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Editorial AS WE SEE IT

The general level of business appears to be steady on a relative high plane, but the year has not come up to many expectations and is not now what a good many optimists had forecast. The President sees no indication of real trouble ahead, but on the contrary believes the outlook is definitely good. At the same time some others, notably certain labor leaders, are equally sure that trouble of proportions threatens. This, of course, is a political year, and the outgivings of public figures and others interested in promoting the welfare of certain politicians or parties must be read with that fact carefully in mind. But there is no gainsaying the fact that there are disappointments here and there in the business world, and some sincere uncertainty of mind about the future.

In these circumstances, the Federal Reserve has taken a number of steps which were clearly dictated by the current popular notion about how central banks should operate and what they should do to keep the wheels of business turning at a high rate of speed. Some weeks ago it took steps to increase free reserves and to keep them at a level higher than they had been. Soon thereafter it increased the reserves of member banks and reduced reserve requirements in certain instances. Then followed reductions in the discount rate at a number of the Reserve banks. There is some disposition in Federal Reserve quarters to label all of this, or at least most of it, as merely routine and not to be taken as an effort to reduce interest rates all around. The fact remains, however, that the steps now taken are precisely of the nature required by current ideas about the role of the Federal Reserve System under the so-called full employment act of 1946.

May Get Credit

Should business presently increase its pace, the System will doubtless be given credit for having intervened at an early date and helped prevent a recession. Should a recession presently come upon (Continued on page 12)

Insurance Stocks as Investments For Capital Growth and Income

By Thomas R. Drey, Jr., *Dorchester, Mass.*

Why insurance stocks can afford excellent long term prospects, contain advantages over an investment trust, weather the business cycle better than most shares are argued by Mr. Drey who does not hesitate, however, to reveal disquieting factors that should not be overlooked in making investment selections. Pick stock carriers for their investment income as well as underwriting growth, he says, and avoid laggard companies even with long dividend paying records who have lived off rising investment income and rate increases rather than sound merchandising. Mr. Drey illustrates his lessons on how to cull the better companies by analyzing several of his own preferences.

In the decade just past and during the turbulent eras preceding, few stocks have shown as relatively high degree of stability as those of the insurance group. Throughout the years, in peace and in war, in boom and in depression, under Democrats and under Republicans, insurance stocks have, better than any other group, weathered the undulation in the business cycle. It is significant that the insurance business, which by its very nature concerns the instability of economic enterprise, should itself register such an outstanding performance. The history of the business, from Nicholas Barbon's "Fire Office" in London to the great stock companies of America, is one of few fatalities and many achievements. This remarkable success may be attributed to the steadily increasing complexities of commercial life, which in turn demand new and more expansive coverages.

Thomas R. Drey, Jr.

The purpose of this article is however, to examine the future prospects of insurance as a long term investment, to ascertain whether the stability and consistent earnings of the past will yield future repetition, to determine if the historic growth of this vast enterprise will project itself into the future. This can best be accomplished by an analysis of the nature, structure and operation of stock carrier insurance.

Stability and Operation

Insurance is the business of providing against contingencies, which confront our economic enterprise. Against these contingencies the stock carrier offers its reserves, surplus, and capital as a pledge of security, as a guarantee that it can and will meet all its obligations. The laws of the various states impose somewhat stringent regulations relative to the operation of the business. Adequate reserves must be maintained and the investments of the carrier so regulated as to insure security of the principal. Furthermore the carriers must issue annual statements showing their assets, liabilities, income and expenditures. An insurance carrier is also subject to examination by the insurance department of every state in which it may legally contract business. Thus the very nature of the business demands stability and the states, through statute and regulation, have made certain that such stability will be maintained.

The operation of stock insurance enterprise concerns three important activities, the acquisition of business, the underwriting of risks, and the investment of capital, including surplus and reserves. Through a vast agency system, extending usually from coast to coast, the stock carrier produces and expands its business. The product which it has to sell is neither a security nor a commodity but rather a note written in good faith, a pledge that the carrier will, for a consideration called the premium, reimburse the holder or his heirs, should he suffer such loss as stipulated in the policy. The purchaser must first of all be convinced, by a record of past performance (Continued on page 24)

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 28.

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.

BEN GAYNES, Jr.
Research Partner, Sprayregen, Haft & Co., New York City
Members: New York Stock Exchange American Stock Exchange (Assoc.) and Chicago Board of Trade

Data-Controls System

DCS is a proprietary electronic-hardware concern boasting both exceptional engineering and management skills. Its sphere of existence is predicated on telemetering which in itself encompasses three definite expanding facets of the electronic age namely data gathering, miniaturization, and microwave utilization. Its profit conscious management has expansion plans formulated upon an equal balance of internal growth and acquisition. Successful accomplishment of stated goals would within the next five years result in a 10-fold explosion of both sales and profits at which time earnings could exceed $5 per share on the present capitalization.


Ben Gaynes, Jr.

Scientific companies go through three major stages of development, each in turn drastically reducing the survival rate. The initial stage embodies the origin of an idea and the procurement of a minor research and engineering contract. Volume at this point ranges between $400,000 and $1,000,000. The second stage is simply that of building volume to somewhere over $2,500,000 to $3,-500,000. It is within this second stage that additional funds are usually acquired either privately or through a public offering. The third stage is the most critical. It is here that the new Beckmans, Littons, and Varians either come of age or for all practical purposes fall by the wayside. Survival is now based upon an ability to create and retain a permanent niche within the economic make-up of its particular industry. The belief that Data-Control Systems will be successful in this effort is founded on the following:

Policy of Product Development

DCS concentrates on what its management terms sophisticated systems. Plans are to use specialized designing talents and highly refined engineering techniques in a definite program of effecting the marketing position as the "Cadillac" of its field. Quality standards are severe, and today DCS is the only firm offering equipment with a reliability measurement attached. Substantial research and development has brought the company to a point where shortly it will be able to offer equipment for all three major mobile telemetry systems. At present, it does not seem likely that this broad spectrum approach can, or will be duplicated by other firms within the predicted future. Recognizing that miniaturization was of potential major importance, DCS concentrated much of its efforts in that direction. One result of research here has been the creation of a combination oscillator-amplifier barely two-thirds the size of the formerly used oscillator alone.

Marketing Policy

As regards marketing technique, data can be compared to Sears. Some 80% of its sales are either off the shelf or short lead time items. In addition the sales force has been augmented with a widely circulated catalog. Mail orders are running in the vein of $75,000 a month, and indications are that this rate may be increased to some $125,000 in the coming year. Of necessity, this short delivery policy involves considerable inventory risk, and indeed the rapid changeover from tube to solid state electronics was a source of major concern as to the value of stocked goods. However, management seems confident that the potentials of this policy to a large extent negate the hazards involved.

Customers

The success of any components manufacturer depends almost entirely upon the quality and achievements of its customers and upon the projects on which contracts are predicated. DCS is now in production for the Minuteman and Polaris as well as for the Samos and other related space programs. Prospects for doing work on the Minuteman II and Titan II seem promising. The company also has a considerable stake in the prospective reactivation of the supersonic B-70 project. It should be noted that in the field of testing equipment, the important factor is the instigation of a program and not its ultimate scope. The volume and profits of these type companies are directly proportional to the difficulty in making a new vehicle operational. DCS customer list includes all major weapons systems assemblers, many of who in addition to purchasing components have also utilized the company's data handling equipment.

Personnel

The wealth of scientific and administrative talent to be found at DCS is quite frankly startling for a concern of this size. Key men have been culled from leading technological firms throughout the country. It is estimated that close to 60% of the top telemetry men in the nation are to be found within this organization. The unusual feature of this scientific group is that it is extremely profit conscious. Its president, Dr. Robert Jeffries, well versed in corporate finance, has formulated a plan of future acquisitions on a basis that should dilute neither per share earnings nor administrative capabilities.

Stockholders and Credit

A strong stockholder list in itself denotes a future ability to reenter the money markets when need arises. Substantial investors at present include four major investment banking houses holding down five of the nine corporate directorships. Immediate credit is of no concern as the company has a revolving line of some $1,-000,000.

Telemetering

Telemetering is a method of indicating or recording at a distance the reading or indication of a measuring instrument. A telemeter is an instrument that measures quantity such as pressure, radiation intensity, temperature, speed, angle, etc. The instrument then transmits the measurements to a distant station, having converted the measurand to a signal which can be transmitted. The distinctive feature of telemetering is the nature of the translating means, which includes provision for the conversion of the measurand into a representative quantity of another kind than can be conveniently transmitted.

This Week's Forum Participants and Their Selections

A telemetering system incorporate the same three essential elements as are required in a system for measurement on non-electrical quantities by electrical means: (1) a transmitting unit or transducer; (2) a receiving unit; (3) an interconnecting circuit or channel instruments related to aircraft, missiles, and meteorology must of necessity be mobile of nature. Thus, since no permanent circuit is possible a radio link becomes an integral part of the system. There are three basic transmission systems: FM/FM (frequency division multiplex), PDM (pulse duration modulation) and PCM (microwave). At present systems in use breakdown FM/FM 80%, PDM 19% and PCM 1%. The future, however, will see PCM emerging as the major factor. As stated before DCS is the only company presently engaged in all three fields. Competition in FM/FM areas is extensive; General Devices is strong in PDM and Texas Instruments seems to be making a major effort in PCM.

DCS sales for the fiscal year ending Sept. 30 should approximate $4,500,000 comparing with $2,573,638 in 1959 and $845,994 in 1958, the company's first year of operation. Net income this year despite a poor start should not vary greatly from the $137,955 (including a tax benefit of $23,307) result of 1959. The first year ended with a loss of some $154,560. A sales volume in the coming year of over $6,500,000 seems quite assured and indeed may prove to be conservative. However, past years' figures cannot be the basis for any conclusions as to either the future or the present speculative worth of the company and its common equity. DCS is now in the third and most critical stage of its corporate-development. The plus factors mentioned in prior paragraphs greatly enhance its prospects of becoming a major factor in the areas which it has chosen for itself. The company's future lies in two directions — internal growth and acquisition. Management seems, quite confident of being able to sustain an internal growth or some 50% over the next four years bringing sales volume colse to the $24 million mark in 1964. Plans are under study to duplicate a substantial portion of this volume via acquisition during the same period. Company products provide the vital communication link for information systems, and it is quite probable that the first merger steps will be lateral in nature and consider a geographical distribution of company units.

The process of evaluating the value of the common issue of budding scientific corporations of this nature involves of necessity the assumption that their products are of types which will be in demand some four to five years from the date of the evaluation. It also involves a calculated decision as to the executive capabilities of the management and the resources and talents to which it has access. In DCS we have (without giving effect to conversion dilution) an 325,000 share common issue currently selling at a market worth of some $6,500,000 while the com-

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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 Never-Ending Battle In Behalf of Sound Money

By Julian B. Baird,* *Under Secretary of the Treasury*

High Treasury official endorses following aims of Treasury debt management: placing maximum of the debt outside of the commercial banks; restraint on amount of long-term issues sold, particularly in a recession period; and minimum interference with corporate and municipal financing; achievement of balanced maturity structure; and ranging the broad public interest against the desire to borrow cheaply. Cites multiplicity of objectives and guidelines requiring Treasury's consideration. Urges Congressional repeal of the 4¼% interest rate ceiling. Hails success and usefulness of the Savings Bonds program. Concludes currency debasement and other unsound measures would result in shackling of freedom and network of controls by an all-powerful central government.

In the last analysis the ability of the American economy to sustain orderly growth, to generate increased useful employment, to provide sufficient real capital to finance expansion, and to function as a source of strength for the entire free world, all depend on the maintenance of financial responsibility. Yet this important truth, unfortunately, is not well understood. Bankers, because of their integral role in the functioning of our monetary system—and because of their special franchise granted by public authorities—have particular obligations to help educate the public on these matters. The battle to maintain sound money as the basis for a healthy, growing, and free economy is never-ending—and it is a battle in which no responsible citizen can afford to be a bystander.

Julian B. Baird

Three Main Links

Basically, there are three main links in the chain of Federal financial responsibility. Debt management is only one, but an important one, of these links. The two strongest links in the chain of financial responsibility are, of course, a sound fiscal policy—in terms of taxes and expenditures—and an independent and responsible monetary policy. Without strength in these areas there is little that debt management alone can do. Combined with effective fiscal and monetary policies, however, appropriate debt management can contribute substantially to our over-all financial strength, while inappropriate debt management can seriously undermine our success in the other two areas.

Today, therefore, I would like to focus on the link of debt management as an integral part of our vitally needed Federal financial responsibility. In implementing sound debt management there are a number of basic objectives or guidelines that the Treasury must always keep in mind. Because of the nature of these objectives and the fact that the public interest is an overriding consideration, the Treasury must approach each of its financing operations on a basis much different from all other borrowers.

Problems of Treasury's Debt Management

First, the Treasury should manage the debt in a manner that will contribute to, or at least not inhibit, an orderly growth of the economy. To do this it should try, except in periods of recession, to place as much as the debt as possible outside of the commercial banks—apart from temporary bank underwriting. Restraint should be exercised in the amount of long-term securities issued, particularly in a recession period, in order not to pre-empt an undue amount of the new savings needed to support an expansion of the economy. A related aim should be to minimize, as far as possible, the frequency of our trips to the market so as to interfere as little as possible with the freedom of the Federal Reserve authorities to take necessary monetary actions, and so as to interfere as little as possible with corporate and municipal financing.

Second, we in the Treasury are concerned with achieving a balanced maturity structure of the debt. A balanced maturity structure is one that is tailored on the one hand to the needs of our economy for a sizable volume of short-term instruments, and on the other hand includes a reasonable amount of longer term securities. There must be some offset to the erosion of maturity caused by the lapse of time, which otherwise brings about an excessively large volume of highly liquid short-term debt.

Third, within the limits prescribed by these two overriding objectives the Treasury, like any other borrower, would like to borrow as cheaply as possible. But, unlike other borrowers, we still must consider the impact on financial markets and the economy as a whole. Consequently, our desire to borrow as cheaply as possible must be balanced against broader considerations of the public interest.

These several objectives are not easily reconcilable at all times, I assure you. There are those, of course, who would always assign a priority to one or another of these objectives under all circumstances. Some argue that the Treasury's debt management policy should be geared solely to cyclical considerations—in other words, that the Treasury should

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Diamond in the Black

By Dr. Ira U. Cobleigh, Enterprise Economist

Noting the excellent results of product research, plant expansion and diversification at Diamond Alkali Company.

This year has not been a wonderful one for chemical companies generally; but it's going to wind up the best in history for Diamond Alkali. And this will be the result not of luck or chance, but of perceptive profit-slanted long-range planning.

At the end of World War II, Diamond Alkali was a monolothic enterprise with about 90% of its sales coming from its principal plant at Painsville, Ohio. The chief products, as indicated by the corporate name, were alkalis; and, in case you're a little rusty on your chemistry, alkalis are caustic soda, soda ash and bicarbonate of soda.

Transformation and Expansion

Since the end of the War, and particularly in the past decade, there has been a broad transformation of operations and a fantastic growth at Diamond Alkali. Dependence on alkalis for earning power has been substantially reduced; a broad diversification of products has been a huge plant expansion. Today, Diamond operates 15 plants in the United States and six in Mexico; and in the past ten years the company has spent $121 million in new manufacturing capacity, and the modernization of older plants. Over $30 million has been dedicated to further plant expansion for the years 1960 and 1961 (together). In fact Diamond Alkali has increased its fixed assets at a faster rate, in recent years than probably any other major chemical enterprise.

In what area is all this new capacity operating? First, the home plant at Painsville has been enlarged and updated so that in its specialized field of alkali manufacture, it is now the largest in the world. Because Diamond controlled large salt reserves it started some years ago, the production of chlorine. This has led to large-scale expansion of chlorine products including large capacity for producing polyvinyl chloride resins, and related vinyl chloride monomers. These are useful in plastics, fibers, films and surface coatings. Associated to the expansion in PVC (polyvinyl chloride) is the company's program to produce, from natural gas, the basic acetylene essential to PVC manufacture. Other plant enlargements have been in cement, agricultural chemicals and in coal tar derivatives.

Expanded Research

This burgeoning manufacturing capacity is the collateral result of a dedicated research program. In 1952 Diamond Alkali spent $1 million on research, and this was mostly on processing and product improvement. This year the company will spend over $4 million, or about 3% of sales, on research in depth including substantial outlay on new products which may be months, or years, ahead of their impact on the sales register.

One of the most exciting research advances has been in a new branch of the chemical family, chlorinated xylenes. These project substantial new additions to earning power as they become applied to consumer products. One successful application is already making quite a name for itself. It is called "Dacthal" and it fills an aching need in suburbia. It is an herbicide and it kills crab grass. No more the aching extraction of crab grass roots on hands and knees. Applied by Swift & Co. as a basic ingredient in "Rid" for crab grass control, "Dacthal" seems to have the answer that millions of patient and discouraged lawn growers have been waiting for. The company, moreover, looks forward to substantial licensing revenue from patent royalty revenues and has already arranged manufacturing and distributing licenses "covering the sale of our knowhow for 18 different processes to 27 companies in 12 countries."

In addition to the major enlargement in facilities and of research in recent years Diamond Alkali has done much to departmentalize and decentralize management functions. Within the past decade the operating structure has been separated into seven divisions, each under a major executive in charge of, and responsible for, complete divisional operations. This is a system not only efficient and effective in practice, but is constantly encouraging and bringing forward executive talent within the organization.

Putting all these elements together the results have been impressive. In the past decade, Diamond Alkali sales have almost tripled, and while net results in some years have been a little uneven due to high startup costs, heavy amortization and depreciation charges, and the 1957-58 recession, the overall curve you can project here displays a significant and solid uptrend. Net sales were $55.7 million for 1950; they were $137.9 million last year and should cross $145 million in 1960.

Net earnings rose from $2.32 per share in 1958 to $3.90 in 1959. This year, due to expanded sales, and improved profit margins in most divisions, profits are expected to reach an all time high of perhaps $4.40 per share. Working toward this end also is a quite complete cost control and plant efficiency program embarked upon some years ago. Back in 1950 the company earned about 9% net on sales. In the intervening years that profit margin was not again attained. This year it should be.

Financial Position and Corporate Structure

Financial position at Diamond Alkali has been consistently strong with net working capital, at the 1959 year-end, about $26 million. The $15 million required for this year's expansion will be supplied from internal sources. Capital structure is uncomplicated with only $27,722,222 in long-term debt, followed by 2,906,302 common shares listed on the New York Stock Exchange and now selling at 62. The regular cash dividend is $1.80 plus 3% in stock paid last year. Dividends have been paid without interruption since 1932.

Many competent analysts seem to feel that Diamond Alkali is now ready to enter a new order of magnitude in earning power; that the input of capital, research and product diversification made over the past several years, now place the company in a less specialized position, and make it better able to earn money under all phases of the business cycle.

If this viewpoint respecting Diamond Alkali Company is correct, then we should expect some rather enthusiastic interest in DIA common. It still sells below its high of 64⅞ and has much more to recommend it now than when this level was reached. A return of almost 3% is quite satisfactory for a sound chemical equity and there is in pospect a continuance of the 3% dividend in stock delivered last year.

Looking at it another way, the opportunity to purchase a sound, dynamic research-minded chemical equity at above 14 times earnings is an uncommon market phenomenon. Unless you feel that the whole market is on an artificially high plateau at this juncture, it is quite possible to conclude that Diamond Alkali common has adequate defensive qualities coupled with a better than average potential for gain over time.

Dolmetsch With Chase Manhattan

Carl R. Dolmetsch has joined The Chase Manhattan Bank as marketing director—chemical industry, it was announced by George Champion, president.

Mr. Dolmetsch began his career in 1925 as an analytical chemist with Tubize Rayon Corporation, which merged into Celanese Corporation in 1946. He became general manager of the viscose division at Celanese. From 1953 to 1957 he was with Olin Mathieson Chemical Corporation, where he became vice president, administration, research and development division. Most recently he has been assistant to the president and manager of business development of American Enka Corporation.

Joins Bache Staff

(Special to The Financial Chronicle)

KANSAS CITY, Mo.—Elliott S. Hechtman has joined the staff of Bache & Co., 1000 Baltimore Avenue. He was formerly with Geo. K. Baum & Co.

With Townsend, Dabney

(Special to The Financial Chronicle)

PORTLAND, Maine — Frederick G. Towle II has been added to the staff of Townsend, Dabney & Tyson, 184 Middle Street.

The State of TRADE and INDUSTRY

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

An authoritative analysis of the course of trade and industry is contained in the following national summary of general business and financial conditions as published in the August issue of the *Federal Reserve Board's Bulletin*.

Industrial production, construction activity, employment conditions, and retail sales generally continued to change little in July and early August. Credit extended by commercial banks increased. Interest rates declined further.

Industrial Production

Industrial production was unchanged in July and, at 109% of the 1957 average, was around the level prevailing since early spring. Output of consumer goods was somewhat lower in July, while activity in business equipment lines rose to record rates. Production of materials, which had declined 3% from January to June, was maintained in July as inventory liquidation of metals abated and output of fuels and other nondurable materials rose further. Iron and steel production showed somewhat more than the usual sharp curtailment in July. Steel mill operations, at 50% of capacity, were 30% below the 1957 level, while actvity in most steel consuming industries was at or above 1957 levels.

Auto assemblies were curtailed about 12% in July, reflecting in part strikes at plants of a major producer. Production schedules for August indicate a less than seasonal decline from the reduced July level. Output of home goods was somewhat lower in July, while apparel production was maintained at the advanced levels first reached about a year ago. Output of industrial machinery was maintained and activity in other equipment industries increased further.

Construction

The value of new construction put in place during July changed little at a seasonally adjusted annual rate of $55.5 billion, according to the recently revised Census Bureau estimates. A further decline in public construction chiefly in outlays for conservation and military construction, was offset by a continued increase in private expenditures, mainly for nonresidential construction.

Employment

Employment in non-agricultural establishments, seasonally adjusted, was maintained in July at the level which has prevailed since April. Over that period, a decline of about 100,000 in factory employment has been offset by increases in other lines of activity. Total unemployment, including students and recent graduates, declined by 400,000 in July to four million, and the seasonally adjusted rate of unemployment was 5.4% versus 5.5 in June. Reflecting job cuts in some durable goods industries, however, insured unemployment rose more than seasonally in July.

Distribution

Seasonally adjusted retail sales declined 1% in July, according to preliminary figures, and were little changed from the advanced rate a year ago. Sales at department stores and some other outlets rose further, while sales at auto stores declined 7%. New auto deliveries were limited partly by strikes and by the ending of intensive sales promotions in June. With changeovers to 1961 models under way, a reduction in dealers' auto stocks is indicated in August. Stocks at department stores increased further in June.

Agriculture

Favorable growing conditions in July raised crop prospects 1% to an aggregate volume 1% above last year's record crop. A foodgrain harvest one-fifth above last season was indicated and small gains in tobacco and oil crops were in prospect on Aug. 1. A cotton corp of 14.5 million bales was forecast—about the same as last year's output.

Commodity Prices

Wholesale commodity price indexes generally continued to show little change in July and the first half of August. Prices of some materials such as print cloths and rubber declined, while metal scrap prices were firmer. Trade reports noted marked discounting of prices for some business and consumer goods and such fabricated materials as plywood and copper wire.

Bank Credit and Reserves

Total commercial bank credit increased $2 billion further in July, reflecting additions to bank holdings of U. S. Government securities at the time of the Treasury's midmonth financing operations. Business loans declined. The seasonally adjusted money supply increased $300 million following a $600 million rise in June. Seasonally adjusted turnover of demand deposits declined.

Member bank borrowing from the Federal Reserve averaged about $350 million and excess reserves $500 million during the four weeks ending Aug. 10. Reserves were supplied principally by Federal Reserve purchases of U. S. Government securities. Reserves were absorbed by a reduction in Federal Reserve float and an accelerated gold outflow. Required reserves increased sharply in mid-July but subsequently declined somewhat.

On Aug. 8 an amendment to Federal Reserve regulations resulted in making available about $600 million of additional bank reserves by Sept. 1.

Security Markets

Yields on all issues of U. S. Government securities declined further from mid-July to mid-August, reaching their lowest levels since the autumn of 1958. In early August the Treasury sold $9 billion of securities, dated Aug. 15, to retire maturing issues of $10.4 billion, including an agency issue. Maturities not covered by the new offerings are being paid off by reducing the Treasury cash balance. On Aug. 11 and 12, five Reserve Banks announced reductions in their discount rates from 3½% to 3%.

Yields on corporate and state and local government bonds declined from mid-July to mid-August. Common stock prices showed little net change.

Bank Clearings are 12.2% Up for Week Ended Aug. 20 Over 1959 Week

Bank clearing this week will show an increase compared with a year ago. Preliminary figures compiled by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Aug. 20, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 12.2% above those of the corresponding week last year. Our preliminary totals stand at $27,859,986,712 against $24,836,593,702 for the same week in 1959. At this center there is a gain for the week ending Friday of 25.8%. Our comparative summary for the leading money centers for Aug. 20 week follows (000 omitted):

	1960	1959	%
New York	$14,845,488	$11,799,111	+25.8
Chicago	1,443,868	1,394,153	+ 3.6
Philadelphia	1,121,000	1,125,000	— 0.4
Boston	823,222	761,916	+ 8.0

Early Rise in Steel Prices Viewed As Unlikely

The chances of a rise in steel prices late this year are growing slimmer and slimmer, the *Iron Age* reports.

Unless there is a drastic change in the market, and a resulting change in policy-level thinking, there will be no increase in steel prices, the magazine comments.

If the market changes, there could be a rise in prices next spring. But more probably, the national metalworking weekly says, there will not be a general change in the steel price structure until later in 1961.

The magazine lists these factors as combining against price changes:

(1) The current demand for steel is far off expectations and the market will not support an increase. The outlook for September and October, when a major upturn had been expected, is now comparatively pessimistic.

(2) Large consumers, such as automotive and canmakers, are throwing their weight against price increases.

(3) It is all the steel industry can do to hold the line at present levels, much less raise prices. Only knowledge that any move could wreck the entire price structure is preventing one-shot deals now.

(4) The threat of imports and other materials is particularly strong. This is evidenced in major inroads of aluminum into canmaking and automotive applications this year.

On general market conditions, September is now shaping up at a disappointing 5% improvement over August. Orders in the past 10 days have shown a moderate improvement, but less than expected.

Failure of major consumers, automotive in particular, to step orders up sharply, adds weight to suspicions that many users have not depleted their inventories. In fact, some have been borrowing from September tonnage in their July and August orders. This means the September and October upturn will be less than expected.

The railroad strike which idled much of U. S. Steel Corp.'s capacity contributed to this thinking. For example, a major automotive stamper anticipated no problems, despite the fact that full production on new models is due this week.

This means that the company is loaded with inventory and it indicates automakers may have been buying all along in advance of requirements.

In contrast, the threat of the strike brought immediate panic among some companies and many purchasing agents immediately started to line up sources in other companies and districts.

Major Steel Orders Lag; Mills Compete Vigorously for Small Orders

Failure of the automotive, appliance, and farm equipment industries to place substantial new orders is holding steel production down longer than most observers

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OBSERVATIONS...

BY A. WILFRED MAY

A DANCER GIVES THE ANSWER (?)

A review of J. K. Galbraith's latest book "The Liberal Hour" is captioned "A Man Can Be Ripping Fun, But Wrong."

This pungent characterization, we are convinced, is likewise applicable to the nation's current third best-seller, "How I Made $2,000,000 in the Stock Market," by Nicolas Darvas* — with the crucial proviso that the reader's "fun" may well be short-lived. Despite, or because of, the established fact of the dancing author's amassing of millions (at least gross) through extra-curricular market choreography, this "stock market classic for many years to come" (the publisher's depiction) is likely to result ultimately in some unwelcome surprises to the multitude of his unwary readers.

"How-To" Disserve the Public

From the communal viewpoint as well, is this speculator's new "Bible" important in both reflecting and increasing the stock market's speculative elements. Also, in unwittingly promoting inflation, through getting another segment of the community, price-happy common stock speculators, on the inflation escalator, is this "fun volume's" enormous distribution broadly significant.

In its distortion of the market level, via its twin precept of buying an issue *after* it has come to "act well" (i.e., already advanced), with even the employment of the *on-stop order* (i.e., an order to buy if and after the issue has risen to the higher stated price); does the volume once more involve the public interest.

The two specific *how-to's* which Mr. Darvas "discloses" represent basic gadgets which have been used over the years by the tape-readers and other market technicians, to whose inner sanctum successful results have been largely confined. Larding the author's methods is, as is usual with most market *system* players, his unwittingly disclosed non-transferable proclivity to "play it by ear."

We shall first delineate the author's buying *signal*, along with his heavily relied-on stop-loss order (from which term the nasty word "loss" has been eliminated.) Then we shall note some of the volume's misconceptions, via both inclusion and omission.

Signal From the "Box"

In his use of a so-called "Box" for a buying signal Mr. Darvas essentially uses only one more variation of the many long-existing methods practiced by the market practitioners to detect *trend*, or lack of one, from an issue's previous market price pattern. As recently redefined by Harry D. Comer, Director of Research of Paine, Webber, Jackson & Curtis, "All of the raw materials upon which the market technician works appear on the stock ticker tape. Stock prices and volume of trading are the only data used. These go into various re-arrangements, and finally wind up in charts and tables for technical analysis and conclusions . . . the theory of market action can be helpful in selecting what to buy and at what time, but also in keeping out of " 'dead' issues until they are ready to show new life and vigor." Likewise, stemming from the traditional, Mr. Darvas as a buyer uses a varyingly sized "Box," a "break-out" from whose upper boundary reflects accumulation by people "in the know."

The Stock Exchange a Stage for Ballerinas

To our terpsichorean authority, the fluctuations of a stock (still, presumably representing partownership of a property) is interpreted with quite fantastic imagery: "Before a dancer leaps into the air he goes into a crouch to set himself for the spring. I found it was the same with stocks. They usually did not suddenly shoot up from 50 to 70. In other words, I considered that a stock in an upward trend that reacted to 41 after reaching 50, was like a dancer crouching, ready for the spring-up."

In our understanding, this process with its resulting "signal" is merely a less glamorous manifestation of the stage of behavior followed over the years by followers of the tape, with or without pool operations. . . . In any event, the concept of a signal breakthrough on this point is possible.

Picturing "That" Trend

Such configuration of significant price fluctuations which allegedly disclose the *trend* have been used by the analysts for many years. They range from the currently popular, "Point and Figure" charts to the "Trendlines and Channels" (manifesting Dow Theory interpretation), "Line" Formations to "Support" and "Resistance" areas, to the "Selling Climax," "Head and Shoulder Tops and Bottoms" with "Rounding Patterns" of "Tops" and "Bottoms," "Cylinder Theory," "Inner Action" Measures, "Ascending Triangles," the "Broadening Top," "Gaps," "Exhaustion," "Island Reversal," — practically all being variations of the basic "Breakaway" and "Measuring" systems.

Not only is Darvas at one with the chart-readers in their major premise of the discoverability of a *trend;* but also specifically in reliance on *volume* changes which are an integral element of most charting.

One effect of the increasing interest in chart reading is to enhance the dependence on the "Greater Fool" process, namely implied assumption that the holder of a stock from whom you buy it, is more foolish than you; and, similarly, in selling, there will also be an obliging, or less knowledgeable, buyer around to suit your unloading purposes. In a more practical vein, the convergence on charting enhances the participant's role as a player in the game of Musical Chairs, where each of the players knows that someone must become stuck chair-less, but assumes that it will not be he.

On the Speculator's "Out"

The effect of this public overcrowding of the market's *exits* is now being demonstrated in a flooding of the Stock Exchange specialists' books by Stop Orders ensuing from their endorsement in Darvas' best-seller, as well as the Exchange's recent literature.

With this gadget too, is Mr. Darvas "in business" with the market analysts. For one of their five cardinal uses is, as stated, "To determine the proper point at which to place 'stop' orders to protect paper profits."

Mr. Darvas' major reliance on the "Stop Order," seems wholly illogical to us. Whereas the proponents endorse it as part of a gambling principle that when a stock "acts badly, get out," (a) it is impractical to state within a small area of 5% or so when that "bad action" shall have become definitivized; and (b) from the viewpoint of any degree of investment value or common sense viewpoint, the lower your property sells, under its same reasonably unchanged business elements, the *better* buy will it be. Similarly, Mr. Darvas' use of the ON-STOP to *buy* is illogical in assuming "the higher the cheaper."

The Odds Against You in the Market, Roulette and Dice

The volume's distributors, in their ascription of the advantages to Stop Order use, claim an analogy to limiting a roulette loss to a maximum of $2 on a $100 bet. Actually however, the wheel player gets a full $3,500 on a winning bet as compensation for risking his $100. Moreover the suggested advantage over gambling games runs into the matter of the comparative "house takes" (the odds given *by* the player) in active market trading and the recognized gambling activities. In roulette, in the U. S. where the wheels have two zeros plus an extra "house number", the odds against the player amount to five and five-nineteenths percent; and in Europe with its single-zero wheels, the house gets a cut of only 2.7%. In house crap shooting the odds against the player are down at one and forty-one hundredths percent. (At New York

Continued on page 38

*178 pp., $4.95, American Research Council.

TAX-EXEMPT BOND MARKET

*BY GEORGE L. HAMILTON**

The tax-exempt bond market has shown moderate gains during the past week with aggressive new issue bidding once again dominating the market. The *Commercial and Financial Chronicle's* municipal bond average yield stands at 3.161% as we go to press. A week ago the average was 3.20%. The change represents a gain of slightly more than one-half point.

The dollar quoted state and municipal revenue issues are down fractionally from last week, with losses limited to one point. Trading has been active and the principal reason for the slight decline has been some profit taking. With the new issue calendar expanding for the coming months many dealers who were carrying revenue and turnpike bonds since early in the summer have been selling part of their positions and lightening up their inventories.

The *Blue List* float of available municipals has risen to $247,879,482 as of Aug. 24. Last week's total (Aug. 17) was $204,000,000. This volume of bonds is still relatively light for this time of year and is no deterrent to aggressive new issue bidding.

Money Market Developments

Announcements affecting the money market have continued to trickle in during the past week. At the present writing ten Federal Reserve district banks have lowered their discount rate from 3½% to 3%. Only the Dallas and San Francisco Districts remain to be heard from.

The Manufacturers Trust Co. of New York cut its prime lending rate on Monday from 5% to 4½%. Leading banks in New York City and across the country followed suit the next day. The reduction in the prime rate had been expected since the Federal Reserve Board, a fortnight ago, announced its reduction in reserve requirements for so-called country banks, effective last Thursday, and for those in New York and Chicago effective Sept. 1. It was considered inevitable when later in the week the Federal Reserve approved a reduction in the discount rate in these districts from 3½% to 3%.

While all of these moves have helped municipal bond prices, as well as other bond prices, much of the monetary news has already been discounted by tax exempt bond dealers. The municipal market has had a phenomenal rise since late last January, amounting to over four points. During that period over $200 million of bonds have left the secondary market, plus untold millions of bonds of new issues, and a scarcity of bonds has developed. However, the new issue calendar is expanding daily and buyers in the fall should be able to pick and choose their issues and not have to rush in and buy with reckless abandon.

New Issues "Richer"

It is interesting to note that as new issues have recently come to market, yields are from five to 15 basis points (.05%-0.15%) less than the yields available from closely associated offerings. This was graphically pointed out when the State of California sold $15 million harbor improvement serial bonds last week. Bonds were available in the secondary market ten basis points cheaper than the new offering but the Bank of America group had excellent success with their offering. Less than $3 million of bonds are currently available.

It could well be that, had one of the competing groups bought this issue, their selling performance would have been a lot less spectacular than the Bank of America.

East Bay's Highly Regarded

This week's most interesting new issue was awarded yesterday (Aug. 24) following the deliberation of several competing groups. The $30,000,000 East Bay Municipal Utility District, California (1961-1995) bonds were awarded to the high bidding group headed by Halsey, Stuart & Co., Morgan Guaranty Trust Co., and including as majors Lehman Brothers, Phelps, Fenn & Co., C. J. Devine & Co. and others. This good grade issue, secured by the full faith and credit of the residents of the 244 square mile area on the east side of San Francisco has been very popular with investors.

Priced to yield from 1.50% to 3.50% for the 1994 maturity (the 1995 maturity was not reoffered) investor interest should be widespread. Due to time differences there is no report on sales at this writing.

Other Current Sales

The State of Vermont, a very infrequent borrower whose obligations always attract highly competitive bidding, borrowed $13,662,000 by means of serial bonds (1962-1980) on Tuesday. Chase Manhattan Bank, Halsey, Stuart & Co., Inc., C. J. Devine & Co., The Philadelphia National Bank, Blair & Co. and associates were the high bidders. The bonds were priced to yield from 1.30% to 2.80%. The reported balance yesterday morning was $8,577,000.

Also on Tuesday the San Mateo, California junior college district came to market with $5,900,000 general obligation bonds due 1961-1985. The Crocker-Anglo National Bank, First National City Bank of New York group, were high bidders and reoffered the bonds to yield from 1.60% to 3.40% in 1984. The 1985 maturity was not publicly reoffered. This issue is reported 80% sold.

Tuesday's final important issue was $4,000,000 Fresno City Unified School District, California bonds bought by a Wells Fargo Bank American Trust Co., First National Bank of Chicago group for a net interest cost of 3.0547% to the district. The bonds were reoffered from 1.50% in 1961 to 3.20% in 1980. At this writing, the issue is better than half sold.

As we go to press (Aug. 24) the City of Weymouth, Massachusetts has awarded $2,655,000 general obligation bonds to a Halsey, Stuart & Co. group. The bonds maturing 1961-1980 are scaled to yield from 1.60% to 3.15%.

Important new state and municipal issues added to the competitive schedule during the past week include: $12,335,000 Buffalo, New York various purpose bonds for September 22; $15,000,000 Alabama Highway Authority (1961-1980) bonds for September 7; $7,000,000 California Toll Bridge Authority revenue bonds for September 29; $21,455,000 City and County of San Francisco bonds for September 12 and $5,350,000 Bucks County, Pennsylvania general obligation bonds for September 14.

The calendar of scheduled new issues now totals about $400,000,000. With the market relatively high, it seems probable that more borrowers will come to market in the near future. The high borrowing costs obtaining through last Spring and early Summer discouraged public borrowing and resulted in numerous postponements. The details leading to the financing of new issues are lengthy and involved but given a good market, it is amazing how quickly public officials can get to market with their offerings. The high market seems likely to attract considerable borrowing during October and November which are normally busy underwriting months.

There are at present no negotiated offerings on the horizon. The proposed $55 million Florida Turnpike Extension seems to be off the calendar until sometime next year. The Florida Free Highways Association has announced it will oppose the extension and will offer legal challenges to try and block this road.

Not Much Coming in Current Week

Imminent awards include two issues of importance. Today (Aug. 25) the State of Washington will receive bids for $34 million excise tax school bonds maturing 1961-1980. On Aug. 30 Atlanta, Georgia will come to market with $12,725,000 various purpose (1960-1986) bonds. This relatively light calendar should not deter dealers in their enthusiasm to buy bonds.

*Pinch-hitting for Don Mackey.

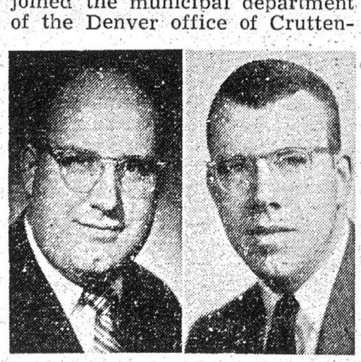
MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.50%	3.35%
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%	2.80%
Pennsylvania (State)	3⅜%	1974-1975	3.00%	2.80%
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	3.55%	3.40%
Baltimore, Md.	3¼%	1980	3.35%	3.20%
Cincinnati, Ohio	3½%	1980	3.25%	3.10%
New Orleans, La.	3¼%	1979	3.45%	3.30%
Chicago, Ill.	3¼%	1977	3.55%	3.40%
New York City, N. Y.	3%	1980	3.75%	3.70%

August 24, 1960 Index=3.161%

Shirley, Scott With Cruttenden

DENVER, Colo.—H. Jackson Shirley and William F. Scott have joined the municipal department of the Denver office of Cruttenden, Podesta & Co., 524 Seventeenth Street, according to an announcement from J. H. (Jack) Goode, Manager of that department. Mr. Shirley will serve as Co-manager with Mr. Goode, it was said.



H. Jackson Shirley William F. Scott

Mr. Shirley started this securities career with the old Central Republic Co., in Chicago, serving first as a stock trader and later in the sales department. He joined the municipal department of Boettcher & Co., in Denver, in 1954, and was its sales manager for the past two years.

Mr. Scott had been with Boettcher since July of 1957, first as a registered representative and later as a salesman in the municipal department. Previously, he worked for three years in the commercial credit department of the Denver National Bank.

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. 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	1962-1978	8:00 p.m.
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.
El Paso County Hosp. Dist., Texas	3,700,000	1961-1990	3:00 p.m.
Fort Myers, Florida	2,000,000	1961-1987	10:30 a.m.
Kileen, Texas	1,625,000	1961-1989	2:00 p.m.
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.
Waco Indep. School Dist., Texas	2,250,000	--------	1:00 p.m.
Washington Suburban Sanitary Dist., Maryland	1,000,000	1961-1990	11:30 a.m.

Sept. 2 (Friday)

Pasadena, Texas	1,050,000	--------	11:00 a.m.

Sept. 6 (Tuesday)

Santa Monica Unified S. D., Calif.	3,000,000	1961-1980	9:00 a.m.

Sept. 7 (Wednesday)

Alabama Highway Authority, Ala.	15,000,000	1961-1980	11:00 a.m.
Alameda—Contra Costa Transit District, Calif.	16,500,000	1962-1980	11:00 a.m.
East Hampton Union Free School District, New York	1,600,000	1961-1989	2:00 p.m.
Elyria, Ohio	1,840,000	1962-1986	1:00 p.m.

Sept. 8 (Thursday)

Florida Development Commission, Florida	3,800,000	1962-1985	11:00 a.m.
Los Angeles, California	4,000,000	1961-1980	10:30 a.m.
New York State Thruway Authority, N. Y.	50,000,000	--------	--------
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.
Parma City School District, Ohio	1,650,000	1962-1981	1:00 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)

Allegheny County, Pa.	5,400,000	1961-1990	11:00 a.m.
Brigham City, Utah	1,600,000	1965-1989	8:00 p.m.
Ohio (State of)	31,000,000	--------	--------
Pennsylvania State Highway & Bridge Authority, Pa.	10,000,000	--------	--------
Tulsa County Independent School District No. 1, Okla.	4,800,000	1962-1975	10:00 a.m.

Sept. 14 (Wednesday)

Bucks County, Pa.	5,350,000	1961-1990	11:00 a.m.
Greenwood Metro. Sewer District, South Carolina	1,600,000	--------	--------
Local Housing Authorities, U. S.	48,900,000	--------	--------

Sept. 15 (Thursday)

Black Hawk County, Iowa	2,000,000	1961-1979	10:00 a.m.
Prince William County, Occoquan-Woodbridge Sanitary Dist., Va.	1,250,000	1961-1985	Noon

Sept. 20 (Tuesday)

Milwaukee, Wisconsin	10,750,000	--------	--------

Sept. 22 (Thursday)

Buffalo, New York	12,335,000	--------	--------

Sept. 27 (Tuesday)

Northeast Sacramento County Sanitary District, Calif.	4,000,000	--------	--------

Sept. 29 (Thursday)

California Toll Bridge Auth., Cal.	7,000,000	--------	11:00 a.m.
Fairbanks, Alaska	1,500,000	1961-1980	2:00 p.m.
Plaquemines Parish, La.	2,500,000	1961-1980	11:00 a.m.

Oct. 5 (Wednesday)

Los Angeles Department of Water and Power, Calif.	12,000,000	--------	--------

Unwanted Gold Movements

By Paul Einzig

Dr. Einzig predicts out-flow of U. S. gold, affordable here but unwelcome particularly in West Germany and Switzerland among the receiving companies, will continue at least through our election time. Maintains proper cooperation between U. S. and Swiss authorities could halt and even reverse the movement. Lauds Switzerland's post-war monetary policy in encouraging growth without inflation. Terming the Federal Reserve's non-intervention policy "out-of-date" conservatism, Dr. Einzig calls on the Reserve authorities to reconsider their attitude toward foreign exchange operations.

LONDON, England—The outflow of gold from the United States shows no signs of abating, and it would be unduly optimistic to expect it to come to an end before the election, especially as the American monetary authorities have resorted to an easier monetary policy. Even though the United States can well afford to lose more gold, the movement is decidely unwelcome, not only from an American point of view, but also from the point of view of at least two of the receiving countries — West Germany and Switzerland. The Governments of both these countries have adopted elaborate measures to discourage the influx of funds responsible for the unwanted gold influx. But the movement seems to continue nevertheless.

Paul Einzig

Germany's Status

In the case of Germany foreign funds have been attracted partly because of the anticipation of a revaluation of the D. Mark and partly because of the high interest rates resulting from a dear money policy aimed against inflation. In Switzerland neither of these two factors operate. Interest rates are low and there is no question of changing the parities of the Swiss franc. Nevertheless, owing to the premium on forward francs it is profitable to transfer funds to Zurich.

As far as such transfers are for covered interest arbitrage, the remedy clearly lies in the hands of the monetary authorities both in Switzerland and in the United States. By adopting a policy of deliberately lowering the premium on forward Swiss francs the movement could be brought to a halt and even reversed. But both Switzerland and the United States are firmly opposed to engaging in official forward exchange operations. While the Swiss National Bank operates in the spot market, the Federal Reserve Banks keep strictly aloof from foreign exchange operations beyond carrying out orders of their clients—including the United States Treasury and foreign Treasuries or Central Banks. This is a great pity, because the adoption of a forward rate policy would provide the answer in many awkward situations such as the present situation.

Expansion Without Inflation

Switzerland's monetary policy since the war deserves the highest praise. It has come nearer to solving the problem of expansion without inflation than any other country's monetary policy. Interest rates have been kept steady at a low level, and in spite of this the franc has commanded confidence. Yet there is room for improvement. The statutes of the Swiss National Bank rule out the possibility of official forward exchange operations. A revision of these statutes to adapt them to modern requirements would have enable the Swiss authorities to check or greatly reduce the inflow of unwanted funds without having to resort to cumbersome measures which gravely interfere with Zurich's functions as an international banking center. All that would be needed would be for the Swiss authorities to sell Swiss francs forward and thereby to eliminate the premium. This would make it unprofitable to transfer funds to Zurich with the exchange rate covered. And since the spot Swiss franc is at a premium, uncovered arbitrage would entail risk.

Admittedly, part of the funds that are transferred to Switzerland are not attracted by the possibility of making a profit on the yield of short-term investments. But the effect of such transfers could be offset by carrying the forward rate policy a stage further. A deliberate depreciation of the forward franc to a discount would make it profitable to transfer funds from Zurich to New York for covered interest arbitrage, and this movement would offset the influx of uncovered funds.

The United States authorities themselves could take a hand in the opposite sense. By supporting the forward dollar they would be able to lower domestic interest rates with impunity. It would become profitable to transfer funds to New York with the exchange risk covered. Such a policy would be too costly and in the long run futile in face of a sweeping speculative pressure, similar to the one experienced in Britain in 1957. But there is no sign of any such pressure in the present instance.

On the basis of the prevailing rates of the forward dollar it is profitable to use "Euro-dollar" deposits—that is, dollars held by continental holders but deposited in London—for swap transactions which tend to increase pressure on the spot dollar. Japanese banks, for instance, have been paying very high deposit rates lately to acquire such deposits, and their holdings are estimated at $200 million. A large part of it has been switched into yen by selling spot dollars against the purchase of forward dollars. Such operations could be prevented by a forward rate policy that would increase their cost. This could be done either by the United States authorities or by the Japanese authorities. The latter are evidently worried about the extent of these operations, yet even though the remedy is in their hands they are unwilling to resort to it.

Federal Reserve Action Called For

Is it not high time for the Federal Reserve authorities to reconsider their attitude towards official foreign exchange operations in general and official forward exchange operations in particular? Their policy of non-intervention is nothing but out-of-date conservatism of the kind that would be understandable in tradition-ridden Britain but is quite out of keeping with the progressive spirit of the United States. Yet, while the Bank of England has been engaging in forward exchange operations off and on for 20 years, the American authorities persist in their old-fashioned attitude.

Continued Export Gains Over Imports Reduces Size of Our Deficit Position

Exports now exceed imports by a differential of $3.7 billion compared to $3 billion in this year's first quarter, at annual adjusted rates, according to the Commerce Department. Offsetting this, however, are capital outflow and other international payment which leave a deficit of $3 billion in the balance of payments—a decline of $4.2 billion from comparable first half of 1959.

Foreign transactions of the United States in the second quarter of 1960 resulted in net payments to foreign countries and international institutions of nearly $3 billion, at an annual rate, approximately the same as in the previous quarter, the Office of Business Economics, U. S. Department of Commerce announced Aug. 8. For the first half of the year, the deficit of nearly $3 billion at an annual rate records a substantial reduction from the $4.2 billion figure recorded in the first half of 1959, and the $3.8 billion total for the year 1959 as a whole.

Exports Continue to Improve

The balance on foreign trade in nonmilitary merchandise continued to improve, with the excess of exports over imports rising to a seasonally adjusted annual rate of $3.7 billion in the second quarter as compared to $3 billion in the first quarter of this year.

The rise in U. S. net payments to foreign countries on transactions other than trade that had been evident in previous quarters continued in the second quarter, and apparently offset the increase in net receipts on the trade account.

Data on aggregate net payments on our international accounts for the second quarter are based on changes in the monetary gold stock of the U. S. and preliminary reports by U. S. banks on changes in foreign dollar holdings. Estimates in detail for transactions other than merchandise trade (including services, Government assistance, and private capital movements) are not yet available, but the aggregate increase in net payments on such transactions apparently matched the rise in receipts from merchandise. One of the important factors in the increase in U. S. net payments on capital accounts was the nonrecurring item of the $80 million capital contribution to the new Inter-American Development Bank.

Compared with the second quarter of last year—when nonmilitary merchandise trade resulted in a small deficit and the total balance of payments deficit rose to its maximum—the 1960 second quarter improvement in the trade balance was more than $3.8 billion at an annual rate. This resulted from the rise in exports, although imports were slightly smaller. Over the same period, the balance of payments on all transactions — as measured by movements of gold and recorded liquid dollar liabilities — shifted from net payments of over $4.8 billion at an annual rate to about $3 billion in the second quarter of 1960, an overall improvement of $1.9 billion, as the rise in the nonmerchandise categories offset a substantial part of the merchandise gain.

A more detailed analysis of the balance of payments in the second quarter will be available in the September issue of the **Survey of Current Business**, the monthly publication of the Department of Commerce, when complete data are available.

The **Survey of Current Business** is available from Field Offices of the Department of Commerce or from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., at an annual subscription price of $4.00, including weekly supplements; single copy 30 cents.

With Thomson, McKinnon

(Special to The Financial Chronicle)

SHELBY, N. C.—Robert L. Steele has joined the staff of Thomson & McKinnon Masonic Building.

Geo. Eustis Adds

(Special to The Financial Chronicle)

CINCINNATI, Ohio—Paul J. Bast has been added to the staff of Geo. Eustis & Co., Tri-State Building, members of the Cincinnati & Midwest Stock Exchanges.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

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

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

Canadian Statistical Summary — Bank of Canada, Research Department, Ottawa, Ont., Canada—25 cents per copy, $3 per year.

Cashing in on Illusion — Market letter—Stearns & Co., 72 Wall St. New York 5, N. Y.

Electric Utility Stocks — Analysis —Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y. Also available are data on **Avco Corp., General Dynamics Corp., Majestic Specialties, National Video, Newport News Shipbuilding & Drydock Co., Southern Natural Gas,** and **United Aircraft Corp.** and an analysis of **Federal Reserve Monetary Policy.**

Electronics — Bulletin — Ralph E. Samuel & Co., 2 Broadway, New York 4, N. Y.

Gold Stocks — Bulletin — Draper Dobie and Company Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada.

Impact on Gas Exports on Ten Selected Canadian Companies — Review—Annett Partners Limited, 220 Bay Street, Toronto, Ont., Canada.

Japanese Market — Review — Including reports on **Hitachi Ltd.** and **Dainippon Celluloid Co. Ltd.** —Yamaichi Securities Company of New York, Inc., 111 Broadway, New York 6, N. Y.

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.**

Low Priced Stocks for Every One —Ten issues which appear interest—Bache & Co., 36 Wall Street, New York 5, N. Y.

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

Oils — Review — Hornblower & Weeks, 40 Wall Street, 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.

Short Term Money Rates 1945-August 15, 1960—Booklet—Salomon Bros. & Hutzler, 60 Wall St., New York 5, N. Y.

Small Business Investment Companies—Analysis—Hooker & Fay, Inc., 221 Montgomery Street, San Francisco 4, Calif.

Steel Industry—Bulletin—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga.

Suggested Portfolios—In the current "Hogle Review"—J. A. Hogle & Co., 132 South Main Street, Salt Lake City 1, Utah.

Treasury Bond Market—Bulletin —New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

World Bank — Review — Bank of Nova Scotia, Toronto, Ont., Canada.

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American Biltrite Rubber Co.—Report—William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif.

Anheuser - Busch—Review—Hayden, Stone & Co., 25 Broad St., New York 4, N. Y. Also available are bulletins on the **Toy Industry, Publishing Industry, High Grade Discount Bonds,** and data on **Burroughs Corporation, Dayton Power & Light Co., New York Air Brake Company, Northrop Corporation, Steels and Oils.**

Anheuser Busch Inc. — Memorandum—A. G. Edwards & Sons, 409 North Eighth Street, St. Louis 1, Mo.

Bloch Brothers Tobacco Company —Analysis—Fulton, Reid & Co., Inc., Union Commerce Building, Cleveland 14, Ohio.

Brush Beryllium Company—Analysis — McDonald & Company, Union Commerce Bldg., Cleveland 14, Ohio.

Burroughs—Memorandum—Laidlaw & Co., 25 Broad St., New York 4, N. Y. Also available are memoranda on **Norfolk & Western, Woolworth** and **ABC Paramount.**

Canadian Industries Limited — Analysis — Doherty Roadhouse & Co., 335 Bay Street, Toronto, Ont., Canada.

Clary Corporation — Analysis — Cooley & Company, 100 Pearl St., Hartford 4, Conn. Also available are data on **Food Machinery & Chemical, Diners Club, Bell & Howell** and **E. J. Korvette.**

Commercial Solvents Corp.—Review—Van Alstyne, Noel & Co., 40 Wall Street, New York 5, N. Y. Also available are data on **Hawaiian Telephone Co.** and **Olin Mathieson Chemical Corp.**

Consumers Power Co.—Memorandum—Cruttenden, Podesta & Co., 209 South La Salle Street, Chicago 4, Ill.

Decca Records, Inc. — Analysis — Halle & Stieglitz, 52 Wall Street, New York 5, N. Y.

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

Detroit Edison Company—Analysis—Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif. Also available is a memorandum on **Texas Gas Transmission Corp.**

Dilbert's Leasing & Development —Memorandum—Keene and Company, Inc., 80 Wall Street, New York 5, N. Y.

Du Bois Chemicals, Inc.—Analysis —Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia National Bank Building, Philadelphia 7, Pa.

Fischer & Porter — Memorandum —John C. Legg & Co., 22 Light Street, Baltimore 3, Md.

Florida Power & Light—Report—in "Fortnightly Review"—Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y. Also in the same issue are reviews of **Hammermill Paper Company** and **Canadian Gas.**

Garden Land Co. Ltd.—Memorandum—Hill, Darlington & Co., 40 Wall St., New York 5, N. Y.

General Shale Products Corp. — Analysis — Equitable Securities Corp., 322 Union St., Nashville 3, Tenn. Also available is an analysis of **Tex-Star Oil & Gas Corp.**

B. F. Goodrich Co. — Review — Fahenstock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Wilson & Co.**

Great Lakes Bowling—Memorandum—Westheimer and Company, 322 Walnut St., Cincinnati 2, Ohio.

Hamilton Paper Company—Analysis—Chace, Whiteside & Winslow, Inc., 24 Federal St., Boston 10, Mass.

Harris Intertype Corp.—Bulletin —Vilas & Hickey, 26 Broadway, New York 4, N. Y. Also available is an analysis of **Toledo Edison Co.**

Harvey Aluminum — Report — Eppler, Guerin & Turner, Inc., Fidelity Union Tower, Dallas 1, Texas.

Houdry Process Corporation—Review—Schmidt, Roberts & Parke, 123 South Broad St., Philadelphia 9, Pa.

International Telephone — Memorandum—Jas. H. Oliphant & Co., 61 Broadway, New York 6, N. Y.

Lehn & Fink Products Corp. — Review—Schweickart & Co., 29 Broadway, New York 6, N. Y.

Magna-Bond—Data—L. H. Rothchild & Co., 52 Wall St., New York 5, N. Y.

Magnavox — Review — Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are data on **General Instrument** and memoranda on **Wometco Enterprises** and **Blaw Knox Co.**

Mead Johnson — Memorandum — Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y. Also available are memoranda on **Koppers Co., American Motors** and **United Artists.**

Mesabi Iron—Review—Ira Haupt & Co. 111 Broadway, New York 6, N. Y.

Mesabi Iron — Analysis — Irving Weis & Co., 40 Exchange Place, New York 5, N. Y.

Mortgages Incorporated—Study—Copley & Co., 409 North Nevada, Colorado Springs, Colo. Also available is a study of **United American Life.**

Motorola Inc. — Comment — L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also available is a review of **Missouri Pacific.**

Niagara Mohawk Power—Memorandum — Francis I. du Pont & Co., 1 Wall St., New York 5, N. Y.

1960 Olympic Events — Special printed book available on request — Banca Commerciale Italiana, New York Representative Office, 14 Wall St., New York 5, N. Y.

Pacific Gamble Robinson Co. — Bulletin — De Witt Conklin Organization, Inc., 120 Broadway, New York 5, N. Y.

Pan American World Airways—Analysis—H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available is a bulletin on **Container Corp. of America.**

Pantex Manufacturing Corp. — Bulletin—Frank Ginberg & Co., Inc., 25 Broad St., New York 4, N. Y.

Pioneer Metals, Inc.—Analysis—Hancock Securities Corp., 79 Pine St., New York 5, N. Y. Also available is a review of **Strategic Materials Corp.**

Pioneer Plastics Corp.—Review—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are bulletins on **Canadian Gas** and **Convertible Bonds.**

Puerto Rico Aqueduct and Sewer Authority—Descriptive booklet—Government Development Bank for Puerto Rico, 45 Wall Street, New York 5, N. Y.

Ryan Aeronautical — Review — Walston & Co., 74 Wall St., New York 5, N. Y. Also available is a list of **17 Speculative Stocks** which appear interesting and a memorandum on **Macco Corp.**

Ryder System—Review—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available are data on **Bucyrus Erie Co.**

Seeman Brothers, Inc.—Report—Thomson & McKinnon, 2 Broadway, New York 5, N. Y.

A. O. Smith Corporation—Bulletin—Weingarten & Co., 551 Fifth Ave., New York 17, N. Y. Also available are data on **International Shoe Co.** and **Endicott Johnson.**

Southland Royalty—Memorandum —Paine, Webber, Jackson & Curtis, 25 Broad St., New York 4, N. Y.

Spartans Industries, Inc. — Brochure — Corporate Public Relations, Inc., 500 Fifth Ave., New York 36, N. Y.

State Loan & Finance Corp.—Report—Charles A. Taggart & Co., 1516 Locust St., Philadelphia 2, Pa.

Studebaker-Packard — Analysis—Batten & Co., 1835 K St., N. W., Washington 6, D. C.

Tractor Supply Co. — Report — A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y. Also available is a report on **Borman Food Stores, Inc.**

United Components, Inc.—Review —Darius Incorporated, 80 Pine St., New York 5, N. Y.

United Industries Co. — Memorandum—Dempsey-Tegeler & Co., Houston Club Building, Houston 2, Texas.

Washington Scientific Industries — Memorandum — Piper, Jaffray & Hopwood, 115 South Seventh St., Minneapolis 2, Minn.

Wayne Manufacturing Co. — Memorandum — Stern, Frank, Meyer & Fox, Union Bank Bldg., Los Angeles 14, Calif.

N.P.D.C. Common Stock Is Offered

National Patent Development Corp. on Aug. 23 offered 150,000 shares of common stock at $1.00 through Globus, Inc. and Ross, Lyon & Co., Inc. as co-underwriters. The company was organized in March, 1959, as a service organization for corporations and individuals in connection with the commercial exploitation of patents and processes. N.P.D.C. acts as a channel for corporate and other clients through which dormant and unused patents, processes and new products can be licensed, sold or acquired. At the present time, 23 American companies have signed contracts with N.P.D.C.

The proceeds of the offering will be used to expand the client list, to evaluate the commercial possibilities of patents, and to promote the sale and licensing of the new processes and products represented by N.P.D.C.

Chairman of National Patent Development Corporation is Brig. Gen. Jess Larson. Officers and other directors are Jerome I. Feldman, President; Martin M. Pollak, Vice-President and Treasurer; Lord Malcolm Douglas Hamilton, Secretary; John L. Handy, William Stix Wasserman, Arnold B. Christen, Warren E. Hill and Eugene M. Zuckert.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The buying of Government obligations, according to advices, is continuing to expand especially the purchases of selected issues such as the $28,000,000,000 of World War II 2½s. These securities are gaining favor because the beliefs are strong that the Treasury will come along very shortly with an "advance refunding" offer to the owners of these bonds. It is evident that the Government, if it is going to do anything in the way of a "forward refunding" proposition, will have to do it very soon or wait until later this fall. The next regular financing looked for from the Treasury will be in October when some $3.5 billions of new money is expected to be raised. Terms of this undertaking should be announced during the last week of September.

Therefore, unless the Treasury uses the next few weeks to extend the maturity of the Government debt through the offer of long term bonds with higher rates to the holders of selected issues, they will have to wait until some time near the close of the year.

Factors Favor Bond Markets

The future action of the money and capital markets in the opinion of not a few specialists in these fields will be based on the actual flow of funds into these markets. Since the powers that be have moved to make more money and credit available to the short-term and long-term sectors of the Government and non-Federal securities markets, it is expected that in time this will have a more important and telling influence on the quotations of these various obligations.

It should be borne in mind that the Federal Reserve Board was not at all slow in reducing the Central Bank rate, because this rate was cut from 4% to 3% in two operations in the space of only about two months, a very short period of time. This would seem to mean that the monetary authorities were concerned at least in an off hand manner in bringing down the cost of money and credit. And, as the interest rate level is reduced, it is usually the case that the supply of money and credit is increased.

These efforts by the Federal Reserve System in taking measures to make more plentiful the flow of money and credit has already had a favorable effect on the yields of all income bearing issues since the return on most all of these securities has been, and in some cases, still is on the decline. The funds which have been moving into fixed income bearing obligations have come from individuals as well as institutions and there are no indications yet that this trend will be reversed in the near future. With the advent of the feeling that the inflation psychology and fears have been put into the background for a period of time at least, it is evident that the demand for Governments, corporates and tax-exempts is not likely ot decrease.

Prime Bank Rate Reduced

However, it appears as though the commercial banks have had enough credit pushed their way to make loanable funds more than readily available because the prime bank rate was reduced from 5% to 4½%. Even though the loan ratio may still be considered high as far as many of these banks are concerned, it did not seem as though there would be reductions in the discount rate, lower reserve requirements and decreases in margin requirements by the monetary authorities, if they intended the rates for bank loans to stay where they were when the policy of "active restraint" was the ruling one.

As long as the rate which is charged to the banks best and largest customers remained at the 5% level there would be no loosening of the other loaning rates which are charged to the other banks customers. Accordingly, the cut in the rate came as no surprise to the financial community. The only question is why didn't it happen sooner.

Broad Investor Interest in Treasury Bonds

The movement of quotations on most Treasury obligations, especially the longest maturities, are being made without too much effort, but not as readily, however, as previously because there is an enlarging investor interest in selected bonds. It is evident that the floating supply of many of these issues is very limited because there is no desire on the part of holders of these securities to part with them at current levels. The rather steady purchase of the long-term bonds by state pension funds, in the main has given some semblance of stability to selected obligations.

The medium-term issues are still being bought by certain institutional investors because the yield available in these Treasury securities appears to meet their needs and there is also some appreciation prospects. Again, reports indicate that the interest in the 2⅝'s of 1965 continues to expand, with the indications now that more of the deposit banks are making commitments in this security. The near-term liquid obligations appear to be getting less of the funds which have come out of the stock market. The more distant maturities appear to be gaining favor with those who were interested in equities.

Heads Foreign Policy Fd. Drive

Henry Siegbert, formerly a partner of Adolph Lewisohn and Sons and deputy chief of the Marshall Plan Mission to Great Britain, has accepted the general chairmanship of the Foreign Policy Association-World Affairs Center Committee for its 1960-1961 fund raising campaign, it was announced by John W. Nason, President of the Foreign Policy Association-World Affairs Center.

The 41 year old Foreign Policy Association has recently merged with its former affiliate, the World Affairs Center for the United States. The 1960-61 Campaign, under Mr. Siegbert's direction, will be in charge of fund raising for all activities of the combined organization.

The Foreign Policy Association-World Affairs Center is a private, nonpartisan, educational organization with headquarters in New York City, and five small regional offices in New York City; Atlanta, Ga.; Ann Arbor, Mich.; Boulder, Colo.; and San Francisco, Cal., seeking to increase citizen understanding of world affairs.

Paine, Webber Adds

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Lawrence C. Schmelzer is now with Paine, Webber, Jackson & Curtis, Union Commerce Building.

Presidential Candidates

By Roger W. Babson

Erstwhile Presidential candidate on the Prohibition Party ticket considers all four Presidential and Vice-Presidential nominees "good men." Mr. Babson sees youth as no bar. Doubts religious question as real factor. Asserts owners of homes and savings accounts will vote Republican; with installment debtors and those with long-term mortgages choosing the Democratic ticket to depreciate the dollar. Considers most important the "gimme" political competition here and abroad.

From my knowledge of the major candidates for President and Vice-President, I believe all four are good men. I sincerely hope my opinion may be correct; but I may be wrong. I had many surprises when I ran for President in 1940 on the Prohibition Party ticket.

Is Any Candidate Too Young?

Mr. Kennedy is 43; Mr. Nixon is 47. The average age of Mr. Nixon and Mr. Kennedy is about 45 years, and the average of Mr. Lodge and Mr. Johnson is 55 years. The average age of the four men is 50 years. Looking back on my life, I was at my prime and did my most important work when when I was at an age which compares with the above averages. I not only had good ideas, but I had the energy and ambition to carry them out. I think that every reader of this column who has reached over 70 years of age will agree with my own experience.

I suppose this age objection will be rehearsed in literature put out during the campaign. The answer to this age criticism as issued by Mr. Kennedy was certainly convincing from a historical point of view. Age statistics regarding the previous leaders of our own country are, in themselves, convincing; but, unwilling to stop with this, Kennedy went back to show that if there had been an age limit 468 years ago, Columbus would never have discovered America!

What About the Party Platforms?

It is an old saying, "the platform of a political party is like the platform of a 'street car,' of use only to get in on." Originally, the Republican platform was considerably more conservative than the Democratic platform, but at the earnest solicitation of Governor Rockefeller, the Republican platform was made much more liberal. I doubt if this will lose Mr. Nixon any of the old "hard shell" Republicans, and it should secure for him many independent votes. However, we may now forget platforms.

The real difference between the two candidates will be shown by the speeches they make during the coming two months. It now looks as if each will try to outdo the other in the "giveaway" goal. It seems to me this may be known as the great "giveaway" campaign, where both the liberals and conservatives offer sugar-coated promises to win the great independent voters who may determine the election on Nov. 8. I doubt if the religious question will be a real factor. The Florida vote will depend upon what the respective candidates promise to do with the Cuban situation.

Savings versus Comforts

As I talk with many people, the consensus seems to be that those who own their homes and have savings accounts or investments—however small they may be—will vote the Republican ticket to protect the value of the dollar. On the other hand, those who do not own any home and have no savings — especially those who owe considerable amounts on installments for automobiles, furniture, etc., or even those who have large long-term home mortgages—will vote the Democratic ticket to depreciate the value of the dollar.

The most important question to me is how long this "gimme" political competition can continue. Certainly this trend to the left I found in all countries while traveling about Europe. However, it certainly cannot last indefinitely; although I would not now predict whether World War III would hasten it or delay it. It may continue during the next two or three presidential campaigns, until all parties see that our country is reaching a dangerous economic precipice. The result may be the appointment of a dictator, or at least of a coalition government. Otherwise, we could be headed toward some form of Communism. My grandchildren feel that Russia may gradually move further to the right with each generation while the United States may go further to the left with each generation, until the United Nations becomes a forceful organization to remove the economic causes of war.

Research Dir. For D. H. Blair

D. H. Blair & Company, 42 Broadway, New York City, members of the New York Stock Exchange, has announced that Elliot Schneider has joined the firm as director of research. He was formerly with Paine, Webber, Jackson & Curtis.

Dreyling Branch

NEW BRUNSWICK, N. J.—Louis R. Dreyling has opened a branch office at 25 Livingston Avenue.

Holton Henderson Branch

BEVERLY HILLS, Calif.—Holton, Henderson & Co. has opened a branch office at 9731 Santa Monica Boulevard under the management of Aaron M. Binder.

Westheimer & Co. To Open New Branch

HUNTINGTON, W. Va.—Westheimer and Company will open a new branch office at 205 Ritter Building, Fourth Avenue and Tenth Street. Carl Lehman, located in the firm's Charleston Office, will manage the new branch. Harry C. Grimes, Jr., presently located in the Ironton, Ohio office, together with Sam Andrews, who has recently joined the firm, will be the representatives in this office.

Outlook for the Dynamic Aluminum Industry

By George L. Bartlett, *Partner and Director, Thomson & McKinnon, New York City, Members New York Stock Exchange*

Mr. Bartlett asserts over the recent past aluminum has enjoyed the most progress among the major metals, attaining the basic metal status. Notes broadened markets following research and over-all management ingenuity. Cites basic weakness in Russian position, particularly bearing on her exports. On our domestic front, asserts slacking of military demand will be replaced by increased Space requirements. Notes great progress achieved by Reynolds Metals Co., which is now country's second largest producer. As to the future of the aluminum industry, concludes we haven't "seen anything yet."

Aluminum, the metal, had been in fairly general use for a few purposes when World War I, crashed about our ears. It soon became clear that great days lay ahead. Before that war ended, four empires were shattered and the seeds of a great ideological revolution had been sown. A great economic upset—generally referred to as "1929" — and an explosively charged nationalism, another war of an extent and intensity previously unimaginable, and ideological conflict, then occupied the scene and literally tore the world in two. But, it should be noted, all this strife and struggle did not halt the technological progress of the world; in fact, the "cold" war we are fighting stimulated it. Of the major metals in general use, aluminum—the youngest one— has had the steadiest and proportionately best sustained benefits, and itself has attained the status of a basic metal.

George L. Bartlett

Reynolds' Status Today

Reynolds Metals, for example, was organized in 1928, chiefly to take over the manufacturing activities of U. S. Foil Company which was established in 1919. Today, it is the country's second largest producer of metallic aluminum and aluminum products, and accounts for about 28% of U. S. output. As is natural, competition is tending upward and now includes not only the oldest and largest producer, Aluminum Co. of America, but Kaiser Aluminum & Chemical and a number of smaller ones. Monopoly is no longer a charge that can be leveled against Alcoa. Presumably, as the years pass, there will be other entrants in the field, too.

At the present time, U. S. capacity for the production of virgin aluminum is probably in excess of the demand. This is the result of enormous post-war build up of facilities here and in Canada, and of newcomers to the business. Aluminum has taken up considerable of the slack that used to develop between periods of urgent buying and lagging demand. But ingenuity, new applications, the specific properties of aluminum, such as its light weight and resistance to most forms of corrosion, have greatly broadened markets. The research laboratories have also suggested so many new uses, it may safely be said that a heavy and persistent increase in demand is assured.

Production of aluminum in the United States and Canada has been growing at the rate of about 10% yearly and in Western Europe the expansion has been at about the same rate in recent years. Consumption in Western Europe, however, is about eight pounds per capita, whereas consumption here approximates 28 pounds per capita. This clearly shows the objective abroad has still a vast distance to reach. The rising standard of living abroad and the equally clear desire of Europe to emulate North American attainments have led to a powerful drive in lifting European standards. It explains American entry into foreign fields, also. Moreover, although the figures are vague, Russia has been and probably will continue to be a moderate exporter and her exports are not limited by the forces that control ours. If it should suit Russia's book, the absence of controls through costs and the amenability of her population to considerations of availability, will permit wide latitude to use of her vital materials for political objectives.

Russia's Basic Weakness

There is, however, a basic weakness in the Russian position as an exporter of aluminum for any length of time. From what is known, Russian demand for aluminum for civilian use is substantially above supply; with respect to their own military demand supplies art unlimited, except by facilities for producing it. Production of aluminum requires copious electrical power and large sums of capital (or labor, which is a partial equivalent). In an economy such as Russia runs and for which the capital is present, one has the choice of a relatively limited supply over a broad range of materials or a large supply of a limited range of items. It is obvious that a choice must be made and for shorter or longer periods that choice, once made, cannot be changed in a hurry. Obviously, a speculation is involved. In an economy such as ours, the great temptation is to scatter efforts "all over the lot" —the second or third try might yield ineffably better results than the first success. This, of course, is only another way to say: "If you have lots of time and money, try everything; if you are limited, select the best available and concentrate."

Time and circumstance and, perhaps, a little compassion and reluctance to recognize the worst — unreadiness — always affect wars, witness the deplorable unreadiness of the United States in 1941. Here in the United States, however, unreadiness was hitherto quickly erased by herculean effort, with the result that, although serious losses occur at first, the tide of defeat soon subsides and the long and wearying lost battles give place to small but broadening successes, ending in victory and peace. It has always been so for the United States, but Americans also are realists and they fear that one day our luck will have run out. But United States industry has depended much less on luck than has the military; when the hour strikes it is quite ready and it has been a world marvel that so much has come from so little visible preparation for it.

New Outlets in Offing

Although military demand for aluminum has shrunken somewhat, what with increased demand for missiles, rockets and preoccupation with conquest of space and the consequent let-up in construction of aircraft, there is little question that new outlets will not be long in developing. As an example, if the present interest in aluminum automobile motors develops, as looks likely, all need to worry about nearby demand for aluminum will soon vanish. So it is, too, wtih aluminum cans. Costs of aluminum cans have been chivvied down to a point where competition is becoming real and earnest. Result: another mass market. Aluminum and glass commercial building structures, now springing up everywhere, its applicability to "downtown renovation" and slum clearance also have great volume potentialities and architects" boards are almost literally groaning under the weight of plans in hand.

All this is passing. The time may come when the reduction and fabrication of aluminum may yield to cheaper processes than at present and this highly versatile metal will become available to consumers on a tonnage rather than a poundage basis, like steel. While this is a far cry, it does not appear impossible, because aluminum, in its combinations, is the most plentiful mineral in the world's crust. If realized, such a development would carry us beyond the bounds of present imagination.

New Growth Possibilities

It is necessary to point to these things in arriving at some appreciation of the possibilities for growth that aluminum still holds. That it is, and will continue to be, a struggle goes without saying. There will be much competition, —"stainless" steel, in some directions, and especially in building, is very much on its toes and has a large share of this market. In kitchen utensils, the competition has worked somewhat to the detriment of aluminum; stainless steel and vitreous enameled cast iron ware have established and are tenaciously holding a goodly share of the market at relatively high prices. Plastics are playing a part, too. There is, however, no real substitute for a cheap metal with such qualities as aluminum possesses; its hold on markets appears thoroughly entrenched.

Few industries, except those in lines with short histories and those spawned by defense needs and invention, have grown since the end of World War II as has the aluminum industry. It is casually stated, every now and then, that since the turn of the century, there has been a doubling of output every decade. The largest U. S. company, Aluminum Company of America, has done a little better than that since 1949. Reynolds Metals, the runner-up, however, has increased its sales nearly fourfold in that period, and in the preceding decade expanded more than sixfold. Prior to that, growth was somewhat less urgent. Except under unusual impulses, future growth is likely to be slowed considerably on a percentage basis but, measured in pounds produced and sold, it undoubtedly will still be extraordinary.

The Newcomer

As a relative newcomer, Reynolds Metals naturally has displayed greater vitality than the leading competitor, but although raw figures say so, progress has not been so great as it seemed. This is not said in derogation; because Reynolds Metals has grown more rapidly, but it should be kept in mind that a 10% per annum gain in sales volume, for example, on a base of $500 million of sales is $50 million, whereas on a basis of $200 million the smaller company would increase its sales only $20 million, which might or not be "more rapid." To quote actual sales gains since 1955 to 1959 inclusive:

	Reynolds Metals	Alum Co. Amer.
	(in millions)	
1955	$384.89	$845.0
1956	405.21	864.4
1957	446.58	869.4
1958	445.55	753.1
1959	489.26	858.5

It will be observed that, whereas Aluminum Co. of America has just about held steady in this five year period, sales of Reynolds Metals have risen about $105,000,000, or about 30%. This clearly indicates that search for contributory factors is in order. Expansion by acquisition is generally most potent to these factors. To all intents and purposes, the exceptionally high costs of entering upon manufacturing virgin aluminum was a strong deterrent for many years. The numerous antitrust suits filed against Alcoa did not touch manufacture of the metal; the target was fabrication and none of the litigation springing from this situation proved happy in any way, economically or with respect to inducing competition. Yet, Alcoa had virtually been before the courts in restraining suits for 20 years. This situation came more or less to an end with World War II.

Competition Making for Health

Effective competition has now been created and, as it usually does, a relatively healthy state of affairs exists. How beneficial it will prove, of course, remains to be seen when a period of business contraction occurs.

In more recent years, this competition has taken the form of adventures abroad. In the case of Reynolds Metals, the first major struggle occurred in the acquisition jointly by Reynolds Metals and Tube Investments Ltd., a British holding company, of 94.2% of controlling stock of British Aluminium Ltd., a leading producer of aluminum in Britain and a worldwide fabricator of aluminum products, in 1958-1959. Reynolds Metals share of control is 45% at last reports. The British companies in which Reynolds Metals now has joint control approximate more than 40% of the United Kingdom's aluminum fabricating capacity.

Financing of deals of such size and consequence is also a dominating factor. In this respect Reynolds Metals has done well and, together, with the simplification of relationships with controlling companies that is now nearing completion, will be helpful in clearing the boards for the ultimate form that the company's financial structure will take. At the end of 1959, the company's financial structure was as follows:

Long-term debt	$382,185,944
$2.37½ Cum preferred stock ($50 par)	723,500 shs.
$4.50 2d conv. cum pref st'k ($100 par; convertible into com @ $50)	532,610 shs.
Common st'k (no par)	16,471,227 shs.

Earnings often provide a better test of the past and of what lies ahead than anything else. The record of the past five years, adjusted for the 16,471,227 common shares outstanding at the end of 1959, shows them starkly:

	Earnings Net after taxes	Net per share
1959	$44,760,000	$2.41
1958	39,360,000	2.24
1957	37,810,000	2.14
1956	41,240,000	2.57
1955	34,310,000	2.23

In view of the 5-for-1 split in 1955, 3-for-2 distribution in 1959 and minor payments in stock, the additions have been substantial.

Quality of Management

Management is, in all growth situations, a matter of primary concern. It is more than probable the management of Reynolds Metals, allowing for the youthfulness of the company and its consequent need to develop business wherever it existed, that its management has been considerably better on the trigger than has that of the largest company in the field. In any event, in production, in seeking out its supplies of alumina (ore of aluminum) and applications and discovery or creation of new outlets, the advantage has been with Reynolds Metals. The company is credited with being the one which first sold molten aluminum to larger consumers—General Motors and Ford Motor. It led the way in packaging, in home construction, in slum renovation, in auto engines and introduction of cans and numerous other uses. The company has predicted increased sales in 1960 over 1959 and is aboundingly cheerful over its long range future.

Such factors—once established and put into use, mean much more than long strings of figures. Crystal ball gazing does not rate highly in business quarters. Successful men in industry see much of the past, but less of the future. The younger men have little time to gaze on other than the future.

There is no doubt that the future of aluminum is ahead of it. Moreover, the paths to it are reasonably well-marked and do not need overmuch mapping. It is and offers a lifetime of sound, constructive work to young men. Even they, it can be said, haven't "seen anything yet" in aluminum.

Joins McCarley & Co.

CHARLOTTE, N. C.—Kenneth P. Dettmar has joined the Sales Department of McCarley & Company, Inc., in their Charlotte office, Liberty Life Building. He was formerly with Eastern Management Corporation.

Boston Named V. P. By Inv. Diversified

MINNEAPOLIS, Minn. — Election of Henry R. Boston as vice president-finance of Investors Diversified Services, Inc. (Investors), Investors Building, was announced by W. Grady Clark, president of the corporation.

Robert Ferman Branch

Robert L. Ferman & Company has opened a branch office at 125 Maiden Lane, New York City.

New Wegard Branch

TRENTON, N. J.—L. C. Wegard & Company is opening a branch office in the Trenton Trust Building as of Sept. 1.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Bank Stocks

UNION BANK, LOS ANGELES

Rapid growth characterizes the southern California operations of Union Bank. Located in an area where population growth currently appears to be at the rate of some 1,000 persons daily, Union Bank has been undergoing changes which have attracted the investment community nationally.

Until 1957, Union remained the only holdout among major Los Angeles banks for unit banking, unusual indeed in a state which permits statewide branch banking. Transition to "branch" banking has been carefully engineered in facing the problem of a public reputation in its area as "the institution with all banking under one roof." Rather than describing its expansion as branch banking, differentiation from competing banks is pointed up through the establishment of "regional offices with all banking under one roof." Suburban population growth necessitated the change.

The Occidental Savings & Commercial Bank, with three offices strategically located in the San Fernando Valley, was merged into Union Bank in September, 1957. A second regional office was opened at Beverly Hills in December of the same year; the permanent building, a new eight-story structure, was opened in the fall of 1959. Plans now are underway to extend its present five office network.

Construction soon will start on a regional head office in Orange County, adjacent to Los Angeles County. Also a new building will be operated and occupied at a strategic location on Los Angeles' Wilshire Boulevard. Long range expansion calls for the opening of several regional headquarters in southern California. This summer application was made to open its first office in San Diego.

The bank, organized in 1914 as a commercial and savings institution, adopted its present abbreviated name in 1958. A trust department was established in 1918 and the wholly owned Union Realty Co. was formed in 1958 to hold title to the bank's real estate. Union Bank has inaugurated many unique personal services to its customers. It also is among the largest lenders for interim financing of construction.

In order to stimulate deposit growth, the new method of computing 3% interest on savings accounts on a daily basis was started at the beginning of 1960. This policy has brought a substantial increase in savings deposits according to management. Particular emphasis is being placed on manpower development and work simplification programs. Installation of automation equipment for centralization of the bank's bookkeeping should be 100% complete by 1963.

During the past several years, Union Bank's growth record has been an outstanding one. Since 1955, deposits have nearly doubled and Union's growth, relative to the nation's other commercial banks, has been even more dramatic. Ranked 89th in size at the end of 1955 it has emerged as the 39th largest bank, measured by deposits at midyear 1960. Since 1955 assets and loans have doubled and capital funds have increased over 170% to provide a strong base for further growth. Investment interest has been allowed to widen with over 2 million of its authorized 4 million shares now outstanding.

A five-for-one stock split was executed in 1955. Rights subscriptions to stockholders were made in 1955 and 1956, followed by two rights offerings in 1959; the second one for some 260,000 shares after a two-for-one stock split in September. Stock dividends of 5.88%, 5.56%, 6.67% and 4% were paid in 1954, 1955, 1958 and 1959 respectively.

Earning power of Union is based heavily on loans; in 1959 loans provided 71% of gross income. Net operatiing earnings increased 36% during the first half of 1960 over the first six months of 1959. On the average number of shares outstanding for each period, per share earnings were $1.25 compared with $1.11 for the year ago period. Dividend payout has been sharply increased from $0.79 (adjusted) in 1959 to the current indicated annual rate of $1.28 a share. At the recent price of 48, a yield of 2.7% is obtained.

Among Union Bank's promotion slogans for attracting customers is that of "A most unusual bank." Certainly from the growth achieved during the past several years, accompanied by a 300-400% rise in the market price of its stock since 1955, the stock of Union Bank also has developed into more than an ordinary investment.

Statement of Condition
(In millions of dollars)

ASSETS—	—Dec. 31, 1959—		—Dec. 31, 1958—		Dec. 31, '57
Cash	$160.9	26.5%	$116.6	23.1%	28.7%
U. S. Governments	132.0	21.7	132.9	26.3	25.2
Other securities	12.7	2.1	13.2	2.6	3.2
Loans	289.3	47.7	228.6	45.2	40.4
(Real Estate)	(65.3)	(22.6)	(55.6)	(24.3)	(19.5)
Other Assets	12.2	2.0	14.3	2.8	2.5
Total Assets	$607.1	100.0%	$505.6	100.0%	100.0%
LIABILITIES—					
Capital funds	$41.8	6.9%	$25.1	5.0%	5.3%
Deposits	543.1	89.4	461.7	91.3	91.7
(Time Deposits)	(90.1)	(16.6)	(93.9)	(20.3)	(13.3)
Reserves	10.9	1.8	9.0	1.8	1.5
Other liabilities	11.3	1.9	9.8	1.9	1.5
Total Liabilities	$607.1	100.0%	$505.6	100.0%	100.0%

Selected Per Share Statistics*

Year	Net Oper. Earnings	Indic. Divid.	Book Value	% Earned On Book Value	Approx. Bid Price Range	Shares Outstanding
1960†		$1.28	$20.21		57-46	2,128,508
1959	$2.15	0.79	19.86	12.4%	57-29	2,104,629
1958	1.78	0.77	14.93	12.3	31-18	807,294
1957	1.56	0.72	13.93	11.3	19-17	742,770
1956	1.53	0.68	13.68	11.6	19-16	684,000
1955	1.44	0.63	12.62	11.9	19-17	570,000
1954	1.23	0.60	11.52	10.3	14-11	90,000

*Adjusted for stock dividend. †Six months, June 30, 1960.

With Sweney Cartwright

(Special to THE FINANCIAL CHRONICLE)

COLUMBUS, Ohio — Marshall A. Smith is now connected with Sweney Cartwright & Co., Huntington Bank Building, members of the Midwest Stock Exchange.

Opens Investment Office

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Grace and Jackson B. Perego are conducting a securities business from offices at 58 Sutter Street.

With Bateman, Eichler

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Paul H. Desbrow has become associated with Bateman, Eichler & Co., 453 South Spring Street, members of the Pacific Coast Stock Exchange. He has recently been with Dempsey-Tegeler & Co.

Two With Christopher

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, Mo.—Carolyn S. Hall and Norman E. Agron have been added to the staff of B. C. Christopher & Co., Board of Trade Building, members of the New York Stock Exchange.

Pacific N.W. Group Of IBA to Meet

PORTLAND, Oreg. — More than 150 members of the Pacific Northwest group of Investment Banker's Association of America will assemble at the Sheraton Hotel, Sept. 8, 9 and 10 for their annual convention, according to Whit Pierson, convention General Chairman. They will come from Oregon, Washington and British Columbia and are all members of investment securities and banking firms.

Plans for the meeting and appointment of chairman to handle the various activities were made at a meeting of the Portland members this week. Arrangements are being made to bring several visiting speakers and national officials to the convention.

Co-chairmen to handle the various activities are: William J. Collins, William J. Collins & Co. and Sheldon Jones, June S. Jones Co., Golf; William Rosenfeld, Dean Witter & Co. Hospitality; N. Wilson Lewis, Blyth & Co., Inc. Reservations; Frank Calise, Publicity; Fred G. Bradshaw, Registration; James H. Picket and Preston L. Phipps, June S. Jones Co., Entertainment.

Vested Income Plans

Vested Income Plans, Inc. is conducting a securities business from offices at 42 East 52nd Street, New York City.

Officers are Richard A. Morris, President and Treasurer, and Joseph A. Englert, Vice-President and Secretary.

A. G. Edward Adds

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — James T. McAnulty is now connected with A. G. Edwards & Sons, 409 North Eighth Street, members of the New York and Midwest Stock Exchanges.

AS WE SEE IT *Continued from page 1*

us regardless of the action of the Reserve authorities at this time, it would be difficult to level a charge of neglect or indecision or inaction at the System as politicians are very fond of doing. For our part, we have discerned no indication of sharply worsening conditions in the early future, and certainly do not believe that any failure of business to come up to expectations this year is to be attributed even in part to any hard money policy which the Reserve authorities had been following. Nor is there danger of an early recession that may now exist to be charged against the System.

As to the likelihood that the recent steps of the Reserve authorities will prevent a recession or help stimulate business to greater activity, we are content to await the verdict of future events. What disturbs us about the situation, as other situations of the same sort in the past have disturbed us, is not what the short-term effect of these actions upon business activity may be. What we can not help wondering about is what policies of this sort (in conjunction with other public policies) may do to the fundamentals of our economic system. It is, of course, only quite recently that the notion has been all but universally held that by manipulation of credit conditions and the like, the course of business could be controlled, and that it is possible to play fast and loose with banking and credit without doing heavy and permanent damage to industry and trade.

False Theory

The theory still does not appeal to us. Take the situation by which we are now faced, as an example. The steps now taken by the Reserve System must be designed to stimulate an increase in the debt of individuals and business. Otherwise, they could have no meaning. Yet the net debt of the governments, the business and the individuals of the country was already up to $846 billion by the end of last year, which is more than twice what it was at the end of World War II. It was, moreover, more than half again as much as it was when President Eisenhower took office. If we look a little more closely, we find that consumer credit, so-called, stood at $52 billion at the close of 1959, several billion higher than it has ever been in our history—and it is still rising. We find, moreover, that the mortgage debt of small home owners (that is on one to four family houses) had reached the staggering total of $133 billion by March, 1960 or more than six times what it was at the end of World War II and 125% more than it was at the end of 1952.

All this comes forcibly to mind when day after day one reads or hears announcements of all sorts of consumer goods and even services for sale on credit with small down payments, or in some instances no down payments at all. In point of fact, it has come to be the common practice to quote not the price of an article but the amount of the down payment in sales campaigns. What this is already doing to our economy, we do not profess to know, but we must confess to very considerable uneasiness about the extent to which virtually all the consumers of the country are committed financially months and even years ahead.

We are not prepared to say to what extent such reduction in interest rate as have occurred or are to be expected from recent Federal Reserve action will tend to enlarge this already very heavy indebtedness. It is often said that the rate of interest charged consumers on installment debt does not greatly affect the readiness of the consumer to borrow. It is usually all too simple to change the number of payments or, in some other way, make an increase in the rate of interest charged difficult to discern. Presumably, the mere fact that the Reserve authorities take such steps as these tends to instill confidence in the rank and file, and thus to make them more ready to borrow or to enter into commitments. There is without doubt some truth in this view, although the psychological effect of such things as this is more likely to be felt in the business community than directly by consumers. In any event, it would appear that if such a policy does not encourage borrowing, it can hardly have very much influence upon the course of business.

Technical Aspects

Of course, there are technical aspects of a situation of this sort which are important, too. Procedures of this sort in current circumstances tend very strongly to raise bond prices and to give the bond market the ability to absorb more and larger offerings of new issues. This—since nearly all outstanding issues are now callable—affords corporations the opportunity to reduce interest costs by refunding outstanding obligations. It also makes it easier for corporations to fund bank indebtedness. But is a situation created in this rather arbitrary manner really sound? It certainly does nothing to encourage saving from which investment must come.

In any case, we no longer live in a semi-closed economy, as our balance of payments difficulties in recent years eloquently testifies. Resumption of the outflow of gold since investment yields declined a month or two ago should put us all on notice that we can not play fast and loose with our credit system in fine disregard of what others may do.

STATE OF TRADE AND INDUSTRY

Continued from page 5

expected, *Steel*, the metalworking weekly, said.

Unless there is a sudden shift in the purchasing plans of automakers, the September upturn in bookings and shipments may not be more than 5%.

As automakers delay steel order releases, other consumers—appliance manufacturers, farm machinery builders, and canmakers — are staying out of the market because they have big inventories of finished goods and more than enough raw steel.

To build their order books, steelmakers must compete vigorously for small tonages from a host of other users—most of whom are living hand to mouth.

Orders are going to the mills than can promise faster delivery. So steelmakers are carrying larger than normal inventories of semi-finished and finished material.

What is more, they are making concessions on freight. Customers in cities that are normally served by barge—St. Louis, Kansas City, Louisville, Cincinnati, Memphis, and Nashville, Tenn.—expect the mills to ship by rail and absorb the difference in freight rates.

The problem in Detroit seems to be one of production planning, *Steel* said. Automakers know approximately how many cars they want to build, but they cannot decide what percentage of their output should be compacts. Until they do, they are in a poor position to specify the types and sizes of steel they will need. They are in no hurry to make up their minds because they know steel needs can be met on short notice.

Most of the car companies intend to introduce their 1961 models by Oct. 15, but they will go easy on initial production runs until their dealers unload at least half the one million 1960 cars jamming their showrooms.

The inventory problem, while formidable, is not much worse than it was a year ago. Stocks are only 5% higher than they were in August, 1959. Look for the automakers to turn out 1.3 million cars in the fourth quarter (vs. two million in the first, 1.8 million the second, and one million in the third).

Last week's steel production was the highest since mid-June. Furnaces were operated at 55.8% of capacity, up more than two points from the previous week's revised rate. Output: About 1,589,000 ingot tons.

Exports of scrap last week pushed *Steel's* price composite on No. 1 heavy melting grade to the highest point since late in May. It rose 33 cents to $32.33 a gross ton.

Metalworking trade with Soviet bloc nations is increasing, *Steel* reported. The Commerce Department is granting more export licenses and issuing fewer rejections. In total trade, export licenses approved in the first half exceeded those in all 1959.

This Week's Steel Output Based on 54.5% of Jan. 1, 1960 Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *96.6% of steel capacity for the week, beginning Aug. 22, equivalent to 1,552,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compared with the actual levels of *97.0% and 1,558,000 tons in the week begining Aug. 15.

Actual output for last week beginning Aug. 15, 1960 was equal to 54.7% of the utilization of the Jan. 1, 1960 annual capacity of 148,570,970 net tons. Estimated percentage for this week's forecast based on that capacity is 54.5%.

A month ago the operating rate (based on 1947-49 weekly production) was *94.6% and production 1,520,000 tons. A year ago the actual weekly production was placed at 332,000 tons, or *20.7%. 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.

Output of 1961 Car Models Moving in High Gear

Some 28,000 or 12% of the 235,000 cars assembled in the first three weeks of August were 1961 models, *Ward's Automotive Reports* said on Aug. 19.

Chrysler Corp. was the primary builder of the new models although Buick is producing the Special, a new medium-priced compact, in Flint.

Next week even more 1961 cars will be turned out, *Ward's* said. American Motors and Studebaker-Packard Corp. will begin 1961 output week of Aug. 22.

Meanwhile, car output in the week ended Aug. 20 plunged 43.5% under last week. *Ward's* said the sharp decline in production is the result of the industry's changeover shutdowns. U. S. auto makers produced an estimated 47,490 cars compared with 84,139 last week and 31,848 in the same week last year.

Ward's said Ford Motor Co. captured 46% of the week's production while Chrysler Corp. accounted for 35.2% and General Motors, 18.8%.

The statistical agency said only a few plants worked five days during the week. But Falcons and Comets were produced on a six-day basis. And 1960 volume resumed Thursday at Mercury's Wayne assembly site after a five-week strike.

Ward's pointed out that Chevrolet wound up its 1960 model run on Aug. 19. Thus, Ford Motor Co. is left building 1960 cars.

The reporting service said that U. S. truck volume soared 31.6% in the latest week. Total units were 16,385 vs. 12,449 last week. Reason for the upturn was that International Harvester and Willys International Harvester and Willys resumed operations after vacation downtime.

Freight Car Loadings for Aug. 13 Week Were 10.2% Above 1959 Week

Loading of revenue freight for the week ended Aug. 13, 1960, totaled 599,908 cars, the *Association of American Railroads* announced. This was an increase of 55,399 cars or 10.2% above the corresponding week in 1959, which was affected by the nationwide strike in the steel industry, but a decrease of 26,406 cars or 4.2% below the corresponding week in 1958.

Loadings in the week of Aug. 13, were 5,579 cars or nine-tenths of one per cent above the preceding week.

There were 10,877 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended Aug. 6, 1960 (which were included in that week's over-all total). This was an increase of 3,155 cars or 40.9% above the corresponding week of 1959 and 5,212 cars or 92.0% above the 1958 week.

Cumulative piggyback loadings for the first 31 weeks of 1960 totaled 326,940 for an increase of 85,551 cars or 35.4% above the corresponding period of 1959, and 175,701 cars or 116.2% 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 Week Ended Aug. 13 was 3.8% Below 1959 Week

Intercity truck tonnage in the week ended Aug. 13, was 3.8% below the volume in the corresponding week of 1959, the *Ameri-*

can Trucking Associations, Inc., announced. Truck tonnage was 1.3% behind the previous week of this year.

These finding are based on the weekly survey of 34 metropolitan areas conducted by the ATA Research Department. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Electric Output 3.2% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday Aug. 20, was estimated at 14,453,000,000 kwh., according to the Edison Electric Institute. Output was 169,000,000 kwh. below that of the previous week's total of 14,622,000,000 kwh. but showed a gain of 450,000,000 kwh., or 3.2% above that of the comparable 1959 week.

Lumber Shipments Were 7.6% Below Production During Week Ended Aug. 13

Lumber shipments of 452 mills reporting to the *National Lumber Trade Barometer* were 7.6% below production during the week ended Aug. 13, 1960. In the same week, new orders of these mills were 8.4% below production. Unfilled orders of reporting mills amounted to 30% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 16 days' production at the current rate, and gross stocks were equivalent to 51 days' production.

For the year-to-date, shipments of reporting identical mills were 3.4% below production; new orders were 5.5% below production.

Compared with the previous week ended Aug. 6, 1960, production of reporting mills was 0.1% below; shipments were 3.5% below; new orders were 1.8% below. Compared with the corresponding week in 1959, production of reporting mills was 0.8% below; shipments were 6.5% below; and new orders were 4.4% below.

Wholesale Food Price Index Dips Moderately From Prior Week

There was a moderate decline in the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., from a week earlier and it was fractionally below the corresponding period a year ago. On Aug. 16 it stood at $5.91, down 1.2% from the week earlier $5.98, the 1960 high, and 0.7% below the $5.95 of a year ago.

Only one commodity, tea, was higher in wholesale price this week. On the down side were rye, oats, beef, hams, bellies, coffee, cottonseed oil, cocoa, potatoes, rice, raisins, 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 Down to a New Low for 1960

There was a moderate decline this week in the Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., and on Wednesday, Aug. 17, it hit 267.27 (1930-32=100), the lowest so far this year. It was also the lowest since the 266.50 of June 28, 1950. On Monday, Aug. 22, the index stood at 267.37. The decline was due primarily to lower prices on flour, lard, hogs, steers, lambs, cotton, rubber, and tin, which offset increases in most grains, hides, and steel scrap.

Trading in wheat moved up moderately from a week earlier and offerings in some markets were light helping prices rise somewhat. Rye prices finished fractionally higher, reflecting a slight increase in transactions.

Although corn offerings were light, they were ample for the limited trading and prices slipped somewhat from the prior week. A slight gain occurred in oats prices, despite sluggish volume. While country marketings were light and the soybean meal market was sluggish, prices remained close to a week earlier.

Cotton prices on the New York Cotton Exchange declined fractionally from the preceding week. According to the United States Census Bureau, domestic consumption of all cottons in July came to about 562,000 bales, compared with 650,000 in July, 1959. For the complete past season consumption totaled about 9,024,000 bales, compared with 8,671,000 in the previous season.

Decline in Business Failures in Week Ended Aug. 18

Commercial and industrial failures fell to 279 in the week ended Aug. 18 from 308 in the preceding week but the total was up from the 263 of a year ago and the 253 of the similar week of pre-war 1939.

Failures involving liabilities of $5,000 or more declined to 248 from 268 in the previous week but exceeded the 229 of this size last year. Among small casualties, those with liabilities under $5,000, there was a drop to 31 from 40 a week earlier and 34 in 1959. Liabilities exceeded $100,000 for 29 of the failing concerns during the week as compared with 43 in the preceding week.

Retail Trade for Week Ended Aug. 17 was From 1% Below to 3% Higher Than a Year Ago

Attracted by increased sales promotions, shoppers stepped up their buying of women's Fall apparel this week, which, along with higher sales of furniture, floor coverings, and linens, helped boost over-all retail trade fractionally above a year ago. These gains offset sluggish activity in men's apparel, major appliances, and draperies. Scattered reports indicate that sales of new passenger cars were close to a year ago, but volume in used cars was down substantially.

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

Nationwide Department Store Sales Down 1% 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. 13, 1960, show a decrease of 1% from the like period last year. In the preceding week for Aug. 6, a decrease of 2% was reported. For the four weeks ended Aug. 13, no change was reported. The Jan. 1, to Aug. 13 period showed a 2% increase.

According to the Federal Reserve System department store sales in New York City for the week ended Aug. 13 were 9% above the like period last year. In the preceding week ended Aug. 6, sales were 1% above the same period last year. For the four weeks ending Aug. 13 a 6% increase was reported over the 1959 period, and from Jan. 1 to Aug. 13 there was a gain of 6% above the level achieved in the 1959 period.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Sierra Pacific Power Company

Sierra Pacific Power, with annual revenues of $13 million, supplies electricity to Reno, Sparks, Carson City, and surrounding areas in Nevada also to the Lake Tahoe district in California. Gas and water services are provided in Reno and Sparks. Total population of the area is about 122,000; nearly one-half the population of Nevada lives within the service territory. Reno, the largest city, is the center of a fertile and prosperous farm country. Mining, lumbering and recreational activities also are important.

Cattle and sheep ranching contribute substantially to the economy of the area. The most prosperous farms are in the river valleys where conditions are excellent for growing feed crops for livestock, but irrigation pumping is also coming into increasing use. In the mining areas Anaconda, with its copper pit and mill near Yerington, is an important customer. U. S. Gypsum produces wall board and other building materials at Empire. A barium products company near Battle Mountain processes local ore. There are also shipments of iron ore and processed diatomaceous earth from the Lovelock area.

The Reno and Sparks area has shown an increase in the numbers of industrial warehouses recently due to its geographical location and the state's "free-port" law, which provides tax-free warehousing on goods while in transit through the state to an outside market, with no time limit to disrupt inventory or reprocessing.

Recreation and tourist travel are important factors and the Lake Tahoe and Donner areas have enjoyed a favorable business and residential development Squaw Valley was the site of the recent Winter Olympic Games. Popular winter sports in the Reno and Sierra regions help to offset loss of other recreational travel during the winter season.

The electric system is interconnected throughout and extends beyond the principal district northeastward to Battle Mountain, to the north 65 miles to Gerlach to serve that town at wholesale and to deliver electricity to a large mining customer, and south to Yerington to serve Anaconda Copper. Electricity accounts for some 81% of gross revenues, water 8% and gas 11%. Eighty-two per cent of electric revenues is derived in Nevada and 18% in California. Electric revenues are 84% residential and commercial, with a comparatively small proportion of industrial business.

The company buys about 88% of its electric requirements from Pacific Gas & Electric and about 1% from an irrigation district, generating the remainder. The contract with Pacific Gas remains in effect until November, 1964, and can be extended 15 years if desired. However, conversations have been initiated with Pacific regarding modifications of the contract which may provide for installation of generating capacity by the company, or other means of taking care of future load growth. The company plans to install 18,000 kw. diesel units to supplement its five small hydro plants with their maximum capability of 9,600 kw. Gas is produced locally in the company's propane-air mixing plant.

The rate litigation between Sierra Pacific Power and Pacific Gas & Electric, which had been before the Federal Power Commission and the courts since 1954, was brought to a conclusion last year. Pacific Gas refunded certain overpayments made on power purchased by Sierra Pacific during 1954-'56. The gross amount of the refund was $1,107,000.

Capitalization is approximately as follows:

	Millions	Percent
Long-term debt	$23.1	57.6%
Preferred stock	4.0	10.0
Common stock eq'ty (795,416 shares)	13.0	32.4
Total	$40.1	100.0%

The area served by the company is growing rapidly and the influx of population into the Lake Tahoe and Reno areas is expected to continue at a rapid pace. Improvement in electric loads for recreation, farming and mining customers is expected.

The company has enjoyed a remarkable record of increasing share earnings, which were $2.51 for the latest 12 months ended June 30 (despite an earlier stock issue) compared with $1.94 in calendar 1958 and 97 cents in 1951. There have been gains in each year since 1951—the latter was the same as 1950. The annual compounded rate of growth in share earnings for the decade ending 1960 works out at about 10%, assuming calendar year 1960 earnings to be about the same as the June 30 figure. For the latest 5-year period the growth was over 12%.

The sharp gain in share earnings has been due in part to an increasing rate of return on invested capital. According to Standard & Poor's calculation, the company earned 6.6% on net capital in 1959 or 7.4% on invested capital, compared with 5.5% (on either basis) in 1950.

The stock is currently selling over-the-counter around 47, at which price the $1.60 dividend yields 3.4%. Based on earnings of $2.51 for the 12 months June 30 the price-earnings ratio is 18.7. The dividend payout of 64% is on the low side.

Westheimer To Admit Partners

CINCINNATI, Ohio—Westheimer and Company, 322 Walnut Street, members of the New York and Cincinnati Stock Exchanges, on Sept. 1 will admit Harry J. Hudepohl and Thomas J. Blank to partnership. Mr. Hudepohl is manager of the firm's trading department.

Brush, Slocumb to Appoint Douglass

SAN FRANCISCO, Cal.—On Sept. 1 Donn C. Douglass will become assistant secretary of Brush, Slocumb & Co., Inc., 465 California Street, members of the New York & Pacific Coast Stock Exchanges.

Banner Investment Co.

PLAINVIEW, N. Y.—Arthur I. Lenowitz is engaging in a securities business from offices at 2 Malton Road under the firm name of Banner Investment Planning Co.

With Reinholdt & Gardner

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — Harold W. Kuehnel is now with Reinholdt & Gardner, 400 Locust Street, members of the New York and Midwest Stock Exchanges.

Sellgren Miller Branch

SAN FRANCISCO, Calif. — Sellgren, Miller & Co. has opened a branch office at 333 Pine Street, under the management of Wendell Joost.

Now Jacoby, Daigle

LOS ANGELES, Calif.—The firm name of Binder & Co., Inc., 541 South Spring Street, has been changed to Jacoby, Daigle & Werner, Inc. The firm maintains a branch office in Beverly Hills.

THE SECURITY I LIKE BEST...

Continued from page 2

pany only has sales of $4,500,000 and a net in the vicinity of $140-$150,000.

Since acquisition will be effected through exchange of common shares and since full conversion of the subordinated notes will result in the creation of an additional 50,000 shares outstanding, we can assume that by 1964 there will be in actual existence some 700,000 shares of common stock. The effect of bringing down 4% to net earnings at this point would result in $2.50 for the common; 3% would result in $2.00. It would be logical to assume that growth rate will be substantially lower from this time on. If one applies a capitalization rate of 25 toward 1964 projected net a potential range of 50-65 is arrived at. Applying a 9% discount figure for the four year period (0.7082) to compensate for the employment of funds during the period, one can arrive at a present day evaluation of $35 for DCS common. the risks involved in both this type company and this type method of capitalizing and projecting the future are too apparent to be commented upon. It is this writer's calculated opinion that Data Control Systems has management, technical skill and financial backing; put to the proper use these assets will tend to minimize the speculative nature of any commitment.

AUGUST HUBER

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

International Nickel Co. of Canada, Ltd.

Currently selling around 55, the shares of this company represent one of the better quality equities in the metal group. Nickel is one of the world's faster growing metals. I would suggest this stock for investment accounts on the basis of longer range growth and capital appreciation.

August Huber

Earnings last year recovered sharply to $2.92 per share, from the depressed $1.36 shown in the recessionary 1958 year. The earnings recovery last year reflected a rapid snap-back in nickel demand and higher average prices for copper; (International Nickel is also a large producer of copper which is contained in the nickel ores).

Consumption of nickel in the Free World is expected to reach a new record level near 500 million pounds this year, up from 420 million pounds in 1959. The feature of this year is a strong European demand for nickel which the United States to about 240 million pounds, or 25% above 1959.

It is estimated the productive capacity of the Free World is now about 615 million pounds. The International Nickel Company's new Manitoba properties will initially add about 75 million pounds to the over-all, for a total of around 690 million pounds productive capacity. (This figure includes 105 million pounds of Cuban nickel capacity and other marginal supply sources.) The Cuban nickel projects represent a question mark due to the enigma of Castro economic policies but at some point at least a part of this metal should become available.

With Free World consumption around 500 million pounds in 1960, total nickel capacity is about 510 million pounds, not including the Cuban potential and the new International Nickel mines in Manitoba. Thus, these latter sources apparently represent the difference between a barely adequate supply—or an ample supply.

In any event, the International Nickel Company will increase its own available nickel mining capacity by about 75 million pounds next year, and with nickel in better supply, the trend toward greater usage should move upward.

The company is pursuing a vigorous campaign of sales promotion backed by extensive research and a resourceful management. Over the longer-term nickel should benefit as a material of strategic importance for the age of super-sonic speeds, missiles, nuclear power, and high temperature metals.

International Nickel earnings are estimated around $3.10 per share, for 1960, against $2.92 last year. Producing about 60% or more of the Free World's nickel supply, the company should benefit from the underlying growth trend in the use of nickel along with a good profit potential from the new Manitoba nickel properties.

Potential earning power is estimated around $4.50 to $5.00 per share. Reflecting the investment "quality" of the shares, and the company's dominant position in a key metal field, the shares characteristically capitalize earnings at a relative higher rate than do the more conventional metal stocks. At the high market price attained in each of the past five years, the stock averaged to sell at 20 times earnings. Tempering this to about 17 times earnings (although aluminum stocks, for example, sell around 30 times earnings), I can envision a market price potential in the 80 to 90 range, should future earnings growth ($4.50-$5.00 per share) materialize as it now appears.

The present dividend rate is $1.50 per share, with some moderate extra possible this year.

I regard International Nickel as an attractive longer range commitment for investment accounts.

Transnation Secs. Offered

Pursuant to an Aug. 23 prospectus, Ross Lyon & Co., Inc. and Globus, Inc., New York City, underwriters, publicly offered 7,000 units of the securities of Transnation Realty Corp. at $143 per unit.

Each unit consisted of $100 of 8% subordinated instalment debentures maturing Aug. 1, 1970, 10 shares of 10c par value common stock, and 5 common stock purchase warrants. The warrants are immediately detachable and are exercisable at $4.30 per share until May 15, 1965.

Transnation was organized as a Delaware corporation last January under the name of "Goelet Corp." It deals chiefly in improved properties, although its charter empowers it to deal with unimproved properties as well.

Banks for Coops. Debens. Offered

The Banks for Cooperatives offered publicly on Aug. 23 a new issue of $135,000,000 of five months collateral trust debentures to be dated Sept. 1, 1960 and maturing Feb. 1, 1961. Proceeds from the financing will be used to refund $137,500,000 of 5¼% debentures maturing Sept. 1, 1960. The offering was made through John T. Knox, Fiscal Agent for the Banks, and a nationwide group of securities dealers.

Southern Inv. Branch

MONTGOMERY, Ala. — Southern Investment Services, Inc. has opened a branch office at 343 Cullen Drive under the direction of Col. R. E. Currie.

Stewart, Pickard Branch

ALBUQUERQUE, N. M.—Stewart, Pichard, Hamilton and Company has opened a branch office at 7304 Gladden Avenue, N. E. under the direction of Robert C. Floyd.

New Ziegler Branch

FOND du LAC, Wis.—B. C. Ziegler and Company has opened a branch office at 261 East Bank St. under the management of Alphonse R. Buerger. Mr. Buerger was formerly an officer of Institutional Investment Company.

Allen, McFarland Opens

WASHINGTON, D. C. — Allen, McFarland & Co., Inc. has been formed with offices at 201 Pennsylvania Avenue, Southwest to engage in a securities business. Joseph W. McFarland is a principal.

Named Director

Arthur J. Neumark, partner in the brokerage firm of H. Hentz & Co., has been elected a director of First National Realty & Construction Corporation, diversified builder and operator of recurring and non-recurring income properties.

SECURITY SALESMAN'S CORNER

BY *JOHN DUTTON*

Know Your Customers

One of the main reasons there are so many misundertsandings between people in this world is that what is often "cheese" to one is "chalk" to another. You can write the simplest sentence and send it to a hundred poeple and the chances are that you will come up with different interpretations from many of them. What is clear to you is often unclear to your customer. We communicate with words, and words paint mental pictures to us that are completely understandable, yet to others the ideas we are attempting to convey may be unintelligible. Because of this ever present problem of communication, it is necessary for the security salesman to understand exactly what his customer wants from his investments.

There are also definite categories of speculators and investors. All of them buy and sell securities but the approach of a haphazard stock buyer and that of a calculating investor is as different as that of an Aborigine and a Park Avenue sophisticate. You must first learn to judge your client. Here are the three main categories of specultors: most people who speculate would fit into one of these three major groupings.

The Busy Man Who Buys Securities for Capital Gains and Who Has No Well Defined Investment Plan.

Many business executives, doctors, lawyers, and other professional people fall into this group. Often they are preoccupied with their business and profession. They want to leave it to someone else to do their investment thinking and their speculative hunching for them. They often act upon tips and the advice of non-qualified but well meaning friends for market advice.

The Professional Speculator Whose Objective Is Long-Term Capital Gains.

This man is an experienced speculator and knows what he is doing. He has the ability to analyze trends, management, industries, and financial reports. He will buy any type of security, low or high in price, providing he can see an opportunity where the calculated risk warrants his making the commitment. He buys today intending to sell at a future date for a profit and he cares not whether the security is listed or traded in the over-the-counter market, or whether it is a convertible, an income bond, a receivership, a preferred with arrears, a common stock or a warrant. Show him reasons for buying that will add up to more plusses than minuses and he is interested.

The Professional Trader

This man is interested in trends. He will buy or sell securities that appear to offer opportunities for a trading profit. He usually does not initiate moves but waits until one has started then he jumps on the bank wagon. He uses the tape, charts, information, rumors and a feel of the market to guide him.

He cuts losses quickly if he thinks he has made a wrong guess. He expects to be wrong many times, but when he is in a situation that goes against him he closes it out and takes a small loss. If he latches on to a stock that moves and his profit increases he stays with it. He very seldom averages his bad ones. He buys more of the good ones. There are times when he may be out of the market completely and others when he will be very active. He does not become emotional about his stocks; he doesn't marry them or weep over them. They are just so many pieces of paper to him in which his capital is at risk and his purpose is to make a profit. If a stock does well he keeps it—if it falters out it goes.

Conclusion

Before you can service such accounts you must first learn to recognize them. This is not difficult. Sometimes salesmen talk too much. The best way to service an account is to encourage your customer to talk to you about his objectives and ideas. Sometimes you can learn some things from customers besides sales psychology—they even know a little about speculating and investing. I've met some that knew a lot more than I did about some of these things. But seriously, learn to categorize the people you meet and with whom you do business. There is a lot more to clientele building in the investment business than knowing how to analyze a balance sheet, understand floor procedure on the stock exchange, or know the SEC rules.

There are five principal categories of investors that every security salesman should also be able to identify. I will describe and name them in this column next week.

Monetary Policy in a New Economic Environment

By Charles T. Taylor,* *Assistant Vice-President, Federal Reserve Bank of Atlanta*

Addressing himself to the question "Who Determines Federal Reserve Policy"? Mr. Taylor declares that since it must be adapted to the economic environment, the decisions of the consumer, businessman, and legislator all share the policy-making functions. Shows why inflationary pressures have persisted, taking in new roots during World War II. Also notes important effect of the prevalent "inflation Psychosis," which has assumed a never-ending price rise, overlooking the post-war increases' result from a special set of demand and supply conditions. Notes current subsiding of such pressures. Concludes that he who would predict Reserve policy must forecast economic changes, reflecting how Americans manage their affairs.

Who determines Federal Reserve monetary and credit policy? Part of the answer may be found in the Federal Reserve Act, which sets out formally the responsibilities and powers of the Board of Governors and the Boards of Directors and officers of the Federal Reserve Banks. Since all these are policy-making bodies to some extent, the men who serve as members of them make Federal Reserve policy. That is, they have the formal responsibility for determining policy—a responsibility they cannot escape.

Charles T. Taylor

Still, those men do not wholly "determine Federal Reserve policy," for in the American economic system all of us have some part in making monetary and credit policy. This is so because we are the ones who make the economic decisions to buy or to sell, to spend or to lend, to work or to play, and a host of others that create our economic environment. Since Federal Reserve policy must be adapted to this economic environment, the past and present decisions of American consumers, businessmen, and legislators all have a part in determining Federal Reserve policy.

Policy must be adapted to changes in the economic environment because the function of the Federal Reserve System is "to make possible a flow of credit and money that will foster orderly economic growth and a stable dollar." The flow of credit and money that may be appropriate at one time, of course, may not be appropriate at another. Changes in the economic environment, therefore, clearly call for changes in Federal Reserve policy.

This can be seen from a review of economic and policy changes since the end of World War II. During most of this time, a persistent problem has been to devise policies that would help preserve the purchasing power of the dollar. Although there were three times during this period, in 1948-49, in 1953-54, and in 1957-58, when policies were designed specifically to offset recessionary tendencies in the economy, each time once recovery was gain underway, policy-makers were faced with an inflationary economic environment.

Desire to Spend and Ability To Pay

The inflationary pressures had their roots in World War II. Experience had shown that any country engaged in a major war is likely to have such pressures, which was one reason why price controls and rationing were started as soon as the United States got into the war. These helped keep spending down, but because incomes continued to increase, savings built up rapidly. In 1944, for example, current savings were 25% of disposable income, whereas before the war they had averaged about 4%. Meanwhile, consumers reduced their debts.

Thus, when controls were removed after the war ended, consumers could finance their spending by using their accumulated savings, by spending their current high incomes, and by going into debt. Because they had not been able to buy all the goods they wanted during the war, their accumulated demands were great and they called on all these sources of purchasing power. In this situation, rising prices did little to discourage consumer spending. Consumption spurted upward, until in 1947 it nearly equaled current income.

Corporations and other businesses and state and local governments also had postponed spending during the war. Consequently, corporations were in an extremely liquid position; their cash and government securities had built up to 70% of their current liabilities. Continued prosperity, moreover, enabled them to use internal funds to pay for a large part of the plant expansions that became necessary in the expanding economy. State and local governments used up surpluses built up during the war and borrowed heavily to fill the demands for increased public services. On top of all these domestic demands, other countries were clamoring for goods that only the United States could supply. Exports boomed.

No sooner had some of the pent-up demands been satisfied during the initial postwar period than the Korean War forced a sharp increase in defense spending, raising it from an average of 5% of the Gross National Product in the 1947-50 period to over 13% in 1952-53.

Looking at the entire postwar period, therefore, when people's wants, needs, and financial ability to pay for goods and services were so high, it is not surprising that demand increased tremendously. Since the supply of goods and services to satisfy the demand failed to rise correspondingly, it is also not surprising that prices surged upward.

Limits to Supply and Production

Increases in supply, of course, were limited by the economy's ability to increase production. Much of the manufacturing capacity created to fill wartime needs did not satisfy peacetime demands. Vast expansion programs were undertaken, therefore, to increase capacity, but until these new plants were ready for actual production, this program added to the demands for the nation's resources without increasing the supply of goods.

In this economic environment, Federal Reserve policy sought to hold demands within the capacity of the economy to supply them by moderating the growth in the money supply. The world's experience had shown that continuing inflation had never resulted in orderly economic growth. Thus, limiting, so far as possible, inflationary pressures would not only help achieve a stable dollar but would also foster economic growth. The Federal Reserve policy-makers' task then was to design policies that would help offset some of the effects of the powerful inflationary forces, an economic environment that was one of the heritages of World War II.

Except for use of selective controls and voluntary restraint, the aims of any policy adopted by the Federal Reserve System can be achieved only as it influences the availability and cost of bank credit by controlling member bank reserves. Consequently, although the Federal Reserve System could adopt policies designed to influence the growth in the money supply — demand deposits and currency—it could not directly influence the use of that money supply. Thus, in the postwar period demand pressures pushed toward a more active use of the money supply. In addition, activities of lenders helped increase spending. Consequently, the use of the money supply rose steadily as is indicated by the turnover of demand deposits.

With deposits high and loans relatively low in the earlier postwar years, commercial banks were both able and willing to increase their loans. They could convert their large government security holdings into higher yielding loans without loss so long as the wartime policy of supporting a fixed pattern of interest rates was continued by the Federal Reserve System. Mutual savings banks, insurance companies, and other institutional lenders who also had acquired large amounts of government securities could sell them at par on a market supported by the Federal Reserve to make mortgages and other types of loans. Until interest rates were allowed to respond freely to the supply of and demand for funds, the effectiveness of any Federal Reserve policy was limited.

Although this situation was relieved by the Treasury-Federal Reserve Accord of 1951, when interest rates were allowed to perform their normal function, other inflationary pressures persisted. One of these pressures was the growing belief that a continued rise in prices was inevitable.

Inflationary Psychosis

After losing a considerable part of the purchasing power of their savings by continued rises in prices, more and more persons during the later part of the postwar period began to try to protect themselves against future price increases. Thus, they reasoned, if prices were to rise indefinitely it seemed prudent to seek protection against inflation and to neglect some considerations that would be important under other circumstances.

Some persons sought protection by buying real estate without regard to current returns. Others who turned to the stock market were more interested in possible capital gains than in current yields. Such seeking of protection against future price rises influenced decisions on inventory and capital expenditures. Labor, seeking protection by way of escalator clauses tying wages to consumer price indexes, found the resistance of some businessmen weak because the latter believed they could pass on increased costs through higher prices.

What was overlooked in this period was that the conditions generating price increases could be traced to a special set of demand and supply conditions. In this sort of an economic environment, however, Federal Reserve policy had to give continued emphasis to preserving the value of the dollar.

A Changed Environment

Meanwhile, the economy was steadily changing and some of the inflationary forces were losing strength. As spending gradually became geared mainly to satisfying current demands, consumer income and consumption trends became more parallel, and consumer saving, the difference between the two, assumed a more normal relationship to income. Consumer debt rose year by year and is now at an all-time high, and thus its potential expansion has undoubtedly greatly decreased. Corporate liquidity has now been reduced to what is considered a more normal level. Although still high, national defense spending has deceased in relative importance to Gross National Product.

At the same time, the economy's capacity to produce the goods needed to satisfy demands has grown steadily; one measure of how much it has grown is the greater increase in output than in the number of production workers since 1953. Plant and equipment expansion has increased capacity to produce major materials not only in the United States but throughout the world.

Price developments reflect these changes. Average wholesale prices have changed little since 1958; the total index this year reflects near-stability in the prices of industrial commodities. Although prices consumers pay for services and rents have continued to move higher, prices of goods they buy have been stable, on an average, since early 1958. Prices now move up and down in response to current demand and supply situations, not to general inflationary pressures. Price competition is returning as more and more sellers try to attract buyers by means of offering attractive prices. One result is that an increasing part of the public apparently has lost its faith in the doctrine that inflation is inevitable.

With a great deal of excess liquidity squeezed out of the economy, with interest rates free to fluctuate, with the expansion of bank lending tied more closely to the availability of reserves, and with the investment policies of financial institutions geared more closely to the inflow of funds from savings, the economy has become more sensitive to monetary and credit policy changes. In this economic environment, less emphasis may need to be given to policies designed to limit inflationary pressures. The easing of credit so far this year, reflected in lower short-term money rates and easier reserve positions of member banks, reflects changes in the economic environment.

Has the economic environment changed so much that the money supply is no longer excessive as it was in most of the postwar period? He who would give a firm answer to this question at this point would be foolhardy indeed. But if the answer is Yes, monetary policies will reflect these changes as they have reflected changes in the economic environment in the past. Thus, he who would predict Federal Reserve policy must predict economic changes, changes that in large part reflect how Americans manage their economic affairs.

*From an article by Mr. Taylor in the August *Monthly Review* of the Federal Reserve Bank of Atlanta.

To Be Harris Logan & Co.

DETROIT, Mich. — On Sept. 1 Peter S. Logan, Wade Sloan, Kenneth L. Blue, Herbert E. Socall, and Leo N. Youngs will become partners in Harris & Co., Book Building, members of the New York Stock Exchange, and the firm name will be changed to Harris, Logan & Co. All are partners in Carr, Logan & Co.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Stocks continued to make orderly topside progress this week and the omens were cheerful for a change, the strength building up gradually, and volume reaching a two-month peak. It was welcome to an area of the economy that hasn't had much good news to absorb in a long time.

For the industrial average, the encouraging aspect to the technicians was that it broke out somewhat convincingly through the top side of a resistance level between 630 and 635 after only a one-day struggle with the area. The resistance, in short, seems to have been overrated.

Impact of Lower Interest Charges

The list did have the help of a cut in the prime rate which, unlike earlier measures taken to spur the economy, is the one that can directly affect investors. Lowered reserve requirements and a trim in the discount rate do nothing to ease the cost burden for stockholders who are margined; a cut in the prime rate, however, holds the promise of a scale-down in all other interest charges including, eventually, those levied on margin accounts to carry securities.

There were other technical signs that indicated the market was performing better with some persistence. The markets broadened out when there was buying, and advances held the lead over declines for well past a dozen sessions in a row, which is a feat not accomplished in any other period this year.

Good Leadership

Also heartening was that the motors, rails and steels, which had contributed virtually nothing to the rally up to here, were able to lend a hand when the industrial average cleaned up the overhead resistance. They did so without anything in the news to prompt it. As for steel operations, some of the forecasts were predicting that the lag would extend into October. Automakers have been scheduling production of the new models at a comparatively leisurely pace until the backlog of 1960 models is whittled down. And rail earnings, so dependent on steel operations, were far from glowing.

Coppers were able to do well for a more specific reason. The unrest in Africa threatens to disrupt production of the red metal in those areas and ease the world glut of metal that has kept prices shaky.

New-found strength also popped up in the chemical section, including a surge by Montecatini, the Italian chemical colossus, that carried it to a new high. The stock is relatively inactive so it didn't have far to go to accomplish the new peak. Nevertheless the feat stood out prominently in a section where drastic trims from the year's highs are the rule. Du Pont, for instance, is still some five dozen points under it high. Montecatini, until it broke out, had only carved out a range of 15 points for the entire year.

Resurgent Utilities

Utilities, the defensive section that was busy scoring new highs even during some of the selling drives of earlier this year, were in good demand and their average again was pushing to the best levels seen in 30 years. When the going is rough in other sections of the list, utilities are among the traditional shelters for jittery investors.

There were some items that were held in high regard not so much as defensive mediums but because they are on the brink of a major change. Such a one is Toledo Edison which watched other utilities in Ohio ask for and get rate increases, Cincinnati Gas two of them this year alone, and finally filed for its own boost. Toledo Edison has never increased its rates, unlike other utilities in general and those in its own state in particular.

There is little doubt that Toledo will be turned down. Where other utilities in the state show a return of 7% or more on invested capital, Toledo's profit is below 6% and its planned boosts, which would raise the return to 7%, would work out approximately to 33 cents a share in net.

Without the rate increases the estimated net for this year for Toledo Edison is around $1.15 which makes the current 70-cent dividend rate well sheltered. With the incerases granted, the payment automatically becomes a candidate for liberalization. At the present price, dividend boost, to say, $1 would be a yield of 5½%. At the present rate the return is nearly 3.9%, which is above average.

Oklahoma Natural Gas is another in the utility field that is considered a candidate for liberalization of the dividend. In this case no rate increases are involved. Against the dividend requirement of $1.24 per share, the company last year reported profit of $1.93 and for the 12 months ending June 30 reported $2.19. The excess coverage is what makes an increase likely, plus the fact that the payments have been boosted in five of the last eight years.

Intriguing Rail Issue

The high-yield item in the rail section, which also stands out as a profitable one even with the industry in the doldrums, is Pittsburgh & Lake Erie which also has a few other aspects that make it attractive. Its return is above 6% at recent prices despite the fact that earnings for the first half of this year more than covered the full-year's dividend. Its profit pattern throughout its existence has been quite superior.

Controlling P. & L. E. is New York Central which holds more than 59% of the shares. In any such situation important tax savings appear if the controlling interest reaches 80% of an issue. In this specific case the method of boosting Central's proportionate share appears to be via tenders by P. & L. E. for its own shares, rather than any Central exchange plan.

At the annual meetings last year and again this year, P. & L. E. was authorized each time to acquire up to 100,000 shares of its own stock. Out of the 1959 authorization, 23,145 shares were bought in. This year's authorization produced 58,850 shares. It leaves a good way to go for the 80% control goal, indicating more authorization in future years to achieve the required total. Such buying, obviously, provides good market support for the stock as is illustrated by its relative stability. The 1960 spread is only a shade more than 14 points despite the relatively high price tag around par.

The X-Factor in Motors

The unknown item in the motor section is how American Motors can fare in the new model year with increased competition. The company showed a startling success in the last couple of years but then two items showed up to chill sentiment. For one, Rambler sales started to show a slowdown in the month-to-month increases; and since tax credits have been used up, higher taxes are trimming the good year-to-year earnings comparisons. Reflecting the uncertainties, the market action of the shares has been drab after their sensational performance up to the stock split earlier this year. On AMO's plus side are a considerably expanded production capacity, and the expenses from the steel strike are now history. Still unanswered are whether the new model year will be a good or so-so one for autos in general, and how much the stepped-up competition of the larger auto makers will cut into American's results.

Drugs Still Getting Attention

The drug companies are the ones that have gotten the prime attention in recent years, leaving the cosmetic companies, with the possible exception of one or two, on the neglected side of the ledger. But Lehn & Fink Products, for one, has no reason to take any back seat when it comes to improving its lot steadily. For half a dozen years it has boosted sales and earnings and its dividend at times as well. Yet it is still available at an above-average 3.7% yield. In the last year alone it was able, on an increase of around 6% in sales, to post a profit 11% greater. It is one of the low-capitalization items around, only about a third of a million shares.

[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.]

Hill Darlington Grimm to Merge

Hill, Darlington & Co. and Grimm & Co., both members of the New York Stock Exchange, have entered into an agreement relating to the proposed merger of the two firms, it was jointly announced Aug. 23 by Thomas W. Hill, a general partner of Hill, Darlington and John Grimm, a general partner of Grimm & Co.

The merger, subject to New York Stock Exchange approval, is expected to become effective around Oct. 1 of this year, and the successor firm will be known as Hill, Darlington & Grimm. Headquarters of the enlarged firm will be maintained at 2 Broadway, New York City, and 15 branches will be located in New York City, upstate New York, Massachusetts, Connecticut, Pennsylvania, Florida and Washington. The firm will have its own private wire system connecting its branch office system.

Both Hill, Darlington & Co. and Grimm & Co. conduct a brokerage business in listed an Over-the-Counter securities and have been active in corporate underwriting. In addition to its membership in the New York Stock Exchange, Hill, Darlington & Co. also holds a membership in the Pacific Coast Stock Exchange and an associate membership in the American Stock Exchange.

Fung Joins Delaware Mgmt.

PHILADELPHIA, Pa.—Frederick H. L. Fung has joined Delaware Management Company, Inc., 3 Penn Center Plaza, as a security analyst, W. Linton Nelson, president, has announced. The firm is investment adviser and national distributor for both Delaware Fund and Delaware Income Fund.

Mr. Fung comes to his new post from Fidelity-Philadelphia Trust Company.

Form Antin, Inc.

Antin, Inc. has been formed with offices at 57 William Street, New York City, to engage in a securities business. Officers are William Freiman, President and Harold Antin, Secretary and Treasurer.

The National Stock Exchange Registration Approved by SEC

Members of the Board of Governors of the newly registered National Stock Exchange: Seated, Aaron A. Freundlich (Bache & Co.); Lawrence H. Taylor (Sirota & Co.), Chairman of the Board; and Llewellyn Watts, Jr. (Watts & Sons). Standing are John W. Clagett, President; C. Charles Denisco (Zenith-Godley Company, Inc.); and Hendrik C. Ahlers (Carl Ahlers, Inc.)

Registration of The National Stock Exchange, Inc., as a national securities exchange was ordered effective Aug. 16, by The Securities and Exchange Commission, in Washington, D. C. Thus The National Stock Exchange becomes the first new stock exchange to be franchised since the passage of the Securities and Exchange Commission Act of 1934, the third stock exchange in The City of New York and the fourteenth registered national exchange in the United States.

The new exchange, located at 6 Harrison Street, New York 13, N. Y., was organized on April 27, 1960, under the membership corporation laws of The State of New York.

Officers of The National Stock Exchange are Lawrence H. Taylor, Sirota & Co., Chairman; Hendrick C. Ahlers, Carl Ahlers, Inc., Vice-Chairman; John W. Clagett, President; Aaron A. Freundlich, Bache & Co., Secretary; and C. Charles Denisco, Zenith-Godley Company Inc., Treasurer. The Board of Governors includes Messrs. Taylor, Ahlers, Denisco, Freundlich and Llewellyn Watts, Jr.

Plans for the new exchange got under way over two years ago and according to Chairman Lawrence H. Taylor trading will start within a few months. The intervening period will be utilized to make the required physical changes in the trading area, to install necessary communications facilities and to complete work on the systems for handling and clearing securities.

The Listings Committee of The National Stock Exchange will meet shortly to start processing applications of corporate issues already on file with the Exchange and to receive new corporate listing applications. Names of listed companies will be announced as the applications are approved by the Listings Committee and the Board of Governors of The National Stock Exchange.

Corporations listing their securities of The National Stock Exchange will be substantial companies, according to Mr. Taylor, with 500 or more stockholders, 150,000 shares outstanding and a net worth in excess of $1,000,000. The National Stock Exchange may, under certain conditions, list securities listed on other stock exchanges here and abroad with the exception of securities listed on exchanges located in The City of New York. It is anticipated however, that the majority of the Exchange's new listings will be securities presently being traded in the Over-the-Counter Market.

The National Stock Exchange has as its primary intention the provision of a public auction market for thousands of substantial and growing companies desirous of obtaining the corporate and stockholder advantages that may be achieved by the "listing" of a security on a registered national stock exchange. Mr. Taylor pointed out that the creation of The National Stock Exchange is in line with the rapid growth of public ownership of securities and the vast increase in the number of firms currently making their stock available to the public.

The right to apply for membership in The National Stock Exchange is limited to members of The New York Mercantile Exchange, sponsor of The National Stock Exchange. Members of the New York Mercantile Exchange who wish to apply for membership in The National Stock Exchange must be in good standing and meet certain specific requirements. There are no seats for sale in The National Stock Exchange per se. Prospective members of the new stock exchange must purchase membership in The New York Mercantile Exchange and then exercise their right as members to apply for membership in The National Stock Exchange.

There are 400 memberships outstanding in The New York Mercantile Exchange out of a total of 500 authorized by the by-laws.

Wainwright & Ramsey Appointed

Wainwright & Ramsey Inc., New York City, municipal finance consulting firm, has been appointed by the Washington Public Power System to assist in setting up a revenue bond program for the development of Nez Perce Hydroelectric Project. The announcement was made Aug. 23 by Owen W. Hurd, managing director of the Kennewick, Washington - based Power Supply System.

Expected to cost in excess of $350 million, the project will comprise a dam on the Snake River and hydroelectric generating equipment, including the erection of the necessary transmission facilities.

Opportunities for Credit Sales in the '60s and '70s

By Cyril J. Jedlicka,* *Senior Vice-President, City National Bank & Trust Company of Kansas City, Mo.*

Authority in bank consumer credit expresses satisfaction over revised 1960 expectation as a year of "moderate expansion" in lieu of previously prophesized runaway boom. Pointing to constructive improvement in auto situation, reflected in sales gains, inventory reduction, and better credit delinquency status, Mr. Jedlicka maintains these trends along with consumers' optimism correlated with their rising incomes indicate opportunities for credit sales that will stagger the imagination throughout the 1960's. Endorses predictions that consumer credit outstanding will increase to $60 billion by 1970, and approximately $100 billion by 1980, with the banks obtaining their full share of the business.

Only a few short months ago, the general prediction for the year of 1960 was for a superboom year—a year of great expansion. The decade immediately ahead was commonly referred to as the Soaring '60s. A record year was predicted for automobile sales as well as for most lines of business.

Cyril J. Jedlicka

But the hard facts are, after seven months of 1960, that business conditions are not booming as expected. Bad weather, strikes and unemployment and other factors have curtailed sales to a somewhat normal pace and it now appears that 1960 might reasonably be expected to be a very good year, possibly a little better than the year of 1959, but not the boom that many expected. In my opinion, this is good as I would much prefer a year of moderate expansion rather than a runaway boom.

However, the year 1960 should set new records in some of our economic sectors. Many believe that the $500 billion-plus rate achieved by the gross national product during the first quarters should be maintained during the remainder of the year and may possibly be increased slightly. Consumer demand continues strong and recent surveys by the University of Michigan on consumer buying intentions show an upward trend over a year ago.

Auto Gains Encouraging

While auto makers are disappointed on new car deliveries since the first of the year, it should be pointed out that 1960 figures are above those for comparative figures of 1959 and the expectation for the year still is a 10% gain over 1959. Sales of 6 to 6½ million cars are possible and would be the third largest year in automotive history.

Reports to the ABA from banks in all sections of the country show that instalment credit has increased in volume during the first quarter of 1960. Automobile and personal loans were especially active. The late winter and bad weather conditions affected the distribution and sale of some durable goods. Appliance and home improvement loan volume did not develop as had been expected but currently some improvement is being noted.

Improvement has been noted in auto sales in recent months and financing volume is more plentiful. However, there are some clouds on the auto field due to the very high current inventory situation in new cars—better than 1,000,000 units in dealers' hands—coupled with the high monthly production rate which has amounted to almost 600,000 units per month. This above-normal inventory could result in pressure on terms particularly during the coming clean up period before the new models and might indicate some caution is necessary. Currently terms on new cars appear to be stabilized, with a large majority of the cars sold on 36 months' terms. A hold-the-line policy prevails in most centers with little pressure at present for longer extended terms.

Delinquency ratios, repossessions and charge-offs are all reported in line with past experience which has been universally good. Some few banks report slightly higher delinquency but these reports are generally from local conditions of weather, strikes and unemployment which are largely seasonal.

The "Money" Problem

"Tight money" continues to be a problem with many banks but it appears that only in a few isolated cases is instalment credit being "held down" or curtailed substantially. Because of the higher average gross profit from instalment lending as compared to other bank loans, bank management in most cases will curtail the low rate less desirable loans and continue the instalment lending operations. Some indications are evident that money is becoming "less tight" but most banks continue to experience a very strong demand for loans of all types.

Public acceptance of consumer credit is growing. More people and more spending units are using this form of credit. More new products and services are now being offered on the instalment plan. Consumer optimism continues to grow with their rising incomes.

The "Leisure Products" Boom

Because of this wider use of instalment credit and because of the greater individual gross income and consequent larger disposable income, consumers are now demanding more and varied services from us as lenders. We are currently experiencing a leisure products boom. Boat financing is becoming a big and profitable field for lenders to a point where pleasure craft are being considered by many as a necessity in our American Way of Life. More than $2½ billion were spent at the retail level last year on boating, equipment and services. A tremendous demand exists for all types of sporting, hunting and fishing equipment. Such lines as bowling, air conditioning, swimming pools and vacation travel are all booming. Home improvements present a $5 to $10 billion loan market. Banks in the larger centers have become a department store of consumer credit offering all types of instalment loans both secured and unsecured.

In order to better serve the credit needs and demands of our consumer public, many banks (and some loan companies) offer such new plans as Revolving Check Credit, Bank Charge account financing, educational plans as well as in-plant banking plans for both loans and deposits. Volume potentials are very large in all these plans but will take time to develop their full potentials.

Credit Sales Prospects

It seems to me that the opportunities for credit sales in the '60s in banking and in industry are such as to stagger the imagination. The wider use of the instalment credit way of life by more people to finance more services and products will without question raise the totals of instalment credit to greater heights. Such factors as population increase, rapidly increasing formation of families and spending units, new and improved products, higher prices of practically everything we buy, increased disposable income of most consumers, which is increasing year by year opportunities for better schooling, better hospital and health programs, more opportunities for travel and enjoyment almost insure such increases. Students of the economic factors of instalment credit predict that consumer credit outstanding will probably increase from $40 billion presently to $60 billion by 1970 and to approximately $100 billion by 1980. I feel sure that banking will obtain its share of this business.

For the balance of the year 1960, I believe that all of these factors are working in our favor, that banking and most industries will have a good year, at least as good as 1959 and probably a little better and that those banks which have capable personnel with a sincere desire to serve their public will be able to increase volume, outstandings and their profits in this field of consumer credit.

*A paper presented by Mr. Jedlicka before the 46th Annual Instalment Consumer Credit Conference, Palmer House, Chicago, Ill.

Cavanaugh, Geck

PHOENIX, Ariz. — Cavanaugh, Geck Securities Corp. has been formed with offices at 2727 North Central Avenue to engage in a securities business. Officers are Robert J. Cavanaugh, President; Gerald L. Geck, Secretary-Treasurer; Lawrence F. Kuriger and Sidney L. Dowd, Vice-Presidents. All officers were formerly associated with Cavanaugh, Tanner & Beck, of which Mr. Cavanaugh was vice-president.

Now Sole Proprietor

PROVIDENCE, R. I. — Robert Cummings is now sole proprietor of Cummings & Co., Hospital Trust Building.

Chicago Municipal Club Field Day

CHICAGO, Ill. — The Municipal Bond Club of Chicago will hold its 24th annual field day, Thursday, September 8th and Friday, September 9th. Registration and luncheon will be at the Chicago Yacht Club on September 8th followed by a cocktail party and dinner at the Union League Club. The field day proper will be held September 9th at the Elmhurst Country Club. Reservations should be made with W. G. Inman, John Nuveen & Co., chairman of the Arrangements Committee by September 1st.

Members of the Field Day Committees are:

General Chairman: Frederick F. Johnson, Barcus, Kindred & Co.

Vice Chairman: William N. Murray, Jr., Eillinois Company.

Arrangements: Wilbur G. Inman, John Nuveen & Co. Chairman; George L. Barrowclough, First of Michigan Corporation; Donald J. Cincotta, Barcus, Kindred & Co., Richard A. Erley, Shearson, Hammill & Co.; Vincent Newman, Channer Newman Securities Co.; Melrose B. O'Rourke, John Nuveen & Co.; Philip Podulka, Kidder, Peabody & Co.; Warren S. Yates, Merrill Lynch, Pierce, Fenner & Smith, Incorporated.

Special Feature: John X. Kennedy, White, Weld & Co., Chairman; Hiram F. Bright, Harris Trust & Savings Bank; Gene A. Frantz, William Blair & Co.

Prize: Charles O. Main, Ballman & Main, Chairman; Kenneth S. Ogden, Dean Witter & Co.; C. A. Schoeneberger, Dean Witter & Co.

Entertainment: Thomas L. Kevin, Glore, Foran & Co., chairman; Robert J. Taaffee, McDougal & Co.

Transportation: Arthur G. Field, Lee Higginson Corporation, chairman; Charles E. Lundfelt, McCormick & Co.; Thomas S. P. Uhlarik, C. F. Childs & Co.

Golf: Eugene V. Goss, Harriman Ripley & Co., Inc., chairman; Clayton F. Brown, Northern Trust Company; John J. Walsh, Jr., Cruttenden, Podesta & Co.

Soft Ball: Raymond B. McCabe, Halsey, Stuart & Co., Inc., chairman; Andrew D. Buchan, Bacon, Whipple & Co.; Robert C. Hawley, Harris Trust & Savings Bank; Robert E. Simond, Jr., Halsey, Stuart & Co.

Tennis: William D. Anderson, Wallace, Geruldsen & Co., chairman; Francis R. Schanck, Jr., Bacon, Whipple & Co.

Horseshoes: James P. Gallagher, Rodman & Renshaw, chairman; Harry J. Wilson, Harry J. Wilson & Co.

Deegan Director

Thomas J. Deegan, Jr., of New York, was elected to the board of directors of Briggs Manufacturing Company, it was announced by A. vanderZee, Chairman, following a board meeting. Mr. Deegan is President of Thomas J. Deegan Company, Inc., and is Chairman of the Executive Committee of the New York World's Fair 1964-1965 Corporation. He is also a director of the Industrial Bank of Commerce, The Econometric Institute, Dorothy Draper Company, Inc., The Fifth Avenue Association, Regional Plan Association and the New York Convention & Visitors Bureau.

T. J. Deegan, Jr.

Grunebaum Director

Erich O. Grunebaum, Chairman of the Board of the New York Hanseatic Corporation, 120 Broadway, New York, has been elected to the board of directors of Peruano-Suiza De Fomento E. Inversiones S. A., of Peru, it has been announced. The South American corporation is engaged principally in instalment paper financing and the financing of exports-imports from and to Peru.

Formed in 1959 under the auspices of the Banco Continental and two insurance companies, Peruano-Suiza and El Pacifico, with original capital of 10,000,000 Sol (Peruvian), the corporation, which is also known as "Peruinvest," has increased its capital to 20,000,000 Sol with the participation of an international banking group including New York Hanseatic Corporation, American Swiss Credit Corporation in New York, the Oetker group in Germany and the Commercial Bank in Zurich, Switzerland.

Form Ruskin & Co.

JAMAICA, N. Y.—Ruskin & Company, Inc. has been formed with offices at 160-08 Jamaica Avenue to engage in a securities business.

Some Recent Impressions Of Western Europe

By Alan D. Whitney, *Investment Advisor, Winnetka, Ill.*

A warm retrospective look at the roots of Western Culture starts with Greece and ends with Britain. Mr. Whitney focuses on the bygone as a point of reference and his paper weaves the past with the present and reflects the pleasure that comes from looking back knowledgeably.

Anyone who goes to Europe to the roots of Western Civilization, and who does not include Greece, misses the most fundamental one of all. Therefore, if this basic country is to be viewed, it is also wisest to begin sightseeing there and then travel northward, not only following the movement of Western Culture geographically and chronologically, but also following the advancing season by beginning in the Spring of the year. The weather in Greece in April, with a latitude between 36 and 38 degrees, is like that of June in our country.

Alan D. Whitney

Athens is a beautiful and modern city, whose most important out-door attraction is the Acropolis, with its famous ruins. The Parthenon, Erechtheum and other lesser temples and buildings perched on the top of this rocky hill are all built of solid marble and are breath-taking in their grandeur. Near the heart of the city and visible from many places, they are also illuminated at night. One can only wonder how the huge blocks were hauled up there and then carved and erected with such stability to withstand the ravages of 2,500 years and much vandalism. Fortunately, some of that practice has only carried the smaller pieces of artistry to museums for better exhibition and preservation. However, unfortunately, most of said museums are not in Greece.

There are other ruins about the city, some from the era of Roman occupation, but if one wants to see even earlier examples of Greek culture, it is wise to visit the islands of the Aegean Sea, such as Crete, Rhodes, Kos, Delos and some others. This can be done on a five-day cruise on a sightseeing ship, from Piraeus, the port of Athens. Other worthwhile places to see in Greece are Delphi with its famous temple of the oracle, about 60 miles north of the capital and Argolis, the same distance south, both reached by overnight motor coach trips. Delphi, hanging on the side of Mt. Parnassus, about half way up, affords a magnificent view of the Gulf of Corinth to the west, as well as snow-capped mountains to the north and endless olive groves to the south.

The Greeks are the most pleasant people we encountered. They are not (yet?) spoiled by tourism and they appreciate not only the traveler's money, but also his presence. They are intensely proud of their antiquities and anxious to show them. The country seems poor, but the people are certainly uncomplaining. The land is rocky and the arable portion is small, the scenery is, therefore, magnificent in its rugged state. It is not like Switzerland, as there is only a touch of snow on the higher peaks, and the hillsides are mainly green, but seldom tillable. Olive trees abound in the narrow valleys, and they are communally owned, we were told.

A Moving Experience in Pompeii

The next stop on a Western Culture tour is Italy. Starting at Naples and working northward, one also follows a chronological course here. Pompeii, the most perfectly preserved ancient city in the world, was founded about 800 B.C. When it was buried by the ashes from Vesuvius in 79 A.D., it had a population now estimated at 25,000. Excavation has been going on there for 200 years, but most has been done in the last half century. Even today it still goes on with modern power shovels and trucks to carry away the ash. We saw one house being leveled as we stood and watched. To realize that what was coming to light was after nearly 1,900 years of burial, was a moving experience. Many roofs are still in place in the city, and almost all walls of buildings are still standing. Murals and statues are intact, but many of the latter have been taken to museums. Streets with sidewalks criss-cross the city, but are so narrow, they must have been one-way for traffic. Artifacts brought to light include medical and dental instruments that prove how little new there is under the sun. Cooking utensils look modern, except that they are not of aluminum, and some of the stoves are startlingly up to date. Many bodies of men and animals were preserved by the ash and can be seen in Naples museums, in plaster castings. Most people died covering their faces with their hands. Grain, bread, cakes and even eggs were found and can be seen. The city must have been destroyed in minutes.

Naples is a great seaport and our Navy's 6th fleet is based there. Navy personnel occupy many of the city's modern apartment buildings. It made me squirm a bit to see this example of our extravagance, of probably many such in the world. The natives are quite aware of it, but the ones we met were as restrained about the matter as they could be. Naples was badly destroyed in the last war, but there is little evidence of it today, other than the handsome replacements.

The Parthenon

There is an old saying that "all roads lead to Rome." I do not know about that, but I did see what looked like "all aqueducts" leading there. Rome built so many that a lot of them stand today. Some are occupied in their arches as inserted tenements, and some are the foundations of modern constructions. While ancient Greece used only stone and marble, Rome mainly used brick, and the Romans also invented the arch. Some brick walls are many feet thick, and the most magnificent piece of brickwork in the world, I believe is the Parthenon. A rotunda about 150 feet in diameter and 50 feet high, its huge, arched brick roof is without any support other than the one circular wall beneath it. Neither earthquake, war, nor vandalism has knocked it down. Stripped of all its ancient decoration, the inside of the Parthenon is now down to the bare brick, intricately laid to hold the statues and decorating designs of bronze and marble long since removed. A large hole in the center of the roof lets in the only, and enough, light. As a former pagan temple, the roof was open to the Gods, and the rain that fell in was drained from the marble floor by outlets still there and working.

Where stone was used in some of the Roman public structures, it was of such poor quality that the state of preservation of such buildings cannot be compared with what remains in Greece. Roman brick work, where not mixed with other materials, is well preserved, but unfortunately they sometimes mixed bricks with stone, plaster, rubble, etc., and the hodge-podge not only looks bad but has kept poorly. The inside of the Colosseum is a case in point. Many of the Roman public structures were devoted to the glory of conquest and the perpetration of cruel contests. Not so in Greece. The Olympic games were of far different purpose and method than the gladiatorial contests in Rome. Greece built temples and stadia while Rome built arenas and military monuments.

The modern Italians are good innkeepers. Help is plentiful and cheap, but it is also well trained. Employes go through long years of apprenticeship beginning at about age 14, which seems to be the case in other lines of endeavor. One young woman guide we had on a motor tour was, at 18, as proficient as one could ask for. She told us she had begun her special training at 11, and went to school for several months each, in England, France and Germany. She was a wonderful linguist and knew her history well. As to merchandise available there, Italian leather goods, linens and silks are much finer than anything we produce, and cheaper. Borsalino hats are famous, and Italian small autos are rapidly becoming so. Wine is excellent and about as cheap as beer is here.

France—30 Years Later

The next stop on a Western Culture tour is France, if one leaves out Germany, as we did. We met two kinds of Frenchmen, Parisians and Provincials. The average Parisian is unpleasant unless you are buying something from him. Intermixed with many Bohemians who may be far from French, he seems lazy, indifferent, and if I may say so, dirty. Paris is filthy, including many of its hotels and public buildings (although not as bad as I found it 30 years ago). All the magnificent buildings date back to the time of the Louis' and modern private structures re-use old facades. We were there during the Summit and its collapse, and no one seemed particularly upset. We got our best (and worst) news about it in American newspapers and stock brokers' offices. The French are petty about nearly everything, from charging one to sit on a park bench to quadrupling taxi fares after midnight and demanding a tip after selling the program in a theatre.

Normandy is about as lush a country-side as I have ever seen. Britany is beautiful and Mont-St. Michel the most unique place imaginable. The valley of the Loire is famous for its very many medieval chateaux. In the main square of a small town in Normandy, we saw, while passing through in the bus, a monument to General Patton which referred to him as "Our Deliverer." I was impressed, as no Parisian ever dreams of expressing any appreciation to an American. Omaha Beach and the nearby cemetery of St. Laurent where there are 10,000 identical crosses laid out in perfect rows over the graves of our boys who fell there, move one deeply. Arromanches, a few miles east, is the famous seaside resort which the Allies turned into a complete harbor overnight, two weeks after D-Day, by sinking a long pier which had been built in England and then floated across the channel in sections. It is still there.

The Spirited British

The British are a wonderful people. They are mannerly, substantial and courageous. They have an *esprit de corps*. Everyone queues up patiently for any kind of service. There are very few ruins left in London from the frightful war damage. The British have a wonderful sense of humor especially in drama and light literature, which is sharp and subtle and never gross. Most of their newspapers are high class and BBC is so far superior to our fare of broadcasting that they cannot be mentioned together. British merchandise, such as woolens, other fabrics and porcelain are much finer than anything we produce in those lines. Their modern art, regularly displayed in the Royal Academy, puts ours to shame. (I also had the same impression of it on a previous visit 30 years ago.)

The British are civilized, and to me they are the epitome of the Western Culture which sprang up in Greece and slowly moved northward. We could learn a lot from them, especially about the art of self-government. It was not without much ability and at least some good cause that they ruled half the world for nearly a century, but two World Wars finally displaced them, for good or ill, I do not know.

The most exciting and bizarre way to cross the Atlantic Ocean is by jet plane. Only six hours from Idlewild to Orly, France, one sees the sun set and rise within three hours, if one leaves at dusk. A night is lost en route and one is obliged to live a 36-hour day, initially, on his visit abroad. Coming back, one gains five hours in seven of travel. The sun hardly moves. There is no weather at 7 miles altitude, and the plane rides very smoothly and almost silently. Whenever the ground or the ocean can be seen, at intervals, the sight is awe-inspiring. A jet flight over the Alps, such as we took from Paris to Rome on a clear day, is a never-to-be-forgotten experience.

Pearson, Murphy Offers Conetta

Pearson, Murphy & Co., Inc. offered on Aug. 23 125,000 shares of Conetta Mfg. Co., Inc. class A common stock at a price of $4 per share. The shares are offered as a speculation.

Net proceeds from the financing will initially become a part of the company's general funds. It is the company's present plan to use the proceeds to repay certain loans; to purchase additional machinery and equipment, and as working capital and for general corporate purposes, including expansion of its business.

Conetta Mfg. Co., Inc., of Stamford, Conn., is primarily engaged both in the design, engineering, manufacture and repair of small precision tools, dies, jigs and fixtures, and in parts prefabrication by zinc die casting, metal stamping and machining. The company is an outgrowth of a tool and die business begun by Louis D. Conetta, President and Director, in 1946. The present company was incorporated in September, 1959 to acquire and operate the Conetta Tool & Die Co., its predecessor company, and its wholly-owned subsidiaries, Key Manufacturing Co., Inc. and Knoxville Tool and Die, Inc., as well as The Stamford Carbide Co., Inc.

For the year 1959, the company and its subsidiaries had consolidated net sales of $601,485. In the three months ended Mar. 31, 1960, consolidated net sales were $250,676. Upon completion of the current financing, outstanding capitalization of the company will consist of $9,000 of sundry indebtedness; 145,755 shares of class A common stock and 150,000 shares of class B common stock.

Paul Eisenberg Opens

Paul Eisenberg is engaging in a securities business from offices at 20 West 47th Street, New York City. He was formerly with Ross, Lyon & Co. and Eisele & King, Libaire, Stout & Co.

New School Offers Course In Money Mgmt.

The New School announces a series of fourteen sessions on "Managing Your Money: Investing in Today's Markets," beginning Thursday, Sept. 29, 5:30-7:00 p.m. A. Wilfred May, economist and executive editor of the Commercial and Financial Chronicle, and Peter L. Bernstein, economic consultant to the New York Stock Exchange and Vice-President and Director, Bernstein-Macaulay, Inc., Investment Counselors, head the series.

The course offers practical and objective investment guidance for the layman who wants to maximize his income and protect his capital, as well as for the investment authority who wishes to review and clarify his basic investment approach.

Guest experts include: Jerome B. Cohen, Assistant Dean and Professor of Economics, Bernard M. Baruch School of Business, City College; Lewis D. Gilbert, champion of stockholder rights, lecturer and author; Edward T. McCormick, President, American Stock Exchange; and Norris Darrel, a senior partner in Sullivan and Cromwell.

Among the topics to be treated are: Forecasting and market timing, fundamentals of security analysis, portfolio management, mutual funds and investment companies, estate planning, and a year-end tax forum.

There will be open discussion of course members' questions and investment problems.

Prospective students may contact the Registrar's office at The New School, 66 West Twelfth St.

CORRECTION

In the *Financial Chronicle* of Aug. 11 it was reported that Samuel C. Greenfield & Co. was engaging in a securities business from offices at 30 Broad Street. This we are informed is in error as the firm is not a dealer in securities but a closed end fund.

Form Diversified Secs.

MEMPHIS, Tenn. — Diversified Securities Corp. is conducting a securities business from offices at 22 South Second Street. Officers are James H. Wiggins, Jr., President; and Ronald L. Kirkpatrick, Vice - President, Secretary and Treasurer.

Hooper, Bowers Formed

CHICAGO, Ill.—Hooper, Bowers and Hilliard Company has been formed with offices at 765 East Oakwood Boulevard to engage in a securities business. Officers are Earl Hooper, President; William H. Hilliard, Secretary; and Nathaniel H. Bowers, Treasurer. Mr. Hooper was formerly with McGhee and Company.

Jay Morton Co. Opens

SARASOTA, Fla.—Jay Morton & Company, Inc. has been formed with offices at 3400 Tanglewood Drive to engage in a securities business. Officers are Jerome Morton Schechtman, President; and Sol P. Fink, Secretary and Treasurer. Mr. Schechtman was formerly with Hardy, Hardy & Associates.

Named Director

Navigations Computer Corporation has announced the election of Gordon Crouter to the corporation's board of directors. Mr. Crouter is a partner in the Philadelphia investment securities firm of DeHaven & Townsend, Crouter & Bodine, Philadelphia.

Business Outlook Survey Reports Good Year Expected

Optimism about the direction of this year's economy is revealed in National Industrial Conference Board's mid-year survey of 210 manufacturers. Orders are expected to increase and inventories to become smaller.

Despite its somewhat unsatisfactory beginning, 1960 is still widely expected to be a "good year," the National Industrial Conference Board now reports in releasing a survey of 210 manufacturers on the business outlook for the second half.

Cooperators' expectations now take into account results achieved during the early months of the year, when shipments and orders were below forecasted levels in more than half the companies reporting. Nevertheless, many executives are confident about the second half, basing this attitude on a belief that the economy is healthy, and on a faith in the capacity of their firms to compete.

A few firms' expectations, however, tend toward pessimism. Others are unable to find causes leading to improvement. Some of these companies have already curtailed operations, and further curtailment is planned unless orders recover promptly.

Other Reasons for Optimism

Among the reasons cited by those NICB cooperators who express optimism about second-half 1960 are:

Some of the order volume looked for but not received during the first half is believed to have merely been delayed.

Completion of inventory adjustments that have particularly affected primary metal producers is thought likely to increase demand, as customers then will need to make purchases to meet operating requirements.

New models and new products are expected to stimulate sales in a substantial number of companies in industries ranging from aircraft, instruments, chemicals, and office equipment to furniture and apparel.

Orders Expected to Increase

The expected improvement in business during the second half of 1960 is reflected in the outlook for new orders. Sixty-three per cent of the firms cooperating in the Conference Board survey predict that last-half bookings will show an increase over those of the same period in 1959. Nineteen per cent believe order volume should be about equal to that of the last six months of 1959, while 18% feel that new orders will decline below the last-half 1959 level.

The trend in survey participants' replies on billings approximates that for new orders. Compared with the last half of 1959, billings for the same six months of this year are expected to be higher in 70% of the companies, with the expected increase averaging approximately 12% among the firms indicating the amount. Another 14% of the cooperators expect billings to equal those of the year-earlier period, and the remaining 16% forecast a drop.

Inventory Reduction Seen

Fifty-two per cent of the participating firms expect dollar inventories to be smaller than at present by the year's end, but the average anticipated change is very slight. Twenty-five per cent of the cooperating companies report inventory levels are likely to hold, while 23% foresee an increase. A substantial share of the changes will be owing to seasonal factors, especially in some of the nonmetal products firms.

Sixty-one per cent of the NICB respondents expect over-all before-tax earnings in 1960 to be better than those for 1959; 16% expect to equal 1959 figures, and the remaining 23% expect earnings to drop this year. Most firms base their confident 1960 profit forecast on what they believe will be generally favorable business conditions for the remainder of the year and the resulting increase in sales.

Early 1960 Results

During the first half of 1960, shipments fell short of forecasted levels in just over half the companies surveyed, according to The Conference Board. The remaining firms were almost evenly divided between those equaling and those exceeding expectations.

A total of 58% of the respondents fell short of their expected order volume. Twenty-one per cent of the reporting companies equalled, and the same number exceeded, the order volume they had forecast. Disappointment with new orders was slightly more widespread than with shipments, the NICB finds.

The major reasons cited by respondents for failure to meet year-end forecasts were weather, the construction and capital expenditure lags, poor economic forecasts, and the trimming of customers' inventories.

Loewi Registered Reps.

MILWAUKEE, Wis.—Loewi & Co. Incorporated, 225 East Mason Street, Members of the New York Stock Exchange, have announced that Joseph E. Koehler and J. Riley Best, members of their organization, have completed their training and have been appointed Registered Representatives by the New York Stock Exchange. Mr. Best in Loewi & Co. Incorporated's Madison office and Mr. Koehler in the Milwaukee office.

Mr. Koehler, was President of Ehlers-Koehler Leasing, Inc., a car leasing firm. For 13 years previously, he was President of Thompson Buick which discontinued business in 1958.

Mr. Best was head University of Wisconsin track coach for 10 years prior to his resignation.

Syracuse Recreation Assoc.

SYRACUSE, N. Y.—Syracuse Recreation Associates is conducting a securities business from offices in the Loew Building. Partners are Babette Dickler, William R. Ewing and Sidney Grossman.

H. C. Wainwright Adds

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — John L. McDonough has joined the staff of H. C. Wainwright & Co., 60 State Street, members of the New York and Boston Stock Exchanges.

With Wm. J. Mericka

(Special to The Financial Chronicle)

CLEVELAND, Ohio — Walter L. Schliecker has become associated with Wm. J. Mericka & Co. Inc., Union Commerce Building, members of the Midwest Stock Exchange. Mr. Schliecker was formerly with J. N. Russell & Co., Inc. and Baster & Company.

MUTUAL FUNDS

BY ROBERT E. RICH

The Cost of Capital Management

One of this country's hard-working financial editors, who keeps close tabs on mutual funds, calculates that investors pay about $300 million a year for "the care and nourishment" of the $16 billion entrusted to the managers of this rish treasure. Costs go to pay the salaries of fund salesmen, management fees, brokerage charges incurred by the funds in the course of trading and numerous incidentals.

If we accept the $300 million figure (lumping in the one-time commission is at least debatable) then it would appear that American investors are paying nearly 2% annually for the management of the capital they have entrusted to mutual funds. Says the industrious editor: "This is fairly costly capital management."

No doubt, many investors, far from satisfied with results obtained for them by the managers of their funds, will endorse that judgment. But it is equally certain that other folks, who never were able to attain satisfactory results on their own, will deem the cost reasonable enough when measured against the sizable growth of their original investment. As for those people who were converted to mutual funds, only after suffering disasters by going it alone, they must appear to be a genuine bargain.

Surely, a purchaser of stocks who has been the victim of churning would agree that, by comparison, mutual funds are cheap. And the man who has succumbed to boiler-room blanishments should be ecstatic. Also, the fellow who made a trip to the cleaners in 1929 and/or 1937 could reasonably argue that they're cheap. And, in more recent times, the people who bought ballyhooed "glamour issues" that had little more in the way of assets than bunsen burners might decide they're cheap.

A survey of folks who have been in the market, both on their own and through funds, would surely turn up some valuable data.

We have attempted, in our own small way, to make a contribution to the subject of capital-management costs. We have gone to the people who make a profession of investment counsel and asked what they charge to manage an individual portfolio. A veteran counselor, who heads up a half century-old service, offers this scale of fees and says it is fairly typical of the fraternity:

An annual charge of 1% to manage a portfolio worth less than $66,000, but the minimum charge is $500. Larger portfolios pay a fee of three-quarters of 1%.

Thus, a $25,000 portfolio would incur a yearly charge of $500. That's 2% and a shade higher than the estimated price the holders of mutual funds are calculated to be paying. Nor would such a portfolio, or for that matter one many times as large, provide the diversity that a stake in one of the representative funds assures.

More to the point: the median holding of the 3,300,000 mutual fund accounts totes up to a modest $4,171. So the investment counselor's fee rules out the people who have turned to mutual funds. Incidentally, we have not included the approximately 1,300,000 accumulation plans, where the median holding is a mere $1,890. Such holdings, invested individually, would not be likely to include a stake in Minnesota Mining & Manufacturing, International Business Machines, Polaroid and the other wunderkind of Wall Street.

And the device of lumping in the one-time bite of the salesman's commission in figuring the cost of fund management is open to question. Assuming a severe business depression and a market panic, it's a reasonable expectation that fund sales would dry up. This, of course, would bring down the cost, as figured by the editor, but it would hardly be the investor's idea of a bargain. The fellow heavily invested in mutual funds would doubtless be somewhat happier with a burgeoning economy and a public scramble to buy in, even if these commissions did cause "costs" to soar.

Arthur Wiesenberger (Mr. Mutual Funds) expects that over the next 20 years the $16 billion mutual fund field will become a $100 billion Colossus. By its very nature, the business should not incur proportionate costs, particularly if one subscribes to the oft-expressed theory that "it costs little more to run a big fund than a medium-size fund."

The fact is that this is rather a new business. Looking back 20 years, its total assets were less than a half billion. More, rather than less, efficient operation is a normal expectation. Many a company that does not measure up will pass from the scene. The better-run funds will thrive. Our railroads and many of our industries have been around for more than a century—and not a few of these are still striving to cut costs. Primarily, a housekeeping operation, the mutual funds have luckily developed in an era of automated office equipment, which should contribute importantly to heightened efficiency.

Meanwhile, it can be argued in some quarters that on a purely statistical basis, investing by way of mutual funds is not cheap. But as more than neophyte or professional for that matter, has discovered: "Cheap is dear," not to mention the fact that something for nothing is generally worth exactly what it costs.

The Funds Report

Electric Bond & Share Co. reports net assets at June 30 were $148,520,600, equal to $28.29 a share. A year earlier the comparative figures were $182,806,300 and $34.82. Net income for the six months to June 30 was $3,396,584, against $3,984,100 in the first half of 1959.

* * *

Scudder, Stevens & Clark Fund reports net assets at Aug. 15 totaled $77,922,662, or $18.73 a share, compared with $81,940,591 and $20.20 a share a year ago.

* * *

Scudder, Stevens & Clark Stock Fund puts net assets at Aug. 15 at $36,070,859, equal to $9.47 a share. This compares with $31,319,642 and $10.08 a share a year ago.

* * *

Midwest Technical Development Corporation, Minneapolis investment company specializing in investments in technically-oriented companies, has doubled its common stock outstanding with a new issue of 561,500 shares of $1 par value common stock, Arnold J. Ryden, President, has announced.

The stock was offered earlier this month for subscription to existing shareholders on the basis of one new share at $4.75 for each original share held. More than 75% of the new shares offered were subscribed to by the existing shareholders, Mr. Ryden said. The issue was underwritten by a number of firms headed by Shearson, Hammill & Co., New York, and Piper, Jaffray & Hopwood, Minneapolis. Net proceeds to MTDC were approximately $2,500,000.

The new capital will be used in continuing the investment firm's program of investing in young companies operating in advanced technological areas, Mr. Ryden stated.

* * *

Directors of **Carriers & General Corporation,** closed - end investment company managed by **Calvin Bullock, Ltd.,** with current assets of $18,797,840 as of Aug. 15, before deducting the principal amount ($1,872,000) of outstanding debentures, have declared a quarterly dividend of 15 cents per share on the common stock, payable Oct. 1 to shareholders of record Sept. 12. Same amount was paid in the previous quarter. It is the 120th consecutive quarterly dividend to be declared since incorporation in 1929.

* * *

Wellington Equity Fund reports its five largest holdings, in terms of market value, are International Business Machines, Polaroid, Papercraft, Haloid Xerox and Scott & Fetzer.

* * *

Loomis Sayles Fund of Canada reports net asset value on June 30 was $25.27 a share, against $25.66 on Dec. 31, 1959.

* * *

Chemical Bank New York Trust Co. has been appointed transfer agent and dividend disbursing agent for the common stock of Irving Fund for Investment in United States Government Securities, Inc.

* * *

Institutional Income Fund, Inc. declared a dividend from ordinary investment income of 9 cents a share, payable Oct. 3 to stock of record Sept. 1. A distribution from realized securities profits (accumulated during the first nine months of the fiscal year) of 8 cents also will be paid unless holders elect to receive additional shares.

* * *

The Investment Co. of America reports total net assets at June 30 were $174,668,414, equal to $10.27 on each of the 17,004,667 shares outstanding. This compares with $162,270,678, equal to $10.69 on each of the 15,185,091 shares then outstanding.

During the quarter ended June 30 the following new holdings were added: Coca-Cola, Colgate-Palmolive, Great Atlantic & Pacific Tea Co., Johns-Manville, North American Aviation, Sunbeam, Wilson and Woolworth. The fund meantime eliminated holdings of American Viscose, Haloid Xerox, Liggett & Myers and Revere Copper & Brass.

To Form Shapiro Bros. And Shiffman

Shapiro Bros. & Shiffman will be formed with offices at 1200 Ave. of the Americas, New York City, as of September 1st. Partners of the firm which will be a member of the New York Stock Exchange, will be Paul H. Shapiro, who will hold the exchange membership, Harvey Z. Shapiro and Saul N. Shiffman.

Redemption of Mutual Fund Shares Down in July

Redemptions of mutual fund shares in July declined to $66,626,000 from a total of $85,436,000 at the end of June, the National Association of Investment Companies reported.

The July total represents the lowest redemption level since February of this year when redemptions totaled $66,201,000 and is lower than the $73,704,000 total of July, 1959.

The NAIC said the decline in redemptions followed the pattern of past experience which is that mutual fund redemptions generally do not increase in a declining market. This trend is interpreted by the NAIC as an indication of the long-term nature of the investments of mutual fund shareholders.

The NAIC, founded in 1941, reported that total net assets of its mutual fund members at the end of July were $15,871,981,000, compared with $16,096,613,000 in June of this year and $15,532,827,000 in July a year ago. The 158 mutual fund members of the NAIC have 2,300,000 shareholders, individual and institutional, who have 4,600,000 shareholder accounts.

Investors purchased $167,677,000 of mutual fund shares in July, down from the $178,013,000 reported for the previous month and the $220,776,000 for July 1959.

Accumulation plans for the purchase of mutual fund shares on a periodic payment basis, monthly or quarterly, continued to attract investors with 28,983 new accumulation plans, voluntary and contractual opened during July. In June, 30,163 such plans were opened and in July of last year 30,549.

Centennial Fund Set Up In Denver

Centennial Fund, Inc., a new open-end investment company, was created in Denver on Aug. 15, as $25,683,612.50 worth of securities were exchanged on a tax-free basis for 2,054,689 shares of the fund. This represents the first time that individual holders of large blocks of stock have exchanged their securities for shares of a mutual fund in order to obtain diversification without establishing a capital gain for Federal income tax purposes. The Fund contemplates no further sale of shares to the public for cash.

Centennial Fund has approximately 200 shareholders, scattered from Maine to Oregon, Florida to California, and they have an average investment of some $125,000. The fund, a Delaware corporation, accepted these securities at a meeting of the Board of Directors in New York City on Aug. 15 and the exchange was made that day at the Colorado National Bank of Denver, the escrow agent and custodian for the fund.

Centennial Management and Research Corp., with offices in Denver and New York, is investment advisor to the fund. The board of directors of Centennial Fund is, like its shareholder group made up of men from across the continent. They are:

William M. B. Berger of Denver is president of the fund and is also vice-president and treasurer of Centennial Management and Research Corp. He was formerly a vice-president of the Colorado National Bank of Denver.

Ranald H. Macdonald III of Denver is vice-president of Centennial Fund and also president of Centennial Management and Research Corp. He was formerly a trust officer of the Colorado National Bank of Denver.

Donald W. Hoagland of Denver, secretary of the fund, is a partner in Lewis, Grant & Davis, attorneys. He is also secretary and director of Centennial Management and Research Corp.

A. Hamilton Bolton of Montreal, is president and director of Bolton, Tremblay & Co., investment consultants, and was president, 1959-1960, of the National Federation of Financial Analysts Societies.

John K. Langum of Chicago is an economic consultant and was formerly a vice-president of the Federal Reserve Bank of Chicago.

Ranald H. Macdonald of New York is a limited partner of Dominick & Dominick and a governor of the National Association of Investment Companies.

Adrian M. Massie of New York is chairman of the trust committee and a director of the Chemical Bank New York Trust Co. as well as a trustee of Columbia University, and a director of other corporations.

Lowell Stanley of Beverly Hills, Calif., is a director of Monterey Oil Co., Beckman Instruments, Inc., Great Western Financial Corp. and other companies.

Walter A. Steele and Ira E. Tanner, Jr. of Denver, who are attorneys.

Other officers of the fund are: William T. S. Boericke, vice-president, formerly a senior analyst for Shields & Co., New York, a member of the research division of Merrill Lynch, Pierce, Fenner & Smith and a teaching fellow at Harvard.

John V. Amato, treasurer, formerly a practicing Denver attorney and a certified public accountant.

Irving Hale, assistant secretary.

Puerto Rico Appoints Bouret

Robert E. Bouret, civil engineer and economic development expert, has been appointed as Puerto Rico's new Director of Tourism. He announced on assuming his new post that the Department of Tourism will give special emphasis over the next year to the expansion of hotel and other tourist facilities.

"To continue our present rate of growth," Mr. Bouret pointed out, "we must triple our hotel and guest accommodations by 1965 or we will have to turn people away." He cited these indicators of the Commonwealth's continuing tourism boom:

The number of visitors has increased from 134,000 in 1954-55 to 344,000 in 1959-60.

While the number of hotel rooms in the San Juan area has increased from 1,283 in 1954-55 to 2,291 in 1959-60, a survey recently released by Horwath & Horwath, leading U. S. hotel consultants, shows that occupancy rates of Puerto Rico"s resort hotels last year reached 94.6% during the peak winter season, 87.29% in spring months, 87.76% in summer and 72.97% in the fall season. Even higher rates have been registered this year, according to Department of Tourism calculations, so that Puerto Rico is reaching a year-round occupancy rate of about 90%, probably the highest of any major resort area in the world. (U. S. average for resort hotels is around 55%, according to "Trends in the Hotel Business—1959," the authoritative annual review published by Harris, Kerr, Forster & Co.)

Mr. Bouret also pointed out that:

Income of the Commonwealth's tourist industry has increased from $20.4 million in 1954-55 to $53 million in 1959-60 and will rise still further in 1960-61.

Earnings of tourist hotels in Puerto Rico are extremely impressive by comparison with those of any other important resort area.

During this fiscal year, Mr. Bouret said, six new projects will open in Puerto Rico, adding a total of 440 resort hotel rooms. Largest will be the 205-room Miramar Charterhouse overlooking the Condado Lagoon in San Juan. But these additions, he added, will do no more than "scratch the surface" of the need for facilities.

Therefore, he said, the Department of Tourism will make special efforts to tell potenial investors about opportunities for tourism development that already exist and about future possibilities. He said that the Department will also inform investors about the incentive which the Commonwealth offers to tourist industry investors.

"Many investors know about the incentive we offer to manufacturers under Operation Bootstrap," Mr. Bouret said. "Not so well known is the fact that we offer equally attractive incentives for tourism development."

Among these incentives, Mr. Bouret said, are a 10-year exemption from Commonwealth corporate income and property taxes, technical and engineering assistance, employee recruiting and training services, and in certain cases loans and assistance with mortgage financing. As with manufacturing enterprises, Federal income taxes do not apply to hotels and other tourism facilities in Puerto Rico.

As Director of Tourism, Mr. Bouret succeeds Rafael Benitez Carle who joined Woolnor Corporation, Caribbean area resort development enterprise, early this year. Mr. Bouret has been serving in key planning and development posts in the Economic Development Administration, parent agency of the Department of Tourism, since 1956. He is a graduate of the University of Puerto Rico and received his civil engineering degree at Vanderbilt University.

Continental Boat Common All Sold

Continental Boat Corp., of North Miami, Fla., publicly offered and sold 100,000 shares of its 10 cent par value common stock pursuant to a July 25 offering circular. The stock was priced at $3 per share, and the offering was underwritten by J. B. Coburn Associates, Inc., of 55 Broadway, New York 6, N. Y.

The corporation makes fibreglass boats. It employs 115 people, and has recently gone on a double shift work schedule.

The net proceeds, amounting to $255,000, are to be used chiefly for raw materials, automation of plant facilities, working capital, and sales and advertising expenses.

With Goodbody Co.

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Andrew A. Mantineo is now with Goodbody & Co., 125 High Street. He was previously with Dean Witter & Co.

Joins, Scherck, Richter

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Alan G. Johnson has become associated with Scherck, Richter Company, 320 North Fourth Street, members of the Midwest Stock Exchange. He was formerly with Lehman Brothers in Chicago.

NEWS ABOUT BANKS AND BANKERS

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

Mr. Richard L. Maloney, President, announced the election of Arthur J. Quinn to succeed John A. Maher as Secretary and Mortgage Officer of the **New York Savings Bank, New York.** Mr. Maher's resignation will be effective Oct. 1.

* * *

By a stock dividend, **The Meadow Brook National Bank of Nassau County West Hempstead, New York** has increased its common capital stock from $10,203,640 to $10,407,710, effective Aug. 11. (Number of shares outstanding, 2,801,542 shares, par value $5.)

* * *

Mr. Kennedy, President of the **Peoples Bank of Haverstraw, New York** which opened in 1887, said that stockholders beside voting to move the main office of the Bank from Haverstraw to New City, also voted to change the name of the Bank to the **Peoples Bank of Rockland County.**

The Haverstraw office will become a branch, while the new main office serves an area larger than Haverstraw and Spring Valley combined.

The Peoples Bank will also file an objection with the New York State Superintendent of Banks in New York City to the applications of **The Rockland National Bank** and the **Nanuet National Bank** for branches in New City. Mr. Kennedy will contend that the Peoples Bank can handle adequately the needs of the people of New City.

* * *

Mr. John F. Blomquist, currently Senior Vice President of **Central National Bank, Chicago, Illinois,** will join **Pittsburgh National Bank, Pittsburgh, Pa.,** as a Vice President on Oct. 3.

Mr. Blomquist began his banking career in 1926 at **Chase National Bank, New York.** He joined the **First National Bank of Chicago** in 1931 and became Senior Vice President and Senior Loaning Officer of **Central National Bank** on Jan. 1, 1952.

* * *

The Federal Deposit Insurance Corp. and Maryland's Bank Commissioner have authorized the merger of the **Farmers & Merchants Bank, Upper Marlboro, Md.,** with the **Suburban Trust Co., Washington, D. C.**

The total resources of the merged company will be more than $157,000,000, plus the two offices of the **Farmers & Merchants Bank.**

Farmers & Merchants Bank will exchange 3 shares for 2 of **Suburban Trust** shares.

* * *

Directors of **The Ohio Citizens Trust Company, Toledo, Ohio** at their regular meeting authorized the addition of $750,000 to the bank's surplus account.

The addition increases the Bank's surplus to $3,910,000, and, with its capital account of $2,340,000, representing 117,000 shares with a par value of $20 per share, raises capital and surplus accounts to a new total of $6,250,000.

* * *

The application of the **First National Bank of Bloomington, Bloomington, Indiana,** and the **Citizens Bank and Trust Company of Bloomington, Bloomington, Indiana,** to consolidate under the charter of the **First National Bank of Bloomington** and title of **Citizens First National Bank of Bloomington,** has been approved by the Comptroller of the Currency.

* * *

At its meeting Aug. 16 the Board of Directors of **The Northern Trust Company, Chicago, Illinois** proposed that the Bank's capital stock be split five for one by changing each of the outstanding 125,000 shares of capital stock of the par value of $100 into five shares of the par value of $20 each, or a total of 625,000 shares, and also proposed that an additional 125,000 shares of the new $20 par value stock be authorized and sold.

Subject to the approval of these proposals by the stockholders and the State Director of Financial Institutions, the additional stock will be offered to stockholders on the basis of one new share for each five shares of the $20 par value stock which will be held after the split. It is contemplated that the annual dividend rate on the new $20 par value stock will be fixed at $3.00 per share, equivalent to $15.00 per share on the present stock. It is planned that the offering to the stockholders will be underwritten by a group of investment banking firms headed by Blyth & Co., Inc.

These proposals will be submitted for the approval of stockholders at a special meeting to be held on Sept. 15.

* * *

The Central National Bank of Rockford, Rockford, Illinois, is changing its title to **Central National Bank and Trust Company of Rockford,** effective Aug. 11.

* * *

The Comptroller of the Currency has given approval to the application of **The Bank of Mid-America Savings and Trust Company, Oklahoma City, Okla.** and **The Liberty National Bank and Trust Company of Oklahoma City, Oklahoma City, Okla.,** to merge under the title and charter of **The Liberty National Bank and Trust Company of Oklahoma City,** effective as of Aug. 12.

* * *

Malcolm R. Fowler has been appointed Vice President at the head office of the **Bank of America, San Francisco, California.**

* * *

The First National Bank of Saratoga and Cupertino, Cupertino, California has increased its common capital stock from $304,680 to $457,020 by a stock dividend, effective Aug. 9. (Number of shares outstanding, 30,468 shares, par value $15.)

* * *

Sir Brian Mountain, Vice Chairman of **The Bank of Nova Scotia Trust Co. (Bahamas) Ltd.** has been elected a Director of **The Bank of Nova Scotia, Canada.**

The Never-Ending Battle In Behalf of Sound Money

Continued from page 3

press long-term securities on the market to absorb investment funds when the economy is expanding, and, conversely, should put out only short-term securities attractive to the banks so as to increase liquidity in a period of recession. Others argue that the economic effects of the debt structure should be ignored, that interest cost should be the sole consideration, and, therefore, that the Treasury should extend maturities only when interest rates are low—that is in a recession—to the end that the cost of carrying the debt is reduced to a minimum.

At the Treasury we reject these extreme views and conclude that the debt cannot be successfully managed in the public interest by rigid adherence to any single formula or guideline. Rather, we take into consideration all of the various objectives and guidelines in reaching each decision.

The Need for Varied Objectives

Why don't we accept any single objective?

The answer is, I believe, demonstrable if we take a closer look at the extreme views. Those who argue for putting out only long-term bonds in periods of expansion and short-term securities in recessions ignore the practical difficulties. It would be both impossible and undesirable to adhere strictly to this view. After all, the Treasury has to have funds to meet the government's fiscal requirements, and this at times means that a pressing need for cash may force the Treasury to market short-term issues—for which there is usually a substantial demand—even when the economy is expanding rapidly.

On the other hand, the constant softening in the maturity of the public debt means that the Treasury must take advantage of every reasonable opportunity to issue long-term securities. From a purely housekeeping standpoint the Treasury needs to do some funding whenever market conditions permit. This does not mean, however, that the Treasury can ignore the economic effects of the debt structure and extend maturities only when interest rates are low—that is, in a recession—so as to reduce the cost of carrying the debt to a minimum. On the contrary, acceptance of interest cost as the sole consideration and consequent aggressive issuance of long-term securities in recessions would absorb too much of the funds needed elsewhere for recovery. It would unduly increase the burden on the Federal Reserve and necessitate much greater monetary ease, complicating the subsequent problem of curbing an expansion.

All of this then is by way of saying that the Treasury attempts to follow a middle course in reconciling the various objectives. We do attempt to minimize reliance on short-term financing during periods of expansion. We do attempt to handle our financing in a recession in a manner that will contribute to economic recovery. We do borrow as cheaply as possible, consistent with our other objectives. We do try to achieve a balanced maturity structure of the debt.

Aim of Proper Balance

The major problem in implementing these debt management objectives that I would like to discuss with you today is this problem of achieving proper balance in the structure of our huge public debt. The nature and importance of the problem can be easily demonstrated by briefly reviewing with you where we now stand in terms of the size and composition of our Federal debt.

First, the size.

Over the history of the United States as an independent nation, our national government has spent approximately \$1.4 trillion—about 90% of it during the past 20 years. During the same period, government revenues from all sources have amounted to \$1.1 trillion. The remainder, of course, represents an unbalanced budget of a little less than \$0.3 trillion on a cumulative basis, or a public debt on June 30, 1960 of \$286½ billion. The decline in the debt since the all-time month-end peak of \$291 billion reached late last year has been largely seasonal. Still, a little more than \$1 billion of the decrease reflects the Federal surplus of \$1.1 billion for the fiscal year just ended.

The importance of accumulating sufficient surplus in the expansionary phase of the business cycle to make possible some reduction in the total of outstanding debt needs reemphasis, especially in the light of our recent experience. Large deficits and a rapidly growing public debt may be justified in wartime, when we are willing to pay the cost in terms of direct controls and, ultimately, sharp increases in prices of goods and services. But in peacetime, the generation of surpluses in good times must be a cardinal principle of fiscal responsibility if we are to enjoy healthy economic growth and maintain a stable dollar.

As you can appreciate, the amount of the surplus or deficit—and hence the size of the debt—is determined strictly by the volume of tax and other receipts as against the outflow of expenditures. The major control of this matter is, of course, in the hands of the Congress. The Secretary of the Treasury does, however, have considerable discretion with respect to changes in the structure of the public debt. But even here, important actions bearing on the maturity structure can be carried out only over a long period of years.

Problems in the Marketable Area

The major problems encountered in promoting a more balanced maturity structure occur in the marketable area. This breaks down into three classes, so far as original maturities are concerned: first, the very short-term debt (up to one year maturity), consisting of Treasury bills, sold at a discount, and Treasury certificates, sold on an interest-bearing basis; second, Treasury notes, maturing in one to five years; and finally, Treasury bonds, maturing in five years and over. Marketable notes and bonds, like certificates, are issued at present only in interest-bearing form. Because of the passage of time, of course, both Treasury bonds and Treasury notes are continually falling back into the shorter term categories.

Out of a total marketable debt of \$184 billion (Chart I) on June 30, 1960, \$70½ billion was in very short term (within one year), \$73 billion in the one to five year area, and \$40½ billion in the five year and over range. Chart II shows how these structural relationships have been changing since the end of December 1946.

Simply stated, the Treasury's major debt management problem is that, merely because of the passage of time, the short-term debt is continually growing and the long-term debt is shrinking.

Thus, the under-one-year debt was \$60½ billion at the end of 1946. By the end of 1953 it had risen to \$80 billion, where it also stood on Dec. 31, 1959. By June 30, 1960 the under-one-year debt had fallen to \$70½ billion due largely to seasonal factors but reflecting also some reduction made possible by the 1960 surplus of a little over \$1 billion. I may surprise you by saying that we are not particularly concerned about an under-one-year debt in the \$70 to \$80 billion range. This is because the liquidity needs of our economy call for a very short-term debt of this size. Moreover, the fact that about \$26 billion of this short-term debt is in Treasury bills that roll over in regular weekly auctions significantly lessens the market impact.

The Treasury is greatly concerned, however, about the rapid growth that has occurred in the debt maturing in one to five years, as shown on the center bars of (Chart III). These maturities rose from \$24½ billion in 1946 to \$33 billion in 1953 and by June 30, 1960 had increased to more than twice the 1953 total. As time goes by, and unless meaningful debt extension is achieved, more and more of these securities will tumble down into the less than one year category.

Meanwhile, the five year and over debt has been shrinking rapidly, dropping from \$97½ billion in 1946 to \$47½ billion in 1953 and \$40½ billion at the end of June 1960. This is the area, of course, which we were unable to enter during the recent period of strong credit demands and relatively high long-term interest rates. Until recently, the 4¼% interest rate ceiling, which Congress has been unwilling to remove, has effectively locked us out of the long-term market and into the short-term sector.

This chart spells out the problems we shall be facing in the years ahead as we attempt to maintain or improve our present debt structure. As you will note, we have maturities in sizable volume every three months through May 1965 which, before June of 1960, was as far as we could go under the 4¼% interest rate ceiling.

As previously indicated, the Treasury had over \$70½ billion in marketable securities maturing in one year, \$73 billion maturing between one and five years and only \$40½ billion of securities running more than five years to maturity. I think all would agree this is a debt structure which is far too heavily concentrated in under-five-year maturities. With the decline in interest rates in recent months, we have been able to extend some debt—but only in a small way. We issued almost \$500 million of 25-year bonds in April, \$300 million of 8-year bonds in June, and \$1 billion more of the 8-year maturities as part of the August refunding operation just completed.

A Crucially Large Maturity

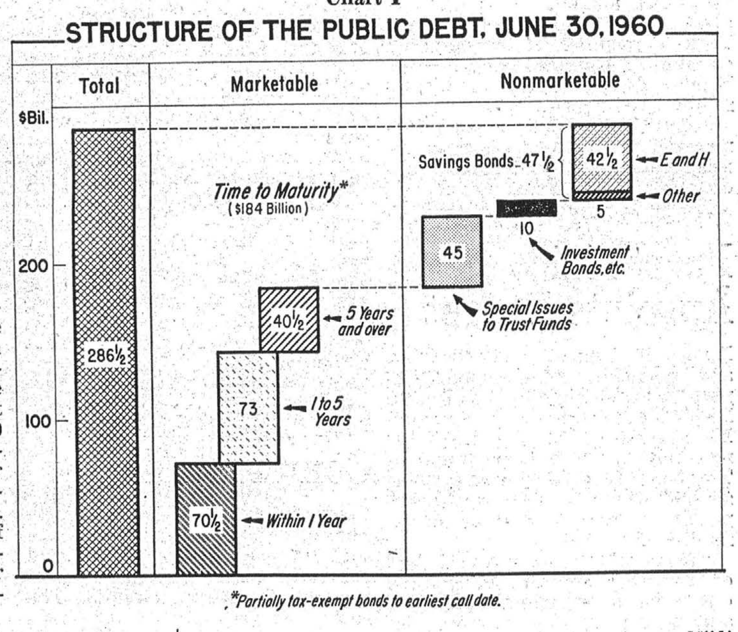
The chart also illustrates the problem which the Treasury faced until very recently, with \$11 billion of publicly held securities coming due on Nov. 15, 1961—the largest single maturity on the Treasury's books. We were concerned about the difficulties which would be likely to arise if the market for refunding such a large issue were not favorable in November 1961. As a result, the Treasury in June offered holders of the 2½% bonds of November 1961 the opportunity to exchange their old securities—with tax consequences postponed—for either a 3¾% note of 1964 or a 3⅞% bond of 1968. As a result primarily of significant investor response to the 4-year note offering, the Treasury was able to reduce the size of the November 1961 maturity from \$11 billion to \$7 billion, thus making it much more manageable, even though it still is the largest single bond issue outstanding in the hands of the public. I shall come back to this technique, which we call "advance refunding," at several later points.

Chart IV gives a striking example of the problem arising from the passage of time, particularly as it is typified by the wartime 2½% bonds maturing between 1967 and December, 1972. These were the socalled "tap" bonds sold beginning in October 1941 and carrying on through the Victory bonds after the close of World War II. At the time these bonds were issued they provided a very good balance in maturity structure, largely because insurance companies, savings banks and many other investors had only limited investment opportunities and subscribed heavily for these issues.

If you will follow the striped bars at the upper right-hand corner of chart IV down to the bottom of the chart, you will see what has happened — they have grown much shorter in maturity. Some of them were refunded into the Investment Series B bonds in 1951 (part of these in term have been exchanged for shorter-term notes). The total amount of wartime 2½s has also declined somewhat because of their use at par to pay estate taxes.

Here is a perfect illustration of a group of securities that were sold to long-term investors in the

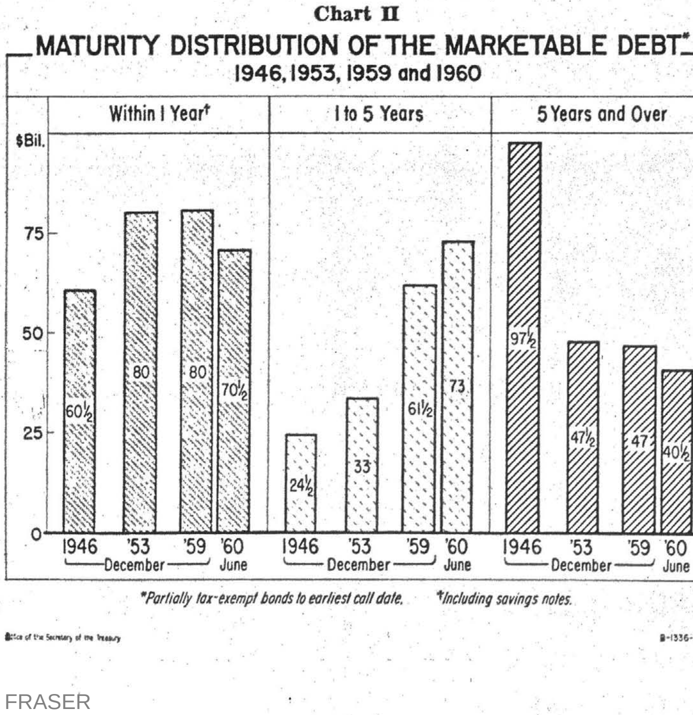
Chart I



*Partially tax-exempt bonds to earliest call date.

Office of the Secretary of the Treasury B-1144-C-1

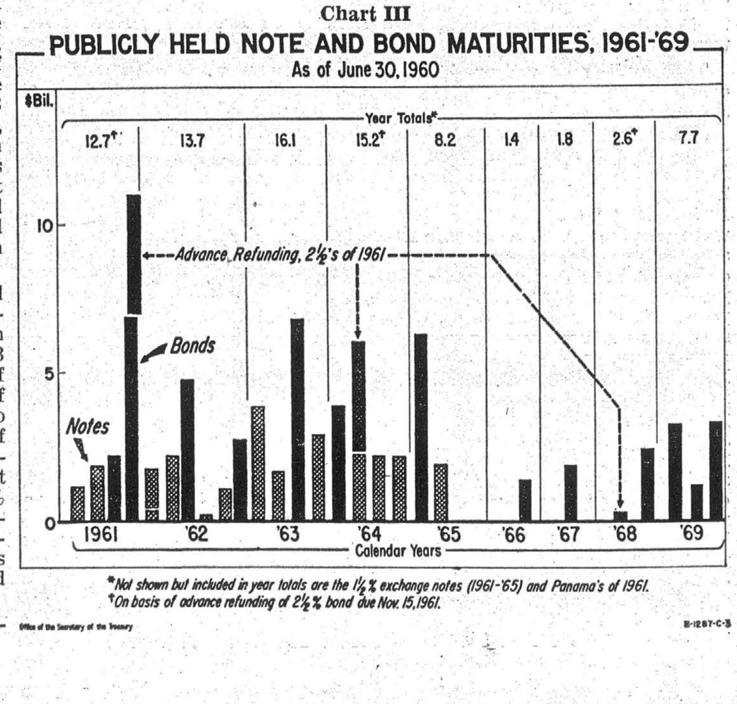
Chart II



*Partially tax-exempt bonds to earliest call date. †Including savings notes.

Office of the Secretary of the Treasury B-1336-C-1

Chart III



*Not shown but included in year totals are the 1½% exchange notes (1961-'65) and Panama's of 1961.
†On basis of advance refunding of 2½% bond due Nov. 15, 1961.

Office of the Secretary of the Treasury B-1287-C-3 first place, but which are rapidly becoming intermediate-term securities. As such they are becoming increasingly attractive to commercial banks and other short-term investors and less attractive to their original holders.

The $2\frac{1}{4}$s of 1962

Chart V carries the same point a little further. Let's start at the right-hand side of this chart with the $2\frac{1}{4}$% bonds of June and December, 1962.

When these bonds were originally sold during World War II they were in the 15- to 20-year area and were purchased largely by intermediate and longer-term investors. At the end of 1946, almost half of them were held by insurance companies and mutual savings banks. Most of the remainder were held by inidividuals together with some savings and loan associations, pension funds, etc. Only 3% were held by the Federal Reserve and government investment accounts and 4% were held by the commercial banks. As you will see, the picture is strikingly different as of today. Commercal banks now own 48% of the $2\frac{1}{4}$s of 1962 and holdings of savings institutions and individuals are down very sharply.

Much the same sort of shift in ownership has been taking place with respect to the $2\frac{1}{2}$s of 1967-72, shown on the left-hand side of the chart, but as yet the shift has not gone so far.

What we would like to do, of course, is to convert some of the bonds sold in the war into longer terms, with a minimum of market impact and a minimum of interference to the flow of savings through the economy. We would like to induce people who already have our product to extend their holdings into another form of the same product, instead of losing our customers as the passage of time erodes the long-term characteristic of these holdings.

The Advance Refunding Benefit

Let me emphasize again that here is where advance refunding can perform a real service. It is easier to keep a satisfied customer than to wait until he is dissatisfied and then try to sell him something else.

Up to now, I have been focusing attention on our marketable obligations, since that is the area where there is greatest scope for furthering our general debt management objectives and, in particular, for improving the structure of the debt. However, I do want to discuss our savings bond program, which is one of our most important fields of endeavor. Chart VI shows why this is so.

As you see on the chart, our only major success in selling longer-term securities in recent years has been to the small investor—to the millions of Americans who regularly buy Series E bonds out of their periodic pay checks. The E and H bonds program has grown steadily from $30 billion outstanding in 1946 to $42½ billion at the present time. Not only have E and H bonds represented an increasing segment of the public debt, but they stay outstanding an average of seven years, which is longer than the average of the marketable debt.

In contrast, savings institutions —insurance companies, savings banks, savings and loan associations, and pension funds—reduced their holdings of government securities by $10 billion during the postwar period. Even though 80% of this liquidation took place before 1953 there has still been only a levelling off since that time, rather than an increase. We also failed to make progress in selling government securities to individuals—other than through the E and H bond program — although the trend has been reversed during the past year as a result of the appeal of high interest rates on three to five year Treasury notes.

The Treasury's Competition

In the last analysis, of course, the Treasury is faced with very heavy competition in attracting the funds of both these institutional investors and those individuals who do not normally purchase savings bonds. We are, in effect, competing with ourselves. At the end of 1946, Federal securities outstanding with an original maturity of more than 10 years amounted to $117 billion. This total has shrunk to only $60 billion. During this same period of time the total amount of VA and FHA mortgages outstanding increased from $6 billion to $62 billion, not to mention other forms of Federal agency and public housing debt which are aided substantially by the Federal Government. We also face understandably tough competition from the securities of State and local governments which are, as you know, exempt from Federal taxation. The expansion of State and local issues outstanding from $16 billion in 1946 to about $67 billion at the present time has provided the tax-exempt market with a constant flow of new, attractive issues.

The success of the savings bonds programs in contributing not only to a better structure of the public debt but also in contributing to better thrift habits among millions of Americans is due in large part to the splendid cooperation of thousands of volunteer workers throughout the country. Commercial banks provide a large share of these volunteer activities and sell a large volume of savings bonds. Forward-looking bankers have recognized for many years that active promotion of savings bonds not only helps the national interest but also helps to bring new customers into every bank.

The Alternatives Ahead

This country must generate increased saving among our people in the years ahead. In the decade of the 60's, we must provide jobs and homes for over 13 million people expected to be added to the labor force. We will need over $400 billion of new capital. Either this will come from savings of the American people or it will come through an inflationary process of money creation, with all of its dire consequences.

The savings bond program, particularly through the payroll savings plan, creates millions of new savers, a large proportion of whom would not of their own volition systematically build up savings deposits. Many acquire the savings habit and later become your customers. Many thus accumulate the funds for the down-payment on the home or the car that you finance. The United States could ill do without the savings bond program, both from the standpoint of sound debt management and as a contribution to a healthy, growing economy.

I should now like to return for a moment to the debt management technique which I described earlier as "advance refunding."

The advance refunding of the $2\frac{1}{2}$% bonds of November, 1961, provided a testing ground for the whole idea of advance refunding. The advantage of this technique under favorable circumstances is that it can produce the maximum debt extension with the minimum of market disturbance and distortion.

First, I might mention that the Treasury, as noted earlier, did refund some of its 1972 maturities in advance when it issued the $2\frac{3}{4}$% Investment B bonds back in 1951. Thus, some precedent already existed on this score. On the other hand, in the interim period advance refunding had not been possible because most of the institutional investors engaging in such operations would have had to incur a loss on their books to participate in such an exchange. Many of them were understandably reluctant to reduce their surplus in this manner.

This situation was remedied however, by new legislation passed about a year ago, which permits advance refunding to be engaged in without recognition of capital gain or loss, thereby making such an exchange more attractive to many investors. Paradoxically this legislation was designed primarily to induce exchanges by nontaxable or partially taxable investors, regulated by State authorities, rather than taxable institutions. Our study had indicated that such authoriites would be willing to permit such exchanges with postponement of recognition of capital gain or loss, provided that a change in the Internal Revenue Code established a precedent. Although the change in the Code is believed to have removed this obstruction to advance refunding, the Treasury has not been able to make full use of the technique because of the limitation growing out of the $4\frac{1}{4}$% interest rate ceiling, which in this case must be applied to the cost of the debt extension to the Treasury. With the recent decline in interest rates, however, the time may be approaching when a significant amount of advance refunding can be undertaken and some meaningful debt extension can be achieved.

When the Treasury offers a long-term bond for cash, it captures funds that would otherwise be available for other types of long-term securities. For that reason, cash issues have been infrequent and usually have been limited to $1 billion or less.

There is much the same effect when a long-term bond is offered in exchange for maturing securities. The latter are almost entirely held by typically short-term investors who do not want long-term bonds. Consequently, there is a churning in the market at the time of offering as the holders of the maturing securities sell them to investors who want the long bond. Thus, the market impact of the exchange is very similar to that of a cash offering.

Holdings by Institutional Investor

Treasury ownership statistics show that the remaining $28 billion of war period $2\frac{1}{2}$% issues maturing from 1967 to 1972 are quite generally held by institutional long-term investors, pension funds, etc., who acquired them during the war at par. Because interest rates in the 7 to 12-year maturity range are above $2\frac{1}{2}$%, many holders of these bonds are "locked in," in the sense that they would incur a principal loss if they sold the securities. If the Treasury can offer them in exchange a somewhat higher interest coupon in consideration for taking a 20, 30, or 40-year bond, these investors can better their current yield and still carry the new bond on their books at par. By offering such an exchange to holders of some issues of the tap $2\frac{1}{2}$'s, the Treasury might achieve several billion dollars of debt extension at one time, with perhaps no more immediate market impact than would be the case if $½ billion to $1 billion were offered for cash.

At first glance it may seem illogical to offer new securities maturing in the intermediate area of five to ten years as we did in the August financing, and also offer holders of securities in that area an opportunity to exchange into long-term bonds. I would again emphasize that the primary merit of advance refunding lies in offering a typical long-term holder whose bond is approaching short-term status opportunity to extend before his bond shortens to a point where he elects to sell it. Similarly, advance refunding will permit a typical holder of short intermediates (two to five years) the opportunity to exchange for a longer intermediate maturity (five to ten years) before his bond becomes so short that he is tempted to sell it.

In other words, we are seeking to keep typical long-term investors in long bonds, typical intermediate holders in intermediates, and typical short-term holders in relatively short maturities.

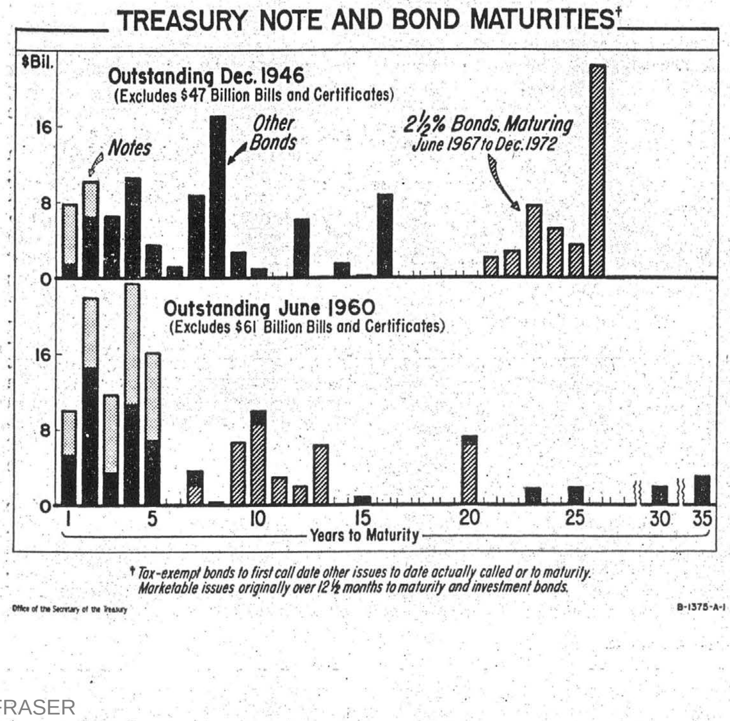
Although we in the Treasury believe that advance refunding offers some real possibilities for substantial debt extension, I would not want to leave the impression that it is a panacea for all the problems of debt management. It is chiefly applicable when large outstanding issues are selling at substantial discounts and in a market in which there is some willingness on the part of investors to lengthen debt.

Debt Structure Manageable

I have said on a number of occasions that our problem of debt structure is of manageable proportions. I believe that we would have a satisfactory structure of the debt, if over a period of, say, three years, from $20 to $30 billion could be moved from the 1 to 5-year area into over-5-year se-

Continued on page 24

Chart IV



† Tax-exempt bonds to first call date other issues to date actually called or to maturity. Marketable issues originally over 12½ months to maturity and investment bonds.

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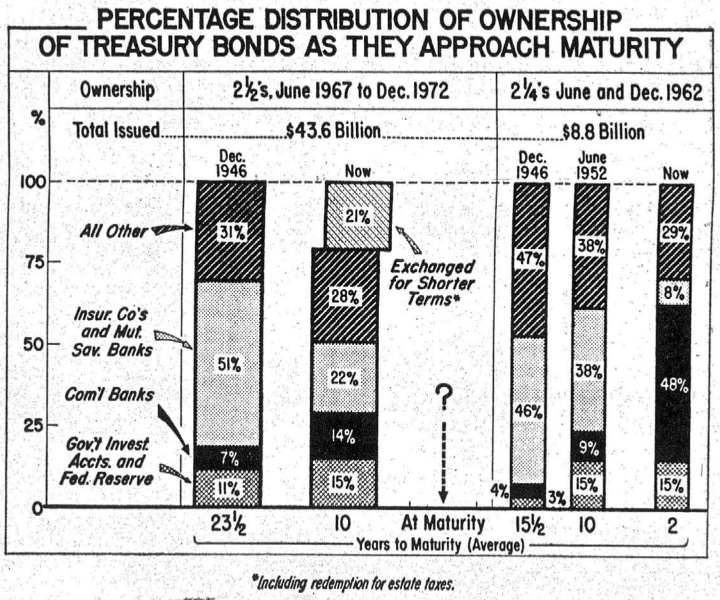
Chart V



*Including redemption for estate taxes.

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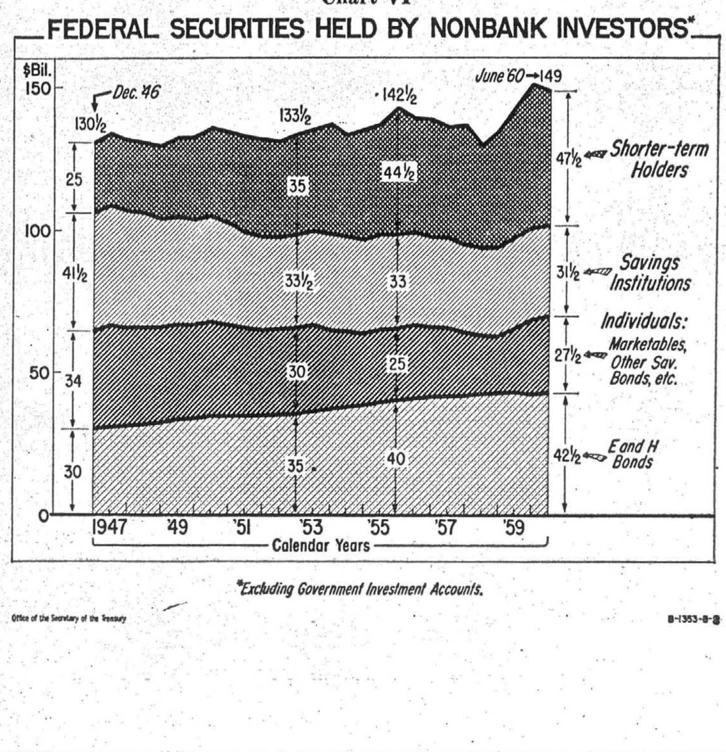
Chart VI



*Excluding Government Investment Accounts.

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Continued from page 23

curities (in addition to what further extension is required because of the lapse of time). This would best be accomplished by a leap-frog process—shifting a substantial amount of the 5 to 10-year maturities into the longer-term area and an even larger amount of the 1 to 5-year maturities into the 5 to 10-year area. A considerable part of this job could best be done by advance refunding if conditions are favorable.

The Rate Ceiling

Discussion of the problems involved in improving the structure of our public debt inevitably comes up against the question of the 4¼% interest rate ceiling on Treasury bonds, and I should like to emphasize again the importance of removing this arbitrary limitation on debt operations. In the last year, the effect of the ceiling was not to hold down interest rates. The actual effect was to further distort the structure of the debt and by that distortion push interest rates higher than they would otherwise have been. This increased the cost of interest on the public debt.

This is not a transistory problem. It is a situation which is bound to recur whenever there is strong pressure for credit expansion. For this reason, President Eisenhower again urged removal of the interest rate ceiling in his message to the Congress last week. Surely the field of public debt management is one in which partisan considerations have no place, and it is the earnest hope of the Treasury that Congress may see fit to remove this limitation on our freedom of action within the near future.

There is one further observation which I should like to leave with you as a final commentary on the need for sound management of the Government's financial affairs. The maintenance of sound financial policies does not mean, as some would lead us to believe, that budget considerations are more important than human values. Governments exist to serve human beings, but the tragic fact is that all our hopes and dreams for the increased well-being of our people will be frustrated if we adopt policies that can only end in the debasement of our currency, the drying up of savings, and the encouragement of booms and busts. If unsound measures are pursued and the consequences of currency debasement threaten us, the answer of the easy money advocates probably will be the shackling of freedom with a network of controls, enforced by an all-powerful central government.

Careless Financial Practices "Out"

In this period when the future of the entire free world depends so largely on the economic strength of the United States, we cannot as a Government afford to indulge in careless financial practices which can only end in eroding that economic strength and weakening our free enterprise system. It is this thought, in particular, which I hope will be kept continually in mind as you move up to positions of leadership in your organizations, in your communities, and—in many instances, I hope—in your nation.

*An address by Mr. Baird at the University of Wisconsin School of Banking, Madison, Wis., Aug. 18, 1960.

F. H. Emery Joins H. L. Emerson Co.

(Special to The Financial Chronicle)

CLEVELAND, Ohio — Fred H. Emery has become associated with H. L. Emerson & Co. Incorporated, Union Commerce Building, members of the Midwest Stock Exchange. Mr. Emery, who has been in the investment business for many years has recently been with First Cleveland Corporation. In the past he conducted his own investment business in Cleveland.

Insurance Stocks for Capital Appreciation and Income

Continued from page 1

and an assurance of present stability, that the carrier can live up to its obligations. Public confidence is therefore utmost in the maintenance and expansion of insurance enterprise, a further factor promoting financial stability and sound management.

The insurance carrier derives its earnings from underwriting and investments. The investor therefore should be particularly concerned with these two phases of the business. Underwriting is a purely insurance operation and has to do with the acquisition of a safe and profitable distribution of risk. Such is accomplished by the assumption of a reasonable amount of liability on each of a very large number of widely distributed and rigidly classified risks. Profits derived from underwriting vary greatly among the various classes of risk, depending upon selection and the volume of losses.

The investor, however, should seek out those carriers which can demonstrate an underwriting experience more favorable than their competitors. Underwriting profits, while they represent a portion of the carriers' earnings, are rarely distributed in dividends to stockholders but are almost always used for the maintenance, development, and future expansion of the business. The reinvestment of underwriting profits in the business is one of the potent factors assuring stability and is responsible for the favorable performance of insurance stocks over the many years. In short a sound underwriting policy is of utmost importance to the financial structure of the carrier, though not a source of immediate income to the investor.

Advantage Over an Investment Trust

The investments of an insurance carrier are of primary importance to the investor, for it is from their earnings that he receives his dividend. Legal restrictions on the investments of insurance carriers are harsh and result in the establishment of a diversified portfolio similar to that of an investment trust. Laws regulating the investment of initial capital are usually much more stringent that those regulating the investment of surplus and reserves, though in either case security of the principal is exacted.

The investor in insurance has many advantages over the stockholder in an investment trust in that he receives not only a return on his initial capital but also the benefit of earnings on the investment of surplus and reserves, which often times exceed the contributed capital. In addition, the carrier supports itself through its purely insurance operation where as the trust must subsist on a portion of its investment earnings. The insurance investor therefore receives income from his initial capital, the surplus which the carrier has built up over the years, the reserves which constitute the unearned premium and is not asked in any way to finance the operational expense of the business.

From the foregoing it is evident that insurance stocks afford an excellent long term investment, offering unusual security, a substantial return, and over the years an enhancement in value.

Weathers Business Cycle Better Than Shares

While insurance stocks follow to some degree the general trend in security prices, they withstand the instability of cyclical movements better than most shares. Although it is the pattern of most industries to undergo a period of rapid growth, reach a decade or two of conservative maturity and then decline, insurance companies have demonstrated an ability to perennially grow in a somewhat evolutionary manner. Few industries can claim such a long unbroken record of dividends, a record of which the insurance enterprise can justly be proud. The insurance carrier affords the basis for our modern highly organized credit economy and deals, like banks, in money as an extremely liquid asset.

The outlook for the business is, in the future as in the past, bright. New coverages are constantly being necessitated and the public is becoming increasingly aware of the need for insurance. Legal restrictions designed to protect the policy-holder have the dual effect of stabilizing the business in the interest of the investor. The nature of the business itself is conservative and functions as a shock absorber for distortions in the economic world. In short the investor in insurance is purchasing a share in one of the world's largest and most stable enterprises, a business which throughout the ages has weathered every major war, panic and depression.

Earnings for stock fire and casualty companies are now in a strong uptrend. As a result of rate increases granted by state jurisdictions, underwriting experience, which deteriorated alarmingly in 1956-58 has again turned profitable. Although the first quarter of 1959 was, from an underwriting standpoint, one of the worst on record, the second half of 1959 indicates strongly that the industry has regained a profitable position.

Improved Underwriting Experience

The combined loss and expense ratio for 1959 averages out to approximately 97% down from over 100% in 1958. Fire and allied lines showed steady improvement during 1959. Automobile lines, which account for 40% of the fire-casualty premiums written, were mainly responsible for the heavy losses during 1956-58. Although automobile claims give little indication of diminishing, statewide rate-hikes effected since 1957 have to a great extent absorbed the frequency and severity of these claims and have permitted the industry to regain a profit position. Workmen's compensation still remains a problem to the industry and until additional rate-hikes are granted no basic improvement can be expected. Since it takes almost two years for rate hikes to be fully reflected in operations, there is every indication that the improved underwriting position of the industry, first noticeable in the second half of 1959, will continue to expand during the remainder of 1960.

Premium volume for 1959 advanced on an average of 8% following a 5.5% gain in 1958. A still further gain in premium volume is projected for 1960. Increased premium reserves provide additional funds for investment and result in subsequent higher portfolio earnings. Net investment income for 1959 registered a gain of 7% which compares with a 6% increase in 1958. A rising premium volume, an increase in corporate dividend payments and a strong position in high grade bonds are all factors which should effect a still further advance in net investment income during 1960.

In addition to improved underwriting results and rising investment income there are several other factors which may further increase earnings of the stock fire and casualty companies during 1960. Many of these companies during the lean underwriting years of 1956-58 accumulated large tax-losses which can be carried forward and applied to future underwriting profits. The ratio of underwriting expenses to premiums written has undergone a long term decline from a high of 45% in 1932 to a low of 36% in 1959. Such recent innovations as the machine-writing of policies, direct billing and automatic experience - rating of large risks should result in a further reduction in underwriting expense.

Muses Over Disquieting Factors

There are however several disquieting factors in this otherwise bright outlook for the stock fire and casualty companies. While increased corporate dividends and a rise in the average yield on bond portfolios will result in sharply higher investment income during 1960, many of the blue-chip industrial shares which these companies hold in their portfolios are distinctly overvalued. Some adjustment in industrial shares has already taken place during the first half of 1960 but any further downward adjustment in industrial shares this year could result in a net decline in assets for 1960. Another much more disconcerting factor is that in general the old line stock fire and casualty industry is dominated by staid ultra-conservative management which in turn has infiltrated the industry with low-cost uncreative and in too many instances inefficient personnel. Much of this poor calibre personnel has now penetrated the middle management positions in these companies.

As a result the younger more aggressive specialty writers have, through modern merchandising, rigid underwriting and a strong safety program, obtained an increasingly larger percentage of the outstanding business. Their inroads are particularly apparent in automobile and workmen's compensation lines where they not only have gained the highest percentage of business but have, through dividend payments and merit plans, also obtained the most desirable classifications of business. The engineering departments of the specialty writers are fully staffed with college trained personnel whereas the engineering departments of many stock fire and casualty companies are dominated by inspectors with little or no training in engineering. Such personnel, by dearth of training, is ill equipped to effectively evaluate the occupational hazards involved in complex manufacturing processes so common to large workmen's compensation risks.

If the stock fire and casualty industry ever hopes to regain the large percentage of business which it has lost to specialty writers, then it will have to issue participating policies at reduced commissions, modernize its entire system of operations and initiate a recruitment program aimed to attract into the industry high calibre personnel. Recent decisions upholding the rate deviations of the North America Companies and the resignation of the Travelers from full membership in the National Bureau of Casualty Underwriters may be a few of the factors which will serve to jolt the industry from its long term complacency.

Need for Careful Choice

From an investor's standpoint it is important to place funds in those companies which have demonstrated an ability to grow not only in investment income but also underwriting-wise. It is important that a company can effectively compete in its insurance operation by the acquisition of a profitable and expanding volume of business. There are many laggard stock fire and casualty companies, with long dividend paying records, which over the years have been content to live off a combination of rising investment income and an increase in premium volume predicated upon rate hikes rather than a sound merchandising program. Such companies, despite their high dividend yield, are to be avoided in favor of large aggressive carriers with highly competitive merchandising programs.

Companies which demonstrate that they can grow underwriting-wise, both in volume and profit, afford the best long-term investment. The companies, enumerated below, have been selected from among the many because of their long stability, aggressive management and an expanding volume of business based upon sound underwriting and merchandising techniques.

Aetna Casualty Surety Company, Hartford, Connecticut

Aetna Casualty and Surety Co. is an old time-tested company dating its founding to Hartford, Connecticut in 1883. In 1907 the company was reorganized and effective Jan. 1, 1956 the Automobile Insurance Company of Hartford was merged into Aetna Casualty and Surety. Together with its wholly-owned fire and marine affiliate, the Standard Fire Insurance Company, Aetna Casualty writes all types of insurance except life but the bulk of its premium volume is in casualty lines. It operates about 70 general agencies and branch offices from coast to coast and is represented by over 20,000 agents both in the United States and in Canada. Aetna Life Insurance Company, the parent company of the Aetna Life and Affiliated Companies, owns 61.6% of the outstanding stock of the Aetna Casualty and exercises both control and management of this fire-casualty affiliate.

During 1959 admitted assets of the Aetna Casualty and Surety increased to $690,156,000 from $616,850,000 in 1958, premiums written increased to $339,033,000 from $306,771,000 in 1958 and premiums earned increased to $322,567,000 from $294,351,000 in 1958. In 1959 statutory underwriting profit was $2,472,000, net investment income $15,276,000 and policyholders' surplus $227,372,000. Combined loss and expense ratio in 1959 was 97.4% down from 98.0% in 1958.

Premium volume is divided 30.3% in fire and property lines, 69.5% in casualty lines and 0.2% multiple line. Automobile coverages account for 44.7% of total premium volume, being divided in 11.1% for Automobile Physical Damage and 33.6% for Automobile Liability. Even during the most difficult periods of automobile underwriting Aetna Casualty has given a good account of itself and indicated above average risk selection. Although Workmen's Compensation accounts for only 16.2% of total premium volume, Aetna Casualty is one of the few stock casualty companies effectively geared to the writing and servicing of retrospective risks.

Assets are divided 69.3% in cash, receivables and bonds; 30.7% in stocks, real estate and miscellaneous. Since over 61.2% of total assets are in high grade bonds and preferreds and only 26.3% in common stocks, this company is in an excellent position to sustain a period of business readjustment. With the combination of a sound, efficient underwriting program and a strong investment portfolio, Aetna Casualty should continue to prosper both from an underwriting and investment standpoint in the years to come.

In February of this year the stock of Aetna Casualty and Surety was split two-for-one and a 25% stock dividend declared. There are now 3,500,000 shares outstanding. Dividends have been paid in every year since 1908. Present annual dividend rate is $1.20 payable 30 cents quarterly. Stock sells for $89 a share on the over-the-counter market.

Continental Casualty Company, Chicago, Illinois

The Continental Casualty Co. was originally incorporated in 1897 in Indiana as the Continental Assurance Company of North America and in 1948 was reincorporated in Chicago, Illinois as the Continental Casualty Co. Together with its affiliates the Transportation Insurance Company (100% owned), the National Fire Insurance company (70.2% owned) and the Transcontinental Insurance Company (70.2% owned) all lines of property and casualty insurance, including reinsurance and surplus risks, are written. The Continental Casualty Company is the largest stock writer of accident and health insurance in the United States. Over 45% of the company's entire writings are in this highly profitable line. Supported by a field force of over 30,000 agents the Continental Casualty extends its operations throughout the United States, Canada, the Netherlands and several other foreign territories. In addition to its direct subsidiaries, previously mentioned, the Continental Casualty has a 648,590 share interest (31%) in the Continental Assurance Company, a life accident and health carrier. At prevailing market prices this investment is worth in excess of $90,000,000 but is carried on the Continental Casualty books for approximately $17,000,000.

During 1959 admitted assets of the Continental Casualty increased to $578,568,000 from $520,591,000 in 1958; premiums written increased to $358,565,000 from $299,400,000 in 1958 and premiums earned increased to $340,729,000 from $299,357,000 in 1958. In 1959 statutory underwriting profit was $9,900,000, net investment income $14,413,000 and policyholders' surplus $236,040,000. Combined loss and expense ratio in 1959 was 95.3% down from 97.4% in 1958. Over the years the Continental Casualty has compiled an outstanding underwriting record.

Premium volume is divided 21.6% in fire and property lines, 75.6% in casualty lines and 2.8% multiple line. Accident and health coverages account for 46.5% of total premium volume. Assets are divided 63.9% in cash, receivables and bonds, 36.1% in stocks, real estate and miscellaneous.

In 1959 a 100% stock dividend was declared. There are now 5,851,572 shares outstanding. Because over 45% of premium volume is concentrated in the highly profitable accident and health line and because 55.4% of assets are invested in high grade bonds and preferreds, this company should continue to prosper and extend the greath growth of its past. Except for 1933 dividends have been paid in every year since 1898. Present annual dividend rate of $1.00 per share is payable 25 cents quarterly. Stock sells for $75 a share on the over the counter market.

The Continental Insurance Co., New York, New York

The Continental Insurance Company of New York and its ten subsidiaries, known collectively as the America Fore Loyalty Group, form the largest stock fire and casualty group in the nation. Incorporated in 1853 the Continental Insurance, parent company of the group, now owns all the outstanding shares of the Niagara Fire Insurance Company and the Fidelity and Casualty Company of New York. In 1957 the Firemen's Insurance of Newark and its subsidiaries became an important addition to the group and in 1958 all the outstanding shares of the Yorkshire Insurance Company were acquired. In July 1959 the Fidelity-Phenix Fire Insurance Company, which shared control of the America Fore Group with Continental, was merged into the Continental Insurance Company enabling the Continental to issue a consolidated statement for 1959. Represented by some 52,000 agents all lines of insurance, except life, are written throughout the United States and Canada. Foreign operations are conducted through the American Foreign Insurance Association. Fire and automobile lines dominate and approximately 50% of all consolidated direct premiums are written in the states of New York, California, Illinois, New Jersey, Texas and Pennsylvania.

During 1959 admitted assets of the Continental Insurance Company reached a new high of $1,623,463,000 up from $1,546,818,000 in 1958; premiums written increased to $537,689,000 from $517,508,000 in 1958 and premiums earned increased to $505,101,000 from $480,193,000 in 1958. In 1959 statutory underwriting loss was $31,302,000, a net investment income $40,800,000 and policyholders' surplus $829,767,000. Combined loss and expense ratio in 1959 was 103.7% down from 108.2% in 1958. During the first quarter of 1960 the company experienced a statutory underwriting loss of $10,243,871 as against a loss of $16,293,685 in the first three months of 1959. Combined loss and expense ratio for the first quarter of 1960 was 104.1% down from 109.1% for the first quarter of 1959. Net investment income rose to $10,787,400 during the first three months of 1960 as against $9,874,878 for the same period in 1959. The rapid rise in unearned premium reserve, which increased $32,587,887 in 1959 and $13,031,662 in the first quarter of 1960, has exerted a penalizing influence on statutory underwriting results. In addition the Continental utilizes the full term method for reserving installment business. This further penalizes statutory underwriting results. However a favourable underwriting trend, first in evidence during 1959, has extended into 1960.

Premium volume is divided 48.9% in fire and property lines, 47.3% in casualty lines and 3.8% multiple line. Of total premium volume fire coverages account for 23.2%, extended coverage 8.4%, automobile physical damage 9.8% and automobile liability 24.7%. This company's premium volume is heavily centered in the highly volatile fire and automobile lines. Assets are divided 42.0% in cash, receivables and bonds, 58.0% in stocks, real estate and miscellaneous. Since 53.2% of total assets are invested in common stocks, this company has a strong stake in future stock market trends.

In connection with the merger of Fidelity-Phenix into Continental in 1959 each Continental shareholder received a stock dividend of 10%. There are now 11,998,290 shares outstanding. Improved underwriting results plus a rising investment income should result in sharply higher earnings in the years ahead. In addition the merger with Fidelity-Phenix will enable the Continental to file a consolidated tax return and integrate business operations; this in turn will result in a combination of tax savings and a reduction in overhead expense. The Continental has paid dividends in every year since 1853. The present annual dividend rate of $2.00 per share is payable 50 cents quarterly. Stock sells for $53 a share on the New York Stock Exchange; this is at a discount of over 30% from book value which is estimated to be $81.46 per share.

Hartford Fire Insurance Company, Hartford, Connecticut

The Hartford Fire Insurance Company, founded in 1810, is the oldest of the Connecticut insurance companies. There are seven subsidiaries, the Hartford Accident & Indemnity Co., Hartford Live Stock Insurance Co., Citizens Insurance Co. of New Jersey, New York Underwriters Insurance Co., Twin City Fire Insurance Co., London-Canada Insurance Co., and the Columbian National Life Insurance Company. Early in 1959 the Hartford Fire, through a seven for ten share exchange of the stock of the Columbian National Life gained entrance in the life insurance field. The Columbian National Life will shortly be renamed the Hartford Life Insurance Company. Through over 34,000 agents all types of insurance, including life, are written in the United States, the Virgin Islands and Puerto Rico.

During 1959 admitted assets of the Hartford Fire increased to $1,119,749 from $908,606,000 in 1958; premiums written increased to $478,286,000 from $426,190,000 in 1958 and premiums earned increased to $457,392,000 from $406,929,000 in 1958. In 1959 statutory underwriting profit was $2,282,000, net investment income $25,216,000 and policyholders' surplus $411,161,000. Combined loss and expense ratio in 1959 was 97.8% down from 98.6% in 1958. At the close of 1959 the assets of the Hartford Fire surpassed the $1 billion mark for the first time. During the first year of Hartford management the addition of new life insurance by the Columbian National affiliate totaled $166.7 million.

Premium volume is divided 40% in fire and property lines, 53.4% in casualty lines and 6.6% multiple line. Dominant coverages and their percentages of total premium volume are fire 17.1%, automobile physical damage 10.0%, automobile liability 27.3%, other liability 9.6% and workmen's compensation 10.8%. The Hartford Fire has over the years consistently achieved an outstanding underwriting record.

Assets are divided 61.1% in cash, receivables and bonds, 38.9% in stocks, real estate and miscellaneous. Investment policy is conservative with emphasis being placed upon tax-exempt bonds.

The Hartford Fire has paid conservative dividends without interruption since 1874. A 33⅓% stock dividend was paid in 1949. Stock dividends of 25% each were paid in 1954 and 1955. Early in 1960 shares were split 2 for 1 and a 100% stock dividend paid. There are now 10,694,236 shares outstanding. The present annual cash dividend is $1.10 a share payable 27½ cents quarterly. The company's maxim "year in and year out you will do well with the Hartford" holds true not only for policyholders but for shareholders as well. Stock sells for $52 a share on the over-the-counter market.

Insurance Company of North America, Philadelphia, Pa.

Founded in 1792 and incorporated in 1794, the Insurance Company of North America is the oldest and one of the largest capital stock fire and marine insurance carriers in the United States. It is also one of the largest domestic reinsurers. Casualty insurance is written through its wholly-owned Indemnity Insurance Company of North America. Another wholly-owned subsidiary, Life Insurance Company of North America was organized in 1956 and began operations in 1957. Management's goal is for $1 billion of life insurance in force by the end of 1962. The North America Companies conduct a full multiple-line business throughout the world. Although premium volume is concentrated here in the United States, where North America has some 20,000 agents, foreign business is sizable and expanding. The company now has five world-wide regional Head Offices located in Europe, South Africa, Australia, Latin America and the Far East. Despite its age, the Insurance Company of North America is one of the most aggressive of all capital stock insurance companies.

During 1959 admitted assets of the North America Companies recorded a new high of $1,101,762 up from $1,042,704 in 1958; premiums written increased to $357,838,000 from $340,537,000 in 1958 and premiums earned increased to $338,287,000 from $316,913,000 in 1958. In 1959 statutory underwriting profit was $1,163,000, net investment income $29,209,000 and policyholders' surplus $551,461,000. Combined loss and expense ratio in 1959 was 97.5% down from 97.8% in 1958.

Premium volume is divided 35.6% in fire and property lines, 40.3% in casualty lines, 13.6% multiple line and 10.5% treaty reinsurance. North America has a fairly even distribution of premium volume without too much concentration in any one line. Operating through deviated rates and filings the company is in a strong competitive position. With a network of overseas offices, North America will certainly share in business arising from the expanding foreign operations of American industry.

Assets are divided 43.7% in cash, receivables and bonds, 56.3% in stocks, real estate and miscellaneous. With 46.4% of total assets invested in common ssocks, this company has a strong stake in future stock market trends. Improved underwriting results and a rising investment income indicate higher earnings for 1960. Sound aggressive management has guided this company through the years.

In 1951 the shares of the Insurance Company of North America were split two for one. In 1949, 1953 and 1956 stock dividends of 20% were paid. On June 15, 1960 a 100% stock dividend was paid. There are now 10,809,734 shares outstanding. Dividends have been paid in each year since 1874. The present annual cash dividend is $1.80 a share, payable 45 cents quarterly. Stock sells for $66 a share on the American Stock Exchange.

Campbell Machine Stock Is Offered

Pursuant to an Aug. 11 offering circular, J. A Hogle & Co., of Salt Lake City, Utah, offered 102,500 shares of $1 par common stock at $7 per share.

All proceeds of the sale are for the account of selling stockholders.

The company was incorporated in California on Aug. 3, 1954. Its predecessor was a partnership formed some 25 years prior to its incorporation. Its principal office is located at Foot of Eighth Street, San Diego 12, Calif.

On May 26, 1960, the directors and stockholders voted to amend the Articles of Incorporation to reduce the par value of the common stock to $1 per share and to split the common stock on the basis of 100 new shares for each old share.

A note in the original amount of $579,000 is part of the total consideration of $780,000 given in Aug., 1954, when the company acquired the business of Campbell Machine Co., a co-partnership, from four persons who were the owners of the company's predecessor. The note is payable in annual installments of $57,900. Payment is secured by a chattel mortgage on property and equipment. None of the sellers of the partnership business are officers, directors or stockholders of the company.

Trans-Coast Inv. Stock Is Offered

Lehman Brothers and associates offered on Aug. 24 375,000 shares of Trans-Coast Investment Co. (Los Angeles, Cal.), owner of stocks of three savings and loan associations in southern California, at $15 per share.

Of the shares offered, 54,054 shares represent new financing by the company which will initially deposit the proceeds from the sale of the shares in one or more of its savings and loan subsidiaries at their current rate of interest. The remaining shares are already outstanding and are being sold by several stockholders.

The savings and loan association subsidiaries of the company operate four offices in the Los Angeles area, in Oxnard and in Santa Maria. Each of the associations also operates an escrow business and the parent company operates an insurance agency for fire and life insurance coverage normally required for the protection of lenders in real estate transactions. Total assets of the associations were $126,879,073 on March 31, 1960.

Consolidated income of Trans-Coast Investment and subsidiaries in 1959 totaled $7,734,476 compared with $6,235,168 in 1958, and net earnings before appropriations to general reserves were $2,175,680 and $1,779,035, respectively.

Upon issuance of the additional shares offered, Trans-Coast Investment will have 1,561,102 shares outstanding.

Named Director

John R. Beckett, president-elect and director of Transamerica Corporation, has been elected a director of American Surety Company of New York, it was announced by William E. McKell, chairman and president. American Surety is a subsidiary of Transamerica Corporation.

Mr. Beckett, an investment banker, was elected president of Transamerica Corporation on July 21 of this year and will succeed Horace W. Brower in that post, effective Sept. 15. Mr. Brower will continue as board chairman and chief executive officer of Transamerica.

Mr. Beckett was formerly a vice president and director of Blyth & Co. Inc., in San Francisco. Following his graduation from Stamford University in 1939, he was associated with Pacific Gas and Electric Company, Duff & Phelps, The Securities and Exchange Commission, and Seattle Gas Company. He joined Blyth & Co. Inc., in 1944.

Yamaichi in Honolulu

Underscoring the growing importance of the role Hawaii plays in the business and financial world, Yamaichi Securities Co. of New York, Inc. announces the opening of a Honolulu branch office effective Aug. 17, at 1123 Bethel Street.

A subsidiary of Yamaichi Securities Co., Ltd., Tokyo, the New York firm's local office will be headed by Yoshihiro Asami, resident manager.

Foreign department activities of Yamaichi assumed full-scale proportions in 1951 when foreign investment in Japanese stocks was made possible for the first time since World War II.

Forms Income Builders

HOUSTON, Tex. — Martin M. Kaufman is engaging in a securities business from offices at 2020 Richmond Avenue under the firm name of The Income Builders.

Recreation Secs. Formed

Recreation Securities, Inc., has been formed with offices at 350 Fifth Avenue, New York City, to engage in a securities business.

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. 27	§54.5	*54.7	53.3	11.7
Equivalent to—					
Steel ingots and castings (net tons)	Aug. 27	§1,552,000	*1,558,000	1,520,000	332,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Aug. 12	6,834,210	6,836,710	6,831,910	6,766,425
Crude runs to stills—daily average (bbls.)	Aug. 12	¶8,335,000	*8,254,000	8,257,000	7,950,000
Gasoline output (bbls.)	Aug. 12	30,015,000	29,040,000	30,031,000	29,077,000
Kerosene output (bbls.)	Aug. 12	2,823,000	2,492,000	2,469,000	1,939,000
Distillate fuel oil output (bbls.)	Aug. 12	13,314,000	12,873,000	12,972,000	12,024,000
Residual fuel oil output (bbls.)	Aug. 12	6,090,000	5,805,000	5,800,000	5,973,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Aug. 12	191,838,000	193,647,000	197,241,000	183,104,000
Kerosene (bbls.) at	Aug. 12	31,224,000	30,702,000	29,157,000	29,473,000
Distillate fuel oil (bbls.) at	Aug. 12	140,647,000	134,049,000	121,427,000	147,907,000
Residual fuel oil (bbls.) at	Aug. 12	43,969,000	43,014,000	43,013,000	55,525,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Aug. 13	599,908	594,329	607,081	544,569
Revenue freight received from connections (no. of cars)	Aug. 13	486,378	487,558	438,265	482,339
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Aug. 18	$455,100,000	$435,500,000	$519,800,000	$377,900,000
Private construction	Aug. 18	238,900,000	273,200,000	310,500,000	210,300,000
Public construction	Aug. 18	216,200,000	162,300,000	209,300,000	167,600,000
State and municipal	Aug. 18	158,500,000	131,700,000	191,400,000	83,300,000
Federal	Aug. 18	57,700,000	30,600,000	17,900,000	84,300,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Aug. 13	8,035,000	*7,790,000	7,345,000	7,197,000
Pennsylvania anthracite (tons)	Aug. 13	330,000	343,000	340,000	360,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	Aug. 13	131	128	119	132
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Aug. 20	14,453,000	14,622,000	14,425,000	14,003,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Aug. 18	279	308	259	263
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Aug. 16	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Aug. 16	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	Aug. 16	$32.50	$31.83	$31.50	$39.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Aug. 17	32.600c	32.600c	32.600c	29.775c
Export refinery at	Aug. 17	29.525c	30.450c	31.075c	28.850c
Lead (New York) at	Aug. 17	12.000c	12.000c	12.000c	12.000c
Lead (St. Louis) at	Aug. 17	11.800c	11.800c	11.800c	11.800c
‡Zinc (delivered) at	Aug. 17	13.500c	13.500c	13.500c	11.500c
Zinc (East St. Louis) at	Aug. 17	13.000c	13.000c	13.000c	11.500c
Aluminum (primary pig. 99.5%) at	Aug. 17	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	Aug. 17	102.125c	103.750c	103.000c	102.500c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Aug. 23	89.30	88.86	87.52	83.20
Average corporate	Aug. 23	87.72	87.45	85.98	85.98
Aaa	Aug. 23	92.64	92.20	90.34	89.92
Aa	Aug. 23	90.06	89.78	88.27	87.86
A	Aug. 23	87.18	86.78	85.46	85.59
Baa	Aug. 23	81.78	81.42	80.20	80.93
Railroad Group	Aug. 23	85.07	84.55	83.91	84.68
Public Utilities Group	Aug. 23	89.23	88.81	86.38	85.33
Industrials Group	Aug. 23	89.23	88.95	87.59	87.86
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Aug. 23	3.60	3.65	3.75	4.17
Average corporate	Aug. 23	4.58	4.60	4.71	4.71
Aaa	Aug. 23	4.23	4.26	4.39	4.42
Aa	Aug. 23	4.41	4.43	4.54	4.57
A	Aug. 23	4.62	4.65	4.75	4.74
Baa	Aug. 23	5.04	5.07	5.17	5.11
Railroad Group	Aug. 23	4.78	4.82	4.87	4.81
Public Utilities Group	Aug. 23	4.47	4.50	4.68	4.76
Industrials Group	Aug. 23	4.47	4.49	4.59	4.57
MOODY'S COMMODITY INDEX	Aug. 23	363.4	364.3	373.4	385.4
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Aug. 13	303,937	340,650	272,867	298,923
Production (tons)	Aug. 13	314,180	320,464	248,079	325,729
Percentage of activity	Aug. 13	92	94	74	96
Unfilled orders (tons) at end of period	Aug. 13	461,915	477,251	474,165	551,214
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Aug. 24	109.62	109.72	109.47	109.40
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	July 29	2,309,810	1,990,120	2,370,480	2,430,330
Short sales	July 29	366,650	312,890	489,860	410,020
Other sales	July 29	2,080,600	1,650,590	1,878,060	2,044,190
Total sales	July 29	2,447,250	1,963,480	2,367,920	2,454,210
Other transactions initiated off the floor—					
Total purchases	July 29	266,790	254,420	319,830	360,650
Short sales	July 29	65,540	17,700	38,100	40,400
Other sales	July 29	258,500	234,620	302,200	364,760
Total sales	July 29	324,040	252,320	340,300	405,160
Other transactions initiated on the floor—					
Total purchases	July 29	600,600	519,220	634,129	660,150
Short sales	July 29	97,750	85,300	75,855	113,870
Other sales	July 29	491,205	495,750	619,464	759,137
Total sales	July 29	588,955	581,050	695,319	873,007
Total round-lot transactions for account of members—					
Total purchases	July 29	3,177,200	2,763,760	3,324,439	3,451,130
Short sales	July 29	529,940	415,890	603,815	564,290
Other sales	July 29	2,830,305	2,380,960	2,799,724	3,168,087
Total sales	July 29	3,360,245	2,796,850	3,403,539	3,732,377
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 29	1,634,549	1,485,488	1,706,392	1,834,992
Dollar value	July 29	$81,247,404	$72,910,673	$83,373,587	$98,212,654
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	July 29	1,293,471	1,316,374	1,596,200	1,546,095
Customers' short sales	July 29	18,365	8,432	5,507	4,798
Customers' other sales	July 29	1,275,106	1,307,942	1,590,693	1,541,297
Dollar value	July 29	$62,881,602	$63,256,848	$72,995,622	$80,042,388
Round-lot sales by dealers—					
Number of shares—Total sales	July 29	335,580	355,920	484,340	378,030
Short sales	July 29	------	------	------	------
Other sales	July 29	335,580	355,920	484,340	378,030
Round-lot purchases by dealers—Number of shares	July 29	670,450	527,010	540,730	672,830
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 29	723,430	517,110	704,660	621,930
Other sales	July 29	13,590,720	12,520,170	14,689,990	15,203,330
Total sales	July 29	14,314,150	13,037,280	15,394,650	15,825,260
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Aug. 16	119.3	119.4	119.6	119.3
Farm products	Aug. 16	87.2	87.1	89.0	87.9
Processed foods	Aug. 16	107.7	107.8	108.0	106.8
Meats	Aug. 16	96.4	96.6	97.4	96.9
All commodities other than farm and foods	Aug. 16	128.3	128.3	128.3	128.3

*Revised figure. ¶Includes 1,074,000 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
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of July 31:			
Imports	$400,062,000	$375,468,000	$258,737,000
Exports	545,356,000	500,910,000	333,894,000
Domestic shipments	17,240,000	16,842,000	12,610,000
Domestic warehouse credits	58,641,000	74,390,000	13,700,000
Dollar exchange	166,200,000	93,875,000	84,940,000
Based on goods stored and shipped between foreign countries	373,469,000	320,514,000	253,216,000
Total	$1,560,968,000	$1,381,999,000	$957,097,000
BUILDING CONSTRUCTION—U. S. DEPT. OF LABOR—Month of July (in millions):			
Total new construction	5,182	5,037	5,408
Private construction	3,660	3,535	3,792
Residential building (nonfarm)	2,151	2,076	2,372
New dwelling units	1,612	1,523	1,842
Additions and alterations	459	476	462
Nonhousekeeping	80	77	68
Nonresidential building	860	833	815
Industrial	231	224	177
Commercial	354	348	382
Office buildings and warehouses	177	169	171
Stores, restaurants and garages	177	179	211
Other nonresidential buildings	275	261	256
Religious	89	84	86
Educational	49	46	43
Hospital and institutional	46	46	49
Social and recreational	66	62	55
Miscellaneous	25	23	23
Farm construction	150	137	123
Public utilities	472	464	463
Telephone and telegraph	89	91	84
Other public utilities	383	373	379
All other private	27	25	19
Public construction	1,522	1,502	1,616
Residential building	61	61	80
Nonresidential building	436	420	414
Industrial	33	35	29
Educational	265	250	247
Hospital and institutional	36	36	39
Administrative and general	56	55	52
Other nonresidential buildings	46	44	47
Military facilities	81	101	127
Highways	616	586	665
Sewer and water systems	135	130	137
Sewer	81	79	85
Water	52	51	52
Public service enterprises	66	59	62
Conservation and development	110	126	110
All other public	19	19	21
BUSINESS INVENTORIES — DEPT. OF COMMERCE NEW SERIES — Month of June (Millions of dollars):			
Manufacturing	$55,000	$55,000	$52,000
Wholesale	12,800	12,900	12,400
Retail	25,300	25,800	24,600
Total	$93,100	$93,700	$89,000
CONSUMER PRICE INDEX—1947-1949=100—Month of June:			
All items	126.5	126.3	124.5
Food	120.3	119.7	118.9
Food at home	117.7	117.0	116.6
Cereal and bakery products	136.1	135.6	134.2
Meats, poultry and fish	110.3	109.7	111.6
Dairy products	115.0	115.0	112.3
Fruits and vegetables	136.1	132.9	134.5
Other food at home	104.5	104.9	102.3
Food away from home (Jan. 1953=100)	118.8	118.6	115.6
Housing	131.3	131.2	128.9
Rent	141.6	141.4	139.5
Gas and electricity	124.7	124.7	119.3
Solid fuels and fuel oil	132.3	132.9	133.9
Housefurnishings	104.3	104.3	104.1
Household operation	137.3	137.2	133.9
Apparel	108.9	108.9	107.3
Men's and boys'	109.8	109.7	108.1
Women's and girls'	99.1	99.4	99.8
Footwear	140.1	139.8	134.5
Other apparel	93.1	93.2	91.8
Transportation	145.8	145.6	145.9
Private	134.1	133.9	134.9
Public	199.7	199.4	192.7
Medical care	156.1	155.9	150.6
Personal care	133.2	133.2	134.1
Reading and recreation	121.1	121.4	118.1
Other goods and services	132.0	131.9	129.2
CROP PRODUCTION — CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—Crop as of Aug. 1 (in thousands):			
Corn, all (bushels)	4,111,954	4,079,151	4,861,170
Wheat, all (bushels)	1,361,968	1,347,468	1,128,151
Winter (bushels)	1,116,610	1,090,017	923,449
All spring (bushels)	245,358	257,451	204,702
Durum (bushels)	32,716	34,291	20,682
Other spring (bushels)	212,642	223,160	184,020
Oats (bushels)	1,166,617	1,140,497	1,073,982
Barley (bushels)	410,967	426,508	420,191
Rye (bushels)	31,084	29,621	21,495
Flaxseed (bushels)	28,419	32,209	22,709
Rice (100-lb. bag)	52,964	53,099	53,122
Sorghum grain (bushels)	538,885	------	579,178
Cotton (bale)	14,471	------	14,558
Hay, all (ton)	115,280	115,689	112,764
Hay, wild (ton)	10,518	10,528	8,911
Hay,, alfalfa (ton)	66,262	66,589	64,739
Hay, clover and timothy (ton)	22,218	22,260	22,128
Hay, lespedeza (ton)	3,848	4,020	4,377
Beans, dry edible (cleaned) (100-lb. bag.)	17,392	17,296	18,212
Peas, dry field (cleaned) (100-lb. bag.)	2,752	3,304	4,375
Soybeans for beans (bushels)	547,933	------	537,895
Peanuts (pounds)	1,626,070	------	1,592,295
Potatoes (hundredweight):			
Winter	3,114	3,114	4,005
Early spring	3,287	3,287	3,144
Late spring	28,212	28,212	23,558
Early summer	15,003	14,956	14,277
Late summer	31,794	31,792	33,519
Fall	174,856	------	164,778
Total	256,266	------	243,281
Sweetpotatoes (cwt.)	14,297	14,749	18,703
Tobacco (pounds)	1,867,271	1,842,999	1,797,087
Sugarcane for sugar and seed (ton)	7,744	7,744	7,318
Sugar beets (ton)	16,845	16,705	17,015
Broomcorn (ton)	23,200	------	30,600
Hops (pounds)	46,471	46,205	53,600
Apples, commercial crop (bushels)	109,400	106,870	121,787
Peaches (bushels)	73,614	73,239	74,339
Pears (bushels)	27,181	28,281	30,191
Grapes (ton)	3,120	3,142	3,139
Cherries (ton)	196	199	215
Apricots (ton)	238	223	230
Pecans (pounds)	181,600	------	143,500

NSTA NOTES

NATIONAL SECURITY TRADERS ASSOCIATION CONVENTION

George W. Romney, Chairman of the Board, President and General Manager of American Motors Corporation, will address the National Security Traders Association Convention at a brunch on Sunday morning, Sept. 11, 1960, at Sun Valley, rather than on Sept. 12 at originally scheduled.

NSTA CONVENTIONEERS

President Edward J. Kelly (Carl M. Loeb, Rhoades & Co., New York) of the National Security Traders Association wishes to remind all the conventioneers that dress is optional at the final dinner.

THE FOLLOWING IS A LIST OF REGISTRATIONS TO DATE FOR THE ANNUAL CONVENTION OF THE NATIONAL SECURITY TRADERS ASSOCIATION TO BE HELD AT SUN VALLEY, SEPTEMBER 11-14, 1960:

*George H. Angelos	*Chas. W. Scranton & Co.*	New Haven, Conn.
*Carroll H. Babcock	*Piper, Jaffray & Hopwood*	Minneapolis, Minn.
*Jack Bader	*Zilka, Smither & Co., Inc.*	Portland, Ore.
*Dan V. Bailey	*Foster & Marshall*	Portland, Ore.
*George M. Baker	*Baker, Walsh & Co.*	Chicago, Ill.
J. Ries Bambenek	*Dallas Union Securities Co.*	Dallas, Texas
*John S. Barker	*Lee Higginson Corporation*	New York, N. Y.
*Homer J. Bateman	*Pacific Northwest Company*	Seattle, Wash.
John M. Bayne	*Rotan, Mosle & Co.*	Houston, Texas
Verne C. Beal	*Quinn & Company*	Albuquerque, N. M.
*Herbert E. Beattie	*H. A. Riecke & Co., Inc.*	Philadelphia, Pa.
*Edwin L. Beck & Carolyn M. (daughter)	*Commercial & Financial Chronicle*	New York, N. Y.
*James L. Beebe	*Wm. R. Staats & Co.*	Los Angeles, Calif.
*Arthur W. Bertsch	*G. A. Saxton & Co., Inc.*	New York, N. Y.
*Herman C. Betz	*California Bank-Bond Dept.*	Los Angeles, Calif.
*Charles A. Bodie, Jr.	*Stein Bros. & Boyce*	Baltimore, Md.
*Edward J. Bourdeau	*Daniel Reeves & Co.*	Beverly Hills, Calif.
Frank S. Breen & Carol Breen (daughter)	*Schirmer, Atherton & Co.*	Boston, Mass.
*Joseph Bronemeier	*Scherck Richter Company*	St. Louis, Mo.
*Leo E. Brown	*Asiel & Co.*	New York, N. Y.
*Ralph E. Brown	*Stone & Youngberg*	San Francisco, Calif.
George Brunjes	*First Boston Corp.*	New York, N. Y.
*John W. Bunn	*Stifel, Nicolaus & Co., Inc.*	St. Louis, Mo.
*Walter L. Burns	*Baumgartner, Downing & Co.*	Baltimore, Md.
*Ted D. Carlsen	*Woolrych, Currier & Carlsen, Incorporated*	Los Angeles, Calif.
*M. A. Cayne	*J. N. Russell & Co., Inc.*	Cleveland, Ohio
*Edgar A. Christian	*Suplee, Yeatman, Mosley Co., Inc.*	Philadelphia, Pa.
James P. Cleaver	*Goodbody & Co.*	New York, N. Y.
Samuel F. Colwell	*W. E. Hutton & Company*	New York, N. Y.
*John F. Coughenour, Jr.	*Peters, Writer & Christensen Inc.*	Denver, Colo.
*Louis G. Coupenz	*Hughbanks Inc.*	Seattle, Wash.
*Allen Crawford, Jr.	*French & Crawford, Inc.*	Atlanta, Ga.
*James R. Cruttenden	*Cruttenden, Podesta & Co.*	Chicago, Ill.
Frank X. Cummings	*Bear, Stearns & Co.*	Chicago, Ill.
*Ralph M. Dahl	*Evans MacCormack & Co.*	Los Angeles, Calif.
*Francis M. Daines	*Hayden, Stone & Co.*	New York, N. Y.
*Robert De Brearley	*Wood, Gundy & Co., Inc.*	New York, N. Y.
*Neil De Young	*De Young & Co.*	Grand Rapids, Mich.
Terrence M. Dempsey	*Dempsey & Company*	Modesto, Calif.
*Ralph C. Deppe	*Edward D. Jones & Co.*	St. Louis, Mo.
*Harold E. DeShong	*Dallas Rupe & Son, Inc.*	Dallas, Texas
*Robert D. Diehl	*Paine, Webber, Jackson & Curtis*	Los Angeles, Calif.
Robert B. Dixon	*United Securities Company*	Greensboro, N. C.
*Joseph R. Dorsey	*Bache & Co.*	New York, N. Y.
*J. Robert Doyle	*Doyle, O'Connor & Co., Inc.*	Chicago, Ill.
*Gambol J. Dunn	*Dunn & Taylor*	New York, N. Y.
*George J. Elder	*Straus, Blosser & McDowell*	Detroit, Mich.
*Wm. H. Elliott	*J. Barth & Co.*	Los Angeles, Calif.
*William C. Elwell	*Loewi & Co., Incorporated*	Milwaukee, Wis.
*Charles E. Exley	*Charles A. Parcells & Co.*	Detroit, Mich.
*John M. Fitzgerald	*W. C. Pitfield & Co., Inc.*	New York, N. Y.
*Walter L. Filkins	*Troster, Singer & Co.*	New York, N. Y.
*Albert O. Foster	*Foster & Marshall*	Seattle, Wash.
John N. Fuerbacher	*Walter, Woody & Heimerdinger*	Cincinnati, Ohio
*Gary A. Galdun	*Wm. J. Mericka & Co., Inc.*	Cleveland, Ohio
*Raymond B. Garcia	*J. M. Dain & Co.*	Minneapolis, Minn.
*George E. George	*George, O'Neill & Co., Inc.*	New York, N. Y.
*Richard F. Goodfellow	*J. A. Hogle & Co.*	Los Angeles, Calif.
*Walter C. Gorey	*Walter C. Gorey Co.*	San Francisco, Calif.
*Frank Granat, Jr.	*Blanchett, Hinton & Jones Incorporated*	Seattle, Wash.
*Gerald M. Greenberg	*Russell Investment Co.*	Denver, Colo.
*Thomas Greenberg	*C. E. Unterberg, Towbin Co.*	New York, N. Y.
*Wm. H. Gregory III	*Gregory & Sons*	New York, N. Y.
*Earl L. Hagensieker	*Reinholdt & Gardner*	St. Louis, Mo.
*Elmer W. Hammell	*First Securities Co. of Chicago*	Chicago, Ill.
*Rubin Hardy	*The First Boston Corp.*	Philadelphia, Pa.
S. Richard Harris	*Courts & Co.*	Atlanta, Ga.
*Harry J. Hudepohl	*Westheimer & Co.*	Cincinnati, Ohio
*Wellington Hunter	*Wellington Hunter Associates*	Jersey City, N. J.
*Joe E. Hutton	*Equitable Securities Corp.*	Nashville, Tenn.
*Milton J. Isaacs	*Straus, Blosser & McDowell*	Chicago, Ill.
*D. Paul Jacoby	*Asiel & Co.*	New York, N. Y.
*Edward J. Kelly	*Carl M. Loeb, Rhoades & Co.*	New York, N. Y.
*Samuel M. Kennedy	*Yarnall, Biddle & Co.*	Philadelphia, Pa.
*Reginald J. Knapp	*G. C. Haas & Co.*	New York, N. Y.
*J. Edward Knob	*Drexel & Co.*	Philadelphia, Pa.
*Otto J. Koch, Jr.	*The Marshall Company*	Milwaukee, Wis.
*Pote Kosterman	*Black & Co., Inc.*	Portland, Ore.
*Joseph D. Krasowich	*Gregory & Sons*	New York, N. Y.
Nathan A. Krumholz	*Ogden, Wechsler & Krumholz*	New York, N. Y.
John Latshaw	*E. F. Hutton & Co.*	Kansas City, Mo.
*Seward N. Lawson	*Armstrong, Jones, Lawson & White*	Detroit, Mich.
*Gilbert M. Lothrop	*W. E. Hutton & Co.*	Boston, Mass.
*Alonzo H. Lee	*Sterne, Agee & Leach*	Birmingham, Ala.
*Edwin J. Markham	*Wertheim & Co.*	New York, N. Y.
Al Marcusson	*Investment Dealer's Digest*	New York, N. Y.
*Jerry F. Marquardt	*William A. Fuller & Co.*	Chicago, Ill.
*Earle C. May	*May & Co., Inc.*	Portland, Ore.
*George R. McAleer	*Dominick & Dominick*	New York, N. Y.
*Gerard A. McCue	*G. H. Walker & Co.*	Providence, R. I.
*John A. McCue	*May & Gannon, Inc.*	Boston, Mass.
Wm. J. McCullen	*Hess, Grant & Remington, Incorporated*	Philadelphia, Pa.
*C. Rader McCulley	*First Southwest Company*	Dallas, Texas
*James B. McFarland	*Stroud & Co., Inc.*	Philadelphia, Pa.
*John P. McGinty	*McDonald & Company*	Cleveland, Ohio
*George M. McVey	*Lehman Bros.*	New York, N. Y.
*John J. Meyers, Jr.	*Gordon Graves & Co.*	New York, N. Y.
*Don W. Miller	*Don W. Miller & Company*	Detroit, Mich.
*Peter E. Molloy	*White, Weld & Co.*	New York, N. Y.
*Paul I. Moreland	*Moreland & Co.*	Detroit, Mich.
*James G. Morford	*Hughbanks, Inc.*	Seattle, Wash.
*James F. Moriarty	*W. E. Hutton & Co.*	Cincinnati, Ohio
*Jack C. Morris	*Johnson, Lane, Space & Co.*	Atlanta, Ga.
*Francis W. Muetzel	*Walston & Co., Inc.*	San Francisco, Calif.
*E. D. Muir	*Dempsey-Tegeler & Co.*	San Antonio, Texas
*Martin Nelson	*Martin Nelson & Co., Inc.*	Seattle, Wash.
*John R. Nevins	*Lester, Ryons & Co.*	Los Angeles, Calif.
Barney Nieman	*Carl Marks & Co., Inc.*	New York, N. Y.
Harry J. Niemeyer	*Robert Garrett & Sons*	Baltimore, Md.
*John D. Ohlandt, Jr.	*New York Hanseatic Corp.*	New York, N. Y.
*Allen L. Oliver, Jr.	*Sanders & Company*	Dallas, Texas
*John P. O'Rourke	*J. P. O'Rourke & Co.*	Chicago, Ill.
*Richard E. Owen	*Kidder, Peabody & Co.*	Los Angeles, Calif.
*William T. Patten	*Blyth & Co., Inc.*	Seattle, Wash.
George F. Patton, Jr.	*George Patton Investment Company*	Portland, Ore.
*Richard J. Payne	*Walter C. Gorey Co.*	San Francisco, Calif.
Plato Pearson, Jr.	*R. S. Dickson & Co., Inc.*	Charlotte, N. C.
*Parks B. Pedrick, Jr.	*Howard Weil, Labouisse, Friedrichs & Co.*	New Orleans, La.
Gerald P. Peters, Jr.	*Peters, Writer & Christensen Incorporated*	Denver, Colo.
*Preston L. Phipps	*June S. Jones Co.*	Portland, Ore.
*Robert W. Pitt	*Blyth & Co., Inc.*	Portland, Ore.
*Paul Reed	*Simpson, Emery & Co.*	Pittsburgh, Pa.
*Clifford G. Remington	*Hess, Grant & Remington, Incorporated*	Philadelphia, Pa.
*Jack Rohde	*John R. Lewis, Inc.*	Seattle, Wash.
*Frank Ronan	*New York Hanseatic Corp.*	New York, N. Y.
*Edward A. Roob	*Saloman Bros. & Hutzler*	Chicago, Ill.
*James N. Russell	*J. N. Russell & Co., Inc.*	Cleveland, Ohio
*Morey D. Sachnoff	*Cook Investment Co.*	Chicago, Ill.
Arthur Salomon	*Salomon Bros. & Hutzler*	New York, N. Y.
*S. J. Sanders	*Foster & Marshall*	Seattle, Wash.
*Walter F. Schag	*Davis, Skaggs & Co.*	San Francisco, Calif.
*Charles G. Scheuer	*Wm. H. Tegtmeyer & Co.*	Chicago, Ill.
*Hugh R. Schlicting	*Wm. P. Harper & Sons & Company*	Seattle, Wash.
*James H. Scott	*Blyth & Co., Inc.*	Chicago, Ill.
*Louis Serlen	*Josephthal & Co.*	New York, N. Y.
*Harry Simmons	*Simmons, Rubin & Co., Inc.*	New York, N. Y.
*Larry W. Sisson	*Pacific Northwest Company*	Seattle, Wash.
*Elbridge H. Smith	*Stryker & Brown*	New York, N. Y.
*Joseph E. Smith	*Newburger & Co.*	Philadelphia, Pa.
*Russell K. Sparks	*Barret, Fitch, North & Co.*	Kansas City, Mo.
William H. Steen	*First Boston Corp.*	New York, N. Y.
*Andrew R. Steven, Jr.	*A. C. Allyn & Co.*	New York, N. Y.
*Derele H. Swails	*George Patten Investment Company*	Portland, Ore.
*George M. Tapp	*Doherty, Roadhouse & Co.*	Vancouver, B. C., Can.
*Edwin L. Tatro	*Edwin L. Tatro Company*	New York, N. Y.
Lester J. Thorsen	*Glore, Forgan & Co.*	Chicago, Ill.
*Robert M. Topol	*Greene & Company*	New York, N. Y.
John W. Turner	*Eppler, Guerin & Turner, Incorporated*	Dallas, Texas
*Edward V. Vallely	*John Nuveen & Co.*	Chicago, Ill.
Walter J. Vicino	*Kidder Peabody & Co.*	San Francisco, Calif.
T. M. Wakeley	*A. C. Allyn & Co.*	Chicago, Ill.
*Richard H. Walsh	*Newhard, Cook & Co.*	St. Louis. Mo.
*W. W. Webster	*Bateman, Eichler & Co.*	Los Angeles, Calif.
*John S. Weller	*The Weller Company*	Los Angeles, Calif.
*Morton Weiss	*Singer, Bean & Mackie, Inc.*	New York, N. Y.
*Richard A. Wernecke	*Burton J. Vincent & Co.*	Chicago, Ill.
*Jack B. Wielar	*Gregory & Sons*	New York, N. Y.
*Norman T. Wilde	*Janney, Dulles & Battles, Incorporated*	Philadelphia, Pa.
*Robert C. Williams	*Weeden & Co.*	Chicago, Ill.
*Harry J. Wilson	*Harry J. Wilson & Co.*	Chicago, Ill.
Philip M. Young	*Refsnes, Ely, Beck & Co.*	Phoenix, Ariz.
*W. J. Zimmerman	*Bingham, Walter & Hurry, Incorporated*	Los Angeles, Calif.

* Mr. & Mrs.

Chemical Industry's Rising Sales With "Hot and Cold" Earnings

New decade's "shaky" start, and impending disappointments to industry's shareholders, asserted by "Chemical and Engineering News." Current and comparative sales and earnings showing of individual companies analyzed, with impact of possible late-summer upturn in steel industry weighed.

Chemical industry sales rose in the first half of 1960, but "earnings are blowing hot and cold as the industry wades through this post-recovery year," reports the current issue of *Chemical and Engineering News*.

In about half the companies reporting on the six-month period, profit margins are lower this year than in 1959, according to the American Chemical Society weekly. "The new decade is off to a shaky start, and the results will disappoint many stockholders. Several managements explain that the lower profits are due to the higher cost of doing business today. Others point to downturns in the metals, building, and other industries," the magazine asserts, continuing:

"There should be some consolation in the fact that most chemical firms are turning in record sales for the first six months, which augurs record annual sales. Also, the profits for the first half are being compared to high levels established during a recovery year."

The chemical industry can draw encouragement, too, from the fact that economic barometers such as gross national product, personal income, and consumer spending are headed for record levels and point to 1960 as a satisfactory year for business in general, the magazine observes.

Impact of Possible Steel Industry Upturn

A late-summer upturn in the steel industry, it is pointed out, would mean a substantial gain over 1959 for the Allied Chemical Corporation, which already has set sales and earnings records in the second quarter of this year, at \$216.9 million and \$0.83 a share, respectively. Allied has reported a strong demand for nitrogen fertilizers and gains in sales of uranium hexafluoride, caprolactam, nylon fibers, pigments, and fluorocarbons over the 1959 second quarter, although the building materials season "continues to be disappointing."

For the Union Carbide Corporation, however, second quarter sales of \$376.3 million were lower than both the \$395 million figure for the first quarter of 1960 and the \$396.5 million for the second quarter a year ago. The latter figure was an all-time quarterly record for Carbide, which explains that it reflected abnormally high steel operations in anticipation of the steel strike. The decrease in sales and earnings for the second quarter of 1960, it is explained, resulted mostly from lower sales of alloys and electrodes to the steel industry.

Earnings of E. I. Du Pont de Nemours & Co. for the first six months of this year were down 9.5% compared to last year's first half, owing in part to lower prices for synthetic fibers, particularly nylon, the magazine continues. The textile industry, it is pointed out, accounts for about 30% of Du Pont's sales volume.

The American Cyanamid Company's sales and earnings for the first half of 1960 are the highest in the company's history, the report says, even though the second quarter earnings were \$11.9 million as compared with \$14.1 million for the same period in 1959.

Cyanamid explains that the record sales for the first quarter of 1960 resulted from the then high level of general business and higher than average sales of antibiotics. The concern's second-quarter drop is regarded as in keeping with the lower business level and seasonably lower pharmaceutical sales.

Both the Monsanto Chemical Company and the Hooker Electrochemical Company experienced lower net incomes for the first half of 1960, as compared to the same period in 1959. They attribute the decrease, says the report, to lower selling prices and to higher business costs, such as increased research, development, marketing and engineering expenses, and higher costs of labor and materials.

Companies which have enjoyed sharp increases in net income, according to *Chemical and Engineering News*, include the Diamond Alkali Company with a 23% gain in the 1960 six-month period over the same period in 1959, and the Koppers Company, Inc., with income up 45% as a result of more business in its engineering and construction division. The Commercial Solvents Corporation reported a 90% earnings increase, partly because of the discontinuance of write-offs against its investment in Northwest Nitro-Chemicals, Ltd., a Canadian affiliate. The Wyandotte Chemicals Corporation also gained in sales during the first half of 1960, and still has surplus capacity, says the report.

Building Firm's Stock Offered

Vickers, Christy & Co., Inc. and First City Securities, Inc., both of New York City offered 60,000 shares of Commonwealth Development & Construction Co. common stock (5 cents par) on July 25 at a price of \$5 per share.

The proceeds of the sale, estimated at \$225,000 after payment of underwriting expenses will be used for the purchase of 73 acres of additional land for development, road improvements, materials and supplies, and the balance of the proceeds for working capital.

The company is presently engaged in the construction of a housing project to consist of 100 single family homes in the Perkiomen Valley, Montgomery County, Pa. Its offices are located at 11th and Main Sts., Pennsburg, Pa.

Of the authorized 500,000 common shares, 137,000 shares will be outstanding at the completion of this offering.

Forms Jones & Co.

FT. SMITH, Ark.—Jones & Company, Inc. has been formed with offices at 500 South 19th Street to engage in a securities business. Richard A. Jones, Jr., is president. Mr. Jones was formerly with Raffensperger, Hughes & Co., Inc. of Indianapolis.

With F. I. duPont

John Makes has become associated as a registered representative with Francis I. du Pont & Co. office at 144 East 86th Street, New York, one of ten metropolitan offices maintained by the nation-wide security and commodity brokerage firm.

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. (9/26-30)
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.

★ Ajax Magnethermic Corp.
Aug. 17, 1960 filed 150,000 shares of common stock (no par), of which 50,000 shares are to be offered for the account of the company, and 100,000 shares for the present holders thereof. **Price**—To be supplied by amendment. **Business**—The production of a complete line of induction heating equipment. **Proceeds** — For working capital and general corporate purposes. **Office** — 3990 Simon Road, Youngstown, Ohio. **Underwriter**—Hayden, Stone & Co. of New York City (managing). **Offering**—Expected in late September.

★ Aldens Inc.
Aug. 24, 1960 filed $6,205,000 of convertible subordinated debentures, due Oct. 1, 1980, to be offered to holders of the outstanding common of record Sept. 30, 1960, on the basis of $100 of such debentures for each 14 common shares then held. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Chicago, Ill. **Underwriter** — Lehman Brothers, New York City.

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.

• Ameco Electronic Corp. (9/6-9)
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.

Continued on page 29

NEW ISSUE CALENDAR

August 26 (Friday)
Rotating Components, Inc.______Common
(S. Schramm & Co., Inc.) $300,000
Safticraft Corp.______Common
(George, O'Neill & Co., Inc.) $825,000
Waterman Products Co., Inc.______Common
(Stroud & Co.) $500,000

August 29 (Monday)
Arkansas Valley Industries, Inc.______Debentures
(A. G. Edwards & Sons) $400,000
Arkansas Valley Industries, Inc.______Common
(A. G. Edwards & Sons) 30,000 shares
Arnoux Corp.______Common
(Shearson, Hammill & Co.) 133,000 shares
Avionics Investing Corp.______Capital
(S. D. Fuller & Co.) $4,000,000
Bruce National Enterprises, Inc.______Common
(George, O'Neill & Co., Inc.) $2,010,000
Capital Investments, Inc.______Common
(The Marshall Co.) $660,000
Chemtree Corp.______Common
(Havener Securities Corp.) $262,750
Diversified Collateral Corp.______Common
(The Tager Co.) $300,000
Foto-Video Electronics Corp.______Class B
(Fund Planning, Inc.) $500,000
Mercantile Discount Corp.______Capital
(Rodman & Renshaw and H. M. Byllesby & Co., Inc.) 128,000 shares
Nucleonic Corp. of America______Common
(Bertner Bros. and Earl Edden Co.) $300,000
Terminal Electronics, Inc.______Capital
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $1,000,008
Wakefield Engineering, Inc.______Common
(Robert A. Martin Associates, Inc.) $300,000
Wenwood Organizations Inc.______Debentures
(Michael G. Kletz & Co., Inc.) $550,000
Whitmoyer Laboratories, Inc.______Common
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $510,000
Whitmoyer Laboratories, Inc.______Debentures
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $500,000

August 30 (Tuesday)
First Investors Corp.______Common
(Bache & Co.) 270,000 shares
Miami Tile & Terrazzo, Inc.______Common
(Floyd D. Cerf Jr. Co. Inc.) $437,500
Needham Packing Co.______Common
(Cruttenden, Podesta & Co.) 200,000 shares
Republic Steel Corp.______Debentures
(The First Boston Corp. and Merrill Lynch, Pierce, Fenner and Smith Inc.) $125,000,000

August 31 (Wednesday)
Electro-Tec Corp.______Common
(Harriman Ripley & Co., Inc.) 135,000 shares
Yardney Electric Corp.______Common
(Kidder, Peabody & Co.) 254,000

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

September 6 (Tuesday)
Ameco Electronic Corp.______Common
(Palombi Securities Co.) $300,000
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
Bristol Dynamics, Inc.______Common
(William David & Co., Inc.) $744,000
Central Charge Service, Inc.______Common
(Auchincloss, Parker & Redpath) 60,000 shares
Central Charge Service, Inc.______Debentures
(Auchincloss, Parker & Redpath) $2,000,000
Commercial Banking Corp.______Debentures
(Suplee, Yeatman, Mosley & Co., Inc.) $279,850
Dalto Corp.______Common
(No underwriting) 134,739 shares
Del Electronics Corp.______Common
(Standard Securities Corp. and Bruno-Lenchner, Inc.) $400,000
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
Edwards Engineering Corp.______Common
(Sandkuhl & Company, Inc.) $297,500
Lytton Financial Corp.______Capital
(William R. Staats & Co. and Shearson, Hammill & Co.) 354,000 shares
Majestic Utilities Corp.______Units
(Purvis & Co.) $300,000
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
Perkin-Elmer Corp.______Common
(Blyth & Co., Inc.) 100,000 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
Sealed Air Corp.______Common
(Bertner Bros. and Earl Edden Co.) $100,000
Softol, Inc.______Common
(Harwyn Securities, Inc.) $300,000
Strolee of California, Inc.______Common
(Federman, Stonehill & Co.; Mitchum, Jones & Templeton and Schweickart & Co.) $750,000
Sunbury Milk Products Co.______Common
(Hecker & Co.) $300,000
Telephone & Electronics Corp.______Common
(Equity Securities Co.) $264,900
Venture Capital Corp. of America______Common
(Filor, Bullard & Smyth, Hardy & Co., Sprayregen, Haft & Co. and Bregman, Cummings & Co.) $2,062,500
Willer Color Television System, Inc.______Common
(Equity Securities Co.) $242,670

September 7 (Wednesday)
Croft Carpet Mills, Inc.______Common
(A. J. Fredericks & Co., Inc.) $299,000
Fidelity Electronics Corp.______Common
(Metropolitan Securities, Inc.) $300,000
Vendo Co.______Conv. Debentures
(Offering to stockholders—underwritten by Kidder, Peabody & Co.) $5,250,000

September 12 (Monday)
Ennis Business Forms, Inc.______Common
(Kidder, Peabody & Co.) 74,546 shares
Fairmount Finance Co.______Common
(J. T. Patterson & Co., Inc.) $290,000
Heldor Electronics Manufacturing Corp.______Com.
(S. Schramm & Co., Inc.) $300,000
National Capital Corp.______Common
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $1,200,000
Sachar Properties, Inc.______Units
(Ross, Lyon & Co., Inc. and Globus, Inc.) $600,000
Triangle Lumber Corp.______Common
(Bear, Stearns & Co.) $1,102,400

September 13 (Tuesday)
Public Service Co. of Colorado______Cum. Preferred
(First Boston Corp.; Blyth & Co., Inc. and Smith, Barney & Co.) 150,000 shares
Virginia Electric & Power Co.______Bonds
(Bids 11 a.m. EDT) $25,000,000

September 14 (Wednesday)
Utah Power & Light Co.______Bonds
(Bids 11:30 a.m.) $16,000,000
Utah Power & Light Co.______Preferred
(Bids 12:30 p.m.) $10,000,000

September 15 (Thursday)
Boston Capital Corp.______Common
(Shearson, Hammill & Co.) $22,500,000
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
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
Wallace Press, Inc.______Common
(Shearson, Hammill & Co. and William Tegtmeyer & Co.) 184,435 shares

September 19 (Monday)
Hallicrafters Co.______Capital
(Paine, Webber, Jackson & Curtis) 300,000 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
Missouri Pacific RR.______Equip. Trust Ctfs.
(Bids 1:00 p.m.) $3,975,000
Reva Enterprises, Inc.______Common
(Blair & Co., Inc. and Chace, Whiteside & Winslow, Inc.) 200,000 shares

September 20 (Tuesday)
American Title Insurance Co.______Common
(A. C. Allyn & Co., Inc. and Bache & Co.) 301,884 shares
Missouri Public Service Co.______Common
(Offering to stockholders—underwritten by Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co.) 258,558 shares
Pik-Quik, Inc.______Common
(A. C. Allyn & Co., Inc.) 550,000 shares
Pioneer Finance Co.______Cumulative Preferred
(White, Weld & Co. and Watling, Lerchen & Co.) 125,000 shs.
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)

Brothers Chemical Co.________________Common
(Sandkuhl & Company, Inc.) $300,000

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)

Admiral Homes, Inc.______Convertible Debentures
(Arthurs, Lestrange & Co.) $400,000

Cavitron Corp. ________________________Common
(No underwriting) $600,000

Industrial Timer Corp.____________________Common
(G. H. Walker & Co. and C. E. Unterberg, Towbin & Co.) 75,000 shares

Lence Lanes, Inc._______________________Common
(Marron, Sloss & Co., Inc.) $1,050,000

Vitramon, Inc. __________________________Common
(G. H. Walker & Co.) 103,512 shares

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

September 30 (Friday)

Mohawk Insurance Co.__________________Common
(R. F. Dowd & Co., Inc.) $900,000

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) $30,000,000

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 1 (Tuesday)

Pacific Gas & Electric Co.________________Bonds
(Bids to be received) $60,000,000

November 3 (Thursday)

Georgia Power Co.________________________Bonds
(Bids to be invited) $12,000,000

November 16 (Wednesday)

Merrimack Essex Electric Co.___________Preferred
(Bids to be received) $7,500,000

December 6 (Tuesday)

Northern States Power Co. (Minn.)________Bonds
(Bids to be invited) $35,000,000

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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 Playlands Corp.**
Aug. 22, 1960 filed 300,000 shares of common stock. **Price**—$4 per share. **Business**—The company intends to operate an amusement and recreation park on 196 acres of land near Liberty, N. Y. **Proceeds**—For development of the land. **Office**—55 South Main St., Liberty, N. Y. **Underwriter**—M. W. Janis Co., Inc., New York City.

● **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, 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. **Office**—60 E. 42nd St., New York City. **Underwriter**—A. J. Gabriel Co., Inc., New York City.

● **American Title Insurance Co. (9/20)**
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).

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. (8/29)**
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** $7 per share. **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. **Offering**—Expected sometime in October.

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. (9/15)**
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).

● **Bristol Dynamics, Inc. (9/6-9)**
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.

● **Brothers Chemical Co. (9/21-23)**
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. (8/29-9/2)**
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.

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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.

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. (9/6-9)**
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.**
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. **Offering**—Expected in late September.

● **Chemical Packaging Co., Inc.**
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. **Note**—The underwriter states that the company has withdrawn the letter.

● **Chemtree Corp. (8/29-9/2)**
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.

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.

★ **Clark Cable Corp.**
Aug. 23, 1960 filed 222,500 shares of common stock, of which 127,500 shares are to be offered for the account of the issuing company and 95,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—$4 per share. **Proceeds** — To reduce indebtedness, with the balance for working capital. **Office** — Cleveland, O. **Underwriter**—Robert L. Ferman & Co., Miami, Fla. (managing).

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.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

● **Commercial Banking Corp. (9/6-9)**
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. (9/7)**
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.

★ **Crown Photo, Inc.**
Aug. 17, 1960 filed 100,000 shares of common stock. **Price**—$8 per share. **Business**—Processing and printing photographic film. **Proceeds**—Repayment of loans, expansion of facilities, and the balance for working capital. **Office**—3132 M St., N. W., Wash., D. C. **Underwriter**—Johnston, Lemon & Co., Wash., D. C.

● **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. **Offering**—Expected sometime in October.

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.

★ **Daffin Corp.**
Aug. 22, 1960, filed 150,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Business**—The company makes agricultural implements, feed grinding and mixing equipment for the livestock industry, and conveying and seed cleaning equipment. **Proceeds**—To selling stockholders. **Office**—Hopkins, Minn. **Underwriters**—Lehman Brothers, New York City, and Piper, Jaffray & Hopwood, Minneapolis, Minn. (managing).

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. (9/6-9)**
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. (9/6-9)**
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.

★ **Detroiter Mobile Homes, Inc.**
Aug. 17, 1960 filed 250,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture and sale of mobile homes. **Proceeds**—Approximately $1,000,000 to be invested in the capital stock of its wholly-owned subsidiary Mobile Home Finance Co., and the balance to be added to the general funds for inventory and accounts receivable. **Office**—1517 Virginia St., St. Louis, Mo. **Underwriter**—Hornblower & Weeks of New York City (managing). **Offering**—Expected in early October.

Detroit Tractor, Ltd.
May 26 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed $3 per share. **Proceeds**—To be applied to the purchase of machine tools, payment of $95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

Diversified Collateral Corp. (8/29-9/2)
July 26, 1960 filed (with the SEC in Atlanta) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Mortgage financing in Florida. **Proceeds**—For additional working capital. **Office**—Miami Beach, Fla. **Underwriter**—The Tager Co., 1271 6th Ave., New York City.

Diversified Realty Investment Co.
April 26 filed 250,000 shares of common stock. **Price**—$5 per share (par 50 cents). **Proceeds** — For additional working capital. **Office**—919 18th Street, N. W., Washington, D. C. **Underwriter**—Ball, Pablo & Co., Washington, D. C.

Drug Associates, Inc.
May 6 (letter of notification) 100 units of $100,000 of 7% sinking fund debenture bonds and 10,000 shares of common stock (par $1) to be offered in units consisting of one $1,000 debenture and 100 shares of common stock. **Price**—$1,100 per unit. **Proceeds**—For general corporate purposes. **Office**—1238 Corlies Ave., Neptune, N. J. **Underwriter**—Fidelity Securities & Investment Co., Inc., Asbury Park, N. J.

● **Dunbar Development Corp.**
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. **Offering**—Imminent.

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 3 shares 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. (9/6)**
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.

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.

● Electromagnetic Industries, Inc.
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. **Offering**—Imminent.

● Electronic Specialty Co.
June 2 filed 150,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds in anticipation of capital requirements, possibly to include acquisitions. **Office**—5121 San Fernando Road, Los Angeles, Calif. **Underwriters**—Reynolds & Co., Inc. of New York City and Bateman, Eichler & Co. of Los Angeles, Calif. **Offering**—Indefinitely postponed.

● Electro-Tec Corp. (8/31)
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. (9/12-16)
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.

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. (9/7)
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. (8/30)
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.

● 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. is no longer involved in the underwriting. New underwriter is Arthur B. Hogan, Inc., North Hollywood, Calif.

● 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. Also filed were 120,000 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. **Offering**—Expected in late September.

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.

★ Franklin Discount Co.
Aug. 23, 1960, filed $300,000 of 8% subordinated convertible debentures, due serially 1966-1968, and $300,000 of 8% subordinated capital notes due eight years, eight months and eight days after date of issue. **Prices**—At par. **Business**—The company is engaged in the consumer finance or small olan business, and, to a lesser extent, in the purchasing of car, boat, and appliance installment sales contracts from dealers. **Proceeds**—For general corporate purposes. **Office**—105 North Sage Street, Toccoa, Ga. **Underwriter**—None.

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 mid-September.

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).

★ Geographic Educationals, Inc.
Aug. 11, 1960 letter of notification 30,000 shares of 8% preferred stock and 30,000 shares of common stock. **Price**—Of preferred, at par ($5 per share) and common at par ($1 per share). **Proceeds**—For production of travel films. **Office**—Room 15, 711 Fremont St., Las Vegas, Nev. **Underwriter**—None.

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).

★ Glickman Corp.
Aug. 19, 1960 filed 400,000 shares of class A common stock (par $1). **Price**—$10 per share. **Business**—The company, organized in May, 1960, plans to engage in the real estate business. **Proceeds** — For general corporate purposes. **Office**—565 Fifth Ave., New York City. **Underwriter**—To be named by amendment.

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.

Greenbelt Consumer Services, Inc.
April 28 filed 40,000 shares of series A common stock and 160,000 shares of series B common stock. **Price**—$10 per share. **Proceeds**—$400,000 will be used in payment of bank loans made in January to finance the purchase of equipment for two new supermarkets which are planned to be opened in May and June, 1960. Approximately $200,000 will be used for the purchase of inventory for the two new stores. The company contemplates opening four additional supermarkets within the next two and one-half years. Approximately $1,200,000 of the proceeds of the offering will be used to finance the purchase of equipment and inventory for such stores. The balance of approximately $182,000 will be added to general working capital. **Office**—10501 Rhode Island Ave., Beltsville, Md. **Underwriter**—None.

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, repre-

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senting 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).

★ Harrington Homes Corp.
Aug. 9, 1960 (letter of notification) 250,000 shares of common stock. **Price**—At par ($1 per share). **Office**—940 Willow Rd., Menlo Park, Calif. **Underwriter**—None.

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. (9/12-16)
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.

★ Hilltop, Inc.
Aug. 17, 1960 filed $1,650,000 of 6% subordinated debentures, due 1980, and 1,650 shares of class A common stock, to be offered in units of one $1,000 debenture and one class A share. **Price** — To be supplied by amendment. **Business**—The principal business of the company, which was organized under Kansas law in June, 1959, will be the owning, acquiring, improving, developing, selling, and leasing of improved and unimproved real property. **Proceeds**—To reduce funded debt. **Office**—401 Columbian Bldg., Topeka, Kan. **Underwriter**—None.

Home Builders Acceptance Corp.
July 15, 1960 filed 1,000,000 shares of common stock (par 50c). **Price**—$1 per share. **Business**—The company is engaged in real estate financing and lending. **Proceeds** —For general corporate purposes. **Office** — 409 N. Nevada, Colorado Springs, Colo. **Underwriter**—None.

● Honey Dew Food Stores, Inc.
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. **Offering**—Expected sometime in October.

● I C Inc.
June 29 filed 600,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo. **Offering**—Expected in early October.

● I. D. Precision Components Corp.
June 29, 1960, (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office** — 89-25 Van Wyck Expressway, Jamaica 35, N. Y. **Underwriter** —R. A. Holman & Co., Inc., New York, N. Y. **Offering**—Expected sometime in September.

● Illinois Beef, L. & W. S., Inc.
April 29 filed 200,000 shares of outstanding common stock. **Proceeds**—To selling stockholders. **Price**—$10 per share. **Office**—200 South Craig Street, Pittsburgh, Pa. **Underwriters**—Amos Treat & Co., Inc., New York, and Bruno Lenchner, Inc., Pittsburgh, Pa. **Offering**—Expected sometime in October.

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. (9/26-30)
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).

● 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. **Offering**—Expected in mid-October.

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. **Proceeds**—For repayment of outstanding debt, for instrumentation and automation of laboratory equipment, for expansion of existing manufacturing facilities and the acquisition or establishment of additional facilities, and the balance for working capital. **Office**—18 Beechwood Avenue, Port Washington, N. Y. **Underwriters**—Morris Cohon & Company and Schrijver & Co., both of New York.

★ Kaynar Inc.
Aug. 24, 1960 filed 300,000 shares of common stock, of which 100,000 shares are to be offered for the account of the issuing company and 200,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—Pico-Rivera, Calif. **Underwriter** — William R. Staats & Co., Los Angeles, Calif.

Kent Publishing Co., Inc.
July 20, 1960 (letter of notification) 50,000 shares of common stock (par $1). **Price**—$1.10 per share. **Proceeds** —To retire a short term note and for general corporate purposes. **Office**—619 Southeastern Bldg., Greensboro, N.C. **Underwriter**—McCarley & Co., Inc., Asheville, N.C.

● Kings Electronics Co., Inc. (9/19-23)
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.

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. (9/26-30)
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).

Liberian Iron Ore Ltd.
May 19 joined with The Liberian American-Swedish Minerals Co., Monrovia, Liberia, in the filing of $15,000,000 of 6¼% first lien collateral trust bonds, series A, due 1980, of Lio, $15,000,000 of 6¼% subordinated debentures due 1985 of Lio, an unspecified number of shares of Lio capital stock, to be offered in units. The units will consist of $500 of collateral trust bonds, $500 of debentures and 15 shares of capital stock. **Price**—For units, to be supplied by amendment, and not to be in excess of par. **Proceeds**—To make loans to Lamco. **Office** —97 Queen St., Charlottetown, Prince Edward Island, Canada, N. S **Underwriter**—White, Weld & Co., Inc., New York. **Note** — This offering has temporarily been postponed.

Lifetime Pools Equipment Corp.
July 1, 1960, filed 100,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—Engaged in the manufacture and selling of fiber glass swimming pools. **Proceeds**—$125,000 will be used to purchase machinery and equipment; $200,000 to purchase raw materials, parts and components; $40,000 for sales and advertising promotion; $30,000 for engineering and development; and the balance will be added to working capital. **Office**—Renovo, Pa. **Underwriter**—First Pennington Corp., Pittsburgh, Pa.

★ Lithium Corp. of America, Inc.
Aug. 19, 1960 filed $2,300,000 of convertible subordinated debentures, due 1970. **Price**—To be supplied by amendment, but the new debentures will first be offered in exchange for $925,000 of outstanding 5% convertible debentures maturing in 1964. **Proceeds**—For construction, liquidation of bank debt, replacement of working capital, and the purchase of mining equipment. **Office**—500 Fifth Ave., New York City. **Underwriters** — Bear,

Stearns & Co. and John H. Kaplan & Co., both of New York City (managing). **Offering**—Expected in early October.

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. (9/6-9)**
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.

● **Mercantile Discount Corp., Chicago, Ill. (8/29-9/2)**
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.

★ **Mercury Horseshoe Co.**
Aug. 8, 1960, (letter of notification) 12,000 shares of common stock. **Price**—At par ($25 per share). **Proceeds**—For the purchase of raw materials, tools and dies, business expenses, etc. **Office**—12 E. 21st St., Baltimore 18, Md. **Underwriter**—None.

● **Metropolitan Development Corp.**
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. **Offering**—Indefinitely postponed.

● **Miami Tile & Terrazzo, Inc. (8/30)**
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.

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. (9/30)**
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.

★ **Nafi Corp.**
Aug. 23, 1960 filed $7,500,000 of 20-year convertible subordinated debentures due 1980. **Price**—To be supplied by amendment. **Proceeds**—To pay part of instalment to become due for the purchase of Chris-Craft stock. **Office**—527 23rd Ave., Oakland, Calif. **Underwriters**—Shields & Co. and Lehman Brothers, both of New York City (managing). **Offering**—Expected in late September.

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. (9/12-16)**
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 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 pending FPC approval for the company to acquire the Peoples Gulf Coast Natural Gas Pipeline Co.

● **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 pending FPC approval for the company to acquire the Peoples Gulf Coast Natural Gas Pipeline Co.

● **Navajo Freight Lines, Inc.**
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). **Offering** — Expected sometime in September.

● **Needham Packing Co. (8/30)**
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, Ill.

★ **North American Mortgage & Development Corp.**
Aug. 19, 1960 filed 412,500 shares of common stock. **Price**—$5 per share. **Business**—The company was organized in December 1959 for the purpose of acquiring ownership of acreage land to be developed for commercial and residential use. **Proceeds**—For general corporate purposes. **Office**—220 K Street, N. W., Washington, D. C. **Underwriter**—None.

★ **North American Premium Plan Corp.**
Aug. 17, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price** — $2.20 per share. **Business**—Insurance premium financing. **Proceeds**—To liquidate a demand note; finance new business; expand facilities; purchase of additional equipment and for advertising and general promotion of new business. **Office**—8516—17th Ave., Brooklyn, N. Y. **Underwriter**—None.

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.

★ **Nupack Corp.**
Aug. 12, 1960 (letter of notification) 93,574 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For working capital. **Address**—Reinbeck, Iowa. **Underwriter**—R. G. Dickinson & Co., Des Moines, Iowa.

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. **Information Meeting**—Scheduled for Sept. 19 at 3:30 p.m.

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. (9/6-7)
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 mid-September.

★ **Photogrammetry, Inc.**
Aug. 10, 1960 (letter of notification) 13,000 shares of common stock (par $1). **Price**—$3.50 per share. **Proceeds**—For retirement of a short term note and working capital. **Office** — 922 Burlington Ave., Silver Spring, Md. **Underwriter**—First Investment Planning Co., Washington, D. C.

● **Pik-Quik, Inc. (9/20)**
July 27, 1960 filed 550,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—

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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.

● Pioneer Finance Co. (9/20)
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.

★ Polytronics aboratories, Inc.
Aug. 19, 1960, (letter of notification) 150,000 shares of class A stock (par 10 cents). **Price**—$1 per share. **Business**—The manufacture and sale of two way radios. **Proceeds**—For general corporate purposes; research and development and inventory investment to produce an amateur band transciever; research and development and inventory investment in a new product in the two-way radio field; to purchase new test equipment; for working caiptal and to pay the cost of acquiring expanded facilities. **Office**—253 Crooks Avenue, Clifton, N. J. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y. **Offering**—Expected sometime in September.

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 indebtedness and for working capital. **Office** — 1645 Hennepin Ave., Minneapolis, Minn. **Underwriter** — Craig-Hallum, Inc., Minneapolis, Minn.

★ Preferred Risk Life Assurance Co.
Aug. 18, 1960 filed 300,000 shares of common stock. **Price**—$5 per share. **Proceeds** — For general corporate purposes. **Office** — 20 East Mountain St., Fayetteville, Ark. **Underwriter**—Preferred Investments, Inc., a subsidiary of the issuer.

Progress Electronics Corp.
Aug. 3, 1960 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—To develop and produce proprietary items in the electronics field. **Office**—1240 First Security Building, Salt Lake City, Utah. **Underwriter**—Jacoby, Daigle & Werner, Inc., Los Angeles, Calif.

★ Public Service Co. of Colorado (9/13)
Aug. 18, 1960 filed 150,000 shares of cumulative preferred stock (par $100). **Price** — To be supplied by amendment. **Proceeds** — For construction. **Office** — 900 Fifteenth St., Denver, Colo. **Underwriters**—First Boston Corp., Blyth & Co., Inc., and Smith, Barney & Co., all of New York City (managing).

● Puritron Corp. (9/1)
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).

● 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. **Offering**—Expected in late September or early October.

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.

● 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 is no longer the agent for the sale of these securities.

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).

★ Riddle Airlines, Inc.
Aug. 19, 1960 filed $2,250,000 of 6% subordinated convertible debentures. **Price**—At 100% of principal amount. **Proceeds** — To be used as operating capital to fulfill M. A. T. S. contract, and to acquire aircraft. **Office**—International Airport, Miami, Fla. **Underwriter**—James H. Price & Co., Coral Gables, Fla., and New York City.

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.

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. (8/26-9/2)
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.

● Sackar Properties, Inc. (9/12-16)
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. (8/26)
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. (9/6-9)
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. (9/6-9)
June 17, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For general corporate purposes. **Office** — 992 Springfield Ave., Irvington, N. J. **Business**—The company manufactures cosmetics and toiletry items. **Underwriter**—Harwyn Securities, Inc., 1457 Broadway, New York 36, N. Y.

Sonex, Inc.
June 29, 1960 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—For machinery, cost of moving and leasehold improvements and working capital. **Office**—185 W. Schoolhouse Lane, Philadelphia 44, Pa. **Underwriter** — Hess, Grant & Remington, Inc., Philadelphia, Pa.

Sottile, Inc. (Formerly South Dade Farms, Inc.)
July 29 filed 2,000,000 shares of common stock (par $1), of which 1,543,000 shares are to be issued and sold for the account of the company, and 457,000 shares, representing outstanding stock, to be sold for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To retire 70% of the common stock outstanding at the date of the stock offering; to invest in the capital stocks of six of the company's seven bank subsidiaries; to repay a bank loan of $6,400,000: to add to working capital: to retire certain long-term indebtedness: and to develop citrus groves. **Office**—250 South East First Street, Miami, Fla. **Underwriter**—Bear, Stearns & Co., New York. **Offering**—Indefinite.

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.**
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. **Offering**—Expected in mid-September.

Sprayfoil Corp.
June 22, 1960, filed 250,000 shares of common stock. **Price**—$2 per share. **Proceeds**—Approximately $250,000 will be used in the development, engineering and design of new products, approximatly $150,000 will be used in the manufacture of the products of the company and for the purchase of necessary tools and equipment, and approximately $93,443 will be added to the company's working capital. **Business**—The company engages in the development, engineering and exploitation of products and uses applying the principles incorporated in patents covering the so-called "Coanda airfoil technique" of atomizing liquids. **Office**—2635 Louisiana Ave., South, Minneapolis, Minn. **Underwriter**—None.

★ **Still-Man Manufacturing Corp.**
Aug. 22, 1960 filed 150,000 outstanding shares of class A stock (par 75 cents). **Price**—To be supplied by amendment. **Business** — The company makes heating elements for small appliances and components for major appliances, and related items. **Proceeds**—To selling stockholders. **Office**—429-33 East 164 St., New York City. **Underwriter**—Francis I. duPont & Co., New York City. **Offering**—Expected in late September or early October.

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. (9/6-9)**
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.

● **Sunbury Milk Products Co. (9/6-9)**
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.

★ **Sunset House Distributing Corp.**
Aug. 22, 1960 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is in the retail mail order business selling general merchandise throughout the country. **Proceeds** — To Leonard P. Carlson, the issuer's president, selling stockholder. **Office**—3650 Holdredge Ave., Los Angeles, Calif. **Underwriter** — Crowell, Weedon & Co., Los Angeles, Calif.

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.

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. (9/6-9)**
Aug. 18, 1960 (letter of notification) 52,980 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Business**—Electronic communications equipment and automatic, loud-speaking telephone. **Office**—7 East 42nd St., New York 17, N. Y. **Underwriter**—Equity Securities Co., New York, N. Y.

★ **Tele-Tronics Co.**
Aug. 10, 1960 (letter of notification) 100,000 shares of common stock (par 40 cents). **Price**—$3 per share. **Proceeds**—For plant expansion, additional machinery, acquisition of new facilities and working capital. **Office**—180 S. Main St., Ambler, Pa. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

● **Temperature Engineering Corp.**
Aug. 10, 1960 filed 135,000 shares of common stock (par 25 cents). **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.**
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, has withdrawn as underwriter. New underwriter is to be named.

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. (8/29-9/2)**
June 24, 1960, filed 166,668 shares of capital stock (par 25 cents), of which 83,334 shares are to be offered for public sale for the account of the issuing company and the balance for the account of William Filler, President. **Price**—$6 per share. **Proceeds**—$190,000 is to be used to pay the remaining balance of its obligation incurred in connection with the purchase of Terminal stock from the Estate of Frank Miller; $100,000 to repay a bank loan; and the balance for general corporate purposes, including the obtaining and equipping of an additional retail outlet. **Business**—Wholesale and retail distribution of retail electronics parts and components. **Office**—236-246 17th Street, New York. **Underwriters**—J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc., both of New York. **Note**—Name is to be changed to Terminal-Hudson Electronics, Inc. upon effectiveness of a merger with Hudson Radio & TV Corp., which will take place if and when all of the shares offered hereby are sold.

Three-L-Corp.
March 24 filed 3,500,000 shares of common stock. **Price**—$1 per share. **Proceeds**—$46,098 will be applied to the acquisition of 493 acreas of land in Fairfield Township, Hyde County, and $15,000 for payment of the July instalment on acquisition of about 12,726 acres in Hyde County; $500,000 for purchase and installation of machinery, equipment and saw mill and $75,000 for working capital in connection with lumber operations; $65,000 for January 1961 instalment payment on the 12,726 acres; and the balance to purchase livestock, planting feed and pasture, raising livestock, and additional working capital. **Office**—Fairfield, N. C. **Underwriter**—Participating dealers will receive 15 cents per share.

★ **Thunder Mountain Skiing, Inc.**
Aug. 11, 1960 (letter of notification) 27,500 shares of common stock (par $1). **Price**—$10 per share. **Proceeds**—For building and equipping a ski lodge. **Office**—4 Putnam Hill, Greenwich, Conn. **Underwriter**—None.

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.

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.

● **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, two such warrants (for the purchase of an aggregate of 50 shares) 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. (9/12-16)**
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).

★ **Trout Mining Co.**
Aug. 22, 1960 filed 296,579 shares of (no par) common stock (with warrants), to be offered to holders of the outstanding common on the basis of four new shares for each five shares held. **Price**—$1 per share. **Business**—The company is engaged in the mining of silver, lead, zinc, and manganese dioxide. **Proceeds**—For working capital, to repay a bank loan, and for exploration and development of ore bodies. **Office**—233 Broadway, New York City. **Underwriter**—None.

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 mid-to-late 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 Electrodynamics, Inc.**
Aug. 22, 1960 filed 169,500 shares of common stock, of which 156,000 shares are to be offered for the account of the issuing company and 13,500 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The company is engaged primarily in the development and manufacture of electronic measurement instruments, and in nuclear detection work relating to the earth sciences. **Proceeds** — To liquidate $800,000 of bank indebtedness, with the balance for general funds. **Office**—200 Allendale Road, Pasadena, Calif. **Underwriter** — William R. Staats & Co., Los Angeles, Calif. (managing).

★ **United Pacific Aluminum Corp.**
Aug. 24, 1960 filed $7,750,000 of convertible subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, the proceeds will be used to pay for the erection of a primary aluminum reduction facility. **Office** — Los Angeles, Calif. **Underwriter**—Straus, Blosser & McDowell, Chicago, Ill. (managing).

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.

U. S. Photo Supply Co., Inc.
June 23, 1960, (letter of notification) 120,000 shares of common stock (par 50 cents). **Price**—$2.50 per share. **Proceeds**—To pay debts and increase line of credit. **Office**—6478 Sligo Mill Road, Washington 12, D. C. **Underwriter**—Balogh & Co., Washington, D. C.

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● 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, at 11:30 a.m. for the bonds, and 12:30 p.m. for the preferred. **Information Meeting**—Scheduled for Sept. 12 at 2 Rector St., New York City at 2:00 p.m.

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. (9/7)
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 at 11:00 a.m. (EDT). **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. (9/26-30)
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. (8/29)
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. (9/15)
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).

● Waterman Products Co., Inc. (8/26)
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. (8/29-9/2)
June 17, 1960 filed $550,000 of 7½% subordinated sinking fund debentures due July, 1970 (with common stock purchase warrants). **Price**—100% of principal amount. **Proceeds**—$100,000 will be used for payment of a bank loan incurred to help finance the disposal plant and an estimated additional $50,000 to complete the plant; $109,000 to retire 10% debentures issued in payment of certain obligations of the company for services rendered; $25,000 for a sales program in connection with the Florida homes; and the balance for working capital to finance the continued development of the residential community in Sarasota and the construction of homes in West Palm Beach, and the development of a shopping center in Selden, L. I. **Office**—526 North Washington Blvd., Sarasota, Fla. **Underwriter**—Michael G. Kletz & Co., Inc., New York.

★ West Coast Telephone Co.
Aug. 22, 1960 filed 125,000 shares of common stock (par $10). **Price**—To be supplied by amendment. **Proceeds**—For construction. **Office** — 1714 California St., Everett, Wash. **Underwriter**—Blyth & Co., New York City (managing). **Offering**—Expected in late 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. (8/29-9/2)
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. (9/6-9)
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. (8/31)
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 $13,000,000 of first mortgage bonds in the first quarter of 1961. **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.

★ Carolina Metal Products Co.
Aug. 23, 1960, it was reported that registration is expected in September of the company's first public offering, consisting of 100,000 shares of common stock. **Price** — $5 per share. **Business** — The company is a primary manufacturer of aluminum siding. **Proceeds**—For new machinery, with the balance to working capital. **Office** — 2 Gateway Center, Pittsburgh, Pa. **Underwriter** — Arnold, Wilkins & Co., 50 Broadway, New York City.

★ Circle Controls Corp.
Aug. 20, 1960 it was reported that a letter of notification is expected covering 75,000 shares of common stock. **Proceeds** — For general corporate purposes, including expansion and the establishment of sales organizations. **Office**—Vineland, N. J. **Underwriter**—L. C. Wegard & Co., Levittown, N. J. **Registration**—Expected in September.

● Citizens & Southern Small Business Investment Co.
Aug. 5, 1960 it was reported that the company is now contemplating a public offering of its securities, possibly $1½ million of common stock. **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 soon. **Proceeds**—For general corporate purposes. **Office**—Miami, Fla. **Underwriter**—Plymouth Securities Corp., New York City.

★ Dynacolor Corp.
Aug. 22, 1960 it was reported that new financing will take place in November or December. **Office**—1999 Mt. Read Blvd., Rochester, N. Y. **Underwriter**—The company's initial financing was handled by Lee Higginson 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 between 10:00 a.m. and 12 noon, in room 1600, 250 Park Ave., New York City.

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.

★ **Lone Star Gas Co.**
Aug. 3, 1960, it was reported that about $37,000,000 will be raised to cover capital requirements over the next year. **Office**—301 So. Harwood Street, Dallas 1, Texas.

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. (11/16)**
July 19, 1960, it was reported that this subsidiary of the New England Electric System plans to sell an initial series of $7,500,000 of preferred stock. **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. **Bids**—Expected to be received on Nov. 16. **Information Meeting**—Scheduled for Nov. 4.

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 up to 1:00 p.m.

★ **National Airlines**
Aug. 23, 1960, it was reported that about $20,000,000 of new financing, possibly in the form of one $100 convertible debenture for each seven shares of common held, is expected. **Business**—National Airlines is the country's 10th largest air carrier, based on 1959 operating revenues. **Office**—Miami, Fla.

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 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 Gas & Electric Co. (11/1)**
Aug. 24, 1960, it was announced that the California utility intends to sell $60,000,000 of first and refunding mortgage bonds. **Proceeds**—For general corporate purposes, including the payment of bank loans incurred for expansion, which expense will approximate $152,000,000 in 1960. **Office**—245 Market Street, San Francisco 6, Calif. **Underwirter**—To be determined by competiitive bidding. Probable bidders: Blyth & Co., Inc., and First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly). **Bids**—Expected to be received on Nov. 1.

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 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.

Continued on page 38

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● San Diego Gas & Electric Co. (10/4)
Aug. 10, 1960 it was reported that $30,000,000 of bonds is expected to be sold. **Proceeds**—For the repayment of bank loans and for construction. **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).

★ Scharco Manufacturing Co.
Aug. 20, 1960 it was reported that a letter of notification is imminent covering 60,000 shares of common stock. **Proceeds**—For general corporate purposes, including acquisitions and expansion. **Business** — The firm makes baby carriages, play pens, and related items. **Office**—Mt. Vernon, N. Y. **Underwriter** — L. C. Wegard & Co., Levittown, N. J.

(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.

★ Southwestern Public Service Co.
Aug. 9, 1960, it was reported that in February, 1961, the company expects to offer about $12,000,000 in bonds and about $2,000,000 in preferred stock, and that about one year thereafter a one-for-twenty common stock rights offering is planned, with the new shares priced about 6½% below the then existing market price of the common. **Office**—720 Mercantile Dallas Building, Dallas 1, Texas.

Tennessee Valley Authority
Jan. 20 announced that, pursuant to August, 1959, authorization from Congress to have $750,000,000 of revenue bonds outstanding at any one time, it plans its first public offering, expected to be about $50,000,000, for sometime in the Fall. May 13 it was announced that about $50,000,000 of additional revenue bonds will be offered in the Spring of 1961. The type of bond issued will depend on market conditions. **Proceeds**—To finance construction of new generating capacity. Power Financing Officer: G. O. Wessenauer. Financial Advisor: Lehman Brothers. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., First National City Bank of New York, Equitable Securities Corp. and Smith, Barney & Co. (jointly); First Boston Corp., Lazard Freres & Co., Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler (jointly); Chase Manhattan Bank and Morgan Guaranty Trust Co. of N. Y. (jointly); and Blyth & Co. and J. C. Bradford & Co. (jointly).

★ Thermadyne
Aug. 20, 1960 it was announced that a letter of notification is expected covering 75,000 shares of common stock. **Business**—The company makes and distributes plastics and resins for the missile, electronic, and boating industries. **Office**—Hialeah, Fla. **Underwriter**—L. C. Wegard & Co., Levittown, N. J. **Registration**—Expected in September.

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.

★ Vogue Instrument Corp.
Aug. 24, 1960, it was reported that a Regulation "A" filing is expected during the week beginning Aug. 29. **Business**—The corporation makes electronic components and potentiometers. **Office** — 381 Empire Boulevard, Brooklyn, N. Y. **Underwriter**—S. S. Samet & Co., Inc., 170 Broadway, New York City.

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.

★ Winona Wood Products Co.
Aug. 24, 1960, it was reported that a full filing of class A common stock is contemplated. **Business**—The company makes wood cabinets for household and industrial use. **Office**—Winona, N. J. **Underwriter**—Metropolitan Securities Inc., Philadelphia, Pa. **Registration**—Expected in late October.

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.

OBSERVATIONS...

Continued from page 5

race tracks the "house take" is up at fifteen and three-quarters percent—and hence shunned by many professionals.)

In the case of the odds against the market trader, in the form of brokerage commissions and taxes, they are much greater. The commission charges alone for a round-trip (purchase and sale) on a $25 stock amount to 2.77% to which "House Take" the much larger income tax "cut" up to 74% (specified below) must be added.

Actually analogous is the use of the Stop Order to the roulette player's or crap shooter's frequent routine of "drawing down" on winnings while they are continuing, and of quitting after a stated amount has been lost (with Monte Carlo's Bank nevertheless remaining unbroken).

"Flexibility" or Vagueness

Practical use of Mr. Darvas' Stop Order *policy*, if he has one, by his readers is impossible, since he confines himself to vagueness or "flexibility" (same thing) on this cardinal point. ("The relationship between the price and his stop-loss point was a very flexible [sic] one, since it depended on many variable factors." (Since intuition or ear-playing ability are not transferable, and in view of the probable non-recurrence of some unique attending market factors, we will base our conclusions on the past objective market record. (Perhaps the Stock Exchange will come through with a more elaborate and complete study of results achievable from the use of this favored gadget.)

Both bullish and bearish markets are bound to register whip-sawing of the stop-loss trader. At the very least, the stock's great long-term rise gets sabotaged by the frenetic traders chasing new gains, after taking short-term losses. The trees are mistaken for the forest.

Stop-Order Interference

The long-term pattern of vulnerability to stop-loss interference is typically demonstrated in the accompanying chart of the 15-year market price history of Minnesota Mining.

The interference from the stop order in the case of this and other representative issues is spelled out in the following table of their highs and lows (adjusted for splits and major stock dividends) in each of the past 12 years.

Minnesota Mining

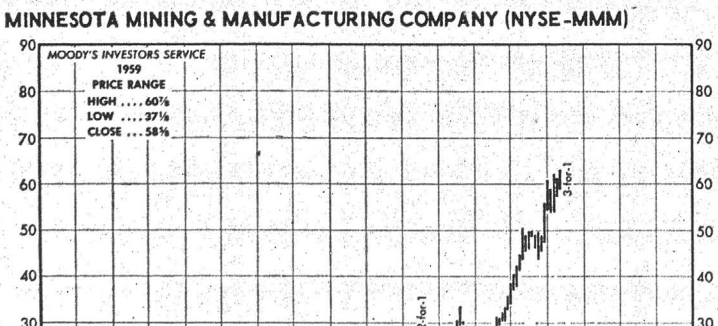
	Year's High	Date	Year's Low	Date
1949	4	Dec 14	2	Jun 10
1950	6	Nov 28	4	Nov 28
1951	9	May 4	6	Feb 20
1952	8	Dec 2	6	May 3
1953	10	Dec 3	7	Apr 6
1954	15	Dec 21	9	Jun 6
1955	19	Jun 15	13	Jan 6
1956	25	May 10	17	Sep 26
1957	33	July 9	19	Feb 18
1958	38	Dec 9	24	Feb 25
1959	60	Nov 30	37	Jan 8
1960 to date	88	Jun 17	65	May 11
Current		77		
10-year gain		1825%		

From this record, which in each year typically shows a price below the preceding year's high, it is clear that this issue's rise of 1825% would have been repeatedly interrupted, if not partly or entirely missed, by reason of temporary intervals of "poor market action" calling for the stop order.

Among the many issues showing the same pattern are Sears, with a long-term advance of 400%; Union Carbide, 500%; Reynolds Metals, 3900%; McGraw-Hill, 1700%; U. S. Steel, 900%, etc.

Portrayal of issue's market price history for past 15 years. Monthly highs and lows are shown, prices adjusted for splits or major stock dividends.

MINNESOTA MINING & MANUFACTURING COMPANY (NYSE-MMM)



Rep'd from Moody's Handbook of Widely Held Common Stocks

The stop order's sabotaging of continuing reasonable profits, along with income, is shown also by Mr. Darvas' own record. For $1,566,000 of his $2 million profit total was concentrated in three sensational issues; E. L. Bruce, $295,000; Universal Controls, $409,000; and Thiokol, $862,000. Thus his operations in the many other issues repeatedly ran into Stop Order trouble, with far less satisfactory results.

In any event, in the use of the stop order for getting-out, as of his "box" for getting-in, his own report of his actions as well as the record show that his results were largely gained by "intuition" or "by ear," two qualities which are non-transferable at $4.95 per copy.

His success in intuitively abandoning his own rules is strikingly disclosed in his telling of his exceptional Thiokol coup: Three months later (after his purchase) his broker wired him that he had a profit of $250,000. As he 'walked, tormented by temptation, through the streets of Paris, 'every fiber in my being seemed to be saying sell, sell — but he held on to the stock. Of course, Darvas never for a moment forgot to move his stop-loss up as the stock rose, but with Thiokol, he allowed a greater leeway of movement, so as not to risk being stopped on a short-lived reaction such as did occur (p. 168).

Our skepticism concerning the validity of his formal rules is likewise furthered by the query as why his astounding success, achieved from locations ranging from the Hotel Plaza Bar to dancing tours extending to Hong Kong, cannot be approached by our hard-working experienced Wall Street technicians using the same rules.

* * *

"How I Can Make a Million and a Half"—By the Collector of Internal Revenue

We suggest it is important for the reader to realize that ability to forget about the tax bill on market profits (short and long term) constitutes another technic that cannot be transferred. The book's only reference to the Federal tax bill on the profits is the following (p. 70): "I decided I would trade in the market by doing the right thing first—follow what a stock's behavior commands and care about taxes later." Unfortunately, the "later" does come around for us readers (and we cannot all earn the moneys to pay them, at least temporarily, by writing a book on how we did it).

Mr. Darvas' tax bill, or any benefits which he personally may have, is of course not our concern. But we would remind the ordinary reader going after $2 million that he must figure this pleasant achievement "net" as well as "gross". If you are an unmarried individual (as is Mr. Darvas) with an already-existing income of $25,000, your $2 million market bonanza (assuming it is constituted 75% in short-term profits, and 25% in those dull long-term capital gains (will put you into an "effective" bracket of 73.74%, extractible from your entire income). Thus, you can only keep $525,200 of your fantastic $2 million winnings.

If you are a $10,000 salary man, on the way to a paltry $100,000 of Darvas type winnings, your coup will face an "effective" overall deduction of 58.03%, meaning that the tax your $100,000 of bookkeeping profit will be demolished to an in-pocket $52,000.

Thus the Federal income tax bill coupled with the commission and miscellaneous trading charges which we have cited above, puts the active trader into quite a heads-you-win-tails-i-lose game.

So—enjoy the book, with your summer reading, as a glamorous story of how an itinerant dancer made a fantastic fortune in stock market gambling. But — do not (even with the publisher's money-back guarantee), get any fancy ideas about your own exploits!

Dechert Dynamics Stock Offered

Pursuant to an Aug. 8 offering circular, Plymouth Securities Corp., 92 Liberty Street, New York 6, N. Y., publicly offered 100,000 shares of this firm's 10c par common stock at $3 per share.

The net proceeds, estimated at $260,000, are to be used for general corporate purposes, including $100,000 for electronic research and manufacturing expenditures and $80,000 for completing and equipping a new building.

The company, through its subsidiary, Decherts Machine Shop, Inc., manufactures and sells two well known lines of proprietary industrial power presses. It also distributes industrial power lift trucks and steel building shells. The company, through its subsidiary Space Dynamics Corp., is researching and developing various types of transducers and other electronic components.

The company was organized under the Delaware Statutes on March 30, 1960, by Joseph P. Dechert and Allan A. Segal. Mr. Dechert in 1946, as a sole proprietor, commenced the business of manufacturing and selling custom machine parts and special custom machinery under the trade name of Dechert's Machine Shop. On Sept. 29, 1954, he incorporated his business in Pennsylvania, under the name Decherts Machine Shop, Inc. During 1958 Decherts Machine Shop, Inc. acquired all the assets, inventories, designs, patterns and good will of Robinson Press Company (founded 1906) and of Zeh & Hahnemann (founded 1904). The Robinson Press Co. was acquired for $37,400 which has all been paid. Zeh & Hahnemann was purchased for $25,000 plus approximately $50,000 for accounts receivable. There is presently due on this contract $7,249.28. In February, 1960, Decherts Machine Shop, Inc. acquired all of the outstanding stock of Space Dynamics Corp., which was organized in New Jersey on Feb. 16, 1958 by Allan A. Segal under the original name of Letco-Standard Corp., for the purpose of developing, manufacturing and selling pressure and temperature transducers and other electronic components.

Oppenheimer Branch

HACKETTSTOWN, N. J. — The New York Stock Exchange firm of Oppenheimer & Co. will open an office in Hackettstown, N. J., with Fred E. Gardner as resident manager, partner Silvio Smilovici announced here Monday, Aug. 22.

Scheduled to begin operations Aug. 29, Oppenheimer & Co.'s new office will be located at 204 Main Street.

Mr. Gardner previously served as head of the East Orange, N. J., branch of Grunberg & Co.

Funds & Secs. Investors

WESTFIELD, Mass. — Albert J. Stebbins, Jr. is conducting a securities business from offices at Woodside Terrace under the firm name of Funds & Securities Investors. Mr. Stebbins was formerly with DiRoma, Alexik & Co.

Pacotronics, Inc. Common Offered

On Aug. 24 Myron A. Lomasney & Co., of 39 Broadway, New York 6, N. Y., publicly offered 150,000 shares of the $1 par common stock of Pacotronics, Inc. at $4 per share.

Pacotronics, Inc. and its subsidiaries are engaged in the manufacture and sale of electronic test equipment for industrial and consumer use, high fidelity components and panel meters for use in electrical instruments. The company intends, upon the completion of this offering, to manufacture and sell additional products.

The net proceeds from the sale of the stock will be $485,000 and, as currently estimated, will be added to the general funds of the company and will be used as follows:

(a) to discharge an aggregate of $90,000 in short-term bank loans, such funds having been utilized since April, 1959 to provide additional working capital; and

(b) to finance the research and development of new products (several of which are in the development stage) and to purchase equipment necessary for the manufacture and production of such products, as well as new products now ready to be marketed.

International Secs.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — International Securities Corporation has been formed with offices at 1513 West Temple to engage in a securities business. Officers are Charles M. Boutelle, president; Kenneth E. Halbert, vice president; and Jack E. Glassford, treasurer.

S. S. Jacobs Opens

PHILADELPHIA, Pa.—Steven S. Jacobs is conducting a securities business from offices in the Philadelphia National Bank Building. He was formerly with H. Hentz & Co.

Morton Branch

EDISON, N. J.—The B. C. Morton Organization has opened a branch office at 1980 Highway 27 under the management of Paul Kosene.

Forms Harvey Geisler Co.

POMPANO BEACH, Fla.—Harvey N. Geisler has formed Harvey N. Geisler & Co. with offices at 7 Northeast 27th Avenue to continue the investment business of Johnson and Geisler of which he was a partner.

Form Mann & Creesy

SALEM, Mass.—Mann and Creesy is continuing the investment business of Mann & Gould, 70 Washington Street, members of the Boston Stock Exchange. Principals are George P. Mann, Jr. and William N. Creesy.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—Practically everyone is affected by the movements in interest rates. In 1959 when interest rates on marketable securities rose to postwar highs there was alarm over the country.

On Capitol Hill, when the Treasury Department had to offer a 5% interest rate on a note of a little less than five years, there was a loud howl by the "low interest" rate advocates.

The liberal elements in Congress blamed the high interest rates on the Eisenhower and Republican Administration. Some of them said the Republicans believe in high interest rates, and that tight money was a goal of the Republican White House. Of course, there was no substance to their rash statements.

Even before the old year was rung out and the new year of 1960 came in, there was an indication that interest rates had reached their peak. Since the beginning of the year there has been a marked decline in rates. Yields on Government securities, particularly those in the short term category, have sharply declined.

Treasury Expected to Refund Some Debt

As a result, the Treasury Department is looking ahead. As a matter of fact, the Treasury appears likely to be getting ready to do a substantial amount of refunding the national debt. If this proves correct, and there are indications at the Department that it will be done, this is a big and important story economically.

There have been reports in the capital for some time that, if and when the Treasury decides on a substantial amount of advance refunding, it would likely involve World War II issues which carry a 2½% coupon and which mature from 1967 to 1972.

A few days ago there was partial confirmation of the reports and speculation in governmental circles by Under Secretary of the Treasury Julian B. Baird, who is one of the nation's foremost authorities on the Federal debt. [*Ed. Note: See Mr. Baird's talk on page 3.*]

Mr. Baird said these 1967-72 wartime issues total about $28,000,000. For the most part they are held by institutional long-term investors, pension funds, endowment funds, along numerous others who obtained them at par. The Under Secretary then made this pertinent observation of interest to the financial circles of this country:

"Because interest rates in the 7 to 12 year maturity range are above the 2½%, many holders of these bonds are 'locked in,' in the sense that they would incur a principal loss if they sold the securities.

"If the Treasury can offer them in exchange a somewhat higher interest coupon in consideration for taking a 20, 30, or 40-year bond, these investors can better their curernt yield and still carry the new bond on their books at par. By offering such an exchange to holders of some issues of the tap 2½s, the Treasury might achieve several billion dollars of debt extension at one time, with perhaps no more immediate market impact than would be the case if $½ billion to $1 billion were offered for cash."

The Treasury Department, when it offers a longtime bond, attracts funds that normally would be available for other kinds of long-term securities. Because this is the case, the Treasury usually keeps its long-term issues to $1 billion or less.

Defend Financing Practices

Both the Treasury and Mr. Baird maintain with emphasis that it is not illogical to issue new securities maturing in the intermediate area of from five to 10 years as was done in August, and at the same time offer in exchange new securities to holders of bonds in the intermediate area of less than 10 years, for long term bonds.

The Treasury maintains with some logic that the paramount reason for advance refunding lies in offering a typical long-term holder, whose bond is nearing the short-term status, to extend his bond before the holder elects to sell rather than extend it through a new security.

Treasury officials have been preaching for sometime that the colossal debt of our country is "manageable," if from $20 to $30 billion of the debt could be taken out of the one to five-year area and put in a period of more than five years—from five to 10 years.

Government Surplus Important Factor

One contributing factor, though not a major one by any means, to the present level of lower interest rates on Federal Government securities is the fact that the Government operated at an estimated cash surplus of about $4.5 billion the first seven months of 1960. The improved position, of course, shifted the position of the Government from a borrower to a repayer of the debt it owes.

The Federal Reserve Bank of St. Louis says the declines in the yields of government securities such as the recent one, have occurred only twice since World War II came to an end. They were between May 1953 and June 1954 and again from November 1957 to July 1958. During both of those periods of declines, they accompanied an economic recession.

Therefore, this is the first time since the Japanese surrendered that interest rates have declined so much and for so long a time while business continued at a healthy rate of activity.

Although the interest rates on Federal Government securities have gone down considerably, this has not been true for most interest rates on securities issued by businesses and by state and municipal governments. The reason is that demand for money had been fairly brisk. Therefore, the rates of interest on these securities have not declined as great as those in the Federal Government category.

Mortgage debt rose the first seven months of 1960, but at a lower level than the corresponding period of 1959. Interest rates on mortgages have not declined very much, with rates averaging about 6%, according to some of the Federal Reserve Banks.

More Mortgage Money Forecast

The president of the Federal National Mortgage Association, J. Stanley Baughman, is convinced that there will be a continued increase in the supply of home mortgage money between now and Christmas.

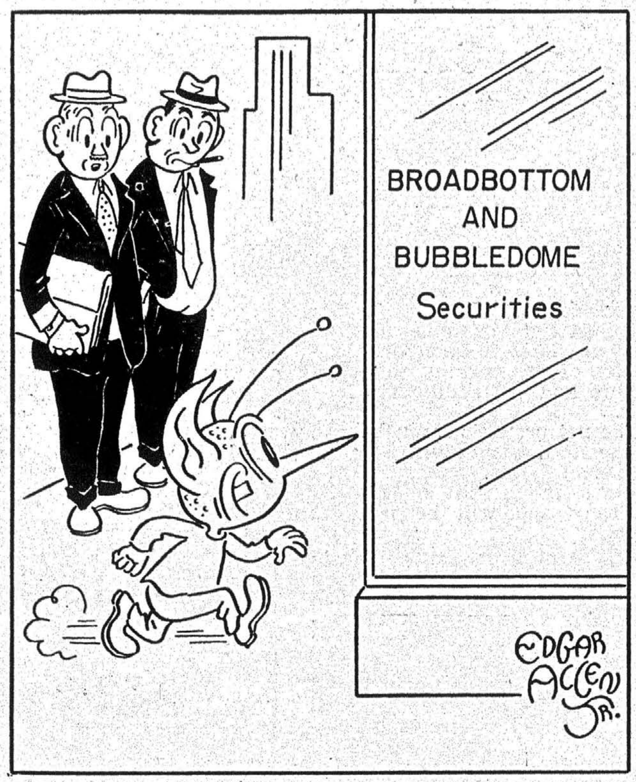
The FNMA chief believes that the ease in the money market that was shown in the second quarter apparently is going to continue for the next several months. Therefore, he predicts more favorable mortgage conditions for the home buyer this fall and winter.

A quarterly report by the agency's operations showed that the value of mortgages offered for sale to the Federal National Mortgage Association declined 27% duing the April-June period. The decline was from $389 million to $289 million.

Credit funds come primarily from savings. If demand for credit is brisk the interest rate goes up, and if the demand is slack, the rates go down. The Federal Reserve Bank of St. Louis in its Review makes a pertinent observation that the Treasury Department has been advocating to Congress for some time, but Congress has turned a deaf ear to the proposition of lifting the ceiling on interest rates for Government securities bearing a maturity date of over five years.

"Experience indicates that for interest rates to serve their functions best they must continue to be unencumbered and free to move with changing economic conditions," said the bank. "Nevertheless, there is a tendency to rationalize that what has occurred in the recent past is normal and any variation is suspect. Thus, whenever rates change some people become alarmed."

[*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.*]



"Their radio-TV advertising seems to reach everywhere!"

COMING EVENTS

IN INVESTMENT FIELD

Sept. 8-9, 1960 (Chicago, Ill.)
Municipal Bond Club of Chicago 24th annual Field Day — Sept. 8, Luncheon at Chicago Yacht Club; Dinner at Union League Club—Sept. 9, Field Day at Elmhurst Country Club.

Sept. 8-10, 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.