The COMMERCIAL and FINANCIAL CHRONICLE

ESTABLISHED 1839

Reg. U. S. Pat. Office

Volume 192 Number 5978 New York 7, N. Y., Thursday, August 18, 1960 Price 50 Cents a Copy

Editorial AS WE SEE IT

Insisting that "certainly we can not adjourn the public interest," the President calls vigorously upon Congress to pass a long list of measures, most of which were recommended by him early this year and are now either buried by legislative maneuvering or else so modified that the President is no longer satisfied with them. The Chief Executive with warrant says that though the list is long (considering the time at the disposal of Congress) the task of coping with it is quite different from that of trying to begin from scratch and formulating policies and framing legislation to meet problems of this sort. Some of his proposed laws have been in the hands of Congress for years, he reminds the lawmakers, and according to the President the need for passage of them is no less urgent by reason of the passage of time or the contingencies of the political situation of the day.

Naturally, the action of the President is being hailed by the Democrats as a political move designed to aid the Republican party in November, and in some respects and probably in some degree this charge is well founded. The fact is, though, that the Chief Executive has long urged such action upon a Congress under the control of the political opposition, and it must be presumed that regardless of the political campaigns now getting under way, he is convinced that the public interest demands action of the sort he now demands. It must also be said in candor that at some points at least the program thus laid out by the President is vastly better than the sort of wild legislating that some of the more influential Democratic political leaders have of late been demanding. The fact is that among the measures the President is now demanding at this session some are really and definitely in the public interest and should have been on the statute books long ago.

More Enthusiasm, if . . .

What the political consequences of all this will be, we gladly leave to others better qualified to judge or to guess. For our own part we should *(Continued on page 32)*

How Leading Authorities View Outlook for the Railroad Industry

In articles especially written for THE CHRONICLE, individuals intimately identified with the nation's carriers present their views as to the economic prospects for specific roads and the industry as a whole. Participants in this symposium, a regular annual feature of THE CHRONICLE, include the Chairman of the I. C. C. and the chief executives of a representative cross-section of the nation's railroads and supplying companies.

The statements begin herewith—

HON. JOHN H. WINCHELL

Chairman, Interstate Commerce Commission
Washington, D. C.

The outlook for the railroad industry depends primarily upon the growth of economic activity and the degree of railroad participation in transportation services required to support this activity.

Hon. J. H. Winchell

The postwar period has been marked by an expansion of economic activity, the continuance or improvement of which is generally anticipated. The economy during the first quarter of 1960 showed a decided recovery from the last half of the previous year. Gross National Product dropped sharply in the third quarter of 1959, reflecting the results of the protracted steel strike which began on July 15. GNP increased only moderately from an annual rate of $480.0 billion in the third quarter to $483.3 billion in the final quarter (1959 prices). A distinct improvement occurred in the first quarter of 1960, when GNP rose to $495.9 billion, compared with $476.3 billion during the corresponding period of 1959.

Preliminary estimates indicate only a small increase in GNP during the second quarter of 1960—to a level of $496.1 billion. Business expenditures on plant and equipment increased in the first two quarters of 1960; and present estimates indicate a continued advance in the third quarter. Federal expenditures in the defense and defense - related sectors conceivably could rise substantially.

It may be assumed that the total demand for freight transportation services will increase as the level of economic activity rises. Despite the fact that there has been some decline in the railroad's share of total intercity traffic in recent years, the trend of railroad ton-miles has been generally upward. Thus rail carriers are likely to benefit from any increase in general economic activity.

Several developments indicate that the rail lines are making new or renewed efforts to maintain or improve their position. Taking advantage of technological innovations they are investing in new plants and equipment to improve service and operating efficiency. Examples include the installation of improved freight and passenger-carrying cars, automatic classification yards, a greater use of centralized traffic control, and development of automatic data processing systems. The "piggyback" principle which combines the advantages of highways and railways in providing coordinated through service is developing rapidly. Certain railroads are actively pursuing "rationalization" of their systems through plans for consolidation with other carriers and elimination of duplicate or little-used facilities. Rates have been adjusted or rate innovations devised to attract new traffic or to regain traffic lost to competitors.

These and related developments could possibly stem the decline in the proportion of railroad to total intercity freight traffic, which has averaged about one percentage point annually in the postwar period. In the passenger field, the major problem of the railroads is to eliminate losses from unprofitable suburban and intercity services.

Two developments in suburban transportation could benefit the railroad industry in the long run: First, cities may in- *(Continued on page 18)*

RAILROAD INDUSTRY FEATURED IN THIS ISSUE

The Security I Like Best . . .

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

This Week's Forum Participants and Their Selections

Abitibi Power & Paper Co., Convertible Debentures — Tobias Gruen, Investment Analyst, Kippen & Co. Inc., Montreal, Canada. (Page 2)

Aeronautical Electronics, Inc.— Clyde L. Green, Research Dept., J. Lee Peeler & Co., Inc., Durham, N. C. (Page 2)

TOBIAS GRUEN

Investment Analyst, Kippen & Co. Inc. Montreal, Canada

Abitibi Power & Paper Company Convertible Debentures

The convertible debentures of Abitibi Power & Paper appear attractive at this current price of around $101. The annual interest of $4.50 affords a yield of 4.4%. These debentures are convertible at the holder's option, into common shares (currently selling around $40 a share) of Abitibi Power & Paper Company at the rates per $1,000 principal amount of debenture shown in the accompanying table.


Tobias Gruen

Abitibi Power & Paper is one of the world's largest manufacturers of pulp and paper products and Canada's largest producer of newsprint and fine paper. Newsprint production represented about 72% of the total production of Abitibi Power & Paper in 1959.

The Canadian Newsprint Industry, which accounts for about 43% of the world's production of newsprint, has for some time been faced with an excess capacity problem. Abitibi Power & Paper and other Canadian newsprint producers are currently operating at levels below their capacity. However, though in 1957, 1958 and the beginning of 1959 the excess capacity problem of the Industry was acute, at present, the industry has turned the corner, and better times lie ahead. Inventory liquidation, which was a contributory factor to the slump experienced by this industry in 1957 and 1958, may now prove to be a source of strength, especially as demand picks up. Another bright feature is the indication of an increase in the United States' consumption of newsprint, as shown by the fact that the United States' consumption registered a good gain of 5.7% in the first six months of 1960. If this improvement in the United States' consumption continues, its effects on the Canadian newsprint industry, which supplies about three quarters of U. S. demand, will obviously be highly favorable.

No. of Shs.	Principal Price per Sh.	On or Before
22	$45.45	Sept. 15/60
21	47.62	Sept. 15/63
20	50.00	Sept. 15/66

Canadian Newsprint Production and shipments have shown considerable gains during the last few months. For the first half of 1960 Canadian Newsprint Production amounted to 3,312,505 tons compared with 3,089,085 tons for the corresponding period in 1959, an increase of over 7%. Shipments for the first half year were up 7.3% from the corresponding period of 1959 at 3,258,133 tons against 3,037,636 tons. In the month of June this year, Canadian Newsprint production was 6% higher, and shipments were about 11% higher, compared with the corresponding month in 1959.

It is also worth noting that the present price of the U. S. dollar is over 2¢ higher than that of about five months ago. It has been estimated that every rise of 1¢ in the value of the U. S. dollar means an increase in the annual net profits, before income tax, of the Canadian Newsprint Industry to the tune of about $7 million.

In summary, the rise in production, consumption and shipments of the Newsprint Industry and the increase in value of the U. S. dollar, indicate that the company can look forward to a good year in 1960. Furthermore, it is my belief that the long term prospects for the Canadian Newsprint Industry are sound, and this upward trend will continue.

Earnings per share of Abitibi Power and Paper for 1959 were $2.72 as compared with $2.19 for 1958, a rise of 25%. Again, net profits in the six months ended June 30th, 1960 amounted to $1.40 per share, compared with $1.22 in the corresponding period of 1959, an increase of about 15%.

During the last few months the common shares of Abitibi Power & Paper were highly popular with professional investors, as indicated by a substantial amount of buying by Canadian Mutual Funds. The convertible debentures, of course, are of a higher quality than the common shares.

For investors interested in a high quality security with reasonably good long term capital appreciation prospects and an attractive yield of over 4%, I recommend the inclusion of the convertible debentures of Abitibi Power & Paper as part of their portfolio. They are listed on the various Canadian Stock Exchanges and are also traded in the Over-the-Counter Market.

CLYDE L. GREEN

Research Dept., J. Lee Peeler & Company, Inc., Durham, N. C.

Aeronautical Electronics, Inc.

In order to cite Aeronautical Electronics as "the security I like best," I must endorse a price which is currently around 40 times earnings as basically sound. Such a position I not only take but will defend on the grounds that the yardsticks of conventional security analysis do not necessarily apply to such equities as the one presented here. This is one of those rare examples of a truly special situation.


Clyde L. Green

First of all, what type of company is Aeronautical Electronics? Originally it was incorporated in 1946 in Raleigh, North Carolina as a designer, seller and installer of custom radio equipment for aircraft in the then large and fast growing non-airline segment of the aviation industry. The young company under the creative and energetic leadership of President Charles R. Browning was able to grow from a minuscule corporate infant originally capitalized at $2,300 to a considerably larger going concern with total capitalization of $134,750 by November 1955. In the ensuing months management decided to switch out of the aircraft radio field and into mobile industrial communications where it was able to establish a foothold with its newly designed AM, FM VHF sets.

Here it was that the engineering talents of several creative men were meshed in order to actively compete in a relatively new and expanding field. By becoming the first radio manufacturer in the world to utilize a high frequency crystal filter in receiving sets, Aerotron soon captured a significant portion of a specialized market and then moved steadily upwards in terms of relative sales so that today it reportedly occupies third or fourth place in an important growth sector led by such giants as Motorola and General Electric. This has been no mean feat and it is especially noteworthy when one considers that Aerotron has only been actively competing for some three to four years. Now that the basic developmental period is over, Aerotron is able to offer a number of combinations among its various transceivers, base stations, remote control units and full line of accessory items. Further, because of the high standards utilized in dealer selection, Aerotron is always able to offer its customers expert service in the form of engineering and technical assistance, a significant partial explanation of its success and popularity among the growing array of individuals concerned with the industrial uses of radio.

Aerotron finds its customers engaged in many lines, as almost anyone who operates vehicles can profitably utilize a communications link with these vehicles: construction companies, ready-mix cement plants, fuel oil companies, farmers, taxi operators, manufacturing plants, vending machine services, appliance repair organizations, laundries, civil defense units, fire and police departments, airports, and many others. Some familiar names are: General Motors, The Martin Company, The State of Illinois, The Pure Oil Company, Yellow Cab, and the U. S. Department of Agriculture. A further interesting, but little known, fact is that Aerotron even manufactures sets for the international division of one of the largest domestic producers of radios and radio equipment: RCA. With the Aerotron line selling under the RCA name, foreign contracts have been awarded to RCA to furnish these sets after competitive trials in which the RCA (Aerotron) sets were able to substantially outperform the best that could be offered by leading companies all over the world. This is no small compliment. Moreover, on the basis of performance, size, and price, at this time, to the writer's knowledge, there are still no comparable sets available from any manufacturer.

In marketing, Aerotron has approximately 25 major distributors who cover most of the United States and territories. These distributors, after a careful selection process, act principally as wholesalers to dealers in their areas although each utilizes his own sales force. Each distributor must be technically competent and well qualified to handle the servicing of Aerotron users in his region. This naturally reduces the "down time" in the rare instances when operational difficulties are encountered and obviates the return of sets to the factory when repair and maintenance are occasionally necessary. This dealer organization is being constantly aug-

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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.)

The Causes and Cure For the Railroads' Ills

By Dr. Burton N. Behling,* *Economist, Association of American Railroads, Washington, D. C.*

Rail economist warns how railroads no longer have the reserve capacity available prior to World War II. The industry is said to have operated so closely and for so long at the margins of financial stringency that it is not in a position to provide any substantial reserve of capability to meet a sudden emergency. Blamed for the industry's low rate of return on net investment (less than 3% in 1958 and 1959, and for the 12 months ending May 31, 1960, it was 2.5%) is the "unequal competitive conditions fostered by government policies favoring railroads' competitors." To correct this, Dr. Behling would institute a system of user charges under which highway, air and water carriers would reimburse cost of tax-provided facilities. Though pleased with ICC's greater receptiveness toward mergers, the author inveighs against existing barriers which still prevent rails from utilizing other means or tools of transportation so as to provide a "complete transportation service."

The railroads today are vastly different from those of yesteryear. The pace of change has accelerated in the recent period, especially since the Second World War. Three changes stand out above others: (1) Growth of competition stimulated by government expenditures on behalf of other means of transportation, (2) Technological developments pertaining to virtually all aspects of railroad operations, and (3) Increasing financial stringencies affecting the railroads generally and some of them very severely.

Plant and Equipment

Nearly every railroad system existing today is a combination of pre-existing segments. The consolidation process is nearly as old as the industry itself. At present, it may be noted that in all parts of the country there is a strong revival of interest and activity with respect to railroad mergers and consolidations.

Nor is railroad mileage a good indicator of trends in railroad growth or in their capability. The basic railroad network was established in substantially its present form by the early part of this century. However, the capacity of this plant for transportation service has continued to increase in important respects. More than miles of line is involved—e.g., improved communications, signalling and yard facilities, stronger rail and track structures, and greater length and speed of trains, which have increased the effective or practical capacity of railroad facilities.

The mileage of electrified lines has not grown in recent years. Technology and economy have taken a different course in this country, at least up to now.

A significant technological change is the use of heavier rail which permits heavier and faster trains to operate. Although it is not readily shown statistically, there have also been increases in the capacity of bridges and other structures.

The growth of mechanical signalling devices is another manifestation of technological change and increased capacity, affecting both the efficiency and the safety of railroad operations. For example, the installation of centralized traffic control increases the capacity of a single-track line by 75 to 80%.

The recent revolution in railroad motive power has greatly changed railroad operations in many respects. There has been virtually a complete shift from steam to diesel engines. However, the decline in the **number** of locomotive units is misleading. The superiority of the diesel locomotives in tractive effort or starting power is well known. Another important improvement factor is the greater availability of diesel power for long hours of uninterrupted service.

As compared with the 1920's there has been a considerable decline in the number of freight cars, but the capacity per car and the average load per car have increased substantially.

The downward trend of the railroad passenger business, to which I shall refer later, is reflected in the declining number of passenger-train cars.

Efficiency Factors

Over the years there have been many and continuous improvements in the efficiency of railroad operations, some of which can be noted statistically. The performance averages reflect greater speeds, heavier loads per car, longer trains, and greater availability and service output of locomotives. It is to be noted, also, that the performance averages rise especially in years of large traffic volume—e.g., net ton-miles per car-day in 1941-1945 and in 1956. With lower utilization some of the performance averages recede in a recession year such as 1958, indicating that railroad efficiency and economy depend on high volume.

Improved efficiency of operations also is demonstrated in the economies of diesel power. Savings in fuel and repair costs **only** indicates savings of $877 million in 1957 as a result of the shift

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Regular Features

Published Twice Weekly
The COMMERCIAL and FINANCIAL CHRONICLE
Reg. U. S. Patent Office
WILLIAM B. DANA COMPANY, Publishers
25 Park Place, New York 7, N. Y.
REctor 2-9570 to 9576
CLAUDE D. SEIBERT, President
WILLIAM DANA SEIBERT, Treasurer
GEORGE J. MORRISSEY, Editor
Thursday, August 18, 1960

Every Thursday (general news and advertising issue) and every Monday (complete statistical issue — market quotation records, corporation news, bank clearings, state and city news, etc.)

Other Office: 135 South La Salle St., Chicago 3, Ill. (Telephone STate 2-0613).

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 8, 1879.

Subscription Rates

Subscriptions in United States, U. S. Possessions, Territories and Members of Pan-American Union, $65.00 per year; in Dominion of Canada, $68.00 per year; Other Countries, $72.00 per year.

Other Publications

Bank and Quotation Record — Monthly, $45.00 per year. (Foreign Postage extra).

Note—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

OBSERVATIONS...

BY A. WILFRED MAY

THE INVESTOR FLUNKS AGAIN

Two current independent "report cards" on investor tests of his knowledge of both the securities markets workings and the properties in which he has staked his money, give him more bad marks —despite the vast expenditure of money and effort which have been lavished on his attempted education.

The discouraging results add interest in the newly announced project to study the bases of stock market fluctuations, set up by the University of Chicago with $50,000 from Merrill, Lynch, Pierce, Fenner & Smith, Inc.—and the "essential" use of a Univac computer.

Let us (1) cite significant findings of the two completed surveys, "THE INVESTORS OF TOMORROW," a public opinion survey conducted by the New York Stock Exchange; and the "STOCK-BUYER AND IGNORANCE SURVEY," compiled by the revived United Shareholders of America, a non-profit investors' organization under the aegis of Benjamin A. Javits, President; (2) analyze the *causes* of the startling results; and (3) suggest significant *implications* of the said results and causes.

The Stock Exchange's report constitutes a second survey centered on the public attitudes about the mechanics and motivations of investing. Significantly, it comes after an 8-year interval of a record bull market, a booming economy, a wide variety of educational programs on which the Exchange itself has expended $12 million during the past decade and the Wall Street community many millions more, a record expansion of Member Firm offices and services, stock popularization by the Mutual Funds, the Monthly Investment Plan, spawning "Investment Clubs," and a welter of "HOW-TO" books and other literature.

The disclosed results follow impressive growth in stockholder population, to 12½ million by 1959. (But even to be noted here is the qualification that 1.2 million of these are individuals who own *only* mutual funds—a quadrupling since 1956, during which interval the total stockholder population has grown by only 40%).

THE FINDINGS

After all this "mountain moving" (and despite the bias on the part of both the questioners and the questioned in a poll of this kind), the Exchange authorities find themselves coming forth with the following "mice" of *qualitative* results.

According to the pollsters, the percentage of the population that "could describe what the Exchange does" has risen only to 27% of the adult population from 24% in 1954.

"What is common stock?" still constitutes a devastatingly esoteric question. Seventy-six per cent of the adult population—the same as in 1954—are unable to "hit this curve."

But the greatest concern to the community, if not to the Exchange authorities, should ensue from the populace's disregard of *investment*, and the maintenance of its *speculative* role — despite all the preachments about the oasis for "rainy day" savings conservation afforded by the "citadel of democratic capitalism." Among the various advantages applying to the purchase of common stock, only 18% of those questioned included "good dividends," 8% "security for family, old age," and 6% "automatic re-investment of dividends" (against 22% frankly enamored with the "opportunity for quick profit"). Also surely confirming the prevalent pre-occupation with capital gains to the disregard of investment income, is the response to the query whether common stock is "good protection against inflation." Of the shareholders responding with an opinion, 85% felt that inflation protection *is* sound stock-buying motivation.

The Traditional "Quick Play"

This speculation-pervaded attitude of the Stock Exchange community confirms important conclusions which were revealed (in the opinion of this writer, if not of the Institution's spokesmen) in its Ninth Public Transactions Study based on a poll taken June 3, 1959. President Funston's great satisfaction from the fact that 64% of the share volume was reported by the participants as "intended" for six-months or over holding, seemed to us completely unwarranted. For, in the first place, even on these bald figures, this discloses as much as a minimum of 36% of buyers out to make the shortest-term "fast buck." In the second place, the six-months dividing line is spurious as a speculation-investment dividing line, since that marking of the interval for gaining the benefit of the capital gains tax differential grossly distorts the proportion of those holding for *just* the prescribed 6-month period. In the third place, polling buyers as to their intentions *in advance* at the time of purchase incurs a bias over-weighting "investment" holding. And in the fourth, and highly important, place, it is patently absurd to classify a 180-day, or 200, or 300-day holding as an *investment* operation (with the entire income return more than wiped out by round-trip brokerage commissions and taxes).

Confirmation by Independent Poll

The demonstration by the current Stock Exchange Survey of the investing public's un-education and mis-education, is confirmed by the findings of the United Shareholders. They strongly certify the preponderance of the *speculative* in lieu of investment motivation controlling Stock Exchange participation.

Mr. Javits interprets his questionnaire answers as showing that 70% of investors buy stocks following either personal "hunches" or tipping by others. Not included in this casual tipping category, but entitled to eye-brow raising as to the investment attributes, is the number of answerers giving broker's "research"—a sanctified concept — as the source of their advice.

Further backing the anti-investment coloration is the Shareholders' Group findings concerning public stock owners' ignorance of the bare facts about their companies. Fifty-one per cent of those surveyed could not name a single product or service of any company in which they own stock. Of the other 49% responding, some attributed aircraft to Bell and Howell, silver to Sterling, gasoline to General Motors, etc.

And this haze exists in the face of the fact that 82% say they read the annual reports of their corporations, with 40% perusing the literature of investment services.

Nearly three out of four of the survey-ees have never written to the management (their employees, as has been hammered into them by Mr. Gilbert) of a company in which they own stock; and of those who have written, less than half have concerned themselves with factual information.

THE REASONS

Basically deficient in the Exchange's $12 million 10-year educational activities is the subtly pervasive emphasis on speculative, rather than investment functions. The Exchange itself continually stresses the *speeding-up* of its mechanics, particularly of quotation distribution. On recent occasions announcement has been made of the utilization of our progress in the science of electronics to accelerate the ticker's registration of quotation changes. Only last week another quotation-broadcasting service was announced at the Exchange. Radio Press International reaching the Caribbean and Latin America in cooperation with the Exchange, will now be broadcasting directly from the Institution a five-day 4:05 p.m. one-minute summary of the day's activity in the 10 "leading" stocks and over-all trading volume; and also a weekly five-minute market news round-up. Also to be shortly initiated, it is understood, will be a daily summary of quotations beamed to our worldwide army over the Armed Forces Radio Network—this "in-

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The State of TRADE and INDUSTRY

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

The near-term course of economic activity continues to be dominated by inventory readjustments, according to August issue of *Business Comment*, monthly publication of the Northern Trust Co. of Chicago. "In addition," the publication continues, "the absence of a significant pickup in orders for steel and for certain types of machinery, a decline in construction contract awards, and a reported lack of vigor in consumer purchases of some durable goods, have raised questions concerning the basic strength of demands for consumers' goods and for business capital equipment. Inventory adjustments in major industries are bound to have secondary effects on employment, incomes and spending over a wider area than the industries immediately involved. The true direction of the course of business under these conditions is always difficult to evaluate.

"During this process of adjustment, it is important to note that aggregate expenditures or 'final demands' of consumers, business and government, net of business inventory accumulation, have been rising steadily from quarter to quarter since the first quarter of 1958, reaching a record high just short of $500 billion annual rate in the second quarter of 1960. In fact, the increase in final demands in the second quarter over the first was the largest quarter-to-quarter increase in a year. After allowing for inventory changes, total expenditures rose at the seasonally adjusted annual rate of $9.1 billion from the first to the second quarter this year compared with quarter to quarter increases of $8.2 billion, $0.2 billion and $5.1 billion in the three previous quarters.

"In the consumer sector, expenditures have been steadily rising for nondurable goods and services. In the key area of durable goods, however, total consumer spending has been remarkably level since the second quarter of 1959. In the private investment sector, expenditures for producers' durable equipment have been rising steadily but unevenly, with a larger than average increase in the second quarter of 1960 over the first as compared with previous quarters. On the other hand a gradual decline in residential construction has offset an irregular rise in other types of private construction. It may be surprising to note that while government expenditures for goods and services at the state and local level have been rising almost without interruption, Federal spending on goods and services has actually declined by almost 4% since the second quarter of 1959, with lower defense outlays primarily responsible for the drop.

"The continuing rise in aggregate spending by consumers, business and government should, if maintained, clear the shelves of overstocked goods and eventually require higher rates of current output. But other forces are operating also, including consumer and investor psychology, the rate of use and the availability of credit, the prospects for profits and a host of other influences. When, as now, some of these influences are favorable and some unfavorable, the future course of business is especially difficult to foresee."

U. S. Farm Exports Were Second Highest on Record

According to the Foreign Agricultural Service the value of United States farm exports in 1959-60 was $4,515,000,000 the second highest on record or only $213,000,000 smaller than the $4,728,000,000 record in 1956-57 when farm exports were higher due to the Suez crisis and the economic boom in Europe. Wheat and rice exports were the second largest in history and lard exports were the second largest since World War II and cotton exports the second largest in more than 25 years. Cotton accounted for 52% of last year's $796,000,000 increase.

Half of 1,100,000 Workers Covered By Wage Contracts Will Receive Increases in Wages

The Labor Department reports that half of 1,100,000 workers covered by new wage contracts negotiated during the first three months of 1960 will receive approximately 10-cent hourly pay boosts. The announcement also states that only 1% of the workers affected by major collective bargaining settlements in the first quarter of the year will receive no wage increases. The steelworkers will benefit by increases of 9 to 10 cents an hour when their new wage contract goes into effect in December. The Labor Department report states that 15% of the total covered in their survey would receive as much as 17 cents or more, which includes 125,000 men's clothing workers who will receive their first wage increase since 1956. About 3% of the workers covered by the new wage contracts will receive more than 19 cents an hour increases while another 3% of workers will receive less than 5 cents an hour. The Labor Survey does not include wage contracts negotiated in the construction industry, the service trades, finance or government. Other exclusions are settlements involving fewer than 1,000 workers and wage changes in non-union establishments.

Bank Clearings Up 5.8% From Same Week in 1959

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based on telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Aug. 13, clearings from all cities of the United States from which it is possible to obtain weekly clearings will be 5.8% above those for the corresponding week last year. Our preliminary totals stand at $24,785,450,164 against $23,429,331,739 for

the same week in 1959. Our comparative summary for some of the principal money centers follows:

Week End. Aug. 13—	000 Omitted 1960	1959	%
New York	$12,811,116	$11,197,048	+14.4
Chicago	1,280,256	1,321,673	— 3.1
Philadelphia	1,020,000	1,061,000	— 3.9
Boston	704,035	712,806	— 1.2

Sees Setback in Steel Industry Revival

The turning point in steel operations may have to be set back again, *The Iron Age* reports.

On the basis of latest orders, the mild upturn of two weeks ago failed to gain momentum. In fact, the magazine comments, rate of incoming orders at some major mills is lower than it was at that time.

Against the gloomy status of day-to-day business, the metalworking weekly points out that steel is being consumed at a higher rate than new orders and an upturn in business is on the way.

Sooner or later, the magazine says, steel operations will have to come up to the level of the economy.

But the immediate picture does not show when the upturn will come. September orders as yet do not show the expected strength and nothing in the order books now shows anything of a gain in momentum.

One possible exception is stainless, where the feeling is the market has turned the corner. There have also been some pipeline releases, with one project to take at least 300,000 tons of large diameter pile. Others are expected to break soon.

The Iron Age summarizes the market factors this way:

Steel inventories are still large. While this is surprising, it is true. Many steel users will continue to reduce inventories for some weeks.

Demand for railroad and construction steel is off.

Tinplate releases have fallen off and there have been some cancellations of orders.

Steel consumption has fallen off—more than had been expected from seasonal and economic factors. This means that inventories (in terms of days) have automatically lengthened as consumption dropped.

Warehouses are loaded with steel and are not ordering in any strength. There is little reason to expect a change soon.

Automotive ordering of steel is also disappointing — up to now. Automakers also have more inventory than even they expected and the first cars off the 1961 lines are compacts — which take less steel.

Major Changes in Steel Production Not Expected Before Labor Day

Many steel consumers have completed their inventory adjustments but are following a "wait and see" policy in placing orders, *Steel*, the metalworking weekly, said on Aug. 15.

Steel mills are uncertain just when and how much of an upturn to expect. Incoming orders are fluctuating inconclusively — up one week and down the next.

Steelmakers still believe that September bookings will be 10% better than August's, but they

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An Investment Policy for Today's Cloudy Conditions

By August Huber, Partner, Spencer Trask & Co., New York City, Members New York Stock Exchange

Knowledgeable member of the investment community assesses the many factors in the business and political areas which, on balance, are hardly conducive to an aggressive equity investing policy at this time or in the immediate future. Mr. Huber concludes that common stocks as a whole are vulnerable to downside corrections and favors an investment policy based on good fixed income securities and equities with prospects of both adequate income and possible longer term capital appreciation.

The market, as measured by the Dow-Jones Industrial Average, recently came within a shade of the two previous low points reached earlier this year. The closing on July 25 was 601.68 compared with 599.10 on Mar. 8 and 599.61 on May 2. The railroad average had already broken below the previous low points.

August Huber

With the market reaching the previous resistance level, rallying tendencies developed from this technical condition with sentiment stimulated by the Federal Reserve Board action in reducing margin requirements from 90% to 70%.

From a high of 685 early in January the market had again come down to the 600 range reflecting (1) the disappointing earnings results so far this year which have been influenced by increased competition and pressure on profit margins; (2) the lag in new orders for durable goods which have been running under shipments, usually presaging lower activity later on; (3) high price-earnings ratios appear less warranted as profits trend downward rather than robustly upward; (4) the at least temporary relaxation of "inflation"; (5) the underlying economic influence of our heavy domestic debt structure, and (6) the disturbing implications which continue inherent in our foreign balance of payments problem.

A Number of Imponderables

In attempting to look ahead, there are admittedly no clear-cut answers to questions such as (a) will the heavy inventory of some 1,000,000 automobiles be satisfactorily cleaned up before the advent of the new models; (b) how far will steel operations rebound from the present low operating rate in the 50% plus of capacity range and whether a rate of around 70% can be sustained later in the year; (c) will the easier money policy of the Federal Reserve Board effectively stimulate economic activity; (d) will the reduction in margin requirements bring about anything other than a temporary flurry in stock prices; (e) where will our problems in foreign affairs lead, and (f) how far can the Federal Reserve Board go with easier money and lower interest rates without endangering our gold position? (Through withdrawals of foreign funds motivated by higher interest rates abroad.)

We are on the eve of what promises to be a bitter Presidential election campaign. The differences in the basic economic philosophies of the two major political parties revolve chiefly around spending programs and taxes. The central question appears to be the role of the government in stimulating economic activity. Republicans apparently prefer to stimulate economic growth primarily through expansion in the private sector.

In any event, both parties agree defense spending should be on a scale large enough to combat whatever threats may loom ahead. Whether various spending programs can later be held within the bounds of a balanced budget is problematical at best. There is little question, however, that during periods of recession either party would resort to deficit financing to bolster any faltering in the general economy. Such a policy—with its effect on the money supply in the long run—provides the continued seed of longer range inflation.

Inflation Not Beneficial to Corporate Profits

The type of inflation inherent in such monetary policies has benefited corporate profits less than most other sectors of the economy over the past decade. Business costs, on the whole, usually rise faster than selling prices can be advanced—particularly with the competitive factors which stem from more than ample productive capacity. Also, there is now the added factor of competition from abroad.

Net corporate profits in 1959 were 5.9% of total national income compared with an average during the previous ten years of 6.4%. The total compensation of employees on the other hand increased to 69.5% of national income last compared with a prior ten-year average of 67.4%.

During the past two years the total compensation of employees was about 70% of national income, up from 63% in 1950. Conversely, net corporate profits hit a peak of 9.2% of national income in 1950 compared with last year's portion of 5.9%.

The underlying trends toward a larger share of the country's income for labor and a static, or lessening, portion for corporations, are not expected to be reversed under the basic economic policies which are likely to be continued.

The progressive, well managed companies will fare best in the future, as in the past, under the longer-term economic and monetary forces which promise to continue operative in the years ahead.

As the election campaign unfolds over the coming months, both candidates will be loudly and widely voicing their views, and directing charges and countercharges, in the heat of verbal battle. I cannot pretend to know in advance what the various and changing psychological reactions of investors and speculators may be as this important political campaign progresses. What can be said, however, is that investments based on values rather than emotions are likely to turn out best.

Encouraging Aspects of Business Trend

The overall economic picture is not without its encouraging aspects. Consumer expenditures have continued at high levels (which could later be reflected in higher basic production rates as inventories run down) and the usual authoritative sources expect a favorable level of expenditures for capital goods by private industry. Some pickup in general business activity is indicated during the third and fourth quarters from the seasonally lower summer months. For example, steel operations had been at a low rate of around 50%, but the industry looks for 55% to 60% in the third quarter and 65% to 70% in the final quarter. The automobile industry will be increasing its output schedules as the new models come into production. The basic question—still too early to answer—is how long the seasonal betterment in these industries may endure.

Other considerations over the coming months are (1) the prospect of some increase in defense spending: (2) the changed policy of the Federal Reserve Board in easing credit, which along with the seasonal production pickups could perhaps favorably influence investor sentiment at least for a temporary period.

Market Policy

Last autumn, and in subsequent periods when stock prices were relatively high, and high grade bond issues were yielding over 5%, my advices ran to lightening common stock holdings and building up the proportion of bond investments in portfolios.

Now the issue is less clear cut. Bond yields have declined and many common stocks have reacted considerably in market price from their highs of last year. Thus, there currently exists more of a betwixt and between situation:

(a) While bond yields are lower than at their peaks a few months ago, present returns of around 4½% still have attraction for a portion of investment funds, providing stable income and comparative safety of principal, while

(b) Common stocks, when viewed as a whole, are still vulnerable to many imponderables and consequent further price corrections (following intermittent rallies). But here, too, selective issues can be found with relative attraction. The investor must determine what his basic aim is, (1) income and relative safety; (2) longer-term growth and potential capital appreciation, or (3) the short-term "trader" who should operate with a full knowledge of the comparative risks such a policy entails.

Considering the present level of the stock market and the questions which remain to be answered — economic and political; domestic and world-wide — the portfolio today, as I have advocated for many months, should be (a) balanced with a proportion in good fixed income securities for income and as a future buying reserve, and (b) common stocks commitments should be guided by investment merit and "value" relative to individual issues—with a view toward adequate income return and/or a favorable earnings potential which could bring with it longer-term capital appreciation.

Canton Corp. Opens in Boston

BOSTON, Mass. — Canton Corporation has been formed with offices at 82 Devonshire Street, to engage in a securities business. Officers are James R. Lewis, President; Norman E. Torrey, Treasurer; Caleb Loring, Jr., Clerk; and Chester Hamilton, Assistant Treasurer. Mr. Lewis and Mr. Hamilton were formerly officers of Crosby Corporation. Mr. Torrey was an officer of North American Planning Corporation of New York.

Rail Mergers Gathering Greater Momentum Pace

A clearer track ahead for railroad mergers is seen by rail association's research department in their report listing nine proposed groupings involving 25 Class I railroads. Despite the renewed faster pace of the last two years there still remains, nevertheless, tough obstacles facing merger-minded rails. These obstacles are discussed as is the encouraging stand taken by the ICC toward merger developments.

An urge to merge, as one reporter described the process, is evident within the railroad industry. Within recent months more than a score of major railroads have taken up merger proposals as one way of coping with the two-way squeeze applied by rising internal costs and intensified external competition. Railroads with shrinking profit margins look toward mergers to effect operating economies through the elimination of duplicate facilities and services. These moves could ultimately reshape the structure of the railroad industry.

The following background information, compiled by the Association of American Railroads, provides an up to date accounting of developments.

Merger Pace Gathers Momentum

The merger movement in the railroad industry has a long background. A look at recent developments in this area reveals, however, that mergers have attained renewed momentum within the last two years.

During 1959 a number of merger proposals were favorably considered by the ICC, and one other previously approved consolidation — the Illinois Central - Alabama and Vicksburg and Vicksburg, Shreveport and Pacific — became effective following dismissal by the Supreme Court of an objecting stockholder's suit.

In the same year, the ICC completed hearings on a merger of significant proportions—the Erie and the Delaware, Lackawanna & Western, involving over 3,000 miles of railroad. The ICC also approved the merger of the already-owned Central Pacific into the Southern Pacific Company for single operation. And the Commission later approved the merger of the Virginian Railway with the Norfolk and Western, and the Charleston and Western Carolina with the Atlantic Coast Line.

Merger proposals continued to accelerate into 1960. Among plans being studied or waiting stockholder and ICC approval are nine groupings involving a total of 25 Class I railroads. A listing of these, in the accompanying table, indicates that each would operate a combined initial system ranging from 4,730 to 24,728 miles. (The largest present railroad, in mileage, is the Santa Fe Lines which operates over 12,970 miles of railroad.)

Proposed Mergers	Combined Mileage of Road
Great Northern (8,288 miles); Northern Pacific (6,834 miles); Chicago, Burlington & Quincy (8,670 miles); Spokane, Portland & Seattle (936 miles)	24,728
Chesapeake & Ohio (5,122 miles); Baltimore & Ohio (5,911 miles)	11,033
(Including the New York Central—10,368 miles)	21,401
Chicago, Rock Island & Pacific (7,524 miles); Chicago, Milwaukee, St. Paul & Pacific (10,599 miles)	18,123
Chicago & North Western Railway (9,280 miles); Minneapolis & St. Louis Railway (1,391 miles)	10,671
Missouri Pacific Railroad (9,413 miles); Chicago & Eastern Illinois Railroad (863 miles)	10,276
Seaboard Air Line (4,147 miles); Atlantic Coast Line (5,573 miles)	9,720
New York, New Haven & Hartford (1,762 miles); Boston & Maine (1,557 miles); Bangor & Aroostook (602 miles); Maine Central (936 miles); Rutland (391 miles)	5,248
Norfolk & Western Railway (2,743 miles); New York, Chicago & St. Louis (2,170 miles)	4,913
Soo Line (including Wisconsin Central) (4,186 miles); Duluth, South Shore & Atlantic (544 miles)	4,730

Mergers Began With Birth of Industry

While attracting increased attention now, rail consolidations are not a new phenomenon. They began almost immediately after formation of the first companies over 130 years ago and have continued to the present day as local lines combined to offer direct long-haul and regional service. Thus, major lines of the present are the result of innumerable combinations of smaller roads. For example, the Pennsylvania Railroad system consists of over 600 original companies.

The greatest expansion of the principal railroads, both through new construction and voluntary consolidation, took place in the period following the Civil War and prior to the turn of the century. Over 70,000 miles of railroad were built from 1880 to 1890, and 425 consolidations occurred from 1884 through 1888.

At one time there were about 6,000 different railroads in the United States. By the turn of the century, 1,224 railroads were operating. Today, there are some 410 line-haul roads operating 218,000 miles of right of way.

Voluntary Mergers and Compulsory Plans

Restrictive legislation and various court decisions in the early 1900's impeded or prevented mergers that threatened to reduce inter-railroad competition, even though industry operations had been closely regulated in the public interest since enactment of the Interstate Commerce Act in 1887. However, World War I, coupled with federal take-over of railroads, brought a reversal of policy. Under the Transportation Act of 1920, Congress sought to establish an affirmative policy on the consolidation of railroads. Accordingly, the Interstate Commerce Commission was directed to prepare an overall plan for consolidation of all the nation's railroads into a limited number of systems.

In 1921, the Commission proposed a tentative plan which underwent lengthy hearings. Four years later, the agency asked to be relieved by Congress of the task of carrying out such a plan, stating that it would be impracticable. But Congress failed to act on this request. Finally, in 1929, the Commission published a plan, which was never put into effect, for consolidating the railroads into 21 independent systems.

Other plans were subsequently advanced by various interested groups. The chief executives of the principal Eastern roads in 1931 proposed to modify the ICC plan by providing four instead of five Eastern systems. This modification was approved by the Commission in 1932, but action was thwarted by the disastrous impact of the depression.

The National Transportation Committee, headed by former President Coolidge, in 1933 recommended compulsory consolidation of railroads under private ownership through nation-wide control of regional operating companies by a top holding company. Congress, however, rejected this plan and passed the Emergency Railroad Transportation Act of 1933 which tightened the Commission's control over mergers.

Another merger plan was advanced in 1933 known as the "Prince Plan," which was undertaken at the request of the then President-elect Franklin D. Roosevelt. Named after a Boston financier and ardent advocate of large-scale consolidation, F. H. Prince, this plan differed from previous proposals which emphasized end-to-end principles of merger. The "Prince Plan" sought to minimize duplicate services and facilities by combining adjoining lines to reduce route time and increase frequency of dispatch.

In 1938, President Roosevelt appointed a committee of three railroad executives and three representatives of rail labor, known as the "Committee of Six." The Committee's report urged the encouragement of voluntary consolidation subject to Federal approval. Subsequently, upon enactment of the Transportation Act of 1940, the ICC was finally relieved of its 20-year-old obligation to formulate a national merger plan. The Act returned to the railroads the initiative in proposing consolidations, subject to Commission approval.

From 1940 to 1958, the total number of line-haul railroads declined from 528 to 410. At the same time, Class I railroad mileage rose from 175,764 to 189,066, while that of Class II and III lines dropped from 11,790 to 8,990, reflecting the absorption of smaller roads by enlarging Class I carriers.

Problems Faced by Mergers

Despite the fact that rail mergers are proceding at a faster pace today, merger-minded managements are confronted with formidable obstacles which sometimes serve to bar consolidations.

First, the railroads must undertake a number of expenditures before any of the prospective benefits to the component lines can be realized. Expert engineering and accounting firms must be employed to undertake extensive, time-consuming studies to determine what savings can be achieved—where and how much. These studies enable management to evaluate the feasibility of consolidation and serve as a basis for review of the proposal by the ICC. Another initial expense includes the realignment and integration of terminals of the separate lines to permit the most advantageous operation under a single system.

Second, the Interstate Commerce Act provides for the protection of worker positions which may be displaced through consolidation. Section 5 (2) (f) requires that the Commission as a condition of its approval shall require a fair and equitable arrangement to protect the interests of the affected employees. This section goes on to permit the substitution of an agreement pertaining to the protection of the interests of such employees which can be entered into between their duly authorized representatives and the carriers involved. An impact-cushioning formula may therefore be either arranged by agreement between the railroads and their unions or determined by the Commission.

A third obstacle arises from the complex corporate and debt structure characteristic of most of the railroads—particularly the larger carriers. Difficult financial problems, such as the fixing of acceptable ratios for an exchange of stock and the negotiation of changes in certain mortgages and indentures, must be resolved in such a way as to meet the objectives of all interested security holders.

Fourth, railroads must take into account frequent opposition to mergers voiced by individuals, groups or communities which may fear adverse effects. Communities may fear loss of offices, shops, payrolls or taxes, etc.

Finally, the merger proposal must undergo lengthy hearings and meet certain ICC standards. The Commission must be satisfied as to (1) the effect of the proposal upon adequate trans-

TAX-EXEMPT BOND MARKET COLUMN APPEARS ON PAGE 10.

portation service to the public; (2) the effect upon the public interest of the inclusion or failure to include other railroads in the territory involved; (3) the total fixed charges resulting from the proposed transaction, and (4) the interests of affected employees.

Until recently there was considerable question as to whether approval could be obtained because of official concern over the possible lessening of inter-railroad competition. Lately, however, there has been growing realization that the major competition of the railroads today is not with each other but with other forms of transportation. In recent decisions, the ICC has pointed to the dramatic change which has taken place in the competitive transportation picture since the 1920's. This trend was emphasized in the Commission's report on the merger of the Virginian Railway with the Norfolk & Western Railway (F. D. 20599, dated Oct. 8, 1959) which stated in part: ". . . the monopoly status enjoyed by the railroads in the 19th and early 20th Centuries has now disappeared completely with the emergence of strong and growing competitors."

The track thus apears more than ever cleared for increased expression of the railroads' urge to merge.

C. O'B. Murphy With Mackay

Charles O'Brien Murphy III has been named manager of the new branch office at 50 Broad Street, New York, of the investment firm of Mackay & Co., Reading, Pa., it has been announced by William P. Mackay, president.

C. O'B. Murphy III

Formerly vice-president and secretary of Pearson, Murphy & Co. of New York, Mr. Murphy is a veteran of more than 20 years in the securities business.

Mackay & Company was founded in Reading over 25 years ago by the late John E. Mackay, father of the present head of the firm. Opening of the New York branch is part of the expansion program of the investment firm which maintains it headquarters at 524 Washington Street, Reading, and another office at 842 Lancaster Avenue in that city.

Problems and Potentials Of the Railroad Industry

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

A short-hauled account of certain aspects of railroad business, with some notes about a few railway equities

Want to buy a railroad station? Several dozens have been sold in the past couple of years and dozens more may be offered, because, for many lines, passenger traffic is either dismal or dead. The West Shore RR. no longer offers to travelers the scenic beauty perceptible from the west bank of the Hudson, and only in the past month, Maine Central has discontinued all passenger traffic. Many other roads would like to follow suit. Even the Long Island, a major specialist in commuter passenger traffic, has had a tough time making any money on the trade. The Long Island suffered a 26-day trainmen's strike this summer and, as a result, emergency bus lines entered the scene. Some may stay on in business and wean passengers away permanently, while the Long Island again seeks higher fares, to offset new labor costs.

A few have been able to benefit from passenger traffic, notably the Northern Pacific, Chicago & Northwestern; and the through trains of Southern Pacific, Union Pacific, Milwaukee and Great Northern have retained popularity. But for most, passenger traffic is a heavy loss and abandonment seems the only way out. The buses, passenger cars, and airlines have delivered a lethal blow.

If passenger business has become so dreary and undesirable, so have certain freight runs. Ten percent of the Class I railroad mileage now carries 50% of the freight tonnage. One third of the nation's mileage carries only about 2¼% of the freight. So not only in passenger trade, but in freight, there is urgent need for abandonment of hopelessly unprofitable rights of way. Since the end of World War II almost 10,000 miles of rail lines have been abandoned, and 1,000 more miles may vanish this year.

Now all of this is not gloom for the railroad business. By getting rid of traffic that shows nothing but losses, many roads have become more efficient, have concentrated on the business that counts, and are now far better equipped to make money and pay dividends.

Positive Thinking, Too

It should not be inferred that the railroads have been relying mainly on such a negative thing as track reduction and abandonment for the solution of their problems. There has been a lot of "positive thinking" and action. For example, over $15 billion has been spent on railway capital improvement in the past 15 years. Most roads are completely dieselized and the steam locomotive has become "the choo-choo named expire!"

Not only has a lot of money been spent but a lot of initiative and imagination has been used in search for new traffic, and in improving operating efficiency. Piggy-back trucks trailer haulage has been quite successful, and the potentials of combination rail-truck service has shown possibilities and led to concepts, not of traditional railroading, but of completely integrated transportation services by Rail-Truck and water.

In actual operation great improvement in efficiency has already been effected by larger, better laid out classification years, electronically controlled and directed; and by such things as automatic ticket selling machines, roller bearing cars, and specialized types of freight cars. Railroads now have electronic accounting and data processing machines. Electronic signal controls and mechanized track maintenance are further contributors to cost reduction and over-all efficiency.

The Urge to Merge

Over and beyond the young and progressive managements you now find in the executive offices of many roads, there's another major trend working for increased profitability in the railroad business —mergers. Not since the 1920's have mergers — actual and prospective—been as rampant. The Norfolk & Western and the Virginian, combined, are already demonstrating a remarkable efficiency which may ultimately produce savings of $12 million a year. The Coast Line-Seaboard was "a natural." It should create ultimate annual savings of some $35 million. The Chesapeake and Ohio and the Baltimore and Ohio were on the road to blending when the New York Central got into the act. D.L.&W. and Erie should save a million a year just by running one ferry terminal instead of two in New York Harbor. The Milwaukee and the Rock Island have talked merger. The Canadian Pacific recently merged three of its subsidiaries. Not to be outdone even the Russians have a railroad merger plan!

This merging business is not always easy. The railroad unions usually take a dim view of them as potential reducers of the labor force. And of course the price of labor has been a never ending problem for railway management. Feather bedding, (especially a "fireman" in a diesel engine cab) has been extensive, and work rules geared to the time when trains covered only 150 miles a day are archaic and expensive. For example, if you ride the "Florida Special" north from Miami to New York (about 1500 miles) four separate train crews are required for the run.

Conclusions

Having touched briefly on some of the difficulties, as well as the advances, in the railroad picture today a few general conclusions are possible. (1) There's a great deal of hidden value in the total railway plant which stands on the books below $15 billion and would cost at least $45 billion to replace, (2) management today is far more efficient than 20 years ago, (3) physical plant is in excellent condition and could carry 100% more freight with but slight increase in cost, (4) many roads have other assets — real estate, investments, pipeline rights of way which supplement earning power, and may increase greatly in value over the years, (5) some benefits have been achieved from local tax relief and passenger subsidies, (6) a number of roads operate in growing territories enjoying a rapid rise in population and in industrial activity.

So whereas today you can pay 30 times earnings for a chemical, and 50 times for a camera, an instrument or an electronic share, you can get some very good rail equities on a very satisfactory yield basis selling at from 7 to 10 times earnings. If railroad shares today are not highly prized for glamour or growth, they still represent some quite solid values in assets and earning power and, for those interested in income, offer more rewarding yields than are found in any other major investment category.

Without the least word of endorsement or recommendation, there follows a listing of rail shares that you might want to look into a little further. Northern Pacific at 42 pays $2.20. That's a nice yield and the company owns or has mineral rights to some 8,310,000 acres of real estate. Pennsylvania sells at 13 and pays 25 cents. It has major real estate in New York, Philadelphia, Chicago, Trenton, etc. and its one-third interest in Norfolk & Western would more than justify present price of Pennsy common. Union Pacific at 27 paying $1.20 pays all its interest charges by "off track income." Western Pacific at 19 paying $1 could improve, and may be in a merger someday. Southern Pacific at 20½ paying $1.12 has been a most reliable dividend payer. New York Central has fabulous real estate holdings and its common stock (21) is highly leveraged to reflect any gain in earnings.

Concluding, railways will probably never regain their glamour of the early 1900's, but many should be in business and paying dividends when transistors have joined the vacuum tube in the buggy whip museum!

Manhattan East'n Formed in N. Y. C.

Manhattan Eastern Corporation has been formed with offices at 122 East 42nd Street, New York City, to engage in a securities business. Officers are Alfred J. Bohlinger, President; Arthur J. Borinstein, Vice - President and General Manager; and David C. Anchin, Treasurer. Mr. Borinstein was formerly syndicate manager for Dreyfus & Co. Prior thereto he was a partner in Sprayregen, Borinstein & Co.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

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

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.

Convertible Bonds — Report — Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Electric Utility Stocks—Comparative figures — Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Georgia.

Also available is a memorandum on **Louisiana Land & Exploration.**

Growth Stocks—Report on seven issues which appear attractive—Purcell & Co., 50 Broadway, New York 4, N. Y.

Industry Selection—Discussion of outlook—Hemphill, Noyes & Co., 15 Broad St., New York 5, N. Y.

Japanese Market — Review — Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y.

Also available are discussions of the proposed **"Securities Yen"** System, **Nippon Columbia Co. Ltd.,** and **Matsushita Electric Works**

Opportunities Through Put & Call Options—Booklet—R. A. Daly & Company Limited, 44 King Street, West, Toronto, Ont., Canada.

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.**

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

Petroleum Industry 1959—Review —The Chase Manhattan Bank, 18 Pine Street, New York 15, N. Y.

Savings & Loan Stocks—Review with particular reference to **First Charter Financial Corp., Union Financial Corp.,** and **Wesco Financial Corp.** — The Milwaukee Co., 207 East Michigan St., Milwaukee 2, Wisconsin.

Solid State Electronic Computers —Report—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Solid State Technology—Bulletin —Globus Inc., 660 Madison Ave., New York 21, N. Y.

Sugar Market—Report—Lamborn & Company, Inc., 99 Wall Street, New York 5, N. Y.

Utilities — Review — H. Hentz & Co., 72 Wall Street, New York 5, New York.

Also available is an analysis of **Armour & Company** and data on **Chicago & Northwestern, New York Central, New York Chicago & St. Louis** and **Norfolk Southern.**

* * *

Abbott Laboratories—Analysis—Cohen, Simonson & Co., 25 Broad Street, New York 4, N. Y.

Acme Steel—Report—Goodbody & Co., 2 Broadway, New York 4, New York.

Also available is a report on **Vanadium-Alloys Steel.**

Aluminium Limited — Analysis — McLeod, Young, Weir & Company Ltd., 50 King St., West, Toronto, Ont., Canada.

American Gypsum—Memorandum —Hill, Darlington & Co., 40 Wall Street, New York 5, N. Y.

Anchorage Gas & Oil—Report—Invesco International Inc., 236 East Fifth Avenue, Anchorage, Alaska.

Assembly Products Inc.—Analysis —Aetna Securities Corporation, 111 Broadway, New York 6, N. Y.

Bath Iron Works — Review — du Pont, Homsey & Co., 31 Milk St., Boston 9, Mass.

Also available are reviews of **Garrett Corp., Metro Goldwyn Mayer** and **Seeburg Corp.**

Bishop & Babcock Manufacturing Co.—Report—J. N. Russell & Co., Inc., Union Commerce Building, Cleveland 14, Ohio.

Boise Cascade Corporation—Analysis—Daly & Co., Inc., First National Bank Building, Boise, Idaho.

Bucyrus Erie — Memorandum — Filor, Bullard & Smyth, 26 Broadway, New York 4. N. Y.

Burroughs Corp. — Analysis — Blair & Co., Incorporated, 20 Broad Street, New York 5, N. Y.

Also available is a memorandum on **Kratter.**

Canal Randolph—Memorandum—Herzfeld & Stern, 30 Broad Street, New York 4, N. Y.

Chemex Industries, Inc.—Analysis —Berry, Douglas & Fitzhugh, Inc., Stahlman Building, Nashville 3, Tennessee.

Cleveland Cliffs Iron—Memorandum—Merrill, Turben & Co., Inc., Union Commerce Building, Cleveland 14, Ohio.

Colonial Corporation of America —Analysis—Hill Richards & Co., 621 South Spring Street, Los Angeles 14, Calif.

Consolidated Cigar Corp.—Data—Freehling, Meyerhoff & Co., 120 South La Salle Street, Chicago 3, Illinois.

Consolidated Development Corp. — Analysis — Searight, Ahalt & O'Connor, Inc., 115 Broadway, New York 6, N. Y.

Control Data Corporation—Report —California Investors, 3932 Wilshire Boulevard, Los Angeles 5, California.

Also available is a report on **International Rectifier Corp.**

Crescent Engineering & Research Company — Analysis — Woolrych, Currier & Carlsen, Incorporated, 233 A Street, San Diego 1, Calif.

Crown Zellerbach Corporation—Analysis—Hooker & Fay Inc., 221 Montgomery Street, San Francisco 4, California.

Also available is a bulletin on "Defense Industry Special Situations" with particular reference to **Jerrold Electronics, Laboratory for Electronics, Lytle Corp., Missile Systems, Radiation, Inc.** and **Royal Industries.**

De Jur Amsco — Memorandum — H. A. Riecke & Co., Inc., 1433 Walnut Street. Philadelphia 2, Pa.

Deltown Foods, Inc. — Analysis — A. G. Becker & Co., Incorporated, 60 Broadway, New York 4, N. Y.

Also available is a review of **Maine Public Service Company.**

Dominion Stores Limited — Analytical brochure—W. C. Pitfield & Co., Inc., 30 Broad Street, New York 4, N. Y.

Duriron Company, Inc.—Analysis —Butcher & Sherrerd, 1500 Walnut Street, Philadelphia 2, Pa.

Federated Corporation of Delaware—Analysis — Darius Incorporated, 80 Pine St., New York 5, New York.

Financial Federation, Inc.—Analysis — Stanley Heller & Co., 44 Wall Street, New York 5, N. Y.

First Charter Financial Corp. — Report — Reynolds & Co., 120 Broadway, New York 5, N. Y.

Also available are reports on **National Cash Register, Speer Carbon Company,** and **American Optical Company.**

Flintkote — Memorandum — F. P. Ristine & Co., 15 Broad St., New York 5, N. Y.

Fruehauf Trailer Company—Bulletin — Carreau & Company, 115 Broadway, New York 6, N. Y.

General Telephone Stock Split—Discussion in August issue of "The Exchange" — The Exchange, 11 Wall Street, New York 5, N. Y.—20c per copy—$1.50 per year.

Also in the same issue is an article on **"Tailored Second Incomes,"** and on **Corporate Nicknames in the Stock Market.**

Granite City Steel—Analysis—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Grumman Aircraft Engineering Corporation — Analysis — Joseph Walker & Sons, 30 Broad Street, New York 4, N. Y.

Harris Intertype—Data—Cooley & Company, 100 Pearl Street, Hartford 4, Conn.

Also available are data on **Nuclear Chicago Corp.**

International Minerals & Chemical — Memorandum — Parrish & Co., 1421 Chestnut Street, Philadelphia 2, Pennsylvania.

International Resistance — Memorandum—Richter & Co., 350 Madison Avenue, New York 17, N. Y.

Jim Walter Corporation—Analysis —J. M. Dain & Co., Inc., 110 South Sixth Street, Minneapolis 2, Minn.

Joy Manufacturing Company — Analysis—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y.

Also available are bulletins on **Electronics Stocks, Oil Industry, Depressed Stocks** which could rally and interesting **Low Priced Shares.**

Julius Garfinckel & Co., Inc.—Analysis — Auchincloss, Parker & Redpath, 2 Broadway, New York 4, New York.

Also available is a memorandum on **Paramount Pictures.**

Heublein, Inc. — Memorandum — The Kentucky Company, 320 South Fifth Street, Louisville 2, Kentucky.

Koppers Company, Inc.—Analysis —Golkin, Bomback & Co., 25 Broad Street, New York 4, N. Y.

Latrobe Steel Company — Analysis — Singer, Deane & Scribner, Union Trust Building, Pittsburgh 19, Pa.

Lindberg Steel Treating Company, Inc.—Analysis — Cruttenden, Podesta & Co., 209 South La Salle Street, Chicago 4, Ill.

Also available is a memorandum on **International Minerals & Chemicals Corp.**

Louisiana Land & Exploration—Analysis—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y.

Also available are analyses of **General Drive In Corporation, Ohio Oil Company,** and data on **Central & South West, AMP Inc., General Motors** and the **Steel Industry.**

Market Basket—Analysis—Bateman, Eichler & Co., 453 South Spring Street, Los Angeles 13, Cal.

Metropolitan Broadcasting Corporation—Analysis—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y.

Also available are reviews of **AMP, Inc., Alabama Gas, California Packing, Fruehauf Trailer** and **National Steel.**

Midland Ross Corp. — Discussion in current issue of "Investor's Reader" — Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine Street, New York 5, N. Y.

In the same issue are reviews of **Baxter Laboratories, Republic Foil, Spartans, National Newark & Essex Banking, Amphenol Borg Electronics Corp., Kendall Company, Electric Storage Battery, Eastman Kodak.** Also available is a memorandum on **J. J. Newberry.**

Midland Ross Corporation—Analysis—Grimm & Co., 2 Broadway, New York 4, N. Y.

Moore Corp., Ltd.—Memorandum —Watt & Watt, 6 Jordan Street, Toronto 1, Ont., Canada.

Newport News Shipbuilding & Drydock—Memorandum — Reimer & Co., 120 Broadway, New York 5, N. Y.

North American Aviation—Report —Bache & Co., 36 Wall Street, New York 5, N. Y.

North American Aviation, Inc.—Analysis — Hornblower & Weeks, 40 Wall Street, New York 5, N. Y.

Also available is an analysis of **Random House, Inc.**

O'Sullivan Rubber Corp.—Report —Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.

Pabst Brewing Company—Analysis—Dempsey-Tegeler & Co., 210 West Seventh Street, Los Angeles 14, Calif.

Pacific Coast Properties—Memorandum — Bear, Stearns & Co., 1 Wall Street, New York 5, N. Y.

Papercraft Corp.—Memorandum—Stearns & Co., 72 Wall Street, New York 5, N. Y.

Also available are memoranda on **Mattell, Inc.** and **Eldon Industries.**

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

Pittsburgh Railways—Data—Boenning & Co., 1529 Walnut Street, Philadelphia 2, Pa.

Also availale are data on **Seligman & Latz.**

Ponce, P. R. — Special report — Government Development Bank for Puerto Rico, San Juan, P. R.

Spartans Industries Inc.—Review —A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y.

Also available is a report on **Bobbie Brooks.**

Standard Oil Company (Ohio)—Report—Hardy & Co., 30 Broad Street, New York 4, N. Y.

Also available are data on **R. H. Macy & Co., Cunningham Drug,** and **Harshaw Chemical** and a memorandum on **"Hollywood in the Sixties."**

Steetley Co., Ltd.—Memorandum —Model, Roland & Stone, 120 Broadway, New York 5, N. Y.

Supronics Corp.—Memorandum—Bruno-Lenchner, Inc., Bigelow Square, Pittsburgh 19, Pa.

Therm-O-Disk Inc. — Memorandum—Loewi & Co., Incorporated, 225 East Mason Street, Milwaukee 2, Wis.

Union Oil Company of California — Analysis — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Union Twist Drill Company—Report—Peter P. McDermott & Co., 42 Broadway, New York 4, N. Y.

United Aircraft—Memorandum—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

Uris Building Corporation—Comprehensive analysis — David J. Greene and Company, 72 Wall St., New York 5, N. Y.

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

Will Ross Inc.—Analysis—Blunt, Ellis & Simmons, 111 West Monroe Street, Chicago 3, Ill.

Williams - McWilliams Industries, Inc. — Report — Georgeson & Co., 52 Wall Street, New York 5, N. Y.

Revival of Optimism on London Stock Exchange

By Paul Einzig

London Stock Exchange rise noted, with City's expectation of desistence from further measures to restrict credit. Correspondent notes accentuation of the wage spiral, along with advocacy of inflation as a deliberately advocated policy "rearing its ugly head." Predicts many more excessive wage increases despite disinflationary measures. Dr. Einzig cites the difficulty posed to the anti-inflationists by the firmness of sterling, which represents "a fool's paradise" resting on borrowed money.

LONDON, Eng.—The Stock Exchange staged a moderate recovery during the second week of August. The extent of buying of equities was small — indeed it would be most unusual if in the middle of the holiday season it attained a substantial volume—but the sentiment was distinctly optimistic. The City is now inclined to take the view that there will be, after all, no need for further measures to restrict credit. Indeed there is even some talk of an early reduction of the Bank rate. This view is based almost entirely on the firmness of sterling, even though it is quite obviously due to the influx of short-term funds attracted by the high interest rates. Even if the Bank rate had been raised solely for the purpose of attracting foreign balances it is open to question whether the gold and dollar reserve is now high enough to allow for a reduction of the Bank rate. And from the point of view of its domestic effect the high Bank rate has been a failure.

It is true, the restrictions on instalment financing are beginning to produce their effect. The trouble is that their decline is offset by an increase in the demand for food and other consumer goods. This fact seems to show the futility of specific restrictions on one particular type of spending instead of curtailing purchasing power in general. Since consumers are discouraged from mortgaging their incomes on instalment purchases they are in a position to spend correspondingly more on other consumer goods. The result is a switching of demand from consumer durable goods to other consumer goods. And since food prices are more likely to affect the cost of living index than the prices of consumer durable goods it is doubtful whether the change is one for better.

The Wage Spiral

The worst aspect of the situation is the accentuation of the wage spiral. Hardly a day passes without some wage demand figuring prominently in the news, and even though the claims are seldom conceded in full, the extent of the increases (allowing for shorter hours) far exceeds that of the increases in the output. As far as the wage situation is concerned the disinflationary measures have been utterly ineffective — except perhaps in a negative sense, for in their absence the wage increases might have been even steeper.

Inflationism as a deliberately advocated policy is rearing its ugly head. Journalists, economists, politicians and trade union officials are becoming increasingly vocal in their demand that the government should remove the restrictions and, for the sake of increasing the output, it should allow inflation to proceed unhampered. The favorite argument is that, unless the free countries remove the self-imposed handicap of their disinflationary policies, they are bound to come out second best in their race with the Communist countries.

"Material Omission"

What these inflationists omit to mention is that the Communist countries are able to expand their production faster than the free countries because their governments stand no nonsense from their trade unions. Consumer spending power is kept under control in order to be able to devote producing capacity to the production of capital equipment. Nor is there any featherbedding of redundant workers in the Soviet Union or in other Communist countries. The manpower released through automation can be employed for increasing the output in other industries instead of being kept idle in the factories where it is no longer needed. In the USSR automation can proceed right to the limit of technical possibility, while in Britain and in other free countries its adoption is gravely handicapped by this attitude towards the release of workers whose labor is saved by the labor-saving equipment.

Labor to Blame

All this is glaringly obvious, but hardly anybody dares to say it in public that the attitude of organized labor is almost entirely to blame for the inadequacy of our progress. The free countries are prevented from expanding to the limit of technical capacity by the exaggerated inflationary effect such expansion is bound to produce so long as the trade unions continue to pursue their present attitude. It is true, they themselves are under pressure by their rank and file, and to some extent they try to restrain excessive demands. But unofficial strikes often force their hands. The admission of this fact does not mean, however, that the present uncritical attitude of the British public and the British press towards the trade unions is justified. For if all the pressure comes from their extremists and none from the public they are naturally inclined to yield more than they would if pressure came from both sides.

By the look of things there will be many more excessive wage increases in spite of the disinflationary measures. Each union in turn has got or is about to get an unearned increase, and by the time the turn of the spiral is completed another turn will be initiated. It seems that so long as unemployment continues to decline there is no hope for expecting a more reasonable behaviour.

Crucial Question

The question is, will the government allow itself to be influenced by the revival of inflationism, or will it stand firm? Those in the know are anything but happy about the firmness of sterling resulting from the influx of hot money. Perhaps if the unfavorable change in the balance of payments had been allowed to produce its natural effect on sterling it would have been easier to induce the trade unions to see reason. As it is, we live in a fool's paradise in which the firmness of sterling rests on borrowed money.

Lazard Freres to Admit Boulton

Schroeder Boulton will become a partner in Lazard Freres & Co., 44 Wall Street, New York City, members of the New York Stock Exchange, subject to Exchange approval. Mr. Boulton has been a partner in Goodbody & Co. and prior thereto was a partner in Baker, Weeks & Co.

Herbert T. Brown Opens

KINGS POINT, N. Y.—Herbert T. Brown is conducting a securities business from offices at 33 Split Rock Drive.

Mutual Funds Investment

SYRACUSE N. Y.—Bernard B. Landers and Jerome Hyde are engaged in a securities business from offices in the University Building under the firm name of Mutual Funds Investment Service.

Joseph Smith to Be Newburger Part.

PHILADELPHIA, Pa.—Joseph E. Smith on September 1st will be admitted to partnership in Newburger & Co., 1401 Walnut Street, members of the New York and Philadelphia-Baltimore Stock Exchanges. Mr. Smith has been with the firm for many years in the trading department. He has been nominated for the presidency of the National Security Traders Association.

Joseph E. Smith

White, Weld to Admit Partners

White, Weld & Co., 20 Broad Street, New York City, members of the New York Stock Exchange, on September 1st will admit Philip D. Baker, Cornelius A. Dorsey, and Charles C. Lee, Jr. to partnership. Mr. Dorsey will make his headquarters in the firm's Philadelphia office, 2 Penn Center Plaza.

TAX-EXEMPT BOND MARKET

*BY GEORGE L. HAMILTON**

The tax-exempt bond market was further improved, as was the entire bond market, by last Thursday's action of the Federal Reserve Board. The Board authorized that the discount rate be lowered from 3½% to 3% in four Reserve Banks (New York, Richmond, Kansas City and Cleveland). The Minneapolis-Reserve Bank also lowered its discount rate to 3% the following day. The other seven Reserve Banks are expected to follow the same course in the near future and also reduce their rate to 3%. It has been generally anticipated that these relaxations by the Federal Reserve will also result in a reduction of the prime rate of 5% by the large city banks, but at this writing, nothing has yet been done about the lowering of this rate.

Gains in Tax-Exempts

The municipal bond market, previously in good condition, immediately responded to the lowering of the discount rate with gains off from one-half to two points. There were no new issues up for sale the past Friday and the first evidence of strength showed in the revenue and turnpike bond quotations. These markets have been thin for some time and quotes improved rapidly as small buying orders came into the market. After closing up an average of about three-eighths of a point on Thursday, they were again up about one-half point on Friday. Governments which had been weak last Wednesday and Thursday reversed their downward trend immediately after the rate change and gained about three-eighths of a point on Friday. They have remained firm and inactive the early part of this week. Tuesday afternoon and Wednesday saw some slight easing of Governments.

Good Retail Business

Much municipal bond business was done all of last week with over 45 major accounts cleaned out and these syndicates marked closed. On Thursday, Aug. 10, the *Blue List* reported a state and municipal bond street float of approximately $232 million of bonds. The supply went as low as $155 million on Monday, Aug. 15, and yesterday morning's total was $204 million.

Although numerous offerings have been withdrawn from the list for purposes of mark-up and subsequent reoffering, the volume of retail business done is remarkable, particularly for this time of year, which is historically slow.

Yield Index at Best Level for The Year

The Commercial and Financial Chronicle's state and municipal bond index indicates a general market improvement in high grade 20 year bonds of about 1⅜s of a point. This is a very substantial rise and brings our index to the highest point for this year. Last week the average yield figured 3.315%. This week's average is 3.20%.

The *Smith, Barney & Company* Turnpike bond yield index indicated an average market rise of about ⅜s of a point. It should be noted that this rise predates the discount rate change and, were that average figured currently, it would be considerably higher than the Aug. 11 figure of 3.82%.

Recent Financing

The largest and most interesting offering this week Aug. 17 involved $15,000,000 State of California harbor improvement serial (1965-1990) bonds. The successful group was headed by Bank of America N. T. & S. A. The interest cost bid was 3.30% and the maturities were scaled to yield from 2.40% to 3.50%. The last two maturities were 1% coupon at 4.00% yield.

The managers report that the offering has gotten off to a fair start but no official balance is available at this writing. This is the offering which was originally scheduled for June 28, but at that time, officials rejected the best bid. The interest cost bid on that day was 4.015%; this new bid amounts to a tidy saving to the state.

On August 15, an issue of $8,400,000 International Bridge Authority of Michigan Series "A" Primary Pledge Revenue bonds were brought to market. This issue was purchased at negotiation by an Eastman Dillon, Union Securities and Co. group and included B. J. Van Ingen & Co., Allen & Co., A. C. Allyn & Co., Stifel, Nicolaus & Co. and Kenower, MacArthur & Co. The bonds, all due Sept. 1, 2000, were reoffered at 100 and carried a 5% coupon.

All of the bonds were immediately sold privately to institutions with no public reoffering. This money, together with $7,850,000 secondary Pledge Revenue bonds purchased by the province of Ontario, is to be used to construct a vehicular bridge crossing of the St. Mary's River between Sault Ste. Marie, Michigan and Sault St. Marie, Ontario.

An offering of significance, particularly to New Yorkers, $4,500,000 Niagara County, New York bonds was made on Tuesday. These serial (1961-1990) bonds carry the highest quality rating in the state and were bought by a Halsey, Stuart & Co. group, and other major members of the group include, Glore, Forgan & Co., Philadelphia National Bank, and John Nuveen & Co. Scaled to yield from 1.35% to 3.05% the initial investor reception was slow. About $3,800,000 remains in account at this writing.

Also on Tuesday, Waltham, Massachusetts accepted bids on $3,050,000 serial (1961-1980) general obligation bonds. The Halsey, Stuart & Co., Smith, Barney & Co. syndicate were high bidders and reoffered the bonds to yield from 1.50% to 3.05%. This issue is reported less than half sold.

Tuesday's final sale of importance consisted of $2,850,000 Dearborn, Michigan general obligation (1961-1990) bonds. This issue was awarded to a First of Michigan Corporation group. The bonds were reoffered from a yield of 1.75% to 3.70%. Initial investor reception has been good.

Washington State Issue Main Business Ahead

Next week's headliner, and largest scheduled new issue on the calendar in the competitive category, is $34 million State of Washington Public School (1961-1980) bonds on Thursday, Aug. 25. This issue is not a general obligation of the state and is secured by the revenues derived from excise taxes levied on the sale, use, consumption, handling or distribution of cigarettes. The preceding day Aug. 24 the East Bay, California Municipal Utility District will receive bids for $30 million (1961-1995) bonds. These California bonds are unlimited tax, general obligations of the district for water purposes. East Bay is the sole distributor of water in a 244 square mile area on the east side of San Francisco Bay, serving more than one million people in Alameda and Contra Costa Counties. Bonds of this district carry high ratings and are well regarded general market obligations.

Calendar Expanding

For the first time in many weeks the new issue calendar is increasing and growing literally by leaps and bounds. There have been numerous new issue announcements since we last went to press and the volume of new flotations now on the calendar totals approximately $425,000,000.

The largest addition to the schedule is $50,000,000 New York State Thruway Authority guaranteed (1985-1995) bonds for public sale on Sept. 8. This will be the seventh and final issue of the $500 million bond authorization carrying the unconditioned guarantee of the State of New York as to the payment of principal and interest. The Public Housing Authority has announced that bids will be received on Sept. 14, for a total of $48,900,000 Federally subsidized local housing authority bonds. Twelve authorities are involved in this sale.

Other recent additions include $13 million State of Vermont various purpose (1961-1980) bonds for Aug. 23; $9,157,500 Rochester, New York general obligation bonds for Sept. 1, and $10,000,000 Pennsylvania State Highway and Bridge bonds to be offered Sept. 13.

This is a sizable amount of underwriting and an air of caution in new issue bidding would seem called for. However, the underwriting fraternity many times only looks ahead a few days and unduly competitive bidding will probably continue for the present at least. No large negotiated issues seem imminent.

* Pinch-hitting for Don Mackey

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.55%	3.40%
Connecticut (State)	3¾%	1980-1982	3.15%	3.00%
New Jersey Highway Auth., Gtd.	3%	1978-1980	3.15%	3.00%
New York (State)	3%	1978-1979	3.00%	2.85%
Pennsylvania (State)	3⅜%	1974-1975	3.00%	2.90%
Vermont (State)	3⅛%	1978-1979	3.05%	2.90%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.25%	3.15%
Los Angeles, Calif.	3¾%	1978-1980	3.65%	3.50%
Baltimore, Md.	3¼%	1980	3.35%	3.20%
Cincinnati, Ohio	3½%	1980	3.25%	3.10%
New Orleans, La.	3¼%	1979	3.50%	3.35%
Chicago, Ill.	3¼%	1977	3.60%	3.50%
New York City, N. Y.	3%	1980	3.80%	3.75%

August 17, 1960 Index=3.20%

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. 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	1963-2000	9:00 a.m.
Aug. 22 (Monday)			
Fremont Union H. S. Dist., Calif.	1,500,000	1961-1985	11:00 a.m.
Aug. 23 (Tuesday)			
Central Camden County Regional School District, New Jersey	1,500,000	1961-1985	8:00 p.m.
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.
Holyoke, Mass.	1,275,000	1961-1980	Noon
Iberville Parish, Louisiana	1,000,000	1962-1985	2:30 a.m.
Oyster Bay, New York	2,620,000	1961-1980	11:00 a.m.
San Mateo Jr. College Dist., Calif.	5,900,000	1961-1985	10:00 a.m.
Vermont (State of)	13,662,000	1962-1980	11:00 a.m.
Aug. 24 (Wednesday)			
East Bay Municipal Utility Dist., California	30,000,000	1961-1995	10:00 a.m.
La Salle and Livingston Counties Township H. S. Dist. No. 40, Ill.	1,000,000	1965-1978	8:30 p.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.
Weymouth, Mass.	2,655,000	1961-1980	Noon
Aug. 25 (Thursday)			
Babylon Union Free School District No. 4, N. Y.	7,500,000	1961-1990	11:30 a.m.
Englewood Cliffs School Dist., N. J.	1,050,000	1961-1979	8:00 p.m.
Monroe County, Gates-Ogden-Chili Sewer District, New York	7,600,000	1961-1988	2:30 p.m.
Washington (State of)	34,000,000	1961-1980	10:00 a.m.
Aug. 30 (Tuesday)			
Aldine Ind. School District, Texas	1,200,000	1961-1998	11:00 a.m.
Atlanta, Georgia	12,725,000	1960-1986	Noon
Berea City School District, Ohio	1,350,000	1962-1981	Noon
Cleveland Heights, Ohio	1,000,000	1962-1976	Noon
El Camino Hospital Dist., Calif.	2,400,000	--------	--------
Hollywood, Fla.	1,000,000	1962-1989	3:00 p.m.
North Brunswick Twp., S. D., N. J.	1,196,000	1961-1970	8:00 p.m.
Omaha, Neb.	3,593,000	1962-1974	1:00 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.
West Allis, Wis.	4,625,000	1961-1980	2:00 p.m.
Aug. 31 (Wednesday)			
Bridgewater Township, N. J.	1,200,000	1962-1971	8:00 p.m.
Sept. 1 (Thursday)			
Corpus Christi Ind. S. D., Texas	1,000,000	1962-1981	4:00 p.m.
Fort Myers, Florida	2,000,000	--------	--------
Rochester, New York	9,157,000	1961-1973	2:00 p.m.
South Bend Redevelopment District, Ind.	1,100,000	1962-1971	2:00 p.m.
Washington Suburban Sanitary Dist., Maryland	1,000,000	1961-1990	11:30 a.m.
Sept. 6 (Tuesday)			
Santa Monica Unified S. D., Calif.	3,000,000	1961-1980	9:00 a.m.
Sept. 7 (Wednesday)			
Alameda—Contra Costa Transit District, Calif.	16,500,000	1962-1980	11:00 a.m.
Elyria, Ohio	1,840,000	1962-1986	1:00 p.m.
Sept. 8 (Thursday)			
Florida Development Commission, Fla.	3,800,000	--------	--------
New York State Thruway Authority, N. Y.	50,000,000	--------	--------
Los Angeles, California	4,000,000	1961-1980	10:30 a.m.
St. Anthony Indep. School District No. 282, Minnesota	1,000,000	1963-1985	2:00 p.m.
Sept. 12 (Monday)			
Mount Pleasant Sch. Dist., Mich.	1,100,000	1961-1978	8:00 p.m.
Red Wing Indep. School District, Minnesota	1,500,000	1963-1981	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	--------	--------
Local Housing Authorities, U. S.	48,900,000	--------	--------
Sept. 20 (Tuesday)			
Milwaukee, Wisconsin	10,750,000	--------	--------
Sept. 23 (Friday)			
Pennsylvania State Highway & Bridge Authority, Pa.	10,000,000	--------	--------

Business Will Need More External Capital for the '60s

By Edmund duPont, Senior Partner, Francis I. duPont & Co., New York City

Wall Street partner writing in current issue of "Investornews," his firm's monthly publication, discusses oncoming decline in corporate sources of internal funds to finance capital expenditures and the growing dependence on external financing sources than was the case during the fifties. Mr. duPont estimates this will throw a huge burden, estimated as much as $150 million, and more, likely $175 million, on to individual savers and investors. He hopes government will live within its income and even develop a surplus and that a rising personal income will provide the needed savings.

Last year, individuals put aside in liquid form something over $33 billion (or a net amount of $14 billion over and above new debts contracted).


Edmund duPont

High interest rates attracted investors strongly to bonds—notably the U. S. Treasury's "Magic Fives." At the same time, there were relatively small offerings of common stocks during 1959. Nevertheless, the number of individuals holding equities continues to rise (having doubled in seven years). And rising values carried the total equity holdings of individuals up $33 billion in 1959 to a record $356.8 billion. It was a record year for mutual funds, too, with $1.5 billion of new money going into their shares; in the space of five years, these new purchases (net of redemptions) have more than doubled.

It should be remembered, of course, that the biggest saver contributing to business expansion is business itself.

This does not mean that requirements of the coming 10 years can be met without very large reliance on outside funds. It simply means that how much must come from outside will be determined in the light of how much business can "throw off" for its own use.

Business has, basically, three sources of internal funds. Two are obviously retained earnings and depreciation reserves. The third, less obviously, is liquidity — the ability to carry greater liabilities through the strength of the corporation's own liquid assets.

Past Internal Sources of Funds

To appraise the future of these three sources, it is well to examine the past. From 1950 through 1959, American business financed nearly one-quarter of its needs out of retained earnings. Even more — some 38% — came from depreciation. And a very sizable portion arose from liquid positions that permitted taking on additional liabilities estimated at 13% of total capital needs.

The growth of annual depreciation in recent years — from $8 billion in 1950 to about $21 billion in 1959 — is attributable in no small part to liberalized treatment allowed by rules promulgated under the revised revenue code of 1954. Most of these fruits have now been enjoyed to their fullest. In other words (barring a further major overhauling of rules on depreciation), the rate of rise in these reserves will be slackening. They can supply a vast number of dollars under present rules but hardly the 38% of capital needs realized in the past decade.

Liquidity, too, is a waning resource. Where most corporations were flush with cash and near-cash assets in 1950, their working capital today is rolling over very nearly as fast as it comfortably can. This source will produce little for expansion in the Sixties.

Retained earnings are, of course, subject to management decisions. But it is unlikely that the dividend payout ratio will be reduced short of some sort of emergency. If dividends are maintained relative to profits, it seems that generating 25% of capital needs from retained earnings is almost a maximum target.

Sees More Outside Funds Needed

Probably these internal sources will do well to produce even 65% of business' needs in the Sixties as against 75% in the Fifties.

This throws a huge burden—certainly as much as $150 billion and more likely $175 billion—on to individual savers and investors. They will supply the "outside funds" that will be channeled into investment through the banks, insurance companies savings and loan associations, mutual funds and other institutional investors (not to forget the brokers and investment bankers who will bring savers, borrowers, and sellers of equity securities together in the market).

Generalizations as to what the institutional lenders of savers' money will be doing and how much money they will have to do with are subject to a considerable margin of error. And the normal forces of the marketplace—such as investors' preference and the cost of money for hire—will determine the allocation of available supplies.

Banks will, as usual, prefer short-term business loans, loans to consumer finance companies, and their own direct loans to consumers. But, even in these traditional fields, their activity is likely to be somewhat restricted by contrast with the Fifties. They now are pretty well "loaned up" with loans representing some 55% of assets for the banking system as a whole—more in the major cities—against a bit over 30% ten years ago. And the most optimistic banker would hardly expect continuation of gains in loans at 10% a year (compounded) that marked the Fifties.

Life insurance companies, with their growth of 50% in the last decade and nearly $115 billion of assets, provide a vast pool of investment capital. But they are limited in their purchases of equities and, consequently, go in dominantly for bonds and real estate loans. Besides, their earlier growth rate of 6% to 6½% annually has receded to about 5¼%.

The slower growth rate of life insurance (and savings banks, too) comes about partly through increasingly vigorous competition for savers' dollars on the part of newer institutions. The phenomenal growth of the savings-and-loans rests on the little man's dollars, and such money will, of course, continue to flow into mortgages. The corporation in need of equity capital will be much more interested in the progress of pension funds and mutual funds.

Fast Growing Pension Funds

Among pension funds, the fastest growing are those set up by corporations. Eight years ago, their assets amounted to about $7½ billion; today they exceed $25 billion. Growth last year amounted to $3.2 billion — the biggest on record and comparing with rises of $2.8 billion for 1958 and $2.7 billion for 1957.

Even more conspicuous than the growth of total assets has been the increased portion of pension funds' money going into common stock. Last year, common stock holdings rose by nearly $1.7 billion, all but about $100 million of this representing new purchases. Over the space of just five years, corporate pension funds' assets have doubled while their common stock holdings have soared 250% (including market appreciation).

Corporations supporting pension funds which buy the companies' own shares have $773 million in their own stock; investment in all other stocks amount to $6.9 billion. In addition, they hold $12.8 billion of corporate bonds (up from $6.4 billion five years ago) and $657 million of preferred stocks (up from $454 million five years ago). Holdings of U. S. Government bonds are down slightly.

Growth in the assets of mutual funds has been even more rapid than that for the pension funds—150% in the last five years against 100% for pension funds. Net new money investment in mutual funds last year amounted to $1½ billion against $1.1 billion in 1958 and a little under $1 billion in 1957. On top of this $3.6 billion of new money made available by investors — predominantly for reinvestment in common stocks—assets in the three years benefited by an additional $3.4 billion of market appreciation. At the end of 1959, mutual funds' assets bulked $15.7 billion compared with $2½ billion in 1950.

Net additions of new money—quite aside from appreciation—seem likely to add 10% or more annually, which would bring the total to $45 billion by 1970.

In addition, a new form of regular saving which is rapidly growing in importance has been developed by the mutuals: At the end of 1959, there were 1,150,000 accumulation plans in effect; 360,000 new ones were started last year against 243,000 in 1958.

Sources of Savings

Rising personal income in the years ahead should assure a steadily mounting level of saving for investment. But the Federal Government also can make an important contribution to industry's ability to raise the funds required to power sound and necessary growth. If government lives within its income, the Treasury will cease to be a competitor for the funds available in the capital markets. Better still, if the government should run a substantial surplus, funds will flow back directly to savers (through redemption of government securities and through tax reduction) for investment in industry.

Whitehead To Conduct Course At Hunter

Dr. Edward Davison, Director of the Hunter College School of General Studies, has announced that Mr. Louis H. Whitehead again will conduct the course in Investments e19.327 beginning Tuesday, Sept. 27. The course will meet one evening a week 6:10-7:50 p.m. for a total of 15 sessions.


Louis H. Whitehead

Since 1942 Mr. Whitehead has been a member of the faculty of the New York Institute of Finance, successor to the New York Stock Exchange Institute, where he conducted courses in Economics and Current Economic Developments Affecting Investments. He resides at New Vernon, N. J.

Formerly a member of the faculty of Syracuse University, and a lecturer for the American Institute of Banking, Mr. Whitehead has been engaged in investment counselling in New York since 1936. He is a partner of Nye & Whitehead, 44 Wall Street, New York 5, N. Y., Investment Advisers and members of the New York and American Stock Exchanges.

Mr. Whitehead is a graduate of the Wharton School of Finance & Commerce at the University of Pennsylvania. His 30 years of experience in research work and management of investment portfolios qualify him admirably to conduct Hunter's popular course in Investments.

A bulletin and registration form may be obtained by telephoning BU 8-7210, or by writing to School of General Studies (e19), Hunter College, 695 Park Avenue, New York 21, N. Y.

Lahey & Appel Inc.

HICKSVILLE, N. Y.—Lahey & Appel Inc. is engaging in a securities business from offices at 146 Newbridge Road.

1960 Manpower Trends and Automation's Impact

By Louis F. Buckley,* *Regional Director, Middle Atlantic Region, Bureau of Labor Statistics, U. S. Dept. of Labor*

Potential economic growth and manpower trends during the 1960's in relation particularly to the general subject of automation is Mr. Buckley's subject. The Labor Department executive projects the labor force's characteristics between now and 1970, and then proceeds to analyze the changing occupational trends with emphasis placed on the applicability of all this to 26 million new jobs that will be sought by young workers—the largest influx of youngsters in our nation's history. He stresses usefulness of vocational guidance information and need for higher education and skill in tomorrow's job world.

A discussion of manpower trends is of special interest to me because in an analysis of this aspect of automation we are centering our attention on man rather than the machine. As Ewan Clague, Commissioner of Labor Statistics, concluded in a speech before a conference on automation, "Let us never lose sight of the personal element in the age of automation." Discussions thus far have generally emphasized that the American industrial machine is growing increasingly more complex. The technology used in running it is becoming more involved. Managerial know-how, industrial developments, and the efforts of our labor force have combined to raise our gross national product from $285 billion in 1950 to $500 billion as we enter the sixties. And with continued improvements in techniques, our manpower potential is great enough to increase the production of goods and services to about $750 billion by 1970. What is more important, we will be able to significantly increase the amount of goods and services to every person. Even though the population will continue to grow rapidly, the per capita share of the gross national product—which is one way of measuring our standard of living—is expected to go up by 25%.

Labor Force Projections

The Department of Labor has charted the manpower challenge of the 60's. Our calculations are not guesswork. All those who will enter the labor force between now and 1970 are alive today. We know their age, sex, education and other characteristics. We foresee problems affecting youths, older workers, women and minority groups.

Our population will increase 15% over the decade, but our labor force will grow by 20%.

Workers under 25 years of age will increase by 46% and older workers by 20%.

Women workers will increase by 25%; men by only 15%.

Altogether, 26 million new young workers will enter the labor force during the 1960's, almost 40% more than during the 50's.

They will be much more highly educated and trained than their parents or grandparents. Seventy percent will have completed high school; 35% will have had some college; and 17% will have graduated from college. And they will need all the education and training they can obtain! In tomorrow's automated world only the skilled will find the path smooth. The uneducated will not be able to design, produce, install, service, or operate the machinery of the future. They will not be able to fabricate to tolerances of a thousandth of an inch. They will not be able to contribute to a technology in which complexity and precision are commonplace — in which a missile or a machine has hundreds of thousands of separate parts that must fit exactly and operate perfectly.

These labor force projections raise a number of questions. Will we have 26 million jobs for new young workers in the 60's — the largest influx of youngsters in our Nation's history? Will we have enough jobs for the growing number of older persons, women and minority groups qualified for work and seeking employment? What forces or developments will create the employment opportunities for our increased labor force? Why should we need so many skilled people when the growth of manufacturing employment will be slowed down by increasing use of automation?

We know our growing population and our insistence upon achieving the ever-higher standard of living referred to as a potential in our discussion of economic growth will provide consumer demand for more products of farm and factory and especially for more services. This means jobs. A further answer to these questions may be found in an analysis of the kinds of jobs the economy will require during the 1960's.

Trends in Employment

A historic change took place in 1950 when the number of workers in service industries surpassed the number in the production industries. This differential will continue to widen so that, by 1970, workers in service industries will account for 57% of all workers. The production industries include manufacturing, construction, agriculture and mining. The service industries, where services rather than goods are produced, cover trade, government services, transportation and public utilities, finance, insurance, real estate and miscellaneous services such as automobile and other repair services, laundries, cleaning establishments, hotels, advertising and medicine. As our technology advances, proportionately fewer workers will be needed to produce the goods we need. More workers will be needed to provide the increasing services required as we raise our standard of living.

Increased productivity provides more free time. This in turn creates jobs in the service industries. Nowadays, especially at this time of the year, more people have leisure time to go to public parks, to beach resorts, to fish and hunt, to take trips and stop at hotels and motels. They not only have more leisure time because of paid vacations but they have more adequate incomes with which to afford these recreational activities.

In the past 10 years, the weeks of vacation enjoyed by Americans have doubled to the current total of 70 million a year. This averages out to one week's vacation per worker. Leisure spending has increased from $3.8 billion in 1939 to $11 billion in 1949 and $20 billion last year. In every category except admissions to motion picture theaters and spectator sports, personal consumption expenditures for recreation have risen over the past decade.

We Americans are also spending more for such services as laundering, cleaning, haircuts, permanent waves, and medical care.

Let us consider the rate of anticipated employment growth by industry during the 1960's, which is very important in terms of job opportunities. Employment will increase in construction, finance, insurance and real estate, at a much faster rate than the 20% rise in total employment anticipated during the decade. Growth will also occur at a faster than average rate in trade, government and all the remaining services. Manufacturing employment will increase at about the same rate as total employment. A much slower rate of growth is anticipated in transportation, public utilities and mining. An actual decline in employment will continue to characterize agriculture.

From a long range point of view some of the most important effects of automation are the changes in the demand for various occupational skills. As part of its responsibility, the Department of Labor has given considerable thought to these changes and to their implications for training and education.

Experts of the Bureau of Labor Statistics have tried to look ahead at the overall occupational structure of the future labor force. Of course, they have had to take into account the effect not only of automation but also of farm mechanization, atomic energy and electronics. But assuming a continuation of long term trends they have projected a picture of the national job pattern to 1970.

As the result of the changing industrial pattern discussed above, we now have more people engaged in the professional, office and sales occupations than we have in all the manual occupations—skilled, semiskilled and unskilled. This trend will continue during the next decade.

Greatest Job Growth

The greatest growth by far in the occupational structure will be in the professional and technical groups of occupations — particularly engineers, scientists and many kinds of technicians such as engineering aides and electronic specialists. Additional large numbers of teachers, nurses and accountants will be needed. The professional and technical group will show a tremendous growth of over 40% in the next decade. Clerical and sales occupations will be second with a rate of growth of almost 30%. Despite the advances in automation in record-keeping which will have an impact on workers in such functions as processing of records, controls and billing, there will be an increasing demand for workers such as secretaries, typists and receptionists and other workers who have contact with the public.

The Bureau of Labor Statistics recently undertook a study of 20 offices which had installed large-scale electronic computers for processing business data. About one-third of the employees in the office units directly affected by the change were shifted to other positions. Only a negligible number were laid off. The advanced planning that took place during the long preparatory periods was useful in easing the impact of these changes. While the introduction of electronic data processing reduced the demand for employees in routine positions, it opened up a relatively small number of better paid positions for programming and operating the new systems.

As the result of the increase in population and per capita income, growth is expected among sales workers despite technological developments such as the increasing use in retail stores of self-service techniques and vending machines. Changes in technology will affect the skill content of certain sales jobs and the number employed in these activities. For example, manufacturers and wholesalers of industrial equipment are expected to require increasing numbers of sales personnel with engineering and other technical training.

The manager, official and proprietor occupational group will show an increase of about 25%, which is the smallest rate of increase of the so-called white-collar groups referred to above. Within this group, the rate of growth will be much greater for managers and other salaried officials in business organizations and government than for self-employed proprietors.

Among the blue-collars of manual occupations, by far the largest relative growth is expected in the skilled worker occupational group. This group, which includes craftsmen, foreman and kindred workers, will increase about 25% during the 1960's. Building trades craftsmen, mechanics and repairmen, and skilled machine workers will account for most of the increase in the skilled worker group. More mechanics and repairmen will be needed to maintain, repair and install the increasing amount of and more complex equipment used in industry and in the home. Consumers spent a record $5 billion for TV and appliance repairs last year—more than double the total a decade earlier and only $3 billion less than they spent on new equipment.

Slower Growth Amongst Semi-Skilled

The semi-skilled group, which includes operatives and kindred workers, is expected to grow at a slower rate than total employment during the 1960's, although they will still remain the largest occupational group in our labor force. Recent technological advances of the type known as "automation" permit great gains in production in many industrial processes and products without commensurate increases in the number of semi-skilled machine operators. Nevertheless, an increase in the overall number of semi-skilled workers can be expected as a result of the industrial growth of the country.

No change in the number of unskilled workers is anticipated in the years ahead. The continuing emphasis on mechanization points to a general relative decline in the proportion of industrial laborers in our work force. Relative requirements for laborers are decreasing, primarily because of the increasing use of machines and equipment as substitutes for unskilled manual labor in such types of work as the handling and moving of heavy objects, loading, unloading and excavating.

The service worker occupational group, which includes workers such as waiters, cooks, janitors, barbers, policemen and firemen, is expected to increase 25%. A relative fast increase is anticipated among the protective service workers as the population increases and cites become larger, thus requiring expanded police and fire departments. Other service occupations which will increase rapidly include attendants in hospitals and other institutions, practical nurses, waiters and waitresses, cooks and charwomen and cleaners.

In addition to the expected growth in employment in occupations described above, consideration must also be given to the

need to replace workers who leave the occupation because of retirement, death or transfer to other occupations. It is estimated that within the next ten years over 15 million persons will withdraw from the labor force because of death, retirement, marriage and other causes. In many occupations, replacement needs will result in greater requirements than will develop from the growth in the occupation. For example, it is estimated that at least 7% of elementary school teachers and 5% of secondary school teachers leave the occupation each year, while the growth in the occupation is expected to be about 2% per year.

Emphasis Will Be on Education And Skill

Although we can only speculate about the extent to which automation and other technological developments will specifically affect the occupational picture, the broad implications are there for us to see and to act upon. It is becoming more apparent that emphasis in the future will be upon education and skill, and those who are inadequately educated or trained will find themselves increasingly at a disadvantage.

Our young people must be urged to stay in school and encouraged to secure all the education and training possible. Recent studies by the Bureau of Labor Statistics have shown that high school graduates do much better in the job market than the young people who drop out of school before getting their high school diplomas. Furthermore, high school graduates in general earn more and have a lower unemployment rate than do the dropouts.

Young workers will need better guidance and counseling in order to prepare for the complex world of work expected during the 1960-70 decade. Dr. James B. Conant, in his study, *The American High School Today*, has recommended that our guidance programs be strengthened.

The Department of Labor has long recognized the important part vocational guidance information can play in the intelligent choice of careers. Through its *Occupational Outlook Handbook* the Department endeavors to provide an up-to-date and careful appraisal of long-run employment prospects in different fields of work.

Our young people are our most precious asset. We must help them prepare for the jobs that fit their talents. Above all, we must recognize that the decade ahead represents both a challenge to the adults who are concerned with youth as well as the young people themselves. Our task is to let our young people know about the job trends that are developing. We must see to it that every young man and woman is given the opportunity for education and training for the jobs expected in the 1960-70 world of work.

*An address by Mr. Buckley before the Association of Catholic Trade Unionists, New York City.

Form Cambridge Financial

Cambridge Financial Corporation is engaging in a securities business from offices at 161 William Street, New York City.

Bernard Frank Opens

JAMAICA, N. Y.—Bernard M. Frank is engaging in a securities business from offices at 140-11 Rockaway Boulevard.

Form Group Equities

Group Equities, Inc., has been formed to conduct a securities business from offices at 509 Madison Avenue, New York City.

Woodford Matlock Opens Own Firm In Scarsdale

SCARSDALE, N. Y. Woodford Matlock, widely-known mutual fund sales executive, has announced the founding of Woodford Matlock Investments here. The new firm, with Mr. Matlock as president, will specialize in mutual fund sales, estate planning and profit-sharing and pension fund investments. Its office is at 4 Freight Way, Scarsdale.

Woodford Matlock

Mr. Matlock has been in the investment business all his working life. Until recently he was a sales consultant for Broad Street Sales Corporation, and previously served as president of that organization from 1944 to 1958. Broad Street Sales is general distributor of the Broad Street Group of Mutual Funds—Broad Street Investing Corporation, National Investors Corporation and Whitehall Fund, Inc.

Mr. Matlock began his career with the Bankers Trust Co. in Denver, worked for W. A. Matlock & Co. for six years and was a vice president and partner of Sidlo, Simons, Roberts & Co., in Denver before joining Broad Street Sales in 1944.

Mr. Matlock has appeared as feature speaker at a number of mutual fund conventions and has written many articles on investment companies for leading financial publications. For many years he was a member of the investment company committee of the National Association of Security Dealers.

Penington, Colket To Admit Partner

Penington, Colket & Co., 70 Pine Street, New York City, members of the New York Stock Exchange, and other leading exchanges, on September 1st will admit Carl O. Johns, Jr. to partnership. Mr. Johns will make his headquarters in the firm's Manhasset office, 568 Plandome Road, of which he is manager.

George P. Fogg Admits Partner

BOSTON, Mass.—George P. Fogg & Co., 201 Devonshire Street, municipal bond specialists, have admitted Clyde M. Goldthwaite to partnership in the firm.

Form Pension Investors

Pension Investors Corporation has been formed with offices at 666 Fifth Avenue, New York City, to engage in a securities business.

With Holton, Henderson

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Sidney I. Mandy has joined the staff of Holton, Henderson & Co., 210 West Seventh Street, members of the Pacific Coast Stock Exchange. He was previously with Binder & Co., Inc.

E. F. Hutton Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Stephen H. King has joined the staff of E. F. Hutton & Company, 623 South Spring Street. He was formerly with Easton Dillon, Union Securities & Co.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

The Senate is certainly a spectacle these days. It took them five days to pass the Antarctica treaty and then they came very near not passing it.

But regardless of their madness the Republicans are proving one thing unmistakably. While they are not hurting Kennedy personally, it appears, they are showing up the Democratic platform for what it is, not worth the paper it is written upon.

They probably will have debated for 10 days before they take any action on the minimum wage bill. The indications are that it will be a greatly watered down bill from what the Democratic platform promised.

What does this show? It shows that the Republicans in themselves can't do a thing, but that the platform is not intended to be carried out by the Democrats. They have an overwhelming majority in the Senate and the debate on the minimum wage bill showed almost as many Democrats against it as Republicans.

The Republicans alone would have passed the civil rights bill which Senator Keating introduced. The Democrats themselves, by an almost total vote, voted it down. You can't blame them for doing this. The man who moved the tabling resolution which killed civil rights was Senator Clark of Pennsylvania, who is a devout civil righter. He made the move because a civil rights debate would hold up all other legislation in the short session and it was a sensible thing to do.

But why would this legislation have held up everything else? It was because the Southern Democrats would have filibustered. They are a part of Senator Kennedy's party, and he should have known this when the Democratic platform was written.

This may not be all to the good for the Republicans. There are thousands of people in this country who like Kennedy but who considered the Democratic platform about as radical as any to ever come out of a convention. Now their worries are allayed. They can go ahead and vote for Kennedy in the conviction that his radical promises cannot be fulfilled.

The same is true on the minimum wage bill and the bill providing for medical aid to the aged, and for school construction. The Senate Finance Committee has already reported out a medical aid bill along the Administration's lines. Instead of tying it to social security it would provide for state and Federal grants to indigent persons only. The chances are that it will be the bill passed by Congress if any bill is passed. This would be another blow for Kennedy. He is showing that he is not very effective in the Senate, though there is no doubt he would be more effective if elected President.

As it stands today he will be elected. The only thing that seemingly can kill him off is his religion. Although we have seen some signs of this playing a part in the campaign in the South, it is not pronounced.

Nixon has got to fight a smear which came out of Hollywood several years ago. He defeated Joe Voorhees for Congress and Helen Gahagen Douglas for the Senate. Hollywood got out the word that he conducted a dirty campaign. He claimed Voorhees and Douglas catered to the Communists. He did not claim they were Communists themselves. Nixon is also given responsibility for sending Alger Hiss to jail. It is a commentary on something but the so-called Liberals have never forgiven Nixon for this. They coined the expression Tricky Dick and they have saturated the country with it. I hear people on every hand using it and saying that they don't like Kennedy but they can't bring themselves to voting for Tricky Dick.

One thing Nixon might use effectively in the campaign is that Kennedy has three of the former OPA officials in his campaign, Chester Bowles, a fellow named Cochran, head of agricultural economics at the University of Minnesota, and Prof. J. K. Galbraith of Harvard.

The OPA gave the farmers a hard time and these three men were responsible.

On one occasion a group of cattlemen were in Washington in a hearing before Bowles, Cochran and Galbraith. Galbraith kept dangling his Phi Beta Kappa key before them. Finally an old cattleman pulled out his Phi Beta Kappa Key and threw it on the table.

"Now, Prof. Galbraith," he said, "let's talk about cattle."

Searight, Ahalt Appoints Three

The investment firm of Searight, Ahalt & O'Connor, Inc., 115 Broadway, New York City, has announced that Ronald Binday has been named director of research and sales; Bert D'Armand is now in charge of the syndicate department, and Andrew J. Belfi will join the firm on Sept. 15 as consultant on oil and gas equities. It is expected that the company's enlarged quarters on the 18th floor of 115 Broadway will be ready for occupancy by mid-September.

Garvin, Bantel Admit Partner

Garvin, Bantel & Co., 120 Broadway, New York City, members of the New York Stock Exchange, on September 1st will admit Harvey R. Jones to partnership.

Two With Norman Roberts

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif. — Donald P. Curtin and John C. Smith have joined the staff of Norman C. Roberts Company, 625 Broadway, members of the New York Stock Exchange. Both were formerly with Francis I. du Pont & Co..

The Cuban "Volcano"

By Roger W. Babson

In discussing the danger confronting United States should Russia obtain a foothold in Cuba, Mr. Babson says that the extremely "ticklish" situation warrants first hand study by Presidential candidates Kennedy and Nixon, in consultation with Governor Nelson Rockefeller. Expresses wish that Latin-American countries themselves would petition U. S. to reaffirm principles of Monroe Doctrine insofar as Cuba is concerned.

There are several "volcanoes" throughout the world which may explode at any time. My travels to Berlin last year taught me that the situation there could be the most serious. The one nearest home, however, is Cuba. Both Mr. Nixon and Mr. Kennedy should visit Cuba at once.

Cuba a Close Neighbor

While I am at Babson Park, Florida, during the winter, the Webber College students often fly over to Havana as a part of their vacations. Cuba has seemed only a "stone's throw" from any portion of Florida. Cuba is a vital factor—for good or evil—to the Florida East Coast, with its fifty great hotels extending north and south from Miami. I am not afraid of Florida's importing any Communism from Cuba, as the Florida people are very conservative. I seriously fear, however, that Russia may get a foothold in Cuba.

Could we afford to let Russia get a base in Cuba for submarines and launching pads for missiles, or, on the other hand, could we now afford to go to war with Russia to prevent such gradual occupation? I leave this to Richard Nixon and John Kennedy to decide after their visit to Havana. I further advise them to consult with Governor Nelson Rockefeller, who is one of our best-posted men on Latin America.

Cuba and Latin America

I have visited all the countries of Central and South America. Not only are many of these people ruled by dictators, but they are very sensitive, like most Spanish people. At heart, they would like to have us keep Russia out of Cuba and even straighten out affairs in Cuba. Some of these Latin American dictators, however, might resent such an attitude on the part of the United States and make us appear more enemies than friends.

We now hear much about the Monroe Doctrine, which was announced to the world over a hundred years ago by President Monroe—namely, that we would not allow any European nation to get a new foothold in any Latin American country. I believe that the American people would stand for a reassertion of this Monroe Doctrine, but I wish the Latin American countries would ask us to do so. The entire situation is very ticklish. It should be one of the first things for the Presidential candidates to consider seriously. The November election may turn upon Cuba. I speak with authority because I was an early supporter of the Pan American Union.

U. S. Cuban Investments

Considerable U. S. money is invested in Cuba. This includes certain railway and traction properties, the Cuban telephone company, and many mercantile businesses. Several thousand American families have been living in Cuba, depending upon the protection offered by its closeness to the United States. Many of these families, directly or indirectly, contributed to Fidel Castro in his revolution against Batista. Now the women and children are fast leaving Cuba, and the men are undecided what to do. Much depends upon the health of Fidel Castro and what will be the real attitude of his brother in case the brother becomes Prime Minister. This can only be ascertained by waiting and watching.

The largest American investments are in the sugar lands, which, of necessity, must be operated either by large corporations or by the Cuban Government. It would be sheer nonsense to divide up these lands among small Cuban holders. Whether President Eisenhower is handling this sugar situation properly by retaliation, I do not know. Such an action greatly helps the sugar producing companies outside of Cuba, as well as our own beet-sugar companies.

Russia wants to get Cuba as she is in great need of tropical land and warm-water bases, but she will not go to a nuclear war to get Cuba.

Research Mgr. For Milw. Co.

Michael A. Jacobs has been promoted to manager of the research and statistical department of The Milwaukee Company, 207 East Michigan Street, underwriters and distributors of investment securities, Joseph T. Johnson, president, has announced. He replaces George L. Struck, who will leave the firm in September.

Michael A. Jacobs

Mr. Jacobs was associated with the office of the attorney general in Madison before joining The Milwaukee Company in July, 1958.

Hanifen, Imhoff & Samford Formed

DENVER, Colo.—Hanifen, Imhoff & Samford, Inc., has been formed with offices at 650 Seventeenth Street to act as dealers in securities. Officers are Edward A. Hanifen, president; Walter F. Imhoff, vice president and treasurer; and Norbert J. Samford, secretary. Mr. Hanifen formerly conducted his own investment business, E. A. Hanifen & Co., in Denver. Mr. Imhoff and Mr. Samford were formerly with Coughlin and Company, Inc.

Key Investors Formed

Key Investors, Inc. is conducting a securities business from offices at 507 Fifth Avenue, New York City. Officers are Sheldon Bernstein, President; Stanley Schleger, Vice-President; and Paul I. Krohn, Secretary-Treasurer. All were formerly with Investors Growth Corp.

Nelson & Fish Opens

GRESHAM, Oreg. — Nelson & Fish, Inc. has been formed with offices at 29 Northwest First to engage in a securities business. Officers are Clifford A. Fish, President; Louis E. Nelson, Vice-President and Treasurer; and Albert J. Wegner, Secretary.

Order Underwriters

WASHINGTON, D. C. — Order Underwriters, Inc. has been formed with offices at 1604 K St., N. W. to engage in a securities business. Officers are Victor J. Orsinger, President; Joseph G. Dooley, Secretary; and Aubrey A. Arnn, Treasurer.

Pacific Investors

HONOLULU, Hawaii — Albert K. Michioka is conducting an investment business from offices at 1639 Kapiolani Boulevard under the firm name of Pacific Investors Service.

Form Security Growth

WEST HEMPSTEAD, N. Y. — Security Growth Investors has been formed with offices at 165 Hempstead Turnpike to engage in a securities business. Partners are Myron J. Gromet and Henry A. Klar.

Opens Investment Office

MT. VERNON, N. Y.—Anne F. Shaff has opened offices at 70 Central Boulevard to engage in a securities business.

Connecticut Brevities

Pratt & Whitney Aircraft of East Hartford, a division of United Aircraft Corporation, has recently received two airworthiness certificates from the Federal Aviation Agency. One certificate is for the JT3-D turbofan engine which will power the Boeing 707-120B and 720B as well as the fan version of the Douglas DC-8. Seven airlines, American, United, KLM, Iberian, Avianca, Lufthansa and Ethopian, have ordered the engine for installation in their Boeing and Douglas jetliners. The second airworthiness certificate is for the JT-12 jet engine which weighs only 436 pounds but delivers 3,000 pounds of thrust at takeoff. It will be used in the Lockheed Jetstar executive aircraft, the North American Sabreliner and the Canadian Canadair CL-41 jet trainer.

* * *

The Hartford Gas Company will build the country's first central plant from which a public utility will provide both steam for heat and water for air conditioning. In addition to serving Constitution Plaza, Hartford's east side redevelopment project, the proposed plant will also serve the Travelers Insurance Company, the new Phoenix Mutual Life Insurance Company building and other major consumers in the area. Steam at the rate of 200,000 pounds an hour will be produced which, in addition to meeting heating requirements, will be used to operate refrigeration equipment. Chilled water from this source will be piped to year-round air conditioning systems in the various buildings served.

* * *

The Insurance Information Office of Connecticut, in Hartford, has completed a regular bi-annual survey which shows that the State's insurance payrolls rose 10% in the last two years and that a quarter of a billion dollars was added to the state's economy in 1959 by the 28 Connecticut insurance companies sponsoring the Information Office. The purpose which resulted in the formation of the office was to keep the public informed about insurance, one of Connecticut's most important industries.

* * *

Royal McBee's Hartford plant will be the beneficiary of a $1,000,000 modernization program to be completed by the fall of 1961. The changes will affect most of the manufacturing and assembly areas and will include a complete revision of material handling methods, rearranagement of departments and provision for additional working space. Regular manufacturing activities will continue while the renovating work is in progress.

* * *

Heublein, Inc. of Hartford will also spend $1,000,000 on plant construction within the next 12 months. This sum will be used for an addition of 30,000 square feet to the company's facilities. Heublein, which manufactures and imports quality foods and beverages, has occupied its present site since 1938 at which time it employed 92 people and grossed $1.8 million annually. Currently, employees number 590 and a $100 million business is conducted.

* * *

Connecticut Light & Power Company, with general offices in Berlin, dedicated its Norwalk Harbor Generating Station in July. The plant has been called "the best looking generating station in America." The station is covered with light blue aluminum siding to blend with the waters of Norwalk Harbor and extensive planting of trees and shrubs has been used. But emphasis has been placed on efficiency as well as appearance and generating and auxiliary equipment are the most modern available. The turbogenerator, designed to produce 150,000 kilowatts, is the second largest in New England.

* * *

Hamilton Standard of Windsor Locks, a division of United Aircraft Corporation, has been awarded a contract by the Air Force to study the feasibility of welding by electronic beam. In its study, Hamilton Standard will test welds in sheets of tungsten and molybdenum, two high-strength, heat-resistant metals of great potential use to space vehicles and missiles but difficult to weld by normal techniques. The second phase of the program will evaluate the welded pieces.

* * *

Farrel - Birmingham Company, Inc. of Ansonia has received an order for a tandem of sugar cane grinding mills from an Argentine plant located in the rich cane producing province of Salta. The new mill will have a capacity of 6000 metric tons a day, an unusually high rated capacity. Farrel-Birmingham, which manufactures heavy machinery and machine tools, has specialized in designing and building sugar mills since the early 1870's. The last mill of a size comparable to the Argentine one was shipped by Farrel-Birmingham to the Dominican Republic in 1958.

Form Thompson Co.

Thompson & Company has been formed with offices at 258 Broadway, New York City to conduct a securities business. Partners are Morton Thompson and Henry S. Drezner.

J. H. Welch Opens

YAKIMA, Wash.—Jackson H. Welch is conducting a securities business from offices at 107 North 31st Avenue. He was formerly with J. Henry Helser & Co.

Wiley, Young Co. Formed

DALLAS, Texas. — Wiley Young & Company, Inc. has been formed with offices in the Hartford Building to engage in a securities business. Officers are Harmon L. Watkins, President; August C. Hansch, Secretary and Treasurer; and M. F. L. Lott, Vice-President. Mr. Watkins and Mr. Hansch were formerly with Parker, Ford & Co. and Ware & Company.

Electronics Factory Sales—Perspective and Projection

By Harry Greenfield, Ph.D., *Director of Research, Electronics Investment Management Corp., San Diego, Calif.*

Electronic firms and investors suffer from an "information gap" according to Dr. Greenfield who attempts to meet some of the needed evaluation and assessment of the industry's whole and principal segments. The electronics economist projects a $17-18 billion factory sales by 1965 from $9.2 billion in 1959, a 85-95% increase and, in turn, breaks this down for sales of consumer, industrial, military and replacement parts products. Sales of the first three are expected to grow, respectively, 33, 300 and 840%.

It would seem that with the unusual appreciation in the prices of electronics stocks in the past few years, the investment community would have at its disposal, some sound, comprehensive and useful economic analyses of the electronics industry. But here is an example of the stock market leading the scholars. Economic studies of the output of electronics goods and services are not as readily available nor as formalized as are those of rails, autos, steels, chemicals and oils. This "information gap" is due in part to the relative youth of electronics as a science and to the fact that the existence of an electronics industry is still to be recognized in the Standard Industrial Classification of the U. S. Commerce Department. The lack of pertinent research material may also be ascribed to the fact that that many electronics firms, having grown quite rapidly without the aid of economists, feel that the addition of such a function to their management would surely not help and may very well hinder future growth. It is hoped that one of the outcomes of this essay will be to disabuse management of this erroneous belief. Both the firms in the industry as well as current and potential investors in electronics stocks have an urgent need for analytical evaluation and assessment of the long and short term trends in this new and dynamic sector of our economy.

Harry Greenfield

The analysis which follows is offered as a guide to further detailed investigation of the economic aspects of the electronics industry as a whole and of its major segments.

I
Perspective

The knowledge that factory sales of electronics goods rose from $2.6 billion in 1950 to $9.2 billion in 1959 is an interesting, but in and of itself, not a very informative statistic. (Note that our data, due to the classification problem referred to above, cover factory sales of goods only and not of services.) Obviously, data on factory sales would be more meaningful when viewed in the context of some relevant economic variables.

Factory Sales and Gross National Product

In Table I we show a comparison of electronics factory sales with the best single measure of our aggregate economic activity—Gross National Product. (It should be noted however that GNP is calculated by summing the total output of goods and services whereas the electronics series represents goods only.)

The data in Table I indicate that:

(a) Total GNP rose from $284.6 billion to $478.8 billion from 1950-59, or 68%. Total electronics factory sales over the same period increased from $2.6 to $9.2 billion or 254%.

(b) GNP decreased twice during this decade—from 1953 to 1954 and from 1957 to 1958. Electronics factory sales on the other hand increased each and every year. For the past 10 years, in other words, they were "recesssion proof."

(c) In 1950 electronics factory sales constituted .9% of total GNP; by 1959 this ratio increased to 1.9%.

The Consumer Picture

Table II shows total expenditures on all types of consumer goods in the economy from 1950 through 1959 side by side with expenditures on electronic consumer goods such as radios, television sets, phonographs and the like.

From the data in Table II we may note:

(a) Total consumer expenditures increased by 60% from 1950 to 1959 — from $195 billion to $311.4 billion. Consumer spending for electronics goods rose by 33% —from $1.5 billion to $2.0 billion.

(b) Whereas total consumer expenditures increased each year during this period, spending by consumers for electronic goods decreased three times and remained constant once — i.e., in 1951, 1952, 1958, and 1954. This would indicate that consumers directed their spending more towards goods other than electronic over this period. To put it somewhat differently — of increasing amounts of money spent by consumers, a decreasing proportion was devoted to consumer electronics goods. This is clearly shown in Column 5 where we can see that in 1950, consumer electronics was .8% of total consumer spending but by 1959 this proportion had declined to .6%.

The situation is slightly improved when we compare consumer electronics not with all types of consumer spending but with consumer spending for durable goods (as contrasted with non-durables such as food and services). We find in this case that:

(c) Spending for consumer durables increased by 41%, somewhat closer to the 33% we found for consumer electronics spending.

(d) In relative terms, consumer electronics goods were 4.9% of total consumer durable goods spending at the beginning of the decade, and by 1955 this ratio had decreased to 3.8% but since then, there had been a rather steady improvement to 4.7% at the decade's close. This latter trend assumes somewhat greater significance when viewed against a slight tendency away from durables spending as a whole on the part of consumers — consumer durable spending was about 16% of total consumer expenditures in 1950 and about 14% by 1959.

The Industrial Picture

In Table III we examine the pattern of spending by industry for all equipment and for electronics equipment.

The industrial electronics picture presents a marked contrast to that of the consumer pattern outlined above. From Table III we may see that:

(a) Total industrial production as measured by the revised Industrial Production Index increased 41% from 1950 to 1959, expenditures by industry for equipment rose a similar amount, 43% but industrial electronics equipment increased by 300%.

(b) Spending by industry for electronics equipment, e.g. computers, testing and measurement instruments, industrial radio and TV, etc., was 2.5% to total industrial equipment spending in 1950; by 1959 this ratio had risen to 6.9%.

(c) Whereas total spending for industrial equipment decreased twice during the past decade (i.e. in 1954 and 1958, spending for electronics equipment increased continuously with the exception of one year, 1952, when it held constant.

In both absolute and relative terms, the greatest increases in electronics factory sales were those destined for military end-uses. Table IV presents the relavant data.

Table IV reveals that:

(a) Total military expenditures increased from $14.3 billion in 1950 to $45.8 billion in 1959—a 220% rise. The portion of electronics factory sales purchased by the military rose by 840% over the same period.

(b) In 1950, 3.5% of total military expenditures went for electronic equipment; by 1959, this ratio had increased to 10.3%. (These data do not include research and development and operation and maintenance expenditures.)

(c) While total military expenditures decreased twice during the decade, viz, in 1954 and 1955, military electronics spending increased each year with the exception of 1954 when they remained level.

II
Electronics Factory Sales in 1965; Elements of a Projection

Although economic forecasting

Continued on page 34

TABLE I

Gross National Product and Electronics Factory Sales

(In Billions)

(Col. 1) Year	(Col. 2) GNP Current Dollars	(Col. 3) Electronics Factory Sales	(Col. 4) Col. 3 / Col. 2
1950	$284.6	$2.6	0.9%
1951	329.0	3.3	1.0
1952	347.0	4.3	1.2
1953	365.4	5.2	1.4
1954	363.1	5.4	1.5
1955	397.5	5.8	1.5
1956	419.2	6.9	1.6
1957	442.5	8.0	1.8
1958	411.7	8.2	1.9
1959	478.8	9.2	1.9

Data: Economic Report of the President, 1960, and Electronics Industries Association Fact Book, 1960.

TABLE II

Total, Durable and Electronic Consumer Spending

(In Billions)

(Col. 1) Year	(Col. 2) Total Consumer Spending	(Col. 3) Consumer Durable Spending	(Col. 4) Consumer Electronics Spending	(Col. 5) Col. 4 / Col. 2	(Col. 6) Col. 4 / Col. 3
1950	$195.0	$30.4	$1.5	0.8%	4.9%
1951	209.8	29.5	1.4	0.7	4.7
1952	219.8	29.1	1.3	0.6	4.5
1953	232.6	32.9	1.4	0.6	4.3
1954	238.0	32.4	1.4	0.6	4.3
1955	256.7	39.6	1.5	0.6	3.8
1956	269.9	38.5	1.6	0.6	4.2
1957	284.8	40.3	1.7	0.6	4.2
1958	293.0	37.6	1.6	0.5	4.3
1959	311.4	43.0	2.0	0.6	4.7

Data: Economic Report of the President, 1960, and Electronics Industries Association Fact Book, 1960.

TABLE III

Total and Electronic Equipment Spending and Industrial Production

(In Billions)

(Col. 1) Year	(Col. 2) Total Industrial Equipment Expenditures	(Col. 3) Industrial Electronics	(Col. 4) Col. 3 / Col. 2	(Col. 5) Industrial Production Index 1947-49=100
1950	$16.2	$0.4	2.5%	113
1951	18.4	0.5	2.7	123
1952	18.6	0.5	2.7	127
1953	19.5	0.6	3.1	138
1954	18.5	0.7	3.8	130
1955	20.6	0.8	3.9	146
1956	25.0	1.0	4.0	151
1957	26.2	1.3	5.0	152
1958	20.2	1.4	6.9	141
1959	23.2	1.6	6.9	159

Data: Economic Report of the President, 1960, Electronics Industries Association Fact Book, 1960, and Federal Reserve Bulletin, December, 1959 and June, 1960.

TABLE IV

Total Military Expenditures and Military Electronics Spending

(in Billions)

(Col. 1) Year	(Col. 2) Total Military Expenditures	(Col. 3) Military Electronics Spending	(Col. 4) Col. 3 / Col. 2
1950	$14.3	$0.5	3.5
1951	33.9	1.1	3.2
1952	46.4	2.1	4.5
1953	49.3	2.7	5.5
1954	41.2	2.7	6.6
1955	39.1	2.8	7.2
1956	40.4	3.5	8.7
1957	44.3	4.1	9.3
1958	44.5	4.4	9.9
1959	45.8	4.7	10.3

Data: Economic Report of the President, 1960, and Electronics Industries Association Fact Book, 1960.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The surprise move last week by the Federal Reserve Banks in reducing the discount rate from 3½% to 3% indicates that the monetary authorities are going to keep money and credit on the ample side and interest rates on the downside as long as there is erosion in the economic system. This is the second lowering of the Central Bank rate since June and it gives notice that the powers that be are going to continue a policy of ease in the money and capital markets.

Economy Bolstering Move

This latest action of the Federal Reserve Board in decreasing the discount rate is an effort to bolster the economy which has been sagging for several months. It is also admitted very readily by the monetary authorities that the inflation fears have subsided and, as long as such a condition prevails, there is no need for tight money. The lower Central Bank rate does, however, bring it more in line with the prevailing structure of money rates.

The money and capital markets appear to be digesting the refunding issues in a satisfactory fashion after a period during which these issues, especially the 3⅞s of 1968, were bought and sold on what has been termed the "gravy train." This brought about purchases and sales of the issue by not a few institutional buyers, traders and dealers before they were paid for on the 15th of the month. In each instance, fairly good sized profits were reported to have been realized from the trades in this security.

Buying on Price Appreciation Prospects

The movement into Government securities still goes on, with selected intermediate - term issues now being bought by those who are interested in not only a fairly good yield but also in the appreciation prospects. It is reported that quite a few of these purchases are being made from the proceeds of the sale of common stocks. There are also advices to the effect that commercial banks have been making selected commitments in the shorts and middle - term Governments for the first time in quite a while.

Reserve Policy Keyed to Business Situation

The move by the Federal Reserve Board to make money and credit easier through the lower discount rate and reductions in reserve requirements of the member banks in the Central Reserve cities of New York and Chicago, plus the counting of larger amounts of the vault cash of these same member institutions when determining their reserves, should more than take care of the seasonal needs for loans from business and the agricultural community. In other words, it is believed by many money market specialists that the powers that be intend to not only keep the money and capital markets in a position to meet all legitimate loan demands but also on the buoyant side so that the economic situation will not deteriorate further because of the tightness of money and credit.

It appears to be very evident that the guiding light in the future course of the money and capital markets is still going to be the predictable course of business. The patterns which are being forecast for the economy appear to be open to more than a bit of uncertainty since there does not seem to be very much agreement among the leading economic consultants as to how the business picture will work out.

Credit Ease to Continue

For the foreseeable future, however, it is evident that the business situation will bear very careful watching since the tone of it is still veering in a defensive direction. Even though there will most likely be some recovery in certain indices with the advent of Fall, it is not expected that a minor betterment in the pattern is going to change the prevailing course of ease in the money and capital markets. As against this, it is evident that a more uncertain tone in the economy will bring with it greater ease in the short-term and long-term sectors of the market with the interest rate level moving down. This could be accompanied by another reduction in the discount rate as well as a decrease in the prime bank rate.

Until there is evidence that the downward trend in business is being reversed, it is believed that the money and capital markets will be kept on the easy side with the interest rate and yields also tending in that direction.

Commercial Banks Hoping for "Forward Refunding" Offer

Commercial banks outside of the large money centers are the ones that would benefit most from a "forward refunding" offer by the Treasury, especially if it should be made to the owners of selected issues due in the 1960s and the 1970s. The 2¼% and 2½% obligations are still pretty well ensconced in the portfolios of these institutions and will so remain until something comes along which is going to be attractive, such as an "advanced refunding" offer which would give them a higher coupon rate, along with an extension of the maturity, and no (tax) losses to be taken now on the obligations which would be exchanged for the new refunding securities.

The short-term market, in spite of the lower rates here in contrast with the higher returns which are available abroad, has still a very large demand. Although some funds have been shifted to various European money centers from this country, it is not expected that this movement will be of sizable proportions. It is believed that as long as there is no loss in the confidence in the dollar, due to unwise fiscal policies or inflation, the gold outflow should not be large enough to cause great concern.

Buying by Pension Funds

State pension funds, according to advices, have been buyers of the 4s of 1980, the 3½s of 1990 and the 3s of 1995. Scattered purchases have also been reported in the 2⅝s of 1965 with the idea in mind that a "forward refunding" offer will be made to the holders of this issue shortly.

Lomasney Offers Lee Filter Com.

Lee Filter Corp., a New York corporation on Aug. 16 offered 110,000 shares of class A common stock ($1 par) at $8.75 per share, through Myron A. Lomasney & Co.

The company will use an aggregate of $328,000 to discharge short term bank obligations, the proceeds of which have been used by the company to provide additional working capital, and other short term indebtedness. Lee Filter plans to construct and to purchase additional tools, dies and machinery and add to raw material inventory as well as finance the research and development of new products and purchase equipment necessary for the manufacture and production thereof. Any proceeds not used for the above purposes will be added to working capital.

The company manufactures and sells filters for the removal of dust, sludge, acid and other contaminants from air, oil and fuel. The company produces a variety of filters for use in American and foreign automobiles; in trucks; in tractors; buses and aircraft; in industrial and farm machinery and equipment.

Ninety percent of the company's products are sold and distributed nationally and abroad under the trade marks and trade names "Lee" and "Resinweld" which are nationally advertised. The products are sold in the U. S. by 51 authorized "manufacturers' agents" to approximately 700 warehouses, distributors, jobbers and other wholesalers who sell to ultimate retail users such as automobile supply stores, service stations and automobile dealers.

Lee Filter has licensed one company in each of the following countries: Italy, Canada, Peru, Spain and India, to manufacture and sell its products. The company provides information and technical advice, and sells to the licensees, machinery of its own design and construction and materials for use in manufacturing these products.

Joins Lester, Ryons

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — John H. Blackhurst is now affiliated with Lester, Ryons & Co., 623 South Hope Street. He was previously with Marache, Dofflemyre & Co.

With Marache, Dofflemyre

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Harry V. Katz has become connected with Marache, Dofflemyre & Co., 210 West Seventh Street. He was formerly with J. B. Hanauer & Co.

With Schirmer, Atherton

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Maine — Alfred P. Webster has become affiliated with Schirmer, Atherton & Co., 634 Congress Street.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Stocks coasted through some aimless see-sawing this week, waiting for some incentive for more determined action. With the industrial average far enough above the year's low so that there was no technical threat, some cautious buying showed at times.

The net result was that the gains each day for a rather long string were able to run well ahead of the declines even while the averages were moving narrowly and, on occasion, even showing slight losses because of the divergent move of a few components. New highs posted daily held a commanding lead over the new lows, a condition in effect for well over a week to give the technicians another favorable omen.

Gains With Volume

The better gaining days recently have been accompanied by a pronounced pickup in volume with a dropoff in trading activity when profit-taking moved in and that pattern showed up again this week for the third time this month. This obviously contributed to what was well short of being unbridled optimism but was the first show of mild optimism around in a month.

It was largely a case of the electronic, bowling, pleasure time and vending machine items that were the leaders, leaving a rather large group of issues neglected which has been the story of the market for many months.

Interesting IT&T

International Telephone, which has been living in the shadow of confiscation of its Cuban telephone subsidiary, was one of the narrower-moving of the electronic issues and has, in fact, wandered over an area of only a bit more than 14 points all year. It showed little shock when its Cuban property was formally seized since the company has been under Cuban control for more than a year.

International Telephone's nature has changed greatly in recent years and its telephone and telegraph operations abroad are now the minor part of the business. The electronic production is the big item in its work and this hasn't generated the enthusiasm that showed in some other electronic operations. The company currently is engaged, under a new president, in improving its profit position by tying in more closely the widespread manufacturing operations now conducted domestically and in two dozen overseas countries. The efforts were reflected in a 7½% increase in profit for the first quarter of this year on a sales increase of the same size.

The changed operation that has taken a minimum of time is Midland- Ross Corp. Only three years ago Midland Steel Products, as it was then known, was almost completely dependent on the ups and downs of auto production, and to a large extent by those of only one company, Chrysler. A series of acquisitions, starting with the J. O. Ross Engineering late in 1957, today has turned the company into one that relies on industrial machinery, temperature control systems, aircraft and missile components and other "heavy" industrial wares.

The ultra-cyclical nature of the firm, apparently, is largely responsible for its lack of investor appeal despite the drastically changed nature of its business. Its dividend supplies a yield approaching 6% which is downright handsome against some of the missing or negligible returns available on the more popular stocks. Company reports indicate the operation is a thriving one, sales running at record levels and a sharp increase in earnings due this year to where the dividend requirements should be earned twice over. Its year's range has been over a narrow span of 11 points.

Up-Dating Packing Company

Despite many attempts to build up interest, there hasn't been any sustained investor attention in the meat packing stocks since the end of meat rationing after War II. Nevertheless, some of the cyclical outfits in the business have made progress at smoothing out their historic pattern of boom-bust see-saws. Armour is one that had an erratic earnings history but seems to be doing something about it.

The old pattern of widespread plants to serve the many small outlets in all geographic areas was changed with the growth of supermarkets which prefer central buying centers. So Armour set about eliminating outdated plants, modernizing the central ones and diversifying through soap, pharmaceutical and fertilizer lines.

The result was a sharp increase in profit for the fiscal 1959 year on a 1% increase in sales and for the first half of the current fiscal year, ending April 30, earnings jumped 53% on a decline of more than 3% in sales. This would seem to reflect the new efficiency. But so far the market has not reflected it and the issue is selling far closer to the year's low than the high and more than 10 points lately under the high.

Attractive Yield

Where, in general, the pattern has been higher sales but lower earnings, Koppers Co. stands out as the one that offers a yield well above average running into the 5% bracket and good increases both in sales and earnings so far this year. The uncertain element in the company's picture has been its construction and engineering operations which depend on how busy industry is in expanding. This phase of the operation was able to show a sales jump that ran nearly three-fold for the first half of this year.

The company has been stressing its manufacturing and chemical operations to eliminate its varying capital expansion fate and out of sales of $147.7 million for the first half, the construction division's contribution was only $31 million. Despite the improved outlook, the price of the shares is off about a quarter from last year's high and even more below the highs of more prosperous years of the last decade.

An Upstanding Aviation-Missile Move

The new interest in aviation-missile shares had largely died out this week, although the items in the section were able to show good stability. The good dividend one in this group is North American Aviation which had an indicated return of some 4¾% at recent levels. Moreover, the payment is relatively safe. Where some of the old-time plane makers gave up most of this type of work to rush into the missile field, North American still retains an important position in supplying manned aircraft to the military, and was able to build up an important participation in the missile field at the same time. The shares are available at levels under the highs posted every year since 1955 with the exception of 1957.

The Copying Growth Field

The industrial copying field is one that lately has been something of a newcomer to the "growth" circle, including American Photocopy which has become the leader of the industry. While

good growth has been posted, the copying industry estimates that only 15% of the photocopy market has been tapped despite the large strides made.

American Photocopy, no stranger to the new highs lists, has moved ahead to where its yield is a minimum one of only a bit better than 1%. This undoubtedly discounts in advance some of the growth ahead but followers of the issue are glowing in the potential that faces the company. American was able to double sales between 1956 and 1959 and among its strong points is a high level of repeat business in supplying paper and chemicals to users of its machines.

[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.]

General Motors Acceptance Corp. Debs. Offered

A nationwide underwriting syndicate managed by Morgan Stanley & Co. and composed of 235 investment firms is placing on the market on Aug. 17, $150,000,000 of General Motors Acceptance Corp. 22-year 4⅝% debentures, due 1982, priced at 99¼% and accrued interest to yield 4.68% to maturity.

Net proceeds from the sale of the debentures will be added to the general funds of the company and will be available for the purchase of receivables. The proceeds may be applied initially to reduction of short-term borrowings or invested in short-term securities.

The new debentures are not redeemable before Sept. 1, 1970, except that, under a special redemption provision applicable on and after Sept. 1, 1965 under certain conditions of declining retail receivables, the debentures are redeemable at special redemption prices. In the 12-month period beginning Sept. 1, 1970, the debentures may be redeemed at the option of the company at 102¼% and thereafter at prices decreasing to the principal amount; under certain conditions of declining retail receivables the debentures may be redeemed at lower redemption prices.

GMAC finances the distribution of new products manufactured by General Motors Corp. to dealers for resale and finances such dealers' intsalment sales of new products as well as used units of any make. Financing related to automotive vehicles comprised 99% of the dollar volume of receivables purchased in the first six months of 1960.

Notes and bills receivable, after deducting unearned income and loss reserves, held by the company and its consolidated subsidiaries on June 30, 1960 amounted to $4,957,136,000 compared with $3,963,262,000 on Dec. 31, 1959.

GMAC notes, loans and debentures outstanding on June 30, 1960 amounted to $3,927,477,000 of which $1,773,036,000 was payable within one year and $2,154,441,000 subsequent to one year. Subordinated indebtedness amounted to $500,000,000.

On April 19, 1960 the company received from General Motors Corp all of the outstanding capital stock of General Exchange Insurance Corp. as a capital contribution. Effective May 31, 1960, G.E.I.C. was merged into Motors Insurance Corp., the continuing corporation. M.I.C., wholly-owned non - consolidated subsidiary of GMAC, writes fire, theft and auto physical damage insurance in the U. S. and Canada. G.E.I.C. had been engaged in reinsuring about 70% of the insurance written by Motors Insurance Corp.

All of the outstanding capital stock of GMAC is owned by General Motors Corp. Total capital stock and surplus on June 30, 1960 amounted to $397,477,092. This consisted of 500,000 shares of $100 par value 4% cumulative preferred stock and 1,500,000 shares of $100 par value common stock, $10,453,000 of paid-in surplus and $187,024,092 of earned surplus.

Named Director

Maxwell J. Mangold, president of First City Securities, Inc., an underwriting firm for medium-sized companies, has been named to the Board of Directors of the American Boatbuilding Corp., Ross A. Lasley, president has announced.

Mr. Mangold is also a director of Corporate Growth Consultants, Inc., and the Business Acquisitions Institute, Inc., which provide a national network of management consulting services.

Clark, Dodge to Form Corporation

Clark, Dodge & Co., Incorporated, a member corporation of the New York Stock Exchange, will be formed as of September 1st. Officers of the new corporation will be T. Jerrold Bryce, chairman of the board; Eugene M. Geddes, president; Arthur O. Choate, Jr., chairman of the executive committee; Perry R. Pease, senior vice president; William M. Rex, George A. Percy, Francis W. La Farge, Edward C. R. Whitcraft, Carnot W. Evans, John W. Dayton, Jr., Henry T. Mortimer, Robert Grant 3rd, Eugene M. Geddes, Jr., Nelson R. Jesup, C. H. Waterhouse and Allan C. Turner, vice presidents; David B. McElroy, vice president, treasurer and secretary; Andrew F. Peck, vice president, assistant treasurer, and assistant secretary. All officers except Mr. Turner are also directors of the firm. George Crawford Clark is also a director.

Arnold, Wilkens Formed

WOODMERE, N. Y.—Arnold Goldstein and Ernest Wilkens have formed Arnold, Wilkens & Co. with offices at 1005 Cedar Lane to engage in a securities business.

W. F. Murphy Opens

(Special to THE FINANCIAL CHRONICLE)

CHIPPEWA FALLS, Wis. — Willard F. Murphy has opened offices at 100 North Bridge Street to engage in a securities business. Mr. Murphy was formerly a representative for Loewi & Co. Incorporated.

Packard Joins John Nuveen

David C. Packard has become associated with John Nuveen & Co., national investment banking firm with headquarters in New York and Chicago, according to Chester W. Laing, president. Mr. Laing said that Mr. Packard is a wholesale representative in the New York area for the Company, oldest and largest organization in the United States dealing in tax free Public (Municipal) Bonds exclusively. The New York office is located at 25 Broad Street.

A veteran of the financial district since 1949 when he joined Estabrook & Co., Packard more recently has represented Tucker, Anthony & R. L. Day and J. Barth & Co.

How Leading Authorities View Outlook for the Railroad Industry

Continued from page 1

creasingly require high-speed rail services in order to relieve undue congestion on streets and urban highways; and second, the rail commuter deficit is being increasingly recognized as a problem somewhat separate from that of the long-haul rail passenger deficit, and one which will require remedial action in the near future by a number of individual metropolitan areas. Several legislative proposals concerned with government aid to railroad commutation services have been introduced in the Congress, and individual cities are initiating steps to grant some type of assistance to commuter services which are required in the public interest.

While the outlook for railroad passenger service as a whole remains unclear, such factors as increased development of express services, continued abandonment of unpatronized services, development of suburban services on the basis of fair compensation to the carriers, and possibly greater coordination of services as a result of mergers of carriers, could in the aggregate alter the gloomy picture now often painted of the future of the railroad passenger service.

Mention has been made of railroad consolidation or mergers. It has become evident in recent months that considerable attention is being given to reorganization of railroad systems into a smaller number of larger separate companies. This is one of the most significant developments in the national transportation system at the present time. Although only one major consolidation has been completed in recent years, a number involving highly important shifts in the physical pattern of the rail industry have reached the stage of active consideration or negotiation. No doubt an increasing number of merger plans will be presented to the Interstate Commerce Commission for approval.

To sum up: The railroad industry, barring severe work stoppages, is likely to benefit in the future from a rising level of national product. The industry may, through technological improvements, development of interchange traffic with other modes, improved service standards, assistance from public bodies in maintaining necessary but unprofitable passenger services, and reorganization of its operations and facilities through consolidation, be able to maintain or improve its relative competitive position and thus move ahead in volume of business as the level of national economic activity advances.

W. H. BATEMAN

President of Symington Wayne Corporation

The trend and outlook for our business as a whole does not necessarily follow the pattern of our railroad equipment business. Symington Wayne Corporation's sales and earnings were at a higher level in the first half of this year than last year and we expect a good second half. However, the general business situation in the ensuing months naturally will have a bearing on our year-end results.

W. H. Bateman

As to our railroad business which represents about 25% of our volume, the picture is not too clear. The recent decline in carloadings affecting the industry, together with other unusual industry problems contributes to the uncertain outlook for the equipment manufacturer. For the last half of the year we expect some gain in specialized equipment and average volume on normal maintenance requirements. Order for standard equipment, however, has been lagging in the past few weeks, and our backlogs have been lowered. If there is not some improvement in this situation reasonably soon, we will be obliged to adjust our production level downward somewhat.

In contrast to the uncertain near term outlook, we are optimistic about the longer range future of our Railroad Equipment Division. The growing piggyback service has an encouraging outlook for the equipment manufacturer such as our Symington division which supplies trucks, couplers and yokes for this market. There were only 4,590 piggyback cars in service in 1958. In one year the number has risen to 7,540, or an increase of 64%. It was predicted at the recent meeting of the American Association of Railroads Purchases and Stores Committee in Chicago that by 1970 there will be 65,000 to 85,000 special piggyback cars in service.

We look forward to growing outlets in Europe and Central America where our Symington Division has established licensees for railroad equipment. In the principal foreign markets we have long-established manufacturing and selling facilities for our petroleum and industrial products and have been in a position to participate in the rising economy in these areas.

In looking ahead we have attempted to appraise the railroad future and our operations as equipment manufacturers in a realistic manner and to plan and orient our operations to an improved future railroad situation which we think, in due course, will come to pass. The railroad business is basically sound but has had, and still has, monumental operating problems to face. We have confidence that these problems will be solved and we feel that already a good start has been made in the direction of a more promising future.

HARRY A. DeBUTTS

President, Southern Railway System

America's economy at the halfway mark of 1960 presents a puzzle to forecasters. There are numerous straws in the wind, but they appear to be blowing in all directions at once. The most reasonable estimate seems to be that after recovering from the effects of 1958's recession and 1959's steel strike we are temporarily "marking time."

Harry A. DeButts

Southern finds cause for optimism, however, in the continuing vote of confidence being given our territory by businessmen who heed Southern's invitation to "Look Ahead—Look South."

Along Southern Railway System lines during the first six months of 1960 there have been 172 industrial developments—new plants, new warehouses and major additions to existing plants. They represent a total investment in excess of $155 million and hold the promise of more than 6,800 new jobs. As an optimist, perhaps I should say that this is a substantially larger **number** of industrial developments in our territory than were recorded during the first six months of 1959. But then some pessimist would note that 1960's projects represent a smaller total investment than the fewer industrial projects in the same period last year.

Frankly, I would much rather point out that industrial development is cumulative, not comparative.

Last year's revenues are, for the most part, already spent or taxed away. Last year's traffic is a dead statistic. But last year's industrial development is this year's bread and butter for a railroad and for the territory it serves.

As a producer of manufactured goods and as a valuable consumer market for products of all kinds, the South has expanded enormously. Billions of dollars worth of new industry and plant expansions in the past two decades still contribute to our region's economic health and growth and will in the future. We plan and build in terms of that growth.

A few months ago we ordered, at a cost of $3.4 million, 200 cushioned-underframe box cars of a new design developed jointly by Southern's technical staff and a team of university scientists. Deliveries are expected to begin soon.

More recently Southern placed orders for $5.3 million worth of equipment to set up a microwave and two-way radio communications system to add even greater safety and dependability to rail operation along the main line from Washington, D. C., to Atlanta, Ga. On completion next year, this will replace Southern's existing telegraph and telephone pole lines along the 637-mile route.

Both these actions give evidence of Southern's determination to maintain its strength to serve a growing South. But they also serve to underline the fact that it takes **time** as well as money to build strength in a railroad.

Increasing international tensions sharpen our awareness of this time factor in the need for strong railroads to serve this country in a possible emergency. Such an emergency could be on us with terrible swiftness—and railroads must be strong when it comes. There will not be time to develop strength afterward.

America can help strengthen its railroads now simply by using their capacities to the fullest. Such use will come when fair competitive conditions are established that will enable railroads to give the public the full benefit of their ability to deliver low cost, mass transportation and to enter other fields of transportation to offer shippers a "one-package" transportation service.

EDWARD G. BUDD, JR.

President, The Budd Company

I think that the outlook for the railroads in general is more encouraging at the present time than it has been for several years and I hold that opinion for both passenger and freight operations.

Edward G. Budd, Jr.

It is quite true that the industry faces many problems of serious proportion and some railroads are experiencing grave financial difficulties, but nevertheless, a great deal of progress has been made, particularly in the past few years, toward general improvement of the situation.

For some time there has been a great wave of modernization and reorganization going on within the industry and whether one agrees with the individual steps taken or not, the moves taken as a whole should mean a healthier and more vigorous industry.

In their freight business, the railroads have taken steps to reduce overhead and operating costs; they have installed modern electronic equipment to bring automation to their freight yards; they have speeded freight train schedules and services to customers and are actively promoting such new services as piggyback and containerized shipping.

Obviously, passenger operations still leave much to be desired and there remains plenty of room for improvement, but even in this field of service, I think the industry can be much more optimistic toward the future.

Since the war, the railroads have succeeded in cutting away a great deal of obsolete and unprofitable routes and services. Beginning to emerge in sharper focus are a number of areas where railroad service is by far the most practical and efficient means of travel. These runs will continue to be operated profitably.

Beyond this, experience has shown that with wares adjusted to a reasonably competitive level with other methods of transportation and the provision of modern, comfortable and attractive equipment, there is a substantial core of people who want to travel by rail. As proof of this, I point to the successful record of the Budd coach sleepers which provide private room accommodations at coach fares plus a small room charge. These cars have operated at a profit on every railroad that has acquired them.

Of greatest significance for the future of the railroads, however, is the demand for improved commuter and rapid transit services in the growing metropolitan areas. There is a mounting mass of evidence and practically unanimous expert opinion that the future welfare of our major cities depends on attracting people back to the rails to get from their homes to their jobs and back again. Rail services, supplemented by private automobiles and buses as feeders, are the only solution to traffic-choked highways and center city congestion.

There seems to be widespread agreement that municipal, state and Federal Government must shoulder a measure of responsibility in the task of upgrading of commuter services, just as they do in the provision of other essential community services. The railroads cannot do the job by themselves.

Through integrated and cooperative planning, long range financial plans must and will be established for the acquisition of modern, more efficient equipment and to make other capital improvements. Metropolitan communities may contract for the level of service necessary to meet their needs under conditions that will bring a fair return to the railroads.

The Budd Company has designed and developed a wide variety of modern, lightweight, stainless steel passenger train cars, easier and cheaper to maintain and less costly to operate, and I think there will be a growing demand for this equipment. Our Railway Division is already doing a substantially increased volume of business in the manufacture of rapid transit and commuter equipment. We are actively seeking more and are confident that this business will increase.

It has become obvious to more people in prominent positions in government, industy and finance and other fields that the industrial economy of this nation cannot continue to grow and prosper without a balanced system of transport for goods and people in which the best of each method — the private automobile, the truck, bus, airplane ad water carrier—is utilized for the betterment of the whole.

The railroads are the backbone of our national transportation system and when obsolete rules and regulations and unequal taxation are eliminated, which must be done in the very near future, the industry will find its correct level as a sound and profitable business.

RUSSELL L. DEARMONT

President, Missouri Pacific Railroad Co.

The outlook for the Missouri Pacific for the last six months of 1960 from the standpoint of carloadings and operating revenues should compare favorably with the same period last year. But from the standpoint of net income, it points up to the urgent need for relief from outmoded work practices to offset higher wages and payroll taxes which this year will cost the Missouri Pacific more than $4 million as compared with 1959. Increasing freight rates offers no solution to the problem of meeting higher costs. What the industry needs in addition to modernized work rules is volume business and this can only be attained by meeting the competitive situation that constantly confronts us.

Russell L. Dearmont

If our expectations of a small increase in carloadings for the last six months are realized, operating revenues for the year should be slightly in excess of 1959. Through the strictest economy we hope to attain our goal of holding operating expenses to the same level as last year. But with higher taxes, we expect net income to be down.

In the territory served by Missouri Pacific there continues to be a spirit of optimism as demonstrated by the continued establishment of new and expansion of existing industries. These things make it necessary for the Missouri Pacific to look beyond 1960 if we are to continue to share in the benefits flowing from the growing economy.

With this in mind, we are proceeding with our 1960

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Business Outlook Clouded Morgan Guaranty Holds

Large New York City banking institution notes mixed picture revealed by current business reports. Cites inauspicious state of automotive inventories; and, on the other hand, stepped up defense spending. Emphasizes difficulties in forward planning.

The highly mixed state of business indicators are emphasized by the Morgan Guaranty Trust Company of New York City in its August **Survey.** Weighing the concurrent constructive and destructive prospects, the leading banking institution concludes that any change in the fall will be moderate.

"So far the summer period has done very little to clarify the economic outlook for the latter part of the year says the **Survey.** "Business reports have continued to be of mixed nature, especially difficult to interpret because the economy is going through its traditional midyear quiescence. Interest, of course, centers on conjecture as to what direction business activity is likely to take this autumn; but conclusive evidence on which to base forward planning is slow to come. A weighing of the factors now visible suggests that, either way, the line of movement in the fall is not likely to be especially steep.

"Sales of new cars during July were at a slower rate than had been hoped for. Sales fell slightly behind the pace a year earlier, marking the first month in 1960 to witness such a shortfall. As a result, no spectacular progress was achieved in working down the high level of dealers' inventories. At the same time, used-car sales remained rather sluggish. August and September are the months normally looked to for the greatest inventory cuts, but the prelude has not been particularly auspicious."

Production Trend Still Uncertain

"Thus there cannot yet be assurance of a rapid climb in automobile output this autumn. The same is true in steel, for the lag in orders has not yet passed. Some slight improvement has been reported in recent weeks, but hardly enough to dispel all uneasiness in the industry. Information on total-order experience in manufacturing is not yet available beyond June. Figures for that month showed orders still running below deliveries, producing an attrition in backlogs. It was the seventh consecutive month in which backlogs dwindled. These considerations, together with the continued weak performance of many "leading" indicators, are the principal question marks overhanging the economy at this time.

"There are, however, a number of important offsets. The strength that was evident in personal income and over-all retail sales at the end of the first half appears to have carried over into the summer period. Except for the disappointment noted in automobiles and some sluggishness in appliances, sales of most items seem to be doing well. The Federal Reserve Board reported that its seasonally adjusted index of department-store sales rose sharply in July. The level achieved was the highest ever, except for the unusually strong showing in April of this year, and the performance was especially gratifying in view of the unseasonably cool weather over many regions of the country that might have been expected to slow purchases of summer goods.

"Also encouraging has been recent evidence that construction activity is beginning to strengthen. The FHA reported that mortgage-insurance applications for proposed new homes rose appreciably in June for the first time this year, and the Veterans Administration also reported a significant rise in requests for appraisals of new homes under its mortgage-guarantee program. In addition, the FHA reported a rise in the prices it received for mortgages in the secondary market, indicating that the flow of funds from investing institutions into the housing market is on the rise. These data suggest that the second half of the year may well witness a revival in home-building activity."

Defense Contracts Accelerated

"There also appears to have been an acceleration in the placement of defense contracts recently. This is hardly surprising, since in the fiscal year which ended in June the total placement of contracts fell a good deal short of the amount that had been originally planned. Another recent news item on the positive side was the revelation that the Federal government has ordered a very marked increase in the volume of contracting on the Federally aided highway program in the current quarter."

Puerto Rico Tel. Private Placement Via Kuhn, Loeb

Puerto Rico Telephone Co., a subsidiary of International Telephone & Telegraph Corp., announced on Aug. 16 that it has sold to a group of institutional investors, through Kuhn, Loeb & Co., $8,000,000 principal amount of 24-year 6% sinking fund debentures, series C, due Aug. 1, 1984 and 40,000 shares of 6¾% cumulative preferred stock, series A, par value $100 per share.

The net proceeds to Puerto Rico Telephone from the sale of the debentures and preferred stock, together with proceeds of approximately $4,100,000 from the recent sale through a rights offering of 100,000 shares of common stock, will be used for the company's expansion and improvement program initiated in 1959. This program calls for expenditures for telephone plant and equipment of approximately $70,600,000 during the six years 1959-1964.

With Pacific Coast Secs.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Douglass M. Hodson has joined the staff of Pacific Coast Securities Co., 1054 Broxton Street. Mr. Hodson who has been in the investment business for many years was formerly with Harbison & Henderson.

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modernization program. We expect to complete this year a new 28-mile extension to the new iron ore development at Pea Ridge in Southeast Missouri. When in full operation, the mine is expected to produce approximately 100 cars of new business a day.

To provide for faster and more economical operation a new automatic retarder yard is being constructed at North Little Rock, Ark., and a similar yard is planned for McGehee, Ark. While neither yard will be as large as the one completed last year in Kansas City, they are expected to result in savings proportionate to the $2,700,000 realized per year at Kansas City.

Our freight car supply has been generally adequate to meet shipper needs. This year, 3,255 freight cars will receive heavy and general repairs and construction is proceeding on our 1960 program of 1,088 new cars, all equipped with roller bearings.

In order to realize the savings and reduce maintenance and operating costs that would come from the greater efficiency, reliability and flexibility of new model locomotives, and to hold and take advantage of every opportunity to improve our competitive position insofar as freight train schedules and over-all service are concerned, a number of older diesel locomotives which had become expensive to maintain and operate have been upgraded and modernized—12 in 1959 and 26 on this year's program.

The company is continuing its policy of marketing rail service to meet competitive conditions. Our truck-rail operation, or piggyback, as it is generally described, continues to develop. We estimate the Missouri Pacific will handle about 24,000 loads of general commodities, as compared with 18,000 last year, and 4,000 flat car loads of convoy automobiles.

Passenger revenues in the first six months were about 5% higher than in the same period last year. Our Eagle trains are doing a banner business with Slumber Coaches to Texas and Thrift-T-Sleepers to Colorado filled to 90% of capacity.

Missouri Pacific is optimistic about the future of the rail industry and particularly about the economic development of the West-Southwest territory it services.

ALLEN J. GREENOUGH

President, Pennsylvania Railroad

For several months it has been clear that 1960 will not be the prosperous year for the railroad industry that had been expected last December. Net income for the first five months was estimated $39 million below the modest $234 million for the first five months of 1959, and 29 railroads did not even earn their fixed charges for those months. Nor had the situation improved by the end of June. The Pennsylvania, for instance, finished the first half of the year just barely in the black, as against net earnings of $6 million for the first half of 1959.

A. J. Greenough

The reasons for this disappointing showing are not hard to detect. Steel's performance and prospects are not living up to beginning-of-the-year estimates; the same is true of automobiles, appliances, and many other durable goods. Such products and their raw materials are a main source of carloadings for a railroad like the Pennsylvania.

There is some difference of opinion as to whether the economy will be heading downward by the year's end or will approach 1961 with strength. Even in the happier event, my colleagues and I doubt that our own railroad or the industry generally will fare much better for 1960 than in 1959, which the long steel strike made a poor year for us and for many other railroads. We do not believe carloadings can increase enough before the year's end to overcome both the lean first half and the wage increases effective as of July 1.

Meanwhile, poor as the outlook for 1960 has become, it is only realistic to note that the year has seen considerable improvement in long-range outlook for the industry. Several important commuting areas have been moving toward assuming at least some financial responsibility for commuter services now subsidized by railroads like the Pennsylvania. Congress has been seriously considering a system of Federal loans to help communities in this project. Progress is also being made toward solution of the featherbedding problem, which costs the industry some $500,000,000 for work not needed or even not done, but which must be paid for under outmoded "work rules" agreements. So far, it is true, progress with this problem is confined to growing public awareness of its existence and the importance to the economy that it be solved. This same necessary growth of public understanding preceded and made possible the limited regulatory reforms of the Transportation Act of 1958. Progress has also been made in 1960 on mergers within the industry, which are one of the most promising pathways to progress the railroads have.

The year has seen further expansion of its TrucTrain service for moving highway trailers on flatcars—a service which we think has tremendous growth potential. The year also has seen completion of a program to acquire 23,000 modern new freight cars valued at $215 million—the biggest short-term program of the sort in railroad history—and delivery of seven new diesel tugs. Also being acquired are 50 new diesel freight locomotives, and the first of 66 powerful new electric freight locomotives that will in time replace our present electric freight fleet. All these acquisitions are being financed for us by banks and other financial institutions—indicating the soundness of our optimism about our long-range future.

F. S. HALES

President, Nickel Plate Road

Nickel Plate is continuing its improvement program in order to meet future service requirements and to obtain additional traffic.

During 1960, 15 diesel locomotives; 150 highway trailers for Piggy-Back Service; and 500 all-steel box cars, 325 of which are equipped with damage-free devices, have been acquired and placed in service. In addition to this equipment, our own forces are converting 100 old box cars into flat cars for Piggy-Back Service and building 14 double-deck "basket cars" to handle small forgings for automobiles.

Felix S. Hales

Piggy-Back Service continues to be the fastest growing part of Nickel Plate's business. Despite a decline of about 3% in the over-all carloadings during the first seven months of 1960, loaded trailers increased approximately 75% during the same period. Gross revenues during the first half of 1960 aggregated $77,181,000, and net income was $6,159,000, or $1.47 per share, which may be compared with gross revenues of $79,094,000 and net income of $7,143,000, or $1.71 per share during the first half of 1959. We expect some pick-up in business during the balance of the year and believe 1960 will be a good year for our Road.

The railroads are faced with a tremendous challenge. To improve their financial position, they must devise means to operate more efficiently and to provide ever-better service to customers.

Operating costs of the railroads are up this year by reason of increases in Railroad Retirement and Unemployment Insurance Taxes voted last year by the Congress and new wage increases. For the Nickel Plate, the added payroll taxes total about $100,000 a month, and the wage increases are expected to approximate $1,500,000 on an annual basis.

The railroads have improved freight schedules; provided more specialized equipment and services; and have adjusted many rates, including new incentive rates on some commodities that make possible savings to shippers for heavier loading of cars.

We on the Nickel Plate are optimistic about the future of the railroad industry and, particularly, the Nickel Plate.

JOSEPH B. LANTERMAN

President, American Steel Foundries

Our company had increased sales and income in the first nine months of its 1960 fiscal year. Net income amounted to $5,917,947 equal to $2.02 per share in the nine months ended June 30, 1960, compared with $4,953,049 equal to $1.89 per share in the corresponding period a year ago. Sales in the nine months increased to $91,953,439 from $82,478,669.

Joseph B. Lanterman

Earnings in the third fiscal quarter ended June 30 this year were $2,356,473 or 81 cents a share compared with $2,773,234 or $1.05 per share in the third fiscal quarter last year. However, they were higher than the $2,019,012 in the second fiscal quarter and the $1,542,462 in the first fiscal quarter of this year. The record-breaking earnings in the third quarter last year were favorably affected by the high level of business activity resulting from the inventory buildup in anticipation of the strike in the basic steel industry.

Our company attributes about 50% of its sales to railroad products. As a result, our gains in income and sales in the first nine months were held back somewhat as rail ordering failed to reach the high levels predicted earlier this year.

ASF's principal railroad products are wheels, side frames, bolsters, brake beams, couplers, yokes, springs, and brakes. Orders for new freight cars, an important influence on the sales of these products, were high in January this year, but declined in February and again in March as hopes for a boom year faded. American

Railway Car Institute figures show that in the first six months of 1960 only 20,625 new freight cars were ordered nationally, down from 33,651 a year ago.

At present, there is no indication of an immediate increase in ordering by the railroads. We believe there may be an upswing in the last two or three months of the 1960 calendar year as railroads anticipate 1961 needs, but a good share of this won't be reflected in earnings until the March, 1961, quarter.

While early predictions were for a 70,000 freight car year in 1960, estimates of ordering have now been trimmed to about 50,000 or lower. This is down from 56,414 in 1959.

The nation's railroad equipment makers are also faced with declining backlogs as freight cars roll out of car shops faster than new orders are placed. American Railway Car Institute figures reveal the backlog of freight cars nationally has slipped to 29,555 on July 1, down from 43,870 on Jan. 1.

ASF's railroad sales position has been aided by a steady market for products used for repair or replacement. The need for repair parts continues even when demand for new equipment slackens.

We expect earnings in our fiscal year ending Sept. 30, 1960, will be equal to or better than the $7,168,000 earned in fiscal 1959. Sales of our non-railroad product lines are contributing to this steady earnings picture. These product lines include steel castings for industrial use, hydraulic machinery and boring mills, roller chains and sprockets, cast iron pressure pipe, precision metal-working machine tools, and the wrapping and coating of steel pipe for the oil and gas industries.

ASF's capital expenditures this year will be about $9 million, up slightly from $8.1 million in 1959. Projects completed recently were a cast iron pipe plant at Council Bluffs, Iowa, and a research laboratory in Bensenville, Ill. Our Indiana Harbor plant was converted this year from a green sand to a shell molding facility in order to produce higher quality castings for railroad and general industrial use. Future projects include a steel wheel plant in Bensenville, and a plant in Youngstown, Ohio, to be used for the plastic coating of steel pipe.

E. C. R. LASHER

President, North American Car Corporation

While the general economy did not perform with predicted vigor during the first half of the year, private car lines continued to experience an upswing in business. This forward thrust should continue through the second half of the year.

Gen. E. C. R. Lasher

The principal reason for this counter-trend movement of our industry, I believe, is the growing attention that industry is giving to logistics. Logistics is the science of managing materials, getting the goods from where they are produced to where they are needed at the right time, in the right quantities, and at the lowest possible cost. It is one of the few remaining areas in business that offers promising possibilities for cost cutting and earnings improvement.

With specialized transportation such a vital factor in the logistics picture, it only follows that companies providing these services should continue to grow in spite of marginal fluctuations in the general economy.

On top of this, you have new technology cropping up each year in the transportation industry requiring new equipment for both shippers and the nation's railroads We have sought to offer such new equipment for the railroads through a privately-financed specialized car pool. While it has been in operation only eight months, it has met with considerable approval among major roads and its growth potential, in our opinion, is considerable.

ROBERT S. MACFARLANE

President, Northern Pacific Railway

As this is written in late July, it appears that Northern Pacific's 1960 earnings will be reasonably satisfactory, although it is unlikely they will equal 1959 net income, which was the highest in 16 years. Reduced traffic in forest products, grain and manufactures and miscellaneous items was largely responsible for a drop in earnings for the first six months of 1960 compared with the like period of 1959, when they were the highest for any comparable period since 1920.

Robert S. Macfarlane

Net for the first six months of 1960 was $7,547,465, equal to $1.26 a share of stock, compared with $9,364,612, equal to $1.57 for the first half of 1959.

Although crops were damaged by extreme heat and dry weather in parts of Northern Pacific territory in July, prospects for harvest continue generally good. Volume of grain traffic this fall will depend to a considerable extent on how much of the new crop is stored on the farms and in local elevators, where storage space is ample.

If the widely predicted upturn in general business materializes in the last half of the year, Northern Pa-

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cific's volume of forest products and manufactures and miscellaneous items should increase accordingly.

Northern Pacific's 1960 non-rail income, principally from oil, timber, real estate rentals and Burlington dividends, is expected to approximate the 1959 figures. Production from Northern Pacific oil wells this year is expected to be slightly less than in 1959, and with crude oil prices down, our oil revenues in 1960 are expected to be moderately lower than in 1959.

Northern Pacific, in common with all U. S. railroads, is faced with increased operating costs as a result of new wage agreements with the unions. A 2% increase effective July 1, 1960 and another 2% rise on March 1, 1961, will cost the industry an estimated total of nearly $200,000,000 annually.

A bright spot in the industry's traffic picture is the perfectly amazing growth in the volume of trailer-on-freight-car tonnage. On the Northern Pacific, piggyback loadings increased 41% in the first 6 months of 1960 over the corresponding period in 1959. To meet its rapidly expanding piggy-back business, Northern Pacific recently joined Trailer Train Company, national car leasing agency which supplies its parent companies with flat cars for TOFC service. Beginning in June, NP began hauling in transcontinental service highway trailer loads of new automobiles on flat cars. Our company has been handling this type of business on the North Pacific Coast since August, 1959.

The plan announced July 16 to unify and operate as a single integrated system the Northern Pacific, Great Northern, Burlington and Spokane, Portland & Seattle railways would effect eventual operating savings estimated at $40,000,000 annually, before taxes. It is anticipated that integration of the four lines would be a gradual procedure, requiring at least five years after approval by the Interstate Commerce Commission.

E. S. MARSH

President, The Atchison, Topeka and Santa Fe Railway System

Santa Fe's total operating revenues during the first six months of 1960 were 2.9% below the corresponding period in 1959. At the same time operating expenses were about 2% higher than in the 1959 period, reflecting an increase in wage rates and the carrying out of planned maintenance programs. These factors, combined with the sharp increase in the rates of Railroad Retirement and Unemployment Taxes, resulted in net income for the first six months of 1960 lagging 21.9% behind 1959.

Ernest S. Marsh

Traffic handled on the Santa Fe during the first six months fell below our original expectations in certain commodities, particularly building materials and manufactured products associated with the construction industry. The 1960 winter wheat harvest in the states that we serve exceeded expectations and appears to be the second largest crop on record. However, because of the cold and wet spring the harvest was two to three weeks later than usual and much of the grain that would normally have been moved in the month of June was not handled until July.

While there is a degree of uncertainty in the outlook for the balance of 1960, we anticipate that there will be some improvement over the present level of our business. It is also expected that the comparisons with year ago figures during the second half will be more favorable than they have been during the first half, because traffic during the early months of 1959 was bolstered by advance ordering to build up inventories in anticipation of the steel strike. The agricultural outlook is generally excellent throughout the Southwest and has been aided by recent rains in much of the territory. The grain sorghum acreage planted for fall harvest is slightly below the acreage planted last year, but with continued favorable growing conditions it is quite possible that the sorghum crop in states served by the Santa Fe may equal the record volume of 590 million bushels harvested in 1958.

The Santa Fe's $100 million 1960 capital improvement program is progressing on schedule. All of the 60 new 2,400 H.P. diesel units have been received and placed in service, and the important northern Arizona line change on our transcontinental route is expected to be completed before the end of the year. These and other modernization projects should prove important factors in the continuing struggle to improve the efficiency of operations and to offset the upward spiral of wage rates and other costs of doing business.

H. C. MURPHY

President, Burlington Lines

The Chicago, Burlington & Quincy Railroad's results for the first half of 1960 were below the level of the corresponding period last year, and based on present business outlook the results for the year will likely fall a little short of the 1959 performance unless a marked pickup in freight traffic develops.

Harry C. Murphy

Carloadings and operating revenues for the first six months this year were approximately 7.2% lower than a year earlier, while net income decreased by about 12.9%. Among the principal reasons for the decline in earnings were the reduced volume of traffic, particularly in highly rated commodities, and rising labor costs resulting from cost-of-living increases in rates of pay, and higher payroll taxes. Wage rates were further increased effective July 1 under new contracts with the operating unions, and thus labor costs will again rise substantially unless offsetting savings can be effected through changes in working rules.

Recent crop production estimates indicate good prospects for a larger-than-average grain harvest in Burlington territory, although much of the new crop may go into expanded storage facilities in the growing areas. Grain carloadings, down 29% in the first half, should show some improvement, however. Loadings of other important commodities such as coal, lumber, petroleum, and iron and steel mill products will depend upon the general trend of business in the second half this year. The number of loaded trailers handled in trailer-on-flat-car service rose about 25% in the first six months and should maintain that rate of increase for the year as a whole.

The freight car supply is expected to remain adequate to meet shippers' needs. More than 1,500 freight cars are to receive general repairs this year, and 750 new cars will be acquired. Of the new cars, 100 large covered hoppers and 50 Airslide cars have been purchased, while the railroad's shops are building 100 Damage-Free box cars and 500 open-top hoppers, the latter cars having been carried over from last year's program. All of the new cars will be equipped with roller bearings.

Other important improvements this year include completion of a new freight house at North Kansas City, Missouri, and a new bridge across the Mississippi River at Quincy, Illinois, as well as the acquisition of 400 new highway trailers. Total capital expenditures in 1960 will exceed $20,000,000.

Passenger revenues so far this year are running ahead of the 1959 pace, aided by large group movements to the Shrine convention and Boy Scout Jamboree in Colorado. Creative traffic-building efforts such as student educational tours, week-end excursions, Iron Horse steam trips and theatre tours continue to attract additional patronage. The Vista-Dome California Zephyr and the Vista-Dome Denver Zephyr currently are benefitting from a heavy volume of summer vacation travel.

The railroad industry for decades has been burdened by unfair treatment on all levels of government, and the situation becomes more serious with each passing year. There was never a greater need for more equitable regulation, relief from discriminatory taxation, and imposition of user charges on competitors who derive an unjustified advantage from the use of facilities provided at the taxpayers' expense. Some laudable recommendations were contained in the Commerce Department's transportation report earlier this year, but we still face the task of convincing Congress that remedial legislation is urgently needed to enable the railroads to operate as other businesses do.

ALFRED E. PERLMAN

President, New York Central Railroad

The anticipated boom for 1960 obviously has not materialized. Our entire economy, generally speaking, has not regained the levels it achieved prior to 1959's prolonged steel strike. With our current steel output running far below capacity and the automotive industry facing a rather large 1960 model carry-over, the prospects for any significant improvement in the last half of the year are not favorable.

Alfred E. Perlman

On the other hand, the New York Central remains confident about the prospects for the decade ahead. Irrespective of these minor dislocations and slowdowns in our economy, I believe that the 1960's will be a period of growth and expansion. I am confident, too, that the Central will share in this growth.

For the last five years, the Central has been undergoing a complete physical rebuilding program. We have expended more than $300,000,000 in improving our plant, equipment and facilities to meet both competitive and boom periods that may lie ahead.

Since service is a railroad's sole product, our plant and equipment must produce transportation for our shippers that is fast and dependable—and for the lowest cost possible.

That has been our aim in our improvement program. We've built four new electronic yards—at Buffalo, Elkhart and Youngstown and now at Indianapolis; installed pushbutton traffic controls over 1,500 miles of main line track; mechanized our maintenance of equipment and maintenance-of-way operations; and developed new shipping methods, such as our Flexi-Van rail-highway containers.

This new plant and other facilities are now paying us dividends by enabling us to provide new and better service for our customers that would have been impossible only a few months ago.

As an example, we introduced Super-Van Service earlier this year to provide less-than-24-hour freight service between Chicago and New York. These all-container trains cover that 960-mile route at passenger train speeds, and the demand for the service is growing daily.

We inaugurated a new St. Louis to New York City freight train, the So'Westerner, that provides the fastest rail service from that key gateway into Manhattan. At first on only a three-day-a-week schedule, the train now operates on a daily basis, again because of shipper demand and use.

Similarly, we've lopped as much as five hours off our freight schedules between Chicago-New York and Boston and many intermediate cities and put in a new Pittsburgh-Detroit overnight freight train that has brought considerable new business to us in that area.

These and other service improvements—actively and aggressively marketed, promoted and "sold"—will carve for the Central a larger share of the traffic market. And emphasis during the balance of this year will be on the selling job.

Another "pay-off" of our modernization program has been a marked increase in our overall efficiency and, thus, in our ability to bring more down to net income.

In 1959 our earnings totalled slightly over $8,000,000

while in six months of this year, we have returned to net over $6,000,000.

While the short-term business outlook is not as favorable as one could hope for, I believe Central's investment in improvements and rehabilitation will enable us to meet this challenge as well as anyone in the transportation industry. It will also, I know, assure our participation in the growth that this decade will bring to the country.

WILLIAM J. QUINN

President, Chicago, Milwaukee, St. Paul & Pacific RR.

The adverse impact of the steel strike during the latter part of 1959 affected many areas of industrial and commercial activity, which had a depressing effect over broad areas of railroad freight traffic. Unlike some other industries, the railroads continued to feel the results of that work stoppage for several months after it ended. As a matter of fact, and for whatever reasons it may be attributed to, industrial production thus far in 1960 has continued well below the levels anticipated earlier in the year.

William J. Quinn

This condition has been closely watched by all the railroads, especially in view of recent wage increases in the industry. The railroad craft, with the principal exception of the non-operating group, have been awarded increases effective July 1, 1960, and while an agreement has not yet been reached with the latter group, it is expected that it will be shortly. This added cost of operation places a heavy burden on railroad managements for the balance of this year and for the future.

There are, however, reasons for optimism. On the Milwaukee Road we expect the second half of 1960 to show improvement over both the first half of the year and the second half of 1959. Generally speaking, excellent crops are in prospect for the grain producing areas of the railroad this year. The movement of grain from these areas, which traditionally marks an upturn in the Milwaukee's revenues, began in mid-July and is currently showing promise of being much heavier than that experienced last year. Releases of government held grain are likewise on the increase. Grain loadings are of such importance to the over-all revenues of the Milwaukee Road, and to the prosperity of much of the territory it serves, that we are at present anticipating a substantial improvement in our position and a much more favorable result for the 12 months than net earnings to date indicate.

GLEN RAMSEY

Vice-President, General Manager, Rectifier-Capacitor Division, Fansteel Metallurgical Corporation

Perhaps no other industry in this country is faced with as many and as frequent serious challenges as is the railroad industry. Costs, rates, legislation detrimental to profitable rail operations as well as storm clouds in other countries are a continual source of harassment to railroad people. Yet, we on the "outside" marvel at the way the industry meets every challenge head-on and always seems to emerge even stronger than before. This propensity for rapid recovery speaks for railroad management and for the railroad spirit.

Glen Ramsey

Last year, for instance, notwithstanding the impact of the lengthy steel strike, purchases by railroads of materials and supplies scaled about $300 million over 1958. This, despite the staggering loss of revenue from the mines and mills. In other areas as well, the railroad industry proved that its operations are healthy—diversification and continuing programs of efficiency and economy are to its credit.

The railroad industry is at an important crossroad in its economic life. It needs a vote of confidence from every industry depending directly or indirectly upon rail transportation, for no industrial economy can exist without railroads. We, at Fansteel, believe that all others who supply products and services to the railroad industry are dedicated to preserving this vital national resource by every practical means.

Fansteel's Rectifier-Capacitor Division constantly seeks new improvements for the products we sell to railroads. Meanwhile, our quality control program continues to grow, continues to enforce high standards of quality for these products in order that they will serve reliably and safely. We supply selenium signal rectifiers, tantalum (Balkite) rectifiers, tantalum surge arresters, d-c power systems and voltage regulated d-c power supply units for communications. Fansteel railway sales for the first half of 1960 are ahead of the first six months of 1959 which were 48% better than for the corresponding 1958 period.

On the whole, railroad equipment and improvement expenditures for 1960 will rise almost 11% over those of 1959 according to industry estimates. The drive for efficiency is slowly but surely resulting in steady reductions in railroad total operating expenses as well as in increased expenditures for maintenance of equipment. There is every reason to believe that these costs will

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Pierce, Carrison To Be NYSE Firm

JACKSONVILLE, Fla.—The Pierce, Carrison, Wulbern Corporation will be formed as of August 25th and will become a member of the New York Stock Exchange with the acquisition of an Exchange membership by Clyde C. Pierce, who will be president. Other officers will be H. George Carrison and Edward B. Wulbern, senior vice presidents; H. S. Carpenter, secretary-treasurer; Louis M. Saxton, Robert J. Pierce and Frederick Williams, vice presidents; Paul T. Nielsen, Edward R. Wulbern and Charles M. Thompson, assistant vice presidents.

All are associated with Pierce, Carrison, Wulbern Inc., of Jacksonville and Tampa.

Henry Hartman Joins Hayden, Stone & Co.

(Special to THE FINANCIAL CHRONICLE)

SHERMAN OAKS, Calif.—Henry Hartman has become associated with Hayden, Stone & Co., 14221 Ventura Boulevard. Mr. Hartman formerly conducted his own investment business in Sherman Oaks.

Joseph Mellen Adds

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Jack B. Backer has been added to the staff of Joseph, Mellen & Miller, Inc., Union Commerce Building, members of the Midwest Stock Exchange.

With F. I. du Pont

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Philip E. Chew has become associated with Francis I. du Pont & Co., 80 Federal Street. He was formerly with Schirmer, Atherton & Co. and Harris, Upham & Co.

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continue to shrink with the installation of newer, better equipment.

It is reassuring to note that, although carloadings, coal production and steel production are down considerably so far this year over last, transactions in railroad stocks have increased nearly 24%. This illustrates how a wise American investing public feels about the railroad industry. They have confidence—and this confidence is shared by Fansteel, and we believe by all other members of the railroad supply industries.

W. GORDON ROBERTSON

President, Bangor and Aroostook Railroad Company

We on the Bangor and Aroostook look with a restrained optimism at our prospects for the remaining months of 1960. The figures we have released for the first five months show that our net income is up to $667,436 from the 1959 figure of $287,609 for the same period. Third quarter operations, which traditionally produce low revenues may, however, reduce this gain somewhat.

W. G. Robertson

We have just finished a satisfactory potato shipping season, and shipments from the paper industries located on our line show steady improvement.

Our industrial development potential seems bright; the most recent example being the start of construction of a $1 million potato processing plant at Houlton, Maine for Morningstar-Paisley.

In an effort to broaden our earnings base, we are going ahead with a corporate reorganization which will enable our company to explore avenues for expansion into other fields of business.

Our plan calls for the establishment of a parent company that would assume ownership of the railroad by issuing its stock to Bangor and Aroostook stockholders in exchange for their railroad stock.

Not all our efforts have been devoted to corporate strategy. We think we have scored a major technological victory in a new push button produce car designed to meet the changing needs of a portion of the potato industry.

The loading and unloading of this car is automatic and is accomplished by conveyors installed in the car. It will provide savings to the shipper and receiver of potatoes in loading and unloading costs as well as do away with the need for containers. The BAR board at its July meeting authorized the construction of 60 push button produce cars.

The broad picture of the Bangor and Aroostook is that of a healthy organization, using all its resources to promote steady growth for itself and the business community it serves.

W. THOMAS RICE

President, Atlantic Coast Line Railroad Co.

A brief review of recent trends on Coast Line reveals that during the first half of 1960 carloading increased 10.6% over the first half of 1959, although the increases by individual months followed an irregular pattern. Much the same trend naturally followed in freight revenues, where, for the six-months comparative period, Coast Line had an increase of 8.5%. During the same period passenger revenues agreeably changed their downward trend and increased by 7.6%

W. Thomas Rice

Aside from the uncertainties inherent in the economics of an election year, and some disappointment that business, although good, is not as good as it was expected to have been at this time earlier in the year, Coast Line's outlook at mid-year for the remainder of 1960 is for an increase in its traffic volume over the last half of 1959, although perhaps by a somewhat narrowed margin than during the first half of the year.

Among the more important industries which have located in the southeast, and from which Coast Line derives a heavy traffic, is the pulp and paper industry. Many indications point to the probability that Coast Line will handle a rather substantial increase in traffic for account of this industry during the remainder of 1960, and the volume is such as to make an impression on total revenues.

The phosphate mining industry, which also is of major importance to Coast Line, has been expanding for the past several years as new uses for this product are being developed. It is believed this will be another commodity that will be on the plus side in Coast Line's business during the remainder of the year and one which will make itself felt in earnings.

Highway construction throughout Coast Line's territory has been expanding steadily and it is expected that this expansion will continue for months to come and provide an increasing volume of roadway materials for Coast Line's handling.

A commodity that until recent years Coast Line has handled only in small quantities is coal, but with the growth of power plants, following the growth of industrial and other developments in the southeast, this traffic has become increasingly important and there are indications that in the second half of 1960 there will be a continued increase in the volume of coal handled by the Coast Line for industries in its territory.

While the volume of business handled in piggyback service on Coast Line has not yet reached large proportions, it is nevertheless increasing fairly steadily and that increase is expected to continue throughout the year and beyond.

The large group of other miscellaneous industries served by the Coast Line is also expected to contribute to increased volume of traffic.

On the less optimistic side, the building industry, a large producer of traffic, has afforded a declining volume of traffic for sometime and the end to this condition does not yet seem to be in sight. There has likewise, until recently, been a heavy movement of traffic between the United States and Cuba, much of which Coast Line has enjoyed, but the present relations between the two countries have caused virtual cessation of this traffic.

In agriculture, the prospects for a good tobacco crop this season, which may produce an increase in rail traffic, appear to be fairly bright. The Florida citrus crop appears to be in good condition at this time and it may be expected that Coast Line will handle about the same volume of citrus fruit as during the last half of last year. Frozen citrus concentrates and canned citrus juice now seems to be in a position where larger quantities may be used in the near future on account of quantity and price, and this may produce some increase in rail handling.

In passenger traffic, it is expected that the increase which prevailed in the first half of 1960 will continue during the remainder of the year.

STUART T. SAUNDERS

President, Norfolk & Western Railway Co.

During the first half of 1960, the Norfolk and Western's net income increased 5% over the same period of last year while operating revenues dropped 2%. This decline in revenues, which was experienced generally throughout the industry, resulted from a slight slowdown in economic activity and the rapid replenishment of inventories following the steel strike. The outlook for the remainder of 1960 is somewhat uncertain, but we hope that the expected upturn in steel and automobile production in the fall will have a favorable effect on business activity and improve traffic levels.

Stuart T. Saunders

On Dec. 1 of last year, the Norfolk and Western merged with the Virginian Railway. Great progress has been made in welding the two roads into a single operating unit, and we are convinced that ultimate savings of at least $12 million a year will be realized. Recently we announced agreement with the New York, Chicago and St. Louis Railroad (the Nickel Plate) for a merger with that railroad, contingent upon working out an appropriate connecting link between the two roads. We think that this merger offers attractive possibilities for traffic diversification, larger single-line hauls, operating economies, and greater earning power.

At the same time we are continuing to improve our property and equipment and make the most effective use of modern technology. Since the end of World War II, we have spent over $574 million on capital improvements, of which $460 million was paid for with cash. This year we will spend approximately $46 million for capital purposes, and all of these funds will be generated internally. Early this year we completed our dieselization program, and we now have 531 diesel units with an average age of slightly over two and one-half years. In addition, we are adding well over 2,000 new freight cars a year to our car fleet, which already numbers 81,000 cars—more per mile of road than any other railroad 250 miles or more in length.

Expansion of merchandise traffic is one of our most important long-term goals, and we have launched an intensive campaign to attract industry to our six-state area of Virginia, West Virginia, Ohio, Kentucky, Maryland, and North Carolina. As an integral part of this program, the Fantus Area Research organization of New York and Chicago is conducting for the N&W the most comprehensive research survey ever undertaken for an American railroad. In the past 40 years the Fantus organization has assisted in the establishment of more than 1,800 industries all over the country employing more than one million people, and we are confident that their study will be extremely helpful to us in attracting industries best suited for the territory we serve.

Coal is still our most important commodity, and the N&W, as a result of its merger with the Virginian, is now the nation's largest originator of bituminous coal. We believe that the long-term outlook for coal is very favorable, and we are particularly encouraged by the recent stabilization and improvement in the export market. The overseas demand is primarily for metallurgical coal, and, with large reserves of this type of coal located on our line, we are in a strong position to participate in the growth of world markets.

ROBERT E. SCHULER

Sales Manager, The Midland Company

The Midland Company of South Milwaukee, a subsidiary of Outboard Marine Corporation since 1958, has been a parts supplier to the railroads of America from 1919 to the present. Concentrating its efforts in a specialized field, the company has produced and sold its railroad hardware and door hanger equipment to a vast majority of the railroads in United States, as well as many foreign roads.

Robert E. Schuler

Midland Door Hangers were designed to offer automatic and positive protection to trainmen and crew members operating on baggage, mail and express cars by preventing the slamming of doors. Throughout the past 12-month period there has been an increasing demand for these units both for repair purposes and new car installations. Orders are now being processed not only for hangers of standard specifications, but for especially designed units for doors weighing over 500 pounds and exceeding eight feet in length as well.

With increased requirements from various government agencies and railroads for sealed doors and safety fixtures, the company has designed and produced a hanger unit which provides a truly tight seal, effectively excluding all normal sand or dust particles from entering a car. The installation and operation of these units is quite simplified. In use, as the door reaches its closed position, the top roller drops into a recess in the track, permitting the door to rest on the floor. Wedges at the front and rear of the door force it outward against the frame and keep it from shifting. As the door rests on the floor when closed, fixtures and track are relieved from strain, and with the safety stop located in the door sill, all door actions become easy and positive. This No. 401 model is adjustable for very close tolerances and its wide wheel accounts for much less friction and wear on the track assembly.

Newest addition to the company's product line is their freight lading anchor. Designed for the multipilicity of requirements found on flats and gondolas for strapping, cabling and wiring, this heavy duty anchor has many unique features which prevents basic movement of all cargo in transit. Mounted in a recessed position slightly below the floor level of a car, it permits full floor loading when not in use. When in use, the "eye" is raised and will rotate 360 degrees and pivot from the vertical 60 degrees to allow secure tie-down of loads as low as four inches in height. The installation process is quite simplified, and the anchor's maintenance-free characteristics make it a highly desirable unit for all roads.

All railroad products of the company are sold nationally by a group of select manufacturers' representatives, all of them well recognized in the railroad industry. In recent discussions with these men we have received encouraging indications of further increases in new car and rebuilding activities for the forthcoming year with projects involving our products.

P. M. SHOEMAKER

President, The Delaware, Lackawanna and Western Railroad Company

Railroad lines in the Northeast section of the country have had, in the first half of 1960—and will continue to have in the second half of this year—serious economic problems stemming from one factor, namely depression in traffic. Industrial production has been soft. Export of manufactured goods has decreased and of course, so far as New York is concerned, the entire export-import picture is being adversely affected by the St. Lawrence Seaway.

Perry M. Shoemaker

Over and above the general softness of traffic, there has been a further erosion of freight business to highway transportation, a substantial amount of which has been to private carriage. The profusion of new highways at government expense, with but limited reimbursement by the users of the full costs involved, and with no highway user investing his capital, as such, in faciliites, has left the railroads in a rough competitive situation.

For the long pull, the picture is not black. To the contrary, further expansion of piggyback—which meets and so many times betters the flexibility of highway transportation; the steady progress being made in the direction of revision through research in our freight rate structure; and finally the improved utilization and betterment of facilities resulting from railroad mergers, offer encouragement that a turn in the traffic picture is not far distant.

Given reasonable managerial latitude to compete, the fundamental railroad picture for the next five years is promising.

JOHN W. SMITH

President, Seaboard Air Line Railroad Company

As we take stock as this article is being written, of business conditions at approximately the half-way mark of 1960, it is clearly evident that the widely heralded upward trend did not take place. Instead, overall business activity has just about held its own during the first six months of the year that was expected in many quarters to be the first in a series of years to be marked by striking and continuing gains in the national economy.

John W. Smith

A noteworthy feature of 1960's first half is the fact that many companies reported increases in sales or revenues but without a corresponding lift in net income. In fact, not infrequently higher gross has been accompanied by lower net, reflecting the pressure on earnings that has been exerted by rising costs of production. Increase in productivity has not kept pace with the increase in wage rates. In retrospect, it now appears that some of the more optimistic predictions for business volume in 1960 did not properly appraise inventory trends. Stocks on hand were larger than was generally realized and liquidation, rather than accumulation, became the prudent course. Generally speaking, there is evidence that inventories are in better balance than at the beginning of the year, with indications that they may soon be at the point where replenishment and buildup will be required.

While the Southeast's economy has experienced in some degree the influence of the forces which affected the national economy, nevertheless there has been sustained industrial expansion in this area. This growth has occurred in varied types of business and the prospects for a continuation of better-than-average growth in the Southeast are good.

This region has much to offer business and industry. No other section of the country is more abundantly endowed with natural resources. Nowhere can a finer reservoir of intelligent, willing manpower be found. Plentiful water supply, expanding electric power production, excellent transportation and unusually pleasant living conditions round out a picture that is proving more and more attractive each year to management seeking opportunity for improving its operations.

As management is confronted in increasing degree with the necessity for increasing efficiency and lowering costs, the record of success scored by hundreds of business concerns in the Southeast will prove an ever stronger magnet for attracting new industrial and commercial operations to this section.

RICHARD L. TERRELL

Vice-President of General Motors and General Manager of Electro-Motive Division

The long-range outlook for the Diesel locomotive business, in both foreign and domestic markets, is for continued growth as the railroads of the world step up to the challenge of the next decade.

Although the domestic railroads are plagued with many problems, not all of their own making, the role of the rail carrier as the backbone of the national transportation system is undeniable — a fact which is leading many legislators to take a more active interest in formulating remedial legislation.

Richard L. Terrell

In the foreign market, Diesel is replacing steam power on most overseas railroads and at an accelerated pace. The potential foreign business for Diesel locomotive builders is as great, if not greater, than the domestic potential of 20 years ago.

Meanwhile, dramatic motive power improvements introduced in the past year, and accruing from the intensive research and development that has characterized the Diesel locomotive since it first began replacing steam, are opening an important avenue to American railroad managements in meeting two growing problems—higher operating costs and increased competition from other carriers.

Today's Diesel locomotive offers major advancement over earlier models in three important areas:

(1) Increased work capacity.
(2) Lower maintenance costs.
(3) Better fuel economy.

Because of the substantial improvements in operating economies and increased capacity of these new locomotive models, railroads, by turning over their motive power fleets through a planned locomotive replacement program, can obtain savings potentially the same as those realized from their initial Dieselization.

There now are about 14,000 Diesel freight locomotives of 1600 horsepower or less per unit operating on U. S. railroads which qualify for this replacement program over the next 10 years.

Key to the tremendous savings possible in this program, unique in American industry, is the value enjoyed by the railroads in their older Diesel power which can be turned in on the purchase of equipment equivalent to today's production models.

A typical 12-year-old Diesel freight locomotive unit, for example, rated at 1500 horsepower, has a value of

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Rhodes V.-P. of Spring St. Capital

LOS ANGELES, Calif.—Appointment of Robert E. Rhodes as vice-president of Spring Street Capital Co. has been announced by Company President George Mordy.

Mr. Rhodes also will be associated with George Mordy & Co. in the organization's business department.

Prior to joining Spring Street Capital, Mr. Rhodes was a general partner of J. Barth & Co. He will continue on the Board of Greater All American Markets and Magnetic Research. From 1950 to 1958, he was with Lehman Bros. in the Los Angeles office. He first became associated with the investment industry in 1934.

During World War II he was Adjutant at Thunderbird II, a military flying training field at Phoenix, Ariz. Also he was assigned to the office of the Chief of Staff of the Air Transport Command in Washington, D. C. He was separated from the Army in 1944 as a Major.

Elected Director

Maurice M. Wheeler, limited partner in Paine, Webber, Jackson & Curtis, has been elected a director of General Drive-in Corporation, a diversified recreational and leisure-time company with bowling and theatre chain interests in the East and Midwest.

Form Thompson Co.

Thompson & Company has been formed with offices at 258 Broadway, New York City to engage in a securities business. Partners are Henry S. Drezner and Morton Thompson.

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approximately $40,000 when turned in for a "new" general purpose type locomotive unit of 2000 horsepower under the replacement plan. The turn-in value results from certain long-life parts — such as trucks, motor housing and engine crankshafts—which can be incorporated in the "new" unit. In addition, since the "new" unit contains a few such remanufactured pieces, a 10% reduction off the new locomotive list price is granted.

The replacement locomotive, however, carries the same warranty as a brand new locomotive and can be financed in the same way as a new locomotive.

Not only is the railroad economizing through modernization of the motive power fleet with all the attendant reductions in maintenance costs, but it is acquiring a new tool of strong competitive advantage that permits important improvements in operating schedules of long-haul freight movements. The increased capacity of the units provided by the additional horsepower means the same tonnages can be handled at the same speed with fewer locomotive units, or, the same number of units can handle the same tonnages at significantly higher speed.

WILLIAM WHITE

President, The Delaware and Hudson Company

The railroad business in the postwar era has been a highly competiitve one and its competition has been generated very largely by public moneys that have provided the facilities used by railroad competitors for commercial purposes without adequate user charges—in the case of inland waterway transportation no user charges whatever. At the same time railroads have been subject to laws and regulatory procedures designed to regulate a monopoly. The railroads have long since ceased to be "the big bad wolf." They are the only true common carrier; they cannot pick and choose their business as their competitors do. Actually they are scavengers rather than wolves.

William White

It is obvious that the glittering promises of the "Soaring Sixties" have not yet shown on the horizon and that another poor earnings year for the railroads is in prospect, with a rate of return not equal even to the low rate of 2.75% earned last year.

The industry hasn't been treated very well by the Administration in Washington. The Cabinent Committee's Report of 1955 was a good one. The recent report of the Secretary of Commerce was good. But both reports were "swept under the rug" by mere transmission to Congress with no White House thrust behind them. The Transportation Act of 1958 was good as far as it went. It was the product of a Democratic Congress and spearheaded by Senator Smathers of Florida who recognized it as a palliative only. A Senate Committee is still conducting a voluminous study for the purpose of determining what legislation should be enacted to provide a strong transportation industry. Perhaps the next Congress will finish the job that must be done and we hope that the members of Congress realize that a strong transportation industry requires that the railroads be strong and healthy.

While the study goes on there are groups already trying to repeal some of the relief from outmoded regulation that was accomplished by the 1958 Act. In fact, these pressure groups would not only undo the constructive action of Congress; they would bind the strait jacket more tightly than before 1958. And they have strong support in some Congressional quarters.

There are a lot of people who give lip service to private enterprise, but only so long as they enjoy its benefit. They would deny its benefit to their competitors. They want a one-way street and are not for a square deal for everyone if their "ox is slightly gored."

It's a mystery why the businessmen of America don't waken to the dangers inherent in nationalization of the railroads. It could happen here—as it did in Great Britain—and the trend is in that direction. If and when it does happen everybody will make up—but too late. Eggs once scrambled can't be unscrambled.

A grave responsibility devolves upon both railroad management and labor and they must not shirk it. They must face the facts squarely. But the industry needs help from the businessmen of this country to get a square deal—not undue advantage but an opportunity to make a living without artificial restraint imposed by Congress and the State Legislatures.

The question is posed: "Shall we be **for** private enterprise by giving it lip service, or shall we **make** private enterprise work?"

B. J. YELIN

Vice-President and General Manager, Morrison-International Corp., a Subsidiary of Ryder System, Inc.

Although the railroad equipment industry is currently in the midst of its best year since 1955, nobody in the industry is inclined to feel that our present rate of production has begun to approach our potential.

The outlook for the next six months, while not exactly bright, is certainly more favorable than it has been for many years.

Despite their well-publicized financial difficulties, the railroads are proceeding with a cautious program for replacing worn-out equipment.

Our freight car rebuilding shop at Kenton, Ohio is benefiting from a more encouraging attitude on the part of the railroads toward equipment renovation. We have a backlog of caboose orders sufficient to keep us busy through January of 1961 and there is every indication that the railroads will continue to keep us operating at a satisfactory rate through 1961.

The railroads and their manufacturers appear to be poised on the threshold of great technological improvements. Automation, in the form of radio-directed switch engines and automatic classification yards, has become a reality. Radio communication is coming into wider use. There are now an estimated 35,000 radios in maintenance-of-way equipment, yard offices, cabooses and locomotives.

The outlook, then, is best for those companies in the industry who are looking ahead, who are willing to spend money now to develop products that will save money in the future.

Brook Labs., Co. Common Offered

Public offering of 108,000 shares of the common stock of Brook Labs., Co., Inc. at a price of $2.75 per share is being made today by Sandkuhl & Company and J. I. Magaril Co. Of the total number of shares offered, 80,000 are being sold for the account of the company and 28,000 shares for certain selling stockholders.

Net proceeds from the sale of the company's shares will be used to purchase additional machinery and equipment, to expand present facilities, and to retire outstanding indebtedness. Balance of the proceeds will be used as working capital.

The company, with its principal place of business in Brooklyn, N. Y., is primarily engaged in the design, manufacture, assembly and sale of component parts of gun fire control equipment, submarine firing cables, submarine heaters, synchro control receivers, transformers, salinity indicating equipment for submarines and surface vessels, temperature indicating devices for use on naval vessels, telemetering instruments and devices for shipboard and land based uses. The company also manufactures other electric and electronic products.

Upon completion of the current financing, outstanding capitalization of the company will consist of 200,000 shares of common stock.

For the nine months ended March 31, 1960, the company had net sales of $293,581 and net income of $28,184.

With Sellgren Miller

(Special to THE FINANCIAL CHRONICLE)

OAKLAND, Calif.—Robert L. Fosler is now affiliated with Sellgren, Miller & Co. 1951 Webster Street. He was formerly with Harris, Upham & Co.

Joins Dempsey-Tegeler

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — John R. Hedelund has become connected with Dempsey-Tegeler & Co., John Hancock Building. He was formerly with Reynolds & Co. and Francis I. du Pont & Co.

Harris, Upham Adds

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Amos E. Schermerhorn has been added to the staff of Harris, Upham & Co., 232 Montgomery Street. He was formerly with White, Weld & Co. and Eastman Dillon, Union Securities & Co.

With McDonnell

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Richard T. Smith has become affiliated with McDonnell & Co. Incorporated, Russ Building. He was formerly with First California Company.

With Peters, Writer

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Roger E. Hare has become associated with Peters, Writer & Christensen, Inc., 724 Seventeenth Street. He was formerly with L. F. Rothschild & Co. of New York.

Courts Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

ATLANTA, Ga.—Jay L. Levine has been added to the staff of Courts & Co., 11 Marietta Street, N. W., members of the New York Stock Exchange.

With Schirmer, Atherton

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Edward F. Costigan has been added to the staff of Schirmer, Atherton & Co., 50 Congress Street, members of the New York and Boston Stock Exchanges. He was previously with F. L. Putnam & Co.

The Causes and Cure For the Railroads' Ills

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from steam to diesel locomotives. There have also been substantial savings from greater loads, longer trains, greater availability and flexibility of operations, the elimination of water-supply facilities, less strain on the rail and track structure, and greater safety of locomotive operations.

The greater economy of diesel operations, with reference to fuel alone, can be shown in another way. Although the cost of each type of fuel and power has increased substantially, the **weighted average** cost of fuel and power per unit of service has declined.

Railroad Fluctuations and Trends

There have been three consecutive years of relatively low traffic in the 1957-1957 period. Furthermore, total carloadings in the first half of 1960 were 3.6% below the same period of 1959. The year 1947 was the high point of the postwar period in revenue freight ton-miles and has not been equalled since. The 1959 total was more than 12% under the 1947 volume.

Trailer-on-flat-car or "piggyback" services are still in the early stages of expected strong growth. However, piggyback service still accounts for only a small fraction of total rail freight traffic —about 2%—and its future lies ahead. Basically, it combines without transfer of lading the economy of rail line-haul transportation with the advantages of trucks for pick-up and delivery. This relatively new service is being conducted at present with various plans, arrangements and types of facilities and, hence, its full potentials for economy and improved service have not yet been realized. Interline movements are increasing as interchange arrangements and terminal facilities are developed. TOFC service may prove eventually to be a step toward the widespread use of interchangeable containers.

The Losing Passenger Business

Passenger traffic on the railroads is continuing to decline from the peaks attained during the Second World War. The volume of railroad passenger-miles has receded to about two-thirds of the annual average in the 1926-1930 period, although the total travel market has increased greatly.

There have been heavy losses on passenger-train service for many years, except in World War II, and the deficits have increased since then. The special problem of commuter service in large metropolitan areas, with its sharp and short peak requirements, has been a serious factor contributing to this situation. The deficits reflect growth of other forms of travel (especially by auto and air), rising labor costs, high railroad property taxes, and obstructions encountered in the discontinuance of hopelessly unprofitable services. There has been some decrease in the total passenger-service deficit since the peak loss experienced in 1957, reflecting improved procedures under the 1958 Transportation Act with respect to abandonment of losing trains. Despite these adverse trends, the railroads since World War II have spent $900 million for new and improved passenger-train cars and another $500 million for passenger-type locomotives.

The improvement record of the railroads as to passenger safety has been outstanding, with respect to both fatalities and injuries. There has not been a single Pullman-passenger fatality in more than eight years.

Revenues and Costs

Rail revenues per ton-mile and per passenger-mile have increased much less than the consumer price index since the 1926-1930 period taken as the basis of comparison. It should be noted that these figures on average revenue per ton-mile have been affected by changes in the consistency of traffic and in length of haul as well as by rates. Moreover, while the trend of freight rates has been generally upward in the inflationary period since World War II, there have also been numerous reductions on specific commodities for competitive reasons. The average rail revenue per passenger-mile in 1959 was only slightly higher than in the 1926-1930 period, although costs of service have risen much more.

Until recently, as shown in Table I, the trend of railroad operating revenues has been upward. Since the 1926-1930 period, for example, total revenues have increased more than 50%. However, this is not a true measure of growth, but largely of inflation. Railroad net earnings in real terms (i.e., constant dollars) have decreased, as shown subsequently in Table IX.

Table II presents trends in the compensation of railroad employees, including wage supplements or the so-called "fringes." It also shows how railroad employment has declined in the postwar period as wages and supplements have spiralled upward. It may be seen that the greatest declines have occurred in maintenance employees.

As a service industry, the railroads have a high proportion of labor costs. In 1959, as the last column of Table III shows, labor costs absorbed nearly 56% of total railroad revenues. This ratio has been substantially higher in the postwar period than before. This table also sets out in separate columns the increases that have occurred in wage supplements.

Table IV shows how total labor costs have risen per unit of output in the period since World War II. The figures are expressed in terms of gross ton-miles (cars and contents) per dollar of compensation to employees. As the index figures in column 4 show, output per dollar of employee compensation in 1959 was only 57% of that in the 1926-1930 period and 48% of that in the 1936-1940 period. Expressed the other way around, the labor cost per gross ton-mile has more than doubled since the 1936-1940 period.

Earnings

Rising costs have greatly depleted the railroads' margin of earnings, as shown in Table V. Whereas in the 1926-1930 period, 18.5% of operating revenues was carried through to net railway operating income, by 1959 this margin of net to gross had shrunk to 7.6%. Even during the 1931-1935 period of depression, this margin was 13.4%. In the period since the Second World War, mounting costs, principally for labor, materials and taxes, have not been covered by proportionate increases in revenues.

The persistent squeeze on earnings is demonstrated in another way in Table VI. It shows in the bottom line that the cents per dollar of gross revenue carried down to net railway operating income declined from 19.9 cents in 1929 to 14.7 cents in 1939, and to 7.6 cents in 1959. As shown in line 5 of the table, the reduced margin from 1929 to 1959 is accounted for principally by the rising proportion of costs for wages and supplements.

While the rate of return of the railroads on their net investment has been chronically low, in recent years it has fallen still lower, as Table VII shows. In both of the past two years the rate of return has been under 3% and for the 12 months ended May 31, 1960, was 2.5%.

Net income of the railroads after fixed charges is shown in Table VIII. It may be noted that net income in the postwar period would have been even lower had it not been for the reductions of fixed charges resulting from debt reduction programs and from the drastic financial reorganization of many railroads which became bankrupt in the depression of the '30s.

Moreover, comparisons of net income over a period of years are misleading unless changes in the worth of the income dollars are taken into account. To see what has happened to the real net income of the railroads the amounts as reported are converted in Table IX to dollars of 1929 purchasing power. On this basis, described in the footnote to the table, the real worth of the 1959 net income was $310 million as compared with the reported amount of $578 million, and was only 42% of the average annual net income of the 1926-1930 period.

In Table X the reported net income of the railroads is related to the shareholders' equity. The return on stockholders' equity has been sliding downward and the ratio of dividends to equity has

Continued on page 28

The Causes and Cure For the Railroads' Ills

Continued from page 27

likewise remained at very low levels. Here, again, the declining worth or purchasing power of the income and dividend dollars should not be overlooked. These conditions make clear why the railroads have been unable to attract equity capital.

The First National City Bank of New York regularly publishes data showing the rate of return on net assets by groups of corporations. The railroads have usually been at or near the bottom of the list. Thus, in 1959, the railroads were last among the 73 industry groups covered, with a 3.4% rate of return. The Bank's method corresponds very closely with the return on shareholders' equity as shown in Table X.

Capital Requirements

As the preceding data have indicated, the railroads for many years, and particularly in the recent period, have been at or near the thin edge of financial stringency. Among other consequences, these conidtions have affected the ability of the railroads to finance capital expenditures for the improvement of railroad facilities. This problem has, of course, been most serious for those carriers with earnings even below the average for the industry.

The record of railroad capital expenditures for additions and betterments over the period 1926-1959, denotes the efforts of the railroads to increase the level of such expenditures in the period since World War II and the sharp declines that have occurred in the past two years. The figures shown in column 3 of the table become more significant when it is noted that to take advantage of technological and other changes the railroads should for an extended period make capital expenditures of at least $1.5 billion annually instead of $818 million as was the case in 1959. Such a level of capital expenditures has not been attained in any year of the postwar period.

Furthermore, railroad capital expenditures in recent years have in reality been much lower than the actual figures would seem to indicate. The capital expenditures of $818 million in 1959 were slightly above the average of the 1926-1930 period. But when the greatly diminished purchasing power of the dollar is taken into account an entirely different picture is presented. On this basis, the capital expenditures in 1959 were equivalent to only $342 million in 1929 dollar values. In real terms, therefore, railroad capital expenditures in the postwar period have been going down, not up.

Depreciation Inadequacy

A major factor limiting the ability of the railroads to finance needed capital improvements has been the gross inadequacy of funds generated through depreciation charges in the inflationary postwar period. This problem may be illustrated in terms of a freight car acquired in 1929 at a cost then of approximately $2,500. To replace such a car with a modern car after 30 years of use now costs in the neighborhood of $10,000. The inadequacy of depreciations based on original cost to provide the funds for replacement is obvious and so, to the extent possible, it has been necessary to make up the wide difference with borrowed funds or retained earnings. However, the low level of railroad earnings has limited both the ability to carry fixed charges and to finance equipment replacements and improvements with earnings left after taxes and modest dividend payments.

The average rate for depreciable fixed plant, including both roadway and structures, was 1.69% and for equipment it was 3.66%. The very long depreciation lives represented by such rates have made the railroads especially vulnerable to inflationary influences, have thinned the flow of funds from depreciation and have contributed to an accumulation of obsolescence. A further result of these inadequate depreciation rates and charges to expense has been that railroad earnings, low as they have been, are overstated and consequently, the carriers' income tax liabilities have been excessive.

Inadequate Reserve Capabilities

Some general observations follow about railroad traffic capabilities—past, present and projected — from 1900 into the indefinite future.

There would be no insurmountable difficulty in the future, given the necessary lead time or notice and unless severe railroad attrition and disinvestment intervenes, in developing additional capability or traffic capacity provided the traffic and earnings to sustain the additional capacity are available or in prospect. By the nature of their costs the railroads are an industry which thrives on mass volumes of transportation service. There is no reason to doubt that the railroads would respond with expansion of their capacity to any foreseeable growth in the demands upon them.

Throughout most of their history over the past century, as well as now, the basic plant of the railroads has had a substantial reserve capacity. And this capacity can in due course be increased under favorable conditions, both in line capacity and in modern yard facilities.

Such limitations upon the capability of the railroads as have occasionally been encountered in the past have been seasonal and temporary, relating to shortages of equipment in periods of sudden surges of demand. These equipment inadequacies reflect the financial inability of the carriers to maintain an adequate reserve fleet to meet temporary peak requirements. But here, also, there is no doubt that the railroads could and would respond to a growth trend of future traffic with the requisite cars and locomotives.

The matter for real concern is that the railroads shall not, because of persistently adverse conditions of transportation policy, continue in their weakened financial condition which in recent years has necessitated keeping an almost continuously tight reign upon the expenditures for maintenance and for capital improvements. These processes of attrition, if further prolonged, would progressively shrink the railroad capability and make more difficult a restoration for subsequent growth in future requirements for rail sevice. This problem, it should be noted, is not merely one of **quantities** of physical facilities; the **kinds** of modern facilities required for improved service are no less important and in many respects more so if the railroads are to progress in the present highly competitive transportation environment.

National Emergency

What I have said about preparations to meet gradual and sustained increases in future traffic that may develop must be distinguished from the problem of capability in the event of national emergency. The essence of such emergency is, of course, that it may appear with little or no warning; nor can its exact dimensions be fully anticipated.

Despite the inherent uncertainties, we are by no means wholly at a loss to analyze and plan, based upon considered assumptions as to the nature of future emergencies that might arise. Such planning and analyzing is a continuous activity between government agencies and the railroads, aimed to keep abreast of changing conditions and new developments. Necessarily, the provisional results of these planning efforts must remain largely confidential for security reasons.

Nevertheless, some basic elements of the problem may be noted here in general terms. We do have the lessons learned in World War II, and on a smaller scale during the Korean trouble. It is not necessary here to recite in any detail the World War II experience, for the tremendous burdens thrust upon the railroads are well known and their outstanding performance during that critical period has many times been acclaimed by the highest and best-informed government officials, both military and civilian.

It is recognized, of course, that it would be a serious mistake to assume that the conditions encountered in World War II would in all respects be repeated in a future national emergency. This would be an unwarranted assumption, among other reasons because of the important fact that World War II did not involve defilement of our own territory and productive resources.

Other important differences are that with the coming of the Second World War we did have advance warning, a considerable lead time to prepare, and also a substantial reserve of railroad capacity in equipment as well as in basic facilities.

The railroads do not have a similar reserve of equipment capability now. This lack points up the cardinal fact that an industry operating so closely and for so long at the margins of financial strigency is not in a position to provide any substantial reserve of capability to meet a sudden emergency.

The traffic capacity now, even with assumed emergency conditions of heavier loading per car, is not much greater than the traffic actually handled in 1956, which was the most recent fairly good year the railroads have had.

Even when allowance is made for possible variations from the World War II pattern in the event of another major national emergency, authorities are agreed that the major brunt of transportation requirements would again fall upon the railroads. They will, therefore, continue to be a primary defense facility. This conclusion rests fundamentally upon the fact that economy in the use of manpower and materials becomes an urgent necessity under conditions of resource mobilization for defense and for the essential support of the civilian economy. And the railroads are the general-purpose mode of transport which can meet the major requiremnnts with the greatest economy and conservation of essential resources.

Thus, a comparison based on reports of the Interstate Commerce Commission with respect to operations for the year 1958 shows that railroads are on average nearly six times as efficient as intercity trucks in the utilization of manpower and are more than three times as efficient in the utilization of fuel on a ton-mile basis. Such comparisons of relative efficiency go to the essence of mobilization planning for maximum performance with minimum drain upon scarce resources. The rail-truck comparisons are summarized below.

Ton-miles per employee	
Rail	1,018,119
Truck	175,928
Ratio of rail to truck	5.8 to 1
Ton-miles per gallon of fuel	
Rail	192
Truck	56
Ratio of rail to truck	3.4 to 1

Some of the major problems of

TABLE I
OPERATING REVENUES
Class I Railroads in the United States
1900 and 1926 - 1959
(In millions)

Year	Freight	Passenger	Mail	Express	Other	Total
1900a	$1,049	$324	$38	$28	$48	$1,487
Average 1926-30	4,611	905	112	140	270	6,038
Average 1931-35	2,724	392	96	58	157	3,427
Average 1936-40	3,267	419	98	55	176	4,015
Average 1941-45	6,141	1,340	121	114	325	8,041
Average 1946-50	7,134	972	219	97	386	8,808
Average 1951-55	8,542	832	311	117	431	10,223
1956	8,951	757	287	119	437	10,551
1957	8,929	735	292	97	438	10,491
1958	8,071	675	328	91	400	9,565
1959	8,312	651	330	116	416	9,825

a All line-haul railroads. (Class I railroads accounted for 97% of revenues of all line-haul railroads in 1911; 99% in 1959).
SOURCE: Interstate Commerce Commission.

TABLE II
EMPLOYEES AND COMPENSATION
Class I Railroads in the United States
1900 and 1926 - 1959

Year	Number of Employees	Total Compensation a1,000	Average compensation Per employee per year	Per hour paid for	Per hour worked
1900b	1,017,653	$ 577,265	$ 567	*	*
Average 1926-30	1,663,896	2,851,013	1,713	$0.66	$0.68
Average 1931-35	1,052,738	1,670,191	1,587	0.67	0.70
Average 1936-40	1,026,796	1,985,179	1,933	0.77	0.82
Average 1941-45	1,320,001	3,505,033	2,655	0.96	1.03
Average 1946-50	1,289,987	4,758,478	3,689	1.43	1.56
Average 1951-55	1,166,379	5,491,516	4,708	1.88	2.25
1956	1,042,664	5,768,293	5,532	2.34	2.67
1957	986,001	5,848,074	5,931	2.53	2.90
1958	840,575	5,378,348	6,398	2.72	3.14
1959	815,474	5,495,154	6,739	2.86	3.29

*Not available. a Includes wages and supplements. b All line-haul railroads.
SOURCE: Interstate Commerce Commission.

TABLE III
LABOR COSTS
Class I Railroads in the United States
1900 and 1926 - 1959
(In millions)

Year	Total Wages and Salaries	Payroll Taxes	Other Supplem'ts (a)	Total Compensation Including Supplements	Ratio to Revenues
1900b	$ 577	—	*	$ 577	38.8%
Average 1926-30	2,826	—	$ 25	2,851	47.2
Average 1931-35	1,635	—	35	1,670	48.7
Average 1936-40	1,881	$ 90	14	1,985	49.4
Average 1941-45	3,301	196	8	3,505	43.6
Average 1946-50	4,466	277	15	4,758	54.0
Average 1951-55	5,170	284	38	5,492	53.7
1956	5,325	334	109	5,768	54.7
1957	5,358	342	148	5,848	55.7
1957	4,930	316	132	5,378	56.2
1959	4,986	374	135	5,495	55.9

*Not available. a Includes pensions and health insurance. b All line-haul railroads.
SOURCE: Interstate Commerce Commission.

TABLE IV
GROSS TON-MILES AND LABOR COSTS
Class I Railroads in the United States
1926 - 1959

Year	Gross Ton-Miles in Freight and Passenger Service a (Billions)	Compensation of Employees b (Millions)	Gross Ton-Miles Per Dollar of Compensation Average	Index
Average 1926-30	1,341.5	$2,851.0	471	100
Average 1931-35	926.5	1,670.2	555	118
Average 1936-40	1,103.6	1,985.2	556	118
Average 1941-45	1,792.1	3,505.0	511	108
Average 1946-50	1,635.8	4,758.5	344	73
Average 1951-55	1,613.5	5,491.5	294	62
1956	1,654.0	5,768.3	287	61
1957	1.587.4	5,848.1	271	58
1958	1,433.1	5,378.3	266	56
1959	1,468.1	5,495.2	267	57

a Excluding locomotives and tenders. b Total compensation, including wages and supplements to wages.
SOURCE: Interstate Commerce Commission.

TABLE V
CONDENSED OPERATING INCOME ACCOUNT
Class I Railroads in the United States
(In millions)

Year	Operating Revenues	Operating Expenses, Taxes, And Rents	Net Railway Operating Income Amount	% of Revenues
1900a	$ 1,487.0	$1,005.8	$ 481.2	32.4%
Average 1926-30	6,038.3	4,923.4	1,114.9	18.5
Average 1931-35	3,426.8	2,969.1	457.7	13.4
Average 1936-40	4,015.2	3.434.9	580.3	14.5
Average 1941-45	8,041.3	6,881.1	1,160.2	14.4
Average 1946-50	8,807.5	7,981.7	825.8	9.4
Average 1951-55	10,222.5	9,196.1	1,026.4	10.0
1956	10,550.9	9,482.7	1,068.2	10.1
1957	10,491.4	9,569.1	922.3	8.8
1958	9.564.6	8,802.3	762.3	8.0
1959	9,825.1	9,007.4	747.7	7.6

a All line-haul railroads.
SOURCE: Interstate Commerce Commission.

the railroads have emerged to view in the preceding analysis of data pertaining to the industry. Under this final heading of "problem areas," there remains to summarize the matters already mentioned and to relate them to certain other problems, particularly in the areas of transport competition and regulation.

Rapidity of change has been the outstanding characteristic of transportation in the United States over the past several decades. Principal among these changes in the period since the First World War has been the sustained and rapid development of other forms of transportation besides the railroads—by highway, by improved waterway, by pipeline, and by air. Growth of each of these has accelerated in the period since the Second World War. While the development of these other means has unquestionably contributed in many important respects to the greater strength and versatility of the Nation's total transportation complex, it has also created serious problems not yet resolved.

For the railroads the growth of these other modes of transportation has presented many problems of adjustment to new and often drastically different competitive conditions. Their impact was submerged only temporarily by the tremendous requirements and the performance of the railroads during World War II.

How to Meet Unequal Competition

Let it be clearly understood that the railroads cannot properly object, and they do not, to the sound economic development of other forms of transportation. They know they could make no valid claim of entitlement to traffic simply on the ground that they have had it before. But they have vigorously objected—though not very successfully up to this time—and will, I am sure, continue to object to the continuance of unequal conditions of competition fostered by government policies, and to the maintenance of regulatory standards and habits of thinking inertly tied to the past.

Under existing conditions, the railroads do not have an equal opportunity to compete. As private enterprises, the railroads bear a full line of costs, including the costs of providing, maintaining and paying taxes on their rights-of-way. Except for the pipelines, which are specialized carriers of a few commodities, the competitors of the railroads by highway, waterway and airway operate on public rights-of-way which are not subject to taxation as property and in which the carriers bear none of the costs and risks of ownership and capital investment. These commercial operators on public rights-of-way are free to use or not to use the facilities as their own interests and conditions of business vary from time to time. Even if such carriers were required to pay their full share of the right-of-way costs in compensatory user charges, such costs would be variable with their operations, with no fixed responsibility to bear the costs of right-of-way whether business conditions be good or bad. Such freedom from financial responsibility is itself a considerable advantage, institutional in character, and one which ought not to be compounded by failure to require payment of fully compensatory user charges for commercial operations on public rights-of-way.

However, although nearly everyone now agrees that user charges are sound in principle and necessary for the economic functioning of a competitive transportation system, the development of user charges has been extremely slow. Commercial operators on waterways constructed and maintained at taxpayer expense pay nothing whatever for their use of these costly facilities, except in the cases of the Panama Canal and the St. Lawrence Seaway. Moreover, the commercial airlines and other aircraft operators pay no user charges toward the mounting costs of the Federal airways or to reimburse the public expenditures for Federal aid to airports. In this respect the Federal Government lags behind, since to an increasing extent the local airport operators have been endeavoring to recover in landing fees and other user charges a greater part of airport costs which are borne by them.

Commercial operators on the public highways do pay certain user charges, which, as would be expected, they vigorously contend are adequate if not more than adequate to cover their share of highway costs. This has been their consistent position through the years under all conditions in resisting proposals for special charges on large and heavy commercial vehicles. Although this issue is not likely to be resolved in this session, it may be pointed out that the user charges paid by heavy commercial vehicles—considering their size and weight, their large annual mileages and their unusual operating characteristics—are very low as compared with those paid by automobiles and other ordinary, light vehicles.

Certainly there can be no doubt that commercial operators on the public highways enjoy a substantial competitive advantage over the railroads which provide, maintain, and pay taxes on their own rights-of-way. This situation is indicated, for example, by official data which show that for the Class I railroads in the year 1957 costs and taxes for right-of-way absorbed 20.5 cents out of each dollar of total operating revenues. In contrast, all highway user charges paid in that year by Class I motor carriers of property amounted to only 5.1 cents of each dollar of their operating revenues. These payments include all Federal and State user charges in the form of fuel taxes, license and registration fees, mileage taxes, tolls, and other Federal excise taxes designated for the Highway Trust Fund.

With an increasing sense of urgency, students of the transportation scene have recognized that regulation is another major problem area for the railroads. Although transportation has become increasingly competitive, the railroads continue to be subject to a monopoly-type regulation fashioned many years ago. For the most part, the competition with which the regulated railroads must endeavor to contend is not subject to regulation. This is the essential basis for the contention that the railroads, as a kind of transportation enterprise which requires large volume in order to achieve low unit costs, must have greater freedom to compete, especially in the matter of rates and charges for their services.

Intercity Share Declines

The outlines of this situation can be presented in quantitative terms, as set forth below. In each year of the postwar period the railroad share of total intercity freight and passenger traffic has declined. As to freight traffic there has been a persistent drop from 67% of the total in 1946 to 46% in 1958, with indications of further decline in 1959. In the case of passenger traffic the decline in the rail proportion of total intercity commercial traffic has been even more severe and has become a matter of widespread public concern. The railroad share of intercity passenger traffic fell from 64% in 1946 to 31% in 1958 and declined still further in 1959.

According to the latest available data, for the year 1958, the freight traffic volume relationships between the regulated railroads and their predominantly unregulated competitors shapes up as follows:

Railroad	46.4%
Highway	20.5
Waterway	15.7
Pipeline	17.5
	100.0%

Airline traffic accounted for only 0.05%.

Eliminating the pipelines, which are highly specialized carriers, and also traffic on the Great Lakes, which is nearly all unregulated, the percentage distribution of the remaining traffic in 1958 becomes:

Railroad	61.0%
Highway	27.0
River & Canal	11.9
Airline	0.1
	100.0%

Except for the relatively small part over which the state commissions have jurisdiction, all railroad freight traffic is subject to regulation by the Interstate Commerce Commission. In contrast, ICC-regulated motor carriers handled only 34.1% of the highway ton-miles in 1958 while 65.9% was handled in privately operated vehicles, by for-hire carriers exempt under the Interstate Commerce Act, by for-hire carriers operating wholly intrastate, or by for-hire carriers operating illicitly without authorization. Furthermore, although 34.1% of the ton-mileage was handled by motor carriers subject to regulation by the ICC, an undetermined part of their total reported traffic, consisting of exempt commodities or intrastate movements, is not regulated.

A similar breakdown of waterway traffic between regulated and unregulated can be made for comparative purposes only on the basis of tonnages rather than ton-miles. While there may be some margin of error in using tons to represent ton-miles for this purpose, owing to possible differences in average length of haul as between regulated and unregulated traffic, such discrepancy could not be great enough to affect materially the general picture. Calculations based on ICC and U. S. Corps of Engineers data indicate that only about 10% of the total traffic on the Mississippi River System (including its tributaries) is subject to ICC regulation, the other 90% being accounted for by private operations, large volumes moving under regulatory exemptions, and intrastate traffic. For lack of a better measure, this ratio for the Mississippi River System may be taken to approximate conditions on the inland waterways generally, except the Great Lakes where only 2.5% of the traffic is under regulation.

Sums Up Regulated vs. Unregulated

In summary, then, the situation as to regulated and unregulated freight traffic for the railroads and their principal competitors is as follows:

Mode	Regulated	Unregulated
Railroad	100.0%	0.0%
Highway	34.1	65.9
River & Canal	10.8	89.2

Recasting these proportions brings out that 85% of this intercity freight traffic that is subject

Continued on page 30

TABLE VI

DISTRIBUTION OF RAILROAD REVENUE DOLLAR

Class I Railroads in the United States

1929, 1939 and 1959

Item	—Cents Per Dollar of Gross— 1929	1939	1959	Increase 1959 Over 1929
1. Operating revenues	100.0	100.0	100.0	——
2. Salaries and wages charged operating expenses	42.6	44.1	48.4	5.8¢
3. Health and welfare	——	——	0.8	0.8
4. Payroll taxes	——	2.6	3.8	3.8
5. Total wage costs	42.6	46.7	53.0	10.4
6. Other taxes	6.3	6.3	6.9	0.6
7. Fuel, material and supplies, and miscellaneous	23.1	22.4	19.7	d3.4
8. Depreciation and retirements	4.1	5.1	6.4	2.3
9. Equipment and joint facility rents	2.0	3.3	3.3	1.3
10. Loss and damage, injuries to persons, insurance	2.0	1.5	3.1	1.1
11. Total expenses and taxes	80.1	85.3	92.4	12.3
12. Net railway operating income	19.9	14.7	7.6	d12.3

d Decrease.
SOURCE: Calculated from reports of Interstate Commerce Commission.

TABLE VII

RATE OF RETURN

Class I Railroads in the United States

1900 and 1926 - 1959

Year	Average Net Investment a (Millions)	Net Railway Operating Income (Millions)	Rate of Return On Net Investment
1900	*	$ 481.2	*
Average 1926-30	$23,221.3	1,114.9	4.80%
Average 1931-35	23,568.2	457.7	1.94
Average 1936-40	23,088.3	580.3	2.51
Average 1941-45	23,328.7	1,160.2	4.97
Average 1946-50	23,338.4	825.8	3.54
Average 1951-55	26,168.7	1,026.4	3.92
1956	27,012.7	1,068.2	3.95
1957	27,440.4	922.3	3.36
1958	27,633.1	762.3	2.76
1959	27,484.4	747.7	2.72

*Not available on comparable basis. a Investment in road and equipment used in transportation service, less accrued depreciation, plus material and supply inventories and cash.
SOURCE: Interstate Commerce Commission, except net investment, 1926-1952, from Bureau of Railway Economics, Association of American Railroads.

TABLE VIII

OPERATING AND NON-OPERATING INCOME FIXED CHARGES, AND NET INCOME

Class I Railroads in the United States

(In millions)

1926 - 1959

Year	Net Railway Operating Income	Other Income Less Misc. Deductions	Fixed and Contingent Charges	Net Income
Average 1926-30	$1,114.9	307.8	684.8	$737.9
Average 1931-35	457.7	206.8	668.4	Def 3.9
Average 1936-40	580.3	144.1	640.2	84.2
Average 1941-45	1,160.2	153.8	635.5	678.5
Average 1946-50	825.8	192.5	481.1	537.2
Average 1951-55	1,026.4	227.8	448.1	806.1
1956	1,068.2	222.7	414.6	876.3
1957	922.3	234.2	419.1	737.4
1958	762.3	271.5	432.1	601.7
1959	747.7	257.0	427.0	577.7

Def—Deficit.
SOURCE: Interstate Commerce Commission.

TABLE IX

NET INCOME ADJUSTED TO CONSTANT DOLLARS

Class I Railroads in the United States

1926 - 1959

Year	Net Income In Current Dollars (Millions)	Consumer Price Index (1929=100)	Railroad Construction Index (1929=100)	Net Income In Dollars Of 1929 Purchasing Power (Millions)
Average 1926-30	$737.9	100.3	99.4	$736.7
Average 1931-35	Def 3.9	80.4	84.3	Def 8.6
Average 1936-40	84.2	81.9	90.4	102.3
Average 1941-45	678.5	97.9	116.2	620.7
Average 1946-50	537.2	132.7	162.1	362.4
Average 1951-55	806.1	155.0	194.1	463.6
1956	876.3	158.5	218.1	476.2
1957	737.4	164.0	229.5	395.5
1958	601.7	168.5	234.9	318.7
1959	577.7	170.0	e239.2	310.2

e Estimated. Def—Deficit.
SOURCE: Interstate Commerce Commission and Bureau of Labor Statistics, U. S. Dept. of Labor.
NOTE: Portion of net income paid out in dividends adjusted to 1929 dollars on basis of Consumer Price Index, balance on basis of Railroad Construction Index.

TABLE X

RETURN ON SHAREHOLDERS' EQUITY

Class I Railroads in the United States

(in millions)

1926 - 1959

Year	Shareholders' Equity a	Net Income	Cash Dividends	Ratio to Shareholders' Equity Net Income	Cash Dividends
Average 1926-30	$12,452.4	$737.9	$445.7	5.93%	3.58%
Average 1931-35	12,318,9	Def 3.9	155.6	Def	1.26
Average 1936-40	11,115.3	84.2	141.1	0.76	1.27
Average 1941-45	11,517.8	678.5	219.3	5.89	1.90
Average 1946-50	13,402.3	537.2	264.9	4.01	1.98
Average 1951-55	15,677.7	806.1	373.1	5.14	2.38
1956	16,759.6	876.3	431.6	5.23	2.58
1957	16,982.1	737.4	426.5	4.34	2.51
1958	17,122.6	601.7	372.5	3.51	2.18
1959	p17,222.7	577.7	403.2	3.35	2.35

a Stock plus surplus, averaged at beginning and end of year. p Preliminary. Def—Deficit.
SOURCE: Interstate Commerce Commission.

The Causes and Cure For the Railroads' Ills

Continued from page 29

to ICC regulation is railroad traffic:

	Regulated Traffic
Railroad	85.3%
Highway	12.9
River & Canal	1.8
	100.0%

Under the conditions as outlined, it is evident that the railroads do not have an equal opportunity to compete with other forms of transportation which are largely unregulated and which operate on public untaxed right-of-way. The railroads greatly need less regulatory restraint in pricing their services, within the limits of compensatory rates, so as to attract the volume traffic essential to the realization of the low-cost potential of railroad service. A continued adherence to the stultifying fetish of average cost rate-making, which some of the regulatory authorities have been so reluctant to modify, would forestall the attainment of this objective.

In other respects, also, there is need for reorientation of established regulatory concepts to fit present-day conditions in the transport market and in transportation technology and organization. On the more constructive side, the Interstate Commerce Commission has recently indicated a more receptive view than in the past toward railroad mergers that will promote greater economy and efficiency in railroad organization and operations. The merger last year of the Norfolk and Western and the Virginian railroads was an important breakthrough which seems likely to foreshadow others that will result in substantial economies in railroad operations and strengthen the carriers financially.

Stopped From Complete Transportation Service

On the other hand, strict barriers continue to be maintained against the railroads which severely limit them in utilizing the various transportation tools made available by advancing technology where their combination would result in greater economy and efficiency and in a superior service. In this regard there persist in some quarters expressions of exaggerated fear of monopoly to the virtual exclusion of other considerations, although the railroads have pointed out that they do not seek a free hand to utilize other modes of transportation without proper regulatory control. Significantly, this fear and opposition does not come from shippers but from other modes of transportation intent upon preserving their own entrenched positions as a vested interest. The public interest in economical and efficient transportation service, with the preservation of such competition as will foster this objective, should be the acid test. What the railroads object to, when they seek authorization to utilize other means or tools of transportation so as to perform a complete transportation service, is the different status accorded them as compared with other applicants for operating authority, simply on the ground that a railroad is a railroad and should remain so.

It has been necessary, in assessing the factors bearing upon the future capability and prospects of the railroads, to give attention to the competitive inequalities and restraints under which the railroads for many years have been operating. So the question of what the capability of the railroads will be a decade or two or three from now unavoidably presents this further question: What is going to be the economic and political enviornment in which railroad transportation is conducted? Until answers to vital questions in this area are forthcoming, statistical and mathematical projections based upon past trends and existing conditions are likely to be barren exercises with numbers which yield indicators wide of a true mark.

Rail Problem Is a Money One

The preceding data to which I have referred point up the fact that the railroad problem is essentially a money problem — a persistent problem of financial stringency affecting the railroads generally and some of them extremely. In terms of basic economic factors railroad transportation is not outmoded, although the new and rapidly developing other modes do have a proper place. To the extent that there have been technological lags in the railroad industry, they are attributable primarily to financial limitations and not to waning or weak potential or to any reluctance on the part of the industry to accept technological innovations and modernization. An improved environment for the railroads and a strengthening of their earnings and financial position are the key factors that would certainly give rise to increased capital expenditures for technological improvements, leading to greater economy and efficiency and to advancing capability, both quantitative and qualitative, for the future.

*From an address by Dr. Behling to the Transportation Study Group National Academy of Sciences, National Research Council, at Woods Hole, Mass., Aug. 3, 1960.

Changes in Counties' Population

Los Angeles County now ranks first in population, from second place in 1950, and New York County drops from sixth to seventh.

Sixteen counties in the United States each have more than a million inhabitants, and two of these—Los Angeles County, California, and Cook County, Illinois—each have more than 5 million inhabitants.

The Bureau of the Census, U. S. Department of Commerce, recently made public a list of the 60 largest counties, ranked by population size, each of which had at least half a million inhabitants, according to preliminary figures of the 1960 Census of Population.

The following list presents the 60 counties with their 1960 rank and population, compared with their 1950 rank and population:

County and State	1960 Rank	1960 Number	1950 Rank	1950 Number
Los Angeles, Calif.	1	5,979,203	2	4,151,687
Cook, Ill.	2	5,086,924	1	4,508,792
Wayne, Mich.	3	2,651,568	4	2,435,235
Kings, N. Y.	4	2,604,001	3	2,738,175
Philadelphia, Pa.	5	1,960,036	5	2,071,605
Queens, N. Y.	6	1,802,119	7	1,550,849
New York, N. Y.	7	1,668,172	6	1,960,101
Cuyahoga, Ohio	8	1,632,267	10	1,389,532
Allegheny, Pa.	9	1,622,837	8	1,515,237
Bronx, N. Y.	10	1,415,025	9	1,451,277
Nassau, N. Y.	11	1,294,309	25	672,765
Harris, Texas	12	1,234,868	18	806,701
Middlesex, Mass.	13	1,234,357	11	1,064,569
Erie, N. Y.	14	1,058,636	14	899,238
Milwaukee, Wis.	15	1,029,289	16	871,047
San Diego, Calif.	16	1,003,522	32	556,808
Dallas, Texas	17	942,563	28	614,799
King, Washington	18	925,693	22	732,992
Dade, Fla.	19	917,851	43	495,084
Essex, N. J.	20	913,659	13	905,949
Alameda, Calif.	21	886,661	21	740,315
Hamilton, Ohio	22	853,599	23	723,952
Hennepin, Minn.	23	839,678	24	676,579
Westchester, N. Y.	24	803,863	27	625,816
Bergen, N. J.	25	777,857	38	539,139
Suffolk, Mass.	26	775,568	15	896,615
San Francisco, Calif.	27	715,069	20	775,357
Orange, Calif.	28	704,360	108	216,224
St. Louis, Mo.	29	694,010	52	406,349
Marion, Ind.	30	690,212	33	551,777
Oakland, Mich.	31	687,608	55	396,001
Hartford, Conn.	32	685,452	37	539,661
Bexar, Texas	33	683,262	42	500,460
Franklin, Ohio	34	676,642	41	503,410
Suffolk, N. Y.	35	659,817	81	276,129
New Haven, Conn.	36	654,414	35	545,784
Maricopa, Ariz.	37	652,032	67	331,770
Fairfield, Conn.	38	647,445	40	504,342
Santa Clara, Calif.	39	639,615	74	290,547
Jefferson, Ala.	40	628,682	31	558,928
Orleans, La.	41	620,979	30	570,445
Shelby, Tenn.	42	617,773	46	482,393
Jefferson, Ky.	43	605,144	45	484,615
Jackson, Mo.	44	605,052	36	541,035
Hudson, N. J.	45	602,340	26	647,437
Monroe, N. Y.	46	582,983	44	487,632
Worcester, Mass.	47	580,142	34	546,401
Essex, Mass.	48	567,492	39	522,384
Providence, R. I.	49	564,738	29	574,973
Fulton, Ga.	50	553,517	47	473,572
Delaware, Pa.	51	551,063	50	414,234
Tarrant, Texas	52	534,072	62	361,253
Montgomery, Ohio	53	522,213	53	398,441
Multnomah, Ore.	54	519,239	48	471,537
Montgomery, Pa.	55	515,506	64	353,068
Lake, Ind.	56	514,127	60	368,152
Summit, Ohio	57	509,403	51	410,032
Norfolk, Mass.	58	507,651	57	392,308
Union, N. J.	59	502,301	54	398,138
Sacramento, Calif.	60	500,719	79	277,140

(NOTE: Not included in the large county rankings are three cities—Baltimore, St. Louis, and Washington, D. C.—which are areas not included in any county.)

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Empire District Electric Company

Empire District Electric in 1959 celebrated its 50th corporate birthday. It was formerly a subsidiary of Cities Service, but in 1944 it merged with three other utilities of that system and the common stock was sold to the public. The company, with revenues of $13 million, serves electricity to 67,000 customers in Missouri, Kansas, Oklahoma and Arkansas; Joplin, Missouri, is the largest city served and about 80% of the business is in Missouri.

When the company was first organized zinc and lead mining was the principal activity in its area, and it was developed principally to serve the mining industry which later expanded into Kansas and Oklahoma. Since World War II, however, this mining activity has waned and most mines are now on a standby basis. In the meantime, however, other natural resources have been developed—coal deposits in the Kansas area (from which the company obtains coal for its Riverton power plant), limestone deposits suitable for marble and agricultural lime, silica, and timber. For many years, dairying was the principal farm activity, but now poultry raising is also important, 35 million chickens having been processed last year.

The Ozark recreational area helps to attract industry and there are excellent transportation facilities—7 railroads, 4 airlines, 10 buslines and 20 trucklines. Industrial revenues are now fairly well diversified, pipelines contributing 23%, chemicals 14%, food processing 17%, manufacturing 24%, mining 5% and miscellaneous 17%. Some 200 industries have been added as customers in the last few years, including North American Aviation, Linde Company (division of Union Carbide), Atlas Powder, etc. Two of these plants will use about 20,000 kw on a round-the-clock basis. Aerojet takes about 3,000 kw. Total industrial revenues now contribute 29% and wholesale business 7% of gross revenue, which is about in line with the industry average.

During World War II when there was a good demand for zinc and lead, these mines contributed about two-fifths of all kwh sales, but they have now declined to only about 2%. Fortunately, other sales have increased 142% or about 10% per annum, in line with the electric industry as a whole. Since the mining sales can hardly sink much further, it seems likely that the company should show normal growth in the future. The company has a good air-conditioning load and is now actively promoting electric heating, with low rates. There are sufficient "degree days" in this area to make electric heating a profitable operation based on load factor.

The company generates most of its power requirements with steam plants, (there is a small amount of hydro and purchased power). In future it should be unnecessary to buy any power. Generating plants can use gas, coal or oil for fuel, but gas provides about 90%; coal is obtained from nearby mines. Empire is a member of the Southwest Power Pool, which is of great value to the company.

The company now has enough generating and transmission capacity to carry it through the summer of 1962 with adequate reserves, it is estimated. At that time they will either have to obtain more power from the Pool or build another unit of their own. The management is confident that if another steam unit is added several years from now, sufficient blocks of purchased power can be transferred to the new unit so that it will be adequately loaded immediately, and the favorable trend of our share earnings can be maintained.

Construction expenditures are expected to average only about $3 million a year during 1960-2. In 1963 this might rise to $7 million if a new generating unit is begun, and 1964 would be about the same. For several years the company has been able to finance construction requirements with internal cash, and with the help of bank loans this may continue until it is necessary to construct a new generating unit. Capital structure is now about 51% bonds, 17% preferred stock, and 32% common stock equity.

Share earnings made very little progress in the first half of the past decade, increasing from $1.38 to $1.45. In the second half, however they increased at a better rate—from $1.45 in 1954 to $1.82 last year and an estimated $2.00 for this year ($1.91 was reported for the 12 months ended May 31).

In a recent talk before the New York Society of Security Analysts, Chairman D. C. McKee made the following statements: "For the first quarter kilowatt-hour sales to residential, rural and commercial consumers were 9% over last year, and total industrial sales were up 14%. Unseasonably cold weather during February and March appears to have been responsible for some of the gain in residential sales. Hydro generation increased 25% over the first three months of 1959 due in part to increased releases of water from Table Rock reservoir upstream from our Ozark Beach hydro plant. This resulted in an amount of Hydro generation larger than any quarter of 1959....

"We believe we can reasonably foresee earnings of about $2.00 per share for the year 1960. In making this forecast, we have not included any increase in zinc mining over the present, and we have assumed average summer temperatures. We are assuming, however, that we will have normal hydro production, which was denied us last year. We think it is reasonable to expect that our earnings should show another substantial increase in 1961 over 1960."

Under accounting orders of the commissions in the states in which the company operates, it normalizes deferred taxes resulting from accelerated depreciation. However, there seems to be a trend among state commissions to order "flow through" for rate purposes, in order to give the consumer the benefit of these tax savings. Should this occur earnings would automatically be increased by about 20c a share. The company is currently earning about 6.3% on an original cost rate base, or 6.7% with flow through, it is reported.

About a year ago the dividend rate was raised from $1.20 to $1.36. If $2 is earned this year payout would be 68%, or slightly below average, indicating the possibility of another increase in 1961 if the uptrend in earnings continues.

The stock has advanced this year from 25 to 34. At the latter price the yield is 4% and the stock sells at 17 times estimated 1960 earnings.

MUTUAL FUNDS

BY ROBERT E. RICH

"Educate, Educate . . ."

A favorite exercise of many editorial writers, platform lecturers and elder statesmen is the flaying of this generation as too prone to look to government for a solution to its problems. Just about everybody, to hear these gentlemen tell it, demands cradle-to-the-grave security. The American people, according to the viewers with alarm, have lost the venture spirit with which their forbears were so richly endowed.

Of course, this kind of talk hardly squares with the record, which shows that the people have founded thousands of new communities within a decade while turning the phrase "Do It Yourself" into a major industry. They are now in the process of exploring the Great Unknown after having poured out their treasure to succor other nations from perils they understood well.

And while they were undertaking these unprecedented chores, the American people were contributing to the building of an $18-billion "industry" designed to give them a substantial measure of economic independence. The multi-billion-dollar assets of open and closed-end investment companies were not attained without considerable risk, sacrifice and venture spirit.

And this generation, as no other before, has demonstrated an interest in learning about the intricacies of investment. Indeed, should this generation fare no better than its fathers in the marketplace, the failure will not be due to lack of education, information and guidance. How else explain the towering demand for financial and business newspapers, magazines, books and the tons of literature that flow weekly from Wall Street to a generation determined to do for itself?

The serious-minded investor may have such standard equipment about his home as the science kitchen, the outdoor barbecue and the sleek chariot, but somewhere in his library you'll also probably find the educative tools that make his money work as hard for him as he worked for it.

To this library we would add the 1960 edition of "Your Buying Guide to Mutual Funds and Investment Companies," by Leo Barnes (American Research Council, $3.95). This volume, the fifth brought out, is worth the time and study of the professional investment counselor and the man whose interest in investments is only newly stirred.

This comprehensive work shows how to use investment-company shares in retirement and estate planning. It deals with investment companies as tax shelters. An insight is provided to kinds of investment firms and sets out to show which are best for individual investment objectives. The performance of management is rated by the author.

Of especial interest is the approach to the question of whether the investor should go it alone or throw in his lot with the funds. The author says flatly: "Investment companies will outperform most investors. Only a small percentage of investors have done as well in the stock market over a period of time as have most investment companies."

Interestingly enough, he raises the question of whether most investment firms beat the market averages—a point that many of the funds are fond of making in their periodic reports to stockholders. The author prefers to put the crucial question this way: "Do they beat what the average individual investor can do?" He thinks the answer will usually be in favor of the funds.

This volume deserves a place in the library of everyone who has a stake in the investment field. The International Business Machines' late Tom Watson was fond of saying: "Educate, educate . . ." This book and many more like it are making a worthwhile contribution to the growing literature on a subject of vital concern to the community.

The Funds Report

Shareholders of **Oppenheimer Fund, Inc.** were warned not to expect a quick reversal in the gradual decline in general economic activity. Said Max E. Oppenheimer, President: "While business will, in time, recover, there is little reason to assume that confidence (as reflected by increased orders, production and, in turn, profits) can be revitalized quickly."

* * *

Colonial Energy Shares, Inc. reports that during the quarter ended June 30 it made a new commitment: 9,000 shares of Westinghouse Electric. It also reported these "significant increases": 12,700 shares of Beryllium, 5,000 Goodyear, 1,300 High Voltage Engineering, 3,500 Leeds & Northrup, 5,000 Northern Illinois Gas, 5,000 Shamrock Oil & Gas, 5,400 Stauffer Chemical and 3,000 U. S. Rubber.

The company eliminated its 70,075 shares of Helmerich & Payne, 5,500 Houston Natural Gas, 5,000 Mississippi River Fuel, 8,000 Pioneer Natural Gas, 48,000 San Jacinto and $500,000 La Gloria Oil & Gas 5½% sinking fund debentures, due May 1, 1974. It decreased its holdings of Atlantic Refining by 5,000 shares, Aztec Oil & Gas by 10,000 shares, Cities Service 8,800, Clevite 2,800, Colorado Interstate 10,780, Honolulu Oil 7,000, Kern County Land 12,500, Minneapolis-Honeywell 1,000, Sunray Mid-Continent Oil 10,000 and TXL 15,000 shares.

* * *

De Vegh Mutual Fund, Inc. reports that at June 30 net assets were $19,204,283, equal to $56.19 a share, which includes a long-term capital-gains distribution of $10.01 a share during the year. This compares with $20,723,443 of assets and $72.80 a share at June 30, 1959. Capital shares at latest report totaled 341,750, against 284,676 a year earlier.

* * *

Real Estate Investment Trust of America and subsidiary report for the fiscal year ended May 31 net income of $506,234, equal to 68 cents a share, on gross rentals of $3,512,274. This compares with net of $508,316, or 69 cents a share, on rentals of $3,291,823 in the preceding financial year.

* * *

Net asset value of **New York Capital Fund of Canada, Ltd.** at June 30 was $29,972,788, equal to $13.43 on the 2,231,212 outstanding shares. This compares with asset value of $12.51 a share at March 31 and $12.64 a share at June 30, 1959.

* * *

An **"Investment Dealer's Guide to Calvin Bullock Group of Mutual Funds"** has been made available to dealers. The 16-page booklet features facts and figures on the four funds sponsored by Calvin Bullock.

* * *

Directors of **Scudder Fund of Canada, Ltd.** at their meeting in Montreal voted to appoint **Scudder Fund Distributors, Inc.** sole distributors of the shares of the fund.

A new July record of $10,082,000 in mutual fund business was reported by **Investors Planning Corp. of America.** Last month was the seventh straight in which volume bettered the like month of previous years.

* * *

International Investors, Inc. reports that at June 30 net assets were $1,060,951, equal to $14.29 on each of the 74,254 shares outstanding. This compares with $609,016, $12.02 a share and 50,667 shares a year earlier.

* * *

National Securities & Research Corp. announced quarterly distributions from net investment income of three cents on National Growth Stocks and seven cents on National Income, both payable Sept. 15 to stock of record Aug. 31.

* * *

Per share net asset value of **Incorporated Investors** increased from $8.47 to $8.63 in the second quarter of this year. Total net assets were $306,254,746 and there were 35,497,846 shares outstanding as of June 30. Incorporated Investors' purchases during the quarter included Florida Power & Light, International Telephone & Telegraph, Oklahoma Gas & Electric and Prudential Assurance Co., Ltd., and Legal & General Assurance Society, Ltd., both British.

With the addition of these two British companies, foreign securities now account of 11% of Incorporated Investors' portfolio. The Fund is almost 100% invested in common stocks.

* * *

Total net assets of **American Enterprise Fund, Inc.** at June 30, the close of the fiscal year, aggregated $512,473, compared with net assets of $423,656 at June 30, 1959. A non-diversified, open-end investment company whose shares are sold at net asset value, without sales or commission added, American Enterprise Fund at June 30 last had a net asset value per share of $13, against $13.41 at June 30, 1959. Total shares outstanding at the year-end were 39,418, against 31,600 at the beginning of the period.

Forsch Named in Hospital Drive

Frederick D. Forsch, of Lazard Freres & Co., has been named vice-chairman of the Hospital Trustees Division of the United Hospital Fund's annual appeal. Eben W. Pyne, Chairman of the Hospital Trustees Division announced Mr. Forsch's appointment. Mr. Pyne is president of the First National City Trust Co.

Mr. Forsch will assist Mr. Pyne in leading 600 volunteers in Manhattan and the Bronx in the drive toward the Division's quota of the total campaign goal of $3,000,000 to help support free and below cost care of the needy sick. Last year, the United Hospital Fund's 82 member nonprofit hospitals cared for nearly a million such patients without charge or below cost.

Mr. Forsch is a trustee of Mt. Sinai Hospital, a member of the American Institute of Mining Engineers, of the Yale Club and of the Broad Street Club.

Parker Corp. Names Cameron Asst. V. P.

FLINT, Mich—Robert J. Cameron has been named assistant vice president of the Parker Corp., investment manager and distributor of Incorporated Income Fund and of Incorporated Investors. He will be wholesale representative for two funds in Michigan, Indiana and Kentucky.

Joins Robinson-Humphrey

ALBANY, Ga.—James M. Hill is now affiliated with The Robinson-Humphrey Company, 136 Pine Avenue.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Don't Let Them Forget YOU!

There are many people who will invest in securities only occasionally. Sometimes a year or two will pass by before they may turn again to stocks or bonds when they think of an investment. Others may have had an occasional trade with you but have not been the active substantial account that warranted your following them closely. Yet these people should be followed regularly from time to time and you should keep your name before them. This can be done in various ways and the main purpose of doing this is to keep contacts alive which someday may turn out to be valuable. If people have done business with you once or twice, and they have no reason to be dissatisfied with your service, they should be considered as potential sources of additional business even though they are not steady investors.

You Never Know From Whence The Order Grew

The small investor can become a large one. The young person starting out with a small account can know other people whom they may send to you. The young married man who buys a few shares of a speculative growth stock hoping for a capital reward in the future may have a retired mother or father who could invest substantial funds in income securities. There may be a desirable piece of financing that can be directed to you because someone who likes you heard of such an opportunity.

Since people know people you never know where a recommendation may arise. Several years ago I sold some good bonds to a customer who sold his house and moved to another city. Occasionally I would write him and keep in touch by mail. Recently he revisited the man who bought his home and they began talking about investments. He recommended me and I received a telephone call from my former customer whom I hadn't seen in over two years. He introduced me to his friend over the telephone, and I have stepped into another promising account which I would have never met if it hadn't been for my former customer's recommendation.

Use the Mails

You just don't have enough time to properly follow hundreds of small accounts and so the best method is to use the mails, combined with an occasional phone call. Quite a while ago I saw some postcards that were mailed by an investment dealer that were dignified and also carried a confidence inspiring message. This dealer followed the practice of sending out these cards once or twice a month as the spirit moved him and when he had something to say. He had them printed by a good printer on a card several times larger than the postal card. Then this pirnter reduced them by photo-offsetting them on the back of regular postal cards. The effect was excellent and it is surprising how much can be said on these cards and how readable they are.

Here is a theme for one of them. When the market had suffered a severe decline for several weeks, this dealer pointed out that quality stocks decline with other stocks in a weak and declining stock market. If an investor owned stocks that declined, and his were among the few that did so, while at the same time the rest of the market was not declining, then he would have something to worry about. The main issue to consider was whether or not the *quality* of an investor's securities was adequate because *quality stocks* will recover when markets once again turn higher. An offer to check the *quality* of the investor's holdings was included in the brief message. Other generalized and timely subjects can be placed before your clientele in this way and, if you think it through, there is quite a bit you can say that will be of helpful interest to those of your customers who only occasionally send you an order.

Every time you do business with someone you are adding another potential booster to your own cause. Let people know that you haven't forgotten them and they won't forget you.

N. Y. Analysts Meeting

On Friday, Aug. 19, Louis Stein, president of Food Fair Stores, Inc., will address the New York Society of Security Analysts at their regular luncheon meeting.

Mr. Stein will discuss the problems and opportunities of the retail food industry from the vantage point of Food Fair, the sixth largest retail food chain, and one of the nation's fastest growing companies in the industry.

AS WE SEE IT *Continued from page 1*

be much more enthusiastic about what the President is saying if only we could find among his recommendations any clear indications of a full understanding of the needs of the country at many points or any measures which could reasonably be expected to fill those needs. The President's concern about funds for the Mutual Security program is certainly not new. As to whether, in the circumstances, it is advisable to continue with this sort of give-away—at least without greater effort to see to it that funds supplied are used to better advantage—it is difficult for one not familiar with all the circumstances to form a sound judgment, but the matter in one form or another has been before Congress for a long time, and valid decisions and prompt legislation should not be time consuming. What the President now demands in the way of funds to aid the distressed Latin American countries, and authorization for making use of food surpluses to feed starving peoples should be in about the same category.

Word from Washington is to the effect that farm legislation is highly unlikely at this session of Congress, whatever the President may think of its urgency. If failure to agree upon any program now could be construed as an indication that the authorities would spend the time that must elapse before the next Congress convenes in prayerful study of the farm problem and be ready to come up next year with legislation which could reasonably be expected to bring fundamental improvement in this vexed situation, there would be real ground for encouragement. The trouble, or one of them, is that there is every indication that a Republican Administration under Mr. Nixon would be quite as ready to throw good money in large amounts after bad in this area as would the free-spending Democrats. The farmers evidently have the politicians badly frightened, and likely to do almost anything they think will win votes in the agricultural states.

Plans and proposals for what the President terms "assistance to older people to meet serious illness" have long been regarded by many politicians as very effective political lures this year. Thanks to strategically placed conservatives in Congress and to Administrative influence, much of the extravagance planned by the Democratic leaders with the support of organized labor in this area has been held in check to this writing. It is obvious that what the Administration wants here is not the kind of election year bait that the politicians are so fond of. At the same time, there are many legislators who are apparently afraid to go home without some sort of legislation in this field. Whether the President, obliged as he is to struggle against a majority opposition in Congress eager to "help" almost anyone with much influence and utterly callous about fiscal prudence, can succeed in keeping any legislation on this subject within the bounds of reason and prudence remains to be seen.

A "Spender," Too

Of course, the President himself is in reality a "spender," though not nearly as reckless about it as are his political opponents in Congress. One of the measures he now insists upon would provide funds for large scale outlays for assistance to the states and private institutions of learning, chiefly for construction of added facilities. A proposal of this sort is difficult to combat in a day and time when the hue and cry everywhere is for more and more education for the rank and file. The trouble is that buildings and the like no more make education than iron bars make a prison. What is needed is more attention to education and less troubling about "fancy school buildings" as one authority recently put it. Real improvement in the education that we give our children is a major task which has little or nothing to do with much of the school construction work taking place today. We wish we could see more evidence of some understanding of this fact somewhere in Washington—and, for that matter, throughout the country.

"Area assistance" is another political football that has been kicked around for a long time, and the President still wants Congress to give him a bill that he can conscientiously sign. That anything really sound in this area can or is likely to be worked out before Congress adjourns is very, very doubtful. In point of fact, this whole concept of "area assistance" is in urgent need of careful restudy. Many, many public measures have tended in recent years to reduce the mobility of labor. One result is that when conditions demand the shift of industries or parts of them from one part of the country to another, labor insists upon staying behind—and expects to be enabled to continue to do as well as before at the expense usually of the taxpayer. The cause of the rise of "distressed" areas needs much more realistic study than it has as yet had, and until such study is made we could very easily make a bad situation worse with "area assistance."

Now, the truth of the situation is that there is every indication that Congress will "play politics" to the hilt until it feels it safe to quit and go home. Such a course, as disgusting as it is, would do much less harm than some of the projects that have been under discussion.

STATE OF TRADE AND INDUSTRY

Continued from page 5

realize they may not have the orders to support their prediction until they're well into the month of shipment.

At steel service centers, business has been slow because of plant vacations, but it's believed that shipments have bottomed out. It's hoped August sales will be 5 to 10% higher than last month's.

Major changes in the rate of production are not anticipated before Labor Day, *Steel* said. Last week, steelmaking operations advanced slightly more than a half point to 54.6% of capacity. Output: About 1,556,000 ingot tons.

Production last week ranged from 80% of capacity in the Detroit district (up 2 points) to 46 in the Western district (down 2 points).

Steel's price composite on No. 1 heavy melting grade of scrap held at $32 a gross ton last week. Export sales supported the market.

All major steel producing nations of the world, except the U. S., made more of the metal in the first half of 1960 than in the like 1959 period, *Steel* commented.

U. S. steel production was down 5%, while Japan showed a gain of 40%; Italy, 30%; United Kingdom, 28%; West Germany, 23%; the Benelux countries, 18%; France, 15%; and USSR, 9%.

A new storm is brewing over the "Buy American" issue in the hydraulic turbine field, *Steel's* Washington editor reports.

The Office of Civil & Defense Mobilization has already ruled that domestic producers can't get relief from foreign competition for national security reasons.

Because of that, foreign manufacturers have won about 40% of the government's hydraulic turbine business in the last two fiscal years.

In the last two months, bids have been opened on six big government contracts by the Corps of Engineers, Tennessee Valley Authority, and Bureau of Reclamation. When the contracts are all awarded, chances are strong that foreign competitors will have boosted their percentage above the 40% of the last two years.

Commercial markets for titanium are opening up, *Steel* said.

It's being used in the chemical and ore processing industries, in paper and pulp plants, for marine hardware, and by makers of printing presses. Even several racing cars in the Indianapolis "500" used some titanium parts.

Shipments of mill products for January through May totaled 3,284,721 lbs., almost 67,000 lbs. ahead of the year-ago total. Most of it now goes to the military.

This Week's Steel Output Based on 55.8% of Jan. 1, 1960 Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *98.9% of steel capacity for the week, beginning Aug. 15, equivalent to 1,589,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compared with the actual levels of *94.9% and 1,525,000 tons in the week begining Aug. 8.

Actual output for last week beginning Aug. 8, 1960 was equal to 53.5% 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 55.8%.

A month ago the operating rate (based on 1947-49 weekly production) was *96.5% and production 1,550,000 tons. A year ago the actual weekly production was placed at 321,000 tons, or *20.0%. 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.

Auto Output Already More Than 200,000 Units Compared With 1959 Production

Auto makers have already surpassed the entire 1959 model year output by some 200,000 units, *Ward's Automotive Reports* said. At the end of July the 1960 model run totaled 5,780,263 cars compared with 5,568,046 in 1959.

Ward's said the complete 1960 model run would top six million—a feat which has not been done since 1957 when 6,212,291 cars were built.

The statistical agency said that one out of ten cars produced in the week ended Aug. 13 was 1961 vintage. However, the week's output ebbed 17.8% under last week due to more model changeover shutdowns.

U. S. manufacturers built an estimated 85,155 cars compared with 103,504 last week and 72,603 in the same week last year.

Ward's said that General Motors' share of the week's production was 48.9% while Ford Motor Co. took 40.8% and Chrysler Corp., 10.3%. American Motors and Studebaker-Packard Corp. are still down for changeover.

Some assembly plants worked five days this week while Ford's compact facilities built cars on a six-day basis. But nine Ford plants, four Chevrolet plants and Oldsmobile and Cadillac divisions phased out 1960 output this week.

Next week, *Ward's* said, only Ford Motor Co., and a few Chevrolet plants will still be producing 1960 models.

Truck volume dropped 2% this week, *Ward's* said. Total units were 13,615 vs. 13,894. Four Chevrolet truck lines built out the 1960 model run this week while Willys and International Harvester were on vacation.

Electric Output 7.1% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday Aug. 13, was estimated at 14,622,000,000 kwh., according to the Edison Electric Institute. Output was 87,000,000 kwh. below that of the previous week's total of 14,709,000,000 kwh. but showed a gain of 974,000,000 kwh., or 7.1% above that of the comparable 1959 week.

Freight Car Loadings 11.7% Greater Than in 1959 Week

Loading of revenue freight for the week ended Aug. 6, 1960, totaled 594,329 cars, the *Association of American Railroads* announced. This was an increase of 62,070 cars or 11.7% above the corresponding week in 1959, which was affected by the nationwide strike in the steel industry, but a decrease of 24,875 cars or 4.0% below the corresponding week in 1958.

Loadings in the week of Aug. 6, were 19,907 cars or 3.2% below the preceding week.

There were 11,317 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended July 30, 1960 (which were included in that week's over-all total). This was an increase of 3,603 cars or 46.7% above the corresponding week of 1959 and 6,044 cars or 114.6% above the 1958 week.

Cumulative piggyback loadings for the first 30 weeks of 1960 totaled 316,063 for an increase of 82,396 cars or 35.3% above the corresponding period of 1959, and 170,489 cars or 117.1% above the corresponding period in 1958. There were 55 Class I U. S. railroad systems originating this type traffic in the current week compared with 50 one year ago and 40 in the corresponding week of 1958.

Intercity Truck Tonnage For Aug. 6 Week was 1.7% Below Corresponding 1959 Week

Intercity truck tonnage in the week ended August 6, was 1.7% below the volume in the corresponding week of 1959, the *American Trucking Associations, Inc.*, announced. Truck tonnage was less than 1% behind the previous week of this year—off 0.3%.

These finding are based on the weekly survey of 34 metropolitan areas conducted by the ATA Research Department. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Lumber Shipments Were 3.4% Below Production During August 6 Week

Lumber shipments of 452 mills reporting to the *National Lumber Trade Barometer* were 3.4% below production during the week ended Aug. 6, 1960. In the same week, new orders of these mills were 6.0% below production. Unfilled orders of reporting mills amounted to 29% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 16 days' production at the current rate, and gross stocks were equivalent to 52 days' production.

For the year-to-date, shipments of reporting identical mills were 3.3% below production; new orders were 5.7% below production.

Compared with the previous week ended July 30, 1960, production of reporting mills was 0.2% above; shipments were 2.6% below; new orders were 1.5% above. Compared with the corresponding week in 1959, production of reporting mills was 3.7% below; shipments were 9.0% below; and new orders were 9.1% below.

Business Failures Climb in Week Ended August 11

Commercial and industrial failures climbed to 308 in the week ended Aug. 11 from 269 in the preceding week, reported Dun & Bradstreet, Inc. At the highest level in seven weeks, casualties exceeded considerably the 269 occurring in the similar week last year and the 262 in 1958. There was also a marked upturn from the pre-war total of 252 in the comparable week of 1939.

Failures involving liabilities of $5,000 or more rose to 268 from 247 in the previous week and 226 a year ago. While small casualties, those with liabilities under $5,000, jumped to 40 from 22 in the preceding week, they were slightly below the 43 of this size last year. Thirty-eight of the failing businesses had liabilities in excess of $100,000 as against 43 in the preceding week.

Wholesale Food Price Index Up Over Year Ago for First Time This Year

Although unchanged from the prior week, the Wholesale Food Price Index, compiled by Dun &

Bradstreet, Inc., exceeded that of the corresponding 1959 period this week for the first time this year. On Aug. 9 the index stood at $5.98, up 0.8% from the year ago $5.93.

Commodities quoted higher this week were wheat, rye, hams, butter, coffee and cottonseed oil. Lower in wholesale price were flour, corn, oats, sugar, cocoa, potatoes, steers and hogs.

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 Hits New Low for the Year During the Week

The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc. fell to 267.52 (1930-32=100) on Friday, Aug. 12, a new low for the year and the lowest level since the 267.35 of June 29, 1950. On Monday, Aug. 15 the index stood at 267.87, compared with 268.14 a week earlier and 277.24 on the corresponding date a year ago. Lower prices on rye, oats, coffee, hogs, steers, cotton and rubber offset gains in flour, wheat, corn, lard, butter and hides.

There was a slight rise in both domestic and export purchases of wheat during the week, and, despite light receipts, prices edged up fractionally. In contrast rye prices were down appreciably as buying lagged and stocks were ample.

A fractional increase in corn prices occurred, despite prospects that the second largest crop on record is likely. Current offerings were light and buying was steady. Oats prices slid down somewhat and trading was slightly lower. Although reports indicated that the soybean crop would be close to a record, transactions were sustained at high levels and prices were slightly above a week earlier.

Trading in flour picked up noticeably at the end of the week and prices finished moderately higher than a week earlier. There were some scattered export sales of flour to Vietnam, Japan, Saudi Arabia and Cuba. While Volume in rice moved up somewhat during the week, prices were fractionally lower. A sizeable commitment for rice was made by India this week.

Although sugar trading slackened towards the end of the week, prices finished unchanged from the prior period. Coffee prices slipped, but volume remained close to a week earlier. There was a slight dip in cocoa prices, reflecting a slackening in transactions.

Trading in hogs slowed up appreciably this week and prices were down noticeably from the prior period; a moderate rise occurred in hog supplies. A fractional dip occurred in prices on steers, while volume remained close to a week earlier. Trading in lambs was steady and prices finished unchanged.

Cotton prices drifted moderately lower this week. According to the New York Cotton Exchange Service Bureau, exports of cotton for the week ended last Tuesday amounted to about 135,000 bales, compared with 118,000 a week earlier and 13,000 for the similar 1959 week. For the current season through Aug. 9, exports were estimated at 163,000 bales, as against 17,000 last season.

Retail Sales Match Good 1959 Week

Pleasant weather in many areas and some late clearance sales promotions helped consumer buying equal that of the prior period in the week ended August 10, and overall retail trade matched that of the similar strong week a year ago. The buying of furniture, floor coverings and linens was up moderately from last year, while interest in major appliances and men's apparel was down somewhat. Volume in women's apparel and new passenger cars was steady.

The total dollar volume of retail trade in the week ended August 10 was from 2% below to 2% 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: New England, East South Central, and Mountain +1 to +5; West North Central and West South Central —1 to +3; Middle Atlantic, East North Central, and Pacific Coast —3 to +1; South Atlantic —5 to —1.

Nationwide Department Store Sales Down 2% From 1959 Week

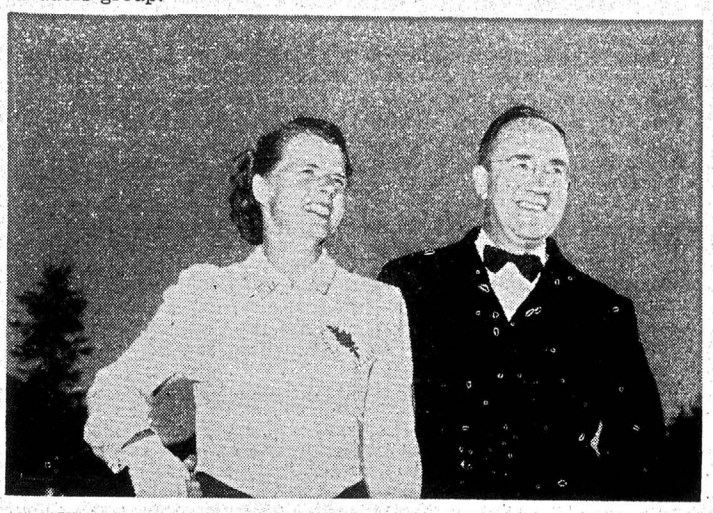
Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Aug. 6, 1960, show a decrease of 2% from the like period last year. In the preceding week for July 30, an increase of 1% was reported. For the four weeks ended Aug. 6, no change was reported. The Jan. 1, to Aug. 6 period showed a 2% increase.

According to the Federal Reserve System department store sales in New York City for the week ended Aug. 6 were 1% above the like period last year. In the preceding week ended July 30, sales were 4% above the same period last year. For the four weeks ending Aug. 6 a 5% increase was reported over the 1959 period, and from Jan. 1 to Aug. 6 there was a gain of 6% above the level achieved in the 1959 period.

NSTA NOTES

N. S. T. A. CONVENTION AT SUN VALLEY

Word comes from Claire and Sid Sanders (Foster & Marshall, Seattle) that the Idaho resort is all set to welcome the National Traders group.



Working under General Chairman Ed Welch, the Seattle couple (who have vacationed at Sun Valley for many years and are well acquainted with the personnel and facilities of Sun Valley), report that the finishing touches are almost complete for the social part of the National Security Traders Association's 26th convention, scheduled to begin Sept. 11.

Advance reservations indicate a large attendance. The majority of reservations usually are received in August, so this should prove to be a banner year.

As Entertainment Chairmen for this year's convention, the Seattle couple have enlisted the aid of some very competent people to chairman the various events planned for the participation and pleasure of those heading for Sun Valley.

For fly fishing and dove hunting enthusiasts, Hugh Schlicting (Wm. P. Harper, Seattle) has everything ready. Participants can sign up on arrival, secure a hunting license (fee $20), and reserve a guide (fee $10 per day for one person, $15 for two and $20 for three). Fishing licenses are $10 for four days, and the guide's fee is $15 for a single person, $20 for two and $25 for three. Hunting and fishing equipment (guns, etc.) can be rented at The Valley.

The golf course is a beautiful emerald green, and just as lush as ever. Taylor Patten (Blyth & Co., Seattle) has an excellent playing program arranged. Remember, golf equipment can be rented, including electric carts.

Bob Diehl (Paine, Webber, Jackson & Curtis, Los Angeles) has completed arrangements for the bowling tourney. All that is left is for the participants to sign up upon arrival.

The amateur Ice Skating Costume Party promises to be a whizzer, with Bill Zimmerman, (Bingham, Walter & Hurry, Inc., Los Angeles) at the helm, assisted by Mrs. "Shorty" Cayne and Mrs. Myrtle Parsons. Better be on hand for this one; or better yet, take part in it.

The tennis tournament (serious) and competition (non-serious) are all set, and Bill Gregory, III (Gregory & Sons, New York) advises contestants to sign up early, as there are only four courts and he wants to complete the play-off in four days.

The ladies are putting on a Fashion Show, and Mrs. Helen Burke and Mrs. John O'Rourke are working up some real dreamy ensembles for the boys to look over at the joint luncheon on Wednesday.

Hans Johnson, Sun Valley ice skating pro, just reported that he expects to put on a very nice ice show for the group's entertainment on Tuesday evening.

The foregoing are just a few of the things scheduled for the enjoyment of the delegates and their wives. There are chair lifts rides up Baldy Mountain, badminton, horseback riding, bicycling, dancing and bridge games in the Redwood Room, among other activities. Two pools are available for a refreshing dip after the outdoor activities.

All who attend the convention should remember that Sun Valley is a fun resort (Western style). Casual dress is always the vogue in the daytime. For evening, the women usually wear a pretty cocktail dress for the cocktail parties, dinner and dancing. The men wear either a business suit or dinner jacket, at their option.

If you haven't sent in your reservations, please do so now. Plan to have fun in the sun at Sun Valley.

SEATTLE TO HOST TRADERS AFTER SUN VALLEY

Saturday, Sept. 17 promises to be a gala day for those going to Seattle after the N. S. T. A. Sun Valley convention.

The host group, the Seattle Security Traders Association, (well known for their small membership and their tremendous drive and "go-go" attitude), has planned a real welcome for the visitors.

A cocktail reception party, dinner and dancing have been scheduled for Saturday night, Sept. 17, beginning at 7 p.m. in the Olympic Hotel's Olympic Bowl. Dress will be informal.

The national contingent, expected to arrive Friday night, will be able to check in Saturday and Sunday at the Seattle group's "Hospitality Room" located on the same floor as their hotel accommodations.

Members of the local affiliate will be on hand to assist the visitors in making arrangements for golf, sightseeing, fishing and water tours, as well as the football game on Saturday.

Present plans are for the visitors to leave Seattle for the East on Monday, Sept. 19.

JOINS HALF PAGE CLUB

P. Fred Fox of P. F. Fox & Co., Inc., New York City, has renewed his half page advertisement in the National Security Traders Association Official Year-Book Convention issue of the "Chronicle." N. S. T. A. salutes Mr. Fox for his very fine support.

NATIONAL SECURITY TRADERS ASSOCIATION

The National Security Traders Association, consisting of 4,700 members throughout the United States, has nominated the following slate of Officers for 1961:

President: Joseph E. Smith, Newburger & Co., Philadelphia, Pennsylvania.

1st Vice-President: Chas. A. Bodie, Jr., Stein Bros. & Boyce, Baltimore, Md.

2nd Vice-President: Earl L. Hagensieker, Reinholdt & Gardner, St. Louis, Mo.

Secretary: Allen L. Oliver, Jr., Sanders & Co., Dallas, Texas.

Treasurer: Homer J. Bateman, Pacific Northwest Co., Seattle, Washington.

The election of Officers will take place during N. S. T. A.'s Annual Convention to be held this year from Sept. 11th to the 14th, inclusive, at Sun Valley, Idaho, at which Edward J. Kelly, Carl M. Loeb, Rhoades & Co., 1960's President, will officiate.

STANY BOWLING SEASON

The Security Traders Association of New York Bowling season will start Sept. 8, at the City Hall Bowling Center, 23 Park Row, New York. Those interested in participating should contact Sidney Jacobs, Sidney Jacobs Co., Chairman, or any of the following captains: John S. Barker, Lee Higginson Corporation; Stanley E. Dawson-Smith, Cruttenden, Podesta & Co.; Joseph F. Donadio, Sidney A. Siegel & Co.; Raymond C. Forbes, Shearson, Hammill & Co.; E. Michael Growney, Gregory & Sons; Wellington Hunter, Wellington Hunter Associates (Jersey City); Wilbur Krisam, John C. Legg & Company; Herman D. Meyer, Schweickart & Co.; Lewis H. Serlen, Josephthal & Co.; Stanley R. Shaw, Josephthal & Co.; Robert Topol, Greene and Company; Roswell J. Yunker, A. M. Kidder & Co., Inc.

Bowling Co. Units Offered by Hill, Thompson

Hill, Thompson & Co., Inc., on Aug. 15 offered 60,000 units of American Bowla - Bowla Corp. common stock and common stock purchase warrants. Each unit consists of two shares of common stock and one common stock purchase warrant and is priced at $6.50. The offering marks the first public sale of the company's common stock.

Each warrant will entitle the holder, for a five-year period from July 19, 1960, the date of the prospectus, to purchase one share of common stock at $3.50 during the first year, $4 during the second year, $4.50 during the third year, and $5 during the fourth and fifth years.

Net proceeds from the financing will initially be used by the company for the purchase of equipment for the Newark motion picture theatre now being converted into its new bowling center and for its proposed center in Queens, N. Y. The balance of the proceeds will be added to working capital of the company and will be available for general corporate purposes.

American Bowla - Bowla Corp. is engaged in the acquisition and operation of modern bowling recreation centers in leased buildings which were formerly used for other purposes, and which were converted by the owners to the company's own plans and specifications. The company's first center is located in Bergenfield, N. J., and was formerly a skating rink and a warehouse in a building which was formerly a motion picture theatre. It also operates a modern center in the Crown Heights section of Brooklyn, and intends to expand its operations with a bowling center in Newark, N. J., and a fourth center in Flushing, Queens, N. Y. In addition the company is presently negotiating with a motion picture chain for the conversion of additional theatres into modern bowling centers.

Upon completion of the current financing, outstanding capitalization of the company will consist of $204,677 of sundry debt; 295,014 shares of common stock, and 100,806 common stock purchase warrants.

J. A. Hogle Offers Campbell Machine Common

Public offering of 102,500 shares of $1 par common stock was made on Aug. 11 at a price of $7 per share, by J. A. Hogle & Co. of 132 South Main St., Salt Lake City, Utah, for the account of selling stockholders.

The company was incorporated in California on Aug. 3, 1954, with its principal office located at the foot of Eighth St., San Diego, Calif. The company conducts a shipyard business which consists of repairing and maintaining U. S. Navy and commercial vessels.

The capitalization of the company consists of 200,000 shares of $1 par common stock, all of which are authorized and outstanding.

Auto. Cafeterias Common Offered Via Richard Gray

Public offering of 41,848 shares of Automatic Cafeterias for Industry, Inc. common stock at a price of $3 per share is being made today by Richard Gray Co.

Net proceeds from the offering will be used by the company to purchase additional equipment and for working capital.

The company is engaged in selling coffee, soda, milk, ice cream, cigarettes and other merchandise through automatic vending machines.

For the year ended Feb. 29, 1960, the company had net sales of $414,335.

Gregory-Massari Coast Exch. Member

Election of Robert N. Gregory to membership in Pacific Coast Stock Exchange representing the ninth new member to join the Exchange in 1960, was announced by William H. Jones, Board Chairman.

Mr. Gregory's membership was acquired through a purchase of a membership in the Los Angeles Division. He will represent the new firm of Gregory-Massari, headquartered at 326 South Beverly Drive, Beverly Hills, California, recently organized to conduct a general securities business. Officers are Robert N. Gregory, President; George W. Gregory, Vice-President; Paul Massari, Vice-President; and Raymond A. Yarcho, Secretary-Treasurer.

With McCarley Co.

(Special to THE FINANCIAL CHRONICLE)

CHARLOTTE, N. C.—John W. Anderson Jr. has joined the sales department of McCarley & Company, Inc., Liberty Life Building. Mr. Anderson was formerly with Bache & Co.

Joins Beckman Staff

(Special to THE FINANCIAL CHRONICLE)

LODI, Calif.—Dave R. Benson has joined the staff of Beckman & Company, 11 South Church Street. He was formerly with E. F. Hutton & Company and First California Company.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Insurance Stocks

THE WESTERN CASUALTY AND SURETY COMPANY

Provisions for broadening the capital funds base are typical for growth oriented companies. On July 26, at a special meeting, Western Casualty's stockholders gave their approval to a recommendation for increasing the company's authorized $5 par value stock to one million shares from the 600,000 shares currently outstanding. Ray B. Duboc, Chairman, stated the company has no immediate plans for issuing the additional stock.

Interest may be unduly aroused by stock investors generally about how such additional shares are to be employed ultimately, if at all. Stockholders of Western Casualty, on the other hand, have reason to be confident that any action to be taken will again be a forward step in the interest of shareholders. They are well acquainted with such factors as the sizable ownership of stock by management and the superior growth record of the company.

During the 1950s, stock dividends of 15% in 1950, 25% in 1952, and one share for each nine held in 1956 were paid. Subscription rights offerings included 150,000 shares in 1954 and 100,000 shares in March, 1959. A two for one stock split occurred in 1953. In time, strong growth in premiums written calls forth the need for strengthening the capital funds base, whether issuance of stock fosters entrance into additional insurance fields, is through rights offerings, is declared as stock dividends, or is employed to bring about more direct ownership. Western Insurance Securities Company, a holding company, owns over 51.1% of Western Casualty's present stock.

Officials of Western have designated 1960 as the company's 50th anniversary year, due to the fact that Western Casualty is the successor to a mutual association that had its beginning in 1910. The present company was chartered in Kansas as a stock company in 1924. The following year, the wholly-owned affiliate, The Western Fire Insurance Company was organized. Executive offices are maintained in Kansas City, Mo., while the home office remains at Fort Scott, Kan.

From its start as an automobile specialty company providing "Pioneer Protection," Western Casualty branched out in the fire and general casualty and surety lines. Today about 4,100 agents represent the company. Although underwriting is concentrated in the Middle West, the company is licensed in some 37 states. The leading states of Missouri, Illinois, Michigan, Kansas, Minnesota and Texas accounted for over 50% of premiums written in 1959. Southern states and Western states as a group each accounted for about 17% of total volume. Branch offices, claims offices and general agencies are located in 24 states, with city locations at Chicago, Columbus, Davenport, Kansas City, Los Angeles and St. Louis included.

Selected Statistics—Growth and Underwriting Control

Year	—Net Premiums— Written*	Earned*	Admitted Assets	Loss Ratio†	Expense Ratio‡	Profit Margins
1960**___	$29.3	$23.4	$76.1	61.4%	34.2%	4.4%
1959_____	49.101	44.967	73.773	61.1	35.3	3.6
1958_____	43.600	40.545	62.317	59.9	35.8	4.3
1957_____	39.323	37.607	54.889	67.0	36.8	—3.8
1956_____	37.070	33.421	52.637	61.7	37.2	1.1
1955_____	33.655	30.440	47.971	55.0	37.3	7.7

*In millions of $.
**Six months, June 30.
†Losses incurred to premiums earned.
‡Expenses incurred to premiums written.

Company growth is continuing in 1960. During the first six months net premiums written and premiums earned increased to $29.3 and $23.4 million respectively for $28.8 and $21.8 million for the first half of 1959. Although the loss ratio increased slightly from 61.0% to 61.4%, the expense ratio was significantly lower at 34.2% versus 36.4% to register a profit margin gain from 2.6% to 4.4% for the initial six months.

For 1959 property lines accounted for 37% and casualty lines the remainder of total premium volume. Automobile volume has been gradually reduced to less than 54% of total premiums due to growing diversification in other lines. Leading property lines include automobile physical damage, fire and allied lines; automobile liability, liability other than auto, and workmen's compensation are the major casualty lines.

Of considerable interest is how Western Casualty has been able to operate profitably in recent years while it has heavy representation in lines which have suffered the worst industry losses. The answer can be found in the flexible policies followed. Its underwriting success is due to independent rate filings in most lines, the confinement of business to favorable territories, close concentration on selection of *individual* risks—not only by class, and its aid to agents by providing low premium policies for sale along with attractive commissions. Another policy is the settlement of claims promptly in order to avoid litigations whenever possible. The strong growth in premium volume has developed along with careful expense control. The company was the first in the Middle West to install electronic equipment for processing paper work.

Per Share Statistics

Year	Approximate Price Range	Investment Income	Total Earnings	Divid.	Approximate Book Value	Shares Outstdg.*
1960 ____	46—41			$1.40		600,000
1959 ____	47—35	$2.25	$4.60	1.30	$51.41	600,000
1958 ____	47—30	2.19	4.74	1.20	48.14	500,000
1957 ____	33—28	2.03	—0.77	1.20	40.02	500,000
1956 ____	36—27	1.79	2.00	1.17	42.61	500,000
1955 ____	37—29	1.69	5.32	1.08	41.68	450,000
1949 ____	N.A.	1.07	3.95	0.56	22.66	319,444

*Adjusted for stock dividends.

A conservative investment policy is followed with most assets invested in tax-exempt bonds. At the recent price of 46, a yield of 3% is obtained on the present annual $1.40 dividend rate. Due to sizable plowback of earnings investment income has enjoyed a consistent growth; further gains are expected for 1960.

The management of Western Casualty through its experienced ability to adapt policy to the ever changing insurance underwriting business has not only achieved growth but has been exceptional in being able to do so at profits considerably above most other multiple line insurance companies. Today Western Casualty and Surety Company has advanced to a position among the top 50 stock fire-casualty groups in the nation.

Electronics Factory Sales—Perspective and Projection

Continued from page 15

is fraught with hazards, some projections must, of necessity, be employed by management in forward planning and it is therefore incumbent on the business economist to help reduce uncertainties to a minimum. The relationships we developed above among the major electronics segments and some basic economic variables combined with other inputs of a general nature concerning the industry and the economy should give us some confidence in a short range projection of electronics factory sales. We readily admit that our procedure rests on presupposition and conjecture concerning the behavior of many variables, but we take comfort in the opinion expressed by great mathematical physicist, Max Planck, to the effect that economics is more difficult than physics.

(1) Let us begin with Gross National Product. From a recent study undertaken for the Joint Economic Committee by James W. Knowles and the Committee Staff* we use the "middle projection" of annual rate of GNP growth of 4.35%. (I took the liberty of averaging their 4.0 figure calculated from 1959 "potential" and 4.7 derived from 1959 actual data.) Since these calculations are in constant (1954) dollars, and our figures are in current dollar terms, I will add 1.65% as a price inflation factor and use 6% as the expected annual rate of growth in GNP in current dollars for the period from 1959 to 1965. This gives GNP in 1965 of about $685 billion. (Assumptions: no recession; no war.) As we may note from Table I, the ratio of total electronics factory sales to GNP has been rising at a rate of about 1/10th of 1% annually over the past ten years. Assuming a continuation of this trend, the ratio would reach 2.5% by 1965 giving us a total electronics sales figure of approximately $17 billion.

(2) Turning next to the consumer electronics segment we find on examination that total consumer expenditures have constituted, on the average, about 65% of total GNP over the past decade. This would give a figure of about $445 billion for consumer spending in 1965. From the data in Table II we see that the proportion of their total spending which consumers allocated to electronics goods has averaged around .06%. Multiplying .6 by $445 billion gives a figure of $2.67 billion for consumer electronics spending in 1965.

(3) Industrial equipment expenditures have been, strangely enough, remarkably stable over the past ten years, when viewed as a percentage of GNP—they were 6% of GNP three times and 5% seven times. The decade average of 5.3 should, I believe, be raised to 6 under the impetus of the automation drive in the 60's. This ratio would produce a level of $41 billion for industrial equipment outlays in 1965. Assuming a continuation of the vigor shown by this segment over the past ten years, I venture to predict that electronics equipment will constitute 10% of total equipment expenditures by 1965 for a total of $4.1 billion.

(4) Of all types of spending, military expenditures are, by their very nature, the most difficult to predict. Given a continuation of the present world political climate, or even a change for the better, i.e., mutually agreed upon and enforceable progressive disarmament, I look for U. S. military spending to take about 10% of our GNP in 1965. This would put the total military spending figure at about $68.5 billion. Given too, a continuation of the rate of growth of military electronics which is based on a gradual approach towards push button missile warfare, my view is that the portion of military spending that will be allocated to electronics procurement will approach 15% or a total of approximately $10 billion by 1965.

(5) Replacement parts, such as tubes, semiconductors, capacitors, resistors and the like should average about 9.5% of total electronics factory sales for a 1965 level of about $1.5 billion.

III

Recapitulation and Restrictions

The 1965 electronics factory sales picture that emerges from the techniques employed here looks like this:

Total Electronics Factory Sales
(In billions of current dollars)

Consumer Products____	2.67
Industrial Products____	4.10
Military Products_____	10.00
Replacement Parts_____	1.50
Total _____	18.27

Evidently there is a discrepancy between the total sales figure derived from GNP and that derived from a summation of the several segments. Indeed, it would have been most unusual to obtain concurrence with the method we used. I am inclined to have more confidence in the segment total of about $18 billion than in the $17 billion figure. On the other hand, I am disinclined to ignore the first figure altogether. Hence my prognostication of 1965 electronics factory sales must be stated in terms of a range of $17 billion to $18 billion (a 6% spread). From the $9.2 billion total of 1959, this represents an increase in sales of 85-95%.

Now the economic purist will undoubtedly demand a complete set of assumptions both explicit as well as implicit; the econometrician will bemoan the lack of sophistication of the "estimating equations" and of the absence of variance considerations; the electronics manufacturer will, like Gigi's friend, gaze incredulously at the adolescent grown to young adulthood, and some potential investors in electronics firms will be disappointed at not finding any "tips" in this analysis. To all of these (with the emphatic exception of investors) my only reply is "wait and see."

*"The Potential Economic Growth in the United States" by James W. Knowles with the assistance of Charles B. Warden, Jr., Study Paper No. 20. "Study of Employment, Growth, and Price Levels," for consideration by the Joint Economic Committee Congress of the United States.

NEWS ABOUT BANKS AND BANKERS

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

Commenting on the announcement by the Comptroller of the Currency covering the granting of licenses to **The First National City Bank of New York,** to establish branches in Plainview, Nassau County, and Harrison, Westchester County, a spokesman stated they were gratified with the orderly action taken by the authorities in processing the applications filed on July 1 under the New York State omnibus banking bill.

The bank indicated they were proceeding to implement their plans to establish branches at these locations.

The new offices will be staffed by people familiar with the trade areas of the locations.

The branches will be administered by experienced officers who can draw on all the resources of the institution.

Branch addresses: (1) Southeast corner of Old Country Road and Plainview Road, Plainview. (2) Anderson Hill Road at Westchester Ave., Harrison.

* * *

A new board of directors was elected for the **American Trust Company, New York.**

The stockholders' decision to take control of the bank was provoked by the late Harvey Schwamm who, then Chairman, challenged the group's right to vote a block of disputed shares. But, Mr. Schwamm died in an airplane crash and his son Jay became Chairman.

The board now stands as follows: Mr. John D. Butt, former Chairman and President of the **Seamen's Bank for Savings, New York,** was named Chairman, Richard J. Cunningham was named President, Mr. Reynolds and Mr. John P. McGrath were also named Directors along with William Alpert, Bertram F. Bonner, Francis Levien, John A. Maher, David Minkin and Joseph S. Robinson.

* * *

The **Dime Savings Bank of Brooklyn, N. Y.** has received approval from the State of New York Banking Department and the Federal Deposit Insurance Corporation to open a branch office with complete savings bank facilities in the Green Acres Shopping Center at Valley Stream in Nassau County, on September 6.

* * *

By a stock dividend, **The Franklin National Bank of Long Island, Mineola, New York,** increased its common capital stock from $16,169,000 to $16,654,000, effective Aug. 1. (Number of shares outstanding, $3,330,800, par value $5.)

* * *

The National Bank of Westchester, White Plains, New York, with common stock of $3,870.775, and **The Rye National Bank, Rye, New York,** with common stock of $836,800 have consolidated, effective as of the close of business July 29. The consolidated bank has a capital stock of $4,749,415, divided into 949,883 shares of common stock of the par value of $5 each.

* * *

The First National Bank of Hudson Falls, Hudson Falls, New York has increased its common capital stock, by a stock dividend, from $200,000 to $300,000, effective Aug. 1. (Number of shares outstanding, 15,000, par value $20.)

* * *

Assistant Vice - President of **Chemical Bank New York Trust Company, New York,** Edward J. Maude, has been named Executive Vice-President of the **Community Savings Bank of Rochester, N. Y.,** effective Sept. 1.

The common capital stock of the **First Camden National Bank and Trust Company, Camden, N. J.** has been increased from $2,625,000 to $2,756,250 by a stock dividend, effective Aug. 2. (Number of shares outstanding, 441,000, par value $6.25.)

* * *

Mr. Robert L. Kirk, 36-year-old **Vice-President of the Central-Penn National Bank of Philadelphia, Pa.,** died Aug. 11, in his office.

* * *

The consolidation of **The Peoples National Bank of Norristown, Norristown, Pa.,** with common stock of $905,425, and **The Farmers National Bank of Pennsburg, Pennsburg, Pa.,** with common stock of $75,000 was effective as of July 29.

The new title is **The Peoples National Bank and Trust Company of Norristown,** with capital stock of $999,175, divided into 39,967 shares of common stock of the par value of $25 each.

* * *

The **Peoples Trust Company of Wyomissing, Wyomissing, Pa.,** and **City Bank and Trust Company of Reading, Reading, Pa.,** have merged taking the new title of **Peoples Trust City Bank.** The head office has been transferred to the former location of **City Bank and Trust Company of Reading.** The main office and branches of **Peoples Trust Company** and the branches of **City Bank and Trust Company** will be operated as branches of the continuing bank.

* * *

Herbert C. Moseley, President of **The Bank of Virginia** has announced that the consolidation of **Chesterfield County Bank, Chester, Va.,** with **The Bank of Virginia, Richmond, Va.,** became effective Aug. 12.

Final approval for the step was cleared by banking authorities Aug. 10. In the transaction The Bank of Virginia is purchasing the Chesterfield County Bank—for cash to the latter bank's stockholders rather than by exchange of stock. Chesterfield County Bank stockholders approved the move last April 28, subject to subsequent approval by banking authorities.

With the consolidation, Mr. Moseley said, four former directors of the **Chesterfield County Bank** have been elected to the South Richmond - Chesterfield board of **The Bank of Virginia.**

They are F. W. Bruce, Maj.-Gen. Leslie D. Carter, Ernest P. Gates, and J. L. Longest.

Combination of the two banks adds some $2,500,000 to the $131,000,000 total resources of The Bank of Virginia.

June 30 statements of condition of the two banks listed $2,486,324 in deposits for **Chesterfield County Bank** and $116,650,086 for **The Bank of Virginia.** Total resources as of June 30 were $2,658,629 for **Chesterfield County Bank** and $131,615,574 for **The Bank of Virginia.**

* * *

The **Petersburg Savings and American Trust Company, Petersburg, Va.,** and the **Bank of Colonial Heights, Colonial Heights, Va.,** have merged under the charter and title of the **Petersburg Savings and American Trust Company.** The continuing bank will use the branches and main office of the **Bank of Colonial Heights** as its branches.

* * *

W. Richard Murphy has been elected Vice-President of **Pullman Trust & Savings Bank, Chicago, Ill., Standard State Bank, Chicago, Ill., and State Bank of Blue Island, Ill.,** as announced by Donald O'Toole, President of the three South Side banks.

* * *

A charter has been issued by the Office of Comptroller of the Currency to the **Mayfair National Bank of Wauwatosa, Wauwatosa, Milwaukee County, Wis.** Edward C. Heckl is the President, and Robert C. Firle is the Cashier.

* * *

The Federal Deposit Insurance Corp. started to pay customers of the closed **Capitol Hill State Bank, Oklahoma City, Okla.**

The state bank commissioner closed the bank July 29 because of a shortage of $1,562,000. The FDIC announced that it would pay the customers, whose deposits are insured up to $10,000 per account, just minutes before the District Judge, Clarence Mills Saturday, denied the bank's petition to reopen.

* * *

William H. Harrison has been elected a Vice-President of **First National Bank in St. Louis, Mo.** by the board of directors of the bank, it was announced by William A. McDonnell, Chairman of the Board.

* * *

"Sudameris"—the bank with the largest inumber of branches in South America—this year is observing the 50th anniversary of the founding of its first branch bank in Sao Paulo, Brazil, in 1910.

Stockholders of "Sudameris" are **Banca Commerciale Italiana of Milan, Banque de Paris et des Pays Bas of Paris, Union Bank of Switzerland in Zurich** and the **Banque de l'Indochine of Paris.**

Although the head office of "Sudameris" is in Paris, almost all its business is conducted in the six South American countries in which it operates.

Deposits of "Sudameris," which totaled $35 million in 1946, by the end of 1959 had grown to $130 million. Chief executive officers of "Sudameris" are Mr. Henry Burnier, President, and Dr. Ettore Bottoni, General Manager.

* * *

Announcement has been made by the directors of the **First Union National Bank of North Carolina, Charlotte, N. C.** and the **National Bank, Gastonia, N. C.,** of their plans to merge the two institutions.

* * *

The Office of the Comptroller of the Currency has issued a charter to the **First National Bank of Alvin, Alvin, Brazoria County, Texas.** The President of the new bank is E. L. Boston and the Cashier, Van D. Gillen. The new bank will open for business with a capital of $200,000, and a surplus of $200,000.

Mervin Dahl was elected a Vice President of the **First National Bank of Oregon, Portland, Oregon.** He will succeed Lynn S. McCready who is retiring Oct. 1 as Vice President and Manager of the Eugene, Oregon, main office. Virgil M. Cameron was also lected a Vice President.

* * *

The Oregon Bank, Portland, Ore., and **The Valley National Bank of Milton, Milton - Freewater, Ore.,** merged under the title and charter of **The Oregon Bank.**

Gazarian Rejoins Copley

(Special to THE FINANCIAL CHRONICLE)

COLORADO SPRINGS, Colo. — Theodore B. Gazarian has rejoined Copley and Company, 409 North Nevada. Mr. Gazarian has recently been an officer of Gazarian, Essendrop & Co.

Bosworth, Sullivan Adds

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Burton F. Howard, Jr. has joined the staff of Bosworth, Sullivan & Company, Inc., 660 Seventeenth St., members of the New York and Midwest Stock Exchanges.

THE SECURITY I LIKE BEST...

Continued from page 2

mented, with new franchises being granted as rapidly as qualified individuals can be found who meet the exacting standards demanded of them.

Aerotron's offices and manufacturing facilities were moved to new quarters in North Raleigh in late June and early July 1960 into an especially designed building which provides the capacity for quintupling the present volume on a continuation of the present one-shift-per-day basis. The new quarters are completely modern and provide for the maximum production efficiency so necessary for the increasing sales volume. In addition, sufficient space is available on the more than five acres of land to erect still additional capacity when demand so warrants.

Developmental work is currently being handled by an engineering staff of ten who are presently partially engaged in experimenting with HF and UHF equipment with view in mind of using it to round out the product line and to provide full frequency coverage.

With the liberalization of licensing requirements inaugurated by the Federal Communications Commission in the fall of 1958, an entirely new sales vista was revealed to the manufacturers of industrial radio equipment. However, the benefits of these new regulations were felt mostly by the smaller entrepreneur. He could now take advantage of the ready availability of this means to effect closer control over his enterprise, with the resulting increases in efficiency.

Aerotron with its sensitive, high performance and compact sets was in a position to reap particular advantages from this new market presented by the FCC, and its subsequent performance gives eloquent testimony to this fact.

As can be seen in the accompanying table, the company has enjoyed unusual growth since the fall of 1958 when the new FCC requirements went into effect. Sales have increased more than four-fold while gross profits have risen almost twice as fast as sales. Per share earnings have quadrupled at the same time, although not quite as rapidly as sales due to Aerotron's tax-loss-carry-forward having expired in fiscal 1960's third quarter.

Particularly worthy of note is the fact that this growth has taken place while Aerotron has been operating out of temporary quarters. Now that the new facilities are in use, it does not appear unduly optimistic to project an equally good performance for the next several years in view of a rapidly expanding market for mobile radio equipment. Sales of $3-$3½ million appear quite feasible for fiscal 1961 with some $10 million as the goal for 1962. As the company seems able to maintain a stable rate of profit, the foregoing estimate would mean a per share net of around $0.60-$0.70 in 1961 and $1.75-$2.00 in 1962. From there, long range projections call for sales at the level of $20-$25 million annually which, by the same token, would give an indication of around $3.00-$5.00 per share.

Sales and Earnings Data

Fiscal Yr. End. May 31	Sales	Oper. Profit (Before Taxes)	Oper. Profit as % of Sales	Net Income	Per Share Earnings*
1958 --------	$272,000	$15,000	5.51%	$15,000	$.031
1959 --------	427,000	44,000	10.30	44,000	.091
1960 --------	1,183,000	235,000	19.78	149,000	.310
Quarter Ending					
Aug. 31, 1958	31,000	8,000‡	----	8,000‡	.017‡
Nov. 30, 1958	107,000	12,000	11.21	12,000	.025
Feb. 28, 1959	142,000	13,000	9.15	13,000	.027
May 31, 1959	147,000	27,000	18.37	27,000	.056
Aug. 31, 1959	159,000	28,000	17.61	28,000	.058
Nov. 30, 1959	195,000	34,000	17.44	34,000	.071
Feb. 29, 1960	329,000	61,000	18.54	36,000	.075
May 31, 1960	500,000	112,000	22.40	51,000	.106

*Based on present 481,680 shares outstanding. ‡Loss. NOTE: If all authorized and existing options were exercised, outstanding shares would number 520,000.

The internal financial situation at Aerotron is excellent with a ratio of current assets to current liabilities of 3.00. When inventories are omitted, the quick ratio is also found to be unusually strong at 2.15. Working capital requirements appear extremely well covered by cash and receivables in the amount of some $455,000. In the event that additional short-term funds should be needed, adequate commitments have been made by local banks.

Management is unusually able and well-qualified technically. It has proved very alert and flexible in taking full advantage of new developments as they have occurred and has demonstrated its adaptability to change when necessary.

In closing, I would like to point out that with the exception of one small stock offering to holders of record in the fall of 1959 (proceeds of which were primarily used for the new plant), Aerotron has been able to finance its growth entirely from earnings. The company has no debt (either short- or long-term) and no senior securities (it retired its last preferred stock in 1955). It pays no dividends at present. It is traded in the Over-the-Counter Market.

With J. A. Overton

(Special to THE FINANCIAL CHRONICLE)

CORONADO, Calif. — John D. Laws has joined the staff of J. A. Overton & Co., 1134 Orange Avenue.

With Bateman Eichler

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—George B. Fisher has been added to the staff of Bateman, Eichler & Co., 453 South Spring Street, members of the Pacific Coast Stock Exchange. He was previously with Hornblower & Weeks.

Elected Director

Donald K. Phillips, a partner in E. F. Hutton & Company, New York Stock Exchange member firm, has been elected a director of A. R. Abrams, Inc.

Form McCombs Secs. Co.

(Special to THE FINANCIAL CHRONICLE)

POMONA, Calif. — McCombs Securities Co., Inc. has been formed with offices at 588 North Park Avenue to engage in a securities business. Officers are Donald D. McCombs, president; Jean W. McCombs, vice president; and J. L. Bialaxzewski, treasurer. Mr. McCombs was formerly with Diversified Mutual Funds, Ltd.

Ross Low to Admit

Frank J. Bennett, member of the New York Stock Exchange, on August 25th will become a partner in the Exchange member firm of Ross, Low & Co., 120 Broadway, New York City.

Opens Investment Office

(Special to THE FINANCIAL CHRONICLE)

BURBANK, Calif. — Louise M. Cheney is conducting a securities business from offices at 520 East Palm.

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.

★ Admiral Homes, Inc.
Aug. 15, 1960, filed $400,000 of convertible subordinated debentures, due 1970. **Price**—100% of principal amount. **Business**—The manufacture and sale of pre-fabricated homes. **Proceeds**—To be added to the working capital of the company and its subsidiary. **Office**—149 Water Street, West Newton, Pa. **Underwriter**—Arthurs, Lestrange & Co., Pittsburgh, Pa. (managing).

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.

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. (8/23)
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 Foods Inc.
Aug. 16, 1960 filed 167,500 shares of common stock. **Price**—$3 per share. **Proceeds**—For the company's ventures in Florida and North Carolina, and the balance for working capital. **Office**—Miami, Fla. **Underwriter**—Godfrey, Hamilton, Magnus & 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 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 Recreation Centers, Inc.
Aug. 15, 1960 filed $600,000 of 7% sinking fund debentures, due September, 1972 (with attached warrants for the purchase of 150,000 shares of stock for each $1,000 debenture purchased), and 60,000 shares of capital stock. **Price** — To be supplied by amendment. **Business** — The company is engaged, through subsidiaries, in the operation of four bowling centers, and in the sale of bowling accessories. **Proceeds** — Retirement of indebtedness, modernization of facilities, and for general corporate purposes. **Office**—1721 Eastern Ave., Sacramento, Calif. **Underwriter**—York & Co. of San Francisco, Calif.

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.

Continued on page 37

NEW ISSUE CALENDAR

August 19 (Friday)

Safticraft Corp. ____ Common
(George, O'Neill & Co., Inc.) $825,000

August 22 (Monday)

Arkansas Valley Industries, Inc. ____ Debentures
(A. G. Edwards & Sons) $400,000

Arkansas Valley Industries, Inc. ____ Common
(A. G. Edwards & Sons) 30,000 shares

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

Chematomics, Inc. ____ Common
(Pleasant Securities Co.) $564,900

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

Dunbar Development Corp. ____ Common
(Netherlands Securities Co., Inc. and J. A. Winston & Co., Inc.) $300,000

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

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

Hyster Co. ____ Common
(Blyth & Co., Inc.) 130,000 shares

Miles-Samuelson Inc. ____ Common
(Marron, Sloss & Co., Inc.) 100,000 shares

Navajo Freight Lines, Inc. ____ Common
(Hayden, Stone & Co. and Lowell, Murphy & Co.) 250,000 shares

Rotating Components, Inc. ____ Common
(S. Schramm & Co., Inc.) $300,000

Softol, Inc. ____ Common
(Harwyn Securities, Inc.) $300,000

Sunbury Milk Products Co. ____ Common
(Hecker & Co.) $300,000

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

Wakefield Engineering, Inc. ____ Common
(Robert A. Martin Associates, Inc.) $300,000

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)

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

City Gas Co. of Florida ____ Common
(Kidder, Peabody & Co.) 120,000 shares

Infrared Industries, Inc. ____ Common
(Lehman Brothers) 135,000 shares

McKesson & Robbins, Inc. ____ Debentures
(Goldman, Sachs & Co.) $15,000,000

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

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)

Miami Tile & Terrazzo, Inc. ____ Common
(Floyd D. Cerf Jr. Co. Inc.) $437,500

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

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

I C Inc. ____ Common
(Purvis & Co. and Amos C. Sudler & Co.) $1,500,000

I. D. Precision Components Corp. ____ Common
(R. A. Holman & Co., Inc.) $200,000

Majestic Utilities Corp. ____ Units
(Purvis & Co.) $300,000

August 29 (Monday)

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

Avionics Investing Corp. ____ Capital
(S. D. Fuller & Co.) $4,000,000

Capital Investments, Inc. ____ Common
(The Marshall Co.) $660,000

Dalto Corp. ____ Common
(No underwriting) 134,739 shares

Del Electronics Corp. ____ Common
(Standard Securities Corp. and Bruno-Lenchner, Inc.) $400,000

Diversified Collateral Corp. ____ Common
(The Tager Co.) $300,000

Electri-Cord Manufacturing Co., Inc. ____ Common
(E. M. North Co., Inc.) $299,700

Foto-Video Electronics Corp. ____ Class B
(Fund Planning, Inc.) $500,000

National Capital Corp. ____ Common
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $1,200,000

Nucleonic Corp. of America ____ Common
(Bertner Bros. and Earl Edden Co.) $300,000

Pacotronics, Inc. ____ Common
(Myron A. Lomasney & Co.) $600,000

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

Steck Co. ____ Common
(Rauscher, Pierce & Co., Inc.) 60,000 shares

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

Atlantic Bowling Corp. ____ Common
(Sutro Bros. & Co. and McDowell, Dimond & Co.) 250,000 shares

Deluxe Aluminum Products, Inc. ____ Common
(R. A. Holman & Co., Inc.) $350,000

Deluxe Aluminum Products, Inc. ____ Debentures
(R. A. Holman & Co., Inc.) $330,000

Duncan Coffee Co. ____ Capital
(Bear, Stearns & Co.) 260,000 shares

Heldor Electronics Manufacturing Corp. ____ Com.
(S. Schramm & Co., Inc.) $300,000

Industrial Timer Corp. ____ Common
(G. H. Walker & Co. and C. E. Unterberg, Towbin & Co.) 75,000 shares

Kings Electronics Co., Inc. ____ Units
(Ross, Lyon & Co., Inc.; Globus, Inc.; Reich & Co.; Harold C. Shore & Co. and Godfrey, Hamilton, Magnus & Co.) $800,000

Lytton Financial Corp. ____ Capital
(William R. Staats & Co. and Shearson, Hammill & Co.) 354,000 shares

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

Pearson Corp. ____ Common
(R. A. Holman & Co., Inc.) 50,000 shares

Portland Turf Association ____ Bonds
(General Investing Corp.) $300,000

Resiflex Laboratory, Inc. ____ Common
(Blunt Ellis & Simmons) 100,000 shares

Roto American Corp. ____ Common
(Morris Cohon & Co.) 75,000 shares

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 7 (Wednesday)

Spray-Bilt, Inc. ____ Common
(J. I. Magaril Co. and Sandkuhl & Company, Inc.) $250,000

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

General Steel Castings Corp._____Common
(Hornblower & Weeks) 296,649 shares

Harvest Brand, Inc._____Common
(S. D. Fuller & Co.) 191,667 shares

Perkin-Elmer Corp._____Common
(Blyth & Co., Inc.) 100,000 shares

Pittsburgh & Lake Erie RR._____Equip. Trust Ctfs.
(Bids to be received) $5,000,000

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)

Hallicrafters Co._____Capital
(Paine, Webber, Jackson & Curtis) 300.000 shares

Missouri Pacific RR._____Equip. Trust Ctfs.
(Bids to be received) $3,975,000

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

Southern Pacific Co._____Equip. Trust Ctfs.
(Bids to be received) $7,500,000

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)

Gulton Industries, Inc._____Common
(Lehman Brothers and G. H. Walker & Co.) 100,000 shares

Oil Recovery Corp._____Conv. Debentures
(Lehman Brothers and Allen & Co.) $1,600,000

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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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. (8/22-30)**
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. (8/29-9/2)**
May 23 filed 133,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes and working capital. **Office**—11924 W. Washington Blvd., Los Angeles, Calif. **Underwriter**—Shearson, Hammill & Co., New York.

★ **Associated Sales Analysts, Inc.**
Aug. 15, 1960, filed 105,000 shares of outstanding class A stock (par 10 cents). **Price**—$3.50 per share. **Business**—The company is engaged in the electronic data processing and machine accounting service business. **Proceeds**—To selling stockholders. **Office**—220 W. 42nd Street, N. Y. C. **Underwriter**—Amos Treat & Co., Inc., New York City.

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. (9/6-9)**
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.

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.

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 maangement 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). **Offering**—Expected in mid-September.

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.

★ **Brothers Chemical Co.**
Aug. 9, 1960 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Business**—Manufacturing chemicals. **Proceeds**—For general corporate purposes. **Office** — 575 Forest Street, Orange, N. J. **Underwriter**—Sandkuhl & Company, Inc., Newark, N. J. and New York City.

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.

★ **Business Finance Corp.**
Aug. 5, 1960 (letter of notification) 195,000 shares of common stock (par 20 cents). **Price** — $1.50 per share. **Proceeds**—For business expansion. **Office**—1800 E. 26th St., Little Rock, Ark. **Underwriter**—Cohn Co., Inc., 309 N. Ridge Road, Little Rock, Ark.

★ **Buttrey Foods, Inc.**
Aug. 15, 1960 filed 65,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company operates a chain of 21 retail food stores in Montana. **Proceeds**—For equipment and inventory, and for additional stores as may be opened in the future. **Office**—601 6th St., S. W., Great Falls, Montana. **Underwriter**—J. M. Dain & Co., Inc. of Minneapolis, Minn.

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.

★ **Canaveral International Corp.**
Aug. 12, 1960 filed 300,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—Land sales and development. **Proceeds**—$150,000 for accounts payable, $335,000 for mortgage and interest payments, $250,000 for advertising, $250,000 for development costs and $290,000 for general working capital. **Office**—1766 Bay Road, Miami Beach, Fla. **Underwriter** — S. Schramm & Co., Inc., New York City.

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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.

Cavitron Corp. (9/26-30)
June 17, 1960, filed 40,000 shares of common stock. **Price** $15 per share. **Proceeds**—To finance the company's anticipated growth and for other general corporate purposes. **Office**—42-15 Crescent St., Long Island City, N. Y. **Underwriter**—None.

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. (8/22-26)**
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 (8/23-24)**
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. (8/22)**
July 6, 1960 filed $650,000 of capital notes, series due 1980 (subordinated), with warrants to purchase common shares, and 40,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general funds to provide additional working capital. **Business**—The company is engaged in commercial financing and supplies funds to business concerns in Wisconsin and neighboring states. **Office**—530 North Water St., Milwaukee, Wis. **Underwriter** — Robert W. Baird & Co., Inc., Milwaukee, Wis.

★ **Colorado Bowling Alleys of Israel, Inc.**
Aug. 12, 1960 filed 1,000 shares of class A common stock (to be sold to promoters only), and 48,000 shares of class B common stock. **Price**—For the class B, $10 per share. **Proceeds**—For the construction of bowling alleys in the major cities of Israel. **Office**—520 Eudora St., Denver, Colo. **Underwriter**—None.

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.

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.

● **Croft Carpet Mills, Inc.**
Aug. 8, 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.

★ **Cryogenics Inc.**
Aug. 16, 1960 filed 236,000 shares of common stock, of which 175,000 shares are to be offered for public sale, and the balance will be sold to promoters. **Price**—For the public offering, $2 per share. **Proceeds**—To repay a bank loan, for salaries, operating expenses, purchase of land, construction of a new laboratory and working capital. **Office**—Washington, D. C. **Underwriter**—John R. Maher Associates, New York City.

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.

★ **Custer Channel Wing Corp.**
Aug. 8, 1960 (letter of notification) 461,700 shares of common stock. **Price** — At par (five cents per share). **Proceeds**—For flight testing, manufacturing and sale of aircraft. **Office** — 1905 W. Washington St., Hagerstown, Md. **Underwriter**—None.

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. (8/29-9/2)**
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. (9/6-9)**
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.

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. (8/22-26)**
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.

★ **Eastern Shopping Centers, Inc.**
Aug. 15, 1960, filed 1,048,167 shares of common stock to be offered for subscription by holders of outstanding common stock on the basis of one new share for each share held. **Price**—To be supplied by amendment. **Business**—The construction, development and management of shopping centers. **Proceeds**—To be added to the general funds for working capital and general corporate purposes. **Office**—6L Mall Walk, Cross County Center, Yonkers, N. Y. **Underwriter**—None.

● **Edwards Engineering Corp. (8/25)**
April 8 filed 85,000 shares of common stock of which 70,000 shares are to be offered for the account of the issuing company and 15,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—$3.50 per share. **Proceeds**—For general corporate purposes including salaries, sales promotion, moving expenses, and research and development work. **Office**—715 Camp Street, New Orleans, La. **Underwriter**—Sandkuhl & Company, Inc., New York City and Newark, N. J.

● **Electri-Cord Manufacturing Co. Inc. (8/29-9/2)**
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. (8/22-23)**
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.

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.

★ **Farm & Home Loan & Discount Co.**
Aug. 4, 1960 (letter of notification) 125,000 shares of class A common stock; 50,000 shares of class B common stock, and 50,000 shares of class C common stock, to be sold to policyholders of the company. **Price**—Class A, 25 cents per share; class B, 35 cents per share, and class C, 50 cents per share. **Proceeds**—For working capital. **Office**—2225 N. 16th St., Phoenix, Ariz. **Underwriter**—None.

Farms, Inc.
June 13 (letter of notification) $298,000 of 10-year 5¾% debentures, to be offered in denominations of $1,000, $500 and $250 each. **Price**—At face value. **Proceeds**—For working capital. **Office**—818 17th Street, Denver 2, Colo. **Underwriter**—Wayne Jewell Co., Denver, Colo.

Federal 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 Connecticut Small Business Investment Co.**
Aug. 12, 1960 filed 225,000 shares of common stock (par $1). **Price**—$10 per share. **Proceeds**—To retire $150,000 of debentures, and for capital for loans for small businesses. **Office**—955 Main St., Bridgeport, Conn. **Underwriter**—Grimm & Co. of New York City.

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.

★ **Florida Hillsboro Corp.**
Aug. 16, 1960 filed $1,000,000 of junior lien bonds, 7% series, due 1975, and 150,000 shares of common stock, to be offered in units of a $500 bond and 75 shares of common stock. **Price**—For the units, $500 per unit; for 120,000 common shares, $1 per share. **Proceeds** — For property improvements, the repayment of indebtedness, and the balance for working capital. **Office**—Ft. Lauderdale, Fla. **Underwriters**—P. W. Brooks & Co. Inc. and Lee Higginson Corp. (for the common only), both of New York City.

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 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. (9/15)**
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).

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.

Gross Furnace Manufacturing Co., Inc.
March 30 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Proceeds** — For advertising, equipment and working capital. **Office**—c/o Joseph J. Gross, 2411 Sunnybrook Road, Richmond, Va. **Underwriter**—Maryland Securities Co., Inc., Baltimore, Md.

Guardian Central Trust, Inc.
June 3 filed 484,862 shares of common stock, of which 200,000 shares are to be publicly offered, and the remaining shares are reserved for the acquisition of the stock of Guardian Discount Co. **Price**—$6 per share. **Proceeds**—From the public offering, to be invested in Guardian Discount Co. **Office**—1415 Union Avenue, Memphis, Tenn. **Underwriter**—James N. Reddoch & Co., Memphis, Tenn.

★ **Gulton Industries, Inc. (10/4)**
Aug. 11, 1960 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The research, development and manufacture of electronic, electro-mechanical and electro-acoustic components, instruments and equipment, which are sold to military and commercial manufactures. **Proceeds**—To be added to the general funds, for requirements including additional working capital for inventories and accounts receivable. **Office** — 212 Durham Ave., Metuchen, N. J. **Underwriters**—Lehman Brothers and G. H. Walker & Co., both of New York City (managing).

● **Hallicrafters Co. (9/19-23)**
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).

● **Harvest Brand, Inc. (9/15)**
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.

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. (9/6-9)**
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.

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● Honey Dew Food Stores, Inc.
June 24, 1960 (letter of notification) $300,000 of 7½% convertible subordinated debentures due July 1, 1970. **Price** — At 100%. These debentures are convertible through June 30, 1965 into capital stock at $2.50 per share to and including June 30, 1962, at $3.33⅓ per share from July 1, 1962 to June 30, 1964 inclusive and at $4 per share from July 1, 1964 to June 30, 1965 inclusive. **Proceeds** — For general corporate purposes. **Office** — 811 Grange Rd., Teaneck, N. J. **Underwriter** — Vickers, Christy & Co., Inc., 15 William St., New York 5, N. Y.

● Hyak Skiing Corp.
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. **Offering**—Imminent.

● Hydrometals, Inc.
June 16, 1960 filed $2,464,000 of 6% convertible subordinated debentures, series A, due July 1, 1972. The company is offering the debentures for subscription by stockholders of record Aug. 9, on the basis of $100 principal amount of debentures for each 26 shares of capital stock held, with rights to expire on Aug. 25. **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., and Hayden, Stone & Co.

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. (8/25)
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.

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 Head Mills, Inc.
Aug. 10, 1960 filed 60,000 shares of outstanding common stock (par $1), of which 50,000 shares are to be offered for the account of present holders, and the remaining shares being registered pursuant to an option agreement. **Price**—To be supplied by amendment. **Business**—Production and distribution of fabrics, and related services for fabric converters. **Proceeds**—To selling stockholders. **Office**—111 W. 40th Street, New York City. **Underwriters**—Blair & Co. and F. S. Smithers & Co., both of New York City (managing). **Offering**—Expected in late September or early October.

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.

★ Intercoast Companies Inc.
Aug. 16, 1960 filed 110,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To pay the balance due on the purchase of Western Life shares, and the balance will be added to the general funds to finance the development of general life insurance agency and for working capital. **Office**—Sacramento, Calif. **Underwriter**—Schwabacher & Co., San Francisco, Calif. and 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.

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.
April 29 filed 200,000 shares of common stock. **Price**—$2.50 per share. **Proceds**—For repayment of outstanding debt, for instrumentation and automation of laboratory equipment, for expansion of existing manufacturing facilities and the acquisition or establishment of additional facilities, and the balance for working capital. **Office**—18 Beechwood Avenue, Port Washington, N. Y. **Underwriters**—Morris Cohon & Company and Schrijver & Co., both of New York.

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.

● King Electronics Co., Inc. (9/6-9)
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.

★ Last Frontier Oil Co., Inc.
Aug. 8, 1960 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—For completion costs, taxes, legal and accounting fees, accounts payable, accrued payroll, retirement of loans, and miscellaneous related expenses. **Address**—P. O. Box 2464, Reno, Nev. **Underwriter**—None.

★ Lawndale Industries, Inc.
Aug. 15, 1960 filed 100,000 shares of class A stock. **Price**—$5 per share. **Business**—The manufacture of porcelain enameled steel plumbing fixtures. **Proceeds** — For the construction and equipping of a new plant, and the reduction of outstanding bank loans. **Office** — Haven & Russell Aves., Aurora, Ill. **Underwriter**—Paul C. Kimball & Co. of Chicago, Ill.

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.

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.

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.

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 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. **Note**—This statement is to be withdrawn.

● McKesson & Robbins, Inc. (8/23-24)
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. (9/6-9)
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. (8/24)
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.

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 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. (8/23-24)
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.
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.

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. (8/22-26)
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.
June 28, 1960, filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—Toward the payment of a $2,000,000 bank loan. **Office** — Sioux City, Iowa. **Underwriter** — Cruttenden, Podesta & Co., Chicago. **Offering**—Postponed.

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.

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 modern 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. (10/4)
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).

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.

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.

★ Pacific Standard Life Insurance Co.
Aug. 9, 1960 (letter of notification) 120,000 shares of class A common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To surplus, so that the company can become an unlimited capital stock insurance company. **Office**—c/o Lewis Roca Scoville Beauchamp & Linton, 9th floor, Title & Trust Bldg., Phoenix, Ariz. **Underwriter**—None.

● Pacotronics, Inc. (8/29-9/2)
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.

● Pearson Corp. (9/6-9)
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.

★ Physicians' Credit Corp.
Aug. 4, 1960 (letter of notification) 15,000 shares of common stock. **Price**—At par ($10 per share). **Proceeds**—For working capital. **Office**—3939 Southport Dr., San Antonio, Tex. **Underwriter**—None.

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.

☆ Pioneer Finance Co.
Aug. 15, 1960 filed 125,000 shares of cumulative preferred stock ($20 par), with attached warrants for the purchase of 62,500 shares of common stock. **Price**—To be supplied by amendment. **Business**—The financing of new and used mobile homes, "shell housing," and small loans. **Proceeds**—For general corporate purposes. **Office**—1400 First National Bank Building, Detroit, Mich. **Underwriters**—White, Weld & Co. of New York City and Watling, Lerchen & Co. of Detroit, Mich.

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

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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.

★ **Radio Shack Corp.**
Aug. 16, 1960, filed 200,000 shares of common stock (par $1), of which 150,000 shares will be offered for the account of the issuer, and the remaining 50,000 shares by present holders thereof. **Price** — To be supplied by amendment. **Business**—Distributors of electronics products, sound components, and small appliances. **Office**—730 Commonwealth Avenue, Boston, Mass. **Underwriter**—Granbery, Marache & Co., New York City.

● **Rainier Co., Inc.**
Aug. 1, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business**—Manufacturers of electronics parts and components, and precision machine parts for military and commercial aircraft. **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.**
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. **Offering**—Imminent.

★ **Reiter Steel Fabricators, Inc.**
Aug. 8, 1960 (letter of notification) 5,000 shares of class A preferred common stock. **Price** — At par ($10 per share). **Proceeds**—For plant and office expansion and consolidation, and plant equipment. **Office** — 1616 W. Thompson Street, Philadelphia, Pa. **Underwriter**—None.

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. (9/6-9)**
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. (8/23-25)**
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., Los 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. (9/6-9)**
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. **Underwriters**—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. (8/19)**
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.**
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. **Offering**—Imminent.

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.

★ **Seven Mountain Corp.**
Aug. 12, 1960 filed 3,500,000 shares of common stock. **Price**—$1 per share. **Business**—To construct an all-year resort area and a gondola-type aerial cableway, southeast of Provo, Utah, in the Wasatch Mountains. **Proceeds**—For the purchase of property, construction and equipment, retirement of notes, and the balance for working capital. **Office**—240 East Center St., Provo, Utah. **Underwriter**—Whitney & Co., Salt Lake City, Utah.

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. (8/22-26)**
June 17, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For general corporate purposes. **Office** — 992 Springfield Ave., Irvington, N. J. **Business**—The company manufactures cosmetics and toiletry items. **Underwriter**—Harwyn Securities, Inc., 1457 Broadway, New York 36, N. Y.

Sonex, Inc.
June 29, 1960 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—For machinery, cost of moving and leasehold improvements and working capital. **Office**—185 W. Schoolhouse Lane, Philadelphia 44, Pa. **Underwriter** — Hess, Grant & Remington, Inc., Philadelphia, Pa.

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. (9/7)**
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.

● **Steck Co. (8/29-9/2)**
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. (8/22)**
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. **Offering**—Expected in late September.

System Meat Co.
June 2 filed 150,000 shares of common stock. **Price**—$5 per share. **Proceeds** — For payment of employees' salaries, first mortgage installment, accrued officers' salaries, and the balance for working capital. **Office** — Newcastle, Wyo. **Underwriter**—Purvis & Co., Denver, Colo.

● **Techni Electronics, Inc.**
Aug. 10, 1960 (letter of notification) 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**—71 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.

Tech-O-m 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.

★ **Temperature Engineering Corp.**
Aug. 10, 1960 filed 150,000 shares of common stock (par 25 cents), of which 135,000 shares are to be offered for the account of the company, and the remaining 15,000 shares being already sold to underwriters by Sidney H. Perlman, company president at $1 per share. **Price**—$3.50 per share. **Business**—The manufacture and sale of equipment to create precisely controlled conditions of temperature, humidity, pressure and cleanliness in research, production and quality control. **Proceeds** — The erection of new manufacturing facilities, research and equipment, and the balance for working capital. **Office**—U. S. Highway 130, Riverton, N. J. **Underwriters**—M. L. Lee & Co., Inc., Milton D. Blauner & Co., Inc. and F. L. Salomon & Co., all of New York City. **Offering**—Late September or early October.

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.

★ **Tenax, Inc.**
Aug. 16, 1960, filed $1,500,000 of 10-year 6% convertible subordinated debentures, due 1970. **Price** — 100% of principal amount. **Business**—The sale, stocking and financing of freezers. **Proceeds**—Repayment of short-term indebtedness and working capital. **Office**—575 Lexington Avenue, New York City. **Underwriter** — Myron A. Lomasney & Co., 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.

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.

★ **Trans World Utilities, Ltd.**
Aug. 2, 1960 (letter of notification) 150,000 shares of common stock (par 20 cents). **Price**—$1 per share. **Proceeds**—For working capital. **Office**—10 E. Elizabeth St., Brownsville, Tex. **Underwriter**—None.

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 Electric Co. (10/19)**
Aug. 12, 1960 filed $50,000,000 of 30-year first mortgage bonds, due 1990. **Proceeds** — To meet construction expenses and retire short-term loans. **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.

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.**
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. **Offering**—Imminent.

● **United States Boat Corp.**
March 28 filed 350,000 shares of common stock to be publicly offered. **Price**—$2 per share. **Proceeds**—$221,826 will be applied to the repayment of loans to United States Pool Corp. which were used for general corporate purposes, and the balance will be utilized for working capital, including a later repayment of $45,000 to U. S. Pool Corp. **Office** — 27 Haynes Avenue, Newark, N. J. **Underwriter** — Richard Bruce & Co., Inc., New York. **Note**—This offering has been postponed.

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.

★ **Virginia Electric & Power Co. (9/13)**
Aug. 12, 1960, filed $25,000,000 of first and refunding mortgage bonds, series P, due 1990. **Proceeds**—For construction. **Office**—700 E. Franklin Street, Richmond, Va. **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 a.m. N. Y. time, at The Chase Manhattan Bank, 43 Exchange Place, New York City, Room 238.

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. (8/22-26)**
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

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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

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. **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.

★ **Foto Chrome Co.**
Aug. 17, 1960, it was reported that a common stock filing is in the offing. **Underwriter**—Shearson, Hammill & Co.

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 between 9:30 a.m. and 5:00 p.m. by appointment, 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.

★ **Interstate Vending Co.**
Aug. 16, 1960 it was reported that the company is planning imminent registration of some common stock. **Office**—Chicago, Ill. **Underwriter**—Bear, Stearns & Co.

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 in late September or early October. **Proceeds** — For construction and the repayment of bank loans. **Office** — 250 Old Country Rd., Mineola, N. Y. **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.

★ Missouri Pacific RR. (9/19)
Aug. 17, 1960 it was reported that the road is planning the sale of $3,975,000 of equipment trust certificates. **Underwriter**—To be determined by competitive bidding. Bidders—Halsey, Stuart & Co. Inc., and Salomon Bros. & Hutzler. **Bids**—Expected to be received on Sept. 19.

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.

★ Pittsburgh & Lake Erie RR. (9/15)
Aug. 17, 1960 it was reported that the road is planning the sale of $5,000,000 of equipment trust certificates. **Underwriter**—To be determined by competitive bidding. Bidders—Halsey, Stuart & Co. Inc., and Salomon Bros. & Hutzler. **Bids**—Expected to be received on Sept. 15.

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
Aug. 16, 1960 it was reported that $15,000 of $100 par preferred stock is expected to be sold in September. **Office**—Denver, Colo. **Underwriters**—First Boston Corp., Blyth & Co., and Smith, Barney & Co. (jointly).

Public Service Co. of New Hampshire
April 4 it was stated in the company's annual report that short-term borrowings will increase progressively during 1960 until further permanent financing is undertaken later in the year. The timing, type, and amount of this financing has not been determined.

Public Service Electric & Gas Co. (9/20)
May 18 directors of this company took preliminary steps for the sale of $50,000,000 in first and refunding mortgage bonds, 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.; 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.

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).

★ Southern Pacific Co. (9/21)
Aug. 17, 1960 it was reported that the road is planning the sale of $7,500,000 of equipment trust certificates. **Underwriter**—To be determined by competitive bidding. Bidders—Halsey, Stuart & Co. Inc., and Salomon Bros. & Hutzler. **Bids**—Expected to be received on Sept. 21.

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.

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.

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. 20	§55.8	*53.5	54.4	11.3
Equivalent to—					
Steel ingots and castings (net tons)	Aug. 20	§1,589,000	*1,525,000	1,550,000	321,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Aug. 5	6,836,710	6,821,310	6,831,210	6,732,825
Crude runs to stills—daily average (bbls.)	Aug. 5	¶8,271,000	8,290,000	8,280,000	7,836,000
Gasoline output (bbls.)	Aug. 5	29,040,000	29,014,000	30,677,000	28,167,000
Kerosene output (bbls.)	Aug. 5	2,492,000	2,424,000	2,685,000	1,436,000
Distillate fuel oil output (bbls.)	Aug. 5	12,873,000	*13,034,000	13,051,000	12,415,000
Residual fuel oil output (bbls.)	Aug. 5	5,805,000	5,598,000	6,046,000	6,153,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Aug. 5	193,647,000	193,195,000	201,302,000	183,481,000
Kerosene (bbls.) at	Aug. 5	30,702,000	29,797,000	28,755,000	29,004,000
Distillate fuel oil (bbls.) at	Aug. 5	134,049,000	128,941,000	116,730,000	142,994,000
Residual fuel oil (bbls.) at	Aug. 5	43,014,000	43,386,000	42,679,000	56,375,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Aug. 6	594,329	614,236	456,330	532,259
Revenue freight received from connections (no. of cars)	Aug. 6	487,558	485,514	399,367	463,165
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Aug. 11	$435,500,000	$561,700,000	$601,100,000	$412,400,000
Private construction	Aug. 11	273,200,000	207,500,000	304,800,000	230,200,000
Public construction	Aug. 11	162,300,000	354,200,000	296,300,000	182,200,000
State and municipal	Aug. 11	131,700,000	312,500,000	228,400,000	150,500,000
Federal	Aug. 11	30,600,000	41,700,000	67,900,000	31,700,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Aug. 6	7,840,000	*8,230,000	1,320,000	6,773,000
Pennsylvania anthracite (tons)	Aug. 6	343,000	359,000	41,000	389,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	Aug. 6	128	122	108	131
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Aug. 13	14,622,000	14,709,000	14,208,000	13,648,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Aug. 11	308	269	258	269
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Aug. 9	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Aug. 9	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	Aug. 9	$31.83	$31.83	$31.17	$39.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Aug. 10	32.600c	32.600c	32.600c	29.600c
Export refinery at	Aug. 10	30.450c	30.875c	30.850c	27.900c
Lead (New York) at	Aug. 10	12.000c	12.000c	12.000c	12.000c
Lead (St. Louis) at	Aug. 10	11.800c	11.800c	11.800c	11.800c
‡Zinc (delivered) at	Aug. 10	13.500c	13.500c	13.500c	11.500c
Zinc (East St. Louis) at	Aug. 10	13.000c	13.000c	13.000c	11.000c
Aluminum (primary pig. 99.5%) at	Aug. 10	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	Aug. 10	103.750c	104.500c	102.500c	101.625c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Aug. 16	88.86	89.13	87.38	83.56
Average corporate	Aug. 16	87.45	86.91	85.33	86.11
Aaa	Aug. 16	92.20	91.48	89.92	90.06
Aa	Aug. 16	89.78	89.37	87.86	87.99
A	Aug. 16	86.78	86.38	85.07	85.85
Baa	Aug. 16	81.42	80.81	79.25	81.05
Railroad Group	Aug. 16	84.55	84.43	83.28	84.81
Public Utilities Group	Aug. 16	88.81	87.72	85.85	85.33
Industrials Group	Aug. 16	88.95	88.67	87.05	88.40
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Aug. 16	3.65	3.61	3.80	4.13
Average corporate	Aug. 16	4.60	4.64	4.76	4.70
Aaa	Aug. 16	4.26	4.31	4.42	4.41
Aa	Aug. 16	4.43	4.46	4.57	4.56
A	Aug. 16	4.65	4.68	4.78	4.72
Baa	Aug. 16	5.07	5.12	5.25	5.10
Railroad Group	Aug. 16	4.82	4.83	4.92	4.80
Public Utilities Group	Aug. 16	4.50	4.58	4.72	4.76
Industrials Group	Aug. 16	4.49	4.51	4.63	4.53
MOODY'S COMMODITY INDEX	Aug. 16	364.3	367.4	373.9	382.9
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Aug. 6	340,650	313,360	182,700	366,851
Production (tons)	Aug. 6	320,464	323,825	174,810	336,991
Percentage of activity	Aug. 6	94	94	50	98
Unfilled orders (tons) at end of period	Aug. 6	477.251	457,753	449,939	578.875
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Aug. 17	109.72	109.87	109.37	109.42
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	July 22	1,990,120	2,042,000	3,030,790	2,465,690
Short sales	July 22	312,890	356,890	612,800	372,010
Other sales	July 22	1,650,590	1,722,330	2,350,990	2,013,960
Total sales	July 22	1,963,480	2,079,220	2,963,790	2,385,970
Other transactions initiated off the floor—					
Total purchases	July 22	254,420	233,860	614,670	335,530
Short sales	July 22	17,700	23,200	82,400	12,400
Other sales	July 22	234,620	245,300	463,820	346,560
Total sales	July 22	252,320	268,500	546,220	358,960
Other transactions initiated on the floor—					
Total purchases	July 22	519,220	526,820	896,918	721,752
Short sales	July 22	85,300	84,250	130,730	123,970
Other sales	July 22	495,750	560,270	961,143	743,172
Total sales	July 22	581,050	644,520	1,091,873	877,142
Total round-lot transactions for account of members—					
Total purchases	July 22	2,763,760	2,802,680	4,542,378	3,522,972
Short sales	July 22	415,890	464,340	825,930	508,380
Other sales	July 22	2,380,960	2,527,900	3,775,953	3,113,692
Total sales	July 22	2,796,850	2,992,240	4,601,883	3,622,072
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 22	1,485,488	1,523,363	1,949,788	1,736,861
Dollar value	July 22	$72,910,673	$71,476,704	$95,863,360	$92,082,884
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	July 22	1,316,374	1,401,339	1,988,507	1,510,654
Customers' short sales	July 22	8,432	9,296	7,100	4,869
Customers' other sales	July 22	1,307.942	1,392,033	1,981,407	1,505,785
Dollar value	July 22	$63,256,848	$67,935,752	$91,059,280	$75,231,473
Round-lot sales by dealers—					
Number of shares—Total sales	July 22	355,920	410,350	600,200	381,920
Short sales	July 22	------	------	------	------
Other sales	July 22	355,920	410,350	600,200	381,920
Round-lot purchases by dealers—Number of shares	July 22	527,010	509,320	570,920	614,640
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 22	517,110	553,970	914,900	576,510
Other sales	July 22	12,520,170	12,955,740	18,262,700	14,995,350
Total sales	July 22	13,037,280	13,509,710	19,177,600	15,521,840
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Aug. 9	119.4	*119.4	119.7	119.2
Farm products	Aug. 9	87.1	*87.2	89.3	87.2
Processed foods	Aug. 9	107.8	*107.9	108.4	106.1
Meats	Aug. 9	96.6	*96.4	98.3	95.0
All commodities other than farm and foods	Aug. 9	128.3	*128.3	128.3	128.4

*Revised figure. ¶Includes 973,000 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
ALUMINUM (BUREAU OF MINES):			
Production of primary aluminum in the U. S. (in short tons)—Month of May	175,863	168,596	163,857
Stocks of aluminum (short tons) end of May	148,571	*139,111	112,710
AMERICAN PETROLEUM INSTITUTE—Month of May:			
Total domestic production (barrels of 42 gallons each)	240,095,000	239,298,000	250,444,000
Domestic crude oil output (barrels)	212,296,000	211,132,000	223,806,000
Natural gasoline output (barrels)	27,739,000	28,118,000	26,606,000
Benzol output (barrels)	60,000	48,000	32,000
Crude oil imports (barrels)	30,571,000	33,877,000	29,089,000
Refined product imports (barrels)	20,711,000	24,614,000	16,685,000
Indicated consumption domestic and export (barrels)	275,070,000	283,178,000	263,115,000
Increase all stocks (barrels)	16,307,000	14,611,000	33,303,000
AMERICAN ZINC INSTITUTE, INC.—Month of July:			
Slab zinc smelter output all grades (tons of 2,000 pounds)	73,754	76,723	75,544
Shipments (tons of 2,000 pounds)	54,381	54,075	102,162
Stocks at end of period (tons)	207,059	187,686	169,386
COAL EXPORTS (BUREAU OF MINES)—Month of June:			
U. S. exports of Pennsylvania anthracite (net tons)	153,800	59,625	105,905
To North and Central America (net tons)	135,695	55,920	95,178
To Europe (net tons)	16,301	------	10,690
To South America (net tons)	16	------	------
To Asia (net tons)	1,788	3,705	37
COAL OUTPUT (BUREAU OF MINES)—Month of July:			
Bituminous coal and lignite (net tons)	25,100,000	33,760,000	24,230,000
Pennsylvania anthracite (net tons)	1,140,000	*1,437,000	1,206,000
COPPER INSTITUTE—For month of July:			
Copper production in U.S.A.—			
Crude (tons of 2,000 pounds)	102,451	*109,107	89,985
Refined (tons of 2,000 pounds)	129,771	161,073	134,020
Deliveries to fabricators—			
In U. S. A. (tons of 2,000 pounds)	83,768	106,207	108,127
Refined copper stocks at end of period (tons of 2,000 pounds)	91,714	87,667	103,432
COTTON GINNING (DEPT. OF COMMERCE):			
To August 1	139,779	------	150,472
COTTON PRODUCTION (DEPT. OF COMMERCE): (running bales) as of July 1	14,471,000	------	14,508,237
DEPARTMENT STORE SALES—FEDERAL RESERVE SYSTEM—1947-49 Average = 100—Month of July:			
Adjusted for seasonal variation	150	*145	147
Without seasonal adjustment	123	*137	121
EDISON ELECTRIC INSTITUTE—			
Kilowatt-hour sales to ultimate consumers—Month of May (000's omitted)	52,830,206	54,176,283	50,409,616
Revenue from ultimate customers—Month of May	$891,937,000	$908,847,000	$841,988,000
Number of ultimate customers at June 30	57,849,482	57,721,386	56,643,611
METAL OUTPUT (BUREAU OF MINES)—Month of May:			
Mine production of recoverable metals in the United States:			
Gold (in fine ounces)	129,031	*117,552	157,574
Silver (in fine ounces)	2,898,699	*2,951,147	3,090,617
Copper (in short tons)	97,387	*97,534	94,277
Lead (in short tons)	20,738	*23,113	20,093
Zinc (in short tons)	40,106	*40,855	38,351
MOTOR VEHICLE FACTORY SALES FROM PLANTS IN U. S.—AUTOMOBILE MANUFACTURERS' ASSN.—Month of July:			
Total number of vehicles	516,201	728,204	667,059
Number of passenger cars	434,727	613,769	555,685
Number of motor trucks	81,109	114,075	111,282
Number of motor coaches	365	360	92
NEW CAPITAL ISSUES IN GREAT BRITAIN MIDLAND BANK LTD.—Month of July	£55,913,000	£55,645,000	£57,498,000
PORTLAND CEMENT (BUREAU OF MINES)—Month of June:			
Production (barrels)	31,930,000	31,832,000	33,455,000
Shipments from mills (barrels)	34,045,000	30,185,000	36,082,000
Stocks at end of month (barrels)	37,667,000	40,085,000	33,605,000
Capacity used (per cent)	91	88	100
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE — 1910-1914 = 100—As of June 15:			
All farm products	236	241	242
Crops	221	228	229
Commercial vegetables, fresh	223	283	205
Cotton	251	248	277
Feed, grains and hay	158	158	163
Food grains	199	209	199
Fruit	239	216	223
Oil-bearing crops	216	218	228
Potatoes	203	245	281
Tobacco	494	494	509
Livestock	248	252	253
Dairy products	234	237	231
Meat animals	305	310	330
Poultry and eggs	148	153	125
Wool	248	253	241
RUBBER MANUFACTURING ASSOCIATION INC.—Month of June:			
Passenger and Motorcycle Tires (Number of):			
Shipments	10,296,840	9,980,707	8,965,994
Production	9,559,484	9,457,700	9,097,101
Inventory	22,270,957	22,984,745	16,149,374
Tractor Implement Tires (Number of)—			
Shipments	288,550	321,763	353,746
Production	307,013	290,254	344,794
Inventory	938,288	914,632	679,204
Truck and Bus Tires (Number of)—			
Shipments	1,218,128	1,207,233	1,351,916
Production	1,332,300	1,320,877	1,271,797
Inventory	4,087,637	3,982,095	2,953,973
Passenger, Motorcycle, Truck and Bus Inner-Tubes (Number of)—			
Shipments	3,546,889	3,329,829	3,912,050
Production	3,444,359	3,611,268	3,683,192
Inventory	10,699,550	10,851,835	6,999,506
Tread Rubber (Camelback)—			
Shipments (pounds)	42,038,000	40,412,000	43,428,000
Production (pounds)	42,647,000	40,182,000	45,434,000
Inventory (pounds)	24,205,000	24,177,000	27,163,000
UNITED STATES GROSS DEBT DIRECT AND GUARANTEED—(000's omitted):			
As of July 31	$288,472,460	$288,470,602	$288,792,005
General funds balance	6,988,292	8,004,740	5,836,768
Net debt	$281,484,168	$280,465,862	$282,955,237
Computed annual rate	3.260%	3.297%	2.909%

OBSERVATIONS... Continued from page 4

vestment information" presumably bringing in strong competition with the baseball scores.

These new programs constitute additions to the Exchange's continuing daily after-the-close broadcast of quotations over WNYC. Also remaining as a popular gadget in this "Numbers Game" are the hourly changes in the Standard & Poors Composite Stock Average, available in various cities in return for the price of a dialed phone call.

"Liquidity"—Glorifying the Numbers Game

The *ticker* is glorified, to the sabotaging of devotion to investment value! "Liquidity," a high-sounding concept, is exploited to rationalize speculation—as the floor has been since pool operating days of the flamboyant Mike Meehan and Harry Content days in the 1920s.

Quite significant is the recent experience of Exchange President Funston on College News Conference, the weekly TV program participated in by a panel of college students under the moderator-ship of Ruth Hagey. Mr. Funston's representations concerning the beneficial increase in the market's "liquidity" that would ensue from increased margin trading, and other aspects of portfolio operations, prompted Allan Galbraith, son of "the" Kenneth Galbraith, to tout the question, "Well, then, sir, do you regard the stock market as sort of a gambling operation?" (Incidentally we are informed that this "$64 question" brought forth five approving fan letters to Master Galbraith).

The Exchange's Tutoring in Speculation

Surely contributing to the weaning of investors to speculative practices is THE EXCHANGE Magazine, the excellently edited official publication of the New York Stock Exchange. Its September, 1958, issue contained a full-length article captioned "The Stop Order" with the following actual sub-head (on which we rest our case):—"A guide For the Careful Investor."

Also scarcely glorifying the investment milieu, or stimulating the public's quest for company information, are two articles in the current August issue of the Exchange's official publication. One, the feature article, "Corporate **Nicknames** in the Stock Market," details the expressions and nicknames used by the stock traders. Exemplified by "Bug" for Brooklyn Union Gas; "Tin Lizzy" or "Flivver" for Ford Motors, "Big Boy" for Superior Oil, and "Thyroid" Thiod Chemical, "Tough Guy" for Texas Gulf Sulphur: "some of these nicknames are prosaic, others are humorous; some are derogatory, others complimentary; some are gay; and a few are even unprintable."

"American Motors Sets Fast Volume Pace," is the other main article relevant to our critique; reporting the hot news that this issue "came out ahead in a close race with Studebaker - Packard for volume honors in the first half of 1960," the two-page piece, with a comprehensive table of the 25 most active stocks (rated as to the number of shares traded with dollar volume disregarded), expands into a discussion of the year-to-year changes in such ratings—all without mention of any of the value or other informational data pertaining to the "chips."

Other "Fast-Buck" Literature

The "making a fast buck" or, more staidly termed, "capital gains" literature of course is not confined to the Exchange as a source. The member firms along with many of the "services," with their circulation stimulated by highly paid promotional advertising, are devoted largely to forecasting market swings, to emphasizing changes in quotations rather than the corporate information concerning which Mr. Javits and the University of Chicago are so worriedly surveying.

Dramatizing this "fast-buck" literature (and its popular appeal) are, of course, those best-selling masterpieces, the *how-to-make a-million* (or two) volumes, so steadily climbing the best-seller ladder. The basic thesis of the current prize winner of these easy-money guides (concerning which we shall expand in a subsequent column), is the uselessness of bothering with corporate quotations in and out of their "box," when an "investor" literally dancing his way around the world can thus so easily amass the pleasant millions.

The discouraging results supply great interest to a project newly set up to survey the basis of stock market movements by the University.

THE IMPLICATIONS

Apart from the *reasons* for these negative poll results, their implications demand the concern of all interests in the investment community.

Dealings in securities are still—or, perhaps more than ever—permeated by speculative, rather than investment, motivations and techniques.

The accompanying increase in capital-gains in lieu of income emphasis, well seasoned by the one-way inflation psychosis, has greatly enlarged the electorate's vested interest in the subsidized economy and the fiscal irresponsibility of the 1960 voter. We covered this impending contingency in our article of Aug. 4, "Too Many Inflationed-Staked Stockholders," which could have been captioned "The Inflation-Staked Electorate's Fiscal Irresponsibility," (our conclusions, incidentally, receiving the commendation of Budget Director Stans, in a communication to us citing Secretary Anderson's warnings against "the growing notion that there is more security in speculation than in savings.")

It appears that a disturbingly large proportion of "research" engaged in by the investment world is exploited for the facilitation of popular stock tips.

Not only does the "How to Make Millions" literature fan the speculative attitude; but, conversely, the latter explains the sensational popularity of these latest best-sellers.

Much is still to be done in enhancing the public shareholder's understanding of his part-ownership in a business property, not in a quotation. The Javits findings regarding his ignorance concerning the functions of his company constitute a severe indictment of the effectiveness of the expansive and expensive improvement of the company annual report. Have as the spoon-feeding via photography, art, color, been over-done? (Mr. Roy Blumenthal, whose public relations firm participated in the management of Javits-United Shareholders project, thinks that it has. He advocates distribution of three annual reports: one for the accountant, one for the securities analyst, and one for the spoon-feedable investor.)

Perhaps our worries are needless, and will be ultimately resolved by Chicago University's above-cited MR. UNIVAC!

With Hirsch Co.

NEWARK, N. J.—Louis H. Gold has joined the New York Stock Exchange member firm of Hirsch & Co. as a registered representative in its branch office at 11 Commerce Street.

Businessman's BOOKSHELF

Are You a Good Ambassador (Importance of Public Relations)—Employee Relations, Inc., 32 North Bayles Avenue, Port Washington, N. Y. (paper), 25c.

Argentina—A report—J. Henry Schroder Banking Corporation 57 Broadway, New York 15, N. Y.

Atomic Energy Commission—Index to the Annual Report to Congress for 1959—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 25c.

Bituminous Coal Data, 1959—National Coal Association, Department of Economics and Transportation, Coal Building, Washington 6, D. C. (paper).

City Government Finances in 1959—Bureau of the Census, Washington 25, D. C. (paper), 10c.

Disarmament at a Glance—Summary of positions of the United States, the Allied powers, and the Soviet bloc—U. S. Department of State, Washington, D. C. (paper).

Financing Business Action Under Today's Conditions—Walter E. Heller & Company, 342 Madison Avenue, New York 17, N. Y., illustrated brochure.

Japanese Electronic Exports to the U. S.—Background memorandum—Admiral Corporation, Chicago 47, Ill. (paper).

J. K. Lasser's Business Management Handbook—Edited by Sydney Prerau—J. K. Lasser Tax Institute—McGraw-Hill, 327 West 41st St., New York 36, N. Y. $12.50.

Natural Gas Construction Data for Calendar Year 1959—Gas Appliance Manufacturers Association, Inc., 60 East 42nd Street, New York 17, N. Y. (paper), $3.

New Threat to Your Job Security: Foreign Competition—Employee Relations, Inc., 32 North Bayles Avenue, Port Washington, N. Y. (paper), 25c.

Operation I. Q.—How to Get Into College and Stay There—E. E. Roberts—Henry Stewart, Incorporated, 210 Ellicott Street, Buffalo 3, N. Y., $2.

Ponce, Puerto Rico—Special report—Government Development Bank for Puerto Rico, San Juan, Puerto Rico, paper.

Selected Railroad Statistics—Association of American Railroads, 63 Vesey Street, New York 7, N. Y. (paper).

Selected Reactors of the Power Reactor Demonstration Program—A Literature Search—Office of Technical Services, U. S. Department of Commerce, Washington 25, D. C. (paper), 75c.

Selective Bibliographies listing government research reports available to science and industry on **Corrosion, Welding, Food Preservation by Irradiation, Rare Earth Elements, Reliability & Quality Control, Adhesives, Linear Programming and Wood**—Office of Technical Services, U. S. Department of Commerce, Washington 25, D. C., 10c each.

What About College for Your Son or Daughter—Employee Relations, Inc., 32 North Bayles Avenue, Port Washington, N. Y. (paper), 25c.

Laffey Named to Board

Edwin W. Laffey, a senior partner of W. C. Langley & Co., New York City, has been elected a member of the board of directors of Western Development Co.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—The impact of the compact automobile in this country is being watched very closely by official Washington.

As production of 1960 model cars comes to an end, and the 1961 models get underway, there is more interest in what lies ahead for the automotive industry than ever in the Nation's Capital.

The Bureau of Public Roads and its parent, the Department of Commerce, the Treasury Department the Department of Labor, and Congressional committees are scrutinizing every bit of information that is obtainable on the subject of compact cars. Government economists are likewise interested a great deal.

The compact car apparently means less profits for the manufacturer; less profit for the oil companies, and less tax money for the Federal, State and local subdivisions that levy gasoline taxes.

So far, however, there is not enough information available to show a definite, clear cut trend. It will take some time.

Industry Down on Larger Car Sales

But there is one thing definite. It cost less—substantially less—to operate a compact car, and it costs less to build these vehicles. The unions, and the United Auto Workers in particular, are apprehensive over the prospects of what it might do to the employment and wage structure.

The Big Three, General Motors, Ford Motor Company and Chrysler Corporation, sold approximatley 600,000 more cars and trucks the first half of 1960 as compared with the corresponding period of 1959.

Yet their combined profits were down more than $30,000,000, which caused some eyebrow lifting at the Treasury Department.

A trade association executive in Washington pointed out that about 25% of the total automotive production in 1960 involved the compact cars. Next year it is expected to rise sharply to 40%, and production apparently is headed for 50% of the total market, if not more.

Impact on Other Industries

Just what effect this will have on the rubber, copper, cotton, steel and aluminum industries is not clear, but it is apparent that the impact will be felt.

The petroleum industry is "scared" over the ramifications, but the automotive manufacturers are confident with more and more vehicles in use that there will be no decline in consumption of petroleum products.

Officials at the Bureau of Public Roads are deeply interested in what the future holds. Under the Bureau there is the biggest highway construction program of all time under way.

Federal Highway Program in High Gear

Incidentally, more than 9,100 miles of the 41,000-mile interstate system that began under the 1956 Highway, are now open to traffic. Federal Highway Administrator Bertram D. Tallamy says construction is underway on another 4,700 miles of these divided, multi-laned, stop-light free expressways. Another 10,500 miles of these highways are past preliminary engineering and right-of-way acquisition.

The Federal Government will have available $2.87 billion of funds available for payment of its 90% share of the interstate costs for the current fiscal year which started July 1. This will be about $170,000,000 more than fiscal 1960.

The Interstate program, which is of course, separate and apart from the primary, secondary and urban highway programs, is costing substantially more than Congress and the Bureau of Roads dreamed that it would cost when the Highway Act of 1956 was passed. This is one reason why the Department of Commerce and the Bureau of roads are so interested in what is going to happen, if anything drastically, to the gasoline tax yields from the compact automobiles of the future.

Car Imports At Peak

The Automobile Manufacturers Association in Washington, the industry's trade association, expresses the conviction that the tide of foreign cars that are being imported into the United States has reached its peak.

In California, where there are more automobiles than any other state, foreign car sales have been a sizeable market for the past several years. However, the domestic compact cars have cut in sharply on the imports.

Department of Commerce records show that the German-made Volkswagen has been the leader of the import field for several years. New foreign car registrations the first four months of 1960 amounted to 181,781, with the Volkswagen sales far ahead of the runnerup, the Renault. Volkswagen registrations January through April totaled 52,294 and Renault 27,393.

Other new foreign car registrations during the first four months of this year included: English Ford 10,941, Opel 10,383, Fiat, 8,753, Simca 5,941, Triumph 5,398, Austin Healey 5,239, Vauxhall 5,040, Hillman 4,691, and all others totaled 45,702.

Both Ford and Chrysler have been devoting more of their efforts to building the compact cars than has General Motors, but General Motors is expected to pay more attention to the compact market in the future, according to authoritative reports in Washington from Detroit, the motor capital.

Iron Age, the authoritative trade publication, said a first quarter decline in earnings by the automotive manufacturers could be attributed in part to premium prices auto makers paid for steel ordered during the strike in late 1959 and 1960. This was less of a factor in the second quarter, but profits continued to decline.

Ford's Experience

The publication said that Ford stands out as a clear example of what the smaller car means in the way of profits. "Compacts and lower profits apparently are going hand in hand at companies which must tool up for and market medium-price and high price cars as well as compacts," said *Iron Age*. The Company (Ford) is the leading builder of compacts this year. It has already turned out over 500,000 compact cars and trucks in the 1960 model period. In July, 44% of Ford Motor Company's car output was Falcon and Comet models.

". . . In short, Ford's compacts can be rated nothing less than a roaring success on the assembly line and in the dealer showroom. But when profits are audited, another picture emerges."

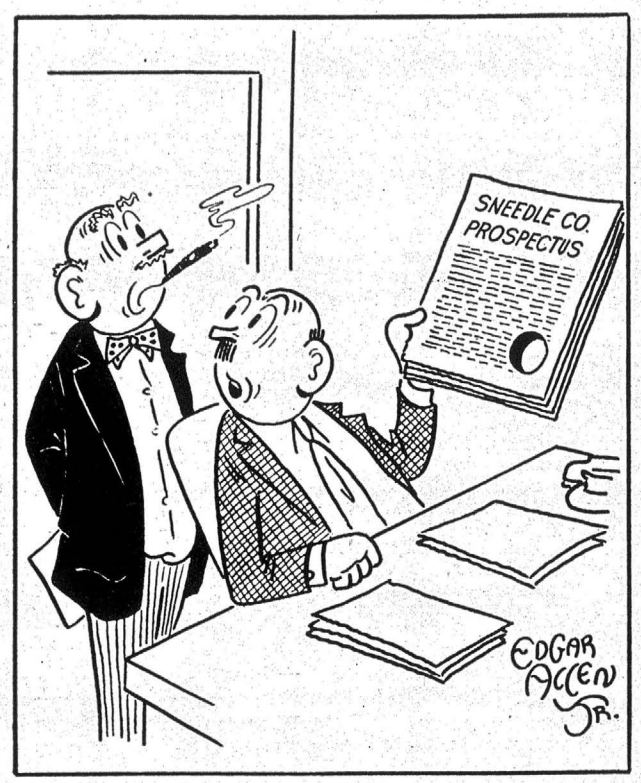
Officials of Chrysler Corporation readily acknowledged that net earnings of the company in the first half of the year reflected the lower profits from the Valiant and the Dodge Dart, the company's economy cars.

It is because of the lower profits and the use of less materials and labor that both the executive and legislative branches of the Federal Government are watching the automotive industry with more than usual interest.

With more and more families buying a second and a third car in many instances, Washington officials believe that the trend to the compact car will not be disruptive in the field of revenues. The American motorist pays a heavy burden. He is easily taxed and the tax is easily collected, as compared with some others.

The total number of new cars that will be turned out for the 1960 model year is expected to be about 6,000,000.

[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.]



"Left Themselves a Pretty Good Loop-Hole!"

COMING EVENTS

IN INVESTMENT FIELD

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.

Oct. 28-29, 1960 (Detroit, Mich.)
National Association of Investment Clubs 10th anniversary convention at the Sheraton-Cadillac Hotel.

Oct. 28-30, 1960 (Hot Springs, Va.)
Southeastern Group of Investment Bankers Association meeting.

Nov. 3-4, 1960 (Miami, Fla.)
Florida Security Dealers Association annual convention at the Key Biscayne Hotel.

Nov. 10, 1960 (Minneapolis, Minn.)
Minnesota Group of Investment Bankers Association meeting.

Nov. 17-18, 1960 (Chicago, Ill.)
American Bankers Association 29th Mid-Continent Trust Conference at the Drake Hotel.

Nov. 27-Dec. 2, 1960 (Hollywood Beach, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

June 22-25, 1961 (Canada)
Investment Dealers Association of Canada annual meeting at Jasper Park Lodge.

Smith Named Director

Earl E. T. Smith, diplomat and financier, has been elected a Director of Automatic Canteen Company of America, it was announced by Nathaniel Leverone, Board Chairman.

Mr. Smith, who was United States Ambassador to Cuba from 1957 to 1959, has a broad varied experience in both finance and government service. He is a member of the New York Stock Exchange; a director of Palm Beach Bank & Trust Co.; and a former director of New York Central Railroad; New York Dock Company; New York Dock Trade Facilities Corp.; and Wright Aeronautical Corp.