producing area, at least temporarily, as a source of supply.

Oils managed some sustained strength for a change when some of the reports from the funds indicated that their interest in the petroleum shares had perked up. The funds have been persistent sellers of the oils that comprised so large a holding in the immediate postwar years.

* * *

Aircrafts showed some occassional demand as the companies announced receipt of new defense work, so it was a case of some fresh attention for some of the neglected sections of the list.

Nervous Spots

There was little conviction showing in some of the key spots like the steels and autos and more times than not there was nervousness in some of the blue chips. The confiscations of American property in Cuba were seemingly well discounted in advance and shrugged off by the market when they became official.

* * *

Business news wasn't hopeful, the dreary pattern of higher sales but lower profit continuing with an occasional shock effect such as in Peoples Drug which was cut back hard when its profit turned out to be sharply slashed.

* * *

Nafi Corp., which did show a good boost in earnings, wasn't able to profit from it when the company announced that there probably would be different results in the third quarter from model changes, vacation lags and other factors; and that the company will have to resort to a convertible debenture issue to pay off some $7½ millions of the $10 million notes issued in part payment for the Chris-Craft boat company which was acquired four months ago. The debentures are expected to be registered with the SEC in the near future.

Nafi, which jumped five-fold in market price on its acquisition of Chris-Craft, went a long way toward discounting the profitable acquisition and boosting earnings for the half year from 40 cents a year ago to $1.30 this year, with only two months of Chris-Craft results included so far, indicated the benefits of the merger. The company's cautions and the possible dilution of the common through financing, however, left the future a wide-open question mark again.

"Chaotic" Plywood Market

Another area of uncertainty was added to the business picture when U. S. Plywood announced it was cutting back plywood production by a fifth because of the "chaotic market" in some plywood panels. The stock promptly posted a new low for the year which isn't an action that is cheering to the rest of the list.

* * *

Among the encouraging actions that were shrugged off were various reductions in the required reserves of commercial banks which were designed to boost their lending power immediately by about $600 million and, ultimately, to a potential of several billions. Since the middle of spring, however, the banks as a whole have had excess reserves so the moves obviously were designed as a shot in the arm for the fall business picture and evoked no immediate commotion in the stock market.

Also tempering any market glee was the rather evenly-divided debate over whether the Federal Reserve moves to make credit easier would call for a cut in the prime lending rate, currently 5%. The rate held through the June cut in the discount rate and with a seasonal upsurge in credit demand due around Labor Day there was considerable doubt that it would be cut now. And that was just one more uncertainty for the stock market to ponder.

A Revived Chemical

In the chemical section the various companies were uneasy much of the time, some higher-sales, lower-profit reports having chilled the leaders. Even in the case of a company emerging from troubles, like Olin Mathieson, there was little interest.

Olin's problems came to a head in 1957 and 1958 when it had jumped into a joint and major aluminum venture at a time when that business was sliding downhill. The company took the plunge in 1958 by charging off all the deferred expenses of the venture and since then its figures have been far more comforting. Last year it was able to boost sales nearly 17% and quadruple earnings over the artificially depressed results of the year before. This year's results have been holding up well and expectations are that the full year figures will show an improvement over last year.

Between 1955 and 1958, the price of Olin's shares dropped by 50%. They had monetary recovery periods during 1959 and early this year, but lately were back down below the low of last year and this week were available at a 1958 low. So there has been little market appreciation of the company's better showing.

* * *

The drug shares are also ones that have been restrained lately after a Congressional investigation into pricing policies threw a pall over some of them. Pfizer, despite a high rating, expanding foreign business and aggressive research, sold far higher last year than the current price and at this year's low was at its poorest standing since 1958.

Electronics In Respite

Electronics had their rough moments and no longer were dominating the lists of new highs as they did so often. It was more in the nature of a well-deserved respite, however, and, considering the startling progress they made last year and early this year, they have given ground grudgingly.

* * *

Zenith Radio on its record has a far more solid history to offer than some of the other wonder-workers in this glamor section. Where fantastic price-earnings multiples prevail, Zenith is selling around 18-times estimated results of this year and only around 20-times last year's actual results. The newer electronic companies are only building up their earning power while Zenith is a company with an existing wide, accepted and profitable "bread-and-butter" line of television sets, radios, phonographs and hearing aids.

Zenith is also expanding into new lines, including magnetic tape items and expanding in electronic work. The company in the past has been given to undue enthusiasm over its hopes for a solid footing in the subscription television field. But those flareups died out without that method of deriving revenue from television programs ever getting off the ground. And lately there haven't been such high hopes to distort the price picture, as the conservative price-earnings multiples demonstrate. Zenith was split last year and twice in 1958. The price lately has been hovering around a score of points under the high posted by the present shares last year and at the low this year was about the poorest seen for the shares since the last split.

Interesting Silver Development

The high-income stock in the non-glamor section is International Silver which has been a mundane item with a range that hasn't reached a dozen points this year. Its yield approaches 6% on a price that is well deflated from levels that prevailed in 1955 and 1956. The company's biggest recent problem was Japanese competition, but its outlook perked up last November when tariff schedules were imposed to hold down the Japanese imports. Obviously, that will help the nation's dominant silverware company importantly.

[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.]

Terms Chemical Industry Our Dynamic Giant

New York bank terms chemical one of the fastest growing of all major industries which continues to promise an ever expanding array of new products and applications.

The chemical industry is the dynamic giant of American industry—the fourth largest industry by assets and the fifth largest by sales. The Chase Manhattan Bank says in the current issue of its bi-monthly review, *Business In Brief*, issued recently.

With new products developed by the hundreds every year, the chemical industry is one of the fastest growing of all major industries. Since 1947, chemical and allied production has grown at an annual rate of 8%, compared to 4% for total industrial production. Sales, now at an annual rate of $27 billion, have doubled since 1947.

Growth has come from:

(1) Displacing older products (for example, man-made fibers for natural, synthetic for natural rubber, and synthetic detergents for soaps).

(2) Creating new and enlarged markets by providing new, substantially better, and lower-priced products (for example, new pesticides, drugs, plastics, and high-concentration fertilizers).

Today, thousands of companies produce an estimated 11,000 end chemicals, the review reports.

Industrial chemicals have become one of the most important raw material sources for American industry. They range from the basic chemicals like chlorine, sulfuric acid, and ethyl alcohol to complex dyes, bulk medicinals, and industrial gases. Since 1947, industrial chemical production has grown at a 10% annual rate.

Research and development, and particularly basic research (investigation without regard for specific product), has been the foundation of growth in the chemical industry, according to The Chase Manhattan publication. About $700 million is being spent today by the industry, about twice the level of 1953, and in line only behind the aircraft, electrical equipment, and machinery industries. The chemical industry leads the field in basic research.

"The outstanding achievement of this research has been the host of new products developed. It has been estimated that 50% of the products now sold were not commercially produced, and many were not known, in 1939."

The Future

The chemical industry has been characterized by strong competition, both among existing products and as between the new products that are discovered to replace old ones. Although this competition means a high degree of risk, it is a spur to a continued expansion in research effort and in new product development.

It is not possible to predict the exact new products or applications which will be developed in the future says *Business In Brief*. But some of tomorrow's prospects include chemicals to control animal and plant heredity and behavior, synthetically produced foods, chemical fuel cells for electricity and plastic coatings to replace grease and oil. Whatever the particular developments may be, there is certain to be an ever expanding array of new products and applications available to both industry and consumers. Mankind will be the better for it.

O. P. Ryder Forms Own Invest. Co.

ALEXANDRIA, Va. — Ryder and Company has been formed with offices at 128 South Washington Street, to engage in a securities business. Partners are Oscar P. Ryder, Marshall V. Butler, Harold W. McConchie, Jr., Dean McCarthy, Henry W. Anderson, III, and Isabel O'Donnell, general partners, and Gerald T. Halpin, George C. Pierce and Charles H. Smith, Jr., limited partners.

Mr. Ryder was formerly a partner of Jones, Kreeger & Co. with which Mr. Butler, Mr. McCarthy, Mr. Anderson and Miss O'Donnell were also associated.

Hill Richards To Be NYSE Member

LOS ANGELES, Calif—Robert P. Lazear, member of the New York Stock Exchange, on Aug. 18 will become a Vice-President of Hill Richards & Co., Incorporated, 621 South Spring Street, members of the Pacific Coast and Midwest Stock Exchanges, and the firm will acquire a membership also in the New York Exchange.

Other officers are: Leo B. Babich, President; Robert C. Hill, Executive Vice-President; John L. Hill, Vice-President and Secretary-Treasurer; Sherman Asche, James G. Elliott, Jess W. Grundy, Conner Johnson, Charles W. Montgomery, Charles Quine, William A. Teegarden, and John S. Thomson, Vice-President; Vera E. Alexander and Ruth B. Kingsley, Assistant Secretaries; Edward T. McDune and Robert L. Smith, Assistant Treasurers; George J. Hefner, and Clemens T. Lueker.

Warner, Jennings Branch

NEWARK, N. J. — Warner, Jennings, Mandell & Longstreth has opened a branch office at 744 Broad Street under the direction of Fred Bacher, a partner of the firm.

With Gunn, Carey

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, O.—John C. Gunn is now affiliated with Gunn, Carey & Roulston, Union Commerce Building, members of the Midwest Stock Exchange.

York & Co. Branch Under Avery Eppler

REDWOOD CITY, Calif.—York & Co. has opened a branch office at 601 Marshall Street under the management of Avery L. Eppler. Mr. Eppler formerly conducted his own investment business in Redwood City.

Will Our Population Growth Advance Our Prosperity?

By Roger W. Babson

In order for population growth to be a bullish economic factor there must be a social and moral environment to generate initiative and ambition. Otherwise, Mr. Babson says, we will not generate income and demand along with population pace and, as a result, have a depressing influence instead of a bullish one. Mr. Babson speaks of the threatening water shortage and concludes with several strictures to teenagers' parents.

One of the reasons given for anticipating the prosperity of the "Golden Sixties" is the constantly increasing population, both in this country and in the world as a whole. It is true that investors must recognize population as a factor in stock prices; but it is only one of many factors.

Teenagers

Considering the United States alone, the age factor is now a vital force in manufacturing, business, college enrollments, investments, and other considerations. Many of today's young people will become voters for the first time this year, and may be a factor in the November elections. The high birth rate of World War II is now showing up in the large number of teenagers reaching college and/or employment age. For a while, those dealing in baby foods, clothing for youngsters, etc., profited greatly; more recently, teenagers have been a source of good business for retailers, and of headaches to many parents)!

Now, these young people are about to be thrown on their own, to make good either in college or in the competitive business world. This is something which should be recognized by employers, parents, and by the young people themselves. Just now there is a shortage of workers in many lines of industry—especially of office employees. After the summer vacation is over, there should be a letup in the demand for such jobs, and the shortage of workers might develop into a surplus during the next year or two.

Growth in Foreign Population

In China, with its population of over 600 million, 1,200,000 babies are born every week. The same is true proportionately of India and Pakistan, with their combined population of about 500,000,000. It is true that measures are being taken to limit the birth rate. On the other hands, new means of sanitary living, free medical supplies, and proper nutrition are causing fewer babies to die. Hence, I see no prospect at the moment of a limit to the net growth of these nations.

The Malthusian Theory advanced in 1798 contended that the world will some day run out of arable land to feed the expanded population. Although the land surface from which to feed people is limited (and far surpassed by the area of lakes, marshes, and oceans), yet the growing shortage of water required to sustain life and industrial activity may be even more serious.

Two Sides of the Coin

Increase in population cannot be taken, at face value, as an optimistic factor for the future. In order to translate people into producers and customers, we must have a social and moral environment which will generate initiative and ambition. Only as the proper environment, income, and demand rise along with the growth in population do the greater numbers of people assure prosperity.

On the other hand, if initiative is stifled by unfair taxes or government "giveaway" social practices or poor health, then capital formation, employment, incomes, and consumption will lag the rise in population.

In that event, the growth trend in population, now considered to be bullish for the future, may work as a depressing influence.

A Word to Parents

What does the above mean to parents of growing children today? It means that parents of all nations must devote attention to helping their children prepare for their future. Not only does this mean providing them with "book learning," but also taking care that they acquire the fundamental habits of perseverance, industry, and thrift.

In addition, parents must above all see to it that their children develop good character, good health, and a sane faith. These three things, more than anything else, will enable children to deal successfully with the problems in their future. In short, if their children possess Character, Health, and a Sane Faith they will be rich. Otherwise, they will be poor.

McCreedy Miami Mgr. For Dickson

MIAMI, Fla. — R. S. Dickson & Company of Charlotte has named Clinton T. (Mac) McCreedy as branch manager of its Miami office, First National Bank of Miami Building. The firm, whose principal office is in Charlotte, North Carolina, also announces that Henry M. Fishman will be the associate manager. Mr. McCreedy, has had 37 years' experience in the investment banking business. He was president of his own securities company from 1950 to 1960 and, more recently, has been with Leedy, Wheeler & Alleman, Inc., in Miami.

Clinton T. McCreedy

Mr. McCreedy is a past president of the Florida Securities Dealers and a member of the organization's Board of Governors. He is a former vice chairman of the National Association of Securities dealers.

Jay L. Quigley With Gunn, Carey

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Jay L. Quigley has become associated with Gunn, Carey & Roulston, Inc., Union Commerce Building, members of the Midwest Stock Exchange. Mr. Quigley formerly headed his own investment firm, Quigley & Co., Inc., which was established in 1921.

With Stein Bros. & Boyce

BALTIMORE, Md. — Walter W. Abell II, H. Nelson Davis, and G. Gordon Gatchell have become associated with Stein Bros. & Boyce, 6 South Calvert Street, members of the New York Stock Exchange and other exchanges, as registered representatives.

New Partnership

JACKSON, Mich.—Jack V. Butterfield and James C. Butterfield are continuing the investment business of H. H. Butterfield & Co., City Bank Building.

NEWS ABOUT BANKS AND BANKERS

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

Eugene P. Fegan has been elected Assistant Vice-President of **Morgan Guaranty Trust Company of New York**, it was announced Aug. 5 by Henry C. Alexander, Chairman of the Board.

Mr. Fegan is assigned to Morgan Guaranty's International banking division. He was employed in 1935 by **J. P. Morgan & Co., Inc., New York,** which merged last year with **Guaranty Trust Company of New York** to form Morgan Guaranty. He was named an Assistant Secretary in April, 1959.

Also announced was the election of Charles C. Bastin as an Assistant Treasurer in **Morgan Guaranty's** London office. He also been with that office since 1957.

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Thomas F. Hodgman has been appointed Assistant Trust Officer of **Chemical Bank New York Trust Company, New York,** announced Harold H. Helm, Chairman.

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Stockholders of **Manufacturers Trust Co., New York,** at a special meeting Aug 3, approved an increase in the authorized capital stock of the company from 5,039,000 shares of $20 par value to 5,290,950 shares of $20 par value.

The additional 251,950 shares are to be issued in connection with the acquisition of the assets of other banks, if and when such acquisitions are approved by the bank's Board of Directors, and the appropriate supervisory authorities. The increase in authorized capital stock is equivalent to 5% of the amount previously outstanding, the maximum increase of its kind permitted by the New York State Banking Department at this time.

The contemplated expansion of Manufacturers Trust Company's banking facilities through acquisition of other banks includes banks located in Nassau and Westchester counties.

A total of 3,888,829 shares, or 77.17% of the total outstanding, voted in favor of the increase in authorized capital, and 14,026, or 0.28%, voted against it.

The New York State Banking Department gave its approval to the certificate of increase of capital stock the same day.

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Max Reutlinger, Jr., officer in charge of Manufacturers Trust Co.'s Bushwick Office in Brooklyn, has been appointed an Assistant Vice-President of the company, announces Horace C. Flanigan, Chairman of the Board.

Mr. Reutlinger joined the bank's staff in 1929 and was appointed an Assistant Secretary in 1954.

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The Assistant Vice-President of the **Manufacturers Trust Co., New York,** Mr. Irwin Stuart Block, died Aug. 3, at the age of 51.

Mr. Block joined the bank 25 years ago and was appointed an officer in 1950.

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George W. Mills, Jr. has been appointed an Assistant Vice-President and Manager of The Credit Department of **The Gotham Bank, New York,** George J. Gross, President, announced.

Mr. Mills was formerly with the **Chemical Bank New York Trust Co., New York** and the **Continental Bank and Trust Co., New York.**

The New Assistant Vice-President of **The Gotham Bank** has held posts with the **Industrial Bank of New York** and the **Irving Trust Co., New York.**

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Mr. James S. Carson, 85, died Aug. 9 at his home in Closter, N. J.

Until five years ago he was for many years, Chairman of the Board of the **Colonial Trust Company of New York.**

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Frederick Hainfeld Jr., President of **Long Island Trust Co., Garden City, N. Y.,** has announced that Mrs. Elizabeth Shara of Queens Village has been appointed an Assistant Secretary of the bank's main office in Garden City.

Mr. Hainfeld Jr. also announced that James J. DaSilva has been promoted to Assistant Branch Manager at the **Trust Company's** East Garden City office.

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G. Russell Clark, New York State Superintendent of Banks, announced Aug. 5 issuance of a charter to **The Community Bank, Lynbrook, Long Island.** This bank is expected to open its office about the middle of August. The institution will begin operating with capital accounts amounting to $1,300,000. Its deposits will be insured by the Federal Deposit Insurance Corporation.

The Board Chairman is Herbert Buschman. Mr. William M. O'Neill is President. He was formerly Executive Vice-President and a Director of the **First National Bank of Woodridge, New York.**

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Harry Klingler, retired as Trust Officer and Assistant Secretary of **The County Trust Company, White Plains, N. Y.**

After starting his banking career in 1923 as a runner for a New York City Bank, Mr. Klinger moved to the old **Mount Pleasant Bank and Trust Company in Pleasantville, N. Y.** and two years later became associated with **The First National Bank of Pleasantville, N. Y.** The latter institution merged with **The County Trust Company** in 1943.

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Mr. Edwin Canfield Northrop, 78, Board Chairman and former President of the **Waterbury Savings Bank, Waterbury, Conn.,** died Aug. 3.

He began his banking career in 1904 as a clerk in the **Dime Savings Bank in Waterbury** and was President of the **Waterbury Savings Bank,** from which position he retired last year while remaining Chairman.

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Frank Palazzi, Assistant Secretary and Assistant Treasurer of **Trust Company of Morris County, Morristown, N. J.** will assume new duties as Assistant Manager of the Bank's Denville office Aug. 15 according to an announcement by George Munsick, President.

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Edward L. Becker has been appointed Assistant Vice-President in the Administrative Office of **Mellon National Bank and Trust Co., Pittsburgh, Pa.**

Richard W. Siegrist has also been appointed Assistant Vice-President in the Metropolitan Department of **Mellon National Bank and Trust Company, Pittsburgh, Pa.**

Joseph A. Atkins has been appointed Assistant Secretary in the Trust Department.

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Mr. L. Mercer Smith, has been elected a Director of the **First National Bank of Baltimore, Baltimore, Md.**

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The Mid-City National Bank of Chicago, Chicago, Ill., by a stock dividend, has increased its common capital stock from $1,250,000 to $1,500,000, effective July 27. (Number of shares outstanding—15,000 shares, par value $100.)

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By a stock dividend, the **First National Bank of Clearwater, Clearwater, Florida,** has increased its common capital stock from $800,000 to $1,000,000, effective July 27. (Number of shares outstanding—20,000 shares, par value $50.)

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The First National Bank in Albuquerque, Albuquerque, New Mexico, has increased its common capital stock from $2,250,000 to $3,375,000 by a stock dividend, effective July 26. (Number of shares outstanding — 270,000 shares, par value $12.50.)

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By the sale of new stock, the **First National Bank of San Jose, San Jose, California,** has increased its common capital stock from $2,000,000 to $2,200,000, effective July 29. (Number of shares outstanding — 440,000 shares, par value $5.)

Texas Eastern Debs. Offered

Dillon, Read & Co., Inc. headed an underwriting group that offered on Aug. 10 an issue of $25,000,000 Texas Eastern Transmission Corp.'s 5⅜% debentures due 1980, priced at 100%.

The debentures are entitled to a sinking fund, beginning Feb. 1, 1963, which will retire approximately 95% of the issue prior to maturity. For a period of five years, The debentures are not refundable at an interest cost to the company of less than 5.375% but are otherwise redeemable at the option of the company at any time at 105.38% in 1961 and scaling downward thereafter to 100% in 1980.

Of the proceeds from the sale of the debentures, approximately $16,000,000 will be used to retire outstanding revolving credit notes, and the balance will be used in connection with construction programs, which are expected to cost $75,000,000 in 1960.

The company's principal business is the transmission of natural gas. It is also engaged in the transportation of petroleum products and in the production and refining of oil and gas. The company owns and operates a pipeline system for the transportation and sale at wholesale of natural gas, extending from the Mexican border in southern Texas to New York. The system has an authorized delivery capacity in its principal sales area of approximately 2,186 million cubic feet per day, including deliveries from its gas storage facilities. The petroleum products transportation business is conducted by its Little Big Inch division through a system which at Dec. 31, 1959 included approximately 2,063 miles of pipelines. The company is presently engaged in the exploration for and production of oil and gas in 11 states.

Now Tilton Inv. Co.

JACKSONVILLE, Tex.—The firm name of George T. Tilton Co., First National Bank Building, has been changed to Tilton Investment Company.

Form R. Baruch Co.

WASHINGTON, D. C.—R. Baruch and Company has been formed with offices at 1411 K Street, N. W., to engage in a securities business. Baruch Rabinowitz is a principal of the firm.

With Metropolitan

PHILADELPHIA, Pa.—Metropolitan Securities, Inc., Lewis Tower Building, announced that Edwin Rubinstein and Florence T. Hackel have become associated with them as registered representatives.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The announcement by the Treasury that the allotments to commercial banks of the refunding 3⅞s of 1968 were 20%, and to other subscribers 15%, was considered to be a bit on the high side. The 3⅛s of 1961 were alloted on a 13% basis after selected buyers were given the 100% treatment. The savings institutions were given preferred consideration (25%) in the parceling out of the refunding bonds and this also was looked for by money market specialists.

Another Credit Easing Move

This week's decrease in reserve requirements of member banks in the Central Reserve Cities of New York and Chicago from 18% to 17½% effective Sept. 1, and the reduction in the required vault cash from 4% to 2½% of net demand deposits for country banks effective Aug. 25, and from 2% to 1% of net demand deposits for reserve city and central reserve city institutions also effective on Sept. 1, will make available about $600 million additional bank reserves, which could mean a credit extension of approximately $3.6 billion. This move by the Federal Reserve Board is another step in the direction of ease in the money and capital markets.

The purchases by the Federal Reserve Banks of Treasury bills goes on and this method is quite likely to continue to be the way in which the money markets will be kept on the easy side in spite of the decrease in reserve requirements of the member banks in the New York City and Chicago areas. The next item on the financing agenda for the Government, according to those supposedly in the know, will be a "forward" or "advance" refunding offer which should attract considerable attention.

More Money in Fixed Income Securities

The money and capital markets continue to keep the attention of the investor with reports indicating that funds are being put to work in increasing amounts in not only Governments, ranging all the way from Treasury bills to the longest term bonds, but also in corporate and tax-exempt bonds. It is evident that the clouded economic picture is bringing money into the fixed income bearing (obligation) market which would under more normal conditions be going into common stocks.

The switch from equities into bonds has been going on for some time now, but the amount of funds which was being put to work in not only Governments but also in corporates and tax protected bonds was not too large. However, it is now reported that sizable amounts of money are being invested in fixed income securities with the short-term liquid obligations still getting the bulk of this.

Nonetheless, it is evident from advices that the buying of middle and long-term securities is being done now on a basis that has not been seen for quite a few years. In other words, the institutional and individual demand for Governments, corporates and tax free bonds is building up and is likely to get larger with the passage of time.

The action of the monetary authorities in reducing the discount rate and margin requirements for the purchase of common stocks, according to the opinions of most money market specialists, were the forerunners of the reduction in reserve requirements of the New York City and Chicago City member banks as well as the smaller required cash against net demand deposits before counting it as reserves of the member banks.

As far as the capital market is concerned, the flotation of new issues is not expected to pick up very much although it is believed that additional new offerings will come into the corporate market and the proceeds will be used to pay off bank loans. This should mean that the deposit institutions will have funds that can be used to take care of new borrowings and even in some cases will be used to make purchases of near-term liquid obligations.

Another Cut in Discount Rate Indicated

Some money market followers believe that the business pattern is defensive enough now so that there should be greater ease in money and credit conditions in the not distant future. According to some, this will come first through the lowering of the discount rate.

In addition, the prime bank rate is considered by not a few money market specialists to be quite vulnerable to a cut in the near future. The fact that business, in their opinion, will continue to be uncertain and on the defensive for an extended period of time will mean a lessening in the demand for loans and the rate that is charged the banks' largest and best customers will be graded downward.

Another Advance Refunding Offer Expected

The next operation by the Treasury is expected to be an offer to the owners of the outstanding issue that will be coming due in the middle and late sixties and early seventies. It is evident that the owners of the 2½s due in the 1960's and the 1970s, are not interested at this stage of the game in selling these bonds, not only because they have large losses in these issues, but also because they are expecting an attractive "forward refunding" offer to be coming along to them in the near future.

Dwyer-Baker Stock Offered

Public offering of 100,000 shares of common stock of Dwyer-Baker Electronics Corp., of Miami, Fla. at $3 per share was being made on Aug. 9 by a group comprising Frank B. Bateman, Ltd., Jack M. Bass & Co., and Hardy & Co. The securities were offered as a speculation.

Dwyer-Baker Electronics Corp., manufactures a variety of products used by the trucking industry, vending machine manufacturers, amusement industry, display, outdoor sign companies, outdoor furniture manufacturers, pre-stressed and pre-cast concrete companies, governmental and private electronic fabricators, and general contractors.

Upon completion of the current financing, outstanding capitalization of the company will consist of 333,333 shares of common stock.

Agents Policy Plan

BUFFALO, N. Y.—Agents Policy Plan Inc. is engaging in a securities business from offices at 1122 Hertel Avenue.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

New England Utilities Offer Good Yields

While New England electric utility stocks are relatively unpopular—they sell at an average multiple of only 14.7 times earnings, compared with a recent U. S. average of 18.4—they offer very attractive yields ranging from 4.5% to 5.8% (in fact it may be possible to find still higher yields in some lesser known issues of small companies). With bond yields steadily dropping, most of these stocks now yield more than bonds.

New England companies are generally assumed to have little or no growth in share earnings, but as a matter of fact the 11 companies in the table below show an average five-year compounded gain of 3%, or about one-half the national average. This should rate as at least a "plus factor." Two companies, Eastern Utilities Associates and New England Gas & Electric, approximate the national average. Is the wide disparity in price-earnings ratios fully warranted? The relatively high payout of the New England issues tends to make the average PE ratio somewhat higher than it would be otherwise: for example, New England G. & E. with its low payout sells at only 13.4 times earnings, as compared with 16.5 for Hartford Electric which pays out 81% of earnings. The "normal" PE average for New England would thus be about 13.5 or 14.

New England has been condemned by some financial commentators on two counts, lack of growth due to the demise of the textile industry, and bad regulation. New England utility executives have countered with the argument that textiles have been replaced by electronics and miscellaneous other light industries, and seem to have made out a good case, since the average annual gain in revenues in the past five years has approximated 6 or 7%. But the bleak regulatory atmosphere is another story. Maine, New Hampshire and Rhode Island appear to have the worst reputation in this respect, while Massachusetts has shown improvement.

The New England utilities earn relatively low percentages on the book values of their common stocks, as indicated by the following figures recently compiled by Walter J. Herrman, Vice-President of Southern California Gas Company:

New England Elec. Syst.	8.9%	New England G. & E.___	9.8%
Conn. Light & Power___	9.7	Eastern Util Assoc.____	11.1
Hartford Elec. Light____	8.5	P. S. New Hampshire___	9.9
Central Maine Power___	9.6	Central Vermont P. S.__	10.6
Maine Public Service___	10.4	Green Mountain Power_	10.2
Boston Edison_________	7.5		
		Average ____________	9.7

The New England average of 9.7% compares with an average of 14.8% for five Texas companies, 11.0% for three Florida, 13.8% for five Illinois, etc. The U. S. average is 11.3 for electric utilities, 12.8 for natural gas distributors and 13.3 for gas pipelines (which in 1956 earned as high as 16.2).

The low average earnings in New England are a double handicap—they mean that equity financing is on a more expensive basis. Thus in 1959 New England utilities had to pay about 7% or more for equity money compared with about 4½% for some of the growth companies.

The New England utilities should make a determined effort to obtain a better deal from the commissions and courts, pointing out how they are handicapped in the money markets by the severity of local regulation. Such a program, if successful, would probably do more than anything else to restore these companies to their rightful position among the nation's electric utility companies.

Principal New England Electric Utilities

	Recent Price	Div.	Yield	Est. 1960 Earn	Ave. 5-yr. Gain in Earn.	Price Earn. Ratio	Div. Payout
§Boston Edison________	64	$3.00	4.7%	$4.00	4%	16.0	81%
‡Central Maine Power	25½	1.40	5.5	2.10*	—	12.1	69
‡Central Vermont P. S.	20½	1.08	5.3	1.40*	2	14.6	78
‡Conn. Light & Power	24½	1.10	4.5	1.50*	4	16.3	75
‡Eastern Util. Assoc.___	41½	2.20	5.5	2.90	6	14.3	76
†Hartford Electric_____	62	3.00	4.8	3.75*	NC	16.5	81
§New Eng. Elec. System	22	1.08	4.9	1.35	3	16.3	81
‡New Eng. G. & E. Assn.	23½	1.16	4.9	1.75	5	13.4	68
‡P. S. of New Hamp.___	19½	1.04	5.3	1.40	2	13.9	76
†Maine Public Service	21	1.20	5.7	1.50	2	14.0	80
‡Green Mountain Po'er	20	1.10	5.8	1.40	3	14.3	81
New England Aver.__			5.2		3	14.7	77
U. S. Aver. (recent)			4.0		6	18.4	70

*Earnings include tax savings from accelerated depreciation. NC Not comparable. § New York Stock Exchange. † American Exchange. ‡ Over Counter.

Namm-Loeser's Offers Rights

Namm-Loeser's, Inc., which operates 11 retail clothing stores in Detroit, Pittsburgh, and Woodmere, Long Island, is offering to shareholders of record on Aug. 4 the right to subscribe at $7.75 per share for 108,000 shares of its common stock, ($1 par value), at the rate of one share for each three shares held on the record date. The subscription rights are evidenced by transferable warrants.

The warrants contain a conditional purchase privilege to subscribe for so much of the 108,000 shares as shall not be subscribed for under the above referred to rights offering. The warrants also contain a conditional purchase privilege to subscribe for 109,278 additional shares which are expected to be made available, if conditions permit, to Namm-Loeser's Inc. by the underwriters who have purchased the stock from Arebec Corp.

The 108,000 shares constitute a new issue, the net proceeds of which will be received by the company; the 109,278 additional shares are not a new issue and none of the proceeds therefrom will be received by the company. The conditional purchase privileges are subject to allotment in the event of oversubscription in proportion to the shares subscribed by exercise of the warrants. Rights expire at 3:30 p.m. EDST, Aug. 19, 1960.

The managing underwriter is Ladenburg, Thalmann & Co. The several underwriters have agreed, subject to certain conditions, to purchase from Namm-Loeser's Inc. such of the 108,000 shares as are not subscribed for and may offer the unsubscribed shares and the additional shares, if any, in a public offering after the expiration of the rights offering.

Chicago Exch. Firms Law Review

CHICAGO, Ill.—The Chicago Association of Stock Exchange Firms is sponsoring a State Securities Law Review it is announced by Gordon Bent, chairman.

The session is featuring an introductory talk by Charles F. Carpentier, Secretary of State, and a panel consisting of Robert G. Cronson, Assistant Secretary of State; Theodore W. Grippo, Administrative Counsel; both former Illinois Securities Commissioners, and Donald L. Calvin, the present Securities Commissioner.

Subjects to be review are Registration Requirements, Trading in Foreign Issues, Options and Warrants on Underwritings and Insurance Stock Offerings.

With Dean Witter In Berkeley Office

BERKELEY, Calif. — Associated with Dean Witter & Co.'s new branch office at 2068 Center St., are John Bailey, Richard Nash, George Ahern, William Balch, William Scanlon, John Everett, Fenn Wilson and Michael Casey.

William P. Bradford, partner in Dean Witter & Co., is in charge of the new office.

Greene & Ladd Branch

PIQUA, Ohio — Greene & Ladd has opened a branch office in the Third Savings and Loan Building under the direction of William McCormick.

William David Branch

CLIFTON, N. J. — William David & Co., Inc. has opened a branch office at 1245 Main Avenue under the management of Morris Chaitowitz.

THE SECURITY I LIKE BEST...

Continued from page 2

made into useful objects, soft or rigid.

The polyvinyl - acetate emulsions, used in the manufacture of a wide range of laminants, saturants, coatings and adhesives, are sold to the paper, textile, paint and adhesive industries.

Morningstar starches are used by commercial bakers, canners, baby-food manufacturers, pharmaceutical firms, and ready-to-use food processors. It may surprise many people to know that starch products serve useful purposes outside the food industry. The paper and textile industries, for example, use large amounts of modified starch for sizing and finishing.

Though Morningstar - Paisley's plants are already well distributed in New Jersey, California, Illinois, Missouri, Maryland, Maine and Colorado, the company plans to open new plants in Georgia and Maine by the last quarter of 1960. The sales organization has regional offices in key locations throughout the United States.

Realizing the importance of its research - and - development program, Morningstar - Paisley has more than doubled its staff during the past three years. With more than one out of every ten employees technically trained, the company has not only improved existing products but developed new ones. The new plant in Holton, Maine, for example, will manufacture chemically-modified starches only recently developed in the home laboratories. One of the products to be manufactured there is a new cold-swelling starch for the baking industry; in the making of pies, it saves time and equipment and improves quality. This new starch also has a large sales potential in other aspects of the baking industry.

Morningstar-Paisley is putting more and more emphasis on its chemical division; for starches and gums, when chemically modified, sell at higher prices and improve profit margins. The company has increased profit margins for the past three years and should continue to do so in 1960; its first objective is to earn 4% after taxes. If the company's sales continue to grow and the 4% net profit is achieved, the Morningstar-Paisley investor may expect earnings of about $2.50 a share in a couple of years.

Since its products have many uses and are necessary to so many industries, the company has both stability and great growth potential. Much of the 83% sales increase in the last five years is due to the introduction of new products.

For the first half of 1960, Morningstar-Paisley's earnings were 71 cents a share as against 64 cents a share for the same period in 1959. The increase occurred while many companies were reporting reduced earnings. As mentioned earlier, Morningstar-Paisley's earnings should be about $1.50 to $1.60 a share for 1960 on a sales volume of about $27,000,000. The company will have a cash flow of about $2.50 a share, since depreciation charges will amount to 90 cents to $1.00 a share. There is no reason to assume that the improvement in sales and earnings will not continue into 1961 when the company will introduce new products and have its two new plants in operation. It is also important to point out that Morningstar - Paisley is acquisition-minded, having bought six companies in the last four years.

In sum, we find that Morningstar-Paisley has taken constructive steps toward achieving future success: it has (1) expanded and improved its facilities, (2) increased its research-and-development program, (3) encouraged its profitable chemical division, and (4) continued to introduce new products. Selling at only 12 times estimated 1960 earnings and with improvement expected, Morningstar - Paisley stock, traded in the Over-the-Counter market, is much undervalued. It can be bought for capital gains without much risk.

	Sales	Earnings	*Earns. Per Sh.
1960 Est.______	$27,000,000	$775,000	$1.55
1959__________	25,262,000	663,904	1.33
1958__________	23,136,000	550,524	1.10
1957__________	21,813,000	483,277	.97
1956__________	18,532,000	641,904	1.28

*Based on 500,368 shares.

CAPITALIZATION DECEMBER 31, 1959

Long-Term Debt__$2,492,000 Common Stock____500,368 shs.

Balanced Funds Up Buying While Stock Funds Retreat

Continued from page 1

Group Securities Common, Massachusetts Investors Growth Stock, National Investors, National Securities Stock, T. Rowe Price, the four United Funds, and Wisconsin Fund.

STOCK SELLERS

Conspicuous on the equity lightening side were the following balanced funds:—Commonwealth Investment, Diversified Investment Fund, George Putnam, and Shareholders' Trust of Boston.

Stock funds joining these net sellers included Affiliated Fund, Delaware Fund, Fidelity Fund, Incorporated Investors, Investment Trust of Boston, One William Street, Selected American Shares, State Street, and Texas Fund.

Tri-Continental increased its selling balance of the previous quarter to approximately $3 million from about $800,000. U. S. & Foreign, which for years has been relentlessly reducing its portfolio of oil stocks, continued exclusively on the selling side; in addition to Standard Oil (N. J.), it reduced this time its holdings of Pfizer, Reynolds Metals and O'okiep Copper.

"POST GROWTH"

A new note of realism is revealed as creeping into the policy-making of many managements. Tendencies toward careless capitalization of "growth" earnings at any conceivable price are getting the benefit of an at least partially "agonizing" re-appraisal.

Says T. Rowe Price, President of the fund bearing his name:—

"In order to achieve the Fund's objective of long-term appreciation of capital and increase of income, our past investment policy of buying and holding the best Growth Stocks will have to be modified. Since we believe that many favorite Growth Stocks are selling at prices to discount earnings growth for the next 2-4 years, we will have to place more emphasis on three other types of stocks.

(1) Newer, unseasoned, dynamic stocks of smaller companies involving a very high risk factor and paying little or no cash dividends.

(2) Special situations, such as stocks of old companies which have rejuvenated managements.

(3) Non-growth or slow growth stocks for a short-term industry cycle, purchasing shares when the prospects for the industry are unfavorable, earnings are depressed and stocks are low because they are out of fashion, and holding them until improved earnings increase the demand for the shares. The aircraft, insurance and oil stocks illustrate this group."

"Growth—But"

And the skepticism about *growth* and *style*—has been aptly expressed by Jack J. Dreyfus, whose fund has "performed" exceptionally well right through the last quarter:—

"A true growth stock is one of the best ways to make money in the stock market. But . . . .

Take a nice little company that has been making shoelaces for 40 years and sells at a respectable six times earnings ratio. Change the name from Shoelaces, Inc. to Electronics & Silicon Furthburners. In today's market, the words electronic and silicon are worth 15 times earnings. However, the real play in this stock comes from the word "furth-burners," which no one understands. A word that no one understands entitles you to double your entire score.

Therefore, we have six times earnings for the shoelace business and 15 times earnings for electronic and silicon, or a total of 21 times earnings. Multiply this by two for furth-burners and we now have a score of 42 times earnings for the new company. This is simple, anyone can do it.

Be sure you don't go near a book on security analysis written by Graham and Dodd. These misguided people had the silly notion that you should study securities before you buy them. In today's market, studying securities can be fatal. While you're studying them, they're apt to double, and by the time you find you wouldn't have bought them in the first place, they will probably have tripled.

To be serious, the foregoing does not apply to the main line of securities. For every point these go up, they more or less earn it the hard way. For this reason we think that the market in general is in a middle ground area—neither over-bought nor over-sold with its future actions still likely to be based on truth rather than fiction.

We are learning that a summer rally is not a Federal law. On the other hand, this is an election year. If the market should get too bad, the Government would probably not stand idly by without at least trying the usually effective remedy of lowering margin requirements."

Meanwhile, the record reveals that Dreyfus reduced its holdings of Philips' Lamp Works, RCA and Zenith. Bought newly, however, were such "growthy" issues as Aluminium Ltd., Farben Bayer, Hoffman-La Roche, Merck, Miles Laboratories, Siemens & Halske, and Upjohn; and additionally, Beckman Instruments, Collins Radio, IBM, ITT, Owens-Corning, Pfizer, etc.

Selective Growth by Lehman

Also newly acquiring Upjohn was the Lehman Corporation; which as well bought "growth" publishing stocks, such as Prentice-Hall and Holt Rinehart & Winston, and also Brush Beryllium, Beryllium Corporation, and Haloid Xerox.

Also joining those taking a fresh look at *Growth* — is Broad Street Investing. "Growth stocks were engulfed in a wave of public popularity during the period (first half of 1960)," say Chairman Randolph and President Brown. "However, for the most part they provided such low current and nearby income and involved a sufficiently high order of risk as to make them unsuited to your Corporation's investment objectives."

Whether, and to what extent, such arrival at the facts of investment life resulted from the price declines in the market's growth-and-glamour section, or vice versa, remains an interesting question. Our portfolio data shown below indicates that while many of the growth issues were liquidated, broad generalization is not yet warranted.

The Long-Term View

Typical of the long-term constructive "sitting on your stocks" attitude is the following expression of Lazard Fund through Messrs. Hettinger and Mansfield: "Endeavoring to give appropriate weight to the interplay of both domestic and international economic factors, we believe the economy remains in reasonable balance and dynamic, and a well invested position for the Fund is justified."

The Short-Term View

The tying of portfolio policy to outside factors, and with optimistic though somewhat hedged conclusions, was thus voiced, by Harry H. Hagey, Jr., President of the Stein Roe & Farnham Balanced Fund:

"Business activity remained at a high level during the first half of the year, even though noticeable declines occurred in certain sectors of the economy. The most prominent contracting influence was a sharp reduction in the rate at which inventories were being built. Concern about inflation subsided as the year progressed, leading to an improvement in the attitude of investors toward fixed-income securities. Common stock prices fell rather sharply from a peak early in the year and then recovered a portion of the loss. The weakness was most pronounced in stocks of companies whose current earnings were disappointing and in those of companies especially vulnerable to a contraction in business generally. The declines carried prices of many issues to levels that appeared to represent sound values. In order to take advantage of these lower prices, some of the Fund's short-term fixed-income securities were sold and the proceeds invested in additional stocks.

By now the economy appears to have experienced most of the unfavorable impact of the decline in the rate of inventory accumulation. Employment remains high and consumer demand is firm. In our opinion overall business activity will be rising before the end of the year. Our policy is to maintain the present somewhat larger common stock position unless there is a significant change in either the economic outlook or the level of the stock market."

Quite exceptional, switching to equities was forthrightly explained by Harold W. Story of Wisconsin Fund thus:

"In our first quarterly report we informed you of an adjustment in our portfolio arising out of the sale of carefully selected equities and the investment of the proceeds in U. S. Treasury securities. During the second quarter we have liquidated some of our Treasury securities on a favorable basis and have invested the proceeds in equities designed to meet our objective of long-term capital growth and current income to shareholders."

The election prospects, as a market factor, were discussed thus by D. Moreau Barringer, President of Delaware Fund:—

"By themselves, the usual signs of the economic weather are probably not enough to cause active pessimism; but political factors may be shaping up to reinforce them. For one thing, a Democratic administration has, so far, never witnessed as high a price-earnings ratio for stocks as a Republican administration; and the Democratic party seems to have fielded about as strong a team as could have been found. The continuation of a Republican administration will require a strenuous and perhaps uphill fight."

* * *

POPULARITY WINNERS—ISSUES

During the past quarter the popularity spotlight shifted to North American Aviation (aircraft and missile maker) and Upjohn (drug manufacturer listed in 1959). Runners-up were Continental Oil, IMB (again), ITT, and West Penn Electric, in that order. This marked quite a departure from the previous quarter, when the best bought stocks were IBM, ATT, Swift and Gillette.

DIS-FAVORED STOCKS

Leading the liquidated issues was "growthy" General Telephone & Electronics; followed by RCA, Pfizer, Anaconda, Montgomery Ward, and St. Regis Paper. This contrasts with the previous quarter's top selling position of American Airlines, Chrysler, and Jones & Laughlin; only Pfizer was "running scared" in both periods.

FOREIGN ISSUES

Interest in foreign issues was maintained by the diversified funds as well as the specializing units. Among the best bought issues were Siemens & Halske, Unilever N.V., Royal Dutch (again), with continued buying by long-favored Philips' Lamp offset by some accompanying profit-taking.

A large single purchase of Imperial Chemical Industries was made by United Science Fund, to the tune of 100,000 shares. A new position of 41,000 shares was taken

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Changes in Common Stock Holdings of 72 Investment Management Groups

(April-June, 1960)

Issues in which transactions by more than one management group occurred. Issues which more managements sold than bought are in italics. Numerals in parentheses indicate number of managements making entirely new purchases or completely eliminating the stock from their portfolios. *(Purchases shown exclude shares received through stock splits, stock dividends, spin-offs or mergers, both of portfolio companies or via acquisition of private holding companies. Number of shares bought or sold prior to a stock split is expressed giving effect to the split.)*

—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
		Agricultural Equipment		
5(2)	76,000	International Harvester	84,000	3(3)
6	*45,390*	*Deere*	*67,315*	*7(3)*
		Aircraft and Aircraft Equipment		
2	7,400	Aerojet-General	None	None
2(1)	12,500	Beech Aircraft	None	None
2	1,500	Douglas Aircraft	None	None
1	2,500	Grumman Aircraft	3,000	1(1)
2	2,400	Lockheed Aircraft	12,432	2
5(2)	55,300	Martin	9,450	2(2)
8(1)	52,900	North American Aviation	None	None
2(1)	3,500	Northrop	None	None
2	21,700	Piper Aircraft	None	None
1(1)	400	Republic Aviation	16,000	1(1)
4	26,700	United Aircraft	19,000	2(1)
None	*None*	*Bendix*	*30,300*	*3*
1	*1,000*	*Boeing Airplane*	*18,100*	*2(1)*
1	*1,000*	*General Dynamics*	*4,500*	*2(1)*
1	*500*	*Marquardt Aircraft*	*18,000*	*3(2)*
		Airlines		
3	23,000	American Airlines	20,100	1
4	24,500	Eastern Air Lines	21,300	2(2)
3(1)	14,881	United Air Lines	1,000	1(1)
		Automotive		
6(1)	49,100	Ford Motor	94,400	4
4(3)	111,200	Fruehauf Trailer	8,000	1(1)
1	6,060	Mack Trucks	50	1
1(1)	8,000	White Motor	9,910	1
None	*None*	*Chrysler*	*84,200*	*2(1)*
4(1)	*14,500*	*General Motors*	*61,800*	*8(3)*
		Automotive Equipment		
1	1,100	Borg-Warner	26,000	1(1)
2(2)	11,000	Briggs & Stratton	10,000	1(1)
2	13,000	Champion Spark Plug	6,600	1(1)
2	11,500	Electric Storage Battery	7,500	2(1)
1	4,300	Kelsey-Hayes	14,100	1
2	13,200	Timken Roller Bearing	22,700	1
None	*None*	*Thompson Ramo Wooldridge*	*7,000*	*2(1)*
		Banks		
6(1)	39,500	Chemical Bank New York Trust	6,000	1(1)
3(1)	53,500	Firstamerica	None	None
1	10,000	First Nat'l Bank of Chicago	1,500	1(1)
5	20,664	First Nat'l City Bank of N. Y.	8,456	2(2)
1(1)	27,000	Hanover Bank	3,375	1(1)
2	31,800	Marine Midland	10,250	1(1)
1	2,157	Mellon Nat'l Bank & Trust	2,325	1
2	35,538	Northwest Bancorporation	None	None
3	15,300	Security-First Nat'l Bk. of L. A.	None	None
1	*38,000*	*Bankers Trust*	*23,000*	*3(3)*
1	*33,800*	*Chase Manhattan Bank*	*9,110*	*3(3)*
None	*None*	*Manufacturers Trust*	*7,200*	*2(2)*
1	*1,000*	*Morgan Guaranty Trust*	*13,423*	*3(2)*
		Beverages		
5(3)	38,400	Coca-Cola	600	1(1)
6(3)	84,400	Pepsi-Cola	23,000	1(1)
		Building, Construction and Equipment		
3(1)	16,000	Crane	None	None
2(1)	5,400	Georgia-Pacific	17,740	1
2	40,100	Ideal Cement	None	None
5(2)	37,600	Johns-Manville	None	None
2(1)	23,600	Lehigh Portland Cement	None	None
1	2,000	Penn-Dixie Cement	300	1
4(1)	11,600	Sherwin-Williams	None	None
3	5,000	Trane	1,000	1
3(1)	17,900	U. S. Plywood	None	None
2	2,700	Yale & Towne	None	None
1(1)	*500*	*Armstrong Cork*	*5,200*	*2(1)*
1(1)	*10,000*	*Bestwall Gypsum*	*5,250*	*2(1)*

—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
1	*19,000*	*General Portland Cement*	*44,600*	*3(1)*
1(1)	*500*	*Minneapolis-Honeywell*	*18,300*	*4(1)*
2	*5,900*	*National Lead*	*26,700*	*6(4)*
None	*None*	*U. S. Gypsum*	*42,500*	*4(1)*
		Chemicals and Fertilizer		
2	12,300	Air Products	None	None
2	28,200	Air Reduction	16,200	2
4(1)	37,600	Allied Chemical	6,400	2(1)
4(1)	41,200	American Cyanamid	200	1
2	3,300	American Potash & Chemical	None	None
4(1)	9,500	Dow Chemical	20,310	3(1)
5	12,800	du Pont	18,200	5(1)
4(1)	13,900	Eastman Kodak	5,000	1
2(1)	18,750	Farbenfabriken Bayer (DM 50 or equivalent)	8,000	1
6	14,100	Food Machinery & Chemical	14,400	2
4	14,100	Hercules Powder	6,000	1(1)
2(2)	10,600	Heyden-Newport Chemical	None	None
6	32,300	Hooker Chemical	400	1
2	9,000	Olin Mathieson	None	None
5(1)	43,100	Stauffer Chemical	37,646	2
5(1)	20,400	Union Carbide	4,100	3(1)
2	8,500	United Carbon	1,600	1
2	67,400	U. S. Borax & Chemical	400	1(1)
2(1)	2,200	Vick Chemical	None	None
None	*None*	*Canadian Industries*	*14,250*	*2(1)*
1	*10,000*	*Columbian Carbon*	*2,100*	*2*
None	*None*	*Diamond Alkali*	*17,353*	*2(2)*
None	*None*	*Freeport Sulphur*	*38,500*	*3(1)*
1	*200*	*Internat'l Minerals & Chemicals*	*2,200*	*2(1)*
3(1)	*7,300*	*Monsanto Chemical*	*180,900*	*4(3)*
2	*13,700*	*Pennsalt Chemicals*	*6,800*	*3*
None	*None*	*Rayonier*	*42,800*	*4(1)*
1	*400*	*Rohm & Haas*	*952*	*3*
1	*500*	*Thiokol Chemical*	*6,724*	*2*
		Containers		
1(1)	14,000	American Can	24,000	1(1)
5(1)	38,600	Continental Can	None	None
1	*7,000*	*Lily-Tulip Cup*	*40,500*	*2*
		Drug Products		
6(3)	22,700	Abbott Laboratories	21,400	2(1)
2(2)	15,200	American Home Products	None	None
2(1)	7,400	Bristol-Myers	5,500	1
2(1)	23,000	Miles Laboratories	None	None
2	4,500	Norwich Pharmacal	3,000	2(1)
4	21,400	Parke, Davis	49,300	3(1)
4(3)	44,500	Rexall Drug & Chemical	None	None
2	11,500	Schering	5,100	2
2(1)	3,500	Searle (G. D.)	None	None
4(2)	61,500	Smith, Kline & French	23,800	3
2(2)	30,000	Sterling Drug	None	None
8(5)	77,600	Upjohn	None	None
2(1)	22,500	Warner-Lambert	None	None
1	*2,000*	*Lilly (Eli) "B"*	*4,200*	*2*
1	*10,000*	*Mead Johnson*	*9,400*	*3(1)*
5(3)	*20,700*	*Merck*	*21,800*	*7(1)*
2(1)	*7,500*	*Pfizer (Chas.)*	*166,100*	*8(1)*
		Electricals, Electronics and Instrumentation		
1(1)	20,000	AMP	2,000	1
2(1)	15,200	Beckman Instruments	None	None
2(1)	1,300	Control Data	None	None
5(1)	45,600	General Electric	100	1
7(4)	182,300	International Tel. & Tel.	39,400	1
2(1)	5,000	Ling-Altec Electronics*	15,700	2(2)
3(1)	2,780	Litton Industries	None	None
6(1)	20,725	Philips' Lamp Works (fl. 50 or equivalent)	7,125	3
6(2)	29,240	Siemens & Halske (DM 50 or equivalent)	25,000	1(1)
3(1)	6,000	Sperry Rand	10,600	2(1)
3	46,900	Square D	None	None
2(2)	50,000	Sunbeam	50,200	1(1)

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Continued from page 21

Bought: No. of Mgts.	Bought: No. of Shares		Sold: No. of Shares	Sold: No. of Mgts.
5(1)	1,850	Texas Instruments	5,400	5
1(1)	62,100	Transiton Electronics	1,090	1(1)
3(1)	12,100	Westinghouse Electric	15,600	2(2)
4(1)	*10,970*	*Ampex*	*41,700*	*5(3)*
1(1)	*3,500*	*Consolidated Electronics Indus.*	*10,000*	*2*
None	*None*	*Cutler-Hammer*	*9,100*	*2(1)*
1(1)	*70,000*	*Philco*	*3,700*	*2*
3(1)	*30,044*	*RCA*	*123,870*	*10*
None	*None*	*Sprague Electric*	*5,730*	*2(1)*

*Before recent merger forming Ling-Temco Electronics.

Bought: No. of Mgts.	Bought: No. of Shares		Sold: No. of Shares	Sold: No. of Mgts.
		Finance Companies		
1	16,300	Associates Investment	5,000	1
2	7,300	Beneficial Finance	2,500	1
2	21,500	C. I. T. Financial	None	None
4(2)	47,300	First Charter Financial	700	1
2(1)	12,400	Great Western Financial	5,750	1
1	3,800	Heller (Walter E.)	800	1
2(1)	26,100	Household Finance	None	None
1	200	Seaboard Finance	4,800	1
4(3)	54,100	Talcott (James)	None	None
None	*None*	*Pacific Finance*	*7,900*	*2*
		Food Products		
3(1)	15,000	Armour	22,100	3(1)
3(1)	117,400	Borden	28,100	1
3(1)	21,620	California Packing	4,000	1
3(1)	29,500	Campbell Soup	None	None
3(2)	16,800	Consolidated Foods	None	None
2(1)	52,000	Frito	None	None
3	8,800	General Foods	200	1
3(1)	28,000	Minute Maid	None	None
2	3,000	National Biscuit	24,400	1
2(2)	15,000	National Dairy	5,500	2(1)
2	3,300	Pillsbury	None	None
1	10,000	Quaker Oats	8,100	1(1)
1	7,900	Standard Brands	3,400	1
5	33,000	Swift	20,000	1(1)
3(1)	50,200	Wilson	None	None
1(1)	*15,000*	*Corn Products*	*12,000*	*3(2)*
None	*None*	*National Sugar Refining*	*22,500*	*2(2)*
		Glass		
(3)1	6,300	Owens-Corning Fiberglas	17,000	1(1)
6(1)	32,300	Owens-Illinois Glass	2,700	3(1)
1	*600*	*Corning Glass Works*	*1,700*	*2(2)*
3(1)	*49,300*	*Libbey-Owens-Ford*	*114,300*	*6(2)*
2	*6,000*	*Pittsburgh Plate Glass*	*4,604*	*3(2)*

Bought: No. of Mgts.	Bought: No. of Shares		Sold: No. of Shares	Sold: No. of Mgts.
		Insurance — Fire & Casualty		
3(1)	4,500	Continental Casualty	None	None
2	32,000	Employers' Group Associates	None	None
2(1)	7,500	Govt. Employees' Insurance	None	None
2	7,500	Hartford Fire	None	None
3(1)	10,000	U. S. Fidelity & Guaranty	None	None
1(1)	*15,000*	*Continental Insurance*	*16,600*	*2(2)*
2	*3,100*	*Travelers*	*46,250*	*4(3)*
		Insurance — Life, etc.		
2	7,000	Aetna Life	1,100	2
2(1)	49,400	Transamerica	2,400	2(2)
None	*None*	*Connecticut General Life*	*13,750*	*2(2)*
1	*6,000*	*National Life & Accident*	*14,200*	*2*
		Machinery, Machine Tools and Industrial Equipment		
3	40,000	Babcock & Wilcox	None	None
2	16,075	Blaw-Knox	None	None
3	24,000	Caterpillar Tractor	40,400	3(1)
2	23,000	Chicago Pneumatic Tool	19,000	1(1)
2	3,606	Emhart Mfg.	3,000	1(1)
3	14,500	Ingersoll-Rand	None	None
2	13,400	Joy Mfg.	2,600	1
1	600	Leesona	500	1
2	6,000	National Acme	None	None
2	7,000	Singer Mfg.	None	None
5	16,000	United Shoe Machinery	7,000	2(2)
1	6,900	Warner & Swasey	100	1
None	*None*	*Dresser Industries*	*78,800*	*2(2)*
		Metals and Mining—Aluminum		
8(3)	109,700	Aluminium Ltd.	211,500	5(2)
2	11,800	U. S. Foil "B"	12,200	2(1)
None	*None*	*Aluminum Co. of America*	*62,000*	*3(2)*
2(1)	*40,500*	*Kaiser Aluminum & Chemical*	*143,700*	*4(2)*
2	*3,700*	*Reynolds Metals*	*35,900*	*5(1)*
		Metals and Mining — Copper		
2	17,613	Cerro de Pasco	None	None
2(1)	6,000	Inspiration Consolidated Copper	9,400	1(1)
1	6,000	Magma Copper	200	1
1	29,500	Phelps Dodge	16,600	1(1)
3	*12,200*	*Anaconda*	*81,690*	*8(3)*
2	*1,100*	*Kennecott Copper*	*27,400*	*3(1)*
1	*5,000*	*Revere Copper & Brass*	*25,500*	*2(1)*
		Metals & Mining—Nickel		
1(1)	25,000	Falconbridge Nickel	2,000	1
3	8,500	International Nickel	1,300	1(1)
		Metals and Mining — Other		
3	19,500	American Metal Climax	22,500	3(2)
2(1)	32,700	Beryllium	None	None
3(3)	25,300	Brush Beryllium	None	None
2	15,425	Dome Mines	2,000	1(1)
4	*26,300*	*American Smelting & Refining*	*75,500*	*5(4)*
		Natural Gas		
2(2)	35,500	Arkansas Louisiana Gas	10,500	2
3(2)	55,040	Colorado Interstate Gas	10,780	1
3	28,600	Consolidated Natural Gas	20,000	3(3)
2	2,500	El Paso Natural Gas	11,500	2(1)
1	1,000	Lone Star Gas	6,500	1
1	2,000	Mississippi River Fuel	4,100	1(1)
1	21,000	National Fuel Gas	4,500	1(1)
1	7,000	Panhandle Eastern Pipe Line	4,800	1(1)
2	20,500	Republic Natural Gas	None	None
1	3,000	Transcontinental Gas Pipe Line	2,600	1
3	66,100	United Gas	45,000	2(1)
1	*1,100*	*American Natural Gas*	*56,700*	*3(1)*
2	*24,500*	*Tennessee Gas Transmission*	*24,000*	*4(2)*

Continued on page 24

Balanced Funds Up Buying While Stock Funds Retreat

Continued from page 20

in battered Brazilian Traction by de Vegh Mutual. Interest abroad was also evinced, mostly via single transactions, in Elliott-Automation, Farben Bayer, Farben Hoechst, Photo Gevaert, Pechiney, Plessey Co., and RWE. Single sales occurred in Acieries de Longwy, Air Liquide, Borax Holdings, Broken Hill Pty., O'okiep Copper, St. Gobain, Stanhill Holdings, and Ultramar.

In efficient search for high-yielding bonds, Mutual Trust took a new position in British Consols. 2½s; and Institutional Income Fund bought 12% bonds due 1961 of a Latin American subsidiary of General Electric.

* * *

"UNANIMOUS" FAVORITES

The following 14 issues, bought by 4 or more funds, encountered no "dissenting opinion"; that is, all transactions were on the buying side: Continental Can, Continental Oil, Gillette, Great A & P, Johns-Manville, North American Aviation, Philip Morris, Public Service Electric & Gas, Rexall Drug, Sherwin-Williams, James Talcott, Upjohn, West Penn Electric and Wisconsin Electric Power.

THE UNDISPUTED SELLING TARGETS

The following seven issues were sold by four or more funds, with nary a buyer: Alico Land Development, American Viscose, Minnesota Mining & Manufacturing, Rayonier, St. Regis Paper, U. S. Gypsum and Youngstown Sheet & Tube.

* * *

ATTITUDE TOWARD INDUSTRY GROUPS

The following analysis of portfolio changes, reflected in our tabulation starting on page 21 of transactions in nearly 450 stock issues is based on the number of managements buying or selling, not on the number of shares or the dollar amounts involved.

During the June quarter fund managements particularly favored aircrafts, beverages, building, drugs, electrical and electronics, fire and casualty insurance, utilities, retail trade, and tobacco stocks. Also fairly well bought, but to a moderate degree, were airline, bank, finance, food, paper, and railroad stocks. A thoroughly mixed attitude was displayed toward automotive, chemical, glass, life insurance, metal, oil, rubber, and steel stocks.

Textile and rayon stocks remained in pronounced disfavor.

Industries encountering a "stand-off" balance between buyers and sellers included agricultural equipment, automotive equipment, container, machinery, natural gas, radio-movie-TV, and railroad equipment stocks.

TRANSACTIONS IN THE FAVORED GROUPS

Aircrafts Zoom

Best bought issue in this industry, by far, was North American Aviation, by eight managements, with no seller. In fact, as pointed out above, North American was one of the two best-bought of all issues. Investment Co. of America established a new position in this issue, with a 30,000-share stake. National Securities Stock Series was another large purchaser, with 10,300 shares. Also liked was Martin, bought by Wellington (15,000), Madison (10,000 newly) and de Vegh (5,000 newly); sellers were United Science (6,300 all) and Johnston (3,150 all).

United Aircraft found four buyers, including National Securities Stock and Income Series (11,100) and National Aviation (10,000); sellers of this issue included Selected American (10,000 all) and the United Funds Group (9,000).

Moderate Buying of Airlines

Some buying came into American, Eastern, and pre-merger United. Larger buyers of American included Delaware Fund (12,000) and National Aviation (10,000), while Madison sold 20,100 shares. Of Eastern, specialized National Aviation bought 12,000 shares, and the Stein Roe Group 7,000; while close-outs were made by Scudder Fund (16,400) and Eaton & Howard Stock (4,900). Again, of United, National Aviation bought 7,500, and Stein Roe Stock Fund an initial 7,000 shares, whereas Overseas Securities was a lone seller.

Banks Bought on Balance

Apparently reflecting expectations of a tapering-off of the recent rise in bank earnings, which had been prompted by "tight money," the funds did not buy bank stocks as freely or uniformly as during the preceding quarters. Nevertheless, more of these issues were bought than sold. Best bought was Chemical Bank New York Trust, acquired by six managements and sold by only one, namely, Dreyfus; the largest buyer was Wellington Fund with 30,000 shares, followed by Madison with 5,000. Also liked were First National City Bank of New York and Security-First National Bank of Los Angeles, as well as Firstamerica, the bank holding company. The divergent attitude toward bank stocks was highlighted, however, by the fact that two funds, namely, Dreyfus and Shareholders' Trust of Boston, eliminated all the bank stocks in their portfolios (7 and 5 issues, respectively).

Beverages Effervesce

Continuing their popularity during the preceding quarters, both Coca-Cola and Pepsi-Cola ranked fairly well during the quarter on the score of fund managements' acquisitions. Largest buyer of Coca-Cola was the United Funds Group with 12,900 shares, followed by Massachusetts Life Fund (9,000), Scudder Fund (8,000) and Investment Co. of America (7,700), the three latter all establishing new positions in the stock. Transactions in Pepsi-Cola were even larger, with Fundamental Investors buying 72,400 shares, and three other funds making initial acquisitions, while the Stein Roe & Farnham Group was the only seller, with a closeout of 23,000 shares.

Constructive Attitude Toward Building Stocks

In this group, the spotlight was focused on Johns-Manville and Sherwin-Williams, which were bought by five and four managements respectively, with no seller. Largest buyers of J-M were Investment Co. of America (16,000 newly) and Investors Mutual (12,100). A prominent buyer of Sherwin-Williams was Fidelity Fund, with an initial acquisition of 6,800 shares.

Reflecting the divergent attitude toward building and related stocks, however, was the funds' action on the following stocks: Bestwall Gypsum, which has long constituted one of Lazard's largest individual holdings, was reduced by this fund in the amount of 3,750 shares; completely closed out by de Vegh (1,500), which had acquired it only during the preceding quarter; and bought newly by Lehman (10,000). Two growth stocks in this group, namely Minneapolis-Honeywell and National Lead, were also selling targets; the former was sold by Tri-Continental (9,500) and Lazard (all 7,500 shares), with Guardian Mutual the only buyer (500 newly). National Lead was closed out by Putnam (all 10,000 shares), Dominick (all 4,500), Chemical Fund (5,200), Lazard and others, while bought only by Wellington (2,900) and Eaton & Howard Stock Fund (3,000). Anticipating the lower earnings which have since been reported, U. S. Gypsum was sold by Fundamental Investors (32,500), and three others, with no buyer.

Drugs Stimulate Buyers

Leading the parade of drug stocks liked and, in fact, of all stocks bought during the quarter (as pointed out above) was Upjohn (which advanced from 46 on March 31st to 51 on June 30th); its largest buyers included Wellington (29,500), Dreyfus (14,000 newly), Chemical Fund (12,700), and Lehman (10,000 newly), with no seller. Second best liked drug stocks were Abbott Laboratories and Rexall; Abbott notwithstanding a 20,000 share close-out by Chemical Fund. By far the largest purchase of Rexall was made by Fidelity Fund, with an initial acquisition of 21,500 shares, followed by a 12,500-share purchase by Selected American. Heavy selling, on the other hand, once more struck Pfizer (a former "growth" favorite), its largest sellers were the United Funds Group with 49,700, Fundamental with 51,000, One William Street with 20,000, Eaton & Howard Balanced with 17,000, U. S. & Foreign Securities and Commonwealth Investment with 10,000 each. The only buyers were Dreyfus (5,000) and Guardian (2,500 newly). Opinion was more divided on Merck, sold by seven and bought by five managements, with Dreyfus the largest buyer (12,000 newly) and Affiliated Fund the largest seller (6,200).

Electric and Electronics Regain Favor

During the latest quarter, the best bought position in the electronics group shifted from General Electric to I.T.T. (possibly contributing to G.E.'s market weakness). Largest buyers of ITT were MIT (61,000 newly), Incorporated Investors (60,000 newly), and One William (25,000 newly); with Affiliated Fund the sole seller (39,400). The second best bought stock in this group was a foreign issue, Siemens & Halske (marking a departure from the leading position of long-popular Philips' Lamp Works). Siemens, which had been more sold than bought in the preceding quarter, found its largest buyer in Dreyfus (17,500 newly), while Wellington was the only seller (25,000 all); another initial buyer was de Vegh (5,000). Philips' Lamp was bought by six managements, including Fidelity (10,100), Lazard (4,225), and Consolidated Investment Trust (4,000 newly); the sellers included Dreyfus, United Continental, and Energy Fund.

Marking the rising disenchantment with the "glamor-growth" issues was the stand-off in Texas Instruments' transactions (five managements buying and five selling), and in Ampex (five sellers, including Delaware Fund with all its 21,500, and Madison Fund with all its 7,500 shares, versus four buyers).

Particularly heavy selling hit RCA, making it the second most frequently sold of all stocks during the quarter. The 10 managements selling RCA were lead by Wellington (42,300), Lazard (36,500) and Selected American (16,500), while a 12,000-share initial purchase made by Scudder Common was the largest of three acquisitions made.

Finance Companies in Moderate Demand

Some fair-sized buying demand centered on First Charter Financial and James Talcott. The former found its largest buyers in Eaton & Howard Stock Fund (25,000 newly) and Putnam (16,300). Putnam was also a large buyer of James Talcott (15,000 newly), although topped by Fidelity Fund with a new acquisition of 28,500 shares and followed by Dreyfus

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Minn. Planned Investments

(Special to The Financial Chronicle)

MINNEAPOLIS, Minn. — Minnesota Planned Investments, Inc., has been formed with offices at 807 Thirteenth Avenue, South to engage in a securities business. Officers are Charles F. Wallander, Jr., president and treasurer; Leo P. Sullivan, vice president and secretary; Wendell D. Wulkan, Edward T. Johnston, Robert J. Burns and Ronald L. Funk, vice presidents.

Continued from page 22

—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
		Office Equipment		
2(1)	21,000	Burroughs	13,445	2(1)
2(1)	2,800	Friden	8,000	1
10(1)	22,150	IBM	4,283	4
2(1)	15,500	Moore Corp. Ltd.	None	None
2	21,700	National Cash Register	None	None
2	*8,500*	*Addressograph-Multigraph*	*2,205*	*3(1)*
1	*3,000*	*Pitney-Bowes*	*5,600*	*3(1)*
		Oil		
3	24,200	Amerada Petroleum	2,000	2(1)
1	500	Anderson-Prichard Oil	4,000	1
2	34,800	Atlantic Refining	18,300	2(1)
2	12,800	Calgary & Edmonton	None	None
7(2)	24,700	Continental Oil	None	None
2	3,500	Kern County Land	12,500	1
5(1)	43,800	Louisiana Land & Exploration	11,700	3
1	78,300	Ohio Oil	6,500	1(1)
6	99,700	Phillips Petroleum	23,700	1(1)
5	50,976	Royal Dutch Petroleum	33,660	2
2	32,000	Shamrock Oil & Gas	4,000	2(2)
4(2)	79,100	Shell Oil	22,000	2(1)
3	53,700	Socony Mobil Oil	13,000	2(1)
2	17,000	Standard Oil (Ind.)	5,000	1
1	2,000	Standard Oil (Ohio)	15,000	1
2	71,600	Sunray Mid-Continent Oil	10,000	1
3(1)	1,400	Superior Oil (Calif.)	2,610	2(1)
8(1)	72,384	Texaco	46,200	5(1)
2	12,200	Universal Oil Products	None	None
None	*None*	*Cities Service*	*7,198*	*3(1)*
4	*38,060*	*Gulf Oil*	*94,648*	*5(1)*
None	*None*	*Signal Oil & Gas*	*8,500*	*3(1)*
1	*40,000*	*Sinclair Oil*	*135,700*	*5(1)*
None	*None*	*Skelly Oil*	*9,000*	*2(1)*
1	*5,000*	*Standard Oil of Calif.*	*56,700*	*4(2)*
5(1)	*68,700*	*Standard Oil (N. J.)*	*48,700*	*8(2)*
None	*None*	*TXL Oil*	*15,200*	*2*
		Paper and Paper Products		
1(1)	17,000	Container Corp. of America	13,000	1
1	4,800	Crown Zellerbach	10,000	1(1)
2	4,700	Federal Paper Board	None	None
3	9,100	Fibreboard Paper Products	None	None
4	11,000	International Paper	15,164	3(1)
4(1)	19,400	Kimberly-Clark	12,300	2(1)
2(1)	7,200	Mead	7,600	1(1)
3	25,600	Scott Paper	2,000	1
1	*300*	*Champion Paper & Fibre*	*12,800*	*3*
None	*None*	*St. Regis Paper*	*48,300*	*5*
		Public Utilities — Electric and Gas		
5	45,200	American Electric Power	3,000	2(1)
3(2)	48,900	Arizona Public Service	10,000	1(1)
3	20,600	Baltimore Gas & Electric	3,700	1
2	2,000	Central Illinois Public Service	2,800	1
1	7,500	Central Louisiana Electric	26,250	1(1)
2	11,500	Cleveland Electric Illuminating	None	None
5(1)	41,100	Columbus & So. Ohio Electric	15,800	2(1)
4(1)	18,750	Commonwealth Edison	3,131	1(1)
2(2)	6,000	Consolidated Edison (N. Y.)	None	None
4(3)	12,300	Consumers Power	30,000	1(1)
3(2)	14,000	Dayton Power & Light	None	None
1	9,000	Delaware Power & Light	17,500	1
2	1,318	El Paso Electric	None	None
2	3,700	Empire District Electric	None	None
6(2)	67,600	Florida Power & Light	33,700	4
4	151,400	General Public Utilities	35,000	2(2)
1	1,000	Gulf States Utilities	12,000	1
1	1,000	Idaho Power	1,000	1
2	11,600	Illinois Power	900	1(1)
1	10,000	Kansas City Power & Light	18,300	1
3	9,800	Kansas Gas & Electric	None	None
2	21,200	Kansas Power & Light	2,600	1
2	12,000	Long Island Lighting	13,300	2
5(1)	196,900	Middle South Utilities	105,798	3(2)
1	1,800	Montana Power	6,000	1(1)
6(1)	15,600	N. Y. State Gas & Electric	24,900	1
1	5,000	Northern Illinois Gas	4,000	1
2	111,400	Ohio Edison	None	None
2	37,000	Oklahoma Gas & Electric	None	None
2(1)	8,900	Orange & Rockland Utilities	None	None
3	14,100	Pacific Gas & Electric	42,500	1
3(1)	11,000	Potomac Electric Power	None	None
2	3,800	Public Service of Colorado	None	None
2	6,000	Public Service of New Mexico	None	None
5(2)	49,400	Public Service Electric & Gas	None	None
2	5,000	Puget Sound Power & Light	None	None
3	28,715	Savannah Electric & Power	None	None
2(1)	41,900	South Carolina Electric & Gas	700	1(1)
4(1)	6,600	Southern California Edison	62,400	4(3)
3	25,000	Southwestern Public Service	None	None
3	14,500	Tampa Electric	5,800	1
3(1)	161,700	Toledo Edison	None	None
2(1)	9,400	Virginia Electric & Power	10,400	2(1)
6(2)	79,300	West Penn Electric	None	None
4(1)	15,300	Wisconsin Electric Power	None	None
2(1)	*35,000*	*Carolina Power & Light*	*136,100*	*3(2)*
None	*None*	*Central & South West*	*14,900*	*2*
None	*None*	*Duquesne Light*	*47,600*	*2(2)*
2(1)	*2,100*	*Iowa-Illinois Gas & Electric*	*29,958*	*3(2)*
1	*7,000*	*Niagara Mohawk Power*	*12,600*	*2(1)*
2	*25,000*	*Peoples Gas Light & Coke*	*19,900*	*3(2)*
None	*None*	*Public Service of Indiana*	*26,900*	*2(1)*
2	*12,400*	*Southern Co.*	*35,300*	*3*
1(1)	*1,500*	*Texas Utilities*	*5,400*	*3*
		Public Utilities — Telephone & Telegraph		
6(1)	55,500	American Tel. & Tel.	32,000	3(1)
3	16,700	Western Union	30,100	3(1)
1	*1,000*	*General Telephone & Electronics*	*153,444*	*10(3)*
		Radio, Television and Movies		
3(1)	39,500	American Broadcast.-Paramount	None	None
2(1)	4,500	Collins Radio	23,800	2(1)
4	26,320	Columbia Broadcasting	27,400	3(1)
2	3,000	Magnavox	5,000	1
1	2,200	Stanley Warner	5,000	1(1)
1	500	Twentieth Century-Fox Film	15,100	1
3	14,200	United Artists	None	None
2(1)	17,000	Zenith Radio	12,500	1
2	*6,500*	*Motorola*	*12,000*	*4(3)*
1	*500*	*Paramount Pictures*	*8,500*	*3(3)*
		Railroads		
2	8,000	Atchison, Topeka & Sante Fe	None	None
4(2)	21,700	Atlantic Coast Line RR.	29,200	1
2(1)	2,300	Baltimore & Ohio	31,400	1
2	15,200	Denver & Rio Grande Western	29,000	1
1	500	Great Northern	2,300	1
4	29,550	Norfolk & Western	1,650	1
2	4,800	Seaboard Air Line	3,400	1
2	46,500	Southern Pacific	50,700	2
3	24,600	Southern Railway	17,500	2
3	18,200	Union Pacific	None	None
2	*17,060*	*Chesapeake & Ohio*	*8,900*	*3(1)*
None	*None*	*Missouri Pacific "A"*	*65,400*	*2(1)*
None	*None*	*N. Y., Chicago & St. Louis*	*18,200*	*2*
		Railroad Equipment		
2	3,000	American Brake Shoe	None	None
1(1)	13,100	Budd	30,000	1(1)
3	3,400	Gen. American Transportation	2,000	1
2	6,000	Pullman	23,700	2
2(1)	1,600	Westinghouse Air Brake	800	1
		Retail Trade		
3(3)	26,051	Aldens	None	None
3	1,700	Allied Stores	None	None
2	12,200	Associated Dry Goods	900	1
2(2)	19,500	Dominion Stores	17,900	2(1)
2	6,000	Federated Department Stores	None	None
2	15,600	Gimbel Bros.	None	None
3(1)	65,700	Grand Union	107,085	3(1)
3(2)	21,400	Grant (W. T.)	None	None
4(1)	82,400	Great Atlantic & Pacific Tea	None	None
1	2,000	Jewel Tea	7,800	1
2	2,000	May Department Stores	None	None
3	15,600	Penney (J. C.)	5,000	1(1)
2(1)	80,000	Safeway Stores	None	None
5(1)	26,100	Sears, Roebuck	22,000	1
2	4,770	Thrifty Drug Stores	None	None
4(1)	26,300	Woolworth (F. W.)	11,500	2(1)
None	*None*	*Bond Stores*	*4,900*	*2*
1	*10,000*	*Montgomery Ward*	*24,500*	*6(3)*
1(1)	*5,500*	*Simpsons Ltd.*	*6,450*	*2*
None	*None*	*Spiegel*	*22,900*	*3(1)*
		Rubber and Tires		
3	7,500	Firestone Tire & Rubber	36,236	3(1)
2	16,100	General Tire & Rubber	254	1
2(1)	4,000	Goodrich (B. F.)	6,100	2
4(1)	23,000	U. S. Rubber	41,100	4(1)
4	*47,620*	*Goodyear*	*109,100*	*6(2)*
		Steel and Iron		
2(1)	3,000	Allegheny Ludlum Steel	15,400	2(1)
5(1)	33,700	Armco Steel	72,300	5(1)
1	1,000	Copperweld Steel	300	1(1)
2	5,000	Granite City Steel	10,000	1
2(1)	4,150	Hoogovens (N. V.) (fl. 20)	None	None
1(1)	6,000	Mesabi Iron	700	1(1)
3(1)	25,600	National Steel	29,600	2

—Bought— No. of Mgts.	No. of Shares		—Sold— No. of Shares	No. of Mgts.
6(1)	25,100	Republic Steel	84,800	5(1)
8	36,400	U. S. Steel	116,300	7(1)
2	5,000	Wheeling Steel	None	None
3	*17,200*	*Bethlehem Steel*	*74,900*	*6(3)*
None	*None*	*Crucible Steel*	*8,300*	*2*
3(1)	*24,500*	*Inland Steel*	*30,300*	*5*
4(1)	*9,500*	*Jones & Laughlin Steel*	*119,605*	*6(4)*
None	*None*	*Youngstown Sheet & Tube*	*37,300*	*4(2)*
		Textile and Rayon		
2	14,000	Celanese	None	None
1	3,000	United Merchants & Mfrs.	10,000	1
None	*None*	*American Viscose*	*86,200*	*5(4)*
None	*None*	*Burlington Industries*	*31,900*	*2(1)*
1(1)	*13,900*	*Stevens (J. P.)*	*9,700*	*2(1)*
		Tobacco		
5	60,000	American Tobacco	1,000	1
5(1)	30,300	Philip Morris	None	None
6(2)	34,800	Reynolds Tobacco	69,900	2
1	*9,200*	*Liggett & Myers Tobacco*	*10,400*	*2(1)*
		Miscellaneous		
3	4,400	Aeroquip	3,000	1(1)
2(1)	27,100	Alberta Gas Trunk Line	None	None
3(1)	16,100	American Express	None	None
1	500	American Hospital Supply	1,000	1
3	59,700	American-Marietta	None	None
2(1)	3,500	American Machine & Foundry	25,500	2
1	1,000	Bell & Howell	2,000	1(1)
2	10,700	Brown Shoe	None	None
2(2)	9,700	Diebold	None	None
2(1)	2,700	Fansteel Metallurgical	7,000	1(1)
2	15,000	Foxboro	None	None
4	31,600	Gillette	None	None
1	2,800	Glidden	500	1
2	1,732	Grace (W. R.)	None	None
2(2)	3,900	Gustin-Bacon Mfg.	14,000	1(1)
8(2)	83,450	Haloid Xerox	25,350	3(1)
3(1)	42,000	Holt, Rinehart & Winston	None	None
1	6,200	Johnson & Johnson	1,100	1(1)
3	40,800	McKesson & Robbins	None	None
2(1)	27,500	Newmont Mining	3,375	1
3	4,800	Procter & Gamble	None	None
3	3,400	Ranco	None	None
3(2)	49,300	Revlon	None	None
3(1)	24,500	Ryder System	None	None
2	2,500	Simplicity Pattern	None	None
1	2,000	Tennessee Corp.	4,700	1
4(2)	20,500	Unilever (N. V.) (fl. 50 or equivalent)	9,000	1
2	5,200	United Electric Coal	None	None
2(1)	3,200	U. S. Freight	None	None
2(2)	42,850	Vendo	11,000	2(2)
1	5,000	Whirlpool	10,000	1
None	*None*	*Alico Land Development*	*194,200*	*4(4)*
1	*500*	*American Photocopy Equipment*	*2,000*	*2*
1(1)	*2,500*	*Brunswick*	*12,000*	*2*
1(1)	*8,800*	*Colgate-Palmolive*	*50,400*	*4(1)*
None	*None*	*General Time*	*24,000*	*2(2)*
2	*12,000*	*Halliburton Oil Well Cementing*	*69,300*	*3(2)*
1(1)	*300*	*Hertz*	*25,800*	*3(1)*
None	*None*	*Kaiser Industries*	*16,000*	*2(1)*
None	*None*	*Minnesota Mining & Mfg.*	*41,400*	*4*
None	*None*	*Outboard Marine*	*60,700*	*3(1)*
1	*300*	*Polaroid*	*5,300*	*3*
None	*None*	*Weyerhaeuser*	*8,500*	*3*

The foregoing tabulation also includes transactions by 10 investment companies (under 9 different managements) in addition to those shown in our tabulation "Balance Between Cash and Investments of 87 Investment Companies."
Purchases and sales by Wellington Fund included above are for the period from March 1 through June 30, 1960.

Balanced Funds Up Buying While Stock Funds Retreat

Continued from page 23

(10,000 newly); there was no seller of this issue. Great Western Financial, the high-flying issue in the West Coast savings and loan growth-group, found its largest buyer in Madison (10,000 newly), followed by Putnam (2,400), with only State Street a seller (5,750). Interestingly, this popularity of the finance company group with the funds, along with its subsequent market strength, occurred midst the sharp decline in interest rates.

Food Issues Palatable

In this group Swift continued to provoke the best demand, although not as outstandingly as in the March quarter when this issue was the second best bought industrial stock. Of Swift, Delaware Fund bought 11,000 shares and Lehman and Investment Co. of America 10,000 each, the only seller was Dreyfus with a 20,000 close-out. A new name in investment company portfolios was an over-the-counter issue, Frito, a leading producer of snack foods, which attracted Lehman into establishing a new 50,000-share position; and Texas Fund (2,000 additionally). Selling was mildly prevalent in Corn Products, although not strongly so.

Fire & Casualty Stocks To the Fore

Reflecting both the upturn in the industry's condition via the current marked improvement in underwriting results, as well as the dulling of the public's emphasis on market liquidity following the recent reactions, the fire and casualty issues have re-entered one of their major accumulations. Employers' Group Associates, the Boston-managed company, which has been recently termed a "store-house of value with aggressive management" (and which has recently added a life insurance unit), was bought additionally by the Eaton & Howard Group (via a 30,000 share block) and Bullock Fund (2,000). Government Employees Insurance, the dynamic growth company, which is presently mulling over its previously stated intention to enter the *variable annuity* field, was newly acquired by Madison (6,000) and also bought by de Vegh (1,500); (30,000 shares of this issue are held by Wellington Fund). Hartford Fire, perennially considered one of this group's three blue chip issues, was bought by two funds, State Street(6,300) and savings bank-owned Institutional Investors Mutual Fund (1,200); sold by none. Stock exchange-listed and actively traded Continental Insurance was sold by One William Street (15,000 all) and Guardian (1,600 all); and bought newly by Broad Street (15,000). Travelers, the highly diversified industry giant, which is quoted 25% below its post-split all-time high of two years ago, was sold by Incorporated Investors (23,100), Putnam (16,000 all), and Broad Street (7,000 all), although bought by Eaton & Howard Stock Fund (2,000) and Lazard (1,100).

Office Equipments Still Clicking

Still standing unscathed in the price-earnings stratosphere was IBM, untouched by the skepticism and market-grubbing dealt many other growth issues. An outstandingly large buyer of this issue was Wellington Fund, which added a large block of 12,500 shares bringing its total holding to 40,000 shares. Other large buyers included Fidelity (3,600) and Dreyfus (3,000). Substantial sellers were Consolidated Investment Trust (2,082), and Dividend Shares in the Bullock Group (2,000).

There was some buying unaccompanied by selling of National Cash Register and Moore Corporation, the Canadian growth stock.

Papers Again Picked Up

Scott, maintaining its status as a growth stock as well as a growth company, was bought by MIT (17,500), Eaton & Howard Stock (5,000) and Chemical Fund (3,100), and sold only by Commonwealth Investment (2,000). Three funds bought Fibreboard Paper Products, with no seller; the largest acquisition made by Niagara Share (4,600). Rather heavy selling come into St. Regis Paper, especially from the Scudder Group (25,600); without any buyer.

Utilities Conspicuous Favorites

Widely attributed to "defensive" motivation, along with the decline in competing yields, was the influx of buying into the utility group.

Best bought utility stock was West Penn Electric; its largest buyers included United Accumulative (50,000 newly) and Fundamental Investors (20,000); not a single fund selling. Also well bought was New York State Gas & Electric, whose largest buyer was Mutual Investment Fund (10,000 newly), joined by five other managements, with only National Securities Income Series making a 24,900 share sale. Also well liked was Public Service Electric & Gas, bought by five managements and sold by none; the largest buyer was the Bullock Group with 38,500 shares.

Within the minority of utilities sold, the largest block disposed of was 125,000 shares of Carolina Power & Light sold by Wellington Fund in a complete close-out; of the same stock, however, United Accumulative made an initial purchase of 30,000 shares. Another substantial close-out was a 40,000 share block of Duquesne Light by One William Street. This fund also sold 28,000 shares of Southern Co. (the issue in the growth territory which has been sensationally rising ever since its splintering-off from the dissolved Commonwealth & Southern Group).

Opinion on A.T. & T., highly favorable in the March quarter (10 buyers versus one seller), turned divided during the June quarter (six buyers and three sellers). Largest buyers were Fidelity Fund (24,200) and Broad Street (15,000), largest seller was National Security Stock Series with 25,000 shares. Heavy selling of General Telephone & Electronics made this issue the most widely liquidated of all stocks; the sellers were led by One William Street (70,000), Affiliated Fund (30,000), and Madison Fund (16,000), with Wall Street Investing making the only small purchase (1,000).

Improved Sentiment Towards Rails

Spurred perhaps by the wave of constructive merger proposals and notwithstanding sagging rail carloadings, the funds took a more constructive attitude toward the carriers. Best bought rails were Atlantic Coast Line and Norfolk & Western. These two as well as Southern Pacific, Southern Railway, and Union Pacific moved out of the "sold" column of the March quarter into the "bought" column. A large acquisition was the purchase of a 45,500 share block of Southern Pacific by Investors Mutual; this fund (once more the largest of all funds in terms of net assets at quarter's end) also added 20,100 shares to its holdings of Southern Railway and 9,400 shares to its stock in Norfolk & Western. Of the latter road, however, Wellington Fund acquired a larger block, namely 19,350 shares. There were only sellers and no buyers of Missouri Pacific "A" and Nickel Plate. Mopac was chucked by the United Funds Group (40.000) and also sold heavily by the Value Line Income Fund (25,400), which also parted with 8,200 shares of the Nickel Plate.

Interest in Retail Trade Stocks

Best liked stocks in this group were Sears, Roebuck and A & P. Of Sears, Wellington bought 20,000 shares and was joined by four other funds; with the only dissent coming from the Bullock Group, which sold 22,000 shares. There were only buyers and no sellers of A. & P. The buyers included Investment Co. of America (39,500 newly), the Eaton & Howard Group (21,500), and the United Funds Group (16,400). Opinion was divided on deflated Dominion

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Balanced Funds Up Buying While Stock Funds Retreat

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Stores Ltd. (the Canadian giant) and Grand Union, of which latter Affiliated Fund bought 33,700 shares, Fidelity Fund 30,000 (newly), while Incorporated Investors sold 54,050, Lehman 28,275 (all), and the Tri group 24,760. The most heavily sold retail stock was Montgomery Ward, whose six sellers included Mutual Investment Fund (7,000 all), with Lazard the only buyer (10,000).

Tobaccos Still Satisfying

Once more tobaccos numbered among the better bought groups. Philip Morris was bought by five managements and sold by none; the largest buyer being Tri-Continental in a new acquisition of 10,000 shares. American Tobacco, post-split, was acquired by Dreyfus (15,600), Madison (15,000) and others. Tri-Continental was also the largest buyer of Reynolds Tobacco (15,000 newly), although Affiliated Fund shed 63,400 shares of this issue. Opinion was divided on Liggett & Myers, with the National Securities Group on the buying side and Investment Co. of America the principal seller (10,000 all).

GROUPS MEETING MIXED REACTION

Split Attitude Towards Automotives

Managements buying Ford outnumbered those selling it by six to four. Largest buyers were Investors Mutual (29,100) and Investment Trust of Boston (10,000 newly); largest sellers Fidelity Fund (51,800) and Wellington (26,200). There was pronounced speculative interest in Fruehauf Trailer, of which Wellington alone bought 80,600 shares newly, as did Stein Roe Balanced Fund with 17,600 shares. The preceding quarter's marginal buying interest in General Motors (eight buyers versus seven sellers) turned into net selling in the ratio of eight versus four fund managements. The largest sellers of GM were Fidelity (26,500 all), and Investment Trust of Boston and Wellington with 10,000 each; the largest buyer was the United Funds Group with 7,500 shares. There were no buyers of troubled Chrysler and sales were large (all 74,200 shares of the Fundamental Investors group and 10,000 of Atomic Development Mutual).

Highly Selective Action on Chemicals

Best bought chemical issue was Hooker Chemical whose six buyers included Chemical Fund with 8,300 shares and the United Funds Group with 17,000 shares. Next best liked was Food Machinery & Chemical, of which Wellington bought 3,200 and Selected American 5,000, with Fidelity dissenting to the tune of 13,000 shares sold. The United Funds Group appeared as largest buyer of both Allied Chemical and Air Reduction with 28,000 and 26,700 shares, respectively. Opinion was divided on du Pont, with five buying and five selling managements; the largest buyers were the United Funds Group (6,600) and One William (3,500). Heavy selling came into Monsanto, of which Wellington closed out its huge block of 128,000 shares; and once more into Rayonier, of which the Fundamental Investors - Diversified Investment Fund Group sold 22,300 shares, Fidelity all its 13,000 shares, Investors Mutual 5,100, and Madison 2,400.

Split Attitude Toward Glass

In this diverse group, Owens-Illinois Glass was fairly well bought, especially by Fidelity (17,500 newly) and Tri-Continental (10,000). But opinion was divided, with the net result of an edge of selling over buying, in Libbey-Owens, Corning Glass, Pittsburgh Plate. Transactions were particularly large in Libbey-Owens, with Chemical Fund the largest seller (36,100) and One William the largest buyer (30,000 newly).

Mixed Action on Life Insurance Stocks

Here, both Aetna Life and Transamerica, the large holding company, left buyers and sellers in a stand-off position, although Fidelity Fund appeared as a large initial buyer of 34,900 Transamerica shares. In Connecticut General, and National Life & Accident, sellers had a slight edge over buyers.

Diverse Thinking on Aluminums

Transactions were exceedingly large in Aluminium Ltd., whose eight buyers included the United Funds Group with 41,000 shares and Lazard and Dreyfus establishing new positions with 30,000 and 20,000 shares, respectively; on the other hand, Wellington sold a huge block of 147,000 shares, while Chemical Fund closed out its 49,000 shares. Wellington also sold its entire 50,000 share holding in Alcoa, while Lazard (newly in Aluminium Ltd.) terminated its 10,000-share position. Heavy selling of Kaiser Aluminum by Incorporated Investors (92,000 all), Fundamental Investors (38,000 all) and Madison (12,200) greatly outweighed One William's initial purchase of 40,000 shares.

Diverse Attitudes Towards Coppers

The last quarter's portfolio operations left Anaconda and Kennecott with an edge of sellers over buyers and Phelps Dodge in a standoff position. Large selling came into Anaconda, especially from the Tri Group (40,100) and from Investment Co. of America (22,700).

Oils Mixed

In the case of the oils, surely the most controversial group both as to industry and investment status, the fund experts' sentiment showed some improvement.

The problem besetting the portfolio managers here highlights general portfolio difficulties arising from major price reactions occurring after, but only partially erasing, previous large long-term profits. Investment managers, particularly if they are uncertain over the oil industry's future, face the decision of whether to take what may turn out to be a cyclical loss while incurring sizable capital gains taxes (as a result of the accrued tax on the still remaining large capital appreciation). In any event, seemingly unjustifiable has been many funds' practice at times of higher market levels, of *switching* from one oil issue to another, resulting in their distribution of corresponding capital gains dividends—with the incurrence of capital gains taxes by their shareholders.

A clear favorite among the oils was Continental Oil whose seven buyers included the Bullock Fund (6,000 newly), Investors Mutual (5,200) and General Public Service (5,000 newly); not a single fund appeared as a seller of this issue. Second best liked oil was Phillips Petroleum, whose buyers were led by Fundamental Investors (50,000), Investors Mutual (20,800), and MIT (15,700); the sole seller was the Bullock Group. Particularly large transactions took place in Ohio Oil, with a single purchase of 78,300 shares by Wellington; in Royal Dutch, with 25,816 shares bought by Investors Mutual and 28,660 sold by Fundamental; in Shell Oil, of which Investors Mutual bought 40,300 shares; in Sunray Mid-Continent, of which the National Securities Group bought 59,600 shares; in Texaco, of which the Tri Group bought 26,000 shares and One William Street—Lehman sold 32,500 shares; in Gulf Oil, of which the United Funds Group bought 24,000 shares and One William Street closed out its 71,885 shares; and in Socony Mobil, of which National Securities Stock was the largest buyer (23,500). Selling hit hard at Sinclair Oil, in anticipation of its dividend cut; the five selling managements included MIT with 70,000 shares. Standard Oil of California and Standard Oil of New Jersey remained in the "sold" column. Of the former, Wellington was the largest seller (48,000); of the latter, the Scudder Fund and U. S. & Foreign Securities with 10,000 shares each, whereas National Securities Stock Series appeared with an initial purchase of 45,000 shares.

Rubber and Tires Meet Standoff Reaction

This group remained more or less in a standoff position, with only Goodyear facing more sellers than buyers; the sellers including Fundamental (49,000) and Incorporated Investors (21,500), as well as Wellington (30,000), with Investors Mutual (24,300) and Colonial Energy (13,000) on the buying side.

Cross-Currents in the Steels

Bearishness on the steels engendered by the recessionary steel operating rate was balanced somewhat by hopefulness about underlying intrinsic values and better future earnings trends with Allegheny Ludlum, Armco, Copperweld, Granite City, National Steel, Republic Steel, and U. S. Steel, were all in a standoff or near standoff position as regards buying and selling fund managements. Of Republic, Fidelity was the largest seller (31,400), and One William the largest buyer (20,000). In U. S. Steel, Fidelity again led the sellers (39,500), followed by the Fundamental-Diversified Investment Group (37,000) and Madison (13,600 all); with MIT the largest buyer (18,500). Of Bethlehem, Fidelity was likewise the largest seller (38,000), joined by Putnam (20,000 all), while National Securities Stock Series bought 15,000 shares. Of Jones & Laughlin, Wellington closed out its 40,000 shares and the Fundamental Group sold 30,000; while on the other hand, Lazard added 7,500 shares to its holdings. Of Youngstown Sheet, the Fundamental Group also sold 29,800 shares, joined by three other funds as stated above in "our" unanimous list; there was a complete absence of buying interest in this issue.

MOST DISFAVORED GROUP

Textiles in the Dumps

Nullifying the effects investment-wise of this industry's herculean efforts at diversification, fund managements still consigned most textile issues to the "dog house."

Heaviest selling was directed at American Viscose, especially by Fidelity Fund (26,100 all), Investment Co. of America (50,000 all) and Concord Fund (7,000 all); with no buyer at all. There was no buying either in Burlington Industries, whose sellers included Tri - Continental (6900 all) and Dreyfus (25,000). The only textile issue favored by a few buyers and with an absence of selling, was diversified Celanese; here Dreyfus was a substantial buyer (10,000), joined by United Science Fund (4,000).

* * *

ATTITUDE TOWARD MISCELLANEOUS ISSUES

Continental Can was a well-liked issue, with Fundamental the largest buyer (29,000), and no sellers. Selling came into American Smelting & Refining, especially from Wellington (50,000 all) and Fidelity (17,500 all); while MIT led the buyers with 12,000 shares. Haloid Xerox attracted particular interest, especially on the part of Wellington (33,100), Chemical Fund (19,700), and National Investors and Madison Fund (10,000 each newly). As in the previous quarter, Colgate-Palmolive remained disliked on balance, finding its largest sellers in National Securities Income Series (28,600) and Mutual Investment Fund (12,000 all); the only buyer was Investment Co. of America, establishing a new position with 8,800 shares. Minnesota Mining & Manufacturing was the selling target of four funds, led by Wellington (20,000) and Niagara Shares (12,000); there was no buyer. On the other hand, Lazard Fund established a new position of 25,000 shares in Newmount Mining, whereafter Andre Meyer, the senior partner of Lazard Freres & Co., was elected to the board of this diversified holding, management and development company for metals and oils. Procter & Gamble attracted three buying funds prior to its recent strong rise following the official sanction for its decay-moderating toothpaste. Finally, the Putnam Fund established a 15,000-share position in newly-offered Uris Buildings Corporation.

Denver Analysts Elect De Vore

DENVER, Colo.—Donald C. De Vore, senior Investment Research Analyst for FIF Management Corporation, was elected President of the Denver Society of Security Analysts for the 1960-1961 fiscal year at a recent meeting of the Society. FIF Management Corporation is the principal underwriter and the firm providing investment management for Financial Industrial Fund, Inc. and Financial Industrial *Income* Fund, Inc.

Donald C. De Vore

Mr. DeVore has formerly served as Vice President for the Denver Society of Security Analysts. He is a 1952 graduate of the University of Wichita, Wichita, Kansas, from which he holds a Bachelor of Science degree with majors in economics and finance.

Other Society officers elected were E. Martin Larson, Central Bank & Trust (Vice President); Jay G. Bollinger, Standard & Poor's Corporation (Secretary); Robert L. Pruitt, Arthur Anderson & Company (Treasurer); and Laurence T. McBride, Boettcher & Company (Recording Secretary).

Butler, Herrick Branch

SMITHTOWN, N. Y.—Butler, Herrick & Marshall have opened a branch office on Main Street under the management of Charles B. Miller.

New Russ Branch

McALLEN, Tex.—Russ & Company Incorporated, has opened a branch office in the First National Bank Building under the management of John R. Scroggins.

Form Ginsburg & Tobin

Ginsburg & Tobin has been formed with offices at 120 Broadway, New York City, to act as brokers on the American Stock Exchange. Partners are James T. Tobin, Jr. and Arnold L. Ginsburg, both of whom are members of the Exchange and formerly acted as individual floor brokers.

Balance Between Cash and Investments of 87 Investment Companies (With Aggregate Net Assets of $13.2 Billion) 6-30-60 vs. 3-31-60

Security Transactions by the 87 Investment Companies During April-June, 1960

	Net Cash & Governments† Thousands of Dollars —End of— Mar.	June	Net Cash & Governments† Percent of Net Assets —End of— Mar.	June	Investment Bonds and Preferred Stocks* Percent of Net Assets —End of— Mar.	June	Com. Stocks and Lower Grade Bonds & Pfds. Percent of Net Assets —End of— Mar.	June	(In Thousands of Dollars) Portfolio Securities Other than Governments Total Purchases††	Total Sales**	Of this: Portfolio Common Stocks Total Purchases††	Total Sales**
Open-End Balanced Funds:												
American Business Shares	4,610	4,783	18.3	18.7	30.5	30.1	51.2	51.1	1,713	2,447	377	796
Axe-Houghton Fund A	5,763	3,777	12.6	8.3	29.6	28.1	57.8	63.6	1,915	162	1,665	111
Axe-Houghton Fund B	2,502	4,180	1.8	2.9	24.1	23.6	74.1	73.5	4,845	3,938	2,734	2,349
Axe-Houghton Stock Fund	N.A.	----	N.A.	----	N.A.	§23.5	N.A.	§76.5	370	112	270	93
Axe Science & Electronics	2,585	2,524	19.6	17.7	¶12.6	14.7	‡67.8	67.5	516	149	516	149
Boston Fund	10,867	6,908	4.9	3.0	¶41.0	¶40.2	‡54.1	‡56.8	11,685	3,389	5,998	2,127
Broad Street Investing	7,151	4,199	3.8	2.1	11.0	10.2	85.2	87.7	13,347	8,513	11,208	5,943
Commonwealth Investment	14,128	17,918	9.7	12.1	24.2	24.1	66.1	63.8	3,161	6,826	836	5,752
Diversified Investment Fund	1,437	3,518	1.6	3.8	29.8	28.9	68.6	67.3	2,089	4,200	809	3,877
Dodge & Cox Fund	326	330	4.7	4.6	24.2	23.0	71.1	72.4	445	407	396	358
Eaton & Howard Balanced Fund	29,575	29,536	15.2	15.0	20.3	19.4	64.5	65.6	3,188	4,255	2,315	904
General Investors Trust	2,139	2,251	19.8	19.3	20.7	20.6	59.5	60.1	721	None	524	None
Group Securities—Fully Admin. Fund	775	780	7.2	7.1	23.3	22.7	69.5	70.2	69	38	69	38
Institutional Foundation Fund	1,743	1,156	5.5	3.5	12.3	14.8	82.2	81.7	2,471	862	1,280	859
Investors Mutual	23,533	21,015	1.6	1.4	¶35.8	¶35.6	‡62.6	‡63.0	79,297	52,332	24,000	12,019
Johnston Mutual Fund	1,355	1,420	11.5	10.0	14.5	10.8	74.0	79.2	1,917	978	1,854	783
Knickerbocker Fund	113	102	0.9	0.8	5.5	6.1	93.6	93.1	115	345	115	345
Loomis-Sayles Mutual Fund	20,600	20,573	27.4	26.4	16.0	14.4	56.6	59.1	4,350	3,578	3,442	2,221
Massachusetts Life Fund	6,317	6,670	10.9	11.1	28.6	27.1	60.5	61.8	2,496	1,388	1,894	960
Mutual Investment Fund	1,637	1,312	5.8	4.4	12.9	12.6	81.3	83.0	3,050	1,398	2,527	1,398
National Securities—Income	3,838	1,125	5.1	1.5	12.2	14.1	82.7	84.4	4,497	2,091	3,454	1,983
Nation-Wide Securities	1,315	1,953	4.0	5.7	33.9	32.0	62.1	62.3	1,836	2,298	1,359	1,471
New England Fund	4,200	3,826	28.7	25.5	8.7	19.6	62.6	54.9	487	None	186	None
Putnam (George) Fund	8,083	13,216	4.0	6.2	23.4	21.4	72.5	72.4	17,254	13,364	6,437	7,718
Scudder, Stevens & Clark Fund	7,809	6,978	10.3	9.0	27.7	28.1	62.0	62.9	7,142	6,712	4,924	4,795
Shareholders' Trust of Boston	7,670	10,152	19.1	23.6	25.7	25.8	55.2	50.6	1,809	2,455	800	2,302
Stein Roe & Farnham Balanced Fund	7,481	6,301	17.4	13.6	23.5	21.7	59.1	64.7	3,588	1,056	3,588	1,056
Value Line Fund	47	352	0.5	4.0	4.2	1.3	95.3	94.7	279	755	279	412
Value Line Income Fund	2,947	1,368	3.5	1.7	2.8	4.0	93.7	94.3	5,927	4,178	3,016	3,767
Wellington Fund	159,029	154,870	15.7	14.5	c25.6	25.2	c59.1	60.3	57,384	27,281	54,313	27,172
Whitehall Fund	291	601	2.5	5.1	45.3	41.1	52.2	53.8	514	796	93	None
Sub-Total Open-End Bal. Funds	339,866	333,694	9.8	9.1	21.7	21.4	68.5	69.4	238,477	156,303	141,278	91,763
Open-End Stock Funds:												
Aberdeen Fund	274	219	1.7	1.3	None	None	98.3	98.7	N.A.	N.A.	N.A.	N.A.
Affiliated Fund	73,217	79,885	12.7	13.4	0.4	0.4	86.9	86.2	14,543	16,798	14,543	16,663
Blue Ridge Mutual Fund	3,660	3,295	11.4	9.8	0.6	None	88.0	90.2	1,748	1,309	1,748	1,126
Bullock Fund	8,795	7,491	16.4	13.5	None	None	83.6	86.5	5,121	2,866	5,121	2,866
Chemical Fund	4,633	5,585	1.9	2.1	1.4	1.1	96.7	96.8	6,780	8,463	‡‡8,640	8,463
Delaware Fund	3,886	8,974	4.4	9.6	3.0	2.1	92.6	88.3	8,018	9,716	7,511	9,716
de Vegh Mutual Fund	2,800	559	14.8	2.9	5.9	N.A.	79.3	N.A.	6,498	3,951	6,498	3,951
Dividend Shares	30,425	30,543	11.6	11.4	None	None	88.4	88.6	7,713	8,065	7,713	8,065
Dreyfus Fund	10,158	10,697	9.3	7.8	0.8	0.8	89.9	91.4	28,633	12,368	28,633	12,368
Eaton & Howard Stock Fund	21,243	17,910	13.7	11.2	None	None	86.3	88.8	5,558	1,187	5,558	1,187
Energy Fund	135	420	1.4	3.4	None	0.3	98.6	96.3	1,004	524	979	524
Fidelity Fund	52,090	55,115	14.0	14.3	2.3	4.2	83.7	81.5	25,168	32,197	23,703	32,197
Fundamental Investors	5,874	10,331	1.1	1.8	0.1	0.1	98.8	98.1	33,515	35,039	33,515	35,039
General Capital Corp.	43	94	0.2	0.5	None	None	99.8	99.5	428	584	428	584
Group Securities—Com. Stock Fund	838	971	1.3	1.4	None	None	98.7	98.6	2,958	1,071	2,958	1,071
Guardian Mutual Fund	2,235	2,708	27.3	29.0	1.4	1.5	71.3	69.5	1,123	859	1,023	859
Incorporated Investors	12,307	20,798	4.1	6.8	1.0	0.9	94.9	92.3	15,697	18,032	7,341	15,658
Institutional Investors Mutual Fund§§	3,808	3,596	8.7	7.2	None	None	91.3	92.8	2,518	251	2,518	251
Investment Co. of America	15,846	21,067	10.0	12.1	1.0	0.9	89.0	87.0	13,154	12,548	12,318	12,548
Investment Trust of Boston	----	----	----	----	§4.7	§5.2	§94.1	§93.6	3,361	4,024	2,914	4,024
Lazard Fund	11,648	13,844	8.6	10.4	None	None	91.4	89.6	N.A.	N.A.	N.A.	N.A.
Massachusetts Investors Trust	25,427	24,641	1.8	1.6	None	None	98.2	98.4	a18,524	a16,969	18,524	16,969
Massachusetts Investors Growth Stock	13,021	14,435	4.0	3.9	None	None	96.0	96.1	15,981	5,461	15,981	5,461
Missiles-Jets & Automation (g)	818	839	17.9	18.4	b14.5	b13.9	67.6	67.6	110	324	87	263
National Investors	2,011	5,255	1.4	3.2	0.5	1.8	98.1	95.0	7,496	2,283	7,496	2,283
National Securities—Stock	10,426	3,126	5.8	1.7	None	None	94.2	98.3	12,091	4,503	12,091	4,503
One William Street	11,811	12,925	4.4	4.8	0.4	0.4	95.2	94.8	a12,177	a18,301	12,177	18,301
Pine Street Fund	1,956	1,477	11.4	8.5	3.7	3.2	84.9	88.3	896	837	896	837
Price (T. Rowe) Growth Stock	3,322	4,386	11.1	13.0	0.7	0.6	88.2	86.4	1,338	442	1,338	442
Scudder, Stevens & Clark—Com. Stk.	1,269	1,102	3.8	3.1	None	None	96.2	96.9	3,166	1,940	2,774	1,940
Selected American Shares	6,649	8,852	7.0	8.8	0.7	1.8	92.3	89.4	13,893	13,939	4,429	5,906
Sovereign Investors	114	15	3.4	0.4	4.1	3.1	92.5	96.5	348	141	339	132
State Street Investment	11,090	9,977	5.7	5.1	1.6	1.7	92.7	93.2	4,585	6,286	4,585	‡‡6,228
Stein Roe & Farnham Stock Fund	604	434	5.1	3.3	1.6	1.2	93.3	95.5	1,407	636	1,407	636
Texas Fund	907	868	2.5	2.3	0.5	0.2	97.0	97.5	666	1,503	666	1,503
United Accumulative Fund	16,903	14,038	5.1	3.9	¶7.5	5.6	‡87.4	90.5	18,647	3,251	18,403	3,251
United Continental Fund	3,009	2,753	7.3	6.7	¶7.8	1.2	‡91.9	92.1	2,456	1,690	2,456	1,690
United Income Fund	15,026	14,200	6.5	5.8	¶4.2	2.8	‡89.3	91.4	8,788	3,800	7,613	3,800
United Science Fund	10,627	2,687	8.7	1.9	¶2.0	0.9	‡89.3	97.1	19,685	5,524	19,412	5,367
Value Line Special Situations	186	107	1.8	0.9	None	None	98.2	99.1	1,288	1,053	1,288	1,053
Wall Street Investing	541	631	5.8	6.3	9.4	10.7	84.8	83.0	490	383	294	331
Wisconsin Fund	2,486	1,753	16.3	10.7	2.4	2.3	81.3	87.0	845	83	845	83
Sub-Total Open-End Stock Funds	402,118	418,603	7.4	6.8	1.9	1.7	90.7	91.4	330,415	259,201	306,763	248,139
Total Open-End Funds	741,984	752,297	8.4	7.8	10.1	10.2	81.5	81.9	568,892	415,504	448,041	339,902
Closed-End Companies:												
Adams Express	3,392	3,852	3.7	4.1	0.7	0.7	95.6	95.2	486	757	486	757
American European Securities	1,643	2,647	9.1	14.3	None	0.8	90.9	84.9	171	1,074	21	1,074
American International	2,146	2,346	5.6	5.9	1.2	1.2	93.2	92.9	334	486	334	486
Carriers & General	1,514	1,577	8.3	8.4	1.1	1.1	90.6	90.5	89	123	89	123
Consolidated Investment Trust	3,851	4,082	5.9	6.1	None	None	94.1	93.9	942	1,132	942	1,132
Dominick Fund	3,598	3,116	10.0	8.1	3.4	3.3	86.6	88.6	2,121	1,617	2,121	1,617
General American Investors	4,043	4,356	7.6	8.3	1.7	1.7	90.7	90.0	446	722	446	722
General Public Service	6,252	6,031	13.3	11.9	0.1	0.1	86.6	88.0	1,936	1,920	1,936	1,920
Lehman Corp.	9,125	10,143	3.1	3.3	0.1	0.1	96.8	96.6	5,366	6,233	5,366	6,233
Madison Fund	6,464	8,176	4.9	5.8	1.3	1.5	93.8	92.7	16,177	15,955	11,234	13,501
Niagara Share	5,539	4,822	9.3	7.7	3.1	3.1	87.5	89.2	1,700	1,488	1,700	1,488
Overseas Securities	----	----	----	----	§13.3	§14.7	§71.3	§70.2	226	202	‡‡216	202
Tri-Continental	3,673	5,519	0.9	1.3	10.9	11.0	88.2	87.7	7,645	9,316	4,924	7,884
U. S. & Foreign Securities	11,795	12,234	11.0	11.6	None	None	89.0	88.4	None	1,060	None	1,060
Total Closed-End Companies	63,035	68,901	6.9	6.9	3.0	2.8	90.0	89.2	37,639	42,085	29,815	38,199
Grand Total	805,019	821,198	8.2	7.7	9.0	9.1	82.8	83.2	606,531	457,589	477,856	378,101

†Including corporate short-term notes where so included by reporting investment company; also other assets. *Investment bonds and preferred stocks: Moody's Aaa through Ba for bonds; Fitch's AAA through BB for preferreds (or approximate equivalents). ¶Bonds and preferreds irrespective of quality classification. ‡Common stocks only. §In percent of gross assets or total securities. ††Cost of purchases. **Proceeds from sales. ‡‡Estimated. §§Owned by 80 savings banks, etc. in New York State. a Exclusive of corporate short-term notes. b All convertible. c As of March 1, 1960. g Subsequently merged into Axe Science & Electronics.

— SUMMARY —

CHANGES IN CASH POSITION OF 87 INVESTMENT COMPANIES JUNE 30, 1960 vs. MARCH 31, 1960

	Plus	Minus	Approx. Unchanged	Total
OPEN-END COMPANIES: Balanced Funds	9	15	7	31
Stock Funds	16	19	7	42
CLOSED-END COMPANIES	7	3	4	14
Totals	32	37	18	87

AVERAGE ALLOCATION BY 87 COMPANIES OF ASSETS TO CASH AND EQUIVALENT, DEFENSIVE SECURITIES, AND RISK SECURITIES

	March 31, 1960	June 30, 1960
Net cash, etc. and Governments	8.2%	7.7%
Defensive securities (investment bonds and preferreds)	9.0	9.1
Risk securities (common stocks plus lower grade bonds and preferreds)	82.8	83.2
Totals	100.0%	100.0%

Can We Play the Dollar Exchange Standard Game

Continued from page 3

ference between our net, cumulative deficit of $14.2 billion and our grants of $60 billion was spent or invested in the United States by foreign countries or was used to increase their holdings of dollar assets. The overall postwar deficit on our balance of payments was deliberately planned.

The Recent Gold Outflow

The deficit on our balance of payments, however, has not been the item of principal concern to Americans. Attention, since 1958, has been focused on the gold outflows from the United States.

Taking the period 1946-1959 as a whole, the United States exported, or lost, about $525 million in gold with total gold exports amounting to $6.54 billion and imports totalling $6.02 billion. Beginning in 1958, the gold outflows assumed larger proportions, totalling $2.3 billion in that year. In 1959, the outflows are estimated at about $1 billion.

The simple—and basically important—fact is that many nations today are using gold and dollar exchanges as reserves for their banking system and for their foreign trade transactions. Foreign governments and their official banking, credit and exchange institutions can obtain gold on demand from the United States Treasury; not as a matter of law, but as a matter of Treasury policy. Private individuals and firms abroad, as well as at home, cannot obtain gold for dollars. Should the Treasury ever decide to do so, and let us hope that it never will, it could arrest this flow legally by simply refusing to pay out gold to official institutions in exchange for their dollar holdings.

The question has already arisen: Why do other nations elect to convert their dollar holding into gold?

Well, no one knows for certain just why some nations have shown a recent preference for gold, but a number of possible reasons suggest themselves:

(1) National treasury and financial officials may be losing confidence in the dollar.

(2) National treasuries may desire to "sweeten" or improve the proportion of gold in their foreign exchange and banking reserve holdings.

(3) Our relatively low rates of interest on short-term holdings may not have proved sufficiently attractive to induce foreign holders of dollars to forego gold and invest in our country.

(4) Fear of a possible future devaluation of the dollar, by raising the price of gold, may have prompted foreign officials to purchase gold now.

The recent improvements in our gold position — a substantial decline in the rate of outflows during the latter months of 1959 and the first quarter of 1960 — strengthen belief in the second reason listed above: The desire of national treasuries to increase the proportion of gold in their banking and foreign exchange reserve holdings. It has long been traditional on the part of some treasuries, to include a certain ratio of gold in the composition of these holdings, and as their reserves have increased, they needed increased amounts of gold to maintain their desired proportion.

Recent Structural Changes in the United States Balance of Payments

The anatomy of the deficits and surpluses in the United States international accounts, 1956-59, is shown on Table I.

It is a far cry from the years immediately following World War II and the dollar gap when we had a large excess of exports of merchandise and services, including income on investment, over our imports of these items. This gap was substantial and, in those years, ran between $3 and $5 billion a year.

As Table I shows, the dollar gap on merchandise and services disappeared in 1959. In this year, the services accounts alone, excluding investment income, showed a deficit of $300 million. The deficits on our unilateral transfers, private remittances and government grants, which have been chronic since the inception of the Marshall Plan, showed but little change during the period 1956-1959, at $2.3 to $2.4 billion a year.

The total outflows on account of United States capital investment abroad, both government and private, were also quite steady during this period, varying from $3.6 to $4.1 billion a year as was, except for 1958, the inflow from foreign long-term capital investment in the United States.

The total deficit on the balance of payments as a whole grew from 1956, when it stood at $1 billion, to 1959 when it attained the level of $4.9 billion. This over-all deficit on our balance of payments enabled our trading partners to increase substantially their holdings of dollar assets and gold. The increase in dollar assets was especially large in 1959, amounting to an estimated $4 billion. The gold sales, standing at $2.3 billion in 1958, declined to about $1 billion in 1959.

In recent years, the principal features of the structure of our balance of payments have been:

(1) A decline in our exports of merchandise.

(2) An increase in our imports of merchandise.

(3) An excess of services exports over imports.

(4) Substantial earnings of investment income.

(5) Declining surpluses on our current accounts.

(6) Large private and government lending and investment abroad.

(7) Small foreign long-term investment in the United States.

(8) The stability in U. S. Government aid to foreign countries.

(9) An increase in foreign holdings of dollar assets.

(10) An increase in foreign gold purchases in the United States.

Suggested Remedies for Balance Of Payments Deficits

The changing structure of our balance of payments and the newly-emerging deficits have provoked a rash of suggested remedies. The high tariff advocates have seized upon these deficits as a "clincher" argument against GATT, Reciprocal Trade Agreements, our program of tariff reductions and customs simplification legislation and to reinforce their support of the Buy American Act.

The opponents of our foreign aid programs, estimating that the deficit in our balance of payments was approximately equal to the amounts which we pay out in foreign aid, maintain that all we need to do is to eliminate foreign aid and the deficit will disappear.

The anti-labor partisans, noting that the recently negotiated wage increases corresponded to the decline in our exports and the rise in our imports, have laid the blame at the foot of the wage-price spiral, alleging that high wages mean high costs and prices and the consequent inability of American enterprise to compete with low labor cost foreign goods.

The sound money advocates say, "I told you so. We knew all along that low interest rates and easy money would lead to inflation and the American prices would become uncompetitive on the world markets as a consequence."

The trust-busters find the cause in the administered price policies of big business. These firms, they hold, exempt from the goad of competition, have raised their prices in an effort to maximize profits and they have priced themselves out of the market.

Labor partisans point to the high profits of some firms, suggest that these firms could relinquish some of the excessive profits, lower prices and compete more effectively on the world markets.

Some unaffiliated critics point out that after the war, the demand for American products was so great that American salesmen ceased to sell, forgot how to sell, and merely took orders. They advise the abandonment of the soft sell in fevor of the hard sell.

Some of those who seek governmental solutions of our problems advocate Federal export credit insurance and larger Federal programs of trade promotion.

And so it goes. Each group seizes on the balance of payments deficit and the gold outflows to advance its own cause; each sees in this situation a vindication of its fundamental position; each group believes that the deficit would never have arisen if we only had followed its advice.

These proposed diagnoses and prescriptions have two fundamental defects: They apparently assume that the United States balance of payments will always display the same pattern and they ignore the relationships among the several items on it.

Instability of Balance of Payments Patterns

In a growing economy, the balance of payments seldom remains static; it shifts with movements in the economy; it reflects the changing nature of economic life and the position of the nation in world affairs—as a subaltern, an equal, as a leader.

The United States is continuing to grow and to diversify; its balance of payments will shift with these changes. One of the interesting developments in America's post World War II economy has been the growth in its direct investments abroad. As American industry builds plants and factories abroad, our exports may be expected to decrease and our imports to increase, for these plants abroad export to countries formerly served by the parent company, to the countries in which they are located, to third countries and they export to the United States. The creation of subsidiary manufacturing plants abroad serves to reduce the exports of American firms and to increase America's imports. Our exports of goods are tending to be replaced by the receipt of investment income from abroad.

If American industry moves abroad at increasing rates, taking with it efficient American capital and technology, it will prove a formidable competitor to domestic American industry. If it establishes plants abroad in sufficient number, we can look forward to a lowering of American wages, rates of interest and profits and an increase in wages, interest and profits abroad. In other words, direct investment abroad carries with it the international leveling of factor earnings, a result which international trade in goods and services has never been able to accomplish. From this point of view, the high level of American investment abroad is of greater significance to our economy in the long run than the current deficits in our balances of payments.

As has already been noted, the suggestion has been made that the deficit could be reduced by eliminating foreign aid but this would not prove effective for foreign aid reduction would be followed by a decline in our exports. The dollars which we furnish our aid clients are used either to buy goods in the United States, to purchase equipment and supplies in third countries or they are added to the reserves of the recipient. A substantial fraction of them, sooner or later, find their counterparts in the United States receipts from exports. The elimination of foreign aid, therefore, would not enable us to balance our payments.

A similar line of reasoning applies to the various schemes for the reduction of our imports. The dollars earned by foreign countries from our imports are used to pay for our exports to them, for their imports from third countries or to build up their reserves. Any reduction in our imports is thus likely to be followed by a reduction in our exports or in the ability of other nations to import from us.

Efforts to increase our exports through export credit insurance or through government trade promotion do not offer much prospect of success unless means are also taken to increase the opportunities of foreign countries to earn more dollars, either through their exports to us, our investments in their borders, or through United States foreign aid.

The fact is that any international action is likely to be followed by an equal and opposite reaction—just as the old law of physics maintained—and students of international economics have long emphasized the relationships between receipts and payments on the balance of payments. These relationships between payments and receipts operate through rates of exchanges and through adjustments in the internal or domestic economy. Their effectiveness depends, in a large measure, upon the extent to which a nation leans upon foreign trade.

Foreign trade differs in importance among the several economies. In the Netherlands, for example, imports amount to between 45% and 50% of its total national income. In Belgium-Luxembourg, they constitute about 40% each of national income; for Japan, the percentages are about 38% for exports, and 24% for imports. The Federal Republic of Germany shows percentages of 16% for exports and 17% for imports while in France, the figures are 15% and 13%, respectively and in the United Kingdom, 26% and 20%. In the United States, the percentages of national income represented by exports and imports are much lower: about 5% for exports and 4% for imports.

In other words, foreign trade in the United States, has a much smaller impact on its economy than it does in many of the other leading trading nations of the world. What happens, in foreign trade, is of far less importance to us than it is to most of our trading partners. We could, if we so desired or deemed in our interest, go blandly on with almost any policies—good, bad or indifferent—for what we do in the way of international economic policy does not have any great impact on our economy as a whole. But the effect of our policies on our trading partners is something else again.

Monetary Standards

The position of the United States in foreign trade has been reinforced by another important postwar development. The world has gone over to a new currency system — the dollar exchange standard. This new standard gives us additional lattitude for independent action, but it places heavy moral responsibilities on us. The United States, it should be noted, is not on the dollar exchange standard; we are on a modification of the gold standard, the international gold bullion standard.

If we skip the bimetallic monetary systems of the 19th century—and these systems were either gold or silver systems in practice depending upon the mint prices, in relation to the market prices, of gold and silver—the first important monetary standard of the world was the gold standard.

Since gold was not only the international standard, but also the internal or domestic monetary standard, the domestic economies of the several gold standard nations were definitely tied to their external economies through gold flows in and out of the country. When the gold importing point was reached, gold flowed into a country; the bank reserves and currency issuing potentials were increased. Gold imports had an inflationary impact. When the gold exporting point was reached, gold flowed out of the country with a consequent deflationary impact. There was an "automatic" relationship between exports, imports, exchange rates, gold flows and prices with a nation's money supply regulated by the "price specie flow mechanism." Under this system, balances of payments tended to strike an equilibrium naturally and without government intervention.

But few countries were on a complete gold standard and many employed partial gold standards, utilizing both gold and foreign exchange as the reserve for their monetary systems and international economies. In addition, it is important to note that the gold standard was not nearly as auto-

TABLE I

Balance of Payments of the United States With Foreign Countries and International Institutions†

In billions of dollars; receipts, payments (—)

Type of Transaction	Calendar Year 1956	1957	1958	1959
Goods and Services:				
Exports of merchandise	17.4	19.4	16.2	16.2
Imports of merchandise	—12.8	—13.3	—12.9	—15.3
Trade balance	4.6	6.1	3.3	0.9
Investment income, net	2.0	2.2	2.2	2.1
Transportation, travel, and miscellaneous services, net	0.3	0.7	0.1	—0.3
Balance on goods and services before United States military expenditure abroad	6.8	9.0	5.7	2.7
United States military expenditure abroad	—3.0	—3.2	—3.4	—2.8
Overall balance on goods and services	3.9	5.8	2.2	—0.1
Grants and Capital, Net:				
Private remittances	—0.5	—0.5	—0.5	—0.6
Government grants	—1.9	—1.8	—1.8	—1.8
Subtotal	—2.4	—2.3	—2.3	—2.4
United States capital:				
Private	—3.0	—3.2	—2.8	—2.1
Government	—0.6	—1.0	—1.0	—1.7
Subtotal	—3.6	—4.1	—3.8	—3.8
Long-term foreign capital	0.5	0.4	--	0.6
Balance on grants and capital	—5.5	—6.0	—6.1	—5.6
Errors & omissions or unrecorded transactions	0.6	0.7	0.4	0.8
Overall payment balance	—1.0	0.4	—3.4	—4.9
Settlement Items:				
United States sales of gold	—0.3	—0.8	2.3	1.0
Increase in foreign liquid dollar holdings	1.3	0.4	1.2	4.0
Total	1.0	—0.4	3.4	5.0

†Military aid grants and associated exports of goods and services are excluded throughout. Components may not add to totals because of rounding. The figures for 1959 are preliminary and are subject to revision.

SOURCE: 1956-1958 *Monthly Review,* FRB of N. Y. November; 1959, *Survey of Current Business,* March, 1960.

matic and ideal as some of the treatises on economics would lead us to believe.

In times of gold shortages, some countries utilized a modified form of this currency system known as the "gold bullion standard." This monetary system, invented in 1815 by David Ricardo, was utilized by Great Britain at the close of the Restriction Period in 1818 and again, when Britain returned to gold payments in 1925. Under this system, currency notes were not redeemed pound for pound, in gold. The Treasury stood ready to redeem notes and to supply gold for foreign exchange in large or "wholesale" amounts — in 1925 the minimum amount redeemable in gold was £5,000—and the money was not redeemable in gold sovereigns but in gold bars or bullion.

Calls Our International Gold Standard Weak

The weakest form of the gold standard is the international gold bullion standard, adopted by the United States in 1934, and still in effect, when we raised the dollar price of gold and abandoned the complete gold standard. Under this monetary system, the United States Treasury stands ready, not as a matter of law but as a matter of policy, to sell gold against dollars to the official banking and financial institutions of foreign governments. No private citizen or institution, American or foreign, can obtain gold in any amounts against dollars. Private trading in gold, except newly mined gold and coins of numismatic or collector's value, is forbidden. Since the Treasury defines coins of a numismatic value as all those struck before 1934 and since no gold coins have been struck since 1834, the regulations allow some latitude in gold dealings.

In an earlier epoch when colonial empires prevailed, several metropolitan countries employed the gold exchange standard for their colonies. These colonies were then on silver standards. Since silver standards, with the added risk of variations in the gold price of silver, were not well adapted to foreign trade in a world on the gold standard, the gold exchange standard was devised to allow these colonies to continue to utilize silver for their domestic needs and to obtain gold for their international transactions.

With the abandonment of the various forms of the gold standard and the nations of the world adopted various inconvertible paper standards. Reserves were, however, required as backing for the central bank's note issue and deposit liabilities. In addition, countries required international reserves to take care of the day to day fluctuations in their balances of payments and to meet drains of foreign exchange of varying dimensions and durations.

To meet these banking and international reserve requirements, those countries, no longer on a gold standard, adopted various types of foreign exchange standards. In 1928, if we take the total of all nation's holdings of both gold and foreign exchange, except the United States, we find that foreign exchange represented 35% of this total. By 1938, this percentage had declined to 14%, but by 1948, it had risen to 62%. Between 1949 and 1957, the percentage of gold and foreign exchange reserves represented by foreign exchange varied between 53 and 56; in 1957 it stood at 53. Thus, in the recent past, over 50% of the reserve holdings of all nations, except the United States, were represented by foreign exchange.

In 1931, when Great Britain abandoned the gold and adopted an inconvertible paper standard, a group of nations, British colonies and independent countries, which had long used London as their monetary center, joined the Sterling Bloc—today called the Sterling Area. These nations kept their reserves, both banking and international, in London in paper pounds sterling. They carried out their international transactions in pounds and utilized their national currencies for domestic purposes. The sterling exchange standard, a form of the foreign exchange standard, is employed principally today by certain members of the Sterling Area, especially the Currency Board territories.

The Dollar Exchange Standard

An increasing amount of dollars has been used by the nations of the world as a part of their reserves as is shown in Table II.

TABLE II
Total and Dollar Gross Foreign Exchange Assets
(In billions of U. S. dollars)

	Total	$	Percentage Repres'nt'd by Dollars
1947	13.9	1.85	13
1948	13.9	2.9	21
1949	10.85	3.05	29
1950	13.6	4.45	33
1951	13.0	4.05	31
1952	13.3	5.25	39
1953	14.25	6.05	42
1954	15.25	7.0	46
1955	15.75	7.9	50
1956	16.4	8.6	52
1957	16.05	8.3	52

SOURCE: International Monetary Fund, "International Reserves and Liquidity."

From 13% of the gross foreign exchange assets of the world in 1947, the dollar had risen, by 1957, to constitute 52% of them. In other words, since World War II, the dollar has not only become the key currency, it has become the principal constituent of the reserve holdings, both domestic and international, of all nations. The present monetary standard used by most countries is a special form of the foreign exchange standard; the dollar exchange standard.

The United States dollar has replaced gold as the currency and international reserve standard. Perhaps we did not plan it this way, for this result was less the end-product of conscious planning than it was that of the growth of America's economic power and changes in the pattern of the world economy. Nonetheless, without our aid and loan program, it is doubtful that the dollar exchange standard would be what it is today.

Critiques Dollar-Exchange Standard

The use of the dollar as the world's exchange and reserve money has certain great advantages for the United States and it imposes some important obligations on us.

The principal advantage lies in the great independence of action which this standard affords. We need less to fret over surpluses and deficits in our balance of payments than must other nations, for we are not likely to face a dollar shortage. Our principal concerns are the maintenance of the present price of gold and the complete international interchangeability of the dollar for gold.

It is also easy for us to adopt such international policies as we see fit. Due to the fact that we are the ultimate source of dollars, what we do internationally is of less significance to us than it is to other countries. We are in a position to supply or to ration dollars. Through changing the price of gold in terms of dollars, the United States could exercise heavy pressure on the governments of almost all other free nations. These advantages are counterbalanced by the obligations which the world position of the dollar imposes on us.

The first of these obligations is to pursue policies which will insure adequate reserves of dollar holdings to our trading partners. The adequacy of international reserves is generally measured in terms of its relations to imports and Table III shows the percentage of imports represented by gold and foreign exchange by groups of countries.

TABLE III
Gross Official Reserves as a Percentage of Imports, 1957

United States	161
Canada	29
Latin America—	
All Countries	41
Dollar Countries	52
Non-Dollar Countries	27
Continental EPU Countries	42
United Kingdom	21
Other Sterling Area Countries	41
Rest of World	30

SOURCE: International Monetary Fund, "International Reserves and Liquidity."

The Rules of the Dollar Exchange Standard Game

Although a statistical measure of the adequacy of reserves may be found by equating them against imports as is done in Table III, there is no fixed ratio which would apply to all countries at all times. The adequacy of reserves depends upon the credit-worthiness of a nation, its credit facilities, the international environment, exchange rates, price structure, the extent to which its international accounts are in balance and confidence in its currency; among others. Each nation must determine, on the basis of experience, the amount of reserves which it requires.

The availability of dollars for reserve purposes is but one aspect of the "dollar exchange standard game." If the United States dollar is to maintain its present position in the world, we must play the dollar exchange standard game just as the gold standard countries were supposed to play the "gold standard game" a few decades ago. From this point of view, when we planned our balance of payments deficits, as indicated in the opening paragraphs of this article, we were playing the dollar exchange standard game correctly for we supplied dollars to countries as their needs for them increased. Conversely, as the need for dollars diminishes, we should be prepared to absorb them and we should also help other nations in their reserve requirements during the swings of their business cycles and for their sustained secular growth.

Two other obligations imposed by the dollar exchange standard game are obvious: The dollar must remain a stable and reliable currency and the United States should dampen the cyclical swings of its economy so that they will have a minimal effect upon its trading partners. Stability implies a steady price level, no inflation, the maintenance of the present price of gold at $35.00 per troy ounce and the convertibility of dollars into gold as demanded by foreign authorities.

To insure a free flow of dollars in and out of national reserves, the United States might well continue to reduce its barriers to trade. This implies the further reduction of our import tariff through Reciprocal Trade Agreements or GATT negotiations. The reduction of our trade barriers is a high price to pay for world leadership, to be sure, but the beneficial effects of the increased, long-run, welfare of the rest of the free world on our own economy may be well worth the sacrifice.

In many ways we are less well equipped by our credit institutions to play the dollar exchange standard game than Great Britain was, in the heyday of sterling, to play the gold standard game. Our foreign traders place heavy reliance upon letter of credit financing with the limitations which commercial bank financing places on foreign transactions. We need to develop, in addition to commercial bank financing, other types of credit, especially those based on equity, to furnish flexible sources of supply to credit-worthy customers.

Advises Against Unilateral Policies

In view of the world position of the dollar, it is morally difficult for us to pursue unilateral policies in the realm of international economic relations. As indicated in an earlier paragraph, what we do is less important to us than it is to the other countries. Through the dollar exchange standard, our actions have a heavy impact upon all our trading partners and these partners should be consulted before any important line of international action is determined which could affect their reserve positions. An excellent medium for these consultations already exists in the International Monetary Fund.

There is a strong analogy between the management of international dollar reserves and the management of banking reserves. Since the amount of dollar and other foreign exchange available for a nation's bank reserves depends upon a nation's foreign transactions, there is a tendency for the amount of money and credit in circulation to be determined, or limited, by surpluses and deficits in the balances of payments. As surpluses arise, reserves increase and an increased volume of money and credit can be sustained. Deficits have a deflationary effect, for they reduce reserves and the ability of a nation to maintain a given volume of money and credit.

During the gold outflows of 1958 and 1959, many thoughtful people were worried lest our gold holdings be drawn below the required 25% currency reserve. In addition, the large dollar holdings of foreign nations caused concern, for it was feared that if all foreign nations demanded gold for the dollar holdings, our gold reserves would be almost entirely drained away.

Since, under the dollar exchange standard, the United States is the world's banker, we assume the risk that any banker does of a run. If all the holders of dollars were to demand gold at the same time, we would have to close our doors just as a banker would if all of his depositors were to demand cash at the same time and he could not find assistance elsewhere. Just as the depositors of a bank have no interest in starting a run, those nations on the dollar exchange standard have nothing to gain in wrecking the dollar, for they would destroy their own banking and currency, as well as their international reserve systems in the process. Our risks are similar to those of the commercial banker and our monetary management demands the same prudence, integrity and conservatism as that utilized by the competent and conscientious banker.

To continue to play the dollar exchange standard game we will doubtless need to continue to run deficits on our balance of payments until other nations' reserves are adequate and to allow for the secular growth of their economies. Just as the local banker can do much, or little, for his community by conservative, yet imaginative, banking, the United States can do much, or little, to aid in the development of the free world. This is a challenging, but rewarding, assignment and one which deserves the thoughtful attention of all our businessmen.

Calif. Investors Branch

VAN NUYS, Calif. — California Investors has announced the appointment of Charles E. Marland as Resident Manager of the new office located at 14401 Sylvan Street.

Prior to this appointment Mr. Marland has been with the company since 1957 as a registered representative.

Evans Rule Co. Common Offered

McDonnell & Co. Inc. is manager of an underwriting group which offered publicly on Aug. 10, 145,000 shares of Evans Rule Co. common stock at a price of $12.50 per share. The offering marks the first public sale of the company's common stock. Of the total number of shares offered, 40,000 shares are being sold on behalf of the company and 105,000 shares for the account of certain selling stockholders.

A portion of the proceeds from the sale of 40,000 shares of stock will 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.

Evans Rule Co., with its headquarters in Elizabeth, N. J., is engaged principally in the manufacture and sale of a complete line of precision steel measuring tapes. The company recently started production of a line of wood folding rules as a complement to its existing line of measuring instruments. For the fiscal year ended April 30, the company and its affiliates had consolidated net sales of $3,531,484 and net income of $372,791.

Upon completion of the current financing, there will be outstanding 400,000 shares of common stock.

First Offering Of Arco Stock

Michael G. Kletz & Co., Inc. and associates offered on Aug. 10 170,000 shares of Arco Electronics, Inc. class A common stock at a price of $5 per share. The offering marks the first public sale of the company's class A common stock.

Net proceeds from the financing will be used by the company for various corporate purposes, including expansion and improvements of plants and equipment; the carrying of additional inventories; for research and development; for expansion of advertising and merchandising activities, and for the cost of a recent acquisition. The balance of the proceeds will be used for additional working capital.

Arco Electronics, Inc., with its executive offices, factory and principal warehouse in New York City, is a Delaware corporation organized on Feb. 15, 1960 as successor to a New York corporation of the same name which started business in 1945. The company, together with its four subsidiaries, is engaged primarily in the distribution and sale of capacitors and related products manufactured by others, and to a limited extent in the manufacture of such items. Capacitors are basic electronic components essential to all types of electronic circuitry, having innumerable commercial, industrial and military applications.

For the six months ended March 31, 1960, the company and its subsidiaries combined with the operations of a predecessor partnership, on a pro forma basis, had consolidated net sales of $1,242,128 and combined net income of $131,427. Upon completion of the current financing, outstanding capitalization of the company will consist of 482,500 shares of class A common stock and 362,500 shares of class B common stock.

Park Investors

OZONE PARK, N. Y.—Park Investors Corporation has been formed with offices at 114-16 Rockaway Boulevard to engage in a securities business.

STATE OF TRADE AND INDUSTRY

Continued from page 5

70 to 73% average for the month, the magazine says.

This Week's Steel Output Based on 54.6% of Jan. 1, 1960 Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *96.9% of steel capacity for the week, beginning Aug. 8, equivalent to 1,556,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compared with the actual levels of *95.7% and 1,537,000 tons in the week beginning Aug. 1.

Actual output for last week beginning Aug. 1, 1960 was equal to 53.9% 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 54.6%.

A month ago the operating rate (based on 1947-49 weekly production) was *91.9% and production 1,476,000 tons. A year ago the actual weekly production was placed at 335,000 tons, or *20.9%. At that time the industry was virtually closed down due to a strike of the steel union.

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

American Motors Leads Industry on Production Of 1961 Models

American Motors Corp. was the "first" auto maker to begin production of 1961 model cars, *Ward's Automotive Reports* said.

Ward's tabulations show that American Motors built 965 new 1961 cars in June and 4,855 in July.

Meanwhile, *Ward's* said that 225 Buick 1961 Specials were built in the week ending Aug. 6 as well as 1,000 Valiants and 100 Dodge Lancers. Both the Special and the Lancer are new compacts.

Pilot production started on Aug. 1 for the 1961 Plymouth and the compact Oldsmobile F-85, another new compact, *Ward's* said.

During August, *Ward's* estimates that 316,800 cars will be assembled compared with 239,149 in August a year ago. Of the August total, 23% will be 1961 model cars.

The statistical agency said that U. S. car output fell off 4.7% in week ended Aug. 6. Only two Chrysler assembly lines were operating while Studebaker-Packard Corp. built no cars. U. S. car makers turned out an estimated 102,071 cars contrasted to 107,019 last week. In the same week last year, 108,240 were produced.

Ward's said General Motors share of last week's production was 58.4% while Ford Motor Co. took 34.5%, American Motors, 6% and Chrysler Corp., 1.1%.

Most plants worked five days. However, two Ford and Chevrolet plants as well as American Motors and Pontiac closed out 1960 model car production this week. Two plants were shut down all week for inventory adjustment.

The reporting service added that truck volume was slashed 35% during the week. Total units were 14,255 vs. 21,896 the previous week. White Motor, Willys and International Harvester were on vacation. In addition, two Ford and two Chevrolet truck plants ended 1960 model production.

Electric Output 7.6% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday Aug. 6, was estimated at 14,709,000,000 kwh., according to the Edison Electric Institute. Output was 37,000,000 kwh. below that of the previous week's total of 14,746,000,000 kwh. but showed a gain of 1,034,000,000 kwh., or 7.6% above that of the comparable 1959 week.

Freight Car Loadings for Week Ended July 30 Increased 12.7% Above the 1959 Week

Loading of revenue freight for the week ended July 30, 1960, totaled 614,236 cars, the *Association of American Railroads* announced. This was an increase of 69,374 cars, or 12.7% above the corresponding week in 1959, which was affected by the nationwide strike in the steel industry, but a decrease of 8,442 cars or 1.4% below the corresponding week in 1958.

Loadings in the week of July 30, were 5,548 cars or nine-tenths of one per cent below the preceding week.

There were 10,222 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended July 23, 1960 (which were included in that week's over-all total). This was an increase of 2,861 cars or 38.9% above the corresponding week of 1959 and 5,124 cars or 100.5% above the 1958 week.

Cumulative piggyback loadings for the first 29 weeks of 1960 totaled 304,746 for an increase of 78,793 cars or 34.9% above the corresponding period of 1959, and 164,445 cars or 117.2% above the corresponding period in 1958. There were 54 Class I U. S. railroad systems originating this type of traffic in the current week compared with 50 one year ago and 40 in the corresponding week of 1958.

Intercity Truck Tonnage for July 30 Week Was 2.4% Below Same Week 1959

Intercity truck tonnage in the week ended July 30, was 2.4% below the volume in the corresponding week of 1959, the American Trucking Associations, Inc., announced. Truck tonnage was 1.4% ahead of the previous week of this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Research Department. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Lumber Shipments for the Week Ended July 30 Were 1.5% Below Production

Lumber shipments of 457 mills reporting to the *National Lumber Trade Barometer* were 1.5% below production during the week ended July 30, 1960. In the same week, new orders of these mills were 7.7% below production. Unfilled orders of reporting mills amounted to 30% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 16 days' production at the current rate, and gross stocks were equivalent to 51 days' production.

For the year-to-date, shipments of reporting identical mills were 3.2% below production; new orders were 5.2% below production.

Compared with the previous week ended July 23, 1960, production of reporting mills was 5.5%; shipments were 4.2% above; new orders were 1.0% above. Compared with the corresponding week in 1959, production of reporting mills was 10.5% below; shipments were 12.6% below; and new orders were 18.7% below.

Business Failures Decline in Week Ended Aug. 4

Commercial and industrial failures turned down to 269 in the week ended Aug. 4, from 293 in the preceding week, reported Dun & Bradstreet, Inc. For the first time since early June, casualties dipped below their year-ago level of 274, and also were down moderately from the 290 occurring in the similar week of 1958. Some 3% fewer businesses failed than in pre-war 1939 when the toll was 277.

Failures involving liabilities of $5,000 or more fell off to 247 from 262 in the previous week, but came close to the 249 of this size in the comparable week last year. Among casualties under $5,000 there was a drop to 22 from 31 a week earlier. Forty-three of the week's failures had liabilities in excess of $100,000, as against 36 in the preceding week.

Wholesale Food Price Index Rises to 1960 High

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., rose 1.2% on Aug. 2 to $5.98, matching the 1960 high set on April 19. The current level was down 0.2% from the $5.99 of the similar date a year ago.

Higher in wholesale price this week were wheat, rye, barley, hams, bellies, butter, sugar, cottonseed oil, potatoes, raisins, prunes, and hogs. On the down side were oats and wheat.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Dips to Lowest Level Since June 29, 1950

There was a marked decline this week in the Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., to 268.14 (1930-32=100) on Aug. 8 from the week earlier 268.94. This was the lowest level since the 267.35 of June 29, 1950. The corresponding level a year ago was 276.06. The week-to-week decline reflected lower prices on some grains, flour, coffee, sugar, hogs, cotton, and rubber, which offset slight increases on lard, lambs, hides and steel scrap.

Corn trading slackened during the week with supplies plentiful, resulting in a slight dip in prices. Volume in oats sagged and prices were down somewhat from the prior week.

In contrast, a fractional rise occurred in wheat prices, reflecting higher sales and light offerings. Although transactions in some markets were sluggish, rye prices matched those of the prior week. A marked rise occurred in soybean prices during the week as trading moved up and supplies were moderately reduced.

Wholesale prices of flour fell appreciably at the beginning of the week and volume moved up moderately towards the end of the period. Rice prices remained unchanged from a week earlier as both domestic and export purchases were sustained at high levels. A sizable quantity of rice was sold to India during the week.

There was an appreciable decline in sugar trading and prices were down somewhat. Coffee prices edged lower despite steady volume. A slight increase occurred in cocoa prices, despite generally sluggish transactions.

A noticeable dip occurred in hog prices at the weekend as transactions lagged; hog supplies were down moderately from the prior week. Prices on steers were steady and trading and supplies were close to the preceding period. There was a moderate increase in lamb prices despite lower transactions; lamb supplies were down appreciably in most markets.

Prices on the New York Cotton Exchange dipped moderately from a week earlier. United States exports of cotton in the week ended last Tuesday amounted to about 118,000 bales, compared with 132,000 in the preceding week and 28,000 in the similar period last year.

Moderate Rise in Retail Trade Reported

An appreciable rise occurred in consumer buying of Fall apparel and some household goods in the week ended Aug. 3, boosting over-all retail trade moderately over the prior week and slightly over the similar 1959 period. The gains were reported despite a slackening in clearance sales promotions. Year-to-year gains in women's apparel, furniture, floor coverings, and new passenger cars offset declines in men's apparel and most major appliances.

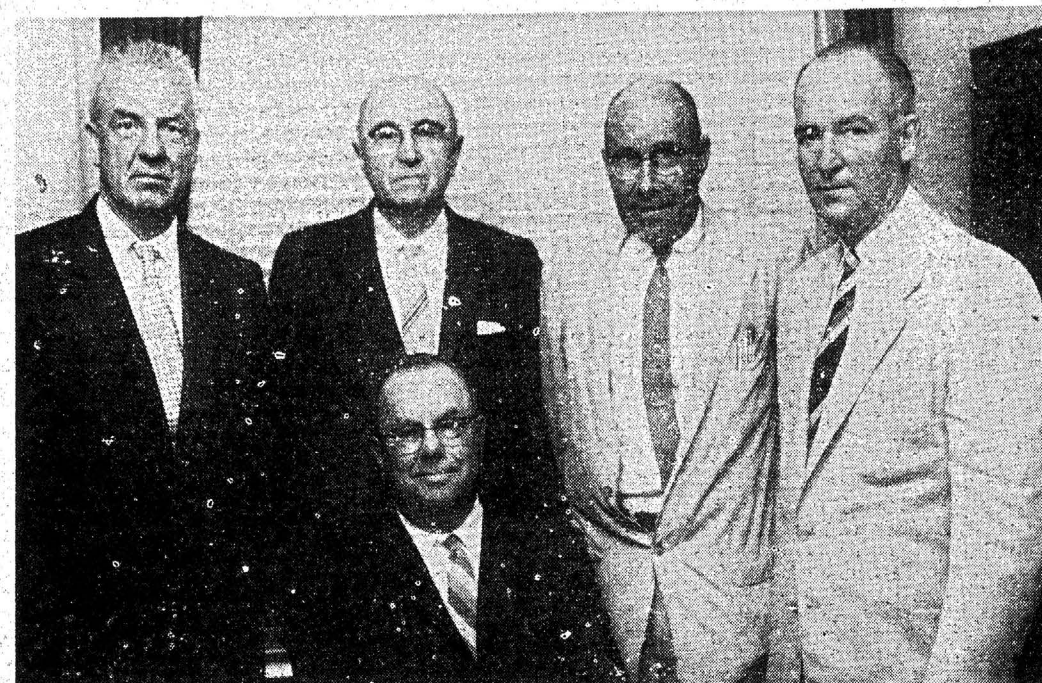
The total dollar volume of retail trade in the week was unchanged to 4% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1959 levels by the following percentages: Middle Atlantic, West North Central, and South Atlantic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

Nationwide Department Store Sales Up 1% Over 1959 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended July 30, 1960, show an increase of 1% over the like period last year. In the preceding week for July 23, an increase of 3% was reported. For the four weeks ended July 30, a 3% decrease was registered over the same period in 1959 while the Jan. 1 to July 30 period showed a 2% increase.

According to the Federal Reserve System department store sales in New York City for the week ended July 30 were 4% above the like period last year. In the preceding week ended July 23, sales were 10% above the same period last year. For the four weeks ending July 30 a 2% increase was reported over the 1959 period, and from Jan. 1 to July 30 there was a gain of 6% above the level achieved in the 1959 period.

Maine Investment Dealers Elect



PORTLAND, Maine—The Maine Investment Dealers Association has elected the following officers: Seated: President, Gilbert M. Elliott, Jr., The State Investment Company, Portland. Standing (left to right): Directors, Robert G. Wade, Morton Hall & Rounds, Lewiston; Charles W. Leonard, C. W. Leonard Company, Portland; Richard P. Knight, Jones Holman Co., Portland; and Secretary-Treasurer, Mark J. Crowley, H. M. Payson & Co., Portland.

Its membership consists of (1) Regular members or those engaged in the distribution of securities in the State of Maine and having its home office located in the State and (2) Associate members, or those firms—listed and unlisted houses—which have branch offices in Maine or are directly interested in the distribution of securities within the State.

Carr Rigdon Co.

NASHVILLE, Tenn.—Carr-Rigdon Company Inc. is engaging in a securities business from offices at 4700 Nolensville Road. Lowell Walker is a principal of the firm.

Cavanaugh Tanner Branch

TUCSON, Ariz.—Cavanaugh, Tanner & Beck Inc. has opened a branch office at 2030 East Broadway under the direction of Howard C. White.

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)	Aug. 13	§54.6	*53.9	51.8	11.8
Equivalent to—					
Steel ingots and castings (net tons)	Aug. 13	§1,556,000	*1,537,000	1,476,000	335,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	July 29	6,821,310	6,855,010	6,811,260	6,807,975
Crude runs to stills—daily average (bbls.)	July 29	¶8,290,000	8,204,000	8,295,000	7,997,000
Gasoline output (bbls.)	July 29	29,014,000	29,116,000	29,929,000	28,948,000
Kerosene output (bbls.)	July 29	2,424,000	2,759,000	2,557,000	1,699,000
Distillate fuel oil output (bbls.)	July 29	12,834,000	12,381,000	12,959,000	12,046,000
Residual fuel oil output (bbls.)	July 29	5,598,000	5,700,000	5,988,000	6,573,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	July 29	193,195,000	194,779,000	201,716,000	186,496,000
Kerosene (bbls.) at	July 29	29,797,000	29,533,000	27,549,000	29,298,000
Distillate fuel oil (bbls.) at	July 29	128,941,000	123,920,000	111,722,000	139,154,000
Residual fuel oil (bbls.) at	July 29	43,386,000	43,488,000	41,239,000	55,668,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	July 30	614,236	619,784	549,416	544,862
Revenue freight received from connections (no. of cars)	July 30	485,514	479,086	493,046	478,704
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Aug. 4	$561,700,000	$365,500,000	$518,700,000	$411,700,000
Private construction	Aug. 4	207,500,000	214,400,000	250,900,000	197,000,000
Public construction	Aug. 4	354,200,000	151,100,000	267,800,000	214,700,000
State and municipal	Aug. 4	312,500,000	132,100,000	179,500,000	175,600,000
Federal	Aug. 4	41,700,000	19,000,000	88,300,000	39,100,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	July 30	8,190,000	*7,925,000	1,855,000	7,239,000
Pennsylvania anthracite (tons)	July 30	359,000	386,000	68,000	382,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	July 30	122	*120	126	121
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Aug. 6	14,709,000	14,746,000	13,031,000	13,675,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Aug. 4	269	293	271	274
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Aug. 2	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Aug. 2	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	Aug. 2	$31.83	$31.50	$31.00	$39.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Aug. 3	32.600c	32.600c	32.600c	29.525c
Export refinery at	Aug. 3	30.875c	30.875c	30.825c	26.750c
Lead (New York) at	Aug. 3	12.000c	12.000c	12.000c	12.000c
Lead (St. Louis) at	Aug. 3	11.800c	11.800c	11.800c	11.800c
‡Zinc (delivered) at	Aug. 3	13.500c	13.500c	13.500c	11.500c
Zinc (East St. Louis) at	Aug. 3	13.000c	13.000c	13.000c	11.000c
Aluminum (primary pig. 99.5%) at	Aug. 3	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	Aug. 3	104.500c	104.750c	102.625c	102.000c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Aug. 9	89.13	86.79	86.71	83.94
Average corporate	Aug. 9	86.91	86.38	85.20	85.98
Aaa	Aug. 9	91.48	91.05	89.78	89.78
Aa	Aug. 9	89.37	88.81	87.72	87.72
A	Aug. 9	86.28	85.98	84.81	85.72
Baa	Aug. 9	80.81	80.45	79.01	81.29
Railroad Group	Aug. 9	84.43	84.04	83.15	84.81
Public Utilities Group	Aug. 9	87.72	87.05	85.46	85.33
Industrials Group	Aug. 9	88.67	88.27	86.91	88.13
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Aug. 9	3.61	3.65	3.88	4.09
Average corporate	Aug. 9	4.64	4.68	4.77	4.71
Aaa	Aug. 9	4.31	4.34	4.43	4.43
Aa	Aug. 9	4.46	4.50	4.58	4.58
A	Aug. 9	4.68	4.71	4.80	4.73
Baa	Aug. 9	5.12	5.15	5.27	5.08
Railroad Group	Aug. 9	4.83	4.86	4.93	4.80
Public Utilities Group	Aug. 9	4.58	4.63	4.75	4.76
Industrials Group	Aug. 9	4.51	4.54	4.64	4.55
MOODY'S COMMODITY INDEX	Aug. 9	367.4	370.4	374.8	380.2
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	July 30	313,360	316,273	317,772	351,802
Production (tons)	July 30	323,825	310,052	308,618	331,482
Percentage of activity	July 30	94	91	90	98
Unfilled orders (tons) at end of period	July 30	457,753	464,279	450,185	550,614
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Aug. 5	109.87	109.55	109.97	109.33
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	July 15	2,042,000	1,890,930	2,912,540	2,580,010
Short sales	July 15	356,890	356,720	618,890	419,430
Other sales	July 15	1,722,330	1,450,800	2,201,840	2,123,440
Total sales	July 15	2,079,220	1,807,520	2,820,730	2,542,870
Other transactions initiated off the floor—					
Total purchases	July 15	233,860	278,700	437,770	417,850
Short sales	July 15	23,200	26,800	117,000	24,100
Other sales	July 15	245,300	223,960	370,750	405,730
Total sales	July 15	268,500	250,760	487,750	429,830
Other transactions initiated on the floor—					
Total purchases	July 15	526,820	539,520	780,025	864,624
Short sales	July 15	84,250	85,280	113,750	140,560
Other sales	July 15	560,270	594,935	690,895	786,092
Total sales	July 15	644,520	680,215	804,645	926,652
Total round-lot transactions for account of members—					
Total purchases	July 15	2,802,680	2,709,150	4,130,335	3,862,484
Short sales	July 15	464,340	468,800	849,640	584,090
Other sales	July 15	2,527,900	2,269,695	3,263,485	3,315,262
Total sales	July 15	2,992,240	2,738,495	4,113,125	3,899,352
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	July 15	1,523,363	1,367,483	2,056,780	1,780,171
Dollar value	July 15	$71,476,704	$67,487,754	$105,240,348	$92,811,252
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	July 15	1,401,339	1,328,035	1,936,738	1,606,150
Customers' short sales	July 15	9,296	5,358	7,874	6,153
Customers' other sales	July 15	1,392,033	1,322,677	1,928,864	1,599,997
Dollar value	July 15	$67,935,752	$61,799,383	$91,492,427	$79,381,710
Round-lot sales by dealers—					
Number of shares—Total sales	July 15	410,350	391,470	556,820	435,320
Short sales	July 15				
Other sales	July 15	410,350	391,470	556,820	435,320
Round-lot purchases by dealers—Number of shares	July 15	509,320	486,940	670,970	593,870
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	July 15	553,970	525,270	924,740	680,410
Other sales	July 15	12,955,740	11,703,490	17,511,080	15,791,830
Total sales	July 15	13,509,710	12,228,760	18,435,820	16,472,240
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Aug. 2	119.5	*119.5	119.5	119.2
Farm products	Aug. 2	88.0	88.0	88.0	87.8
Processed foods	Aug. 2	107.5	107.5	107.6	106.5
Meats	Aug. 2	96.0	96.4	96.9	96.5
All commodities other than farm and foods	Aug. 2	128.4	128.3	128.4	126.2

*Revised figure. ¶Includes 1,095,000 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
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of June 30:			
Total consumer credit	$53,497	$52,831	$47,522
Instalment credit	41,362	40,740	36,135
Automobile	17,807	17,481	15,566
Other consumer goods	10,194	10,080	9,040
Repairs and modernization loans	2,824	2,786	2,467
Personal loans	10,537	10,393	9,062
Noninstallment credit	12,135	12,091	11,387
Single payment loans	4,321	4,345	3,991
Charge accounts	4,628	4,547	4,446
Service credit	3,186	3,199	2,950
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of June:			
All manufacturing (production workers)	12,314,000	*12,303,000	12,544,000
Durable goods	7,047,000	*7,089,000	7,248,000
Nondurable goods	5,267,000	*5,214,000	5,276,000
Employment indexes (1947-49 Avge.=100)—			
All manufacturing	100.2	101.0	101.9
Payroll indexes (1947-49 Average=100)—			
All manufacturing	172.3	171.7	174.4
Estimated number of employees in manufacturing industries—			
All manufacturing	16,378,000	*16,352,000	16,455,000
Durable goods	9,475,000	*9,517,000	9,581,000
Nondurable goods	6,903,000	*6,835,000	6,874,000
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE—U. S. DEPT. OF LABOR—Month of July:			
Weekly earnings—			
All manufacturing	$91.60	*$91.37	$91.17
Durable goods	98.58	*98.58	99.36
Nondurable goods	82.16	*81.35	79.60
Hours—			
All manufacturing	40.0	*39.9	40.7
Durable goods	40.4	40.4	41.4
Nondurable goods	39.5	*39.3	39.8
Hourly earnings—			
All manufacturing	$2.29	$2.29	$2.24
Durable goods	2.44	2.44	2.40
Nondurable goods	2.08	*2.07	2.00
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS — INSTITUTE OF LIFE INSURANCE—Month of May:			
Death benefits	$285,600,000	$270,200,000	$241,300,000
Matured endowments	57,700,000	56,900,000	48,700,000
Disability payments	10,200,000	9,800,000	10,100,000
Annuity payments	60,100,000	59,300,000	52,900,000
Surrender values	139,000,000	132,500,000	119,200,000
Policy dividends	120,900,000	121,400,000	109,800,000
Total	$673,500,000	$650,100,000	$582,000,000
MANUFACTURERS' INVENTORIES AND SALES Month of June (millions of dollars):			
Inventories—			
Durables	$32,100	$32,300	$30,200
Nondurables	22,900	22,700	21,800
Total	$55,000	$55,000	$52,000
Sales	31,500	*30,800	32,000
METAL PRICES (E. & M. J. QUOTATIONS)—July:			
Copper—			
Domestic refinery (per pound)	32.600c	32.600c	30.077c
Export refinery (per pound)	31.010c	30.290c	26.732c
††London, prompt (per long ton)	£254.577	£250.750	£220.875
††Three months, London (per long ton)	£246.970	£244.125	£221.739
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)	£71.241	£73.375	£70.250
††Three months, London (per long ton)	£72.030	£74.033	£71.060
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)	£90.235	£90.595	£80.530
††Zinc, London, three months (per long ton)	£89.795	£90.193	£79.666
Silver and Sterling Exchange—			
Silver, New York (per ounce)	91.375c	91.375c	91.375c
Silver, London (per ounce)	79.250d	79.250d	78.261d
Sterling Exchange (check)	$2.80842	$2.80268	$2.81165
Tin, New York Straits	103.538c	101.347c	102.380c
Gold (per ounce, U. S. price)	$35.000	$35.000	$35.000
Quicksilver (per flask of 76 pounds)	$210.300	$211.273	$236.130
¶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 pound)	$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
MONEY IN CIRCULATION—TREASURY DEPT. As of May 31 (000's omitted)	$31,900,000	$31,600,000	$31.600,000
SELECTED INCOME ITEMS OF U. S. CLASS I RYS. (Interstate Commerce Commission)—Month of April:	$	$	$
Net railway operating income	65,124,765	61,150,611	82,274,095
Other income	22,220,830	23,534,826	20,099,096
Total income	87,345,595	84,685,437	102,373.191
Miscellaneous deductions from income	4,060,509	5,282,166	4,351,209
Income available for fixed charges	83,285,086	79,403,271	98,021,982
Total fixed charges	31,109,939	31,090,191	31,406,746
Income after fixed charges	52,175,147	48,313,080	66,615,236
Other deductions	3,990,913	4,106,298	4,249,861
Net income	48,184,234	44,206,782	62,365,375
Depreciation (way & structure & equipment)	52,153,768	52,037,909	50,912,976
Federal income taxes	27,443,901	31,348,797	33,010,739
Dividend appropriations:			
On common stock	32,366,391	23,818,173	24,833,139
On preferred stock	314,623	1,033,131	733,831
Ratio of income to fixed charges	2.68	2.55	3.12

*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.

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.

Adson Industries, Inc.
July 20, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The company is a general contractor. **Proceeds**—For general corporate purposes. **Office**—116-55 Queens Boulevard, Forest Hills 75, N. Y. **Underwriter**—Bennett & Co., Newark, N. J.

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.

★ Air-Alaska, Inc.
Aug. 2, 1960 (letter of notification) 20,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—To lease airport, improvement, hangar and for operating reserve. **Address** — P. O. Box 1913, Anchorage, Alaska. **Underwriter**—None.

★ Alaska National Gold Mines Co.
Aug. 2, 1960 (letter of notification) 250,000 shares of common stock (par 10 cents). **Price**—20 cents per share. **Proceeds** — For mining operations. **Office** — Suite 211, Glover Bldg., Anchorage, Alaska. **Underwriter**—None.

Allegheny Pepsi Cola Bottling Co.
June 9, 1960, filed 200,000 shares of common stock and $500,000 of 6¾% first mortgage bonds, due 1963 through 1972. **Price**—$5 per common share (par 50 cents), 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.

Alterman Foods, Inc.
July 27, 1960 filed 100,000 outstanding shares of common stock (par $2.50). **Price**—To be supplied by amendment. **Business**—The company operates 48 supermarkets in and around Atlanta, Ga., and, in addition, conducts a wholesale and institutional grocery business. **Proceeds** — To selling stockholders. **Office**—933 Lee St., S.W., Atlanta, Ga. **Underwriters**—Kidder, Peabody & Co., and Wertheim & Co., both of New York City (managing).

• Ameco Electronic Corp. (8/15-19)
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. (8/15)
April 15 filed 120,000 shares of common stock and warrants for the purchase of an additional 60,000 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**—$6.50 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 Electronics, Inc. (8/9)
June 13, 1960, filed 300,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes including construction and debt reduction. **Office** — 1725 West Sixth St., Los Angeles, Calif. **Underwriter**—Shields & Co., New York City.

American Frontier Life Insurance Co.
Nov. 30 filed 200,000 shares of capital stock 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 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

Continued on page 33

NEW ISSUE CALENDAR

August 12 (Friday)

Automatic Cafeterias for Industry, Inc.—Common
(Richard Gray Co.) $126,600
Campbell Machine, Inc.—Common
(J. A. Hogle & Co.) 102,500 shares
Lee Filter Corp.—Capital
(Myron A. Lomasney & Co.) $962,500

August 15 (Monday)

Ameco Electronic Corp.—Common
(Palombi Securities Co.) $300,000
American Bowla Bowla Corp.—Units
(Hill, Thompson & Co., Inc.) $390,000
Brook Labs. Co., Inc.—Common
(Sandkuhl & Company, Inc. and J. J. Magaril Co.) $297,000
Capri Pools, Inc.—Common
(Nassau Securities Service) $125,000
Chemical Packaging Co., Inc.—Common
(Mainland Securities Corp. and Jeffrey-Robert Corp.) $287,500
Civic Finance Corp.—Common
(Robert W. Baird & Co., Inc.) 40,000 shares
Civic Finance Corp.—Notes
(Robert W. Baird & Co., Inc.) $650,000
Conetta Manufacturing Co., Inc.—Common
(Pearson, Murphy & Co., Inc.) $500,000
Consolidated Research & Mfg. Corp.—Units
(Bertner Bros.) $325,000
Dalto Corp.—Common
(No underwriting) 134,739 shares
Dunbar Development Corp.—Common
(Netherlands Securities Co., Inc. and J. A. Winston & Co., Inc.) $300,000
Electri-Cord Manufacturing Co., Inc.—Common
(E. M. North Co., Inc.) $299,700
Electromagnetic Industries, Inc.—Common
(Flomenhaft, Seidler & Co., Inc.) $300,000
Hyak Skiing Corp.—Common
(Columbia-Cascade Corp.) $300,000
International Telephone & Telegraph Corp., Sud America—Debentures
(Bear, Stearns & Co.) $10,000,000
Kings Electronics Co., Inc.—Units
(Ross, Lyon & Co., Inc.; Globus, Inc.; Reich & Co.; Harold C. Shore & Co. and Godfrey, Hamilton, Magnus & Co.) $800,000
Metropolitan Development Corp.—Capital
(William R. Staats & Co.; Bache & Co. and Shearson, Hammill & Co.) 1,000,000 shares
Navajo Freight Lines, Inc.—Common
(Hayden, Stone & Co. and Lowell, Murphy & Co.) 250,000 shares
Needham Packing Co.—Common
(Cruttenden, Podesta & Co.) 200,000 shares
Pacotronics, Inc.—Common
(Myron A. Lomasney & Co.) $600,000
Rayson Craft Boat Co.—Common
(California Investors) $300,000
Reilly-Wolff Associates, Inc.—Class A
(Arden Perin & Co., Inc.) $215,000
Safticraft Corp.—Common
(George, O'Neill & Co., Inc.) $825,000
Sea-Highways, Inc.—Common
(John R. Maher Associates) $300,000
Steck Co.—Common
(Rauscher, Pierce & Co., Inc.) 60,000 shares
System Meat Co.—Common
(Purvis & Co.) $750,000
United Aero Products Corp.—Common
(L. C. Wegard & Co.; Street & Co., Inc.; Woodcock, Moyer, Fricke & French; First Broad Street Corp. Russell & Saxe and V. S. Wickett & Co., Inc.) $300,000
United States Boat Corp.—Common
(Richard Bruce & Co., Inc.) $700,000
Wakefield Engineering, Inc.—Common
(Robert A. Martin Associates, Inc.) $300,000

August 16 (Tuesday)

Cenco Instruments Corp.—Conv. Debentures
(Lehman Brothers) $5,000,000
Lestoil Products, Inc.—Units
(Paine, Webber, Jackson & Curtis and Alex. Brown & Sons) $4,125,000
Michigan Bell Telephone Co.—Debentures
(11:00 a. m. EDT) $35,000,000

August 17 (Wednesday)

General Motors Acceptance Corp.—Debentures
(Morgan Stanley & Co.) $150,000,000
Harcourt, Brace & Co., Inc.—Common
(White, Weld & Co.) 493,425 shares
Miami Tile & Terrazzo, Inc.—Common
(Floyd D. Cerf Jr. Co. Inc.) $437,500
National Electronic Tube Corp.—Common
(Vickers, Christy & Co., Inc. and First City Securities, Inc.) $300,000
Rez-Tile Industries, Inc.—Common
(Vickers, Christy & Co., Inc. and First City Securities, Inc.) $300,000
Techno Fund, Inc.—Common
(The Ohio Co. and Merrill, Turben & Co., Inc.) $5,625,000

August 18 (Thursday)

Arkansas Valley Industries, Inc.—Debentures
(A. G. Edwards & Sons) $400,000
Arkansas Valley Industries, Inc.—Common
(A. G. Edwards & Sons) 30,000 shares

August 22 (Monday)

Arnoux Corp.—Common
(Shearson, Hammill & Co.) 133,000 shares
Bruce National Enterprises, Inc.—Common
(George, O'Neill & Co., Inc.) $2,010,000
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
Electronic Specialty Co.—Common
(Reynolds & Co., Inc. and Bateman, Eichler & Co.) 150,000 shares
Electro-Tec Corp.—Common
(Harriman Ripley & Co., Inc.) 135,000 shares
Fischbach & Moore, Inc.—Common
(Allen & Co.) 300,000 shares
Honey Dew Food Stores, Inc.—Conv. Debentures
(Vickers, Christy & Co., Inc.) $300,000
Hyster Co.—Common
(Blyth & Co., Inc.) 130,000 shares
McKesson & Robbins, Inc.—Debentures
(Goldman, Sachs & Co.) $15,000,000
Miles-Samuelson Inc.—Common
(Marron, Sloss & Co., Inc.) 100,000 shares
National Fountain Fair Corp.—Common
(General Investing Corp.) $300,000
Pearson Corp.—Common
(R. A. Holman & Co., Inc.) 50,000 shares
Rotating Components, Inc.—Common
(S. Schramm & Co., Inc.) $300,000
Roto American Corp.—Common
(Morris Cohon & Co.) 75,000 shares
Terminal Electronics, Inc.—Capital
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $1,000,008
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
Whitmoyer Laboratories, Inc.—Common
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $510,000
Whitmoyer Laboratories, Inc.—Debentures
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $500,000

August 23 (Tuesday)

Infrared Industries, Inc.—Common
(Lehman Brothers) 135,000 shares
Southern California Edison Co.—Bonds
(8:30 a.m. California time) $60,000,000
Trans-Coast Investment Co.—Common
(Lehman Brothers) 400,000 shares

August 24 (Wednesday)

Northern Pacific Ry.—Equip. Trust Ctfs.
(Noon EDT) $6,270,000

August 25 (Thursday)

Central Charge Service, Inc.—Common
(Auchincloss, Parker & Redpath) 60,000 shares
Central Charge Service, Inc.—Debentures
(Auchincloss, Parker & Redpath) $2,000,000
City Gas Co. of Florida—Common
(Kidder, Peabody & Co.) 120,000 shares
I C Inc.—Common
(Purvis & Co. and Amos C. Sudler & Co.) $1,500,000
Majestic Utilities Corp.—Units
(Purvis & Co.) $300,000

August 29 (Monday)

Avionics Investing Corp.—Capital
(S. D. Fuller & Co.) $4,000,000
Capital Investments, Inc.—Common
(The Marshall Co.) $660,000
Del Electronics Corp.—Common
(Standard Securities Corp. and Bruno-Lenchner, Inc.) $400,000
Diversified Collateral Corp.—Debentures
(The Tager Co.) $300,000
Foto-Video Electronics Corp.—Class B
(Fund Planning, Inc.) $500,000
Heldor Electronics Manufacturing Corp.—Com.
(S. Schramm & Co., Inc.) $300,000
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
National Patent Development Corp.—Common
(Globus, Inc. and Ross, Lyon & Co.) $150,000
Nucleonic Corp. of America—Common
(Lertner Bros. and Earl Edden Co.) $300,000
Sachar Properties, Inc.—Units
(Ross, Lyon & Co., Inc. and Globus, Inc.) $600,000
Sealed Air Corp.—Common
(Bertner Bros. and Earl Edden Co.) $100,000
Spray-Bilt, Inc.—Common
(J. I. Magaril Co. and Sandkuhl & Company, Inc.) $250,000
Telephone & Electronics Corp.—Common
(Equity Securities Co.) $264,900
Tempest International Corp.—Common
(Equity Securities Co.) $300,000
Waterman Products Co., Inc.—Common
(Stroud & Co.) $500,000
Willer Color Television System, Inc.—Common
(Equity Securities Co.) $242,670

August 30 (Tuesday)

Republic Steel Corp.—Debentures
(The First Boston Corp. and Merrill Lynch, Pierce, Fenner and Smith, Inc.) $125,000,000

September 1 (Thursday)
Atlanta Gas Light Co.____________________Common
(Offering to stockholders—underwritten by First Boston Corp.; Courts & Co. and The Robinson-Humphrey Co., Inc.) 109,186 shares
Fritzi of California Mfg. Corp.____________Common
(Bear, Stearns & Co. and Schwabacher & Co.) 100,000 shares
Triangle Lumber Corp.____________________Common
(Bear, Stearns & Co.) $1,102,400

September 6 (Tuesday)
Astrex Corp.____________________________Common
(Clayton Securities Corp. and Maltz, Greenwald & Co.) $400,000
Duncan Coffee Co.________________________Capital
(Bear, Stearns & Co.) 260,000 shares
Industrial Timer Corp.____________________Common
(G. H. Walker & Co. and C. E. Unterberg, Towbin & Co.) 75,000 shares
Lytton Financial Corp.____________________Capital
(William R. Staats & Co. and Shearson, Hammill & Co.) 354,000 shares
Milgo Electronic Corp.____________________Common
(Offering to stockholders—underwritten by Shearson, Hammill & Co.) 65,000 shares
Missile-Tronics, Corp.____________________Common
(Edward H. Stern & Co., Inc.) $300,000
Narragansett Capital Corp.________________Common
(G. H. Walker & Co.) $11,000,000
Portland Turf Association__________________Bonds
(General Investing Corp.) $300,000
Venture Capital Corp. of America____________Common
(Filor, Bullard & Smyth, Hardy & Co., Sprayregen, Haft & Co. and Bregman, Cummings & Co.) $2,062,500
Vitramon, Inc. __________________________Common
(G. H. Walker & Co.) 103,512 shares

September 12 (Monday)
Ennis Business Forms, Inc.________________Common
(Kidder, Peabody & Co.) 74,546 shares
Vendo Co.__________________Conv. Debentures
(Offering to stockholders—underwritten by Kidder, Peabody & Co.) $5,250,000
Yardney Electric Corp.____________________Common
(Kidder, Peabody & Co.) 254,000

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
Perkin-Elmer Corp.______________________Common
(Blyth & Co., Inc.) 100,000 shares
Russell Stover Candies, Inc.______________Common
(Harriman Ripley & Co., Inc. and Stern Brothers) 200,000 shrs.
Valdale Co., Inc.________________________Common
(Simmons, Rubin & Co., Inc.) $300,000

September 19 (Monday)
Reva Enterprises, Inc.____________________Common
(Blair & Co., Inc. and Chace, Whiteside & Winslow, Inc.) 200,000 shares

September 20 (Tuesday)
Missouri Public Service Co.________________Common
(Offering to stockholders—underwritten by Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co.) 258,558 shares
Public Service Electric & Gas Co.____________Bonds
(Bids to be invited) $50,000,000
Rocky Mountain Natural Gas Co., Inc.______Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 235,000 shares
Rocky Mountain Natural Gas Co., Inc.___Debentures
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) $2,350,000

September 21 (Wednesday)
Pacific Power & Light Co.__________________Bonds
(Bids noon) $20,000,000
Rochester Telephone Co.___________________Bonds
(11:00 a.m. N. Y. time) $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
Southern Nevada Power Co.______________Preferred
(White, Weld & Co.) $2,000,000
Southern Nevada Power Co._________________Bonds
(White, Weld & Co.) $5,000,000

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 received) $25,000,000

October 25 (Tuesday)
American Telephone & Telegraph Co.___Debentures
(Bids to be received) $250,000,000

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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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 & St. Lawrence Seaway Land Co.
Jan. 27 filed 538,000 shares of common stock, of which 350,000 shares are to be publicly offered. **Price**—$3 per share. **Proceeds**—To pay off mortgages, develop and improve properties, and acquire additional real estate. **Office**—60 E. 42nd St., New York City. **Underwriter**—A. J. Gabriel Co., Inc., New York City.

● American Stereophonic Corp.
April 11 (letter of notification) 50,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—17 W. 60th St., New York, N. Y. **Underwriter**—Hamilton Waters & Co., Inc., 250 Fulton Ave., Hempstead, N. Y. **Offering**—Imminent.

American Title Insurance Co.
July 27, 1960 filed 301,884 shares of common stock (par $2), of which 150,000 shares are to be publicly offered for the account of the issuing company and the balance is to be used in connection with exchange offers for the stock of similarly engaged companies. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including possible future acquisitions. **Office**—901 N. E. 2nd Ave., Miami, Fla. **Underwriters**—A. C. Allyn & Co., Inc., and Bache & Co., both of New York City (managing). **Offering**—Expected in mid-September.

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 Consolidated Industries, Inc.
July 28, 1960 (letter of notification) 100,000 shares of capital stock (no par) of which 58,000 shares are to be offered by the company and the balance by Arthur Spitz. **Price**—$3 per share. **Proceeds** — To increase inventory and for working capital. **Office**—2424 E. Washington, Phoenix, Ariz. **Underwriter**—Newton, Osborne & Reynolds, Inc., 1800 David Stott Bldg., Detroit, Mich.

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. (8/18-30)
June 9, 1960, filed $400,000 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. (8/22-26)
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.

● Astrex Corp. (9/6-9)
July 12, 1960, filed 100,000 shares of common stock. **Price**—$4 per share. **Proceeds** — For general corporate purposes, including debt reduction. **Business**—The distribution of equipment used principally in the electronics, aircraft and missile industries. **Office**—New York City. **Underwriters**—Clayton Securities Corp., Boston, Mass., and Maltz, Greenwald & Co., of New York City.

★ Atlanta Gas Light Co. (9/1)
Aug. 9, 1960, filed 109,186 shares of common stock (par $10), to be offered to holders of the outstanding common of record Sept. 1 on the basis of one new share for each 10 shares then held. Rights expire at 5 p.m. EDST on Sept. 19. **Price**—To be supplied by amendment. **Proceeds**—To reduce bank loans incurred for construction expenditures. **Office**—Atlanta, Ga. **Underwriters**—(for unsubscribed stock). First Boston Corp., New York City, and Courts & Co. and The Robinson-Humphrey Co., Inc., both of Atlanta, Ga.

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. (8/12)
May 31 (letter of notification) 41,848 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.

★ Autosonics, Inc.
July 29, 1960 (letter of notification) 135,000 shares of common stock (par five cents). **Price**—$2 per share. **Proceeds**—For production and research for equipment, inventory, building and working capital. **Office**—42 S. 15th St., Philadelphia, Pa. **Underwriter**—Robert M. Harris & Co., Inc., Transportation Bldg., Philadelphia, Pa.

● Avionics Investing Corp. (8/29-9/2)
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.

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.

★ Blackman Merchandising Corp.
July 28, 1960 (letter of notification) 27,500 shares of common stock, class A (par $1). **Price**—$10 per share. **Proceeds**—For working capital. **Office**—3041 Paseo, Kansas City, Mo. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

★ Blinco Import & Export Corp.
Aug. 3, 1960 (letter of notification) 200,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase imports and for working capital. **Office**—2 Ryland St., Reno, Nev. **Underwriter**—None.

Border Steel Rolling Mills, Inc.
July 25, 1960 filed $1,300,000 of 6% subordinated convertible debentures, due 1976, and 245,439 shares of common stock, of which the stock will be offered to holders of record May 31, on the basis of 53¼ new shares for each share then held. **Price** — For the debentures, 100% of principal amount; for the stock, $5 per share. **Proceeds**—For the construction of a steel mill and related facilities, land purchase, interest payments, and general funds. **Office** — Mart Bldg., El Paso, Texas. **Underwriters**—First Securities Co., Dallas, Texas, and Harold S. Stewart & Co., El Paso, Texas (for debentures only).

● Boston Capital Corp.
Aug. 3, 1960 filed 1,500,000 shares of common stock (par $1), constituting its first public offering. **Price**—$15 per share. **Business**—The issuer is a closed-end, non-diversified manangement investment company. **Proceeds**—To invest for capital appreciation in small businesses. **Investment Advisor**—Allied Research & Service Corp., 75 Federal St., Boston, Mass. **Underwriter** — Shearson, Hammill & Co., New York City (managing).

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.

● Brook Labs. Co., Inc. (8/15)
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

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Lincoln Place, Brooklyn 16, N. Y. **Underwriters**—Sandkuhl & Company, Inc., New York City and Newark, N. J. and J. I. Magaril Co., 37 Wall St., New York, N. Y.

● **Bruce National Enterprises, Inc. (8/22-26)**
April 29 filed 335,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Proceeds**—For reduction of outstanding indebtedness; to pay off mortgages on certain property; for working capital and other corporate purposes. **Office**—1118 N. E. 3rd Avenue, Miami, Fla. **Underwriter** — George, O'Neill & Co., Inc., New York.

Buzzards Bay Gas Co., Hyannis, Mass.
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. **Offering**—Indefinitely postponed.

★ **CMC Finance Group, Inc.**
Aug. 2, 1960 (letter of notification) 50,000 shares of class A common stock (par $1). **Price**—At prices ranging from $2.50 per share to $3.50 per share based on date of purchase upon exercise of warrants. **Proceeds**—For working capital. **Office** — 1009 Wachovia Bldg., Charlotte, N. C. **Underwriter**—None.

● **Campbell Machine, Inc. (8/12)**
June 20, 1960, filed 102,500 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Foot of Eighth Street, San Diego, Calif. **Business**—The company conducts a shipyard business which consists of repair and maintenance of U. S. Navy and commercial vessels. **Underwriter**—J. A. Hogle & Co., Salt Lake City, Utah.

Capital Investments, Inc. (8/29)
July 15, 1960 filed 60,000 shares of common stock. **Price**—$11 per share. **Business**—Issuer is a closed-end, non-diversified management investment company providing equity capital and advisory services to small business concerns. **Proceeds** — For general corporate purposes. **Office**—743 No. Fourth St., Milwaukee, Wis. **Underwriter**—The Marshall Co., Milwaukee.

● **Capri Pools, Inc. (8/15-19)**
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.

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. **Unwriter**—None.

● **Cenco Instruments Corp. (8/16)**
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.

● **Central Charge Service, Inc. (8/25)**
July 18, 1960, filed $2,000,000 of subordinated sinking fund debentures, due Aug. 31, 1975, with attached warrants to purchase 60,000 common shares, and an additional 60,000 common shares. **Price**—To be supplied by amendment. **Business** — The issuer provides a retail charge account service and credit facilities for merchants by discounting customers' sales tickets. **Proceeds**—To redeem $300,000 of outstanding 6% subordinated participating debentures at 110% of principal amount, to increase working capital, and to reduce indebtedness. **Office**—620 11th Street, N. W., Washington, D. C. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C.

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. (8/15-19)**
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.

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 (8/25)**
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.

● **Civic Finance Corp. (8/15-19)**
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.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

Commercial Banking Corp.
July 18, 1960 (letter of notification) $290,000 of 6% subordinated debenture bonds due April 1, 1969 with five year warrants to purchase common stock. **Price**—$965 per $1,000 debenture. **Proceeds**—For working capital. **Office**—104 S. 20th St., Philadelphia, Pa. **Underwriter**—Suplee, Yeatman, Mosley & Co., Inc., Philadelphia, Pa.

★ **Commonwealth Electronics Corp.**
Aug. 1, 1960 (letter of notification) 60,000 shares of class A common stock (par 10 cents). **Price** — $5 per share. **Proceeds**—To purchase machinery and equipment, research and development and for working capital. **Address** — c/o Harold G. Suiter, Box 1061, Rio Piedras, Puerto Rico. **Underwriters** — L. L. Bost Co., Baltimore, Md.

● **Conetta Manufacturing Co., Inc. (8/15)**
June 3 filed 125,000 shares of class A common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes including the reduction of indebtedness, the purchase of machinery and equipment, and for working capital. **Office**—73 Sunnyside Ave., Stamford, Conn. **Underwriter** — Pearson, Murphy & Co., Inc., New York City.

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. (8/15-19)**
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.
June 15, 1960 filed $38,101,600 of 4⅜% convertible debs., due 1975, being 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. **Underwriters** — Kuhn, Loeb & Co.; Ladenburg, Thalmann & Co.; Allen & Co.; A. M. Kidder & Co.

★ **Croft Carpet Mills, Inc.**
Aug. 5, 1960 (letter of notification) 74,750 shares of 10c par common stock, in the Atlanta, Ga., SEC office. **Price**—$4 per share. **Business**—The company manufactures and distributes tufted carpets. **Proceeds**—For inventory, debt reduction, and sales and advertising expenses. **Office**—205-11 Fourth St., Fort Oglethorpe, Ga. **Underwriter**—A. J. Frederick & Co., Inc., New York City.

★ **Crystal Mountain, Inc.**
Aug. 2, 1960 (letter of notification) 1,200 shares of common stock (par $1). **Price**—$100 per share. **Proceeds**—For expenses for operating a ski resort. **Office**—400 Main St., Frankfort, Mich. **Underwriter**—None.

Cubic Corp.
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. **Note**—This offering has been indefinitely postponed due to market conditions.

★ **Dakota Underwriters, Inc.**
Aug. 3, 1960 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To pay outstanding notes and the remainder for general corporate purposes. **Office**—214 W. Third St., Yankton, S. C. **Underwriter**—Professional Insurers and Investors Ltd., 104 E. 8th St., Denver, Colo.

Dalto Corp. (8/15-19)
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.

★ **Dealers Discount Corp., Inc.**
Aug. 1, 1960 (letter of notification) $300,000 of 7% subordinated convertible sinking fund debentures, due July 1, 1975. **Price**—At face value. **Proceeds**—For working capital. **Address**—Darlington, S. C. **Underwriters**—G. H. Crawford Co., Inc. and Frank S. Smith & Co., Inc., Columbia, S. C. and V. M. Manning & Co., Inc., Greenville, S. C.

Del Electronics Corp. (8/29-9/2)
July 26, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company makes, from its own designs, and sells high voltage power supplies, transformers, chokes, and reactors. **Proceeds**—For working capital, relocation, and expansion. **Office**—521 Homestead Ave., Mount Vernon, New York. **Underwriters** — Standard Securities Corp., New York City, and Bruno-Lenchner, Inc., Pittsburgh, Pa.

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 Collateral Corp. (8/29-9/2)
July 26, 1960 filed (with the SEC in Atlanta) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Mortgage financing in Florida. **Proceeds**—For additional working capital. **Office**—Miami Beach, Fla. **Underwriter**—The Tager Co., 1271 6th Ave., New York City.

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.

Drug Associates, Inc.
May 6 (letter of notification) 100 units of $100,000 of 7% sinking fund debenture bonds and 10,000 shares of common stock (par $1) to be offered in units consisting of one $1,000 debenture and 100 shares of common stock. **Price**—$1,100 per unit. **Proceeds**—For general corporate purposes. **Office**—1238 Corlies Ave., Neptune, N. J. **Underwriter**—Fidelity Securities & Investment Co., Inc., Asbury Park, N. J.

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.

★ **Duncan Coffee Co. (9/6-9)**
Aug. 4, 1960, filed 260,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Business**—Engaged primarily in importing, processing, packaging and distributing its own blended coffees, marketed principally under the trade names "Maryland Club" and "Admiration." **Proceeds** — To pay $2,050,000 aggregate principal amount of senior subordinated debentures maturing Dec. 31, 1960, and the balance toward the reduction of outstanding trade acceptances of the company. **Office**—1200 Carr St., Houston, Texas. **Underwriter**—Bear, Stearns & Co., New York City.

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.

● **Dynatron Electronics Corp.**
April 29, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—178 Herricks Road, Mineola, N. Y. **Underwriter**—General Securities Co., Inc., New York, N. Y. **Offering**—Expected sometime in September.

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.

Edwards Engineering Corp.
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. **Offering**—Imminent.

Electri-Cord Manufacturing Co., Inc. (8/15-19)
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. (8/15-19)
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 Specialty Co. (8/22-26)**
June 2 filed 150,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds in anticipation of capital requirements, possibly to include acquisitions. **Office**—5121 San Fernando Road, Los Angeles, Calif. **Underwriters**—Reynolds & Co., Inc. of New York City and Bateman, Eichler & Co. of Los Angeles, Calif.

Electro Industries, Inc.
July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional class A common stock to be offered to the underwriters. **Prices**—Of class A common, $2 per share; of additional class A common, 2½ cents per share. **Proceeds**—To expand the company's inventory to go into the packaging and export of electrical equipment, and for working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter** — Carleton Securities Corp., Washington, D. C.

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.

Ennis Business Forms, Inc. (9/12-16)
July 14, 1960, filed 74,546 shares of outstanding common stock (par $2.50). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 214 West Knox St., Ennis, Texas. **Underwriter**—Kidder, Peabody & Co., 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.

★ **Executive Life Insurance Co.**
Aug. 1, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—To defray expenses incidental to operating an insurance company. **Office**—1115 First National Bank Bldg., Denver, Colo. **Underwriter**—None.

Fae Instrument Corp.
July 28, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price** — $5 per share. **Business** — The manufacture of technical instruments. **Proceeds**—For payment of current liabilities, an expansion program, and for operating capital. **Office**—42-61 Hunter St., Long Island City 1, N. Y. **Underwriter**—Elmer K. Aagaard, Suite 6, Stock Exchange Bldg., 39 Exchange Place, Salt Lake City, Utah.

● **Fairmount Finance Co.**
May 6 (letter of notification) 58,000 shares of class A common stock (par $5). **Price**—At par ($5 per share). **Proceeds**—For working capital. **Office**—5715 Sheriff Road, Fairmount Heights, Md. **Underwriter**—J. T. Patterson & Co., Inc., 40 Exchange Place, New York, N. Y. **Offering**—Imminent.

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 Pacific Electric Co.
Aug. 2, 1960 filed 377,000 shares of common stock and $45,000 shares of outstanding 5½% convertible second preferred series A stock, of which 127,000 common shares represent part of the issuer's payment for all of the outstanding common of Pioneer Electric Limited. The balance will be offered publicly. **Price** — To be supplied by amendment. **Proceeds**—To acquire the cash necessary to complete the Pioneer payment (see above), with the balance to retire short-term bank loans, and be added to working capital. **Office** — 50 Terrace St., Newark, N. J. **Underwriter**—H. M. Byllesby & Co., Inc., Chicago, Ill., (managing).

Fiber Glass Industries Corp. of America
July 21, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents) of which 80,000 shares are to be offered on behalf of the company and 20,000 on behalf of the underwriter. **Price**—$3 per share. **Proceeds**—To purchase material, repayment of a loan, for advertising and promotion and for working capital. **Office**—730 Northwest 59th St., Miami, Fla. **Underwriter**—Nelson Securities, Inc., Hempstead, N. Y.

Fidelity Electronics Corp.
July 11, 1960, (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—Fairview & Hancock Streets, Riverside, Burlington County, N. J. **Underwriter** — Metropolitan Securities, Inc., Philadelphia, Pa.

First Investors Corp.
July 19, 1960, filed 270,000 shares of outstanding class A common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — New York City. **Underwriter**—Bache & Co. **Offering**—Expected in early September.

● **Fischbach & Moore, Inc. (8/22-26)**
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.

Fleetcraft Marine Corp.
July 5, 1960 (letter of notification) 150,000 shares of capital stock (no par) of which 112,500 shares are being offered by the company and the remainder for the account of the selling stockholder. **Price**—$2 per share. **Proceeds** — To pay off debts and for working capital. **Office** — c/o Robert R. Chesley, 1235 E. Florence Ave., Los Angeles, Calif. **Underwriter**—Garat & Polonitza, Inc., Los Angeles, Calif. **Note**—The underwriter states that this offering has been indefinitely postponed.

● **Foto-Video Electronics Corp. (8/29-9/2)**
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.

● **Four Star Television**
July 27, 1960 filed 120,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries will produce and market television film series and related enterprises. **Proceeds**—For general corporate purposes. **Office**—4030 Radford Ave., North Hollywood, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo. (managing). **Offering**—Expected in early September.

Fritzi of California Mfg. Corp. (9/1-15)
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.

Frouge Corp.
July 22, 1960 filed $1,500,000 of 6½% convertible subordinated debentures, due September 1975, and 150,000 shares of common stock (par $1), of which filing 50,000 of the common shares are to be offered for the account of selling stockholders and the balance for the account of the issuing company. **Prices** — To be supplied by amendment. **Business**—The company is engaged in the construction business, both as a general contractor and as a builder for its own account. **Proceeds** — For debt reduction and working capital. **Office**—141 North Ave., Bridgeport, Conn. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing). **Offering**—Expected in late September.

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.

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 Motors Acceptance Corp. (8/17)
July 27, 1960 filed $150,000,000 of 22-year debentures, due 1982. **Price**—To be supplied by amendment. **Proceeds**—For general funds, the purchase of accounts receivable, the reduction of indebtedness, and possibly for investment in short-term securities. **Office**—New York City. **Underwriter**—Morgan Stanley & Co., New York City (managing).

General Sales Corp.
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. **Offering**—Expected in late August.

General Steel Castings Corp.
July 22, 1960 filed 296,649 shares of common stock (par $1), of which 100,000 shares are to be offered for the account of the issuing company and the balance, representing outstanding stock, will be offered for the account of the present holders thereof. **Price**—To be related to the market price for the shares at the time of the offering. **Proceeds**—To be loaned to St. Louis Car Co., a subsidiary. **Office** — 1417 State St., Granite City, Ill. **Underwriter** — Hornblower & Weeks, New York City (managing). **Offering**—Expected sometime in September.

★ **Glen Manufacturing, Inc.**
Aug. 8, 1960 filed 125,000 shares of common stock, of which 100,000 shares are to be offered for the account of the issuing company and 25,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—$10 per share. **Business**—The company makes and sells ladies clothes, bathroom fixtures, and, through Mary Lester Stores, yard goods, sewing supplies, decorating fabrics, and various notions. **Proceeds**—For working capital, including, initially, the reduction of short term bank loans which aggregated $2,650,000 on July 25. **Office**—320 East Buffalo St. Milwaukee Wis. **Underwriter**—Loewi & Co., Milwaukee, Wis. (managing).

Gold Medal Packing Corp.
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.

★ **Greater Tucson Investment Corp.**
July 28, 1960 (letter of notification) 1,240 shares of common stock. **Price**—At par, $50 per share. **Proceeds**—To purchase desert lands. **Office**—810 Arizona Land Title Bldg., Tucson, Ariz. **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.

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

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Guardian Discount Co. **Office**—1415 Union Avenue, Memphis, Tenn. **Underwriter**—James N. Reddoch & Co., Memphis, Tenn.

● Hallicrafters Co.
July 22, 1960 filed 300,000 shares of capital stock (par $1), of which 100,000 shares are to be offered for the account of the issuing company and the balance, representing outstanding stock, is to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The research, development, and manufacture of military electronic equipment, and the commercial manufacture and sale of short-wave sending and receiving equipment. **Proceeds**—For working capital, including the reduction of indebtedness by $1,000,000. **Office**—4401 W. Fifth Ave., Chicago,, Ill. **Underwriter**—Paine, Webber, Jackson & Curtis (managing). **Offering**—Expected in mid-September.

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.

Harvest Brand, Inc.
July 22, 1960 filed 191,667 shares of common stock (10c par), of which 150,000 shares will be sold for the account of the issuing company and 41,667 shares, representing outstanding stock, will be sold for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The issuer is engaged primarily in the formulation, manufacture, distribution, and sale of feed supplements, minerals, and pre-mixes for the livestock industry in the mid-west. **Proceeds**—To retire long-term debt; for a new automated plant, and for additional working capital. **Office** — Pittsburgh, Kansas. **Underwriter**—S. D. Fuller & Co., New York City. **Offering**—Expected in mid-September.

Hawaiian Electric Co., Ltd.
July 25, 1960 filed 116,643 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each eight shares held. **Price**—To be supplied by amendment. **Proceeds**—For capital expenditures. **Office**—900 Richards St., Honolulu, Hawaii. **Underwriter**—None.

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 at a maximum of $10 per share. **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. **Offering**—Expected in early September.

Heldor Electronics Manufacturing Corp. (8/29-9/2)
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. **Offering**—Expected in late August or early September.

★ Home Builders Acceptance Corp.
July 15, 1960 filed 1,000,000 shares of common stock (par 50c). **Price**—$1 per share. **Business**—The company is engaged in real estate financing and lending. **Proceeds**—For general corporate purposes. **Office**—409 N. Nevada, Colorado Springs, Colo. **Underwriter**—None.

Honey Dew Food Stores, Inc. (8/22-26)
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.

● Hyak Skiing Corp. (8/15)
July 18, 1960 (letter of notification) 30,000 shares of common stock. **Price**—At par ($10 per share). **Proceeds**—For general corporate purposes. **Office**—c/o Frederick D. Voorhees, 8422 N. E. 10th St., Bellevue, Wash. **Underwriter**—Columbia-Cascade Corp., Seattle, Wash.

● Hydrometals, Inc.
June 16, 1960 filed $2,500,000 of convertible debentures due 1972. The company proposes to offer the debentures for subscription by stockholders. **Price**—To be supplied by amendment. **Proceeds**—Approximately $490,000 will be used to retire loans made to furnish working capital and to finance the company's Hydro-T-Metal program, and $300,000 will be used to retire a loan made to finance the acquisition of a license to practice an electrothermal process for the production of metals from oxides and ores. The balance of such proceeds will be added to the general funds of the company. **Office** — 405 Lexington Ave., New York City. **Underwriter**—H. M. Byllesby & Co., Inc., Chicago, Ill. **Offering**—Imminent.

Hyster Co. (8/22-26)
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.

I C Inc. (8/25)
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.

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. **Offering**—Expected sometime in September.

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.

Industrial Development Bank of Israel Limited
July 22, 1960 filed 10,000,000 6% preference C shares. **Price**—$1 per share, payable in cash or in Israel bonds. **Proceeds** — For use as working capital to be used in granting loans to firms judged beneficial to the Israel economy. **Office**—113 Allenby Road, Tel-Aviv, Israel. **Underwriter**—Harry E. Brager Associates, Washington, D. C. and New York City. **Offering**—Expected sometime in September.

Industrial Timer Corp. (9/6-9)
July 28, 1960 filed 75,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture and sale of timing controls, relays, and a recently developed actuating programmer. **Proceeds**—For general corporate purposes, including construction, additional personnel, and the reduction of indebtedness. **Office**—1407 McCarter Highway, Newark, N. J. **Underwriters** — G. H. Walker & Co. and C. E. Unterberg, Towbin Co., both of N. Y. City (managing).

● Infrared Industries, Inc. (8/23)
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.

International Diode Corp.
July 29, 1960 filed 42,000 shares of 6% non-cumulative convertible preferred stock (par $8). **Price** — $8 per share. **Business**—Makes and sells diodes. **Proceeds**—To establish a staff of production and sales engineers, finance new product development, buy equipment, and add to working capital. **Office**—90 Forrest St., Jersey City, N. J. **Underwriter**—Ernst Wells, Inc., New York City.

★ International Safflower Corp.
Aug. 3, 1960 (letter of notification) 60,000 shares of class A common stock (par $2). **Price**—$5 per share. **Proceeds**—To retire outstanding loans, purchase of planting seed, lease or purchase land, building and machinery and for working capital. **Office** — 350 Equitable Bldg., Denver, Colo. **Underwriter** — Copley & Co., Colorado Springs, Colo.

● International Telephone & Telegraph Corp., Sud America (8/15-19)
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.

Investor Service Fund, Inc.
July 14, 1960, filed 100,000 shares of common stock. **Price**—$10 per share, in 100-share units. **Business**—The company, which has not as yet commenced operations, intends to offer investors a chance to participate in diversified real estate ventures. **Proceeds**—To purchase all or part of the Falls Plaza Shopping Center, Falls Church, Va. **Office**—1823 Jefferson Place, N. W., Washington, D. C. **Underwriters**—Investors Service Securities, Inc., and Riviere Marsh & Co., both of Washington.

★ Irving Fund for Investment in U. S. Government Securities, Inc.
July 22, 1960, filed 400,000 shares of common stock. **Price** — $25 per share. **Business** — A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—To be supplied by amendment. **Attorneys** — Brinsmade & Shafrann, 20 Pine Street, New York 5, N. Y.

Itemco, Inc. (8/29-9/2)
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. **Underwriters**—Morris Cohon & Company and Schrijver & Co., both of New York.

Kent Publishing Co., Inc.
July 20, 1960 (letter of notification) 50,000 shares of common stock (par $1). **Price**—$1.10 per share. **Proceeds**—To retire a short term note and for general corporate purposes. **Office**—619 Southeastern Bldg., Greensboro, N.C. **Underwriter**—McCarley & Co., Inc., Asheville, N.C.

● Kings Electronics Co., Inc. (8/15-19)
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.

Kollmorgen Corp.
July 29, 1960 filed 80,330 shares of common stock (par $2.50) of which 35,000 shares are to be offered for the account of the issuing company and 45,330 shares, representing outstanding stock, are to be offered for the account of the present holder thereof. **Price**—To be supplied by amendment. **Business**—The company makes optical equipment, including submarine periscopes, torque motors, and other electro-mechanical and electronic equipment. **Proceeds**—To redeem all of the outstanding 7% cumulative preferred; for bank debt reduction; to repay outstanding first mortgage note; for machinery and equipment; to pay a promissory note; and for working capital. **Office** — 347 King St., Northampton, Mass. **Underwriter**—Putnam & Co., Hartford, Conn. (managing.) **Offering**—Expected in early October.

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. (8/12-17)
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.

Lence Lanes, Inc.
July 22, 1960 filed 175,000 shares of common stock (par $1). **Price**—$6 per share. **Business**—The company operates automatic bowling centers, associated ventures such as restaurants, bars, and luncheonettes, sells supplies, and rent lockers, shoes, and meeting rooms. **Proceeds**—To reduce indebtedness, complete Garfield Lanes in Jersey City, N. J., and for working capital. **Office**—4650 Broadway, New York City. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing). **Offering**—Expected sometime in September.

● Lestoil Products, Inc. (8/16-18)
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.
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. **Note** — This offering has temporarily been postponed.

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.

Lytton Financial Corp. (9/6-9)
July 26, 1960 filed 354,000 shares of capital stock, of which 187,500 shares are to be offered for the account of the issuing company and 166,500 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—$2,100,000 will be used to reduce indebtedness, and the balance will be used for working capital and general corporate purposes. **Office**—Hollywood, Calif. **Underwriters**—William R. Staats & Co., Los Angeles, Calif., and Shearson, Hammill & Co., New York City.

★M-F Inc. of Clearwater
July 29, 1960 (letter of notification) $100,000 of 6% 10-year sinking fund debentures to be offered in denominations of $1,000 each. **Price**—At par. **Proceeds**—For working capital. **Address**—Clearwater, Fla. **Underwriter**—None.

Majestic Utilities Corp. (8/25)
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 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.

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.

McKesson & Robbins, Inc. (8/22-26)
July 28, 1960 filed $15,000,000 of debentures, due Sept. 1, 1980. **Proceeds** — To retire short-term borrowings, to finance the proposed acquisition of an interest in corporations operating in South America, and to increase working capital. **Office**—155 East 44th St., New York 17, N. Y. **Underwriter** — Goldman, Sachs & Co., New York City (managing).

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. (8/15-19)
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. (8/17)
March 11, filed 125,000 shares of common stock (par $1). **Price**—$3.50 per share. **Proceeds**—Approximately $100,000 to reduce temporary bank loans, $125,000 to reduce accounts payable, $40,000 to establish a new office and warehouse in Jacksonville, Fla., and the balance for general corporate purposes. **Office**—6454 N. E. 4th Ave., Miami, Fla. **Underwriter** — Floyd D. Cerf Jr. Co., Inc., Chicago, Ill.

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.

Michigan Bell Telephone Co. (8/16)
July 25, 1960 filed $35,000,000 of debentures, due Aug. 1, 1996. **Proceeds**—To repay advances from American Telephone & Telegraph Co., the parent company, which are expected to approximate $32,000,000 at the time such proceeds are received. **Office**—1365 Cass Ave., Detroit, Mich. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected to be received at room 2315, 195 Broadway, New York City, up to 11 a.m. New York Time on Aug. 16.

Miles-Samuelson Inc. (8/22-26)
June 22, 1960 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For reduction of indebtedness, expansion of the business and general corporate purposes. **Business**—The company is engaged in writing, illustrating and producing a variety of technical material specifically designed for use by industry and the Department of Defense. **Office**—21 East 26th St., New York City. **Underwriter**—Marron, Sloss & Co.,, Inc. of New York City.

Milgo Electronic Corp. (9/6-9)
July 28, 1960 filed 65,000 shares of common stock (par $1), to be offered to the holders of the outstanding common on the basis of one new share for each six shares held. **Price**—To be supplied by amendment. **Business**—Making and selling electronic equipment and systems for missile and space programs. **Proceeds**—For reduction of short-term bank loans, $635,000; for expansion, $200,000; for product development, $125,000. The balance will be used as working capital. **Office**—7620 N. W. 36th Ave., Miami, Fla. **Underwriter** — Shearson, Hammill & Co., New York City.

● Missile-Tronics, Corp. (9/6-9)
July 8, 1960, (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—For general corporate purposes. **Office**—245 4th Street, Passaic, N. J. **Underwriter**—Edward H. Stern & Co., Inc., 32 Broadway, New York, N. Y.

Missouri Public Service Co. (9/20)
Aug. 1, 1960 filed 258,558 shares of common stock (par $1) to be offered to the holders of the outstanding common on the basis of one new share for each eight shares held. **Price**—To be supplied by amendment. **Proceeds**—To reduce short-term bank loans incurred in 1959-60 for construction expenses. **Office**—Kansas City, Mo. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

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.

Mohawk Business Machines Corp.
July 28, 1960 (letter of notification) 2,500 shares of common stock (par 40 cents). **Price** — At-the-market. **Business** — To manufacture and sell magnetic recorders. **Proceeds**—For general corporate purposes. **Office**—944 Halsey St., Brooklyn, N. Y. **Underwriter**—None. **Offering**—Expected in the Fall.

★ Mohawk Insurance Co.
Aug. 8, 1960, filed 75,000 shares of class A common stock. **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co. Inc., 39 Broadway, New York 6, N. Y.

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.
April 27 filed 217,278 shares of common stock (par $1) all of which is being offered for subscription. The company is offering 108,000 shares of new common stock for subscription by holders of outstanding stock of record Aug. 4, at the rate of one new share for each three shares held with rights to expire on Aug. 19 at 3:30 p.m. EDT. Arebec Corp., of New York, which owns 109,278 common shares, has entered into an agreement to sell said shares to the underwriter. **Price**—$7.75 per share. **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. (9/6-9)
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 Bowling Corp.
July 28, 1960 (letter of notification) $196,000 of 5-year 4% debenture notes and 9,800 shares of class A stock to be offered for subscription by stockholders of record Aug. 12, 1960 in units of 25 shares of class A and $500 of notes. **Price**—$750 per unit. **Proceeds**—For working capital. **Office**—99 W. Main St., New Britain, Conn. **Underwriter**—None.

● National Capital Corp. (8/29-9/2)
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 Consolidated Development Corp.
July 25, 1960 filed 70,000 shares of class B common (non-voting) stock. **Price**—$100 per share. **Business**—To acquire business properties, and operate, lease, or sell them for a profit. **Proceeds**—For general corporate purposes, with initial activities scheduled for Phoenix, Ariz. **Office**—South 1403 Grand Ave., Spokane, Wash. **Underwriter** — The stock will be offered through authorized and qualified brokers.

● National Electronic Tube Corp. (8/17)
April 29, 1960 filed 150,000 shares of common stock (par 5 cents). **Price** — $2 per share. **Proceeds** — For general corporate purposes. **Office**—88 Cortlandt St., New York City. **Underwriter** — Vickers, Christy & Co., Inc. and First City Securities, Inc., both of New York City.

● National Fountain Fair Corp. (8/22-26)
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**—Indefinite.

National Patent Development Corp. (8/29-9/2)
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.

● Natural Gas Pipeline Co. of America
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. **Offering**—Postponed.

● Natural Gas Pipeline Co. of America
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. **Offering**—Postponed.

● Navajo Freight Lines, Inc. (8/15-19)
May 9, 1960, filed (with the ICC) 250,000 shares of common stock, of which 189,000 shares, being outstanding stock, will be offered for the account of the present holders thereof, and 61,000 shares will be offered for the account of the issuing company. **Price**—To be supplied by amendment. **Office**—1205 So. Plate River Drive, Denver 23, Colo. **Underwriters**—Hayden, Stone & Co. and Lowell, Murphy & Co. (jointly).

Needham Packing Co. (8/15)
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.

North Washington Land Co.
May 3 filed $1,600,000 of first mortgage participation certificates. **Price**—The certificates will be offered at a discount of 17.18% from face value. **Proceeds**—For the primary purpose of refinancing existing loans. **Office**—1160 Rockville Pike, Rockville, Md. **Underwriter**—Investor Service Securities, Inc.

★ Northern Virginia Doctors Hospital Corp.
July 26, 1960 (letter of notification) 29,000 shares of common stock (par one cent). **Price**—Estimated at $10 per share. **Proceeds**—To construct and operate a medical center. **Office**—601 S. Carlyn Spring Rd., Arlington, Va. **Underwriter**—None.

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.

● Nucleonic Corp. of America (8/29-9/2)
July 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Developing and manufacturing nuclear detection instruments; equipment and accessories. **Proceeds**—For advertising and increased direct mail; moving to a mod-

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ern one story plant and leasehold improvements; additional sales personnel and establishment of sales offices in Los Angeles, Boston, Washington and Chicago and for working capital. **Office**—196 DeGraw St., Brooklyn, N. Y. **Underwriters**—Bertner Bros. and Earl Edden Co., New York, N. Y.

★ Oil Recovery Corp.
Aug. 4, 1960 filed $1,600,000 of convertible debentures, due Sept. 1, 1970. **Price**—To be supplied by amendment. **Proceeds**—Approximately $700,000 will be used for the development of company-owned property, employing the "Orco Process" for recovering secondary oil, and the balance for general corporate purposes. **Office**—405 Lexington Ave., New York City. **Underwriter**—Lehman Brothers and Allen & Co. of New York City (managing). **Offering**—Expected in September.

● Oil Shale Corp.
March 30 filed 300,000 shares of common stock being offered to the holders of its outstanding common stock on the basis of one new share for each three shares held of record July 29, with rights to expire on Sept. 7, at 5:00 p.m. New York Time. **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office** — 9489 Dayton Way, Beverly Hills, Calif. **Underwriter**—None.

★ Outing Club, Inc.
July 27, 1960 (letter of notification) 1,750 shares of common stock (no par). **Price**—$100 per share. **Proceeds**—For construction of a ski resort. **Address**—New London, N. H. **Underwriter**—None.

Pacific Power & Light Co. (9/21)
July 27, 1960 filed $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.

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.

● 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, has withdrawn as underwriter and the filing is also expected to be withdrawn.

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.

Perkin-Elmer Corp. (9/15)
July 21, 1960 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company is engaged in the design, manufacture, and sale of scientific instruments. **Proceeds**—For plant construction ($1,400,000), machinery and equipment ($500,-000), and general funds. **Office** — Main Ave., Norwalk, Conn. **Underwriter**—Blyth & Co., Inc., New York City (managing).

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.

Pik-Quik, Inc.
July 27, 1960 filed 550,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The organization and operation of self-service markets in Florida under the names of "Pik-Quik" and "Tom Thum." There are now 31 such markets. **Proceeds**—Together with other funds, the proceeds will be used to purchase substantially all of the assets of Plymouth Rock Provision Co., Inc. **Office**—Baker Bldg., Minneapolis, Minn. **Underwriter**—A. C. Allyn & Co., Inc., New York City. **Offering**—Expected in mid-September.

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. **Note**—The underwriter states that this offering will be delayed.

★ Portland Turf Association (9/6-9)
July 29, 1960 (letter of notification) $300,000 of 10% first mortgage registered bonds, due July 1, 1970. **Price**—At face amount. **Proceeds**—For purchase of a track, to retire bonds and for working capital. **Office**—2890 Bellevue, West Vancouver, B. C., Canada. **Underwriter**—General Investing Corp., New York, N. Y.

Possis Machine Corp.
July 25, 1960 (letter of notification) 40,000 shares of common stock (par 25 cents). **Price** — $7.50 per share. **Proceeds**—To acquire new facilities, purchase additional equipment, reduce existing indebtednesss and for working capital. **Office** — 1645 Hennepin Ave., Minneapolis, Minn. **Underwriter** — Craig-Hallum,, Inc., Minneapolis, Minn.

● Progress Electronics Corp.
Aug. 3, 1960 (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**—Jacoby, Daigle & Werner, Inc., Los Angeles, Calif.

● Puritron Corp.
Aug. 3, 1960 filed 250,000 shares of common stock, of which 200,000 shares are to be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, are to be offered for the account of Joseph Stein, President, the present holder thereof. **Price**—To be supplied by amendment. **Business**—Makes and sells electronic air purifiers and range hoods. **Proceeds** — To retire indebtedness, with the balance for capital expenditures. **Office**—New Haven, Conn. **Underwriter** — Bache & Co., New York City (managing). **Offering**—Expected in early October.

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.

★ Rainier Co., Inc.
Aug. 1, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—Manufacturer of textiles. **Proceeds**—For general corporate purposes. **Office**—86 Magnolia Street, Westbury, L. I., N. Y. **Underwriter** — Richard Bruce & Co., New York, N. Y.

● Rayson Craft Boat Co. (8/15)
July 11, 1960, (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To purchase additional equipment, for sales, purchase of inventory and working capital. **Address** — Gardena, Calif. **Underwriter**—California Investors, Los Angeles, Calif.

● Reilly-Wolff Associates, Inc. (8/15)
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 Corp.
July 1, 1960 (letter of notification) 75,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds**—For the development and construction of homes. **Office** — 2943 Broadway, Riviera Beach, Fla. **Underwriters**—D. Klapper Associates, Inc., and Norton Fox & Co., Inc., both of New York City. **Offering**—Imminent.

● 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. **Offering**—Expected in late August.

Republic Steel Corp. (8/30)
Aug. 1, 1960 filed $125,000,000 of sinking fund debentures, due Sept. 1, 1985. **Price** — To be supplied by amendment. **Proceeds**—For plant expenditures. **Office**—Cleveland, O. **Underwriters** — First Boston Corp. and Merrill Lynch, Pierce, Fenner & Smith, Inc., both of New York City (managing).

Resiflex Laboratory, Inc.
July 18, 1960, filed 100,000 shares of common stock, of which 40,000 shares are to be offered for the account of the issuing company, and 60,000 shares, being outstanding stock, for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of disposable plastic tubular products, and the assembling and marketing of blood donor sets. **Proceeds** — For plant expansion, increased production facilities, and working capital. **Office**—864 South Robertson Blvd., Los Angeles, Calif. **Underwriter**—Blunt Ellis & Simmons, Chicago, Ill.

Reva Enterprises, Inc. (9/19-23)
July 28, 1960 filed 200,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Business**—The establishment and operation of bowling centers. **Proceeds**—For general corporate purposes. **Office**—525 Lincoln St., Worcester, Mass. **Underwriters**—Blair & Co., Inc., New York City and Chace, Whiteside & Winslow Inc., Boston, Mass. (managing).

● Rez-Tile Industries, Inc. (8/17)
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.

★ Rimak Electronics, Inc.
July 29, 1960 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To liquidate a promissory note. **Address** — North Hollywood, Calif. **Underwriter** — Holton, Henderson & Co., Loss Angeles, Calif.

★ Riverview ASC, Inc.
July 29, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—To reduce current liabilities, construction and for working capital. **Office**—2823 S. Washington Ave., Titusville, Fla. **Underwriter**—Mallory Securities, Inc., New York, N. Y. **Offering**—Expected in late September.

Rochester Telephone Co. (9/21)
July 21, 1960 filed $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 will 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, up to 11:00 a.m. New York Time. **Information Meeting**—Scheduled for Sept. 19.

● Rocky Mountain Natural Gas Co., Inc. (9/20-21)
July 15, 1960, filed $2,350,000 of sinking fund debentures, due 1980, and 235,000 shares of common stock (par $3) to be offered in units consisting of a $50 debenture and an unannounced number of common shares. **Price**—To be supplied by amendment. **Proceeds**—For construction expenditures and the reduction of indebtedness. **Office**—1726 Champa St., Denver, Colo. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc. (managing).

● 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. **Offering**—Imminent.

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.

Rollins Broadcasting Inc.
July 22, 1960 filed 110,000 shares of common stock (par $1), of which 75,000 shares will be sold for the account of the issuing company and 35,000 shares, representing outstanding stock, will be sold for the account of John W. Rollins, selling stockholder, who is a director. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Wilmington, Del. **Underwriter**—F. Eberstadt & Co., New York City. **Offering**—Expected in early September.

● Rotating Components, Inc. (8/22-26)
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. (8/22-26)
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.

● Russell Stover Candies, Inc. (9/15)
Aug. 3, 1960 filed 200,000 shares of common stock (par $1), of which up to 75,000 shares may be reserved for certain of the issuer's officers and employees, with the balance to be offered publicly. **Price**—To be supplied by amendment. **Proceeds** — For redemption of outstanding preferred, with the balance for working capital. **Office**—1206 Main St., Kansas City, Mo. **Underwriter**—Harriman Ripley & Co., Inc., New York City, and Stern Brothers, Kansas City, Mo.

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. (8/15-19)
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**—To be named.

● **Sea-Highways, Inc. (8/15-19)**
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.

● **Sealed Air Corp. (8/29-9/2)**
July 15, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office** — 330 Wagaraw Rd., Hawthorne, N. J. **Underwriters**—Bertner Bros. and Earl Edden Co., New York, N. Y.

★ **Shelley Urethane Industries, Inc.**
Aug. 1, 1960 (letter of notification) 130,000 shares of capital stock (par $1). **Price**—$2 per share. **Proceeds**—To acquire and install equipment, inventory and for working capital. **Office**—4528 Brazil St., Los Angeles, Calif. **Underwriter**—Garat & Polonitza, Inc., Los Angeles, Calif.

● **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. **Offering**—Imminent.

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 California Edison Co. (8/23)
July 20, 1960,, filed $60,000,000 of first and refunding mortgage bonds, series M, due 1985. **Proceeds**—To retire outstanding short-term borrowings and to finance the company's construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp. and Dean Witter & Co. (jointly). **Bids**—Expected to be received on Aug. 23 at 8:30 a.m. (California Time), at 601 N. 5th St., Los Angeles, Calif. **Information**—Available upon request at the office of Sullivan & Cromwell, 48 Wall St., New York City, on or before Aug. 19.

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.

● **Spray-Bilt, Inc. (8/29-9/2)**
July 25 filed (in the Atlanta SEC office) 100,000 shares of common stock (par 10c). **Price**—$2.50 per share. **Proceeds**—To increase inventory of "fiberglaspray" equipment, establish seven additional regional sales offices, and add to working capital. **Office** — 3605 East Tenth Court, Hialeah, Fla. **Underwriters**—J. I. Magaril Co., 37 Wall St., New York City and Sandkuhl & Company, Inc., of New York City and Newark, N. J.

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.

● **Steck Co. (8/15-19)**
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 Texas.

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.

● **Strolee of California Inc.**
July 19, 1960, filed 150,000 shares of outstanding common stock. **Price**—$5 per share. **Business**—The manufacture of strollers, high chairs and other similar types of juvenile items. **Proceeds**—To selling stockholders. **Office**—Los Angeles, Calif. **Underwriters**—Federman, Stonehill & Co. of New York City; Mitchum, Jones & Templeton of Los Angeles, Calif., and Schweickart & Co., of New York City. **Offering**—Expected in late August to early September.

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.

★ **Syntex Corp.**
Aug. 8, 1960, filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is chiefly engaged in the research, development, production, and sale of steroid hormone products. **Proceeds** — For working capital. **Office** — Arcia Building, Justo Arosemena Avenue, Panama, Republic of Panama. **Underwriter**—Allen & Co., New York City.

System Meat Co. (8/15)
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.

★ **Techni Electronics, Inc.**
Aug. 10, 1960 filed 112,500 shares of common stock (par 10c). **Price** — $2 per share. **Business**—The firm makes health and massage equipment, electric housewares, and medical electronic equipment. **Proceeds**—For expansion, working capital, and research and development expenditures. **Office**—17 Crawford St., Newark, N. J. **Underwriter**—United Planning Corp., 1180 Raymond Blvd., Newark, N. J.

● **Technical Measurement Corp.**
July 29, 1960 filed 120,000 shares of common stock (par 20 cents). **Price** — $5 per share. **Business** — Makes and sells electronic equipment, principally multi-channel digital computers. **Proceeds** — For debt reduction, research and development, engineering equipment and fixtures, and working capital. **Office**—441 Washington Ave., North Haven, Conn. **Underwriter**—Pistell, Crow, Inc., New York City. **Offering**—Expected sometime in September.

● **Techno Fund, Inc. (8/17-18)**
June 24, 1960, filed 450,000 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.**
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. **Offering**—Expected sometime in September.

Telecolor
July 25, 1960 (letter of notification) 150,000 shares of common capital stock (par 25 cents) of which 100,000 shares are to be offered by officers. **Price**—$2 per share. **Proceeds**—To lease equipment and for working capital. **Office** — 7922 Melrose Ave., Hollywood, Calif. **Underwriter**—Raymond Moore & Co., Los Angeles, Calif.

● **Telephone & Electronics Corp. (8/29-9/2)**
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.

● **Tempest International Corp. (8/29-9/2)**
July 11, 1960 filed 100,000 shares of common stock (par 10 cents. **Price** — $3 per share. **Proceeds** — For construction of a factory, and the balance for general corporate purposes. **Office** — Pan American Bank Building, Miami 32, Fla. **Underwriter** — Equity Securities Co., 39 Broadway, New York City.

● **Terminal Electronics Inc. (8/22-26)**
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.

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.

Timely Clothes, Inc.
July 25, 1960 filed $840,000 of convertible subordinated debentures, due 1980, to be offered to the holders of the outstanding common on the basis of $100 principal amount of debentures for each 16⅔ shares of common held. The record date and interest rate will be supplied by amendment. **Business** — The firm makes and sells men's clothes, and operates, through two subsidiaries, 10 retail stores. **Proceeds**—To reduce indebtedness, with the balance for working capital. **Office** — 1415 Clinton Ave. North, Rochester, N. Y. **Underwriter**—Cartwright & Parmelee, New York City (managing). **Offering**—Expected in September.

● **Trans-Coast Investment Co. (8/23)**
June 22, 1960, filed 400,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—From the sale of an unspecified number of the shares, for selling stockholders; from the sale of the remainder, for the operation of the Trans-Coast Insurance Agency. **Office**—210 W. 7th St., Los Angeles, Calif. **Underwriter**—Lehman Brothers, New York City.

Transis-Tronics, Inc.
July 18, 1960 (letter of notification) 95,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—To retire short term loans; for research and development and for working capital. **Office**—1650-21st St., St., Santa Monica, Calif. **Underwriter**—V. K. Osborne & Sons, Inc., Beverly Hills, Calif.

● **Transnation Realty Corp. (8/22-26)**
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.

★ **Trav-ler Radio Corp.**
Aug. 5, 1960 filed $2,200,000 of 6½% sinking fund debentures, due 1975, with 15-year common stock purchase warrants, 2 such warrants to be issued with each $1,000 of debentures. **Price**—100% of principal amount of debentures. **Business**—The company makes radios, TV sets, tape recorders, and various types of high fidelity and stereophonic combinations. **Proceeds** — $922,500 will be used to redeem the outstanding $900,000 principal amount of 12-year 6% sinking fund debentures due 1967, with the balance for general corporate purposes. **Office**—571 West Jackson Blvd., Chicago, Ill. **Underwriters** — Lee Higginson Corp., New York City, and Straus, Blosser & McDowell, Chicago, (managing). **Offering**—Expected in mid-September.

Triangle Lumber Corp. (9/1)
July 28, 1960 filed 140,000 shares of common stock (par $1), of which 118,000 shares are to be publicly offered by the company and the remaining 22,000 shares are to be offered to the company's officers and employees. **Prices**—For the 118,000 shares, $8 per share; for the 22,000 shares,, $7.20 per share. **Businesss** — The buying, warehousing, milling, and distribution of lumber, plywood, and millwork for use in residential and industrial construction. **Proceeds** — For general funds to provide additional working capital, and may be used in part to retire short-term indebtedness. **Office**—45 North Station Plaza, Great Neck, L. I., N. Y. **Underwriter**—Bear, Stearns & Co., New York City (managing).

● **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 late August or early September.

United Aero Products Corp. (8/15-19)
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 States Boat Corp. (8/15-19)
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

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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.

Utah Power & Light Co. (9/14)
July 29, 1960 filed $16 million of first mortgage bonds, due 1990, and $10 million (400,000 shares) of $25 par cumulative preferred stock, series A. **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.

★ **Valdale Co., Inc. (9/15)**
July 27, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To pay accounts payable, reduce a bank loan, advertising and for working capital. **Office**—Red Lion, Pa. **Underwriter** — Simmons, Rubin & Co., Inc., New York, N. Y.

• **Vendo Co. (9/12-16)**
July 29, 1960 filed $5,250,000 of convertible subordinated debentures, due 1980, to be offered to holders of the outstanding common on the basis of $100 principal amount of debentures for each 50 shares held. **Price**—To be supplied by amendment. **Proceeds**—For working capital; all or part of the proceeds may be applied to the reduction of short-term bank borrowings, which amounted to $8,500,000 on June 30. **Office**—7400 E. 12th St., Kansas City, Mo. **Underwriter**—Kidder, Peabody & Co. (managing).

• **Venture Capital Corp. of America (9/6-15)**
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.

Vitramon, Inc. (9/6-9)
July 27, 1960 filed 103,512 shares of common stock (par 10 cents), of which 25,650 shares are to be offered for the account of the issuing company and 77,862 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of dielectric capacitors. **Proceeds** — $25,000 to redeem outstanding preferred stock; $112,500 to prepay the balance on mortgage notes; and the balance for working capital. **Office**—Bridgeport, Conn. **Underwriter** —G. H. Walker & Co., New York City.

★ **Wakefield Engineering, Inc. (8/15)**
July 26, 1960 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds** —To reduce existing liabilities, purchase machinery, equipment and additional inventory, and for working capital. **Office**—40 North Ave., 9 Broadway, Wakefield, Mass. **Underwriter** — Robert A. Martin Associates, Inc., New York, N. Y.

• **Wallace Press, Inc.**
Aug. 3, 1960 filed 184,435 shares of common stock (par $10). **Price**—To be supplied by amendment. **Business**—Commercial printing and the production of business forms, catalogs, and technical manuals. **Proceeds** — To selling stockholders. **Office**—Chicago, Ill. **Underwriters**—Shearson, Hammill & Co., New York City, and Wm. H. Tegtmeyer & Co., Chicago, Ill. (managing). **Offering**—Expected in mid-September.

• **Waterman Products Co., Inc. (8/29-9/2)**
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.

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. **Offering**—Expected in late August or early September.

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 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.

• **Whitmoyer Laboratories, Inc. (8/22-26)**
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. (8/29-9/2)**
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.

Yardney Electric Corp. (9/12-16)
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.

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. **Note**—The SEC has challenged the accuracy and adequacy of this statement. A hearing scheduled for July 27 was postponed to Aug. 29 at the request of the company counsel.

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. **Note**—Aug. 5, 1960, it was announced 100,000 shares of $100 par cumulative preferred stock were purchased by certain institutions. The arrangements negotiated by Blyth & Co., specified that a part of these shares were to be bought on Aug. 1, with the balance to be taken by June 30, 1961.

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.

American Telephone & Telegraph Co. (10/25)
July 20, 1960, the directors authorized a new debenture bond issue of $250,000,000. **Proceeds** — For improvement and expansion of Bell Telephone services. **Office**—195 Broadway, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co., and The First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly). **Bids** — Expected to be received on Oct. 25. **Information Meeting**—Scheduled for Oct. 20 at 2:30 p.m., 195 Broadway, New York City.

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.

Automation For Industry, Inc.
Aug. 3, 1960 it was reported that a letter of notification is planned for later this year. **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City.

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.

Bobbie Brooks, Inc.
July 25, 1960 the company stated in its annual report that about $200,000 is expected to be raised by long term financing, to be applied to the $385,000 cost of acquiring real estate adjacent to its Cleveland 14, Ohio, headquarters.

Bridgeport Gas Co.
July 26, 1960 it was reported that some new financing is expected later in the year. No further details are available. **Address**—P. O. Box 1540, Bridgeport 1, Conn.

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.

★ **Citizens & Southern Small Business Investment Co.**
Aug. 5, 1960 it was reported that the company is now contemplating a public offering of its securities. **Office** —Atlanta, Ga.

Colorado Interstate Gas Co.
July 28, 1960 the company reported that debt financing of $70,000,000 is contemplated. Precise timing depends on final FPC approval. **Office**—Colorado Springs, Colo.

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. The balance of the securities is being offered. See "Securities in Registration." **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.

Electronics International Capital Ltd.
July 26, 1960 it was reported that this company, which expects to incorporate in Bermuda, is planning its initial financing to occur later in the year. **Proceeds** — To acquire major equity positions in large and medium-size electronics companies outside the United States. **Underwriter**—Bear, Stearns & Co., 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.

★ **Hawaiian Electric Co.**
July 25, 1960 it was reported that in addition to the rights offering currently awaiting SEC clearance (see "Securities in Registration"), this utility contemplates further financing through the issuance of 250,000 shares of $20 par preferred stock (5,000,000), perhaps to occur sometime this fall. **Office**—Honolulu, Hawaii.

Hayes Aircraft Corp.
Feb. 12 it was reported that an issue of convertible debentures is being discussed. **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.

Laclede Gas Co.
May 10 it was announced that in addition to the $15,000,000 of new capital 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.

Merrimack Essex Electric Co.
July 19, 1960, it was reported that this subsidiary of the New England Electric System plans to sell $10,000,000 of preferred stock sometime in the late fall. **Office**—Salem, Mass. **Underwriter** — To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith and Eastman Dillon, Union Securities Co. (jointly); First Boston Corp.

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.

Missouri-Kansas-Texas Railroad
Aug. 2, 1960 it was reported that the road has asked the ICC for permission to sell $15,000,000 of collateral trust bonds without competitive bidding. **Office**—Railway Exchange Bldg., St. Louis 1, Mo.

★ **Nafi Corp.**
Aug. 10, 1960, it was reported that the company will issue $7,500,000 convertible debentures shortly to pay off notes issued in partial payment for Chris-Craft Boat Co. **Office**—527 23rd Avenue, Oakland, Calif. **Underwriter**—Shields & Co., New York City (managing).

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 Natural Gas Co.
It was reported on Aug. 2, 1960 that the utility is contemplating issuing $30,000,000 of debentures in the Fall. **Office**—Omaha, Neb.

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 up to noon EDT.

Northern States Power Co. (Minn.) (12/6)
May 11 it was reported that the company plans the issuance and sale of $35,000,000 of 30-year first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co. and White, Weld & Co. (jointly); The First Boston Corp. and Blyth & Co., Inc. (jointly); Lehman Brothers and Riter & Co. (jointly); Equitable Securities Corp. and Eastman Dillion, Union Securities & Co. (jointly). **Bids**—Expected to be received by Dec. 6.

Orange & Rockland Utilities, Inc.
April 18 it was stated that the company presently expects that such part of its construction program through 1962 and the refunding of $6,442,000 series B bonds maturing in 1961 as is not financed by the sale of the company's 39,165 shares of its convertible cumulative preferred stock, series E, 5% (par $100) will be financed from the proceeds of sale in 1961, subject to market conditions, of $10,000,000 of its first mortgage bonds, from depreciation and retained earnings and, to the extent of any remaining balance, from the proceeds of additional short-term borrowings.

Otter Tail Power Co.
July 27, 1960, Albert V. Hartl, executive Vice-President of this utility told this newspaper that an issue of $6,000,000 of first mortgage bonds is contemplated, although "plans for implementation of this project during 1960 are as yet indefinite, and there is a distinct possibility that it might be postponed to 1961." **Office**—Fergus Falls, Minn.

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.

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.

★ **Pioneer Finance Co.**
Aug. 10, 1960 it was reported that a filing is imminent of $2,500,000 of this company's preferred stock, with warrants. **Proceeds** — For general corporate purposes. **Office**—Detroit, Mich. **Underwriters** — White, Weld & Co., New York City, and Watling, Lerchen & Co., Detroit, Mich.

Polymer Corp.
Aug. 2, 1960 it was reported that the company plans to file $3,500,000 of convertible debentures shortly. **Office**—Reading, Pa. **Underwriters** — White, Weld & Co. of New York City and A. G. Edwards & Sons of St. Louis, Mo. (jointly).

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 Colorado
July 22, 1960 the company reported that there is "a reasonable possibility" that additional common stock may be sold later this year or early in 1961. **Office**—Denver, Colo.

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, dated Sept. 1, 1960, to mature Sept. 1, 1990. **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 2:30 p.m. at the Chase Manhattan Bank, 43 Exchange Place, New York City, Room 238.

Public Service Electric & Gas Co.
July 26, 1960 it was reported that in addition to the $50,000,000 to be obtained from the Sept. 20 bond offering, $95,000,000 more will be needed to complete the 1960 construction program. Further financing is expected later in the year, with the type and timing as yet undetermined.

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.**
Aug. 1, 1960 it was reported that $15,000,000 of debt financing is expected in the spring of 1961, perhaps in March. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

San Diego Gas & Electric Co. (10/4)
April 8 it was reported that $25,000,000 of bonds is expected to be sold. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; 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. **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.

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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. (10/4)
Aug 2, 1960 it was reported that the company is planning imminent registration of $5,000,000 of bonds and $2,000,000 of $20 par preferred stock (100,000 shares). **Underwriter** — White, Weld & Co. of New York City (managing).

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.

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.

Whippany Paper Board Co.
July 19, 1960, it was reported that this New Jersey company plans to register an issue of common stock in September. **Underwriter**—Van Alstyne, Noel & Co., New York City.

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.

Wisconsin Electric Power Co.
Aug. 2, 1960 it was reported that the company plans to sell $30,000,000 of first mortgage bonds sometime later in the year. **Office**—Milwaukee, Wis. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith and Equitable Securities Corp. (jointly); Glore, Forgan & Co., Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co., Inc. (jointly); The First Boston Corp., Lehman Brothers and Salomon Brothers & Hutzler (jointly); Blyth & Co.

Zurn Industries, Inc.
July 19, 1960, it was reported that 250,000 shares is expected to be filed shortly for the accounts of the company and selling stockholders. **Business**—The manufacture of mechanical power transmission equipment, fluid control devices, and building plumbing drainage products. **Proceeds**—For general corporate purposes. **Office**—Erie, Pa. **Underwriter**—Lee Higginson Corp. of New York City.

Life Insurance Investing a Dynamic Force in Economy

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the life insurance business in the nation today.

The increase in these assets over the 15-year span we are examining has been $72.5 billion—or an average increase of $4.8 billion each year. Again, let me emphasize that this $4.8 billion figure is enormous. It represents over 25% of the annual long-term institutional savings of the country.

I shall not attempt to detail all the changes shown in the Table; but I do want to mention several of the salient trends.

United States Government securities have decreased significantly. During World War II, the life insurance business bought heavily in Government securities. These investments were helpful in reducing the inflationary pressures that occurred during the War. After the termination of hostilities, the industry started to liquidate its position in U. S. Governments. The reason was not far to seek. These securities did not provide a yield sufficient to cover policy requirements, and higher yielding investments — especially mortgages and corporate bonds—became available in large volume. It was most unfortunate that this exchange of low yielding Governments for higher yielding mortgages and bonds was facilitated by the Federal Reserve's policy of "pegging" the price of U. S. Governments at par. While the life insurance business was a direct beneficiary of this benighted "pegging" operation, the industry, and the entire nation as well, was seriously injured by the depreciation in the purchasing power of the dollar which this monetization of the Federal debt brought about.

Corporate Bond Investments

I would like next to call your attention to the corporate bond category. These are the railroad, the public utility, the industrial and various miscellaneous types of securities. Lumped together, these investments over the 15-year span showed an increase of $35.2 billion. This represents a tremendous contribution to the financing of capital facilities in the nation. The proceeds from these bonds have been used to purchase diesel engines, box cars, electric power plants, factories to make all kinds of products. The funds have been used to lay pipelines that supply us with gasoline and natural gas; they have been used to supply additional working capital to help industry carry more inventory and receivables; they have been used to supply additional capital to finance companies which aid people in buying more automobiles and appliances.

This $35.2 billion increase in corporate bonds over the 15-year period should be related to some benchmark or else we may fail to appreciate its magnitude. Perhaps it will help to say that the insurance company contribution in the corporate bond area is equal to 39% of the increase that has occurred in the net long-term corporate debt of the entire nation. In other words, during the 15 years in which total long-term private debt in the United States increased by $90.1 billion, the amount held by the legal reserve life insurance companies rose by $35.2 billion. This has been a mighty contribution to the progress of the nation.

Let us take a look now at the mortgage loan picture. During the 15-year span we are studying, the mortgage loan investments of our business have risen by $32.9 billion. These funds were used to assist farmers, to construct shopping centers and commercial buildings, to help small business expand its productive capacity. But especially and most importantly, these funds have been used for housing construction. The financing of homes has really been the backlog of the industry's mortgage lending. The vital interest which the business has in this field is pointed up by our estimate that during this 15-year period financing has been provided for almost five million homes. The savings of 115 million policyholders have contributed enormously to the growth of home ownership in this country.

The industry's contribution in the mortgage lending area is cast in perspective when we realize that total mortgage debt in this country increased $156.3 billion during the past 15 years; and that during this time, mortgage loans held by all U. S. legal reserve life companies rose $32.9 billion. In other words, the life business handled 21% of all the mortgage loan financing for the country.

Limited Role In Stocks

The next category which I would like to mention is stocks. The industry invests in both preferred and common stocks, but together these categories comprise only 3.3% of total assets. It is rather evident that equity securities have not been popular as life insurance investments. Actually, only in recent years have some states even authorized the purchase of common stocks.

In theory at least, common stocks have little justification in a life insurance company portfolio. Since a life company's obligations are payable in fixed dollars, its investments also should logically be payable in fixed dollars. Whatever attraction common stocks might otherwise have, they certainly do not qualify as fixed income securities. Thus they are unlikely to become more than a "sideshow" for the life insurance industry as presently constituted.

Nevertheless, well selected common stocks are not without merit for life company use in limited amounts. Frequently they appreciate in value and, over a period of time, tend to pay greater dividends. These greater dividends are most helpful in offsetting higher operating expenses. Thus, common stocks can become handsome investments when purchased with discretion; but they can hardly supplant mortgages and sound corporate and municipal bonds as the "bread and butter" items of life company investing.

The record of life insurance in the United States over the years has been most impressive; but it would be a serious omission to ignore the recent problems of the business which stem in great part from the erosion which has been occurring in the value of the dollar.

Inflation Creates Competition With Insurance

At the very start I tried to make that point that confidence in the integrity of the dollar has been one of the cornerstones upon which the structure of life insurance has been erected. In the postwar period, this confidence has been through many an ordeal and faith in the future purchasing power of the dollar has often been at low ebb.

It is only too true that in recent years some people, noting the persistence of inflationary trends, have been concentrating their insurance purchases in those forms of coverage which provide maximum protection against loss of life for a minimum premium. Some of the money which formerly went into insurance policies with substantial investment features has more recently been finding its way, directly and indirectly, into common stocks or other outlets which are considered to offer protection against rising prices and a depreciating dollar. The growth of mutual funds—the intense interest in the stock market—the increased popularity of term insurance and group coverages—the decline in the rate of asset growth in the life insurance business — all these trends are clear evidence that some people have had their confidence shaken in the future purchasing power of the dollar.

There is, however, an old saying in financial circles that the trees never grow to the sky. We in the life insurance business believe there are some indications that the inflationary fires may be dying down. It is impossible to have any clear conviction or to make any long-range predictions because the kind of Federal Government we have in the future years will play a very important part in the ultimate value of our money.

Nevertheless, it is most encouraging to note that throughout the free world a more realistic approach to money management is being followed. Strenuous efforts have recently been made by the monetary authorities in this country, and in foreign countries also, to keep prices stable. Attempts to tinker with the mechanism of money seem to have lost their former popular appeal.

Then too, the greatly enlarged productive capacity of the United States, plus the recently created and very efficient manufacturing facilities of foreign nations, are a great stabilizing factor in prices. Many of the products on which the United States particularly prides itself are now being subjected to foreign competition in even our own domestic market. Under these conditions both labor and management may be expected to cooperate in holding costs and prices in line.

And in a very few years the large post-war baby crop will begin to reach the labor market and competition for jobs, such as we haven't known since the 1930s, should impede any tendency of costs and prices to rise.

Life Insurance Again Becoming Attractive

All these economic developments should make fixed dollar obligations, including particularly life insurance, much more attractive.

Life insurance is becoming additionally attractive for even another reason. The return of interest rates to a reasonably satisfactory level has been most important in placing life insurance in a better competitive position compared with other forms of savings. It is hardly possible to overestimate the importance of good interest rates in enabling actuaries to build better-priced, more appealing merchandise.

There are three important factors in calculating a life insurance premium. These are: mortality, expenses and interest rates. Mortality has been steadily improving, but this favorable trend has been offset by rising expenses and, until very recent years, by declining interest rates. With the rate of return on life insurance investments increasing, it has become possible for the industry to improve its product line.

Let us consider the interest rate picture more closely. In the decade from 1921 to 1931, the life insurance business consistently earned in excess of 5% on its investments. Then occurred a period of steady decline which culminated in 1947, when only 2.88% was earned on the investments of the industry. Since then there has been a steady rise, with the rate of return last year being 3.94%. While last year's rate of return was not as high as that realized in the Twenties, it was satisfactory enough to enable the industry to offer significantly better policies. How much more attractive can be suggested by one statistic. Since the rate of return on $113.6 billion of assets was

3.94% last year rather than the 2.88% realized in 1947, the life insurance business will have $1.2 billion more available in 1960, before Federal income taxes, with which to reduce the cost of insurance to the public.

The energetic managements of the life companies are seizing upon these new trends and more favorable conditions. They are now, once again, emphasizing policies with investment features. A new day has dawned for life insurance. The life insurance business is looking forward to the additional opportunities it will have to serve the people of the nation in a period of relatively stable prices.

*An address by Mr. Gerard before the Institute of American Studies, Union College, Barbourville, Ky., July 11, 1960.

Sellgren Miller Offices

OAKLAND, Calif. — Sellgren, Miller & Co. has transferred its main office to 1951 Webster Street. Branches are maintained at 6200 State Street, El Centro, Calif., under the management of John S. Tomlinson, and at 8043 La Mesa Boulevard, La Mesa, Calif., under the direction of David M. Sellgren.

IBA Training Course Graduates

WASHINGTON, D. C. — Thirty-two investment banking trainees from all parts of the country have successfully completed a concentrated, four-week course in Fundamentals of Investment Banking on the Evanston Campus of Northwestern University, announced the Investment Bankers Association of America. The graduates were awarded their Certificates of Achievement by James J. Lee, Partner, W. E. Hutton & Co., New York, President of the IBA.

This resident training program has been sponsored for the second summer by the IBA Education Committee in cooperation with the School of Business, Northwestern University, and the Education Committee of the Central States Group of the IBA. The course was inaugurated by the Association in 1946 and offered regionally by IBA Groups in cooperation with many universities throughout the country. Since 1951 it has also been available on a home-study basis through the University of Chicago.

The concentrated summer program makes the course available to trainees from all over the country, according to Robert O. Shepard, President, Prescott, Shepard and Co., Inc., Cleveland, and Chairman of the IBA Education Committee. The 1960 registrants came from 18 cities in 14 states and Puerto Rico. This year's class brought together trainees from as far west as Portland and San Francisco, from Kansas City, Houston, Jacksonville, New York, San Juan, and other cities.

Fundamentals of Investment Banking was designed to give investment banking trainees an intensive basic indoctrination so that they may become integrated into the business much more rapidly. The following topics were stressed:

- Economics of Investment Banking.
- How to Read Financial Statements and Corporate Reports.
- Basic Concepts of Investment Yield.
- The Instruments if Investment Banking.
- Special Financial Problems of the Corporation.
- Analysis of Major Classes of Securities.
- Marketing of Securities.
- Investment Policies and Programs.

In addition, supplementary addresses were given by prominent investment bankers on more specialized aspects: U. S. Government Securities; Municipal Financing; Securities Merchandising; Securities Salesmanship; Securities Analysis; Institutional Investment Policies; and others.

The 1960 program was taught by: Professors Bion B. Howard, Harold W. Torgerson and Harry G. Guthmann of the Finance Department, Northwestern University; Professor Donald M. Halley, Tulane University; and other members of the Northwestern faculty. Satisfactory completion of this course is accepted by the New York Stock Exchange in partial satisfaction of the requirements necessary to qualify as a registered representative.

California		
San Francisco	George S. Morrow, Jr.	Shaw, Hooker & Co.
Florida		
Jacksonville	Fontaine LeMaistre, III	Childress and Company
Illinois		
Chicago	Paul R. Heitzman	A. C. Allyn and Company, Incorporated
	Melvin S. Kupferschmid	A. C. Allyn and Company, Incorporated
	John F. Lawlor	Cruttenden, Podesta & Co.
	Andrew Muldoon	Mitchell, Hutchins & Co.
	Edward V. Quinn	Paine, Webber, Jackson & Curtis
Iowa		
Iowa City	Henry F. Kemp, Jr.	Cruttenden, Podesta & Co.
Michigan		
Detroit	Robert D. See	First of Michigan Corporation
Minnesota		
Hopkins	George E. Howell	Paine, Webber, Jackson & Curtis
Minneapolis	Noel I. Fedje	J. M. Dain & Co., Inc.
	George N. Olson	J. M. Dain & Co., Inc.
	Clifford M. Stadum	Piper, Jaffray & Hopwood
Missouri		
Kansas City	Donald Cosby	E. F. Hutton & Co.
	Richard R. Rogers	E. F. Hutton & Co.
	Harold E. Saunders, Jr.	E. F. Hutton & Co.
New York		
New York	Ashton G. Eldredge, Jr.	Paine, Webber, Jackson & Curtis
	John W. Geary, II	Morgan Guaranty Trust Company
North Carolina		
Greensboro	Richard M. Stock	McDaniel Lewis & Co.
Ohio		
Cincinnati	Miss Myrna M. Schwarm	Westheimer & Company
Cleveland	William O. H. Freund, Jr.	Merrill, Turben & Co., Inc.
	Mrs. Peggy S. Kidd	Prescott, Shepard & Co., Inc.
	Thornton D. McDonough	Ball, Burge & Kraus
	Riley W. Miller	J. N. Russell & Co., Inc.
	Thomas A. Russell	J. N. Russell & Co., Inc.
	Julian H. Stevens	Prescott, Shepard & Co., Inc.
Oregon		
Portland	E. Charles Pressman	Zilka, Smither & Co., Inc.
Tennessee		
Brownsville	Richard H. Felsenthal	Hornblower & Weeks
Texas		
Dallas	Curtis B. Adrian	First Southwest Company
Houston	Matthew A. P. Schumacher	Underwood, Neuhaus & Co., Inc.
Virginia		
Richmond	B. Wade Isaacs	Mason-Hagan, Inc.
Puerto Rico		
San Juan	Carlos J. Pou	Banco Credito Y Ahorro Ponceno

Organ Corp. "A" Stock All Sold

Pursuant to an Aug. 1 offering circular, J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc. offered and sold 100,000 shares of class A stock in Organ Corp. of America at $3 per share.

The Long Island City company since its inception has been engaged in the sale and distribution of portable electric chord organs with simplified playing systems (numbers and letters) which with the use of instruction books sold by the company, can be played without music lessons or knowledge of music. At the present time there are nine models, five portable models and four console models ranging in price from $79.95 to $389.95 at retail. These organs are distributed under the tradenames "Concert" and "Orcoa Concert." Such organs are purchased by the company exclusively from the New York importer, Excelsior Accordions, Inc., under the above mentioned agency and distributorship agreement which includes any new models which shall be developed, produced, manufactured or imported by Excelsior Accordions, Inc. The company has secured the trademark, "Orcoa."

The company recently introduced four console models of electric chord organs which include simulated voices and are played with the same simplified playing system as are the portable models. Such models retail in the price ranges $289.95 to $379.95.

Guardian Mutual Fund Elects Directors

Lawrence Gussman and Ira N. Langsan have just been elected directors of Guardian Mutual Fund.

Mr. Gussman is President and a director of Stein Hall & Co., Inc., chemical manufacturers and importers.

Mr. Langsan for more than 25 years has been active as an investment counselor specializing in various growth industries and special situations. He is a partner of the New York Stock Exchange firm of Neuberger & Berman which is the investment advisor and distributor of Guardian Mutual Fund. In 1954, he was elected Vice-President of Guardian Mutual Fund and continues in that capacity.

Businessman's BOOKSHELF

Historical Statistics of the United States, Colonial Times to 1957—U. S. Department of Commerce—Superintendent of Documents, Government Printing Office, Washington 25, D. C. (cloth), $6.00.

New York Stock Exchange Directory (Revised to July 1, 1960)—Official Membership Directory—published by and available only from Commerce Clearing House, Inc., Chicago 46, Illinois or 420 Lexington Avenue, New York 17, N. Y. (paper), $3.00.

How I Turned $1,000 into a Million in Real Estate—In My Spare Time—William Nickerson—Simon and Schuster, 630 Fifth Avenue, New York 20, N. Y.

Warner, Jennings To Admit Partner

PHILADELPHIA, Pa. — Warner, Jennings, Mandel & Longstreth, 121 South Broad Street, members of the New York and Philadelphia-Baltimore Stock Exchange, on Sept. 1 will admit Francis J. Bagnell to partnership.

Named Director

Wesley A. Stanger, Jr., a partner of Riter & Co., investment bankers and members of the New York Stock Exchange, has been elected a director of American-South African Investment Company, Limited, according to an announcement by Charles W. Engelhard, Chairman.

Namar Securities Opens

ROSLYN HEIGHTS, N. Y.—Namar Securities Corp. is conducting a securities business with offices at 16 Arbor Road. Officers are Martin Schrantz, president; and Norman Blecker, secretary-treasurer.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — In the Nation's Capital, Congress was reconvening in a highly charged political atmosphere that should never have been called unless a grave national or international atmosphere existed.

The post political conventions session finds the unprecedented spectacle of three of the four Presidential and Vice-Presidential candidates facing each other in a chamber that was never intended to be used as a forum for Presidential campaigns.

The post convention session of Congress might come up with a surprise and pass some good bills. However, if it turns out to be a flop, the responsibility must rest upon the Democrats, and Senate Majority Leader Lyndon B. Johnson and House Speaker Sam Rayburn in particular.

It was these two legislative leaders from Texas who marked time for months insofar as legislative progress is concerned. Then all of a sudden they discovered there was a lot of good election year legislation that needed attention, but there was just not enough time left to act upon the proposals before the big political conventions.

As the law-makers trickled back to Capitol Hill from Honolulu to Miami and from Portland, Ore., to Portland, Me., there were a lot of little things taking place out in the various states that were important to the people. To them it was more important than the round of political pop-offs in Washington.

Significant Items From North Carolina

Perhaps North Carolina last week was a good example of summertime Americana in a state with its beautiful mountains, the seacoast and the Piedmont section. Late this month and in early September the chant of the tobacco auctioneer will be heard. This means a steady flow of cash to the tobacco growers and others as they are rewarded for their labors.

It is possible that some things that took place in North Carolina last week and will take place in the weeks ahead will all add up to something significant.

Governor Luther H. Hodges, the 64th elected Chief Executive of North Carolina, went out and helped to dedicate a poultry plant at Rose Hill in Duplin County, one of the state's 100 counties. Last year Duplin Country produced 17 million broilers and more than 55 million eggs that found a market all the way to New York City.

After telling the Eastern North Carolina audience that the "really significant and fascinating thing about what has been accomplished here is that the same thing could have been accomplished in dozens of counties throughout the state," the Governor went on to say that he was not proposing that the Eastern part of his state be turned into one big chicken yard, but he declared that he was merely pointing out what could be done by people with courage and hard work.

State's Gubernatorial Contest

Governor Hodges, wearing a white carnation in the lapel of his coat, a few hours later stepped out of a black limousine at the capitol with its well-kept lawns and more than 50 varieties of trees. The kindly Chief Executive of the Tar Heel State stopped and chatted with a couple of friends and invited them to his office, but his office already had numerous people waiting for him including Terry Sanford, the Democratic guber natorial nominee, who is expected to succeed him next January.

Attorney Sanford, as the governor nominee, made front-page news out at the Democratic convention at Los Angeles when he came out flatly two days before the convention opened for John F. Kennedy as the Democratic nominee. This sort of stunned some of the North Carolina Congressional members, who like most Southern Congressmen favored Lyndon Johnston over Kennedy.

Considerable opposition seemingly has cropped up against Mr. Sanford and there may be a big write-in vote for another Democratic candidate at the general election in November. The Republican candidate will also get a substantial vote.

Religious Denomination Opposes Kennedy

But perhaps the most significant political news in the South also took place in North Carolina, but it made no front pages. It may not have gotten beyond the Carolinas.

At Gastonia, N. C., 40 Baptist clergymen from Gaston and Mecklenburg County churches had a meeting and blue-printed plans designed to defeat Mr. Sanford and John Kennedy next Nov. 8.

Dr. Ward V. Barr, Minister of the Host First Baptist Church of Gastonia, probably spoke for a majority of the Ministers, when he declared that he would support North Carolina Republican gubernatorial candidate Robert Gavin for the Governorship and Vice-President Richard M. Nixon for the Presidency.

"I have stated many times, and I repeat, I fear Catholicism much more than I do communism," the Rev. Dr. Barr was quoted as saying in a dispatch printed in the Raleigh *News and Observer.*

Of course, this meeting of clergyman does not necessarily mean that North Carolina will follow the course it took in 1928 when it voted for Herbert Hoover, the Republican, in preference to Governor Alfred E. Smith of New York, a Catholic. There were other things involved in North Carolina that year besides the question of religion of Governor Smith.

Nevertheless, that was the last time and the only time the state has gone Republican in a Presidential election.

Although the opposition to the Kennedy-Johnson ticket may increase, as of now some qualified observers unhesitatingly predict that North Carolina will be in the Kennedy column in November.

State's Fiscal Status Laudable

There were other bits of Americana taking place in North Carolina last week. The Tar Heel State, with its growing number of industries, is in better financial condition than the Federal Government in Washington. The state under the leadership of Governor Hodges ended its 1959-60 fiscal year with a total surplus of $51,700,000.

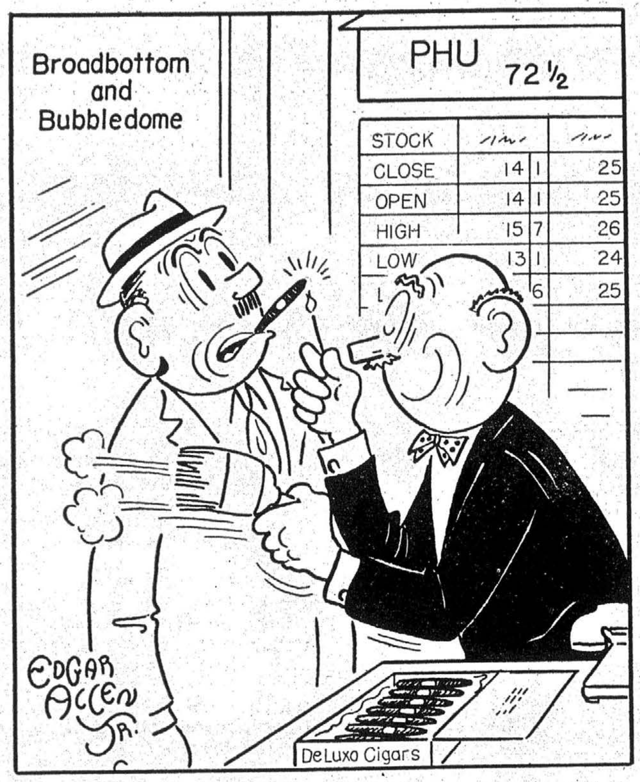
The state's 40,000 school teachers are going to get a substantial slice of the surplus. Incidentally, of the 40,000 teachers, 10,000 are members of the Negro race. There are more Negro teachers in North Carolina for instance than there are in any other state and more than in New York, Pennsylvania and two or three other Northeastern states combined.

Of course, there are more Negroes in North Carolina than any other state, although Mississippi has the largest percentage. There is token integration in seven of North Carolina's school districts. All have been done voluntarily. There has been no integration by court order. Integration is taking place gradually.

In North Carolina, as in most states, there will be more children, more classrooms, more teachers and more buildings than ever before this fall. And in the institutions of higher learning, most of them just a short drive apart, they are preparing for the biggest collegiate enrollment of all time. These institutions include the University of North Carolina, North Carolina State, Wake Forest and Duke, among others.

The chant of the tobacco auctioneer and the crowds that pour into the big football stadia is not far off.

[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.]



"All right—All right!—How many points did that stock you recommended drop?"

Rodriquez Named By Govt. Bank

David A. Rodriguez has been appointed Executive Vice-President of the Government Development Bank for Puerto Rico, Rafael Pico, President, announced today (Aug. 11). A graduate of the College of Agriculture and Mechanical Arts of the University of Puerto Rico, Mr. Rodriguez also studied at Pennsylvania State College. Prior to his appointment as Executive Vice-President of the Government Development Bank of Puerto Rico, Mr. Rodriguez had been Executive Director of the Puerto Rico Land Authority since 1958. He was Assistant Secretary of the Treasury of the Commonwealth from 1955 to 1958 and before that for several years had been Director of the Bureau of Property Assessment.

David A. Rodriguez

H. B. Veysey Opens

GLENS FALLS, N. Y.—H. B. Veysey & Co., Inc. has been formed with offices at 83 Sheridan Street. Officers are Hollis B. Veysey, president and treasurer, Raymond L. Rhodes, vice president; and Olin W. Loughrey, secretary. Mr. Veysey was formerly with A. M. Kidder & Co., Inc.

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. 14, 1960 (New York City)
Association of Customers' Brokers annual dinner and business meeting at the Starlight Roof, Waldorf-Astoria.

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. 23, 1960 (Philadelphia, Pa.)
The Bond Club of Philadelphia 35th Annual Field Day at the Huntington Valley Country Club, Abington, 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.